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# Cancer Claim Cost Table Work Group

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August 14, 2015



# 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

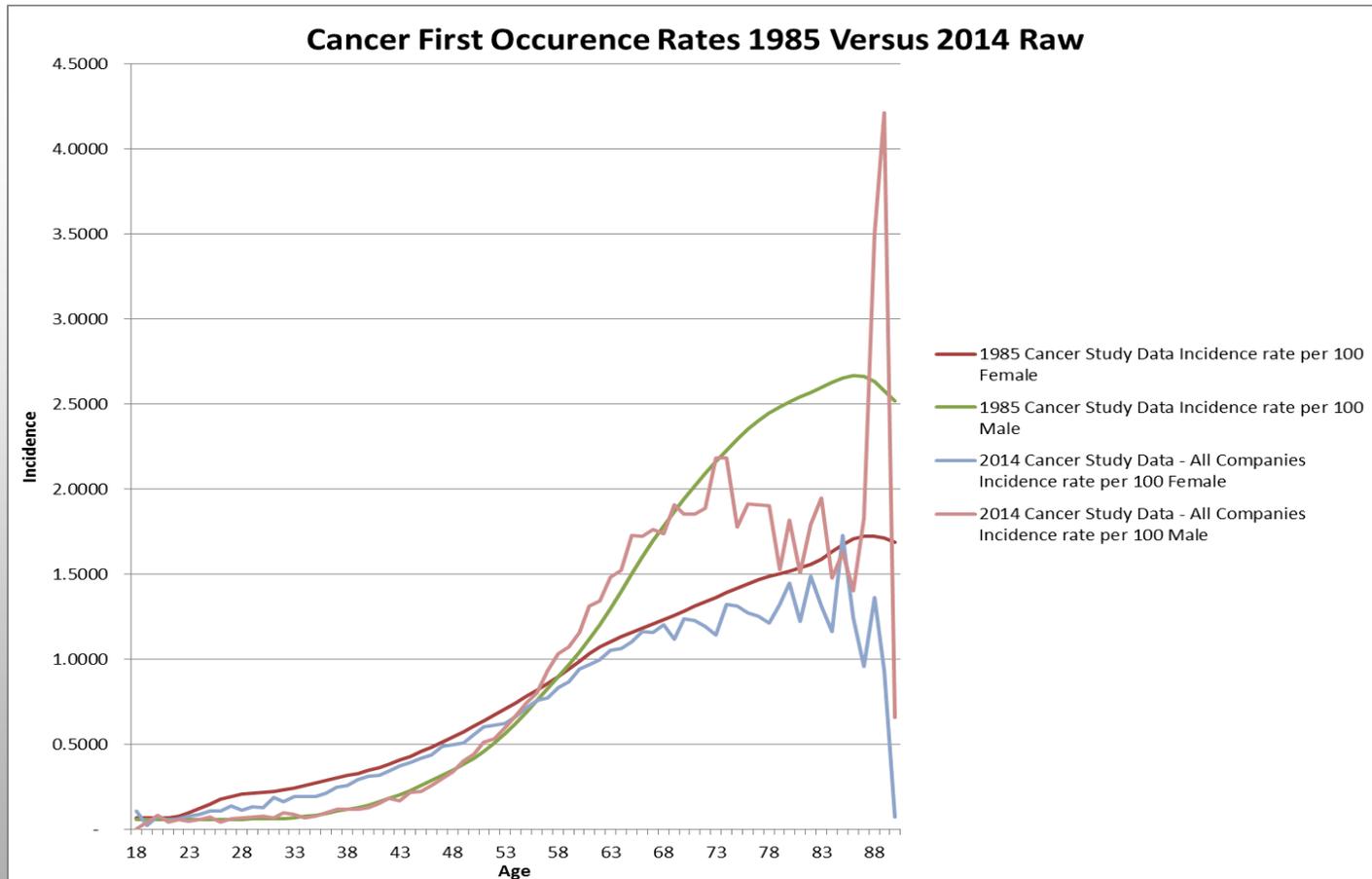
- Industry data has been collected and reviewed
- Graduation methods were discussed and a graduation method (i.e., generalized linear model) has been agreed on.
- All data has been graduated except for length of stay data.
- Presentations of data follow



# Comparisons of 2014 Raw Data to 1985 Tables



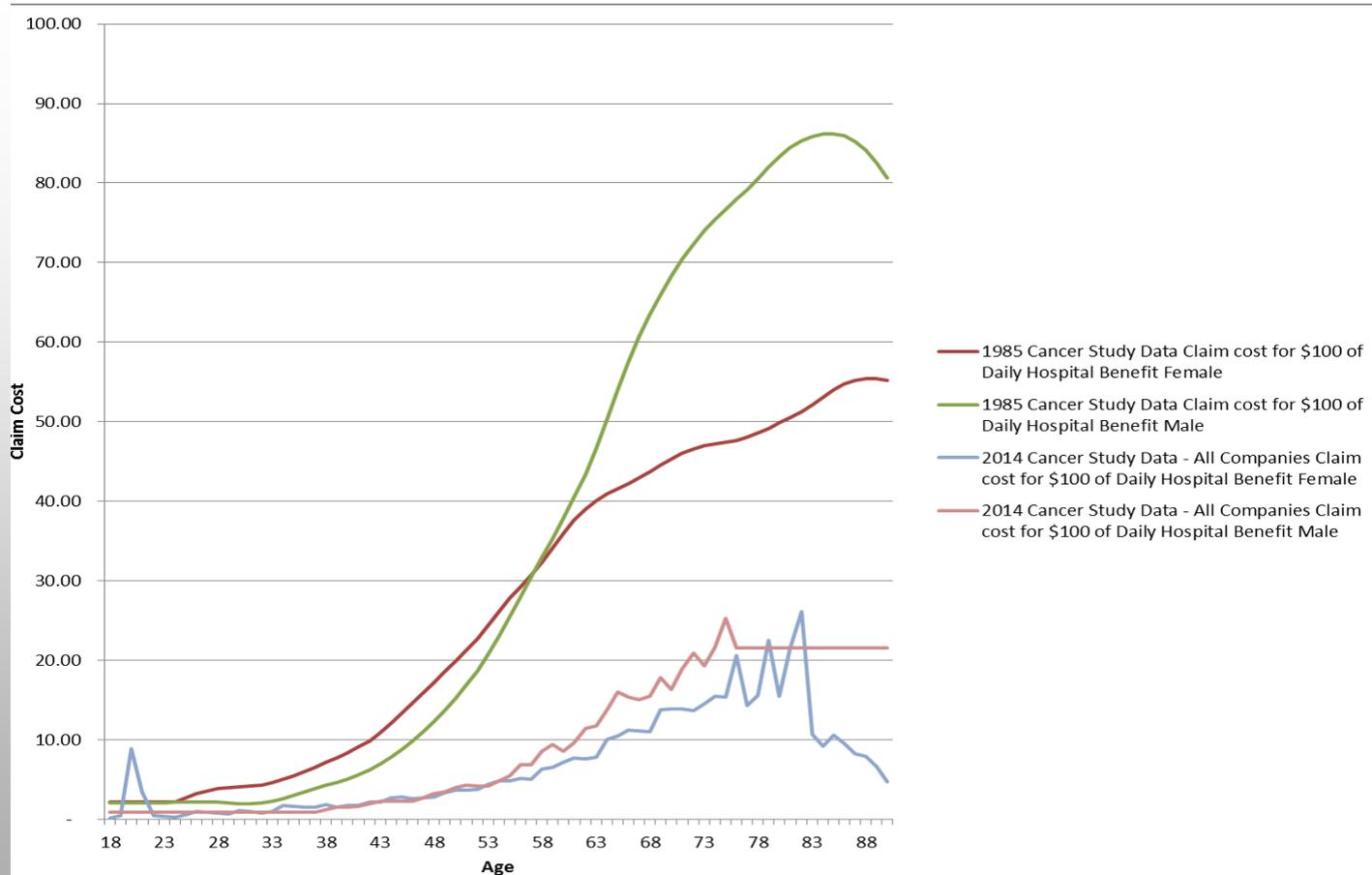
# First Occurrence Data



Data compiled by the CCCTWG



# Hospitalization Claim Cost Data



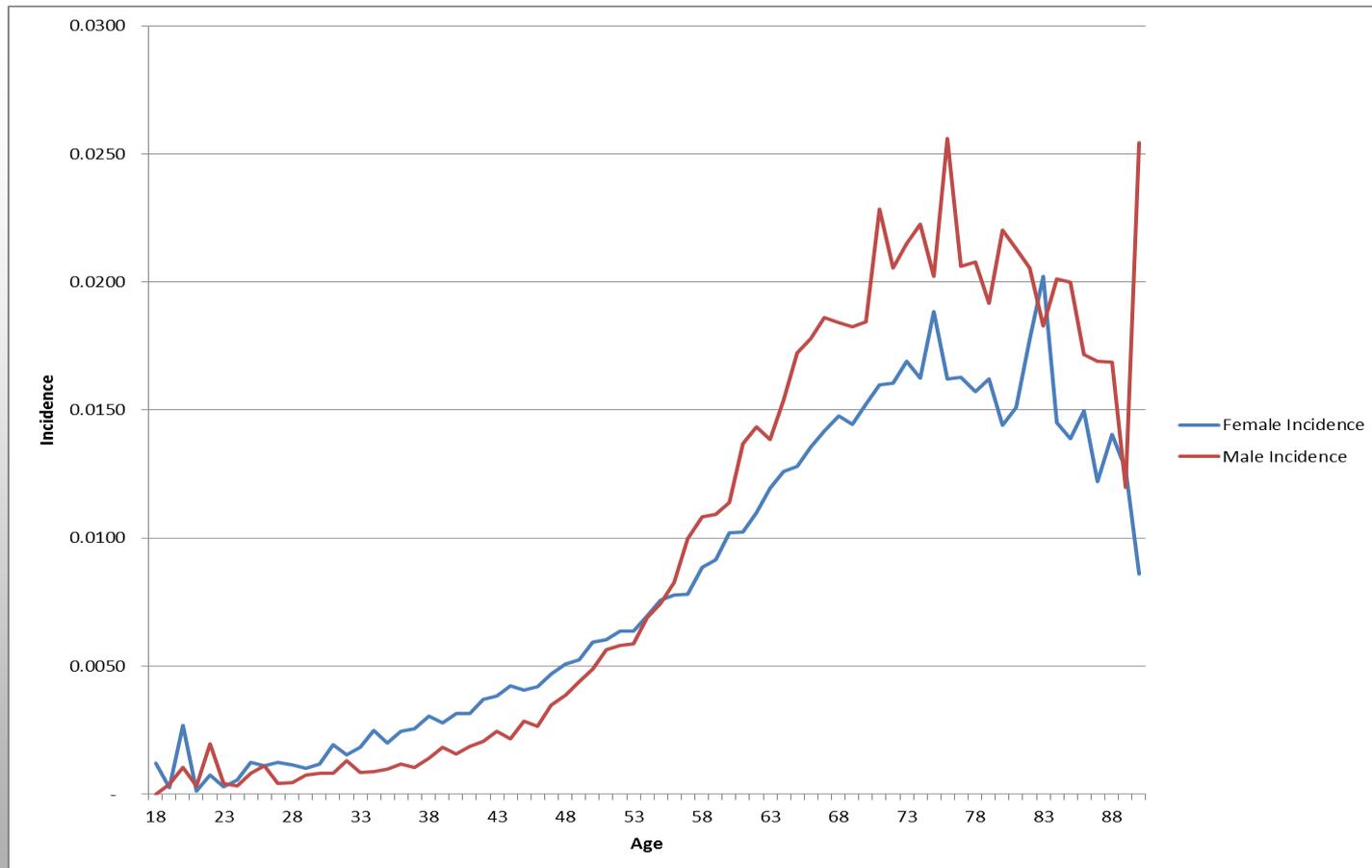
Data compiled by the CCCTWG



# Closer Look at the Raw Hospital Data



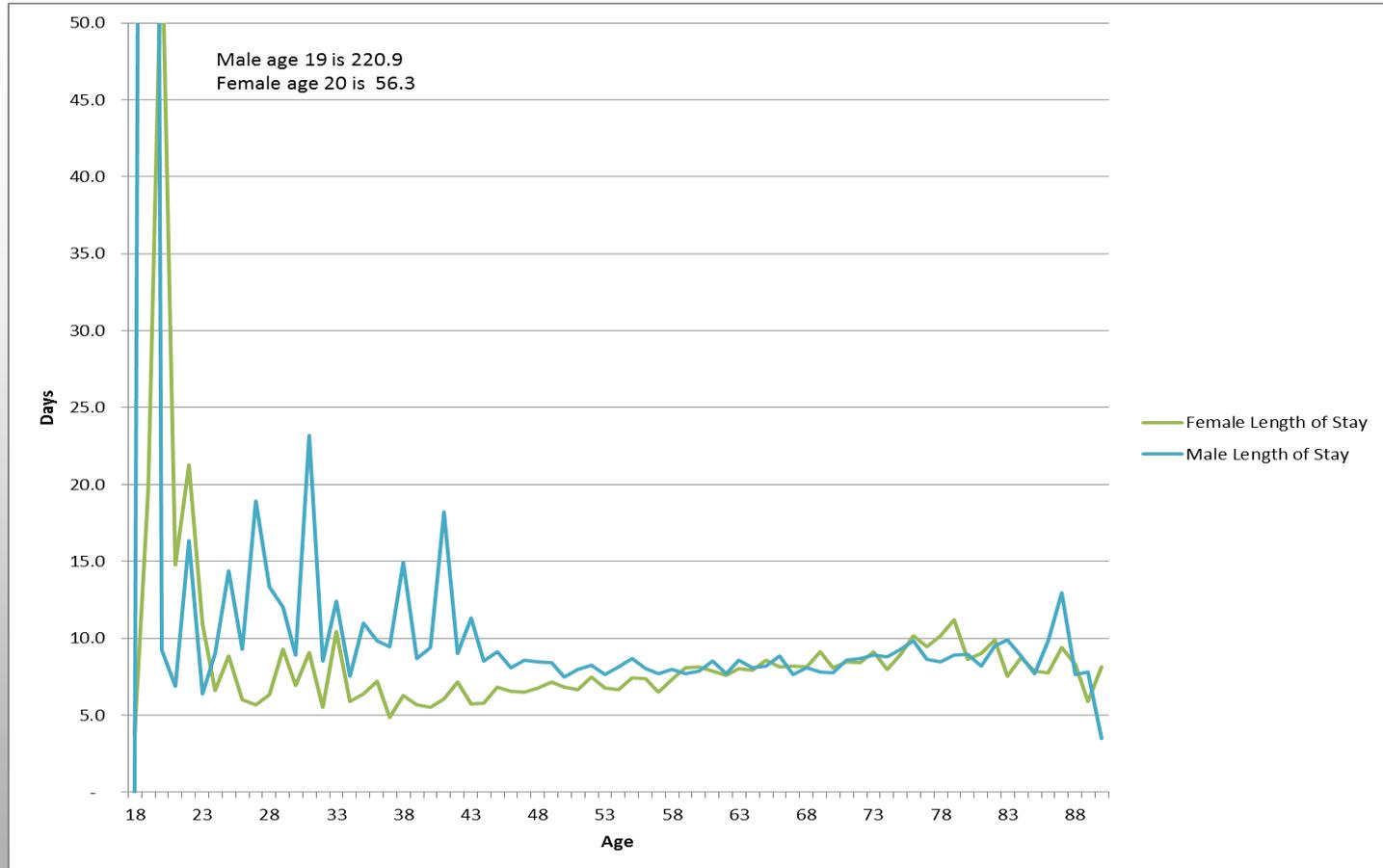
# All Payment Hospital Incidence



Data compiled by the CCCTWG



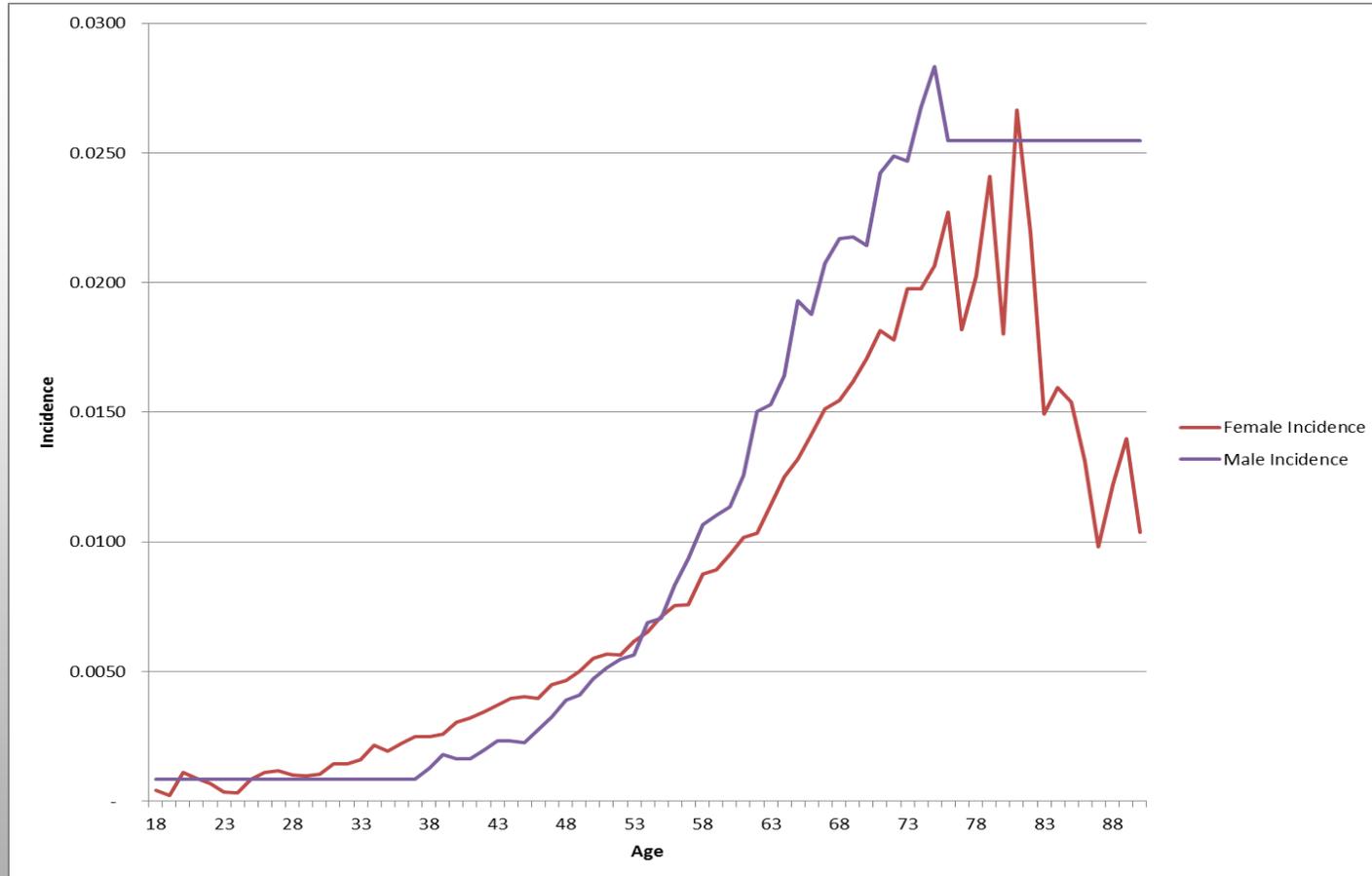
# All Payment Hospital Length of Stay



Data compiled by the CCCTWG



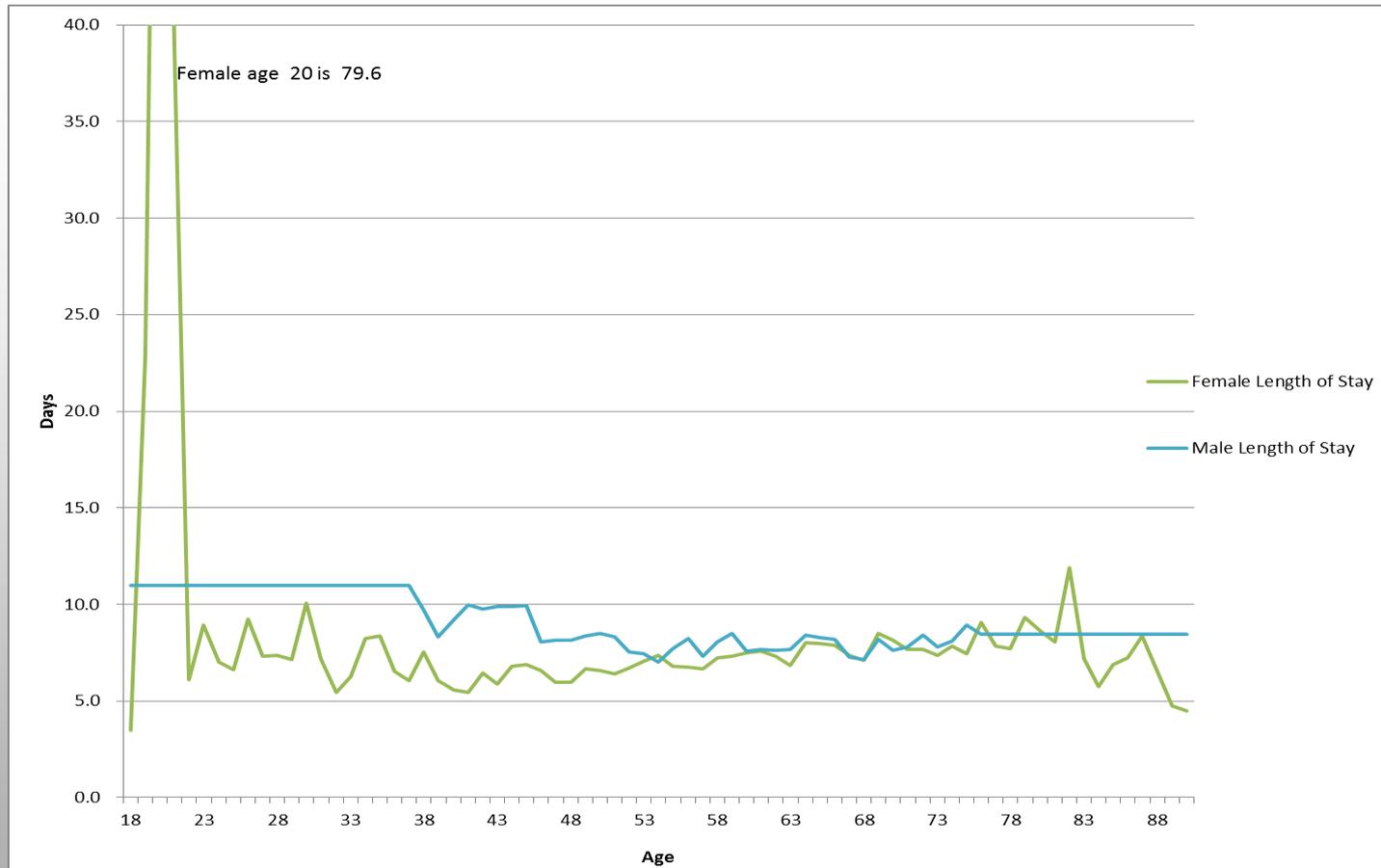
# Each Payment Hospital Incidence



Data compiled by the CCCTWG



# Each Payment Hospital Length of Stay



Data compiled by the CCCTWG



# Graduated Data

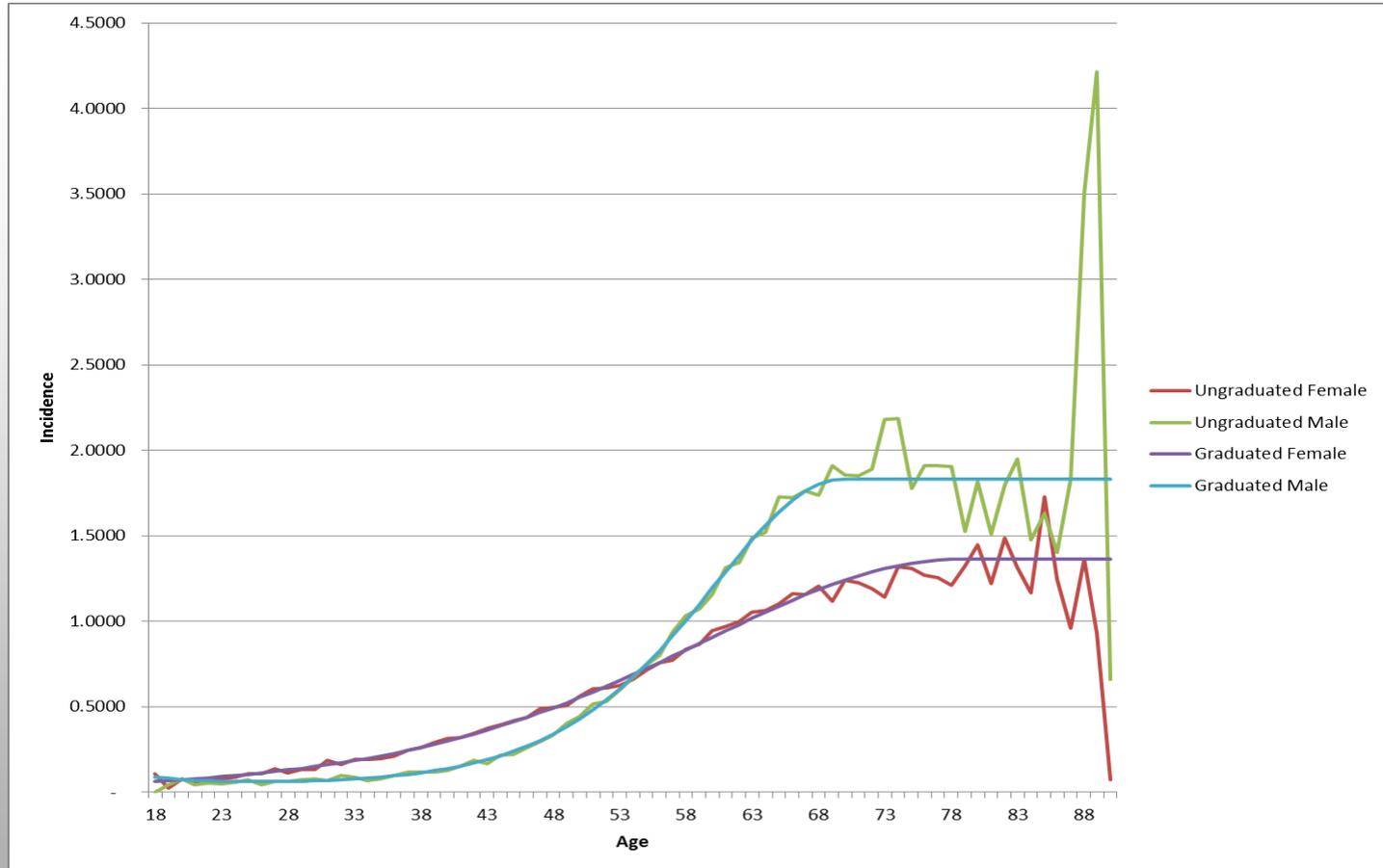
- The group agreed to use a generalized linear model (GLM) graduation method to graduate the data
- The group also decided that it did not want to have graduated data at older ages decline
  - Negative reserve issues
  - Credibility lower at older ages
- To achieve this, the GLM3 method was used on a subset of data yielding a non-decreasing graduated pattern



# Graduated Results Compared to Raw Data



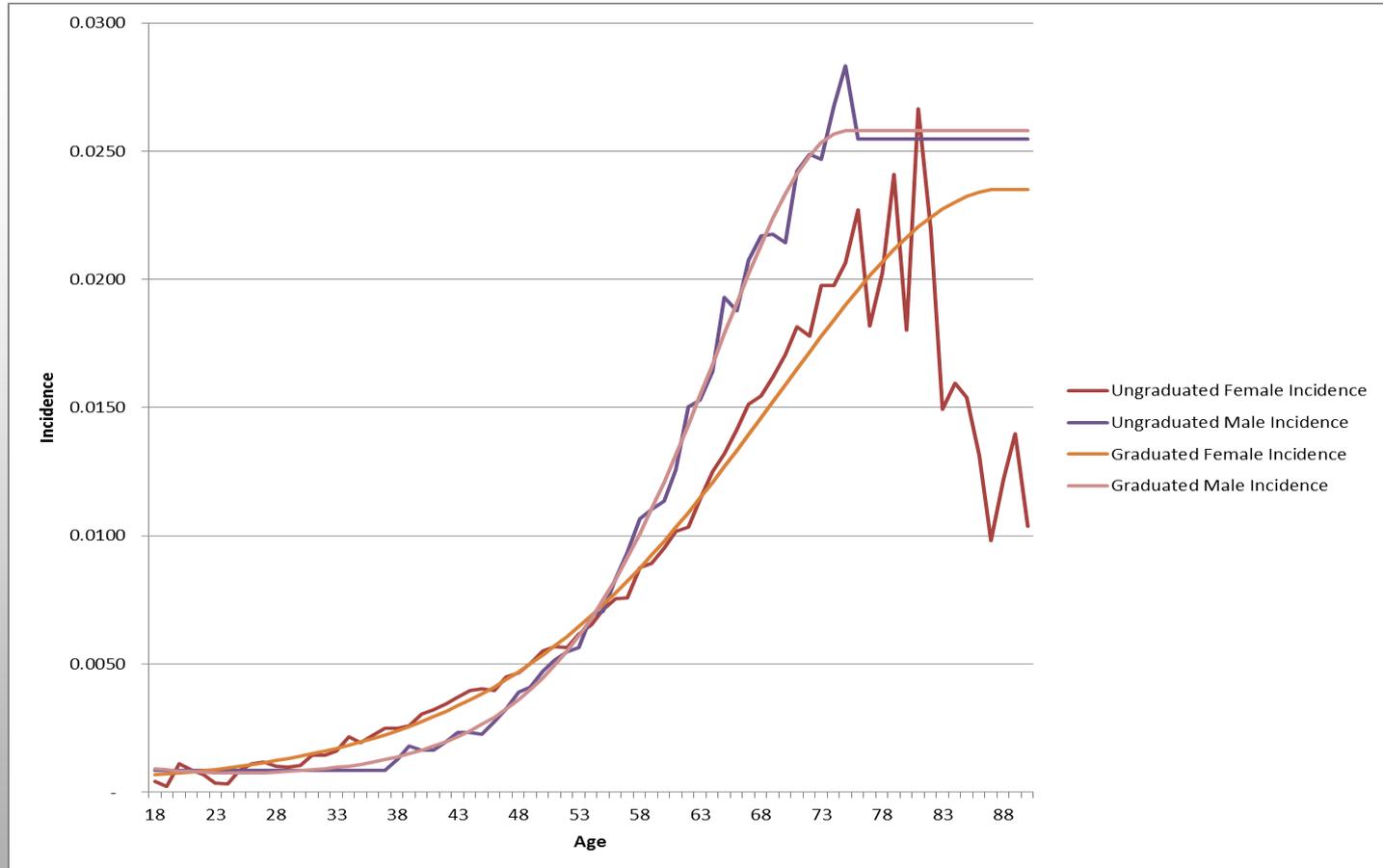
# First Occurrence Rates



Data compiled by the CCCTWG



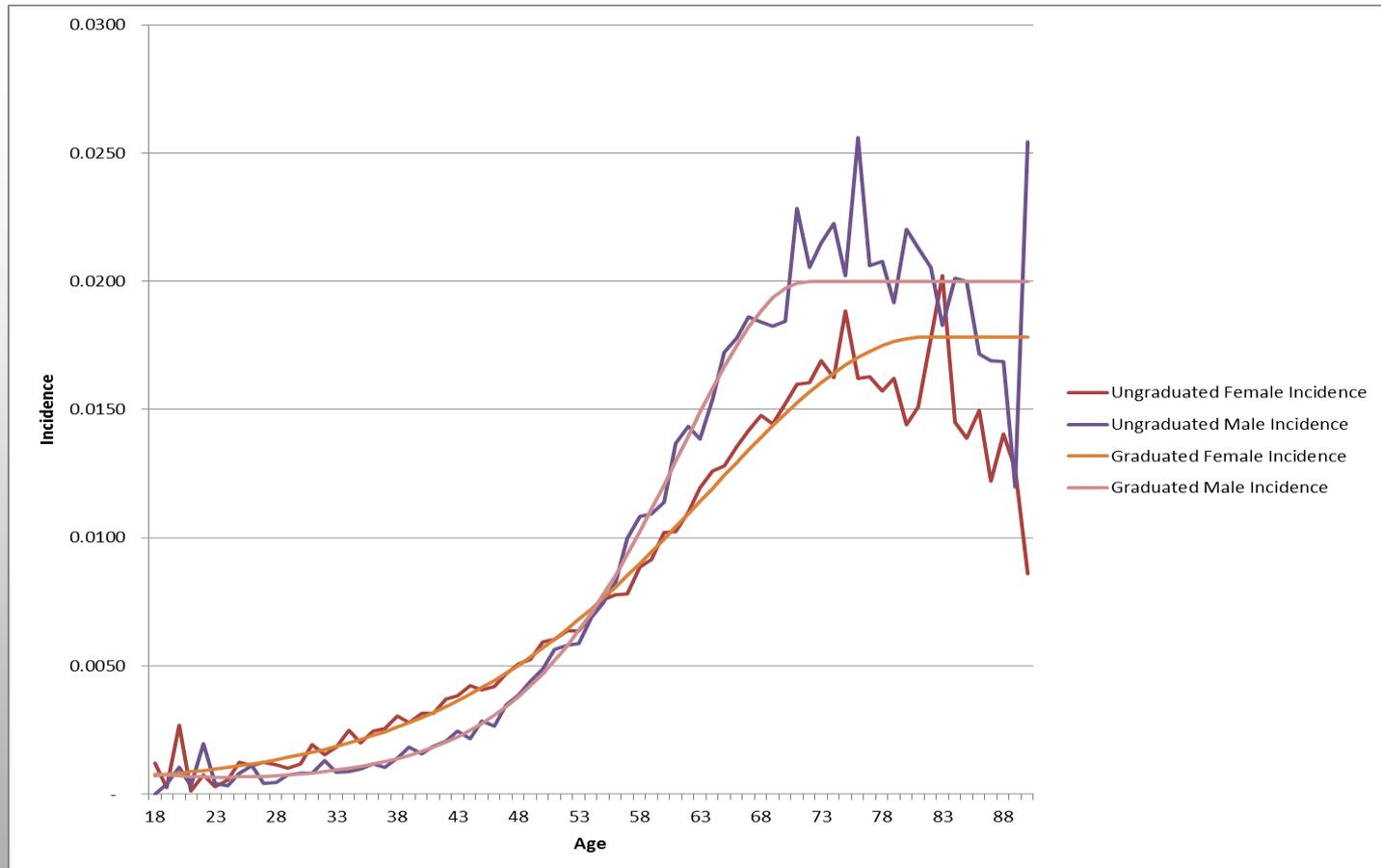
# Each Payment Hospital Incidence



Data compiled by the CCCTWG



# All Payment Hospital Incidence



Data compiled by the CCCTWG



# Next Steps

- Finalize graduation of tables
- Determine loading methodology
- Draft work group report
- Work with HATF on implementation

