

 Institute and Faculty of Actuaries

How might a longevity expert add value under Freedom and Choice?

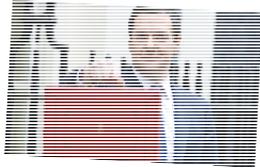
Andrew Kenyon, RBS

04 February 2016



Agenda

- Introduction
- The need for change
- Re-defining benefits
- Longevity protection
- Hybrids
- Concluding remarks



Source: Telegraph

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The need for change



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The need for change | Investment risk



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Source: RBS, Bloomberg

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The need for change | Bulk annuities



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Source: RBS, LCP, Hymans Robertson

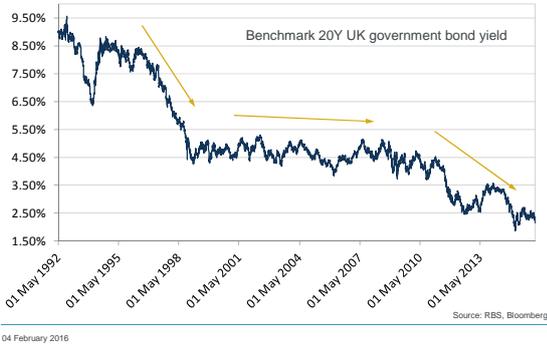
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Re-defining benefits



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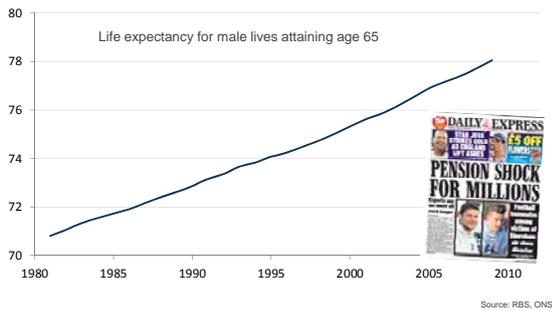
Re-defining benefits | Interest rates



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Re-defining benefits | Life expectancy



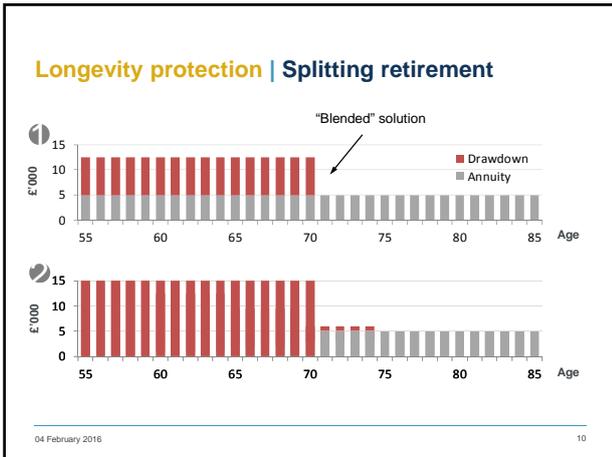
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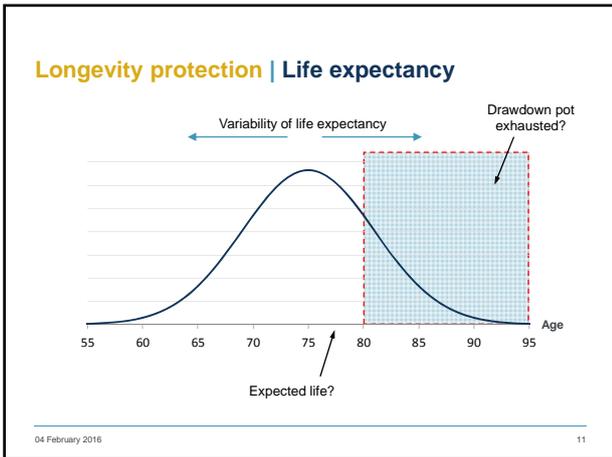
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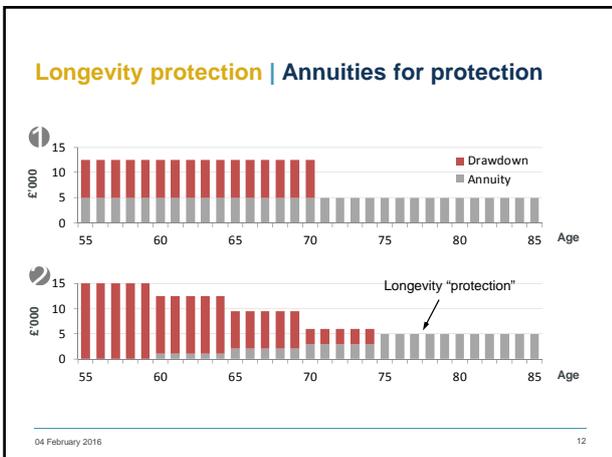
Longevity protection

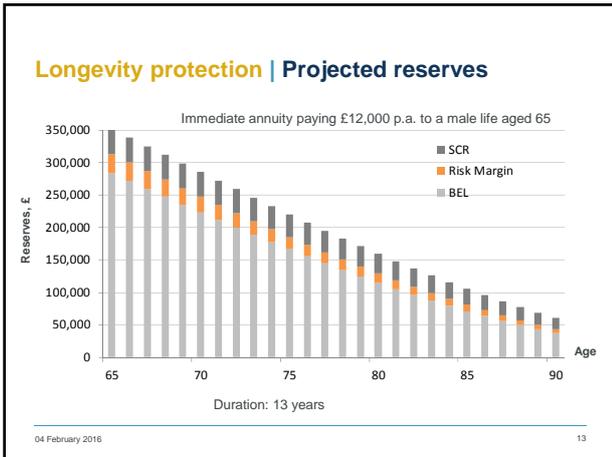


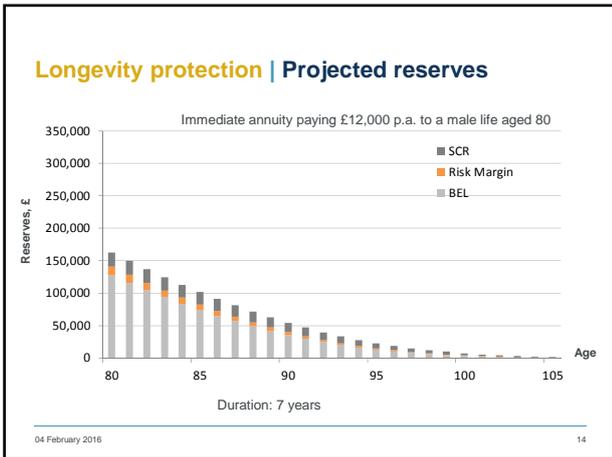
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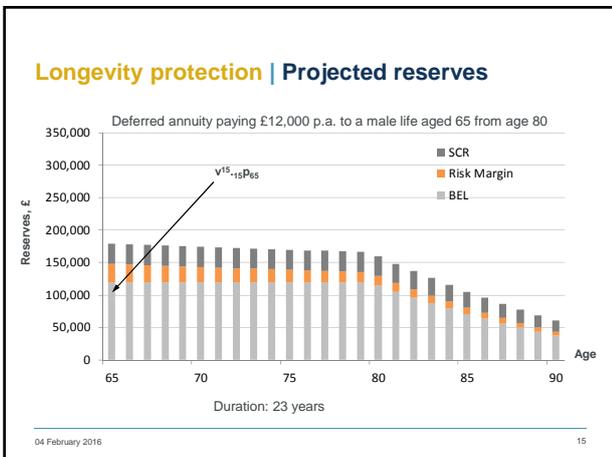


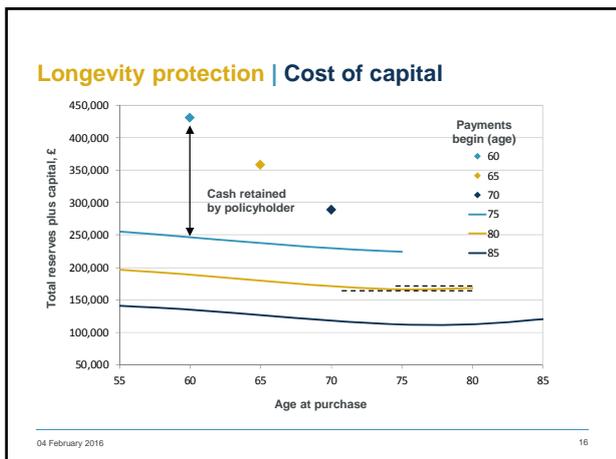


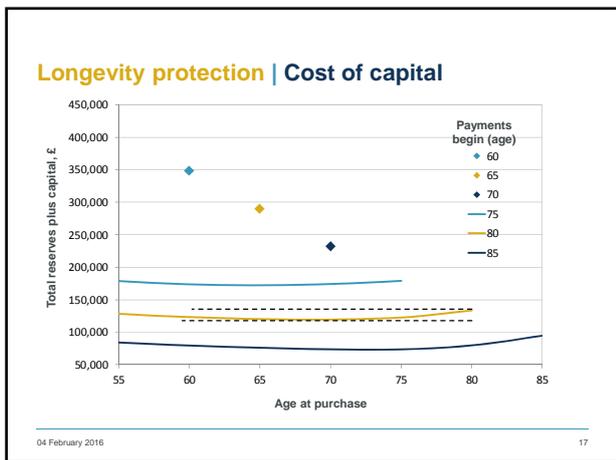






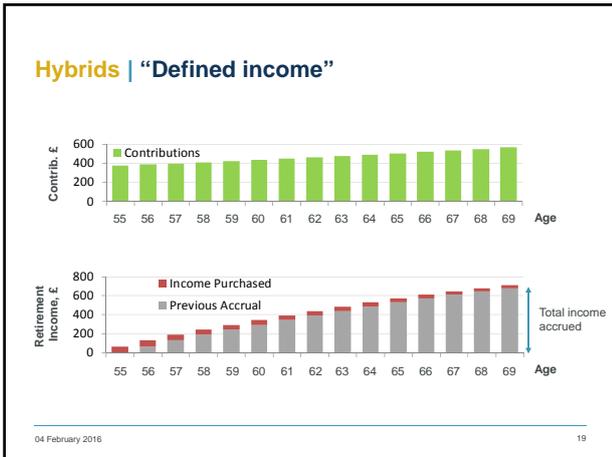


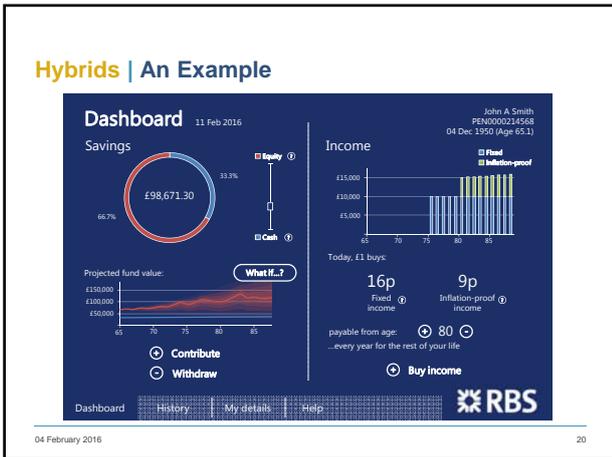


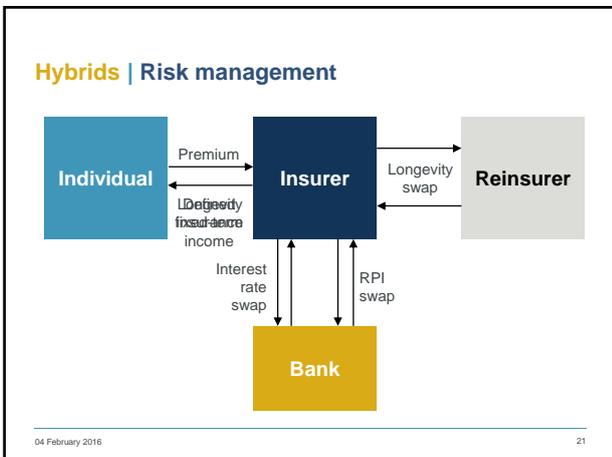


Hybrids

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Concluding remarks



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Concluding remarks

- The need for retirement reform
- Falling annuity rates
- Later-life annuities
- Deferred annuities: "longevity insurance"
- Has regulation priced insurers out of the longevity risk market?
- "Defined income"

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Questions

Comments

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