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American Academy of Actuaries  
Cancer Claim Cost Table Work Group

Presentation to NAIC Health Actuarial Task Force  
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April 2, 2016



# Charge of the Group

- 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

- The work group has agreed on:
  - First occurrence and hospital basic tables
  - First occurrence and hospital loaded valuation tables
- The work group had discussions about how to adapt the hospital tables for benefit design differences
- The work group has agreed on a proposal for how to treat these tables in regulation



# First Occurrence and Hospital Tables

- The work group has extended the tables to attained age 99 similar to the 1985 tables
- The extensions will be level to age 99



# Adapting to Different Hospital Benefit Designs

- Policies in the market today may have different benefit designs that require adapting the tables to their benefit design
  - An example is hospital daily benefits that double after 30 days inpatient hospital confinement
- The group collected some data on long stays but the data was not voluminous
- The work group decided to include illustrations in our final document but not to require the use of prescribed factors



# How to Fit These Tables in Regulation

- Our work captured two benefits: first occurrence and cancer hospitalization
- The 1985 tables also covered additional benefits (e.g., radiation/chemotherapy)
- The work group has agreed that:
  - Trying to collect data on a voluntary basis for certain benefits is onerous and would likely not yield all needed data
  - Benefits other than first occurrence, hospitalization, and radiation/chemotherapy are small in comparison
- The work group recommends:
  - Valuation actuaries develop assumptions on which to hold reserves for these benefits
  - HATF move forward using these tables developed and rely on valuation actuaries to value other benefits



# Future Plans

- Finish work on the final presentation document
  - The work group suggests that the exposure takes place with the final document finished to assist reviewers and decrease the risk of re-exposure
- Work with HATF to expose the tables
- Address any HATF requests for information
- Work with HATF on implementation

