

The Actuarial Profession

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Current Issues in Healthcare

"The Future for CI and IP"

12th December

LONDON

Critical Feedback on our Table

Johann DuToit

Gen Re LifeHealth

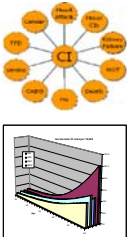
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Agenda:

▪Recap of CIIT00

▪Possible Improvements


▪Industry Survey



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Raison d'etre



▪ No publicly available UK Insured Lives table

▪ UK Reinsurance Industry priced CI on smoker differentiated tables since 1990s

▪ CMI released 1999-2002 CI data in 2005

▪ Gender Directive – Sex differentiated rates if supported by published research

▪ ...Presented at IAAHS Colloquium in May 2007

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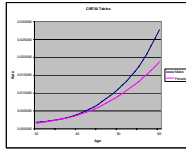
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CIIT00

- CMI 1999-2002 data
- 11,803 claims
- Change shape of CIBT02
- Rates for ABI conditions
- Sex / Smoker distinct rates
- Illness dependent Select Period
- Accelerated and Standalone Tables

- ...available on the Gen Re website



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Points of Interest out of the Paper

- Difference between ACI and SCI experience
- Grouping of Conditions
 - Select Pattern
 - Settlement Delays
 - Price non-ABI conditions



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Feedback

- Encouraging feedback
- Client survey revealed no problems – still early days
- Some concerns about immature data
- Formal feedback from SCOR

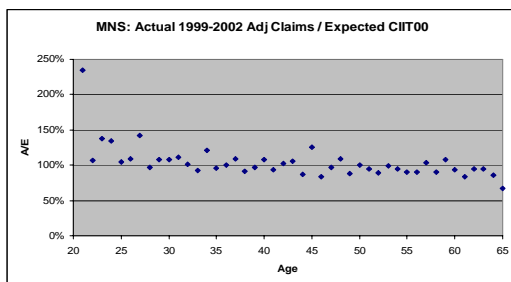
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SCOR Feedback

- CIBT02 is an Age Exact table – no effect on CIIT00
- Data is young and select – give additional weight to ultimate and higher ages
- Concern about the shape by age
 - CIIT00 rates appear low at ages under 25, high at ages over 60

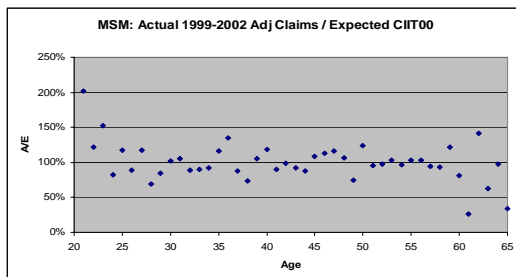
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MNS: CMI 99-02 A / CIIT00 E by Age



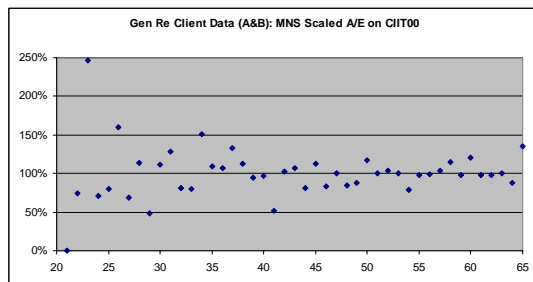
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MSM: CMI 99-02 A / CIIT00 E by Age



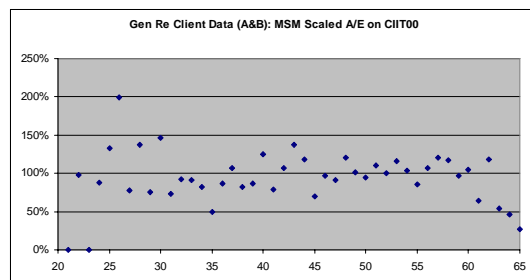
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Client Experience (1)



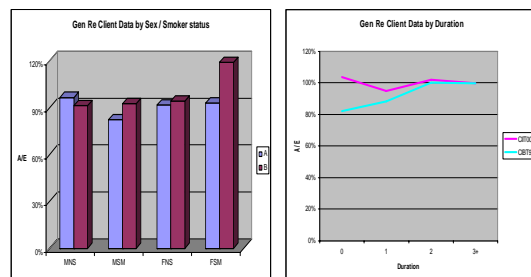
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Client Experience (2)



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Client Experience (3)



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Interest in CIIT00

- Gen Re Website Hits (14 May – 30 Nov):

Paper: A Critical Table	166
CIIT00 Table	112
Goodness of Fit Tests	83
Supporting Data	72

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Client Opinions

- A. CIIT00 partly meets the need of insurance companies that price and reserve for CI 100%
- B. Delay the publication until more reliable data has been collected e.g. 2003-2004. 0%
- C. It should have been left to the CMI to produce a graduated table. 0%

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Are Companies using CIIT00?

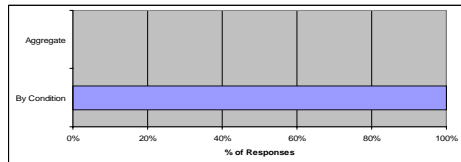
- Some companies currently use CIIT00 for Experience Analysis
- Not yet for Pricing and Reserving
- ... Gen Re LifeHealth will be reporting to the FSA in 2007 on CIIT00

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CI Table by Condition?

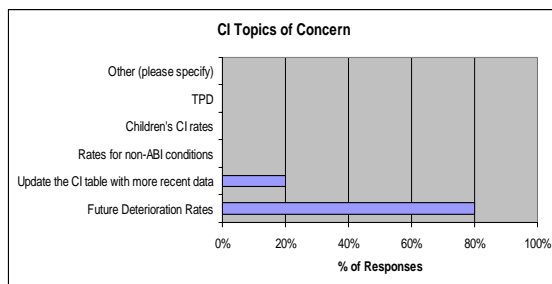
A. CI Table split by Condition

B. Aggregate CI Table only



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CI Topics of Concern



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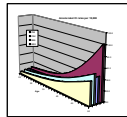
Conclusion

- Based on UK Insured Lives data
- Provides Sex / Smoker / Illness distinct rates
- Select Period by Condition
- Suitable for Experience Analysis, Pricing and Reserving
- Available at www.genre.com/cit

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Contact details

Johann DuToit
Financial Reporting Actuary
Gen Re LifeHealth UK
Tel. No.: 0207 426 1834
Email: jdutoit@genre.com



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