# Update on Guaranteed Issue and Preneed Mortality

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## Guaranteed Issue (GI) table overview

Basic Table	Valuation Table
<ul> <li>5-year anti-select and ultimate</li> </ul>	Ultimate only
• Uni-smoke / composite only	• Uni-smoke / composite only
<ul> <li>Male/Female/Unisex</li> </ul>	<ul> <li>Male/Female/Unisex</li> </ul>
• S&U: ALB; Ult: ANB/ALB	• ANB/ALB
<ul> <li>Omega Qx = 0.500 at attained ages 110+</li> </ul>	<ul><li>Omega age of 121 with Qx = 1.000</li></ul>
	<ul> <li>Loading = 2017 CSO loading</li> <li>~17% - varies by attained age</li> <li>Coverage: 98.9% by exposure; 55% of contributing companies</li> </ul>

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)

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## **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
• 10-year select and ultimate	Ultimate only
Uni-smoke / composite only	• Uni-smoke / composite only
<ul> <li>Male/Female/Unisex</li> </ul>	<ul> <li>Male/Female/Unisex</li> </ul>
ANB/ALB	• ANB/ALB
• Omega Qx = 0.500 at attained ages 111+	<ul><li>Omega age of 121 with Qx</li><li>= 1.000</li></ul>
	<ul> <li>Loading = ~20%</li> <li>Coverage: 94.9% by exposure; 71.4% of contributing companies</li> </ul>

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



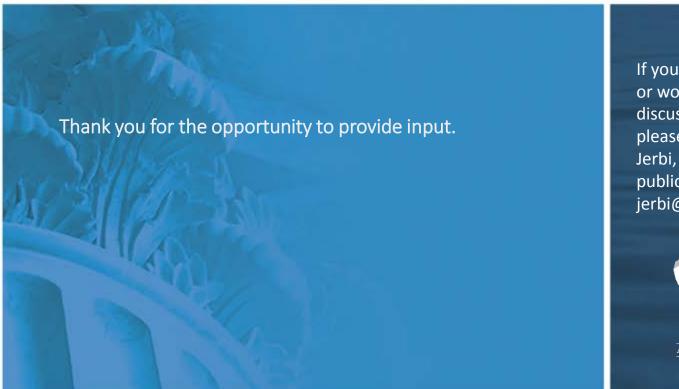


### Status of SI Tables

- 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







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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