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Individual Disability Tables Work Group (IDTWG) Update to Health Actuarial Task Force

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November 18, 2015

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Progress Since November 2014

- Report on individual disability table re-exposed (April 2015)
- Three comment letters received
- IDTWG proposed responses to HATF two changes
 - Key person and disability buy-out modifiers
 - ICD-10 diagnosis code mapping
- HATF call with commenters (Sept 2015)
 - Two recommended changes approved
 - Discussion on market indicator led to factor revision (3rd change)
- Update to HATF (Nov 2015)
 - New recommendation on market indicator (details to follow)
 - Revised report reflecting all of the above

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Market Indicator

Original Proposal

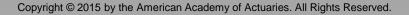
- All employer-sponsored (ES) business 79.9% modifier
- Individual underwriting 105.3% modifier
- No distinction within ES between voluntary and mandatory guaranteed standard issue (GSI) – data not available
- HATF discussion led to initial recommendation to split ES-GSI
 - ES with mandatory GSI 79.9%
 - ES with voluntary GSI 105.3%



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Market Indicator (cont.)

- Subsequently, IDTWG and ACLI members expressed concern over lack of data to support initial recommendation
- IDTWG performed new study of market indicator using 2007-12 data gathered from industry participants
- Based on the study, IDTWG recommends going with the following modifiers for ES (reflected in report)
 - ES with individual underwriting 81.8%
 - ES with mandatory GSI 57.5%
 - ES with voluntary GSI 92.6%



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Summary of Changes Since April 2015 Exposure

- Added modifiers for key person and disability buy-out contracts – same as overhead expense
- Added ICD-10 diagnosis code mapping to workbook
- Added new GSI modifiers
- Various wordsmithing and formatting changes from peer and internal Academy review





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