



**EXPERIENCE STUDIES**  
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# Today's Discussion

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- **Data collection issues**
- **Data quality considerations**
- **Dealing with multiple variables/drivers**
- **Putting the results into action**

# DATA COLLECTION ISSUES

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- **Where do you get data**
- **Dealing with multiple sources**
- **What tools are used to analyze the data**
- **Capturing history**
- **Snapshot or changing policy characteristics**

# DATA QUALITY CONSIDERATIONS

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## Actuarial Standard of Practice #23 – Data Quality

**Provides guidance to the actuary in :**

- **Selecting the data that underlie the actuarial work product**
- **Reviewing these data for appropriateness, reasonableness and comprehensiveness**
- **Making appropriate disclosures**



# DATA QUALITY CONSIDERATIONS

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## Actuarial Standard of Practice #23 – Data Quality

Select the data with due consideration:

- **Appropriateness**
  - Study purpose
  - Time period
  - Current data
  
- **Reasonableness and comprehensiveness**
  - Bad data
  - Consistent data
  - Complete data

# DATA QUALITY CONSIDERATIONS

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## Actuarial Standard of Practice #23 – Data Quality

Select the data with due consideration (continued):

- Any limitations of the data, modifications or assumptions needed in order to use the data
  - Inconsistent data
- The cost and feasibility of alternatives
  - Outside sources
- Sampling Methods

# DEALING WITH MULTIPLE VARIABLES/DRIVERS

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- How do you recognize which variables are dependent
- How do you deal with dependence of variables
- Start with the core drivers
- Credibility
  - this is a significant issue
  - for disability income we said 50 claims

# PUTTING THE RESULTS INTO ACTION

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**Pricing**

**Valuation**

**Modeling Assumptions**

**Actuarial Opinion and Memorandum**

**Cash Flow Testing**

**Value Added Analysis**

**Management Reporting**