Reading: Friedland 15 (Evaluating Methods)
Model: Emergence Patterns
Problem Type: Calculate emergence in a future period

Find Calculate the emergence of paid claims in the period 60 to 72

Given Here is the current information for a particular AY:

paid	claims	at	60	months	4,280

12	- ultimate CDF	2.27
24	- ultimate CDF	1.39
36	- ultimate CDF	1.17
48	- ultimate CDF	1.06
60	- ultimate CDF	1.02
72	- ultimate CDF	1.01

Step 1 determine the 12-month period containing the period you're given

period 60 to 72 is contained in period 60 to 72

Step 2 calculate the quantites required in the emergence formula (for step 3)

ultimate	=	paid @60	x	60-ultimate CDF	
	=	4,280	x	1.02	
	=	**4,366**			
unpaid @ 60	=	**ultimate**	-	paid @60	
	=	**4,366**	-	4,280	
	=	86			
%paid @ 60	=	1	/	60-ultimate CDF	
	=	1	/	1.02	
	=	**98.0%**			
%paid @ 72	=	1	/	72-ultimate CDF	
	=	1	/	1.01	
	=	99.0%			
%unpaid @ 60	=	1	-	%paid @ 60	
	=	1	-	**98.0%**	
	=	2.0%			

Step 3 calculate the emergence in the 12-month period using the results from step 2

12-mth emergence	=	unpaid @ 60	x	(%paid @ 72	-	%paid @ 60)	/	(%unpaid @ 60)
	=	86	x	(99.0%	-	**98.0%**)	/	2.0%
	=	**42.6**						

Step 4 if the given period was NOT a 12-month interval then you must interpolate to get the final answer

given period ==========> 60 to 72 which is 12 months

12-mth emergence	=	**42.6**	x	12	/	12
	=	42.6	<== final answer			

Reading: Friedland 15 (Evaluating Methods)

F-15 (010) Emergence (Problem 2)

Model: Emergence Patterns

Problem Type: Calculate emergence in a future period

Find Calculate the emergence of paid claims in the period 24 to 33

Given Here is the current information for a particular AY:

paid	claims	at	24	months	280

12	- ultimate	CDF	2.56
24	- ultimate	CDF	1.26
36	- ultimate	CDF	1.08
48	- ultimate	CDF	1.04
60	- ultimate	CDF	1.02
72	- ultimate	CDF	1.01

Step 1 determine the 12-month period containing the period you're given

period 24 to 33 is contained in period 24 to 36

Step 2 calculate the quantites required in the emergence formula (for step 3)

ultimate	=	paid @24	x	24-ultimate CDF	
	=	280	x	1.26	
	=	**353**			
unpaid @ 24	=	**ultimate**	-	paid @24	
	=	**353**	-	280	
	=	73			
%paid @ 24	=	1	/	24-ultimate CDF	
	=	1	/	1.26	
	=	**79.4%**			
%paid @ 36	=	1	/	36-ultimate CDF	
	=	1	/	1.08	
	=	92.6%			
%unpaid @ 24	=	1	-	%paid @ 24	
	=	1	-	**79.4%**	
	=	20.6%			

Step 3 calculate the emergence in the 12-month period using the results from step 2

12-mth emergence	=	unpaid @ 24	x	(%paid @ 36	-	%paid @ 24)	/	(%unpaid @ 24)
	=	73	x	(92.6%	-	**79.4%**)	/	20.6%
	=	**46.8**						

Step 4 if the given period was NOT a 12-month interval then you must interpolate to get the final answer

given period ==========> 24 to 33 which is 9 months

9-mth emergence	=	**46.8**	x	9	/	12
	=	35.1	<== final answer			