

APPENDIX "A"

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

522 Fifth Avenue
New York 18, New York

The Honourable A. MACNAMARA
Deputy Minister of Labour,
Ottawa, Canada.

SIR:

I have the honour of reporting that, in compliance with your instructions, I have studied certain schedules which have been furnished to me and which pertain to the mortality experienced during the years 1943-8 among persons in receipt of annuity payments under Canadian Government annuities, in relation to certain questions which you have stated. This letter discusses information which can be extracted from the schedules in relation to your questions, and respectfully submits conclusions which, in my opinion, follow from this discussion.

The Questions

You have asked for an interpretation of the mortality experience represented by the schedules, its meaning in relation to the financial operations of the annuity fund. You have emphasized the question of how much margin for possible future mortality improvement is indicated by the experience. You have also asked for an opinion as to what, if any, further studies of the mortality experience should be made.

The Schedules

I have been furnished with eight schedules which pertain to the following kinds of annuities:

- (1) Males—all kinds of annuities.
- (2) Males—ordinary annuities, i.e., (a) single life annuities without guaranteed period, (b) single life annuities with guaranteed periods but only after such periods have expired, and (c) last survivor annuities but only after the death of one annuitant. Both individual and group annuities are included.
- (3) Males—guaranteed annuities, i.e., single life annuities with guaranteed periods but only prior to expiration of such periods. Both individual and group annuities are included.
- (4) Males—individual (non-group) annuities, including both ordinary and guaranteed annuities.
- (5) Males—group annuities, including both ordinary and guaranteed annuities.
- (6) Females—all kinds of annuities.
- (7) Females—ordinary annuities, including both individual and group.
- (8) Females—guaranteed annuities, including both individual and group.

Each schedule shows for each attained age the "exposed to risk" (or annuities that were in force) at that age, and the actual deaths at the same age. All of these figures are in terms of amounts of annuity per annum.

These schedules are on the "aggregate" basis, i.e., at each age they combine together the figures for all durations; there is no separation by year of annuity