

## **SOA International Experience Study**

### **Philippines 2008**

#### **Introduction**

The 2008 Philippines experience study was undertaken as a joint research venture between the Actuarial Society of the Philippines (ASP) and the Society of Actuaries (SOA) International Experience Study (IES).

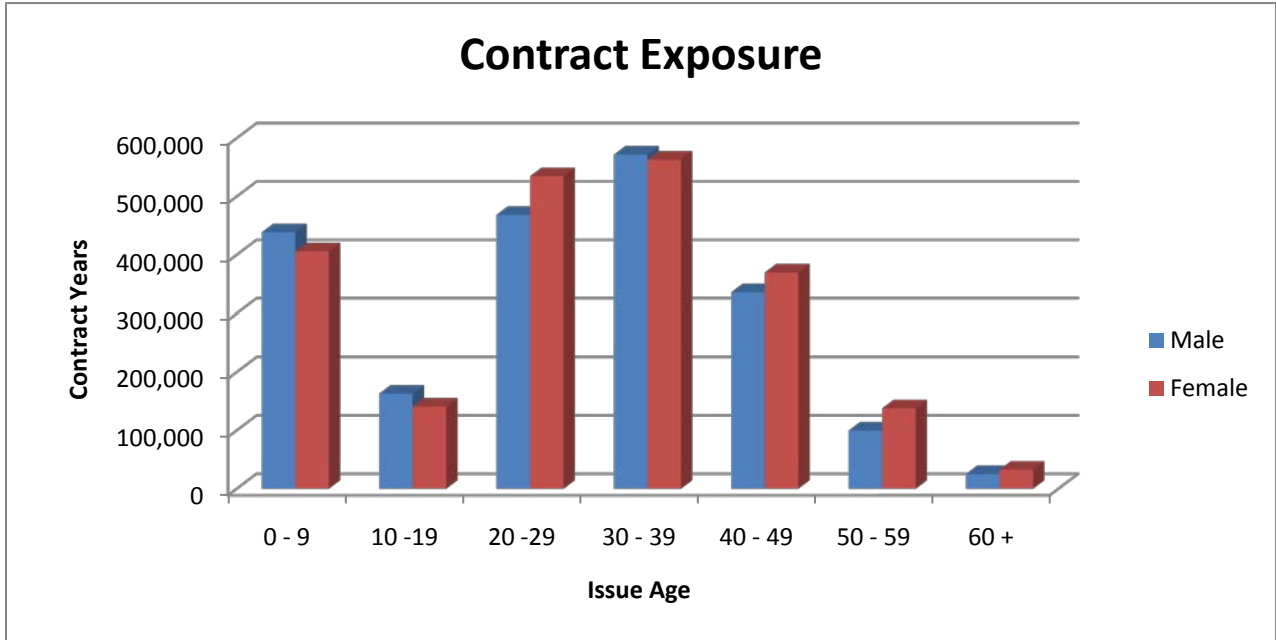
The 2008 Philippines experience study includes both mortality and persistency studies of policies in force any time during the 2004-2006 study period. The study applies to the entire portfolios of the 19 contributing companies and these companies represent the entire Philippines individual life insurance market. Studies were performed based upon policy counts. Actual mortality was compared to expected mortality based upon the SOA 1975-80 select and ultimate mortality table.

Each of the contributing companies prepared a policy file of all policies in force during the study period that including policy, demographic and status information. These files were processed by each company using the SOA IES experience study tool and summary information was sent to the SOA Research Department for compilation. This report presents some of the summary information that was returned to the Philippines actuaries for their review.

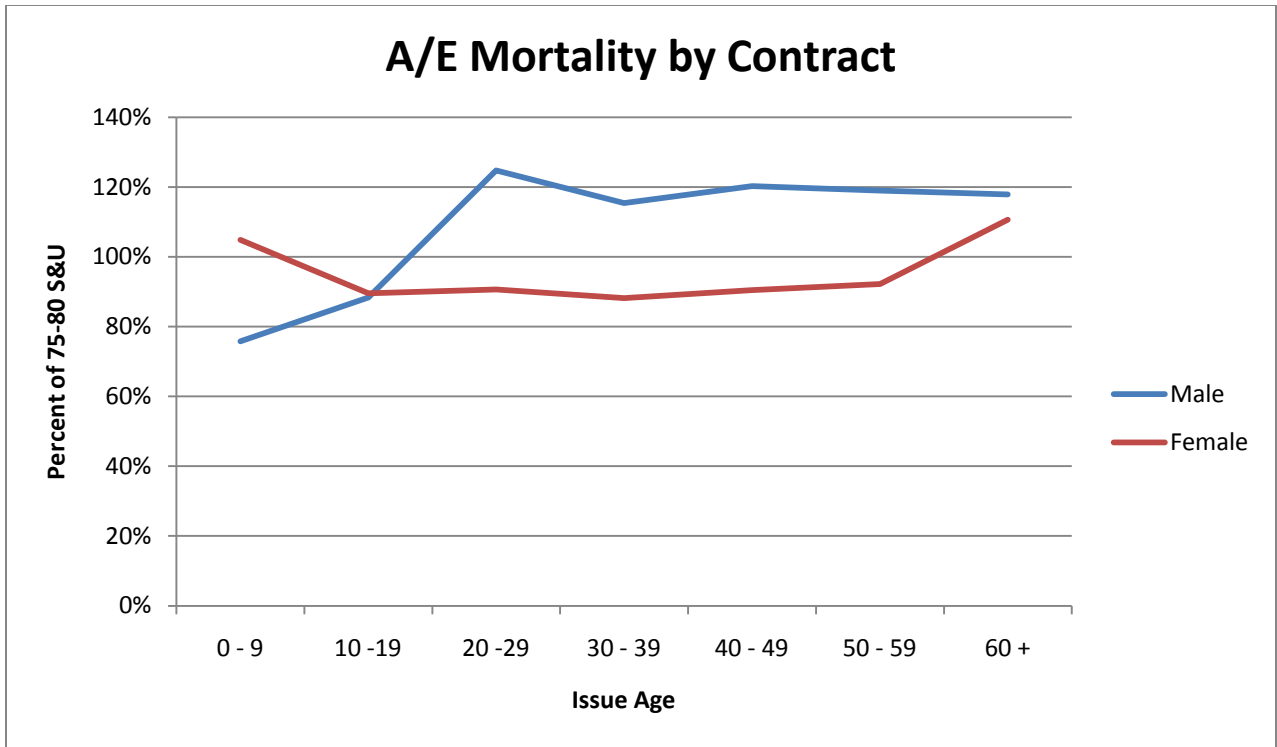
The study relied primarily upon the company actuaries to validate the quality of the data submitted although members of the SOA International Experience Study Working Group did review the data submissions for high level consistency. This study is the first study performed in Philippines and although there were no known data issues it is still expected that data quality is likely to improve as subsequent studies are performed.

## Results

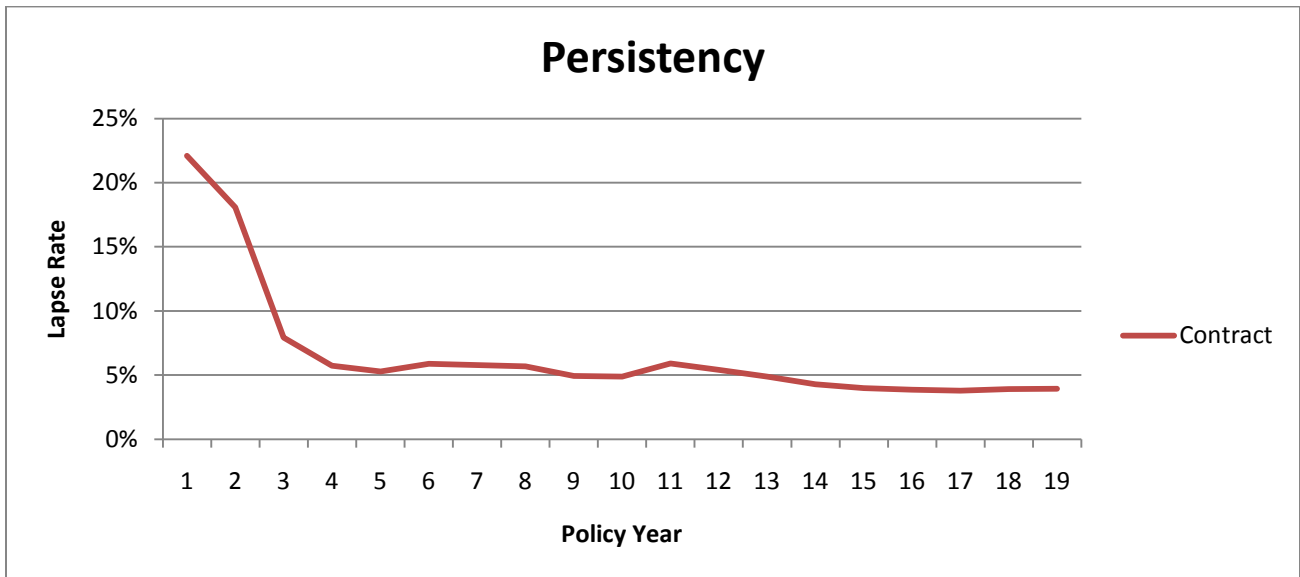
The graphs below illustrate results from the study. Additional detail is contained in the appendix to this report. The first graph shows the exposure to mortality risk based upon contracts. One contract year of exposure equals one contract in force for one year.



The next graph shows the ratio of actual mortality to expected mortality based upon the SOA 1975-80 select & ultimate table. This graph is based upon contracts in force.



The final graph presents persistency by policy years



Appendix A: Mortality Data

Mortality By Contract - Males

Age At Issue	Exposure	Actual Claims	Expected Claims	Actual / Expected
0 - 9	438,713	173	228	76%
10-19	162,991	141	160	88%
20-29	468,655	737	591	125%
30-39	571,877	1,816	1,574	115%
40-49	335,907	2,367	1,969	120%
50-59	99,700	1,502	1,263	119%
60 +	25,342	762	646	118%
Total	2,103,185	7,498	6,431	117%

Mortality by Contract - Females

Age At Issue	Exposure	Actual Claims	Expected Claims	Actual / Expected
0 - 9	406,039	127	121	105%
10-19	140,905	57	63	90%
20-29	534,824	394	435	91%
30-39	563,273	885	1,004	88%
40-49	369,746	1,195	1,322	90%
50-59	137,937	785	852	92%
60 +	32,660	530	479	111%
Total	2,185,385	3,973	4,276	93%

Appendix B: Persistency Data

Persistency by Contract

Policy Year	Exposure	Lapses	Lapse Rate
1	559,515	123,698	22.1%
2	453,145	81,931	18.1%
3	374,020	29,625	7.9%
4	350,268	20,078	5.7%
5	341,336	17,982	5.3%
6	321,621	18,903	5.9%
7	291,912	16,863	5.8%
8	259,289	14,726	5.7%
9	231,261	11,421	4.9%
10	206,180	10,086	4.9%
11	156,052	9,214	5.9%
12	144,643	7,808	5.4%
13	140,816	6,876	4.9%
14	134,849	5,785	4.3%
15	136,040	5,430	4.0%
16	133,652	5,156	3.9%
17	131,613	4,969	3.8%
18	115,329	4,519	3.9%
19	95,568	3,749	3.9%
Total	4,577,108	398,819	8.7%

## Appendix C: Contributing Companies

Asia

Asian

AXA

Ayala

Cocolife

CBLIC

First Life

Great Life

Great Pacific

Insular

Manulife

National

PAL

Paramount

Pioneer

PIL

PNB

Prudential LLC

SONY