

Abstract: Analysis of Actuarial Values and Plan Funding Using Plans from the National Compensation Survey

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This study analyzes actuarial value (AV) for persons under age 65 with employer-sponsored insurance (ESI) by plan funding type using the 2010 – 2013 National Compensation Survey (NCS) data. Actuarial value is calculated and compared using two rating methodologies: the Actuarial Research Corporation (ARC) Ratebook and the Minimum Value Calculator (MVC) from the Center for Consumer Information and Insurance Oversight (CCIIO). The actuarial values calculated from each methodology maintain a small but consistent differential in each year. The report includes employee-weighted distributional tables by plan type and funding, as well as tables which profile the underlying population covered by the NCS.

The report also includes an analysis of the effect of plan funding on actuarial value. ARC found that plan funding did not have a significant effect on actuarial value, and this finding was consistent whether or not records with imputed plan funding status were included in the analysis. However, a potential limitation of this study is that the incidence of self-insurance among plans in the NCS datasets was much lower compared to other data sources that capture plan funding.