Cancer Claim Cost Table Work Group

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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

Cancer First Occurrence Rates 1985 Versus 2014 Raw

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

Male age 19 is 220.9
Female age 20 is 56.3
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