



AMERICAN ACADEMY *of* ACTUARIES

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Cancer Claim Cost Table Work Group

Brad Spenney, MAAA, FSA
Chairperson, Cancer Claim Cost Table Work Group
American Academy of Actuaries

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Objectives

- The CCCTWG was formed to collect industry cancer insurance product claim data to form updates to the current valuation standard (1985 cancer claim cost tables)
- Secondary output would be tables that actuaries could use in pricing
- Data collection limited to first occurrence and hospitalization benefits

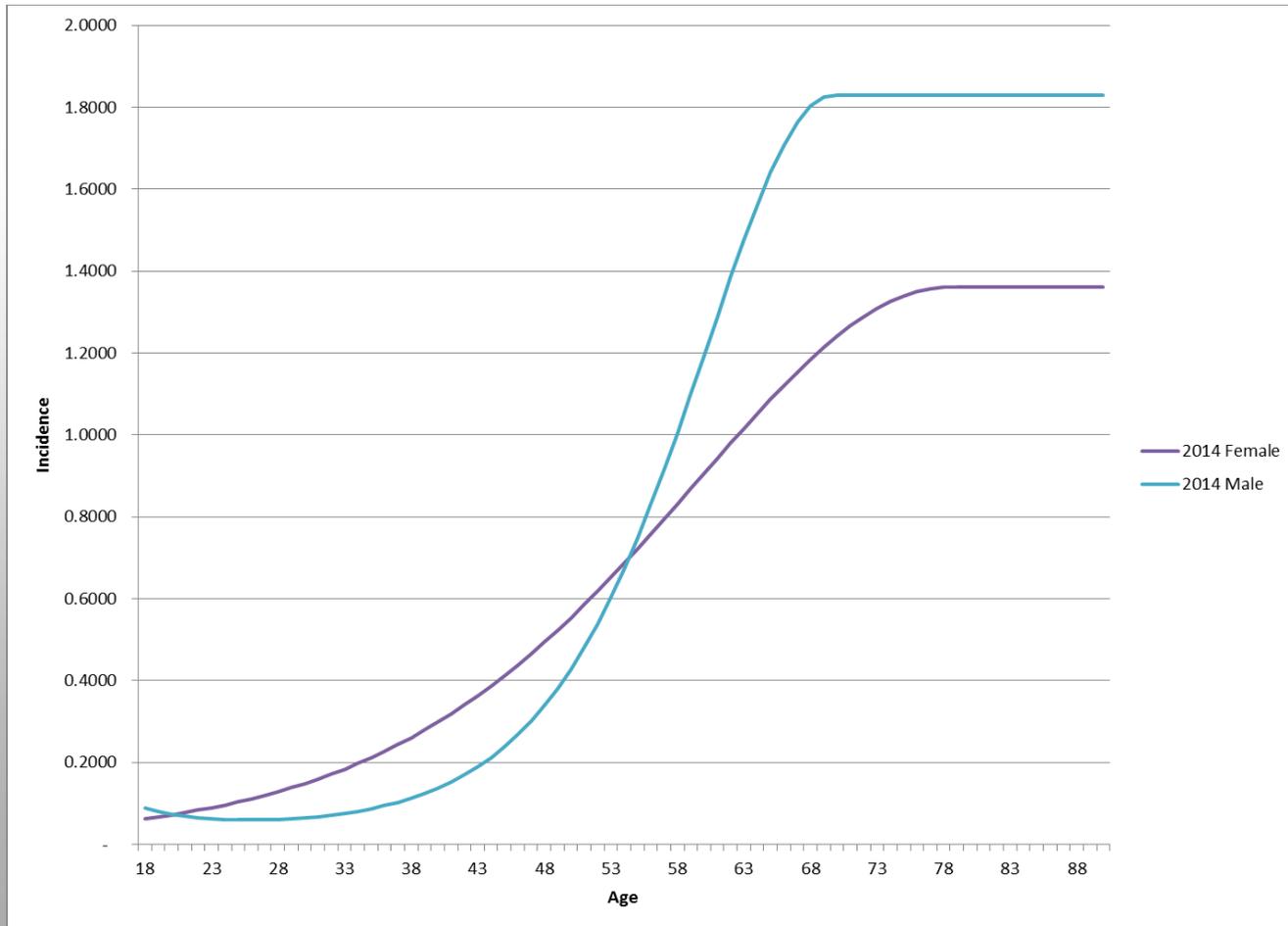


Current Status

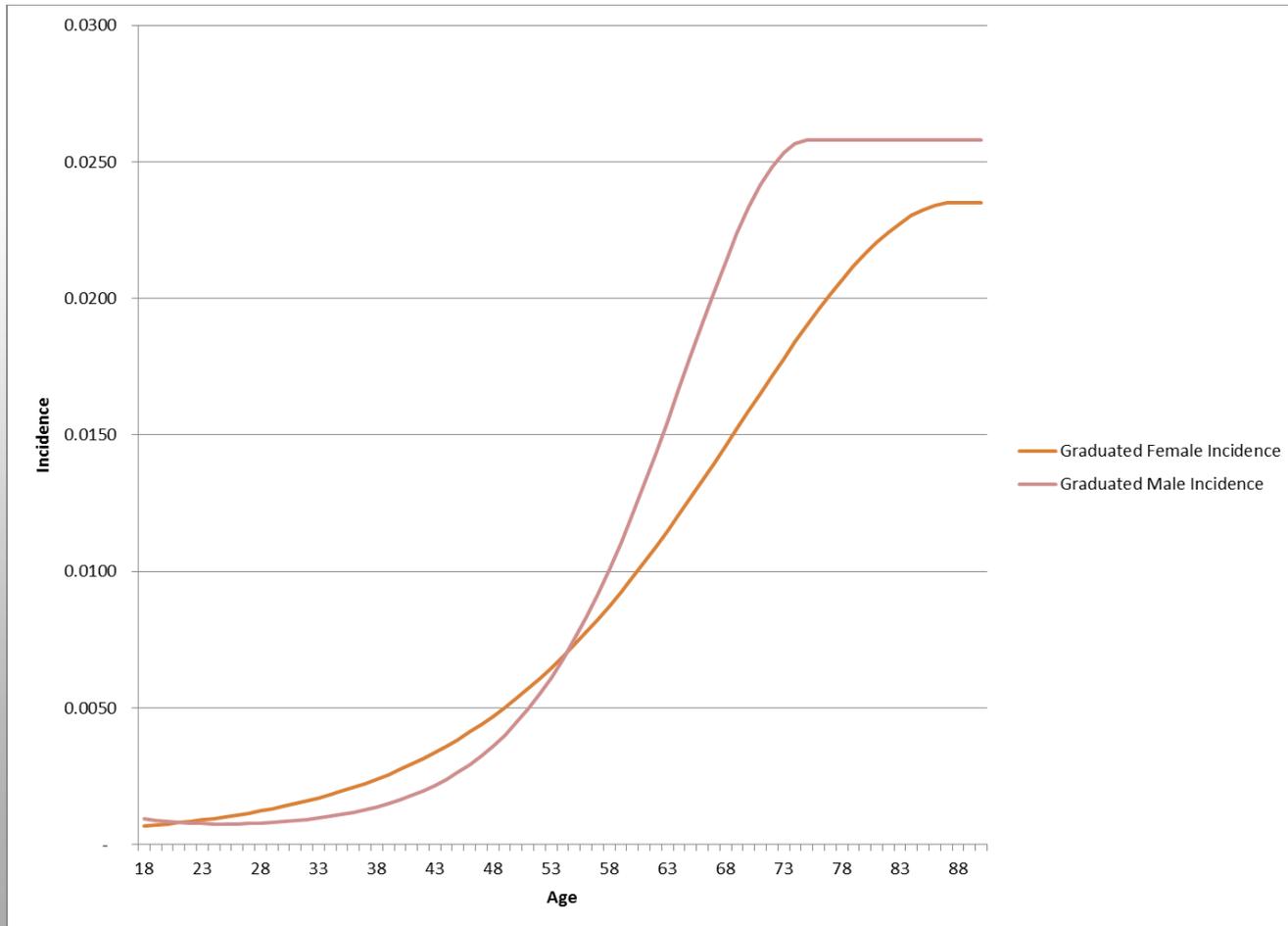
- Graduated tables have been produced
- Loading method has been approved
- Loaded tables have been developed
- Sample reserves have been calculated



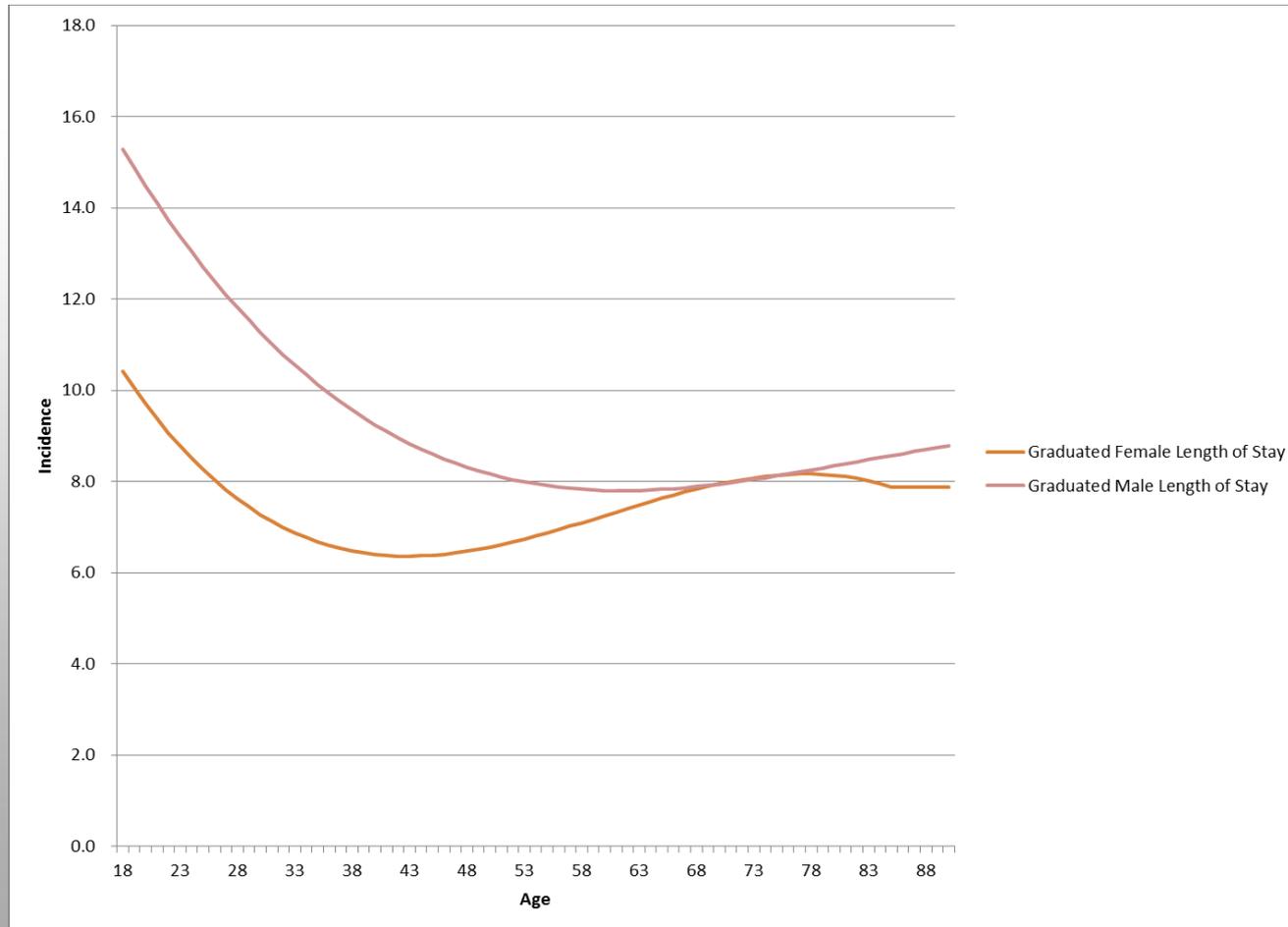
First Occurrence Rates



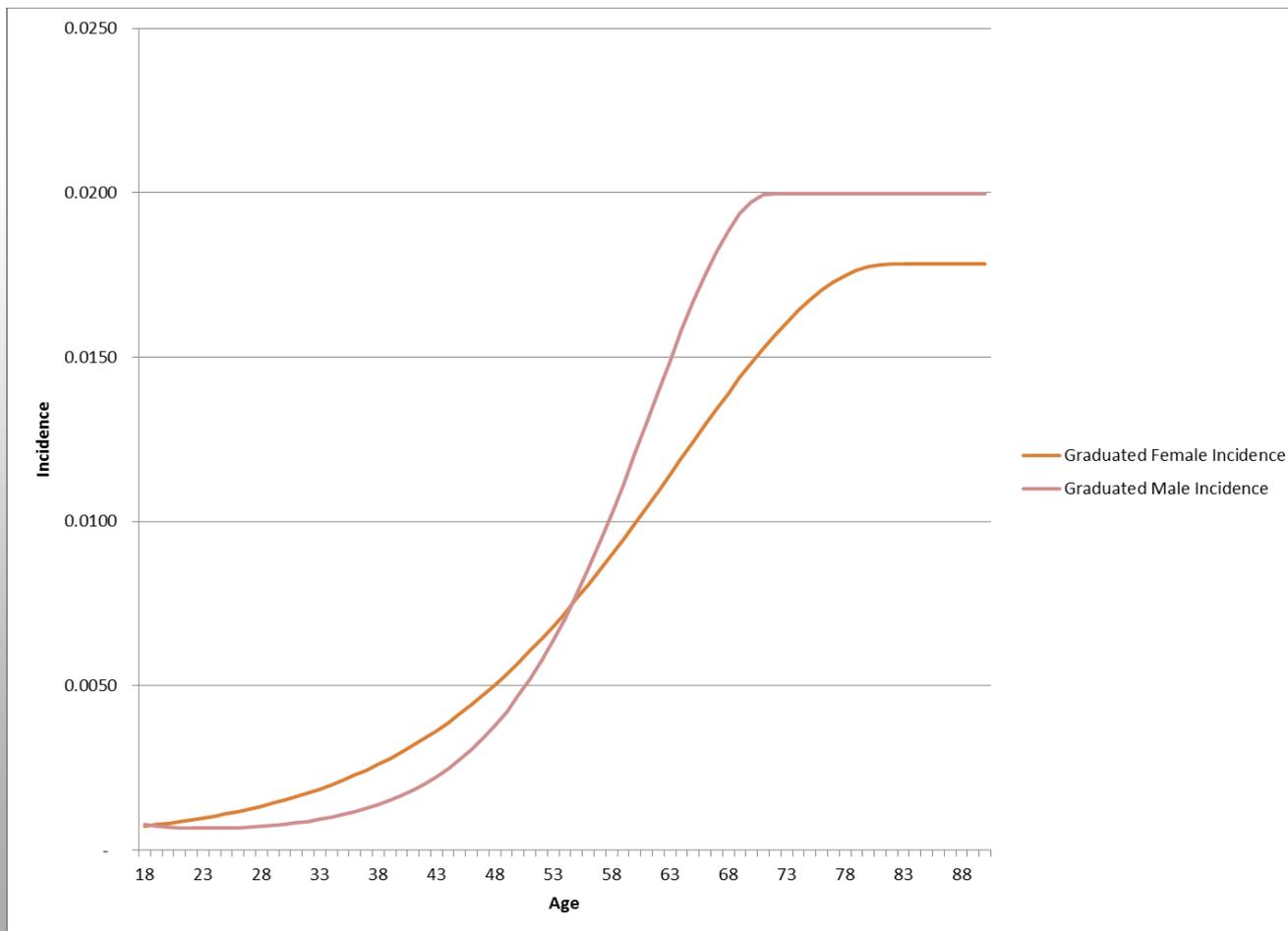
Each Payment Hospital Incidence



Each Payment Hospital Length of Stay



All Payment Hospital Incidence



All Payment Hospital Length of Stay

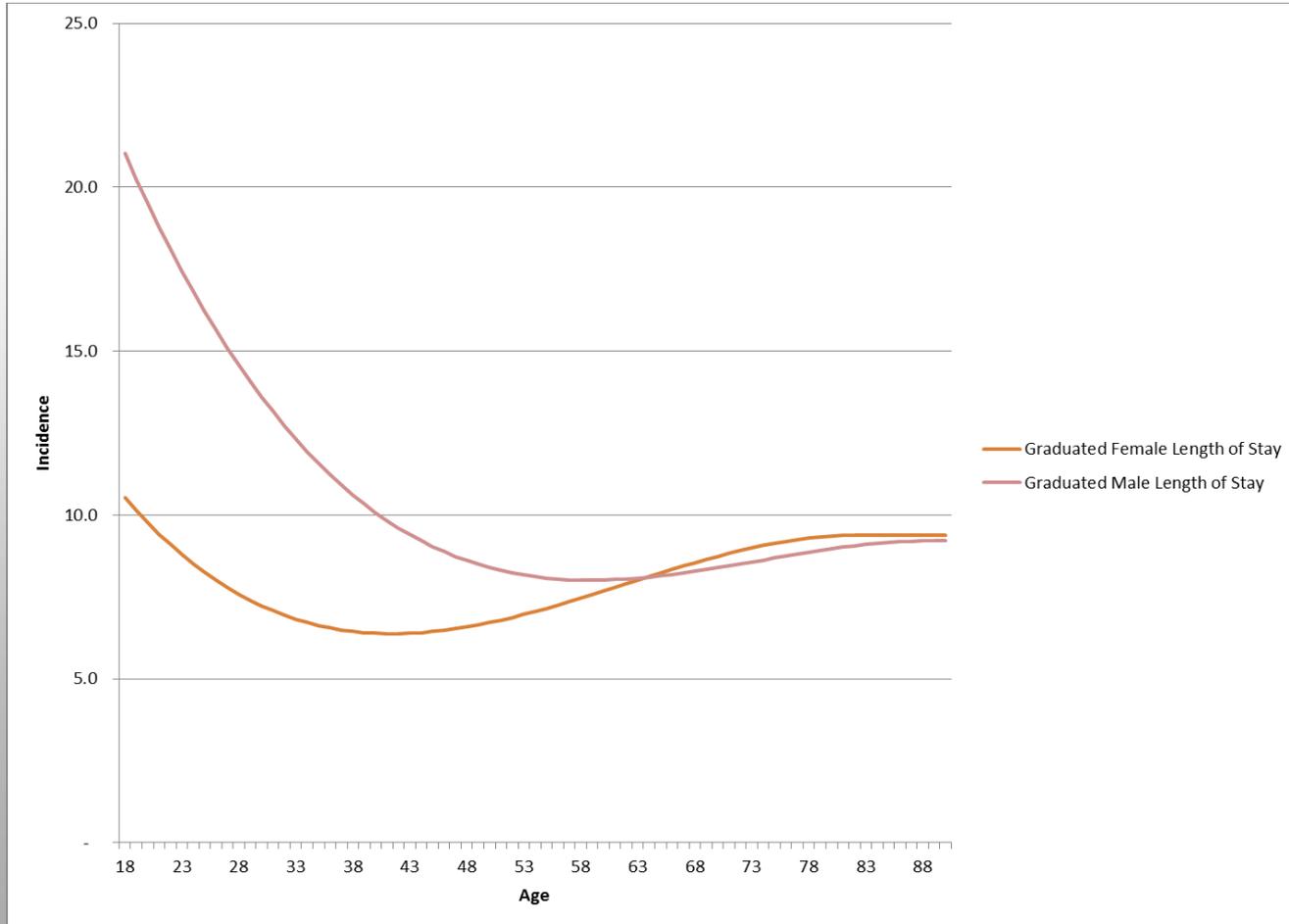
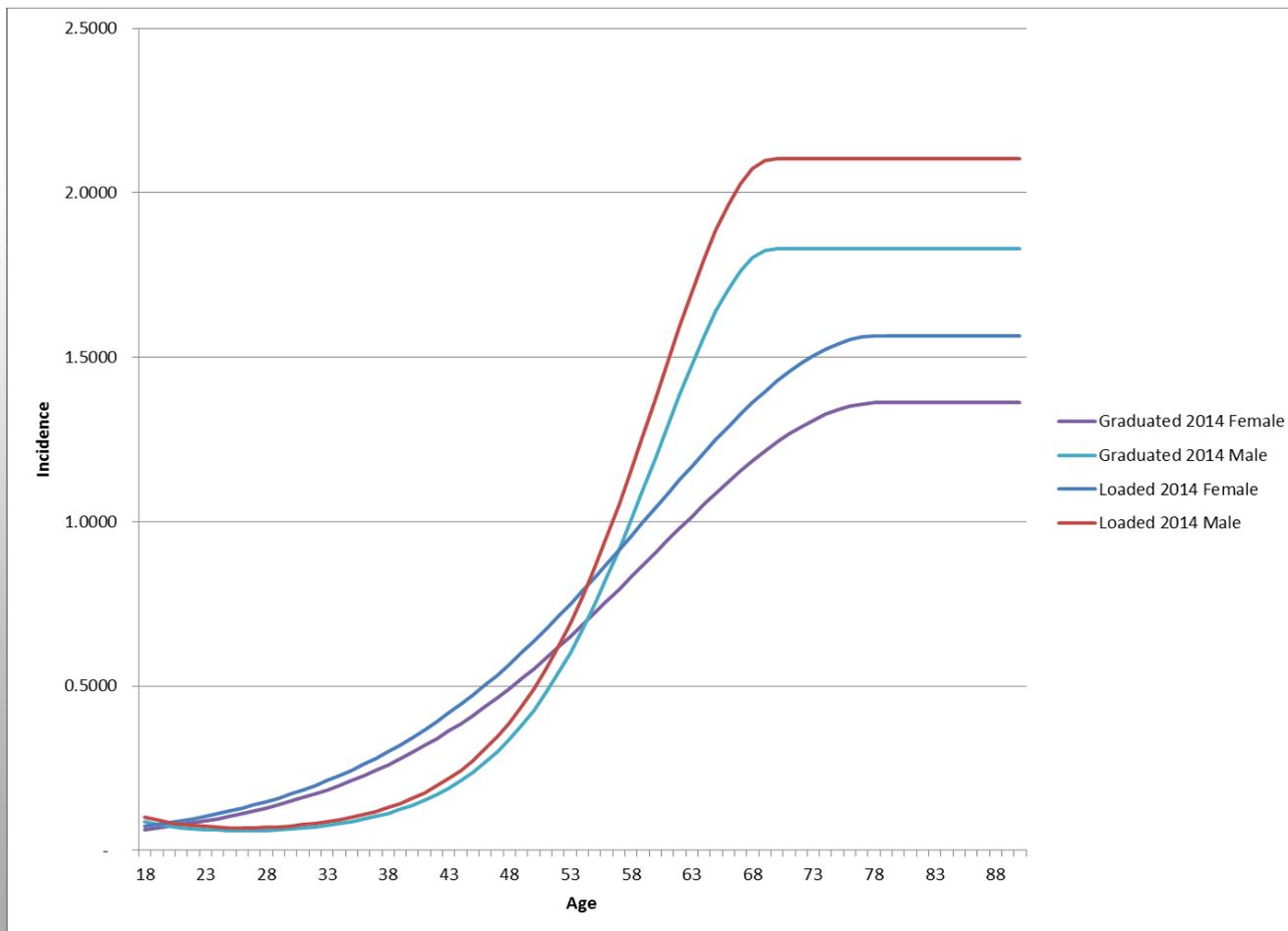


Table Loading

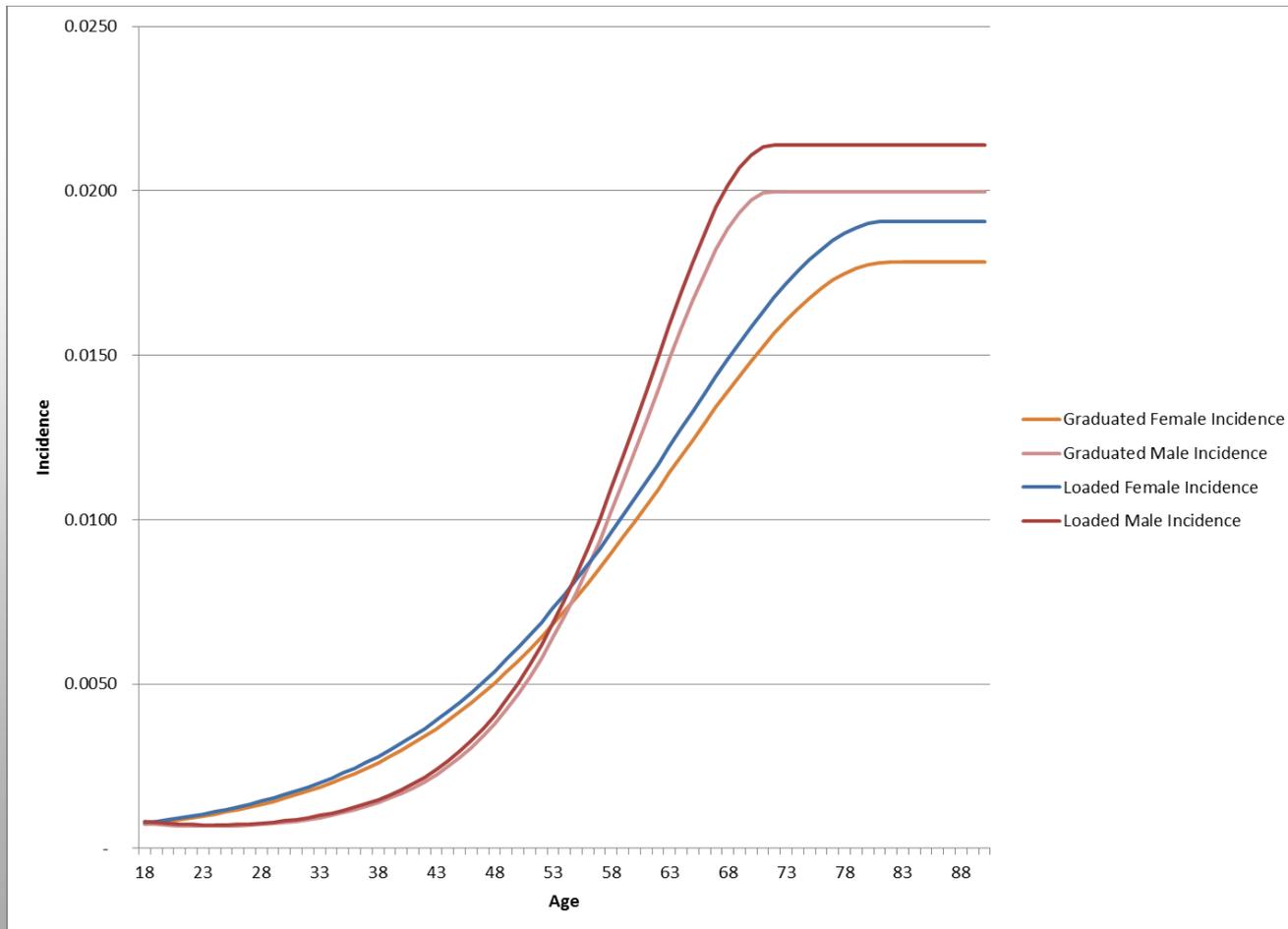
- Conducted analysis to cover at least 80% of companies in the study
- Results show:
 - 15% for first occurrence
 - 7% for all payment hospitalization
 - 9% for each payment hospitalization
- Lengthy discussion of possible simplification
- Applied the above loads to the incidence tables



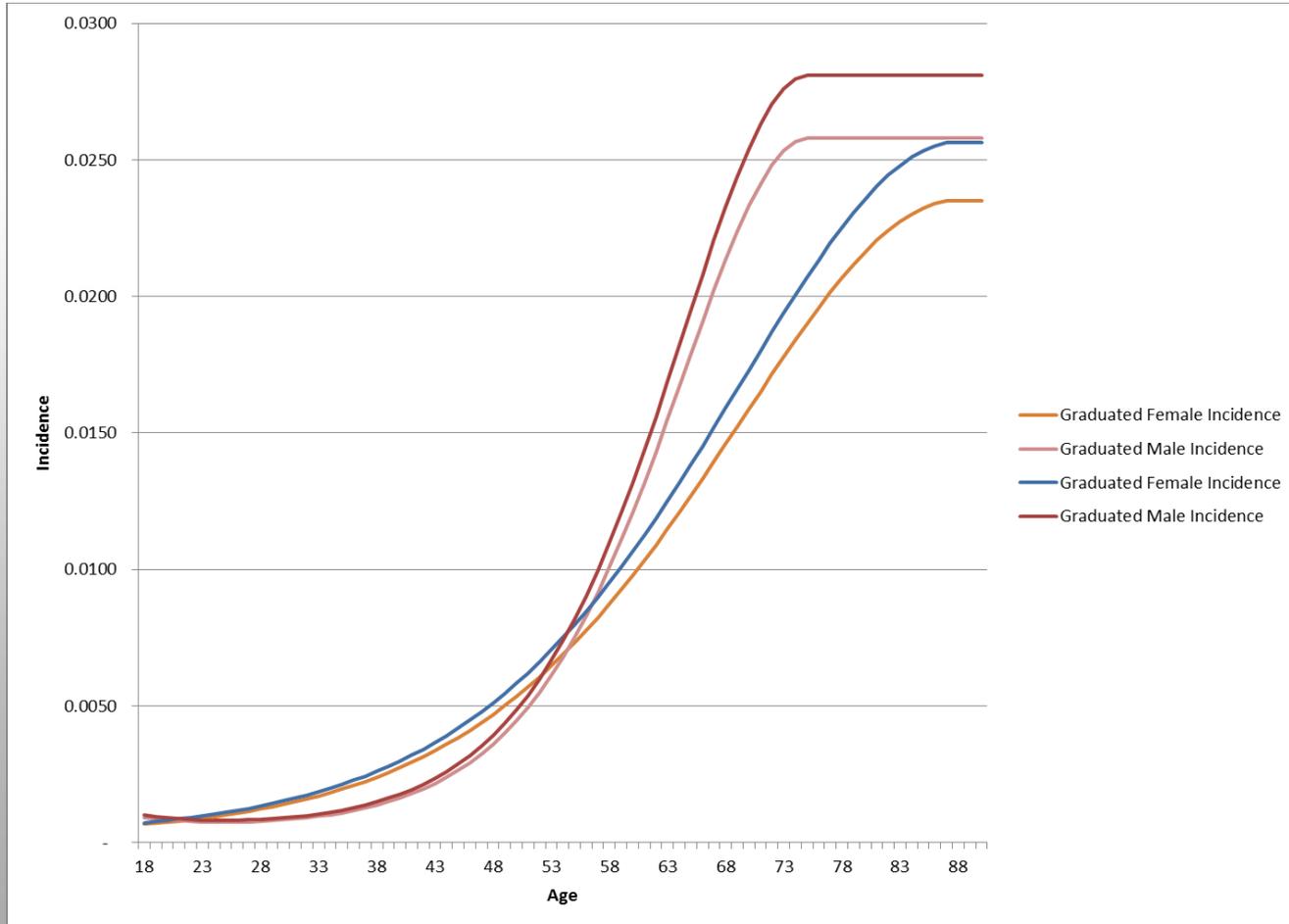
First Occurrence Load Demonstration



All Payment Hospital Load Demonstration



Each Payment Hospitalization Load Demonstration

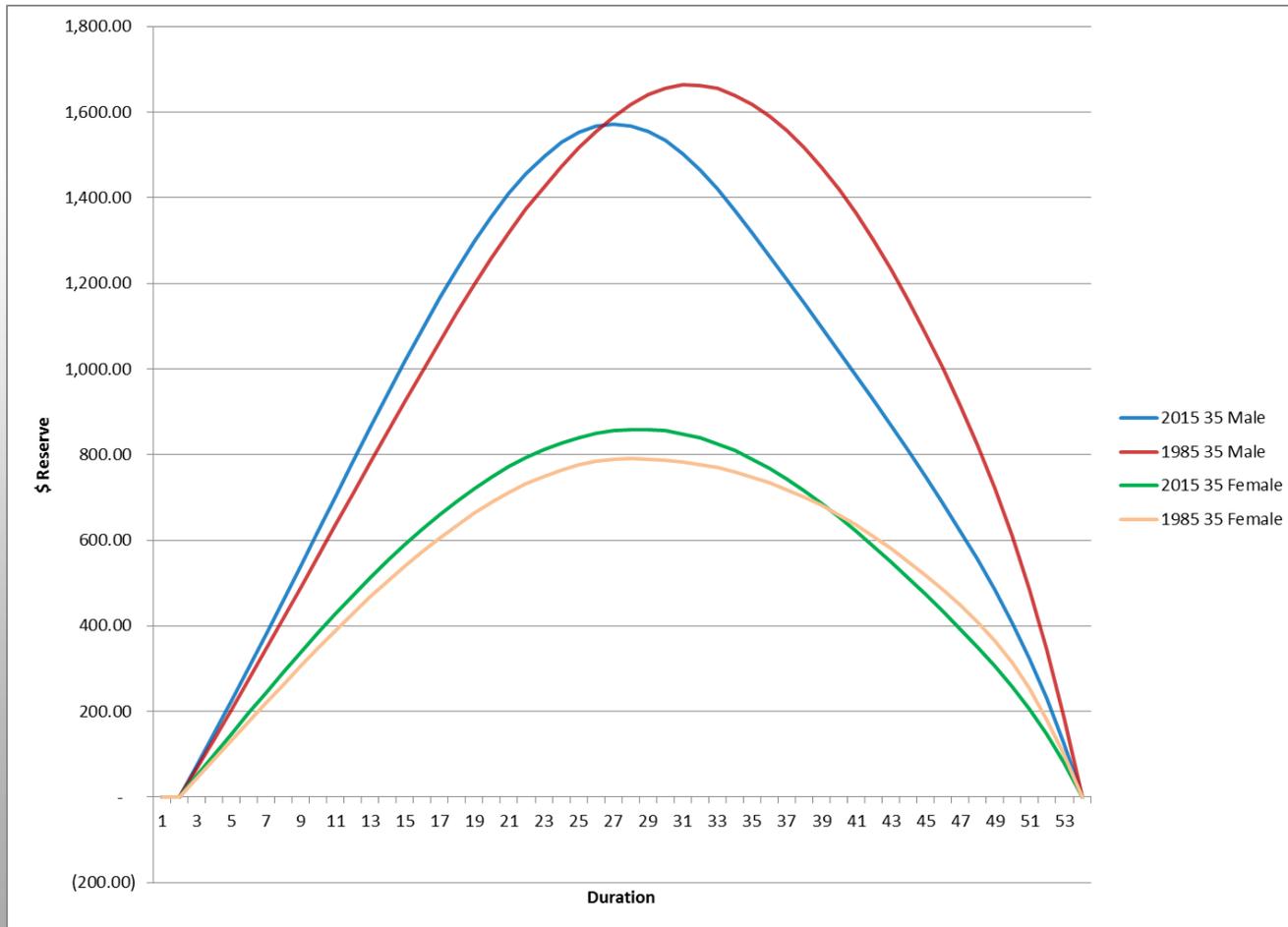


Reserve Comparisons

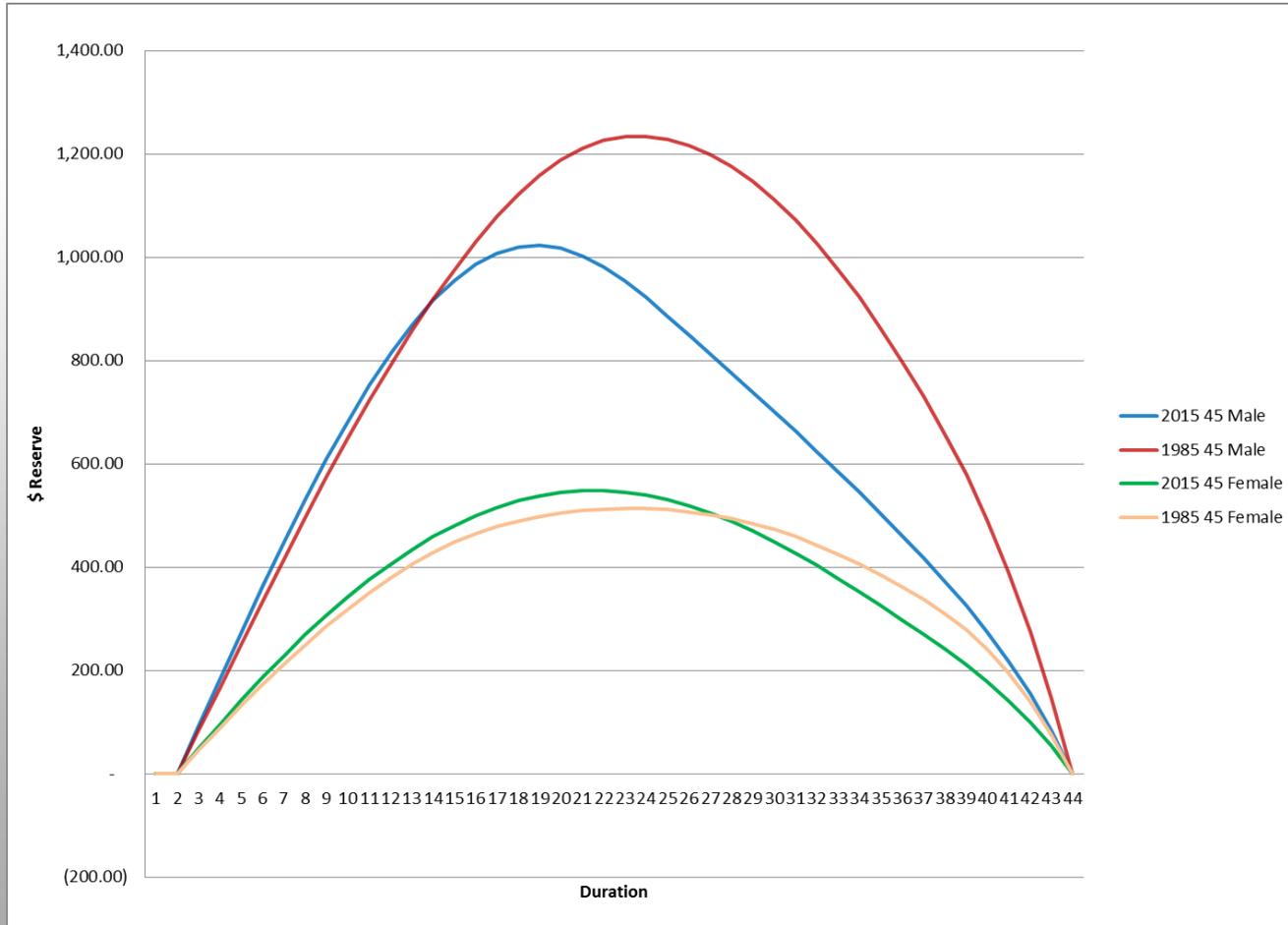
- Comparisons to 1985 table
- First occurrence (\$10,000 benefit)
- Each payment hospitalization (\$100 per day benefit)



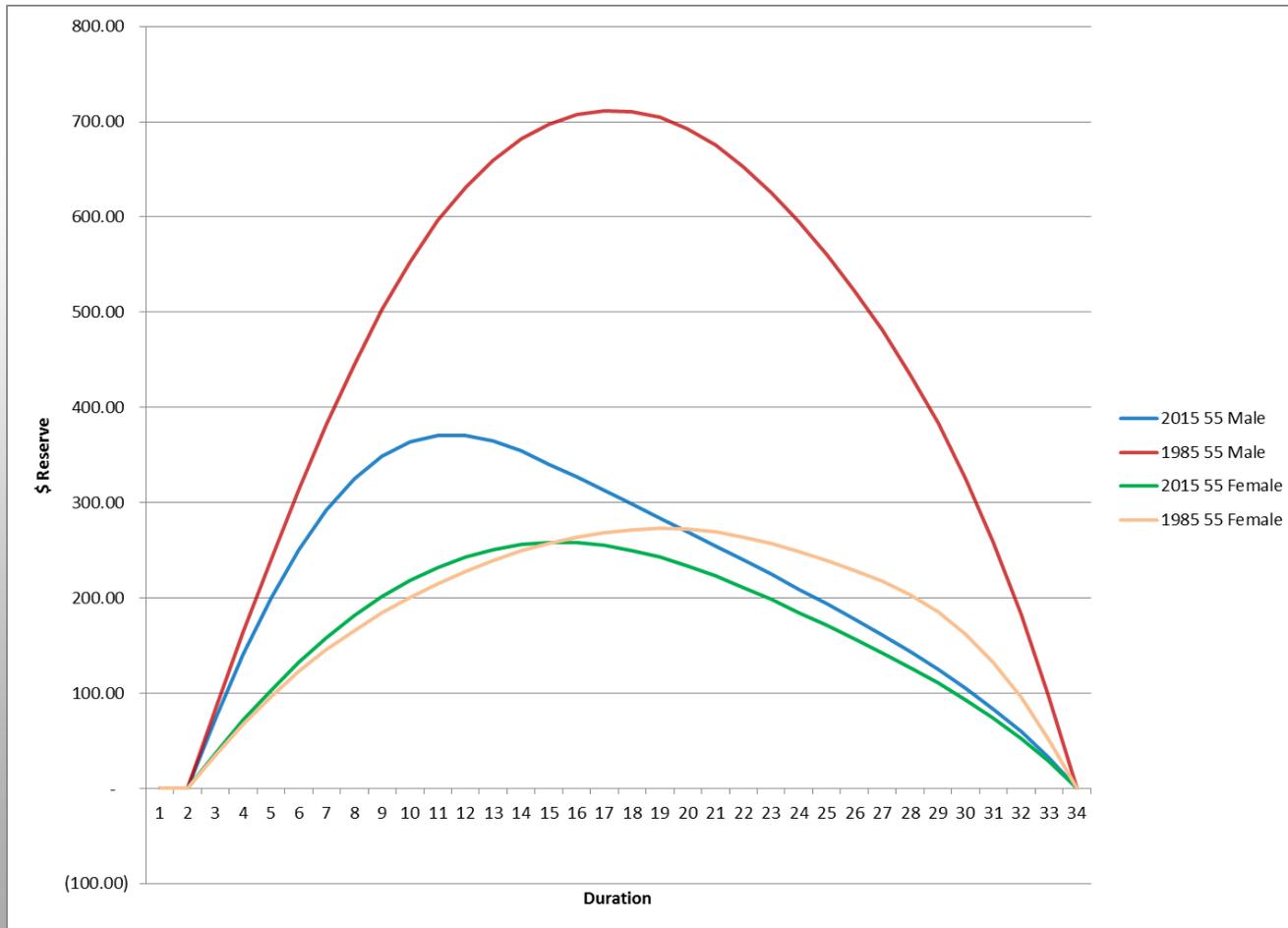
First Occurrence Age 35



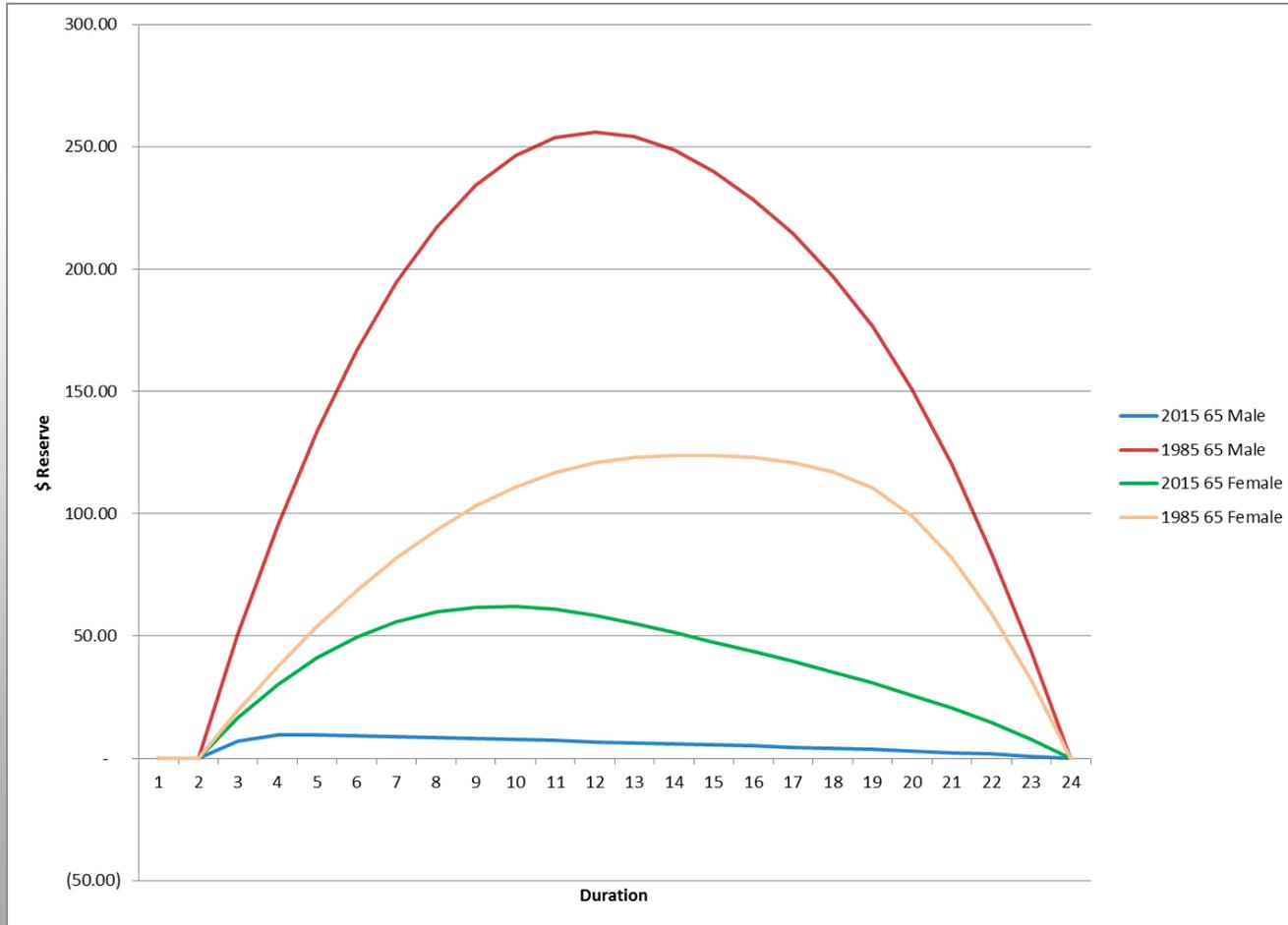
First Occurrence Age 45



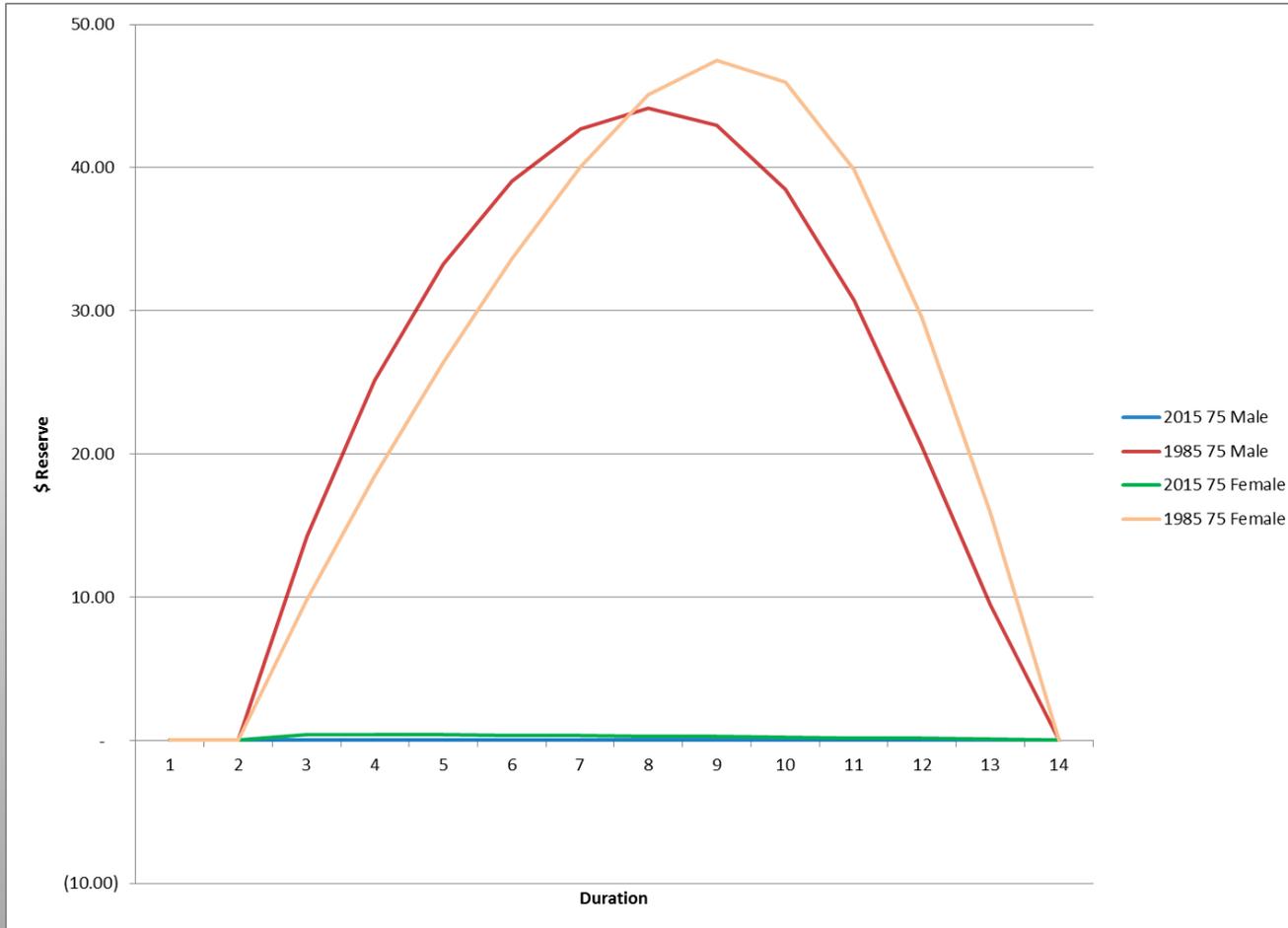
First Occurrence Age 55



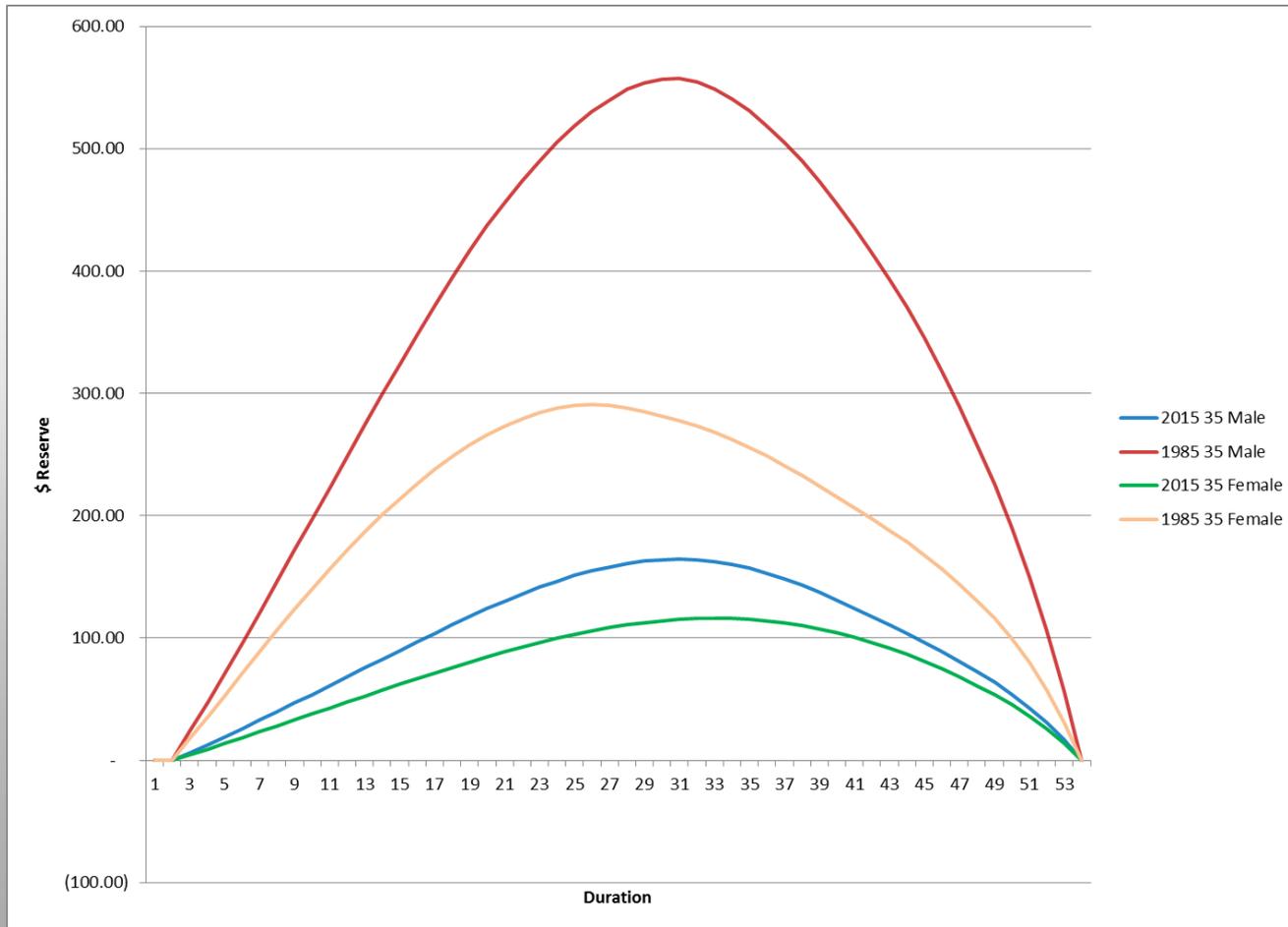
First Occurrence Age 65



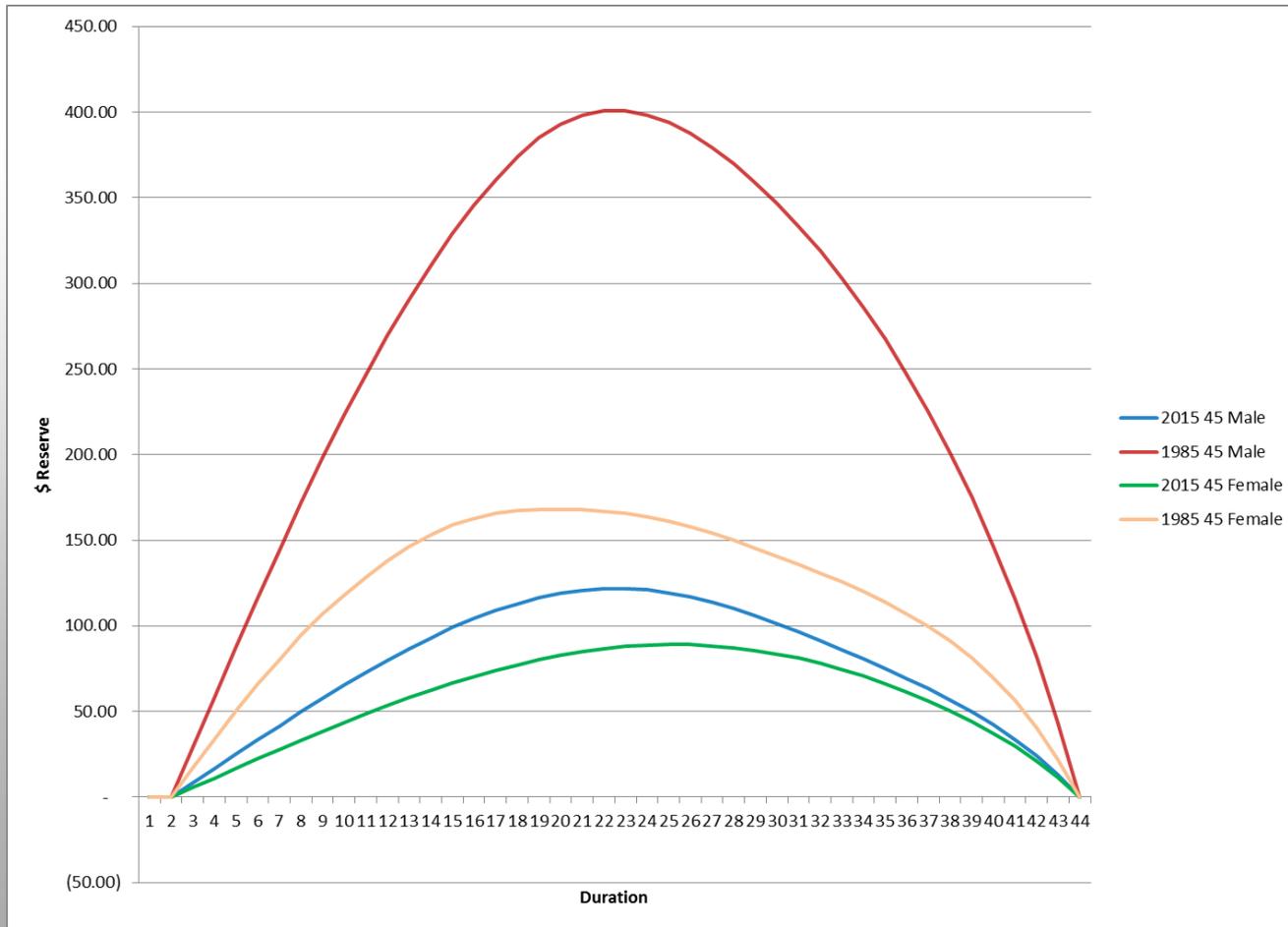
First Occurrence Age 75



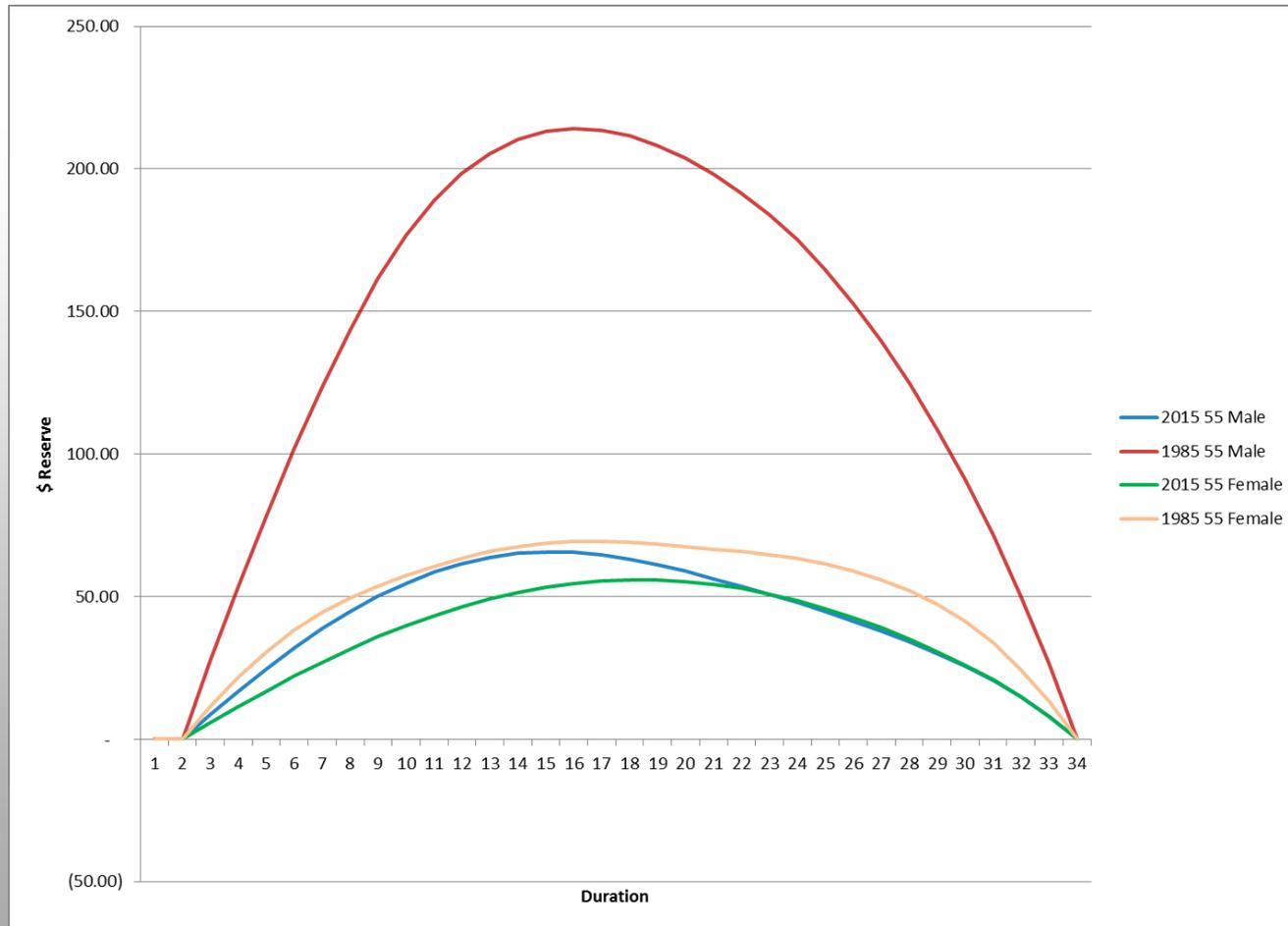
Each Payment Hospital Age 35



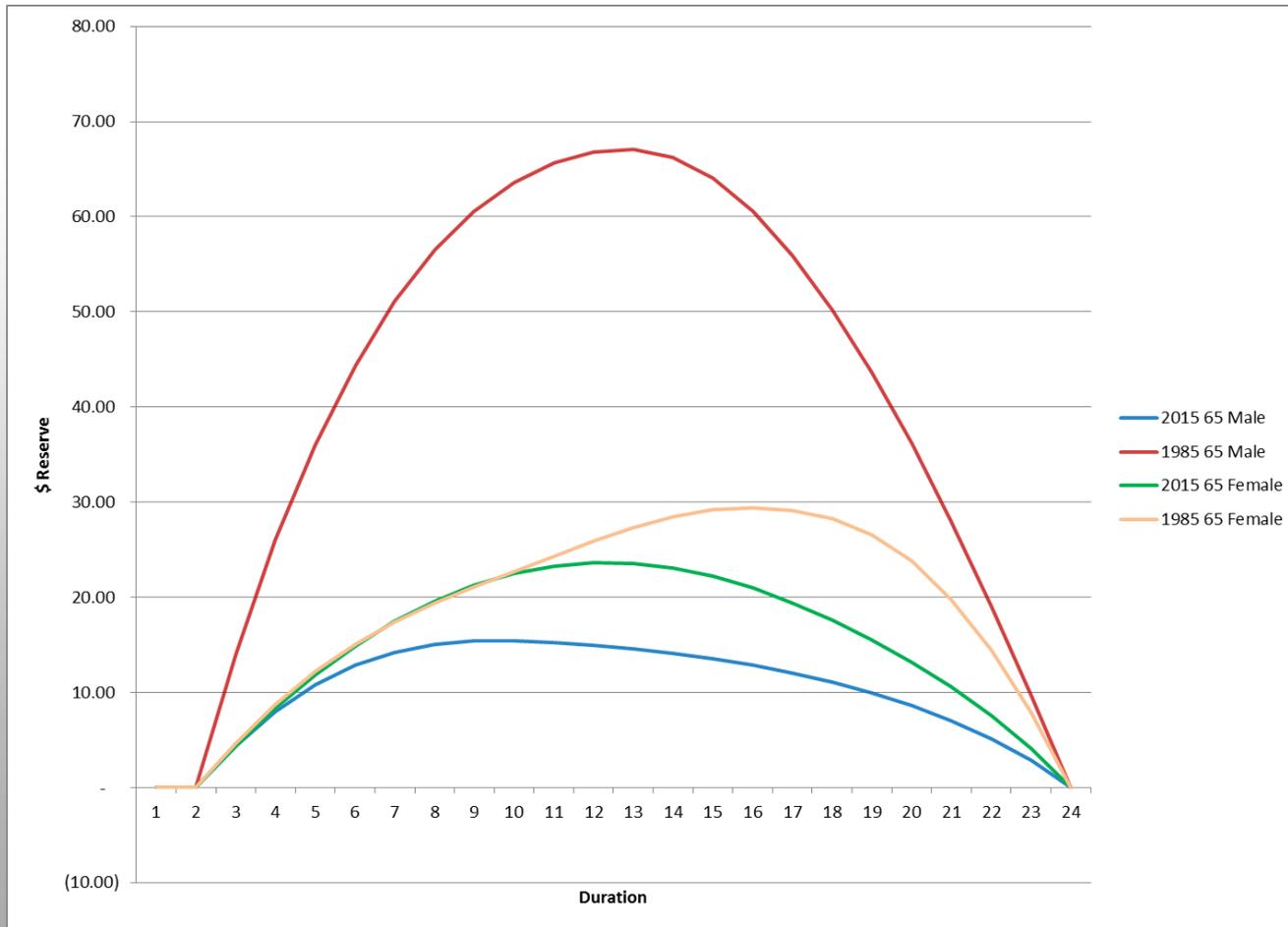
Each Payment Hospital Age 45



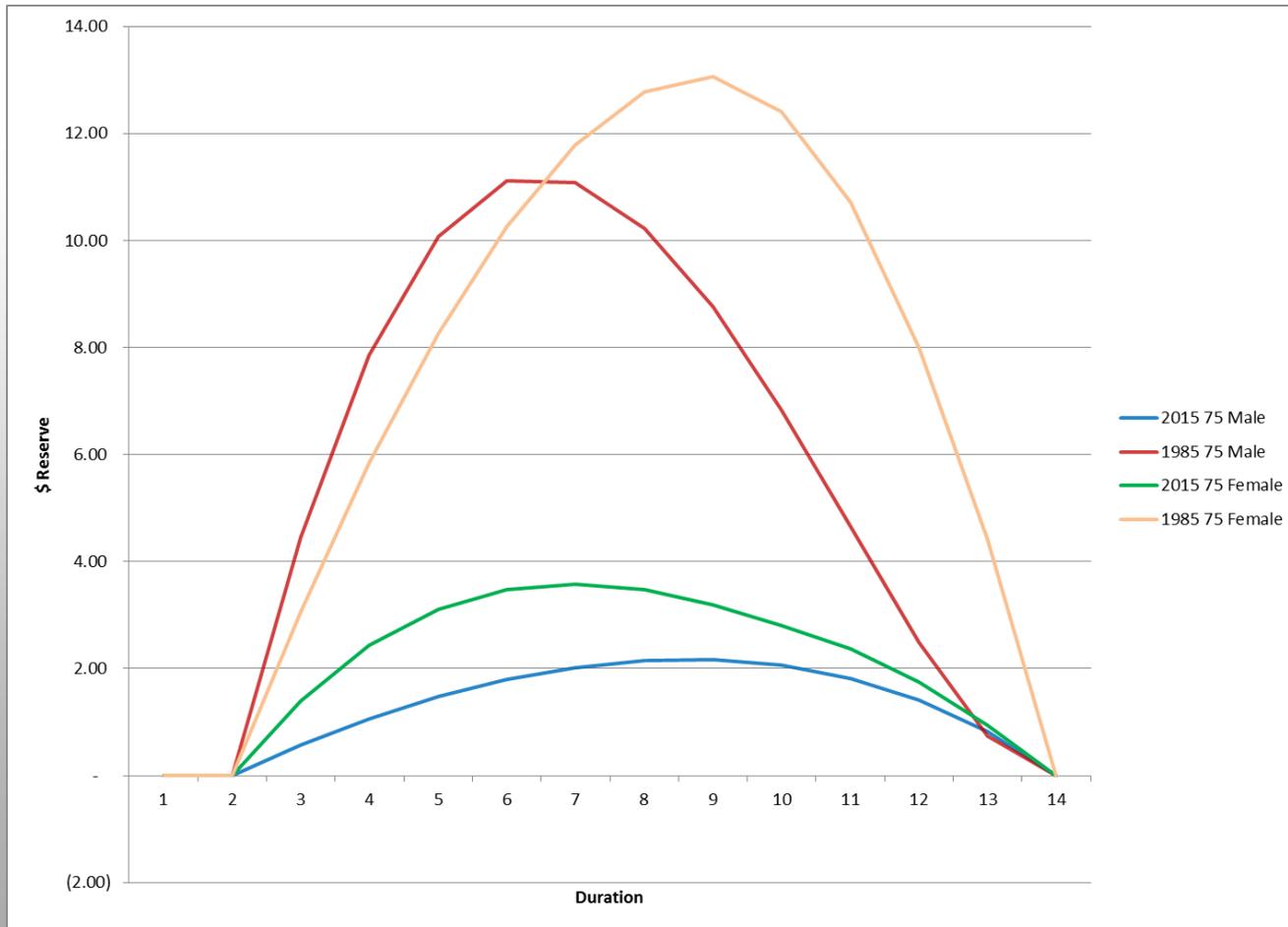
Each Payment Hospital Age 55



Each Payment Hospital Age 65



Each Payment Hospital Age 75



Next Steps

- Make decisions on remaining components (e.g., extend ages, factors for hospitalization limits)
- Draft work group report
- Address any HATF requests for information
- Work with HATF on implementation



Staff Contact

David Linn

Health Policy Analyst

American Academy of Actuaries

1850 M St., NW (Suite 300)

Washington, DC 20036

202-223-8196

linn@actuary.org

