2025 Mortality Data Collection Kick-off

Angela McNabb, ASA, MAAA
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Agenda

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- Current Data Collection – Observation Year 2024

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  - Coverages Issues as a Result of Exercising A Guaranteed Insurability Option

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Recap of Previous Mortality Experience Data Collections
Observation Year 2020-2023

- NAIC staff is currently working with companies to complete their data submissions for observation years 2020-2023.

  o If your company has data submissions outstanding for 2020 or 2021, please prioritize completing these years.

- The RDC data calls for past years will remain open as long as necessary to accommodate resubmissions.

- If your company needs to resubmit 2020 data, you may use the 2021 data call for your submission. If you are submitting 2020 data, RDC will give you an exception regarding the observation year. You can disregard that exception and submit your data. Please make sure to note the observation year in the title of the data file.

Current Data Collection
Observation Year 2024

- An email was sent recently to confirm the company contacts and their access to RDC and SharePoint.

- The data collection will begin in early July 2025. A blast email will be sent to all submitting companies when RDC is opened for this year's collection.

- The due date for initial company data submissions is September 30, 2025.

What's New
Data File Submissions Must Be Made Using RDC

- Data file submissions will no longer be accepted via SharePoint. All data files must be submitted using the Regulatory Data Collection (RDC) tool found on the NAIC website.

- We are working on new tools that will improve our efficiency in processing your data. As a result, all data submissions must go through RDC.

What's New
Data File Submissions Must Be Made Using RDC (continued)

- If your data file does not contain any exceptions, the status will change to "File Processed." From that point the file will automatically flow into our review process.

- If there are data exceptions in your file, the status will change to "Pending User Submission." This will give you an opportunity to review the data exceptions that RDC has identified and make a decision whether you want to submit or reject the file and prepare a new one.

- If you want to submit this file, you will need to click the "Submit" button in order for your file to move into the review stage. NAIC staff is unable to access your data file until you do this.

What's New

Coverages issued as a result of exercising a Guaranteed Insurability Option

- There has been some confusion regarding whether these coverages should be included in the data submission and how they should be handled.

- We recently requested guidance on this matter from the SOA. The decision was made that these coverages should be included in the data collection. They should be coded with the same issue date, issue age, and underwriting type as the base coverages.

- For this year's data collection, we are also asking companies to use the same plan code as the base coverage. We will be submitting a Valuation Manual amendment in the future that will introduce a new plan code to distinguish these coverages.

Review Process and Feedback from NAIC

- There are two main components to the review process that the NAIC performs on data submissions: Rules-Based Validations and Trend Review.

- The results of both of these are included in the validation packages that are provided to the company via their SharePoint folder.

- Companies are required to respond to critical exceptions in **<u>both</u>** the Rules Based Validations and in the Trend spreadsheet.

Review Process and Feedback from NAIC
Rules-Based Validation

- The Rules-Based Validations comprise the majority of the validation package that is returned to the company. This includes a Submission Summary spreadsheet as well as .csv files that contain seriatim detail regarding the data exceptions.

- The rules-based validations includes validations that were run in RDC as well as additional, more complex, validations (e.g. year-over-year validations).

- Companies are expected to review the exceptions identified in this review step. Critical exceptions involving a significant number of records should be researched, corrected, and a new data file submitted.

Review Process and Feedback from NAIC
Rules-Based Validation – Submission Summary Spreadsheet

	Record Count	Face Amount	Death Claims	
Total Records	3,806,300	95,157,500,000	2,854,725,000	
Joint Life Removed *	41,300	1,032,500,000	289,100,000	
Remaining Single Life Records	3,765,000	94,125,000,000	2,565,625,000	
Duplicate Records **	19,000	345,600,000	83,250,000	
Records Rejected Due to Critical Exceptions	15,000	110,200,000	511,263,000	
Records Rejected Due to Exception Score	200	95,000	15,000	
				This represents records that were not rejected in single year validations.
Records Rejected Due to Year-Over-Year Exceptions	1,500	65,000,000	450,000	
Accepted Records	3,729,300	93,604,105,000	1,970,647,000	
% of Accepted Records to Total	99.1%	99.4%	76.8%	

Review Process and Feedback from NAIC
Rules-Based Validation – Submission Summary Spreadsheet
Single Year Exception Summary

% of Total Records	Record Count	Death Claims	Validation Exception
1%	19,000	83,250,000	CRITICAL - Record is a duplicate
0%	8,600	315,620,000	CRITICAL - Termination Reported Date is not a valid date
0%	6,200	168,452,000	CRITICAL - Cause of Termination is not a valid value (00-15)
0%	245	42,150,000	CRITICAL - Reported Termination Date is before the Actual Termination Date for death
0%	2,856	15,000	Face Amount of Insurance at Issue is missing or zero on base coverage
0%	78	0	Substandard Indicator is not a valid value (0-2)

Review Process and Feedback from NAIC
Rules-Based Validation – Submission Summary Spreadsheet
Year Over Year Exception Summary

% of Total Records	Record Count	Death Claims	Validation Exception
0%	1,250	320,000	Year-to-Year CRITICAL: Face Amount of Insurance at the Beginning of the Observation Year does not equal Face Amount of Insurance at the End of the Observation Year from previous year
0%	500	25,000	Year-to-Year CRITICAL: Preferred Class Structure Indicator changed (Smoker Status did not change)
0%	250	238,000	Year-to-Year CRITICAL: Plan changed (other than to RPU or ETI)
0%	160	0	Year-to-Year CRITICAL: Issue Age changed
0%	25	0	Year-to-Year CRITICAL: Gender changed

Review Process and Feedback from NAIC
Rules-Based Validation (continued)

- If the company feels that a given exception does not represent an error, they can submit an explanation as to why that exception does not apply.

  - Some reasons that an exception may not apply would be process improvements and/or data clean-up.

  - In these cases, the NAIC will excuse the exception.

- Most companies are now attaining a high percentage of acceptability for record count, face amount, and death claims based on the Rules-Based Validations.

Review Process and Feedback from NAIC
Trend Review

- The NAIC also does a trend analysis of key fields in the data file.

- We are looking for data anomalies such as a significant shift of data from one category to another (e.g. records moving between Substandard and Not Substandard).

- The reviewer will highlight any areas of concern and add comments. In some cases, the company is being asked to confirm whether the trend is in line with the company's expectations. In many cases, the trend is identifying data that is incorrect and must be corrected.

Review Process and Feedback from NAIC
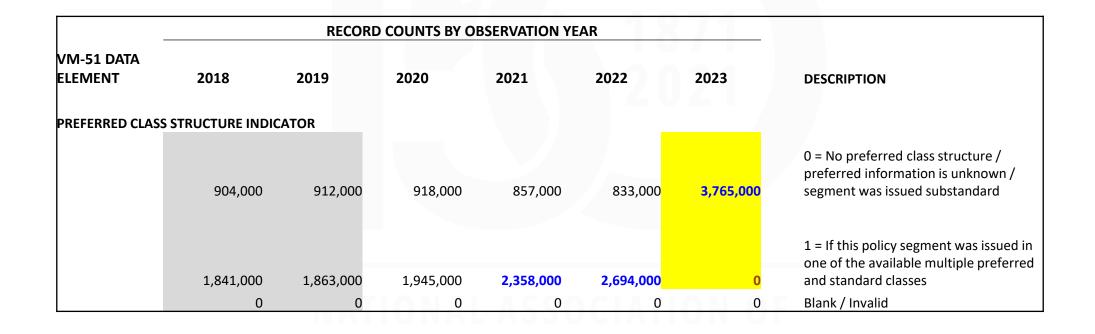## Trend Review – Examples
Total Within Field Doesn't Tie To Total Records

RECORD COUNTS BY OBSERVATION YEAR

VM-51 DATA ELEMENT	2018	2019	2020	2021	2022	2023	DESCRIPTION
AGE BASIS							
	1,321,000	1,368,000	1,493,000	1,601,000	1,438,000	1,922,000	0 = Age Nearest Birthday
	1,983,000	1,265,000	1,370,000	1,614,000	1,689,000	1,843,000	1 = Age Last Birthday
	0	0	0	0	0	0	2 = Age Next birthday
	0	0	0	0	0	0	Blank / Invalid
			0	0	(400,000)	0	**Sum does not tie to total single life count on Plan tab**

RECORD COUNTS BY OBSERVATION YEAR

	2018	2019	2020	2021	2022	2023	PRODUCT TYPE / PLAN CODES
COUNT OF ALL RECORDS (includes active and terminated)							
	46,000	38,000	42,000	40,000	39,500	41,300	Joint Life *(filtered from all other breakouts)*
	2,535,000	2,684,000	2,863,000	3,215,000	3,527,000	3,765,000	Single Life

Review Process and Feedback from NAIC
Trend Review – Examples
All Records Moved To One Value

	RECORD COUNTS BY OBSERVATION YEAR						
VM-51 DATA ELEMENT	2018	2019	2020	2021	2022	2023	DESCRIPTION
PREFERRED CLASS STRUCTURE INDICATOR							
	904,000	912,000	918,000	857,000	833,000	**3,765,000**	0 = No preferred class structure / preferred information is unknown / segment was issued substandard
	1,841,000	1,863,000	1,945,000	**2,358,000**	**2,694,000**	0	1 = If this policy segment was issued in one of the available multiple preferred and standard classes
	0	0	0	0	0	0	Blank / Invalid

Review Process and Feedback from NAIC
Trend Review – Examples
Values Shift Unexpectedly

VM-51 DATA ELEMENT	RECORD COUNTS BY OBSERVATION YEAR						DESCRIPTION
	2018	2019	2020	2021	2022	2023	
NUMBER OF CLASSES IN NS PREFERRED CLASS STRUCTURE							
Counts in this section include records where Preferred_Indicator = 1 and Smoker_Status = 1 or 2							
	0	0	0	0	0	0	0
	0	0	0	0	0	0	1
	823,000	833,000	841,000	849,000	853,000	882,000	2
	146,000	249,000	252,000	245,000	**525,000**	563,000	3
	318,000	332,000	348,000	356,000	**121,000**	126,000	4
	0	0	0	0	0	0	5
	0	0	0	0	0	0	6
	0	0	0	0	0	0	7
	0	0	0	0	0	0	8
	0	0	0	0	0	0	9
	0	0	0	0	0	0	Blank / Invalid / Other
	1,287,000	1,414,000	1,441,000	1,450,000	1,499,000	1,571,000	Total

Review Process and Feedback from NAIC
Trend Review – Examples
Unusual Movement Between Plans

RECORD COUNTS BY OBSERVATION YEAR						
2018	**2019**	**2020**	**2021**	**2022**	**2023**	**PRODUCT TYPE / PLAN CODES**
1,935,000	1,946,000	1,932,000	1,243,000	1,964,000	2,153,000	**Permanent Plans:**
535,000	598,000	625,000	1,324,000	641,000	653,000	**Term Insurance Plans:**

Review Process and Feedback from NAIC
Trend Review (continued)

- Companies should note that even though they have a high percentage of acceptability in the Rules Based Validations, there may be additional issues identified in the Trend.

- We are currently seeing many companies have a high percentage of acceptable records but there are concerns with the Trend.

- Please be sure to review the Trend spreadsheet and reply with responses and/or a resubmission.

Problems Encountered with Data Files

- The company does not click the "Submit" button in RDC when data exceptions are identified. NAIC staff are unable to process your data file until you click the button.

- Bad file formats. These may include missing values in key data fields, data fields repeated which causes remaining fields to shift, files not in .csv format, etc.

- Dropping leading zeros. Certain fields are identified in VM-51 Appendix 4 with a list of valid values that may contain leading zeros. For example, if a record was underwritten and fluid was collected, the Type of Underwriting Requirements must be coded as "03" and not just "3."

Problems Encountered with Data Files
Dropped Leading Zeros (continued)

- If these fields are populated, they must contain the leading zero or the record will be rejected:
  - Type of Underwriting Requirements,
  - Plan,
  - Cause of Termination (if Inforce Indicator is 0),
  - Premium Mode,
  - ULSG/VLSG Premium Type*,
  - Type of Secondary Guarantee*,
  - Operative Secondary Guarantee at the Beginning of Observation Year*,
  - Operative Secondary Guarantee at the End of Observation Year*.

  *Please note that these fields are only to be populated if the record is identified as either a ULSG or VLSG product (via the plan field).

2025 Mortality Experience Data Collection
Resources on the web
https://content.naic.org/pbr_data.htm
(Scroll to the VM-50/VM-51 Experience Reporting section).

- Prior Year's Training Webinars (recordings and slide decks)
- RDC Submission Instructions
- Company Administrator Guide
- Templates for Control Totals, Reconciliation, and VM-51 Appendix Questionnaires
- VM-51 Data Validations
- Data Dictionary
- Submission Checklist

Questions?

If you have any questions regarding this year's data collection, please email experience_reporting@naic.org