



**Actuaries
Institute**

The ADI 2007-2011 Table in Practice

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Implementation

Implementation

- Understanding of interactions and any issues
- Liability Modelling Implementation (e.g. Prophet)
 - Logistics and Challenges
 - Data
- Fitting to the table
 - Data
 - Approach
 - Credibility of fit
 - Group vs Retail
- Communication and stakeholders

Disclaimer: The panel are not experts in the implementation and their experiences do not necessarily reflect the only, or best, approach. The opinions put forward are not necessarily those of the Institute, or the companies that they work for, and the Council is not responsible for those opinions. They are intended to prompt discussion only.

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Strengths and Cautions

Strengths

1. Analysis by Policy Duration
 - Material factor for both Incidence and Termination

2. Analysis by Claim Cause
 - Further extension for incidence

Cautions

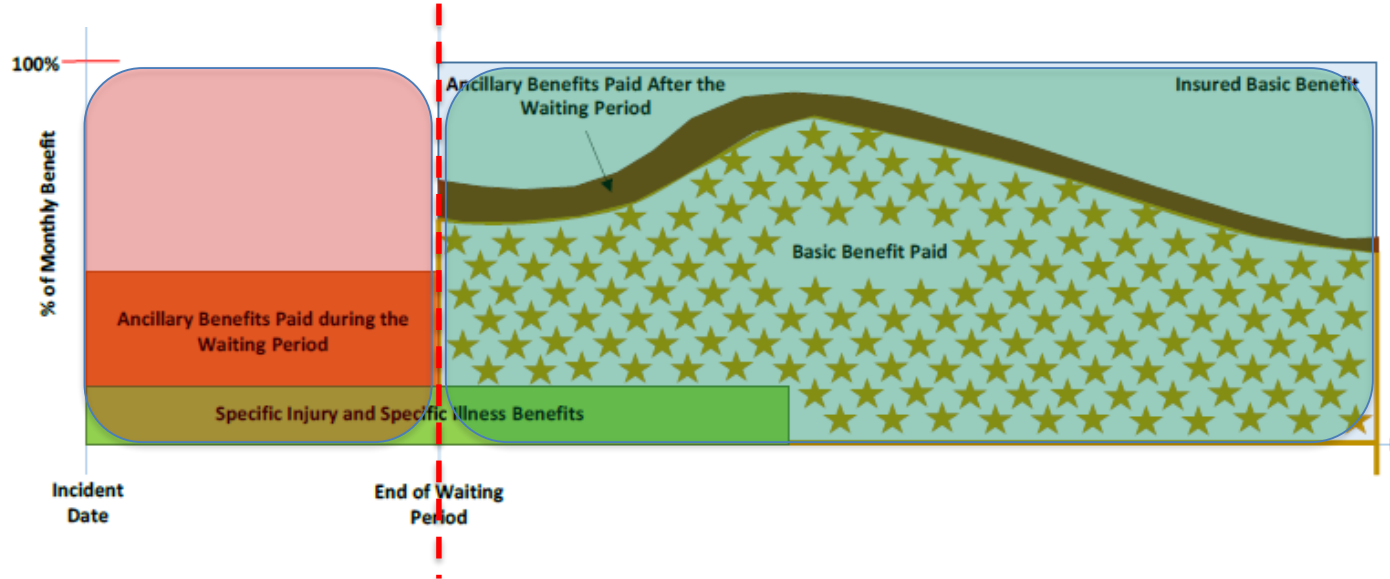
1. Does the ADI shapes and rating factors apply to all retail business?
2. Ancillary benefits
3. Termination – Effects for drivers over the claim

Cautions - Does the ADI shapes and rating factors apply to all retail business?

No

Applies to most but not all

Cautions – Ancillary Benefits



Cautions – Termination & Claim Duration

ADI's termination factor relativities varies with claim duration:

Factor	Varies with Claim Dur.	Strength / Caution
Occ and WP	Yes, converges	Strength
Pol Duration (Sickness)	Yes, converges	Strength
Benefit Period	Yes, diverges	Strength
AV vs Indemnity	No, remains flat	Caution
Age Shape	No, remains flat	Caution

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