

Society of Actuaries Pensions Forum

17 May 2007



Mortality improvements

Maeve Regan



Agenda

- Background
- Recent investigations
- Impact of assumptions
- Irish investigation



Background

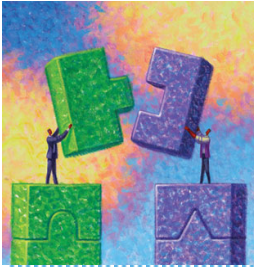
- 2004 SAI investigation
 - Irish self administered pension schemes
 - Mortality rates approx 115% heavier than 92 series tables

- Minimum SAI transfer value basis
 - 90% Pma92 c=2004 plus improvements
 - Proxy to 115% Pma92 c=2004 plus medium cohort improvements from 2004



Recent Investigations

- 00 series tables for life office annuitants
 - Data from 1999 to 2002
 - In line with 92 series plus medium cohort improvements
 - Methods of projection under review
 - Could add 10-15% to liabilities
- UK self-administered investigation
 - Heavier mortality rates than 00 series – approx 120%
 - Rates vary significantly by amount of pension, industry
 - Tables will be published at a later date



Recent Investigations (cont'd)

- Irish population mortality
 - Demographic sub-committee report, CSO data
 - 5% p.a. improvement between 1999 and 2005
 - Mortality rates in line with UK in 2004
 - Some evidence of cohort effect
- UK population mortality
 - Significant variation by social class, gap increasing



Impact of assumptions

Mortality assumption	Annuity @ 4.5% Male aged 65	Life expectancy
TV basis (NRD 2030)	14.5	20.4
Pma92 c=2030 calendar year	14.5	20.5
Pma92 b=1965 medium cohort	15.4	23.1

Applying a minimum improvement to medium cohort table could add 2-3 years to the life expectancy at age 65



Irish mortality Investigation

- Self administered Irish pension schemes
- Data from 2004 to 2006 inclusive
- Schemes with more than 500 pensioners
 - or where included previously for comparison
- Target of 67,000 lives by end of June
- Currently have 17,000 lives