



New Perspectives on De-risking Longevity: An Overview

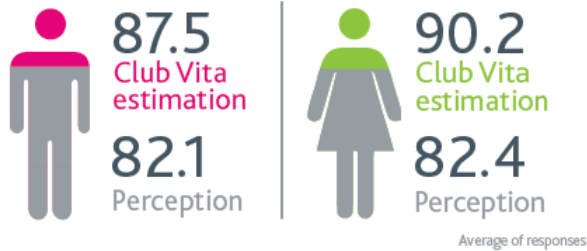
Old world meets new world

Steven Baxter

4 February 2019

A financial services view of longevity “risk”

Fly solo?...

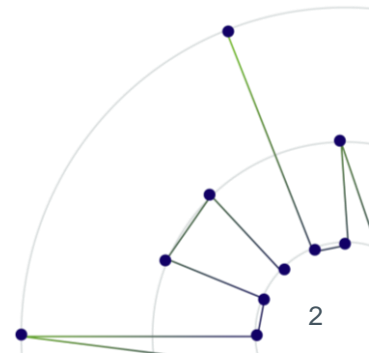


Rule of 10

Pooling of risk



Future Trends

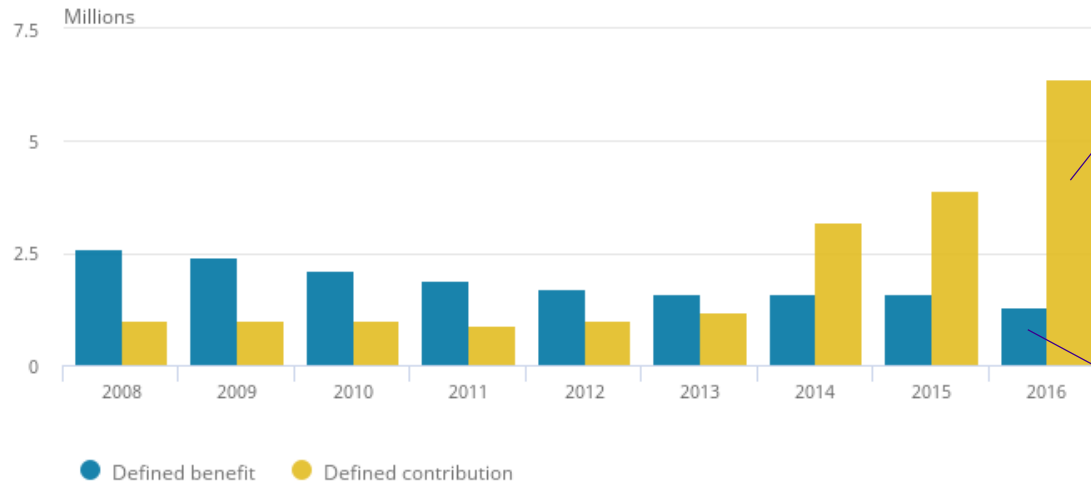


Old World....

.....New World

Figure 3: Active membership of private sector occupational pension scheme by benefit structure

UK, 2008 to 2016



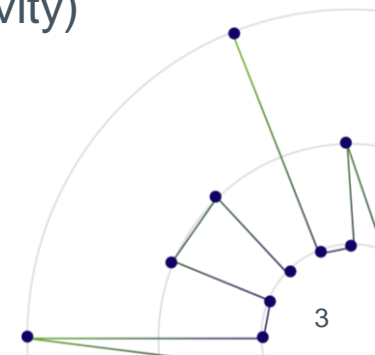
Source: Office for National Statistics

How do individuals manage their **financial** longevity risk?

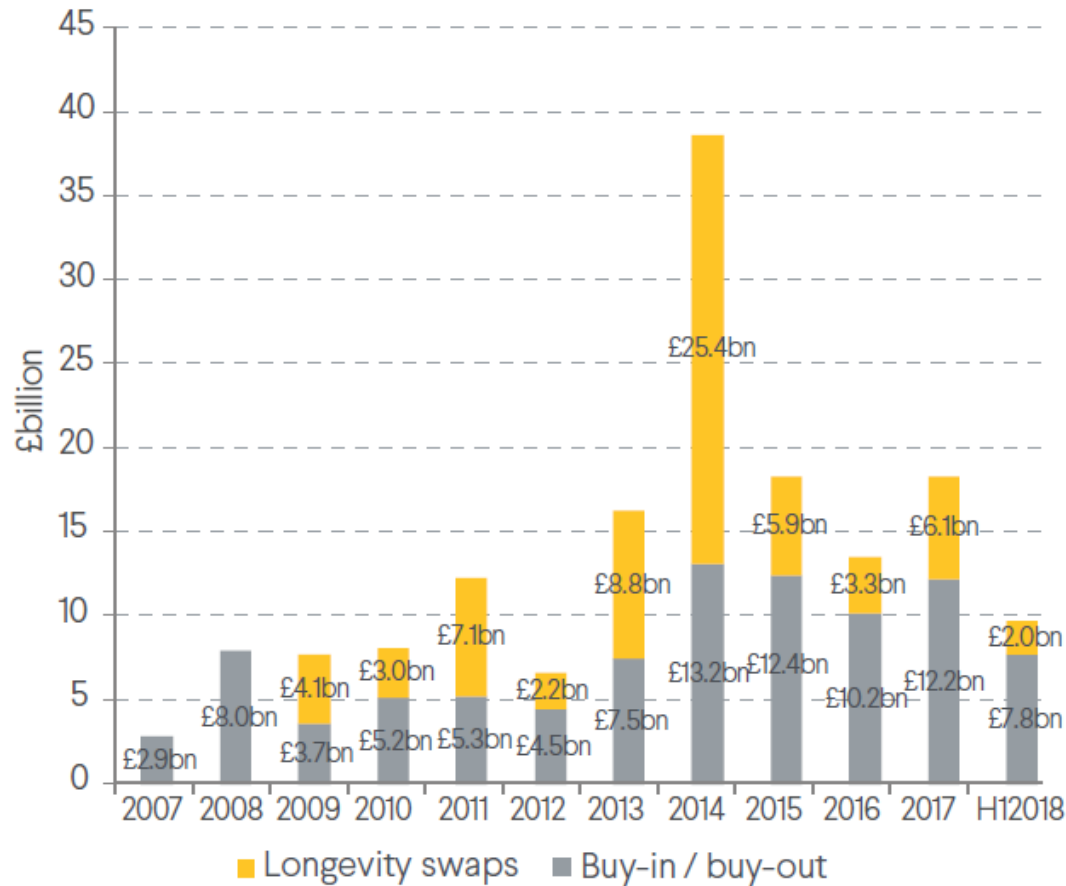
- **Cautious** drawdown
- Annuities
- Innovate products (“modern tontines”)

How do pension schemes manage their **financial** longevity risk?

- Buy-ins / Buyouts (annuities)
- Longevity Swaps (pure longevity)

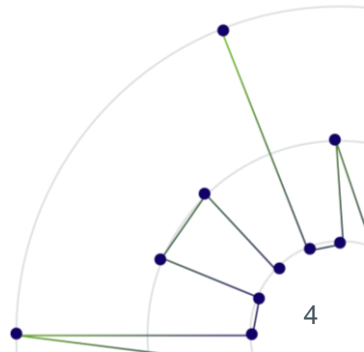


The DB pensions “derisking” journey

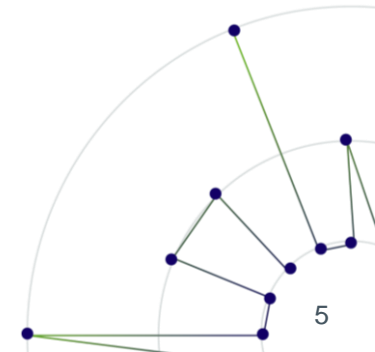
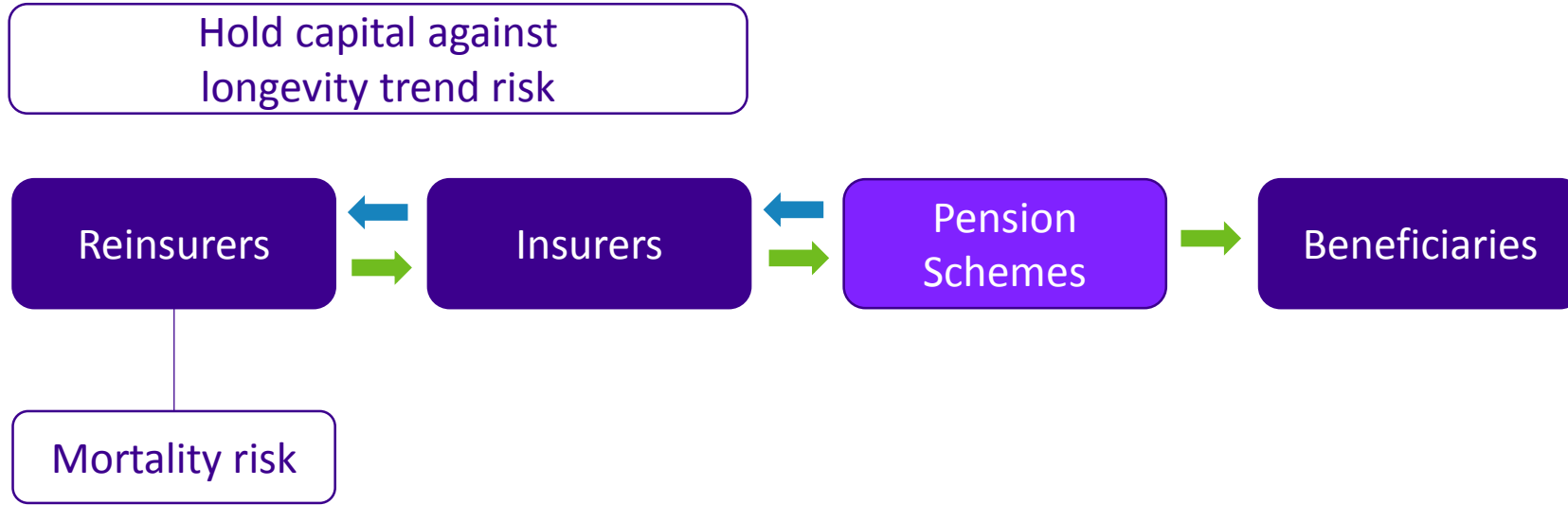


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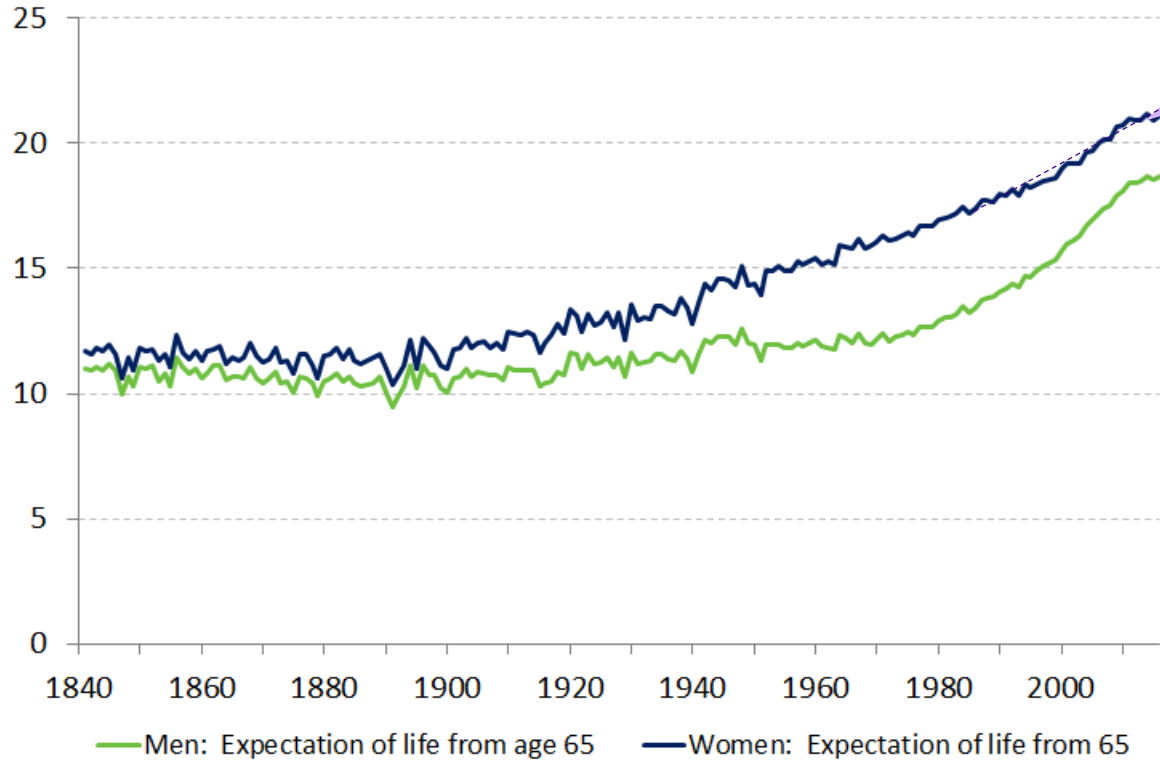
Source: Risk Transfer Report, 2018 Hymans Robertson LLP



Today's longevity risk "ecosystem"



Existing models....



1 in ?

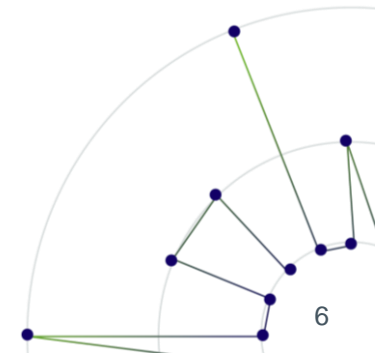
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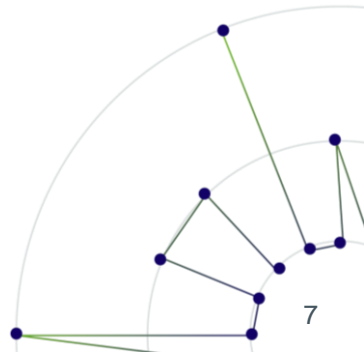
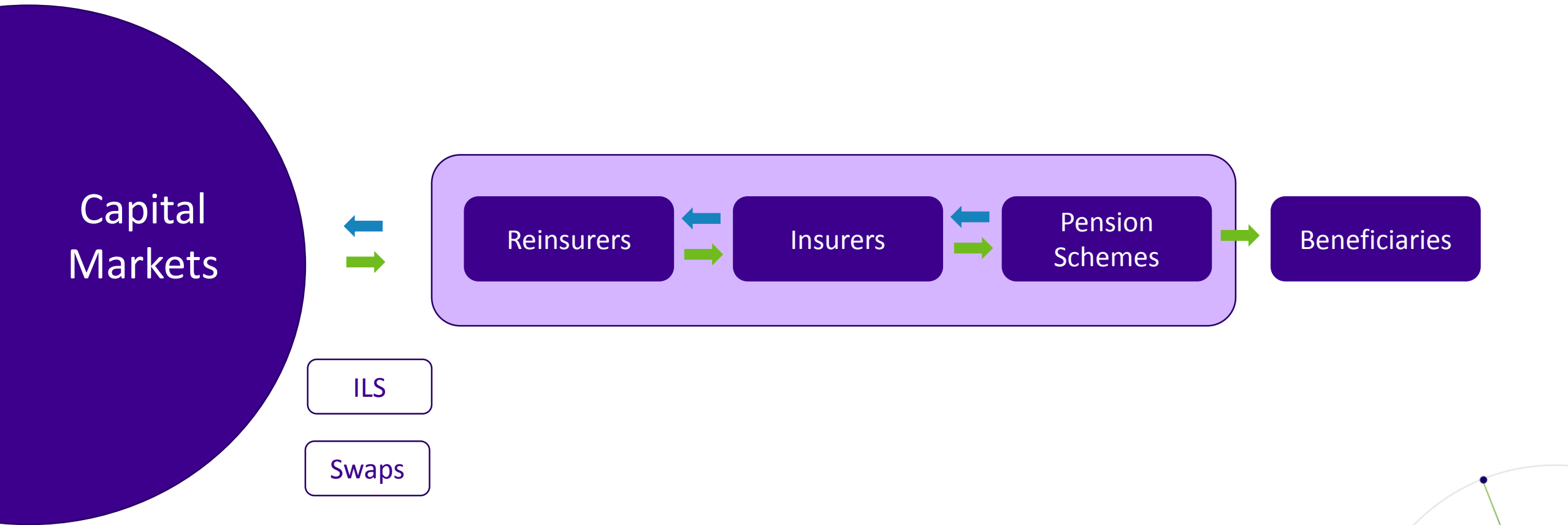
Blood test to detect cancer within just 10 minutes developed by scientists

Source: The Telegraph

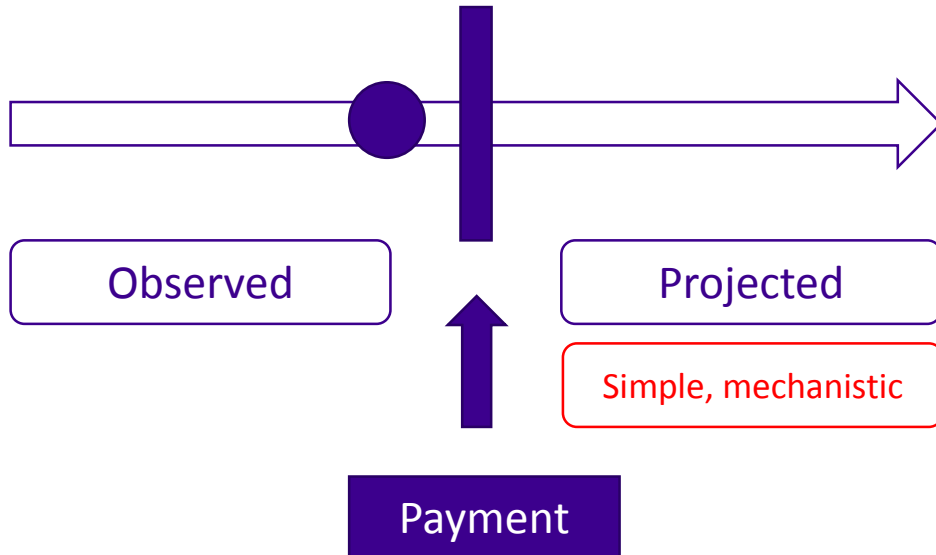
(<https://www.telegraph.co.uk/science/2018/12/04/blood-test-detect-cancer-within-just-10-minutes-developed-scientists/>)



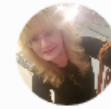
Tomorrow's longevity risk "ecosystem"



Why new models are needed....



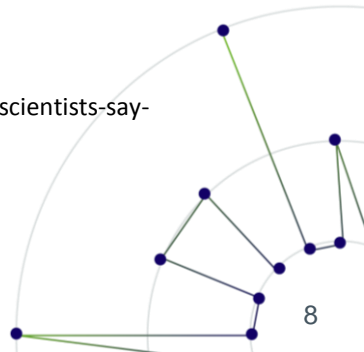
Israeli Scientists Claim They're On The Path To A Cure For Cancer



Robin Seaton Jefferson Contributor
Retirement

It doesn't seem possible. But they say it's true. A small team of Israeli scientists is telling the world they will have the first “complete cure” for cancer within a year, *The Jerusalem Post* reported on Monday. And not only that, but they claim it will be brief, cheap and effective and will have no or minimal side-effects.

Source: Forbes
(<https://www.forbes.com/sites/robinseatonjefferson/2019/01/29/israeli-scientists-say-they-will-have-a-complete-cure-for-cancer-within-a-year/#67fcf8893621>)



Thank you

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