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FOR IMMEDIATE RELEASE

Press Release

Milliman completes comprehensive final expense industry experience study

Mortality, lapse, cause of death, and usage of underwriting tools all included

Seattle – January 11, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today announced the availability of a new final expense insurance experience study. This is the second Milliman Final Expense Study (MFES 2), a comprehensive mortality, lapse, and cause of death study on the final expense industry.

MFES 2 was completed in 2015 and contains more than \$54 billion of mortality exposure and more than 194,000 claims. It also includes \$50.2 billion of lapse exposure and more than 786,000 lapses. The study examines how experience varies by company, age, and death benefit structure, among other things. A large part of the study focuses on the “core” older ages of final expense business. This is the fifth industry experience study recently completed by Milliman; two other studies focused on the broad life insurance market and another focused on simplified issue business.

A key finding of MFES 2 is that mortality and rescission rates vary considerably company to company in large part due to a combination of company management of the business, claims philosophies, and target market. Al Klein, a co-author of the study, said, “With each study we do, we try to make them more valuable to the user. I am pleased that, in this study, we were able to include additional information on company practices and thoughts, in addition to the traditional mortality, lapse, and cause of death experience. For example, companies indicated that the top challenges to being successful in the final expense business were profitability, quality of production, mortality, and speed of sale.”

Dermot Corry, Milliman’s Global Life Practice Director, added, “This is another example of how Milliman helps its clients meet their needs. This is likely the most comprehensive final expense study ever done and those companies that best understand the business and marketplace will be the most successful. Again, this is one way that we try to help our clients achieve success.”

For more information or to purchase the study, contact Al Klein at al.klein@milliman.com.

About Milliman

Milliman is among the world’s largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit www.milliman.com.

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