

Guidelines for Mortality Experience Study of Individual Payout Annuity & Structured Settlement Business 2005-08

Thank you from the Individual Annuity Experience Committee (IAEC) of the Society of Actuaries (SOA) for participating in the payout annuity and structured settlement IAEC 2005-08 data call. MIB is acting as data compiler for this study and can answer any questions you may have regarding the data call.

Company ID Code. – If your company is submitting data to the IAEC study for the first time or if you do not know your Company Code, please contact Jan Palmbach, Senior Data Coordinator, 781-751-6128, jpalmbach@mib.com for your confidential Company Code.

While the SOA and its committees will know the names of the companies that submitted data, only MIB staff and SOA staff with legitimate business purposes will have access to your data in a company identifiable manner. The Company Code is used by MIB to internally identify a company's data.

Experience Years. Please submit a separate file or database for each calendar year of experience from 2005 through 2008. If you have not yet submitted any data from 2000-04 but can submit it at this time, we would be happy to process it in the combined 2000-08 tables.

Submission Deadline. Please submit your data by December 31, 2009. If you would like to submit your data but have problems meeting this deadline, please contact Jan Palmbach, jpalmbach@mib.com.

Substandard Business. Please submit your substandard business wherever possible. This business can be designated as such by using the field 'Underwriting Class = 2' and describe it by using 'Rated Age'.

Medically Impaired Lives. This study includes standard and substandard lives for both structured settlements and traditional payout annuities.

Joint Lives. This study may include contracts that have two measuring lives, but we ask for mortality experience data for only one of the two lives for any specific portion of each calendar year of experience. For joint-life cases, please submit experience data as follows:

- If both annuitants were alive at the beginning of the calendar year being studied, submit experience data for the primary annuitant only.
- If only one annuitant was alive at the beginning of the calendar year being studied, submit experience data for the surviving annuitant.

For example, if both annuitants of an annuity issued in autumn 2005 remain alive until the primary annuitant dies in August, 2007, then the experience data should cover the following:

- 2005 primary annuitant's life only
- 2006 primary annuitant's life only
- 2007 primary annuitant's life (including death termination) through date of death
- Only 2007 joint annuitant's life only from date of death
- 2008 Joint annuitant's life only

Record Format. This 2005-08 Data Format was changed in the following ways.

- Statutory Reserves is expanded from 6 to 9 characters to allow the Reserve to be reported in whole dollars.
- Percent Mortality and Constant Extra Deaths have been eliminated as options for reporting substandard business.
- Impairment Codes have been eliminated.

Payout Annuities

Business Types. This study includes individual contracts issued for:

- Single premium immediate annuities Annuitizations, including individual annuitizations from group annuities
- Life insurance settlements
- Both fixed and variable annuities

Please do not submit experience data from:

- Contracts without life-contingent benefits (even if you have birth and death dates)
- Group pension plan payouts
- Contracts issued outside the U.S.
- Experience data on single premium immediate annuities issued in conjunction with life insurance without evidence of insurability or with a death benefit equal to the entire consideration

Variable Annuities. Wherever possible, please submit variable payout annuities. Please use a method that is reasonable and consistent when calculating the amount of annual income. Where there is both a fixed and variable part to an annuity, they should be combined into a single record coded as a variable payout with 'Type of Contract = 2'.

Reported Amounts. The amounts coded for payout annuities should be reported as annual income.

Dollar Weights. In addition to results weighted by number of contracts, there will be dollar-weighted results.

For traditional fixed and variable payout annuities, the dollar weights should be the estimated amount of annual income. Do not include statutory reserves for traditional payout annuities. For certain-and-life annuities that are within the certain period, you should include the certain benefits when estimating annual income.

Feel free to use simplified methods to estimate annual income. For example, you might multiply the amount of a calendar year's first benefit by the number of payment due dates in the year, ignoring the impacts of scheduled benefit increases, death, and survivor percentages that kicked in during the year.

Structured Settlements

Business Types. This study includes individual structured settlement contracts issued for:

- Structured settlements, including multi-claimant cases
- Individual long-term disability
- Workers' compensation

Please do not submit experience data from

- Contracts without life-contingent benefits (even if you have birth and death dates)
- Contracts issued outside the U.S.

Multiple Records per Contract. If you will be submitting multiple records for a single contract, the 'Segment ID' is available for marking the separate records for a policy. If multiple records are coded, please contact Jan Palmbach, Senior Data Coordinator, 781-751-6128, jpalmbach@mib.com, to inform us of your coding scheme.

Multiple Benefit Streams. If a contract has multiple benefit streams or schedules, please exclude the streams that have no life-contingent benefit scheduled. You may submit a separate record for each benefit stream, or you may combine benefit streams with the same annuitant(s) and benefit class (see the Record Layout Specification for benefit classes). If multiple records are coded, please contact Jan Palmbach, Senior Data Coordinator, to inform us of your coding scheme.

Dollar Weights. In addition to results weighted by number of contracts, there will be dollar-weighted results. For structured settlements, the dollar weights are statutory reserves.

For certain-and-life structured settlements that are within the certain period, include the statutory reserve for both the certain benefits and the life-contingent streams. Your experience data should not include annual income for structured settlements.

Submissions.

MIB accepts the following file formats, which must use the ASCII character set.

- Text (.txt) using specified columns to denote data elements
- Comma Separated Values (.csv)
- Access (.mdb)
- For formats that do not match the enclosed format specifications, column headings and/or attached mapping instructions are required.

MIB can work with the following delivery methods and media:

- CD or DVD
- MIB Secure File Transfer Facility (Please contact Jan Palmbach at MIB for instructions.)
- Your company's FTP site

If sending a CD or DVD, please send it to

Jan Palmbach
MIB Solutions, Inc.
50 Braintree Hill Park
Suite 400
Braintree, MA 02184-8734

If you have any questions, please contact Jan Palmbach, Senior Data Coordinator, at 781-751-6128 or jpalmbach@mib.com .