

**SURVIVE THRIVE**



# Natural Selection

**Financial Services Forum**

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**Actuaries  
Institute**



# The Future of Disability Income Insurance

**Briallen Cummings**

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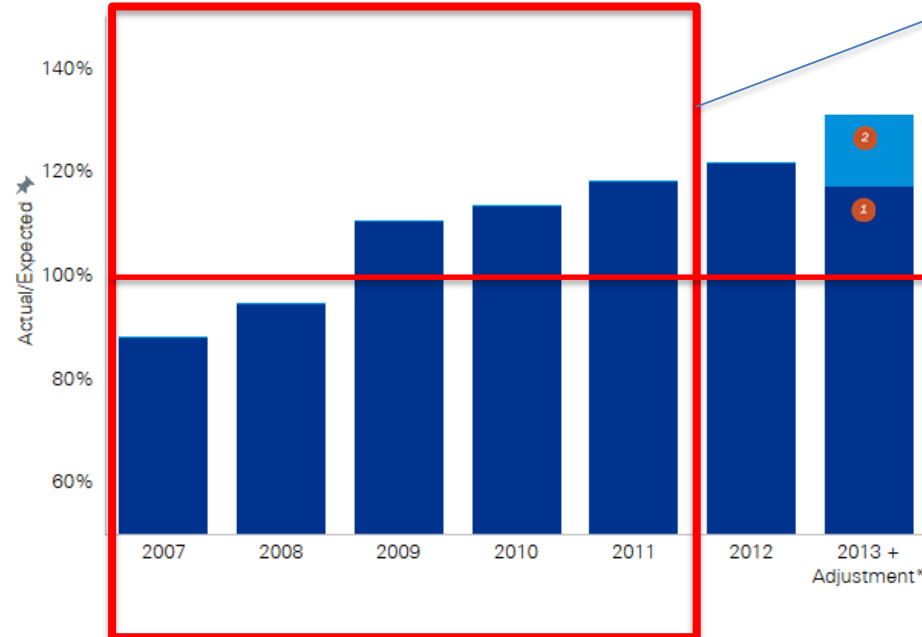
*This presentation has been prepared for the Actuaries Institute 2018 Financial Services Forum. The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those of the Institute and the Council is not responsible for those opinions.*

# Disability Income Insurance:

**What does “good” experience look like?**

# Latest FSC-KPMG Experience Investigation

Claims Cost for the first 5 Years of Benefit by Investigation Year for 30 Days Waiting Period

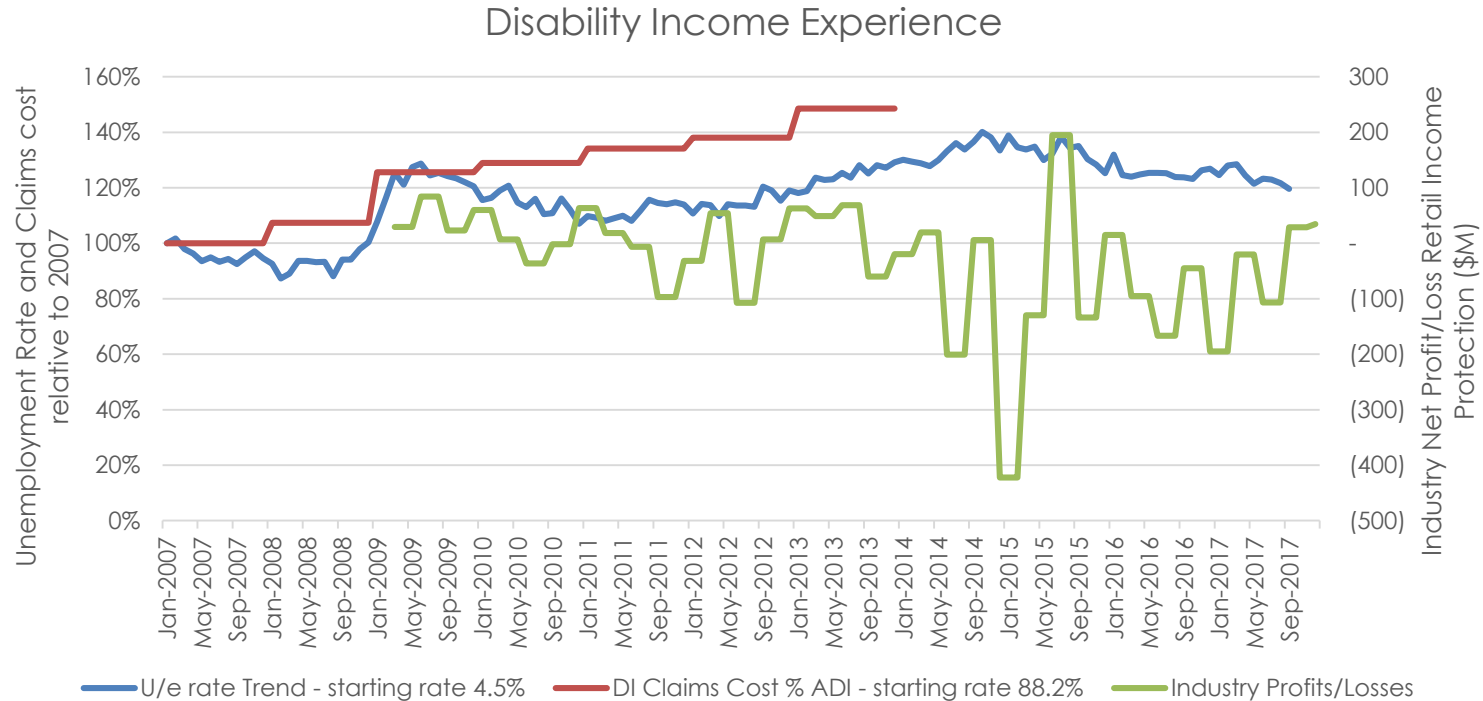


Data Supporting Standard Table

\* The adjustment takes into account the estimated impact of IBNR and re-opened claims on the claims cost.



# Unemployment Rate Overlay





## What's Happened Since 2013?

- I asked a number of companies to tell me about their experience since 2013 combined.
- Incidence: industry appears stable to improved; however some companies incidence increased
- Terminations: decreased by 10%-15%, no company reported an improvement
- Estimated Cost Impact: ??? .... As a bold guess 15%-20% increase since 2013