



Continuous Mortality Investigation

Institute and Faculty of Actuaries

Data submissions to the CMI Annuities investigation

Introduction

Historically the CMI specified detailed data requirements for its investigations. More recently it has adopted a flexible approach to data collection; to make it easier for insurers to submit data.

This document outlines the data we are seeking from insurers; in particular it incorporates changes to take account of the introduction of the General Data Protection Regulation (GDPR) in May 2018. These changes encourage firms to:

- Use a secure file transfer site for data submission;
- Round dates of birth and dates of retirement to month and year; and
- Provide capped pension amounts, above £100,000 pa.

We have also introduced a mapping tool to convert postcodes to measures based on the Index of Multiple Deprivation (IMD) for each record, to facilitate analysis of mortality experience by socio-economic status.

What is the scope of the investigation?

The Annuities investigation covers Life annuities, Pensions annuities in payment and Pensions savings contracts, i.e. deferred annuities; however our current focus is on non-enhanced pension annuities in payment (see “Investigation years”, in the Appendix, for more details on this).

What data do we need to supply?

The CMI is adopting a flexible approach, similar to that used for non-enhanced annuities for the 2011-2016 analysis, issued alongside [Working Paper 117](#). This approach is intended to avoid areas that have previously proved problematical and to keep the number of compulsory fields to a minimum, thereby making data submission as easy as possible for offices whilst still providing valuable aggregated results.

Details of the data that the CMI needs are contained in the Appendix to this note.

What will the CMI do with our data?

Initial checks will be applied to ensure that we understand the data you have supplied; this will be done as soon as possible and we will then let you know whether we are able to proceed. In some cases we will need to check our understanding of your data but we will seek to keep the number of queries to a minimum by focussing only on issues material to the results.

When the processing of your data is complete, we will send you a “data report”, summarising the assumptions and mappings that we have applied to your data, and office-specific results. These office-specific results will cover each individual year and each period for which data is submitted. You will be asked to review the data report and the results to ensure that we have not misinterpreted your data.

Once data collection is deemed complete, the CMI will produce aggregated (“all offices”) results for each calendar year and for each quadrennium. These results will be available to all CMI subscribers; as will commentary on key features contained in a Working Paper.

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Continuous Mortality Investigation Limited (“CMI”) is registered in England & Wales (Company number: 8373631) with its Registered Office at: 7th floor, Holborn Gate, 326-330 High Holborn, London, WC1V 7PP

The CMI may also make high-level results available more widely, for example via articles in *The Actuary* magazine or presentations open to all members of the IFoA.

Who will have access to our data?

Data submitted to the CMI, in any form, is subject to the [Terms and Conditions for Data Contributors](#), and is processed in accordance with CMI's Data Handling Protocols which address both data protection considerations and protecting the confidentiality of individual contributors' data. These are available on request.

Contact Details

If you have any questions, please contact us on annuities@cmilimited.co.uk or 020 7776 3820.

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Appendix: CMI Annuities investigation – Data submission guidelines

Flexibility

We recognise that the resources necessary to convert data from an office's own database(s) into a rigidly specified format may discourage a potential contributor. Clearly though, each office's data will have to be converted into a standard format before being combined with other offices' data; so the CMI Secretariat needs enough explanatory information regarding your data to enable us to format the data appropriately. An accompanying explanation of the data fields and approach used would be greatly appreciated.

If possible, we encourage you to submit data files that you use for other purposes, such as internal experience analyses; these should necessitate less work for you to submit data and should also mean that the results we send back to you are more consistent with your own results.

We suggest that offices consider the data they can submit and then contact the Secretariat at an early stage in their data preparation to agree whether the data meets the CMI's needs. In particular, it may be helpful if offices submit a small volume of "test" data to allow the Secretariat to provide an opportunity for any issues to be resolved in advance of preparing a full data submission.

Personal data

Data supplied to the CMI must not include name, address or postcode of any policyholder. Consequently, the vast majority of records within a CMI dataset could not be related to a particular individual and would not, therefore, constitute "personal data" under data protection legislation. However, a few records may fall within the legal definition and we therefore:

- 1 Seek to minimise this likelihood by using rounded dates of birth and capping benefit amounts (see below) in the data we use; and
- 2 Treat all such data as if it were personal data from a legal and data security perspective.

Principles

The CMI is seeking to compare incurred deaths with exposure, calculated on a day-count basis where possible. In order to do this we require:

- Details of each life under each distinct benefit type;
- Details of when each policy went on-risk and off-risk; and
- Additional details regarding deaths; the definition of these is considered further below.

In addition, we are seeking to analyse the experience:

- of "similar" product types, so require some product details;
- on an amounts-weighted basis, so require a measure of current benefit amount;
- by benefit amount band, so require a measure of initial benefit amount;
- between standard and enhanced annuities, so require these to be identified;
- by year, so the data should allow us to calculate exposure and allocate deaths by calendar year; and
- by socio-economic status, as measured by the Index of Multiple Deprivation (IMD).

Structure of data files

The CMI is happy to accept data files in a number of structures, including:

- "Movements" data, indicating when policies go on-risk and off-risk within each calendar year.
- "Census" data, comprising in force data at the end of each 31 December (including the prior year) and a listing of deaths.
- "Policy history" files, including the complete history of a policy in a single record.

Other approaches may also be acceptable – but please discuss them with us first!

Essential data items

The data items that we regard as essential are:

- Record identifier, to enable ready identification of a record should a query arise.
- Gender.
- Date of birth (see below).
- Record type (i.e. In force, exit or death, dependent on the structure of data that is supplied).
- Policy number (or other unique identifier).

- Details of the type of cover (see below).
- Policy Commencement Date (NB for dependants' annuities, we request the date the contingent pension commenced).
- Initial Benefit Amount (not applicable for deferred annuities) – see below.
- Current Benefit Amount (not applicable for deferred annuities) – see below.
- Whether a policy/life is enhanced (unless you only supply data on “standard” or “enhanced” annuities).
- Date and type of exit, if applicable (for census data, only deaths will be supplied). Our preferred field for the date of claim is the date of death.

Please talk to us if any of these data items cannot be supplied; other fields may provide the information that we need.

Desirable data items

The following additional data fields are particularly desirable:

- Territory of the life insured at outset (unless the data can be regarded as UK).
- Joint Life/Single Life indicator.
- Distribution Channel for individual pension annuities; in particular distinguishing between internally vesting policies and external (IFA).
- Socio-economic indicators – we are keen to receive a measure based on the Index of Multiple Deprivation (IMD) for each record and have made available a postcode mapping tool along with supporting documentation on the [CMI Data](#) page of the IFoA website.

Dates of birth

To reduce the likelihood of individuals being identifiable, we encourage firms to always use “16” as the value for “dd”. However we will accept and process data submissions containing:

- Exact values, but will replace “dd” with “16” for the purposes of our analyses.
- Dates with quarterly- or half-yearly rounding; if so, please advise us of the rounding used.

Note: We additionally request that the policy commencement date be rounded in the same way as the date of birth.

Types of cover

Results will be produced separately for Pension Annuities in Payment, Life Annuities in Payment and Pension Annuities in Deferment; the Secretariat will need to be able to distinguish between these. In addition the CMI is keen to segregate Pension Annuities in Payment between:

- “Standard” individual pensions annuities;
- “Enhanced” individual pensions annuities;
- Group annuities, where the annuity benefit is provided by an occupational scheme; NB this does not include pensions written as individual contracts with members (e.g. Group Personal Pension plans), which are regarded as individual pension annuities;
- “Insured transfers”, where an insurer takes over a portfolio from another insurer and the original product types are unknown; and
- Buy-out business, where a pension scheme has effected individual annuities for members; if possible, distinguishing between medically-underwritten data and non-underwritten data.

(We are not seeking data relating to buy-in arrangements, where a pension scheme has purchased annuities on behalf of the scheme to mirror its liabilities to members; this data is captured under the SAPS investigation for large schemes.)

Our working definition of an enhanced annuity is a pension annuity whose annual payments have been increased as a result of an individual underwriting process based on medical history and/or lifestyle factors, such as smoking. It does not include annuities where the amount is varied according to the postcode of the annuitant(s) only.

Benefit amounts

As with exact date of birth, we recognise that very high amounts potentially increase the chance of certain people becoming identifiable. Consequently, for both the initial and the current amount, we encourage firms to provide a value of “999999” for any record with an amount over £100,000 and we will then re-weight these values in our

analyses. However we will accept and process data submissions containing exact values, but will replace this with the substitute value for the purposes of our analyses.

Deaths

Deaths should be regarded as the first of:

- The death of a policyholder, notified to the office in a form acceptable to the office (including during any guaranteed minimum payment term); and
- Cessation of benefit payments on annuities where death is suspected.

The cessation of benefit payments on reaching the end of the term on a temporary annuity should not be submitted as a “death”.

Investigation years

Our current focus is on non-enhanced pension annuities in payment and we are currently seeking data for the years 2007 to 2017:

- Offices that have previously submitted data are usually asked to re-submit the most recent year of their previous submission (to capture any late-reported deaths) and we are currently seeking data for the subsequent years to 2017.
- Although the CMI has released “all offices” results for 2007-2010 (alongside [Working Paper 70](#) in 2013), 2011-2014 (alongside [Working Paper 101](#) in 2017) and 2011-2016 (alongside [Working Paper 117](#) in 2019), we are still keen to receive data as far back as 2007 from offices that have not previously submitted data if the data is of good quality and this does not involve significant work for the office.

Our intention is to return to regular annual reporting of experience for non-enhanced pension annuities in payment before we report again on deferred annuities and enhanced annuities; however we are happy to accept data from offices that wish to submit data sooner. (Results for the years 2007 to 2010 were issued for deferred annuities alongside [Working Paper 70](#) in 2013 and for enhanced annuities alongside [Working Paper 87](#) in 2015.)

Methods of submitting data

We are happy to accept data from your secure file transfer site or you can use the Barnett Waddingham site – please email us on annuities@cmilimited.co.uk to agree the more convenient approach – in the following file formats:

- Text/CSV – commas should separate each field or the file should be arranged in fixed width format.
- Spreadsheet.
- Database – we request that database formats are Microsoft Access. For offices using different database software, we suggest that data be converted into Text/CSV.

Alternatively, data can be submitted by email but this should ONLY be done if you are confident that the data submission does not include any personal data. Where e-mail is used, the attaching file should, where possible, be compressed. We encourage data contributors to encrypt and password-protect all data files. Passwords should be provided separately (by telephone) from the data.

The Secretariat may be able to accept other commonly used form of electronic data transmission but please contact us beforehand to check.