

Update on Guaranteed Issue and Preneed Mortality

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Committee”)

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Guaranteed Issue (GI) table overview

Basic Table	Valuation Table
<ul style="list-style-type: none"> 5-year anti-select and ultimate 	<ul style="list-style-type: none"> Ultimate only
<ul style="list-style-type: none"> Uni-smoke / composite only 	<ul style="list-style-type: none"> Uni-smoke / composite only
<ul style="list-style-type: none"> Male/Female/Unisex 	<ul style="list-style-type: none"> Male/Female/Unisex
<ul style="list-style-type: none"> S&U: ALB ; Ult: ANB/ALB 	<ul style="list-style-type: none"> ANB/ALB
<ul style="list-style-type: none"> Omega Qx = 0.500 at attained ages 110+ 	<ul style="list-style-type: none"> Omega age of 121 with Qx = 1.000
	<ul style="list-style-type: none"> Loading = 2017 CSO loading ~17% - varies by attained age Coverage: 98.9% by exposure; 55% of contributing companies

Per LATF, desire to expose table and test with broader range of participating companies

GI working definition

A policy or certificate where the applicant must be accepted for coverage if the applicant is eligible. Eligibility requirements may include:

- Being within a specified age range
- Being an active member in an eligible group (e. g. group solicitation in direct marketing)

Inclusion in any of the following characteristics or product types disqualifies the policy as GI:

- Actively at work requirement
- Employer groups
- Acceptance based on any health related questions or information
- Waiving of underwriting requirements based on minimum participation thresholds, such as for worksite marketing
- COLI / BOLI
- Credit Life Insurance
- Juvenile-only products (e. g., under age 15)
- Pre-Need

Current Practice:

- Low face amount and products may have limited or modified benefits in early policy years;
- The applicant may not choose the face amount of the policy (e. g. marketing associated with mortgage events)



GI Table Status

- Basic and Valuation (CSO) Tables developed and ready to be exposed
- Written report finalized
- GI working definition proposed

Simplified Issue (SI) Table Overview

Basic Table	Valuation Table
<ul style="list-style-type: none"> • 10-year select and ultimate 	<ul style="list-style-type: none"> • Ultimate only
<ul style="list-style-type: none"> • Uni-smoke / composite only 	<ul style="list-style-type: none"> • Uni-smoke / composite only
<ul style="list-style-type: none"> • Male/Female/Unisex 	<ul style="list-style-type: none"> • Male/Female/Unisex
<ul style="list-style-type: none"> • ANB/ALB 	<ul style="list-style-type: none"> • ANB/ALB
<ul style="list-style-type: none"> • Omega Qx = 0.500 at attained ages 111+ 	<ul style="list-style-type: none"> • Omega age of 121 with Qx = 1.000
	<ul style="list-style-type: none"> • Loading = ~20% • Coverage: 94.9% by exposure; 71.4% of contributing companies

- Working definition still in development
- Loading lower than prior report – applying to ultimate rates rather than S&U rates



Status of SI Tables

- Basic Table: development is complete
- Valuation Table: finalizing application of loading and smoothing
- Written report: in final stages
- Definition of SI: remains in progress as part of broader Joint Committee's SI/AUW Work Group Definitions Subgroup



Thank you for the opportunity to provide input.

If you have any questions or would like to further discuss these topics, please contact Heather Jerbi, assistant director of public policy, at jerbi@actuary.org.



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