

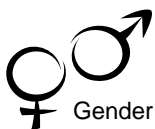
Mortality and longevity seminar  
Andrew Gaches

# Variation within portfolios - why it matters

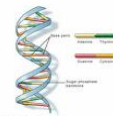
22 March 2011

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## What affects mortality / longevity?



Gender



Genetics



Health



Fitness



Wealth



Blue / white collar



Where individuals live



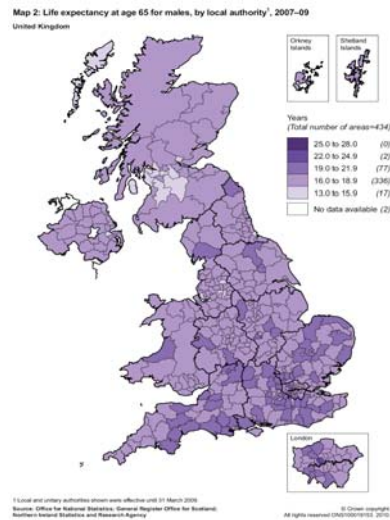
Smoker / non smoker



Star sign



## Longevity evidence – ONS

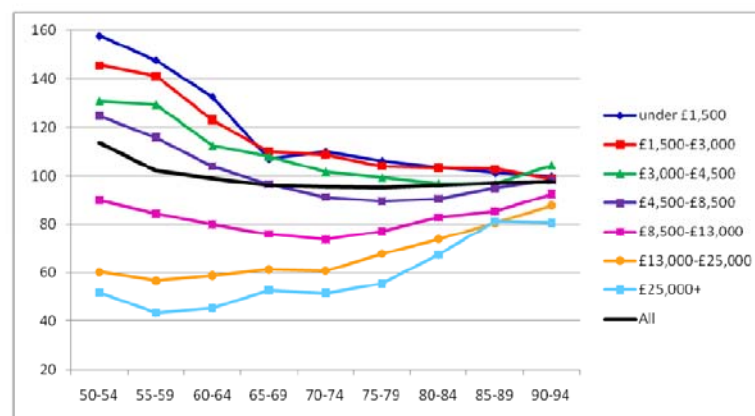


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## Longevity evidence – CMI (SAPS study)

Male Pensioner data subdivided by pension amount bands

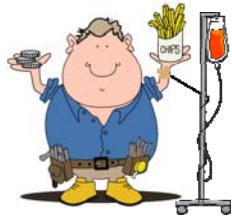
Chart 1: 100A/E values for Male Pensioners Lives compared to S1PML



Source: Continuous Mortality Investigation Working Paper 44 - © 2010 Institute of Actuaries and Faculty of Actuaries

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## Longevity evidence – Club Vita



Life expectancy from 65: 12.0 years

- Ill health retirement
- Low affluence
- Unhealthy lifestyle postcode
- Manual worker



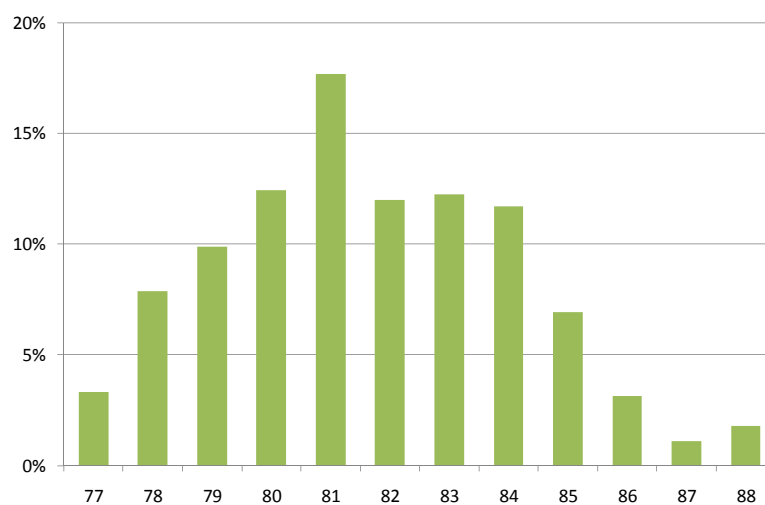
Life expectancy from 65: 23.0 years

- Normal health retirement
- High affluence
- Healthy lifestyle postcode
- Non manual worker

Source: Club Vita analysis of male life expectancy observed 2006-2008

4

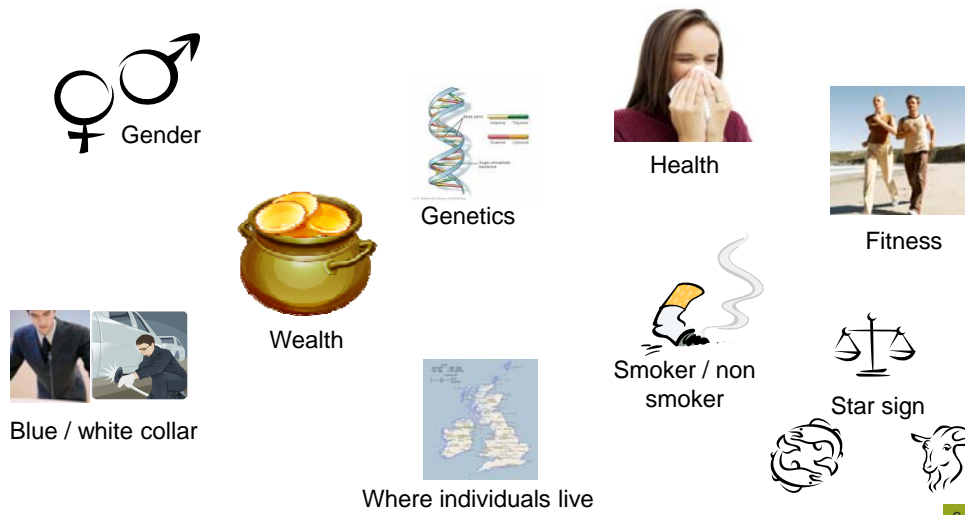
## Variation within portfolios – sample pension scheme



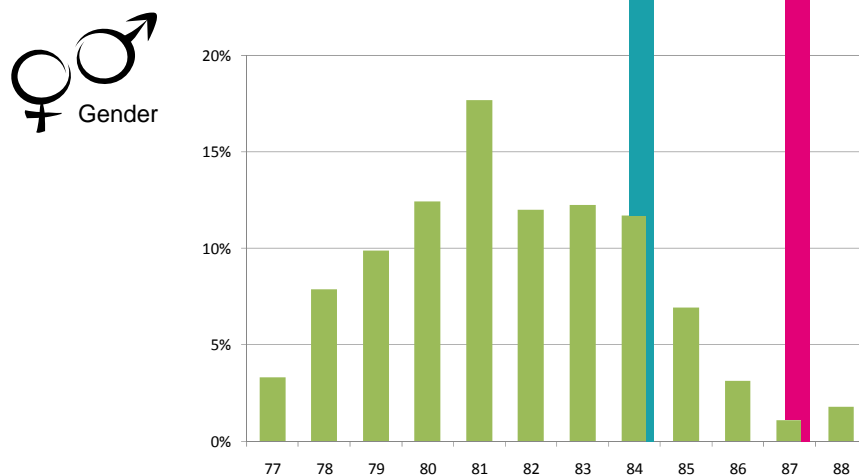
Source: Club Vita analysis of sample pension scheme 2010

5

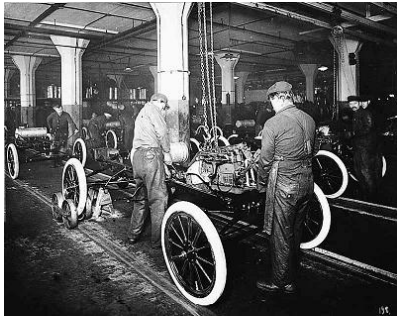
## What variation within portfolio is typically allowed for?



## What variation within portfolio is typically allowed for?



## Why it matters - Changing nature of workforce



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## Why it matters - Subgroups

Virgin

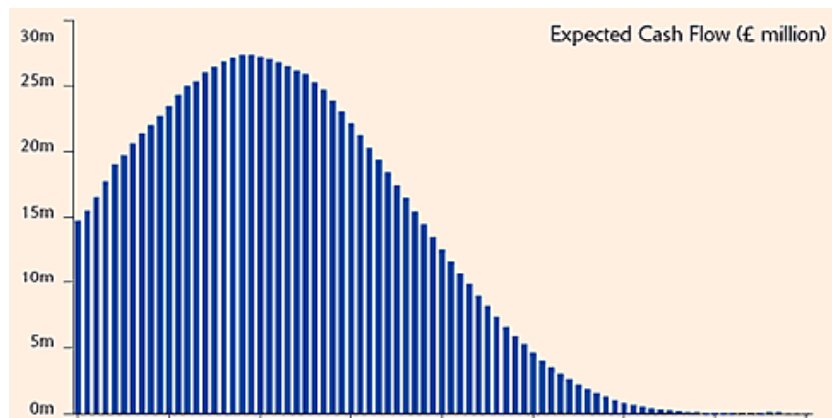


virgin atlantic



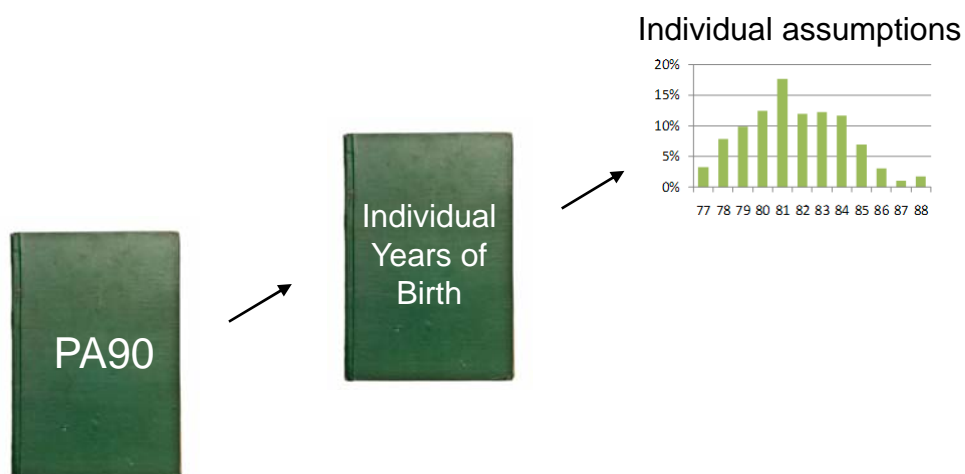
9

## Why it matters - Cashflows



10

## Continued evolution in techniques



Source: Club Vita analysis of sample pension scheme 2010

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## Questions or comments?

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Expressions of individual views by members of The Actuarial Profession and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

