



Institute  
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# Longevity 9 Conference

## The challenges for actuaries in dealing with longevity predictions

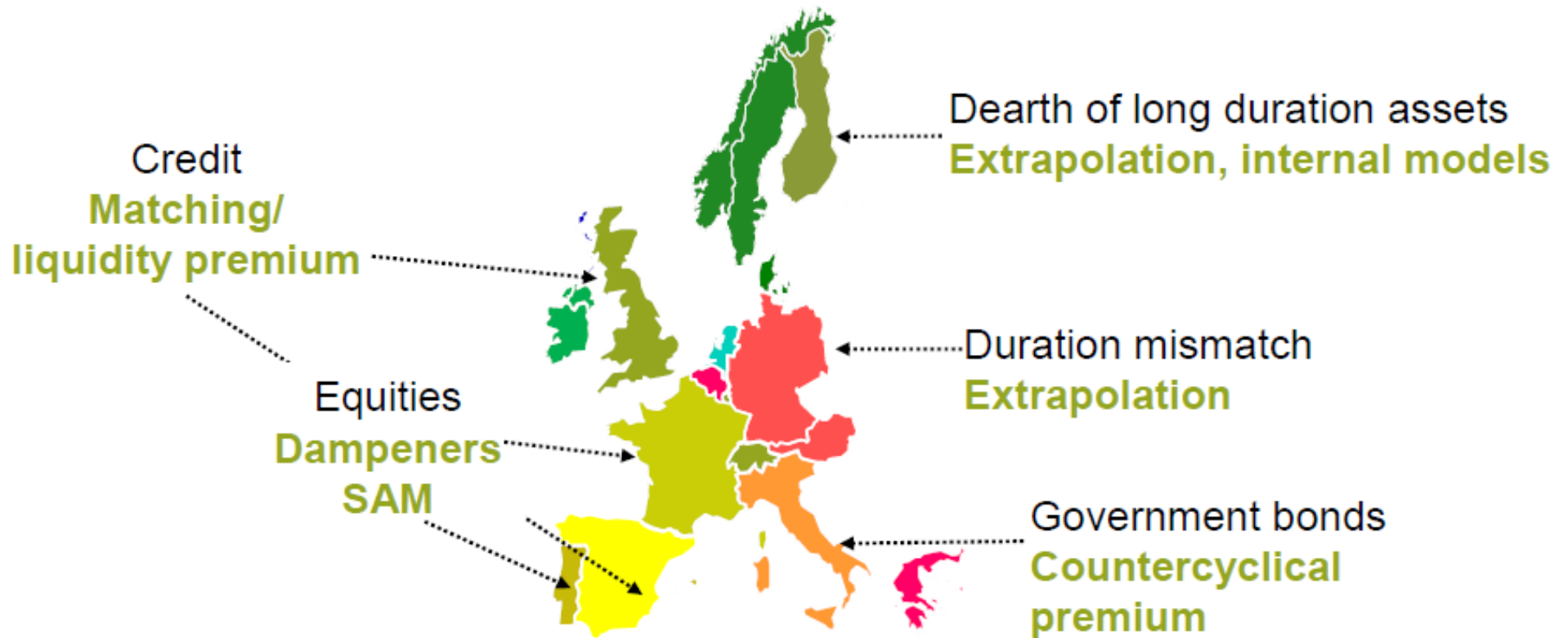
Dr David Hare

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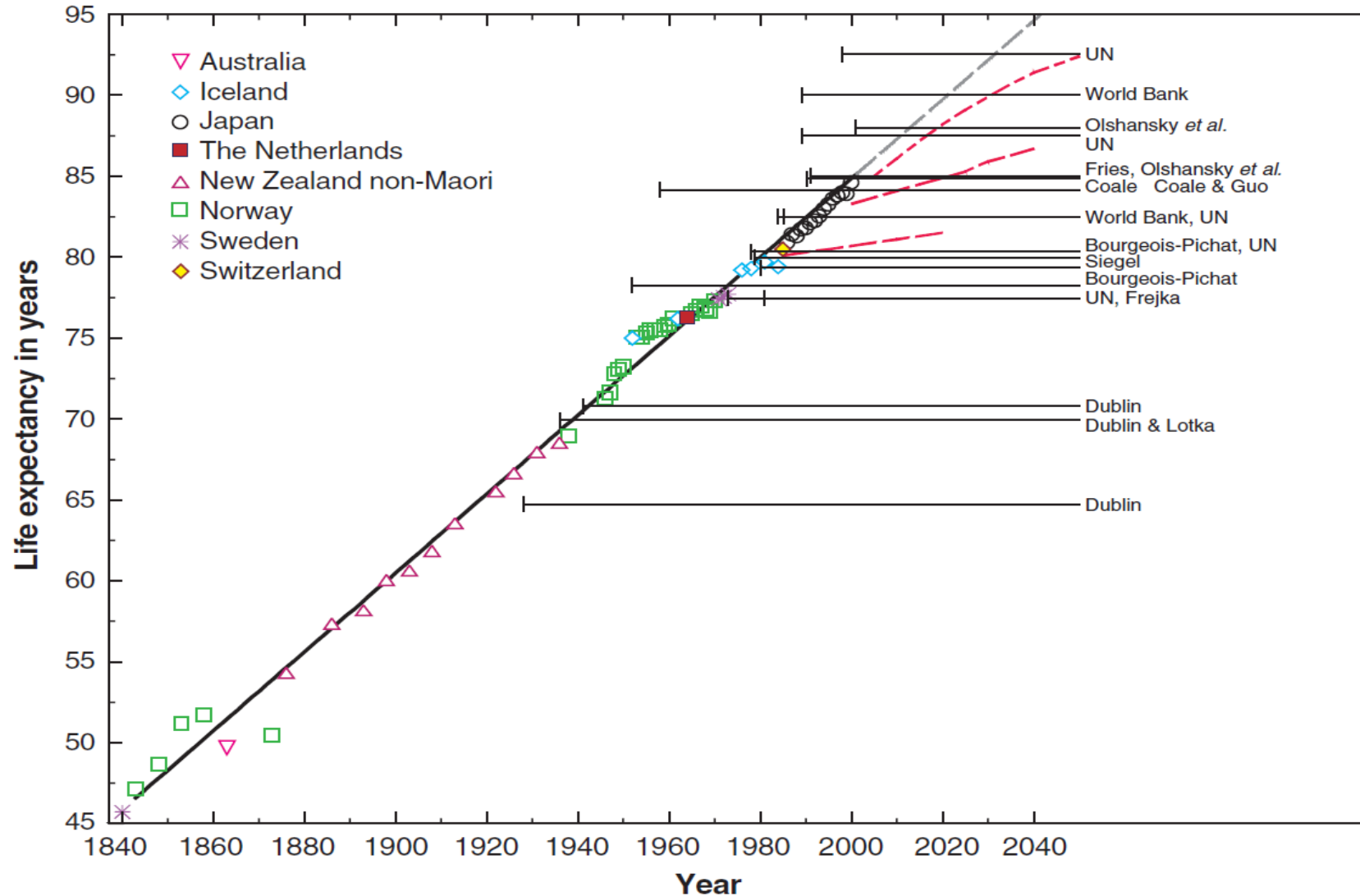
6 September 2013



# Grappling with long term guarantees

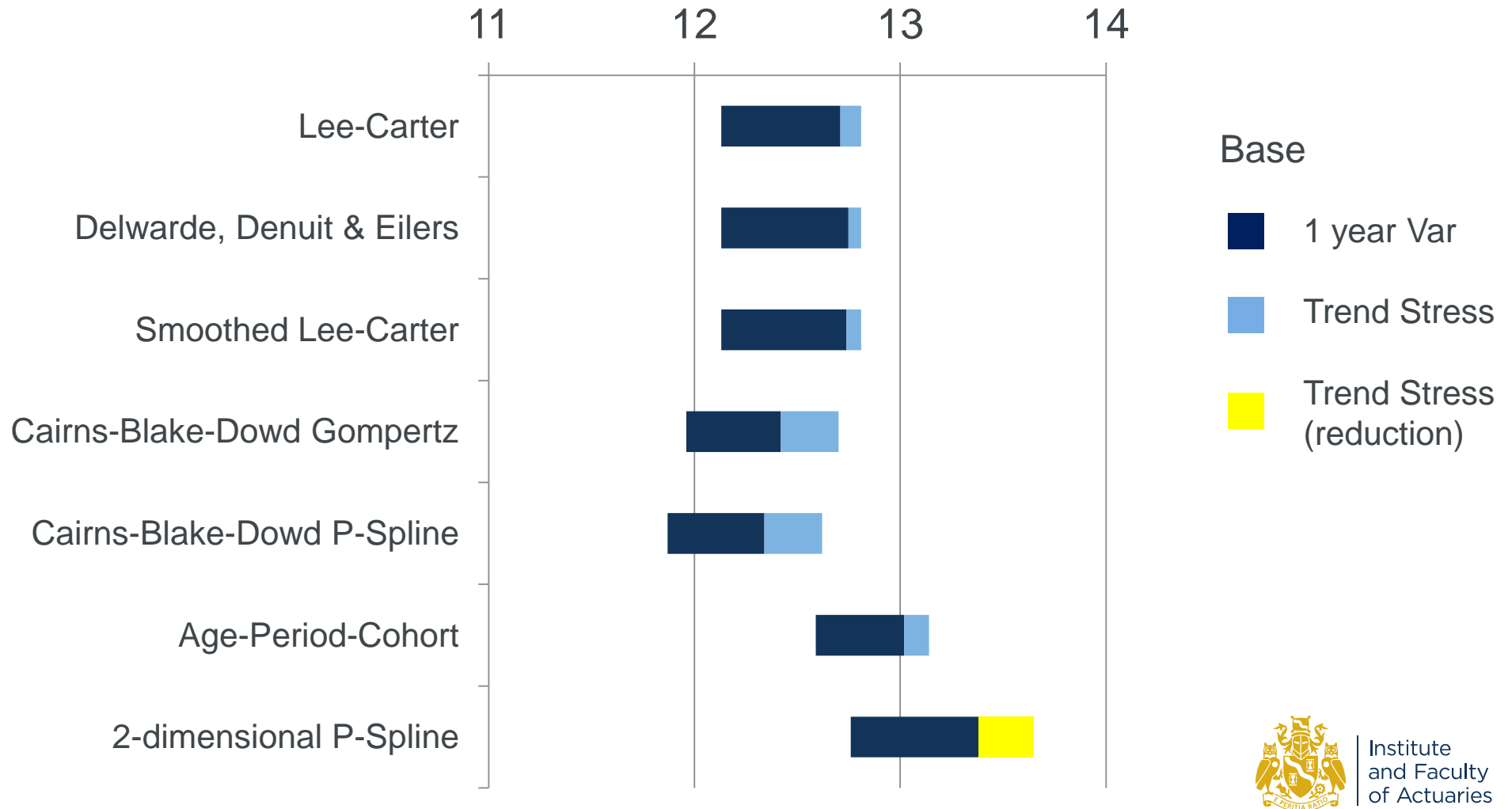


# The Repeated Failure of Expert Judgement (Oeppen & Vaupel, 2002)



# Model Risk Example: Longevity

## 70 year old male annuity (Richards et al)



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# Questions where longevity advice is needed

- Design of social security schemes
- Planning health care systems
- Resourcing and infrastructure requirements
- Transfer of longevity risk
- Capital needed to back promises
- Individual pension planning decisions



# Four key issues for Actuaries

- Being close to medical research and understanding what causes of death that might be eradicated in the future
- Which data and trends from the past will be most relevant to the future
- How do we communicate what the data tells us...and what the data doesn't tell us
- Building consensus without stifling innovative new thinking





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**Thank you.**

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