SCOR’s Mortality Research Means Business

SCOR researchers continuously capture and analyze experience data to advance our understanding of mortality risk. Our research spans a variety of areas directly related to our vast portfolio of reinsured life business. We are committed to sharing our knowledge with our clients and invite you to contact us to see how our research may benefit your product strategies. Below is a sample of some of our more recent efforts.

Experience Database – Our proprietary database covers exposure years 2004 through 2009, contains $3.7 trillion of exposure and nearly 70,000 deaths, cross-tabulated by policy year, face amount, gender, issue age, underwriting class and product. We can “slice and dice” this data to:

• Review and adjust pricing assumptions inherent in our financial forecasts
• Identify mortality trends and patterns and quickly bring this information to the attention of our clients
• Determine best-estimate pricing assumptions on prospective new business, accounting for deal-specific mortality trends
• Produce internal reports and external communications on topics including capital determination, claims fluctuation, preferred class mortality and mortality improvement

Full Underwriting Mortality Tables – We developed our pricing tables for traditional life insurance from a combination of internal data and third-party sources and use them to determine trends in fully underwritten mortality experience. We place special emphasis on the slope of select mortality and how it merges with long-term patterns during the ultimate/attained age period, particularly at older issue ages. Additional research provides insights on how the wearing off of preferred underwriting discounts is best incorporated into the tables. Finally, we overlaid a secular mortality improvement assumption onto the final set of tables based on long-term trends in the US general population and their impact on insured lives.

Simplified Issue Mortality Tables – We have also developed pricing tables to accompany our VELOGICA® simplified issue solution, accounting for the mortality arising from the combination of a non-medical application and the protective value of prescription database information and motor vehicle reports. We recently updated these tables to include juvenile and older issue age applicants. Ongoing experience analysis on this business allows us to fine-tune these tables on a regular basis.

Cause of Death Studies – We maintain a database for calendar years 2007-2010 that contains approximately 90,000 claims with a total reinsurance accepted liability of $4.6 billion. We regularly use this database to track the distribution of claims by cause of death, with anomalous causes triggering further research. (For an example of such research, please see “The Role of Suicides in Trauma Claims,” in the 1st Quarter 2011 issue of The Messenger.) To learn more about our ongoing mortality studies, please contact David Wylde at 704.344.2816.

By David Wylde, FSA, MAAA, CLU, ChFC
Research & Development
Actuary, Life Solutions—dwylde@scor.com

SCOR Global Life Americas
401 North Tryon Street
Suite 800
Charlotte, North Carolina
28202

www.scor.com/SGLA