

Minutes of the IAA Mortality Working Group Meeting September 29 and 30, 2011 – Zagreb, Croatia

Members present

Martin Stevenson	Chairperson
William R Horbatt	Vice-Chairperson
Henk van Broekhoven	Vice-Chairperson
Erik T Alm	
Bridget Browne (by conference call)	
Dieter S Gaubatz	
Allen M Klein	
Paul Lewis	
Mika Mäkinen	
Darko Medved	
Taisuke Nishimura	
Ksenia Novikova	
Ermanno Pitacco	
Thierry Poincelin	
Brian Ridsdale	
Thomas S Terry	

Apologies

Dov Raphael
Marc Tardif

Observers present

Félix Arias Bergada	Col.legi d'Actuaris de Catalunya
Rob Brown	Chair, Social Security Task Force
Ken Buffin	Chair, Supranational Relations
Micheline Dionne	Canadian Institute of Actuaries
Morten Harbitz	Den Norske Aktuarforening
Bruce Langstroth	Canadian Institute of Actuaries
Barbara Lautzenheiser	Conference of Consulting Actuaries
Nobuyuki Nakagome	Japanese Society of Certified Pension Actuaries
Vladimir Novikov	Russian Guild of Actuaries
Marc Patigny	Institut des Actuairens en Belgique
Lars Pralle	Deutsche Aktuarvereinigung
Harriet Yuan	Actuarial Institute of Chinese Taipei

1. The Chairman welcomed all members and observers present.
2. **Minutes of last meeting**
The [minutes of the previous meeting in Sydney, Australia](#) were accepted.

3. Website update

Brian Ridsdale updated the Group on progress with the website. He outlined the additional material that is needed for the website.

The key concepts underlying the construction of the website were reiterated: the website includes a number of “subject pages”. Each subject page includes a summary, papers produced by the MWG that are still relevant and references to key websites and papers produced by others. There will not be a formal peer review process. Each subject page will always be a work in progress and readers will be requested to provide further papers and references.

A Website Development Group was formed, consisting of Brian Ridsdale (Chair), Dieter Gaubatz, Paul Lewis and Ksenia Novikova.

It is intended to “launch” the website by the IAA meetings in May 2012, and then to ask national actuarial associations to publicize it and to contribute to improving its coverage.

4. Uncertainty in modelling mortality

Henk van Broekhoven summarised his presentation to the emerging trends in mortality 2011 symposium: [Mortality uncertainty](#).

The presentation covered the definition of mortality risk, uncertainty in projections and Solvency II.

5. Presentation on preferred mortality

Dieter Gaubatz provided a presentation on [Preferred Life Insurance North America](#). Dieter outlined the techniques used by North America Life insurance to underwrite policies on favourable terms.

6. Table manager

Dieter updated the Group on progress with the update of Table Manager. The functionality has been updated. Work has begun on updating the inventory of tables with tables already identified to be added.

Certain future enhancements have been identified:

- develop a taxonomy for new keywords in XML files;
- determine updates to accommodate health and pension tables;
- international tables inventory to be reviewed and updated;
- existing tables to be validated.

7. International Experience Study

Bill Horbatt provided an updated on the SoA International Experience Study. A new demonstration tool has become available. Studies are underway in the Caribbean, Philippines and Vietnam.

The results of studies in Hong Kong, Philippines, US and Vietnam were shared with the Group.

Subsequent event: Bill made presentations to the Croatian Actuarial Association and to a meeting of Balkan actuaries. It is very likely that Croatia will participate in a future Study.

8. Healthy Longevity

Bridget Browne provided a presentation on [Healthy Longevity](#). Topics covered included:

- Lifecycle and transitions
- Compression and expansion of mortality
- Health expectancy measures
- Evolution of Healthy Longevity to date
- Characteristics of populations with liability longevity
- Implications for individuals, organisations and society.

Considerable further research is being carried out on this topic mostly by non-actuaries.

9. ICA 2014

Al Klein advised that we are seeking a speaker on mortality at ICA 2014 at a plenary session, and also to have a cross disciplinary track on mortality related topics.

The MWG will continue a dialogue with the organisers of ICA 2014.

Al collected topics from MWG members and subsequently passed them on to the ICA organisers.

10. Sources of mortality data worldwide

Paul Lewis mentioned two further sources of mortality tables (beyond tables previously discussed): United Nations Demographic Yearbook and United Nations Population and Vital Statistics Report. Paul also brought to the attention of the Group the website worldmapper.org which presented a range of statistics in an interesting format.

11. Pandemics

Mika Mäkinen advised the H1N1 2009 virus is still causing serious illness, but is no longer a major threat. There are some possible pandemics "on the horizon" but nothing has seriously eventuated.

It appears that the H1N1 vaccination caused a number of cases of narcolepsy.

12. Mortality of disabled people

Ermanno Pitacco presented his [paper on mortality of disabled people](#). It was agreed that the paper was very suitable for inclusion on the website.

13. Criteria for admitting new members

Erik Alm put forward the following criteria for new membership:

- Someone who fulfils the following four criteria should be admitted
 - Be interested in the subject of mortality
 - Fill a gap in the committee
 - Geographical
 - Subject
 - Be recommended by somebody else, preferably a member of the group
 - Be prepared to participate actively
 - Travelling to face-to-face meetings
 - Being responsible for a subject (alone or together with somebody else)
 - Giving presentations to the group
- Someone who fulfils three out of four might be considered for admission.

It was agreed that membership was not for life and procedures needed to be put in place to remove members from the Group. As a starting point, it was agreed that if a member had not participated at all in a calendar year, then this was sufficient reason for termination of membership to be considered (but not automatic).

14. European Court of Justice Ruling on Gender Discrimination

The group will continue to maintain a watching brief.

15. Life Insurance Underwriting

Al Klein had included a [paper on underwriting](#) in the agenda papers and summarised for the Group a presentation on [Life Insurance Underwriting in the United States](#). Both documents will be included in the website.

The underwriting sub group is on target for producing a paper for ICA 2014.

Paul Lewis agreed to put a template together for others to use so that they can provide underwriting data from their countries in a consistent manner.

16. Projecting mortality in Slovenia

Darko Medved provided a [presentation on projecting mortality](#) in Slovenia. The original question to be investigated was: Are German R1994 (current standard) or R2004 (new German Life Annuity Tables) appropriate to use for best estimate calculation of life annuities? It was found that neither R94 or R04 were appropriate, and better results could be obtained by allowing for the mortality trends in other countries.

17. Annuity underwriting in the United Kingdom

Brian Ridsdale provided a [presentation on annuity underwriting](#) in the United Kingdom. The presentation covered the United Kingdom market, the types of annuity underwriting, underwriting aspects and developments in the UK and elsewhere.

18. Mortality assumptions in pensions reserving – the Cass Report

Brian Ridsdale [updated](#) the Group on the Cass paper “Second international comparative study of mortality tables for pension fund retirees A discussion paper”. This paper has been commissioned by the MWG.

The study provided important information about the relative (and significant) differences between mortality assumptions adopted by actuaries in various countries. However, there were material gaps where information had not been provided by some countries.

21. Meeting with ILO, ISSA and WHO

Brian Ridsdale reported on his meeting, on behalf of the MWG, with representatives of ILO, ISSA and WHO. Brian had briefed the representatives on the activities of the MWG. Brian informed the MWG on the main issues of interest to the three organisations.

22. Warwick Symposium – Emerging Trends in Mortality and Longevity

Brian Ridsdale provided a summary of the recent Warwick Symposium on Emerging Trends in Mortality and Longevity. As well as Brian himself, speakers at the Symposium who are also members of the MWG included Henk van Broekhoven and Al Klein.

The symposium was considered to be a success, but there was not enough time for socialising amongst delegates.

23. Appreciation

The Group expressed its appreciation for the quality and quantity of work carried out by Brian Ridsdale.

24. MWG Brochure / Next stage of development of IAA MWG

Martin Stevenson presented an [updated brochure](#). New sections had been added in respect of underwriting, mortality of disabled people, healthy longevity, current issues and mortality assumptions used in pensions and annuity reserving.

The MWG (previously Task Force) has been in existence for over three years now, and it was considered worthwhile to set up a task force to report back to the MWG in respect of whether improvements could be made to the current method of operation. Volunteers were called for, and the following task force was established:

Martin Stevenson (Chair)
Henk van Broekhoven
Dieter Gaubatz
Al Klein
Paul Lewis
with peer review to be provided by Brian Ridsdale.

25. Next meeting

The next meeting of the Mortality Working Group will be held in Los Angeles, United States, 23 – 26 May 2012.