

Thank you for joining us – the
webinar will start shortly

Mortality or longevity? It's a question of communication

11 December 2019
3pm UK / 10am ET



clubvita.net/glossary



[@ClubVita](https://twitter.com/ClubVita) [#longevitylexicon](https://twitter.com/ClubVita)



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Introducing today's panel



Douglas Anderson
Founder
Club Vita



Bruce Wolfe
Head of Individual Retirement
Strategy
Insight Investment



Rachel Lloyd
Director
Message House



Erik Pickett
Chief Product Officer
Club Vita

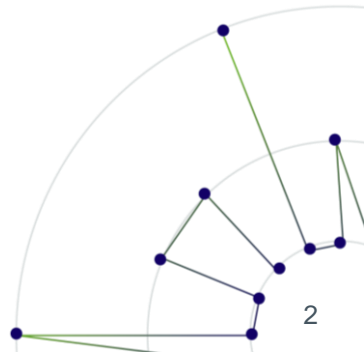
Lexicon of Longevity

\ lek si,kən əv lən'dʒɛn ɪ ti\

1. A glossary of terms relating to longevity or longevity risk.
2. A reference for those using the language of longevity.
3. An evolving resource with new terms and updates added regularly.



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Sources of confusion

In April, the

UK's life insurers announced the windfall release of £2bn

of longevity reserves (for their pre solvency II un-reinsured longevity), following the heavy winter deaths of 2016/17 and 2017/18.

THE WALL STREET JOURNAL.

MARKETS | HEARD ON THE STREET

Life Was Short for Longevity Gains

Life expectancy at 65 is falling and that means cash windfalls for insurers

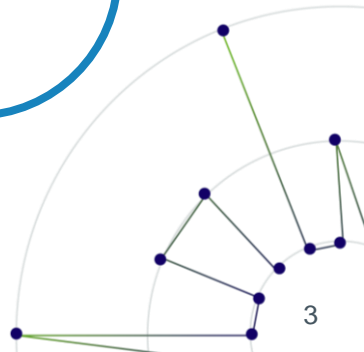
A few weeks later, the

UK's funeral providers reported profit warnings

from the much lighter winter deaths of 2018/19.

The Guardian

Funeral provider Dignity warns fall in deaths will hit profits



Longevity or mortality?

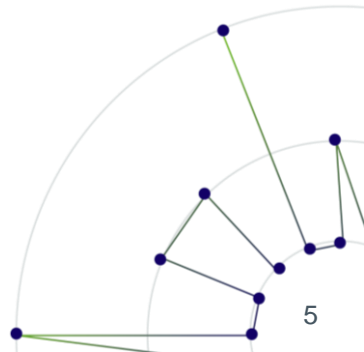
Longevity or mortality?

Longevity

\lɒnˈdʒævəti\

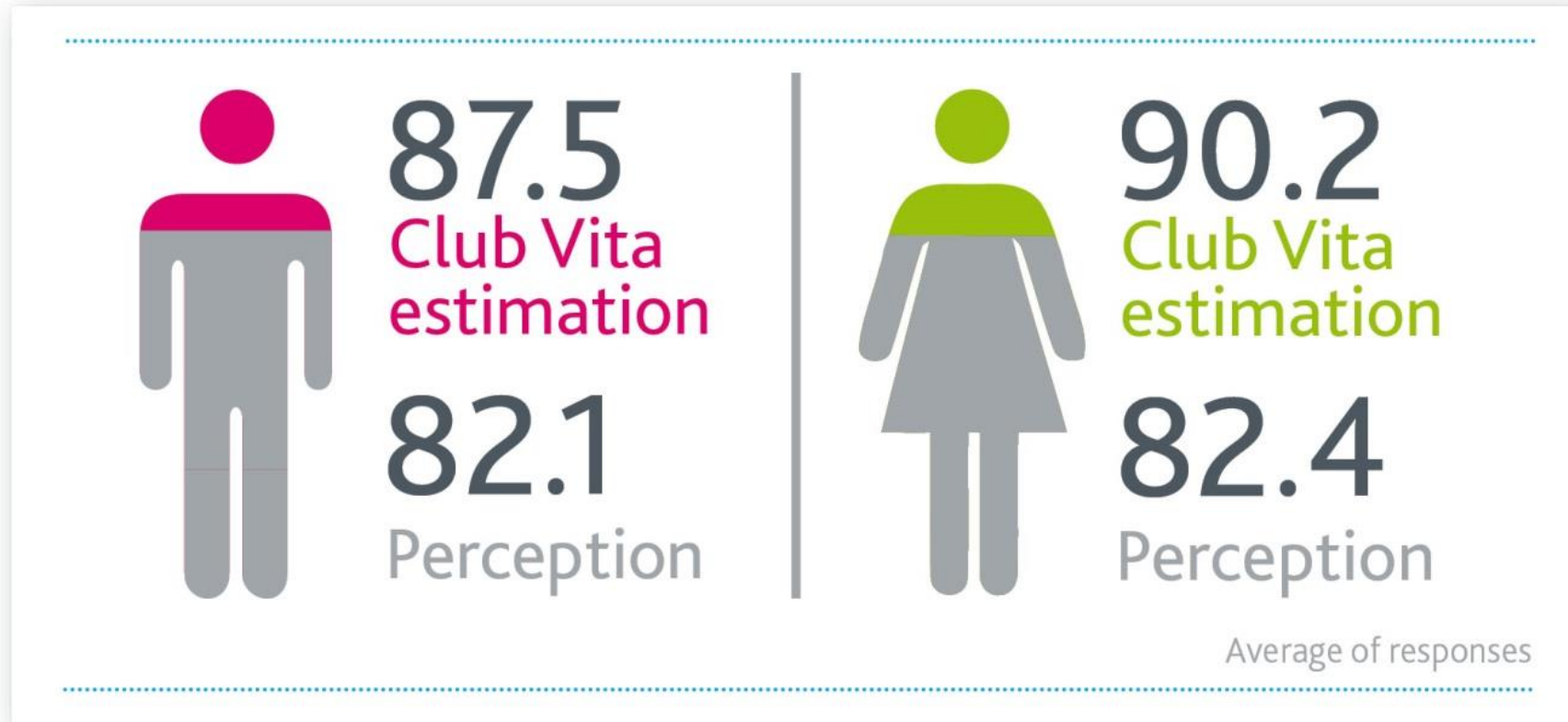
In general usage, longevity is often used to refer to long (or longer than expected) life. However, actuaries and demographers generally use 'longevity' as the converse of mortality.

Mortality relates to the likelihood of death whilst longevity relates to the likelihood of remaining alive. Longevity can also be used as a synonym for expectation of life or life expectancy.

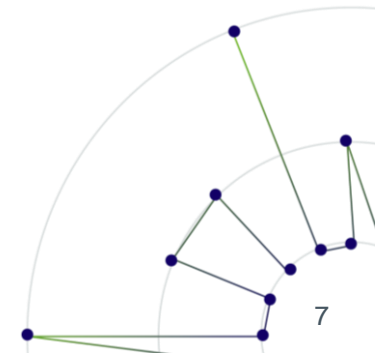


Underestimating your life span

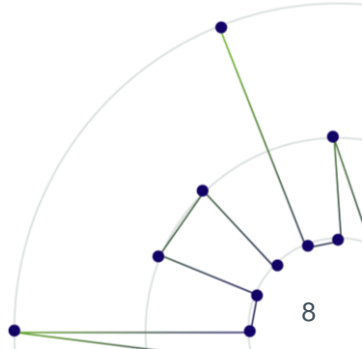
What age do you think you will live to?



Significant under-estimation of the average, let alone the spread

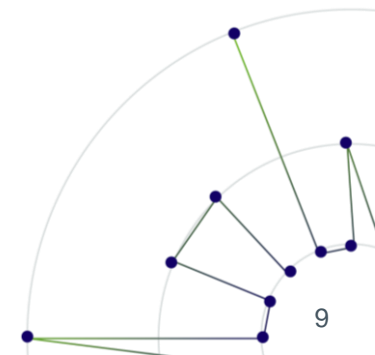
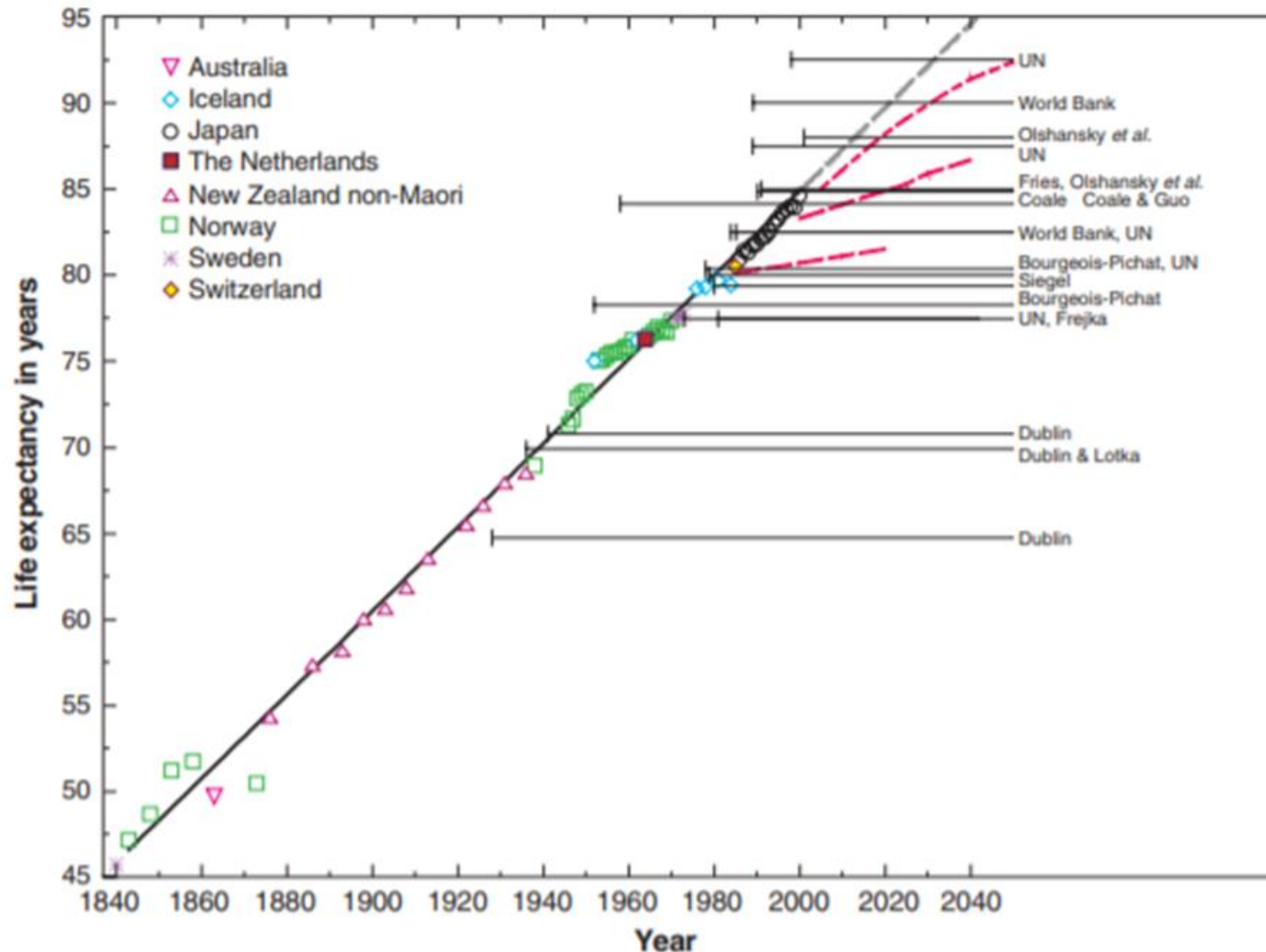


Good news vs bad stories



The biological limit on life

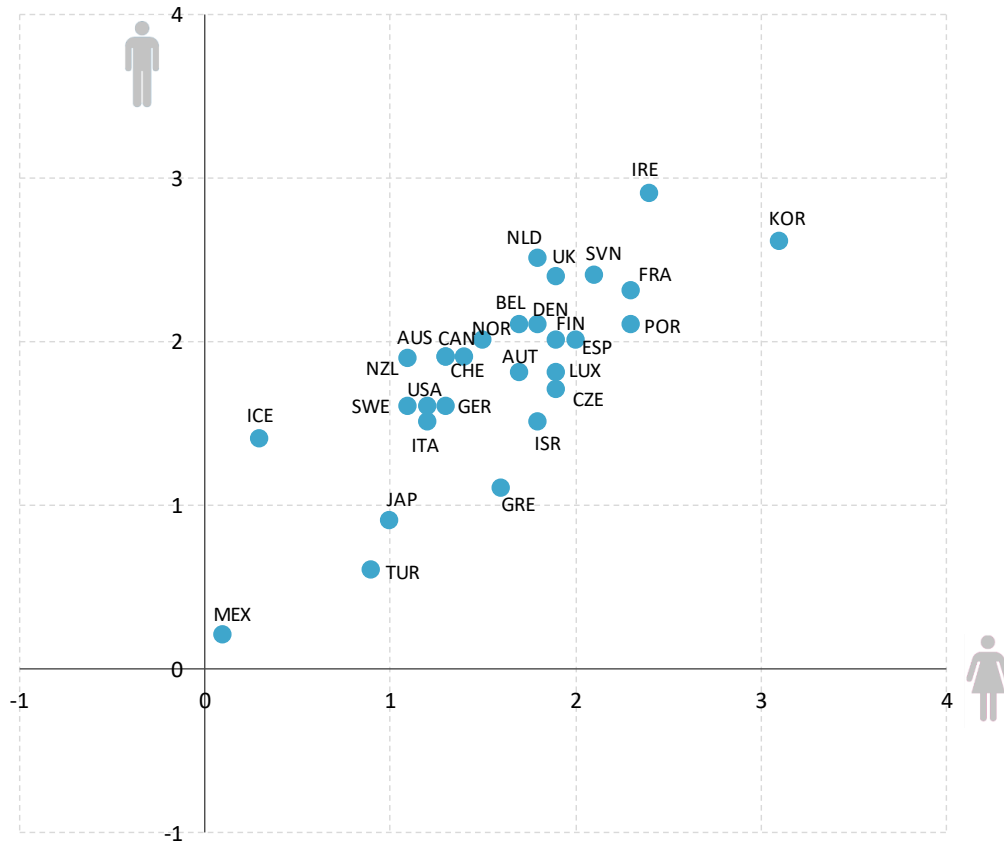
Are we nearly there yet?



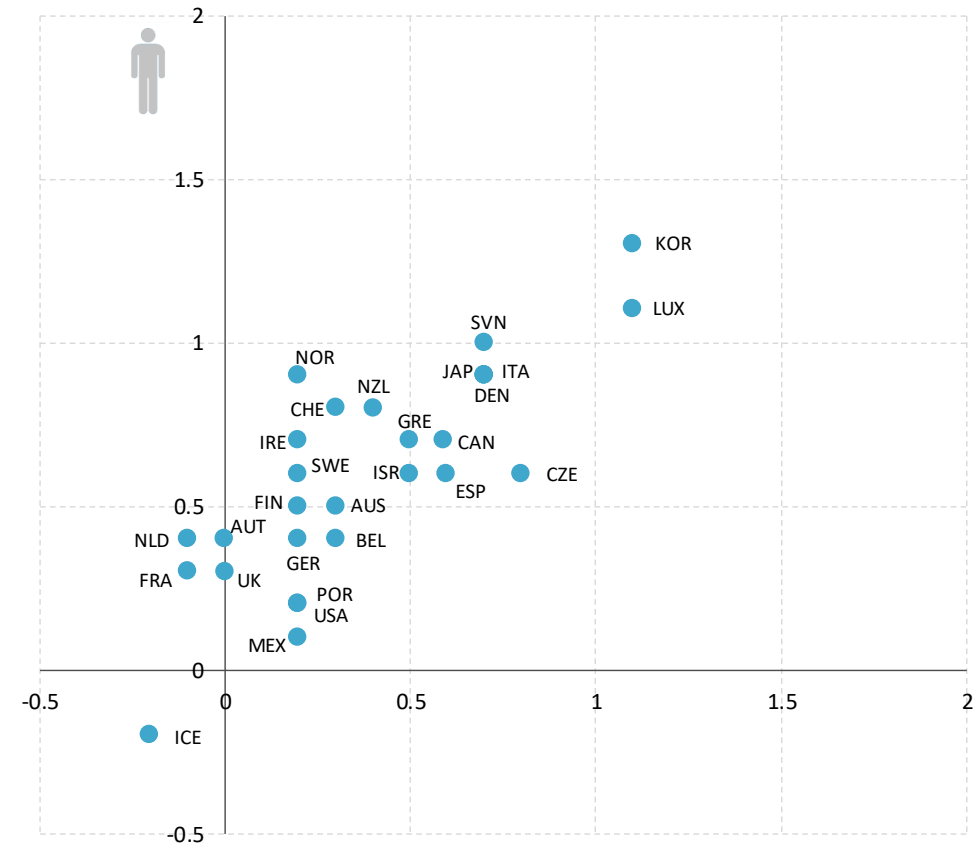
History repeating itself?

Some countries slowed down, but hardly falling off a cliff

Changes in life expectancy from 65 (2001-2011)



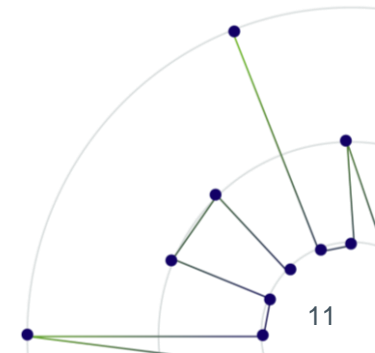
Changes in life expectancy from 65 (2011-2016)



Picture yourself when you get older



Source: FaceApp



Age vs stage

Age is less associated with a specific life-stage than many of us assume



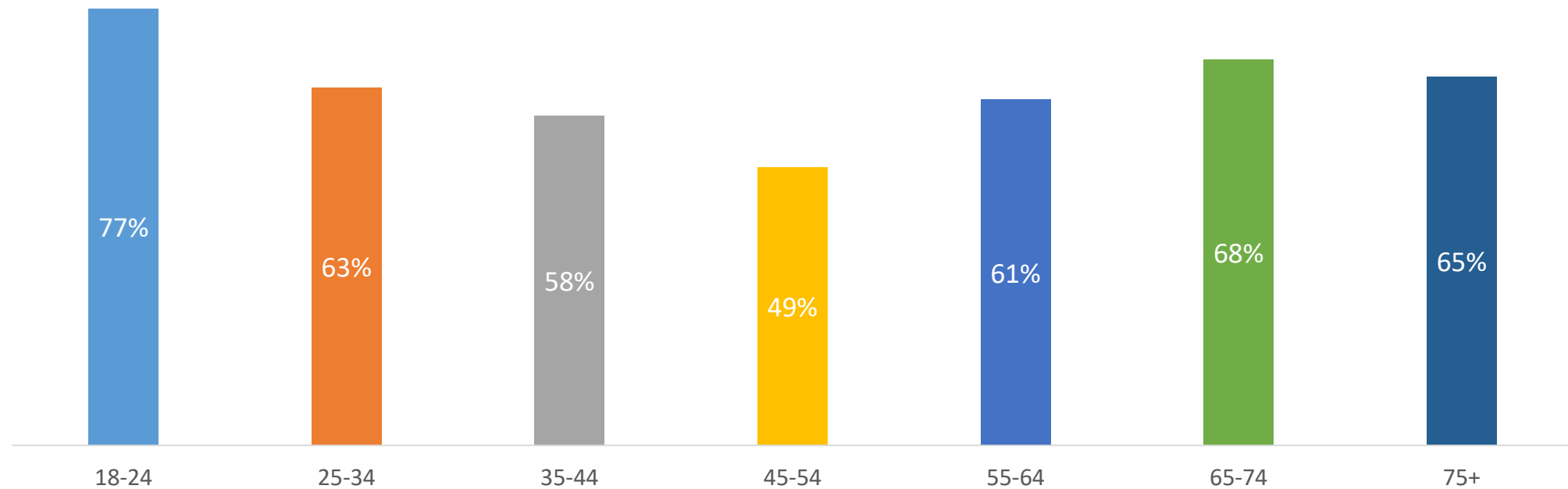
We carried out a survey specifically to understand attitudes to age and life stage

- We carried out a nationally representative survey of 1,022 people
- We evaluated awareness, attitudes and concerns about longer lives, as well as longevity language
- We also tested actual marketing copy with age-specific language (e.g. 18-39 holidays) and tested this vs version without the age-specific references
- Fieldwork was completed between 7-8 November 2018



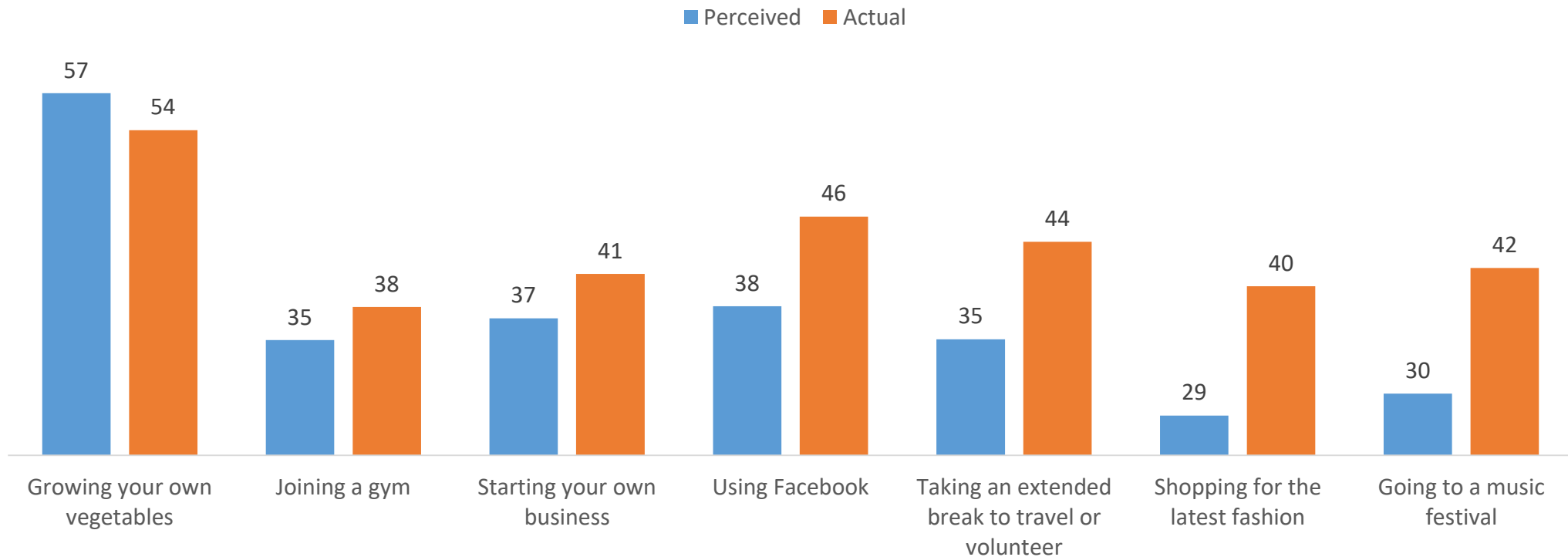
Many of us feel that others make assumptions about us based on our age

"Other people make assumptions about me based on my age."
% agreeing with this phrase

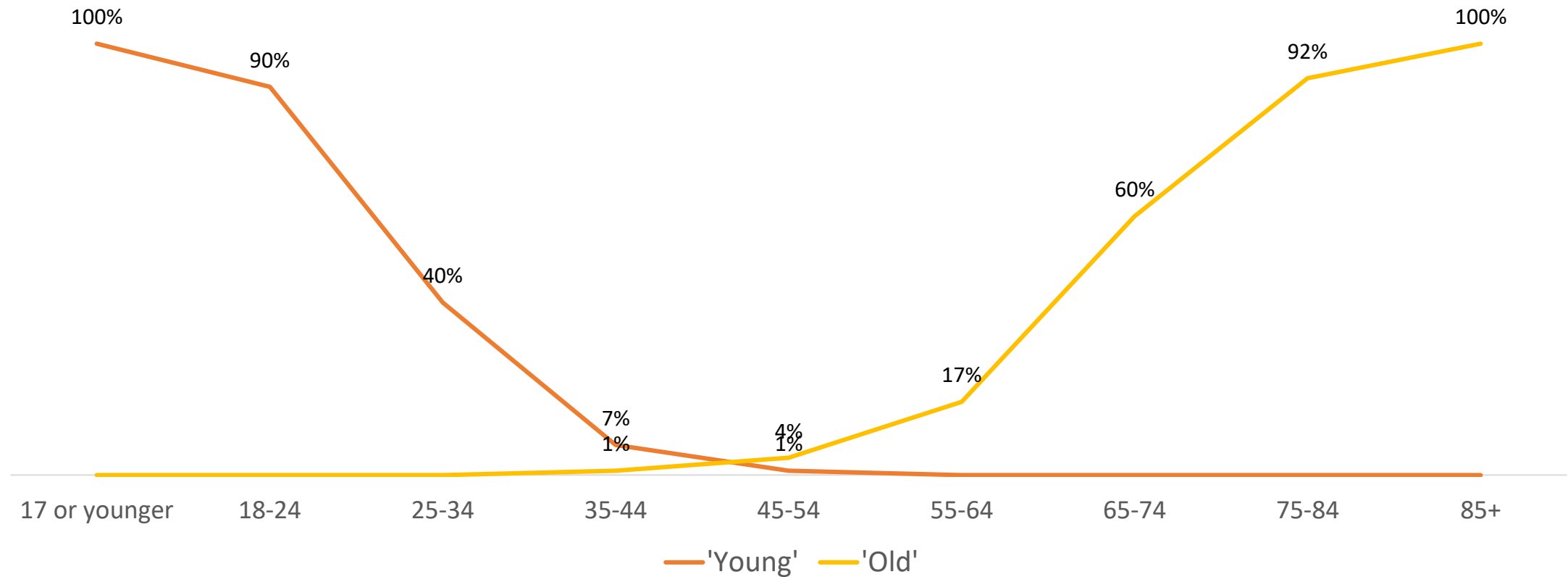


Perceptions often don't match the reality of people's lives

Perceived Age vs. Actual Age of participation
Mean ages for each activity

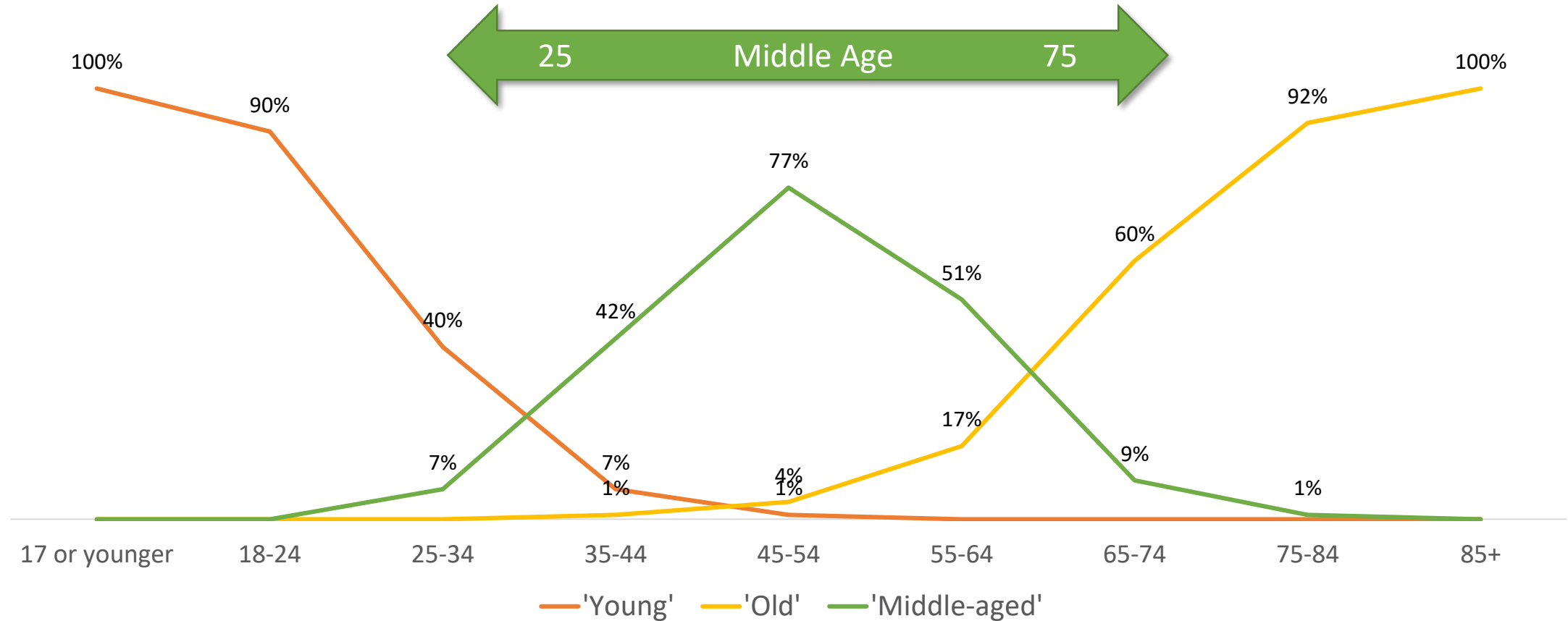


Traditional age descriptors are less useful



Q12/13/14. When you think about 'old people'/'middle-aged people'/'young people', which of the following age categories do you think of? (%)

The 'middle-aged spread' is real!



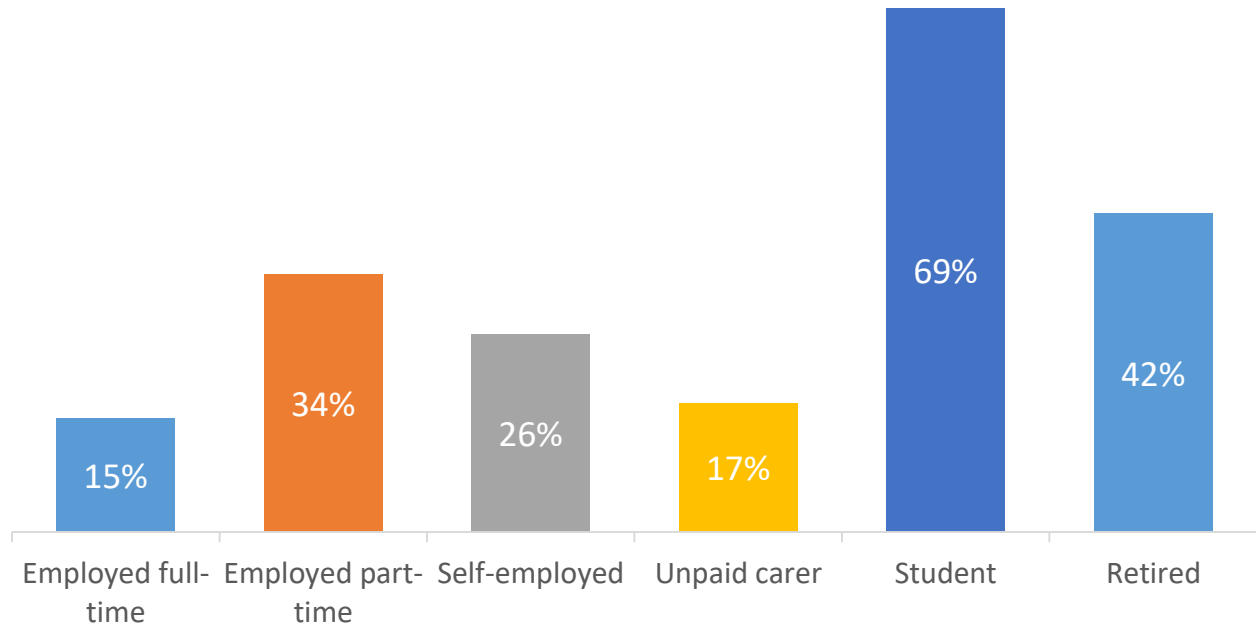
Q12/13/14. When you think about 'old people'/'middle-aged people'/'young people', which of the following age categories do you think of? (%)

Categorising people's status is now difficult

23%
have **two or more**
occupational
statuses

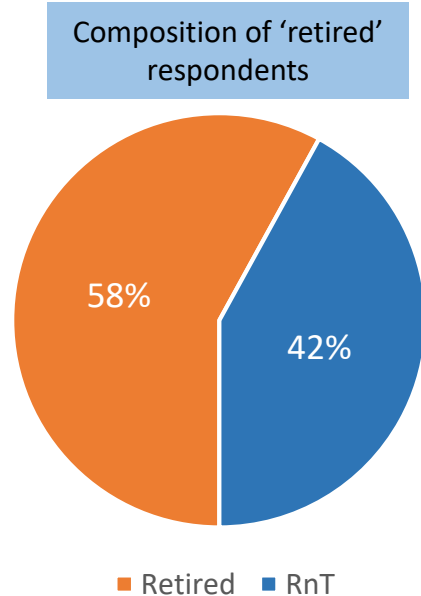
3%
have **three or more**
occupational
statuses

People with more than one occupational status
Percentage in each primary occupation



Retired...not tired!

Which of the following best describes your current status? Which of the following also apply to you? (%)



37%

of retired have **one** other occupational status.

10%

of retired (but) not tired are working full or part time

It would be really great to learn a new instrument, to try something different especially as retirement may be lasting longer.

Female, 65-74

5%

of retired have **two or more** other occupational statuses.

32%

of retired (but) not tired are volunteering

I am a very creative and industrious person and there are still a lot of things I would like to accomplish.

Female, 65-74

We tested 2 versions of the same message

Age-specific

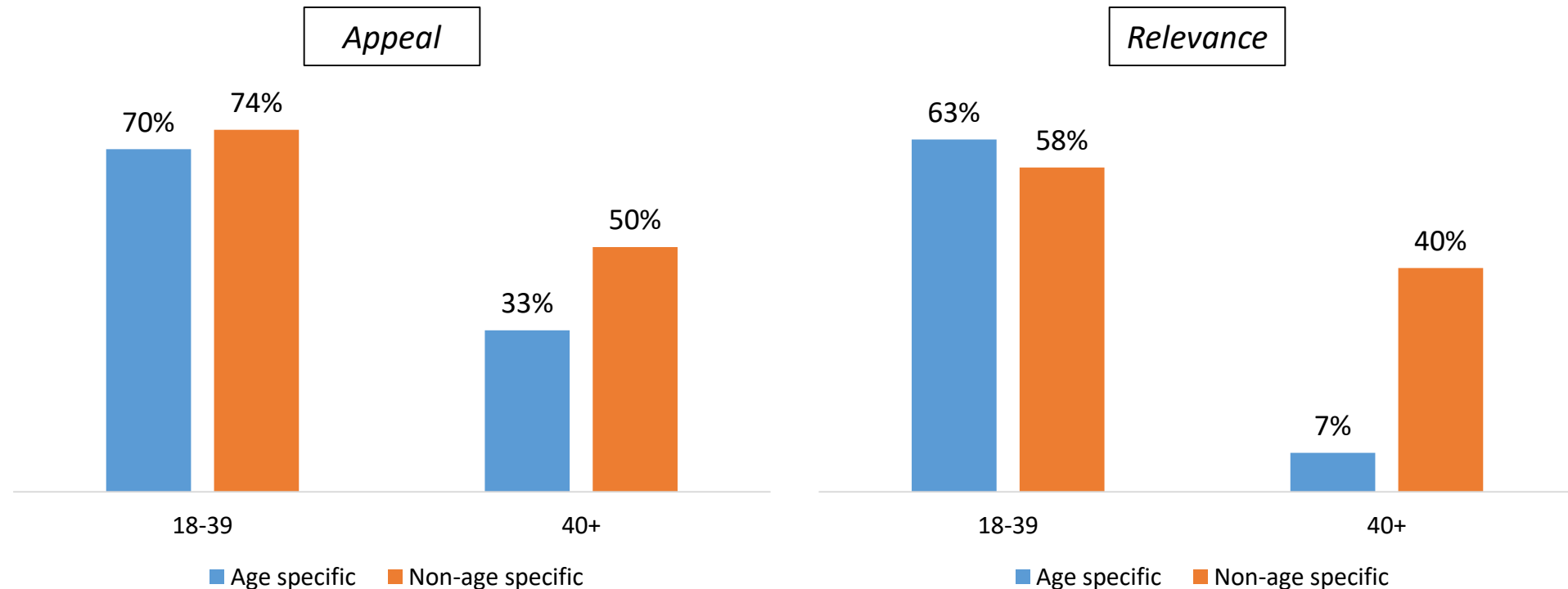
Fast, fresh, and fun adventures that never slow down. Designed for **young**, budget-minded travellers **between ages 18 to 39, 18-to-Thirtysomethings** tours maximize time and money by squeezing the most out of a destination. This ain't your typical big-bus tour, though. Small groups, insider access, and personal freedom to follow the whim of the moment are the order of the day, every day.

Non-age-specific

Fast, fresh, and fun adventures that never slow down. Designed for budget-minded travellers **our** tours maximize time and money by squeezing the most out of a destination. This ain't your typical big-bus tour, though. Small groups, insider access, and personal freedom to follow the whim of the moment are the order of the day, every day.

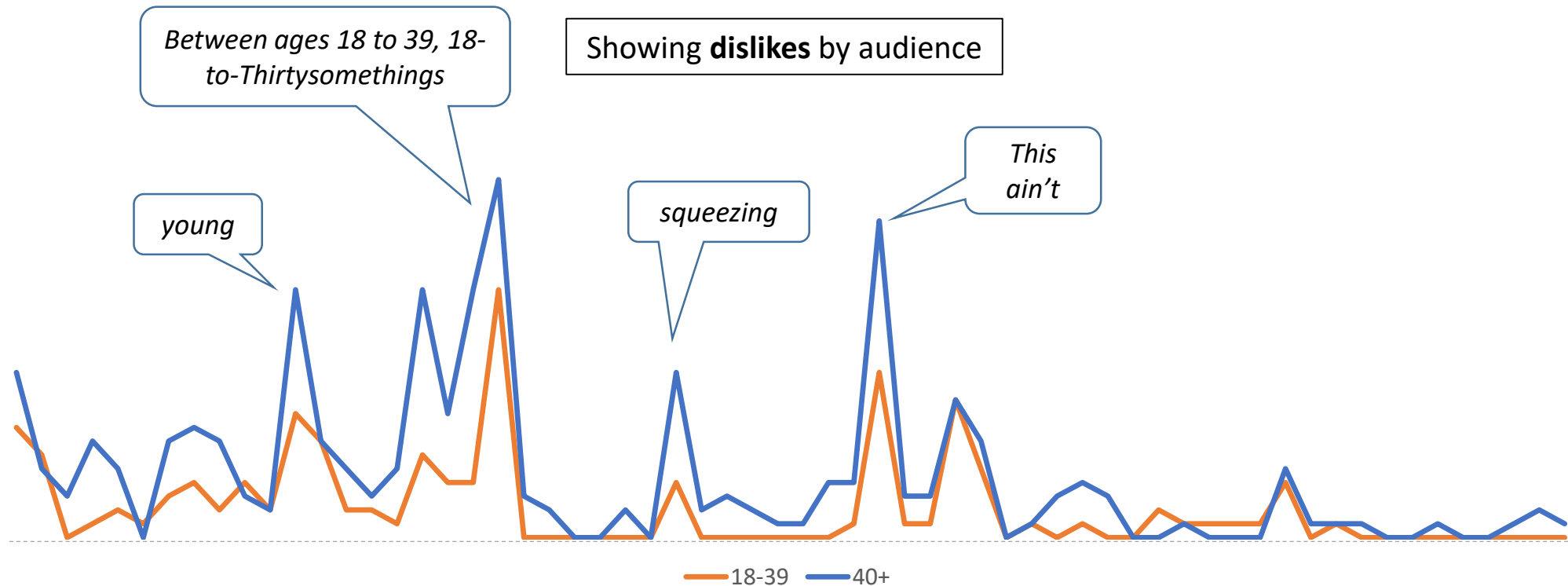
There are opportunities to reflect longevity better in comms

Fast, fresh, and fun adventures that never slow down. Designed for young, budget-minded travellers between ages 18 to 39, 18-to-Thirtysomethings tours maximize time and money by squeezing the most out of a destination. This ain't your typical big-bus tour, though. Small groups, insider access, and personal freedom to follow the whim of the moment are the order of the day, every day.



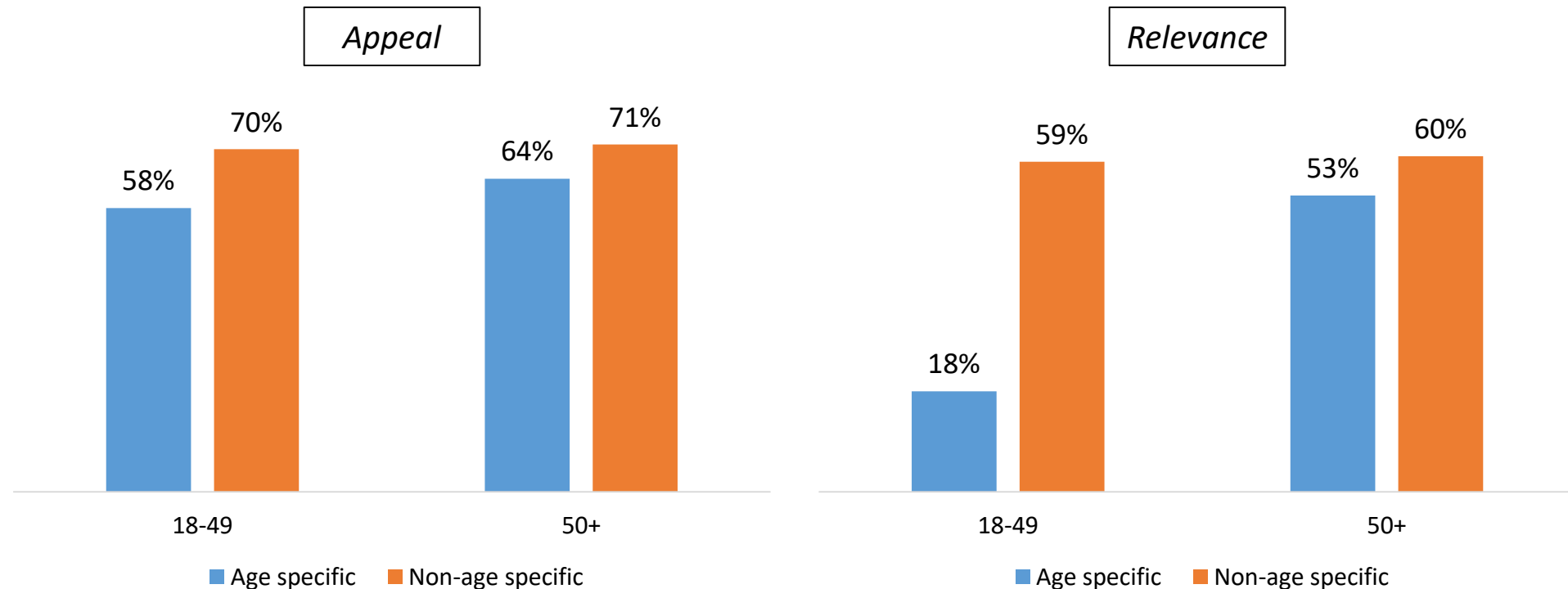
Age- and stage-based targeting can alienate the target audience

Fast, fresh, and fun adventures that never slow down. Designed for young, budget-minded travellers between ages 18 to 39, 18-to-Thirtysomethings tours maximize time and money by squeezing the most out of a destination. This ain't your typical big-bus tour, though. Small groups, insider access, and personal freedom to follow the whim of the moment are the order of the day, every day.



Assumptions can needlessly limit the true scale of the opportunities

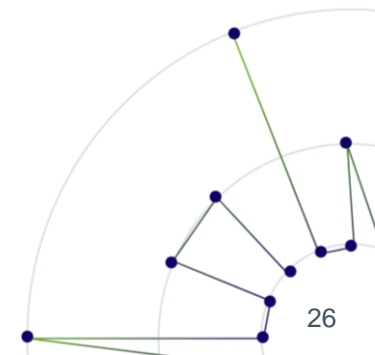
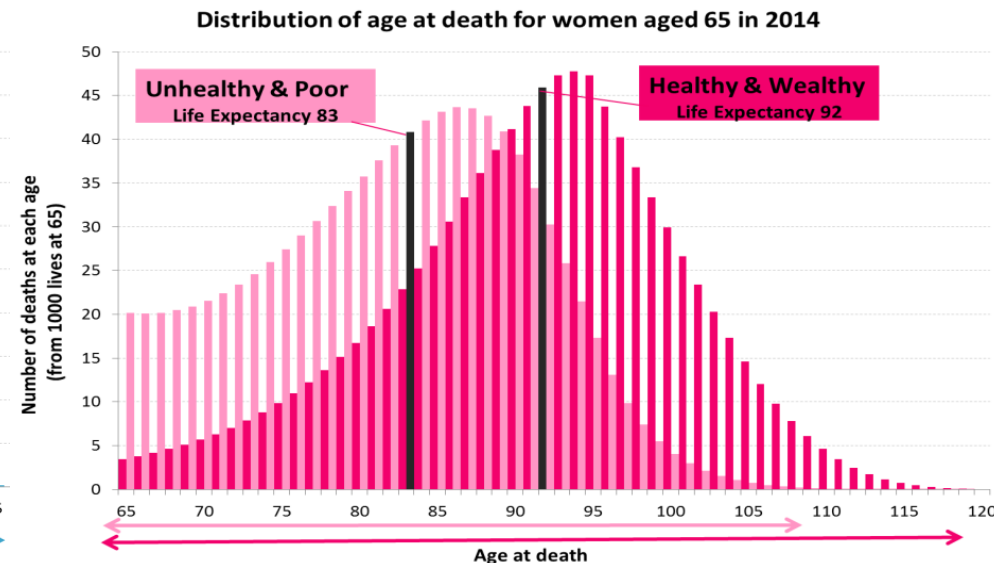
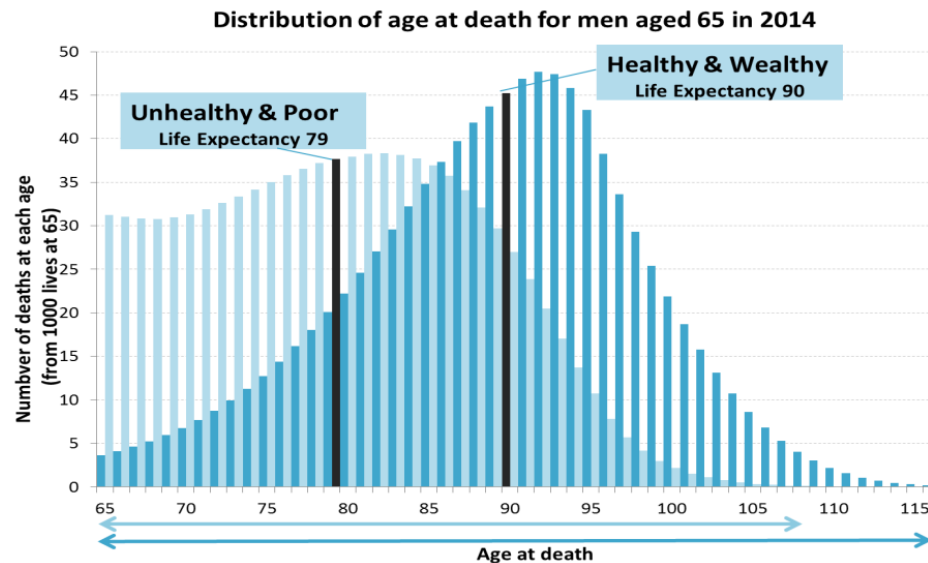
Our over 50s holidays are not about bucket lists. They are holidays that allow you to take the time to immerse yourself in a culture, an activity or a landscape. They're about having a special 50th (or 60th...) birthday celebration that really means something. They're about going solo and not giving a damn. So, forget the bucket. Just book it.



The flaw of averages

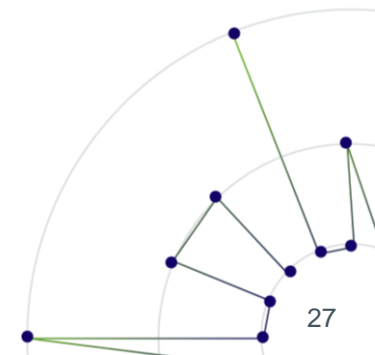
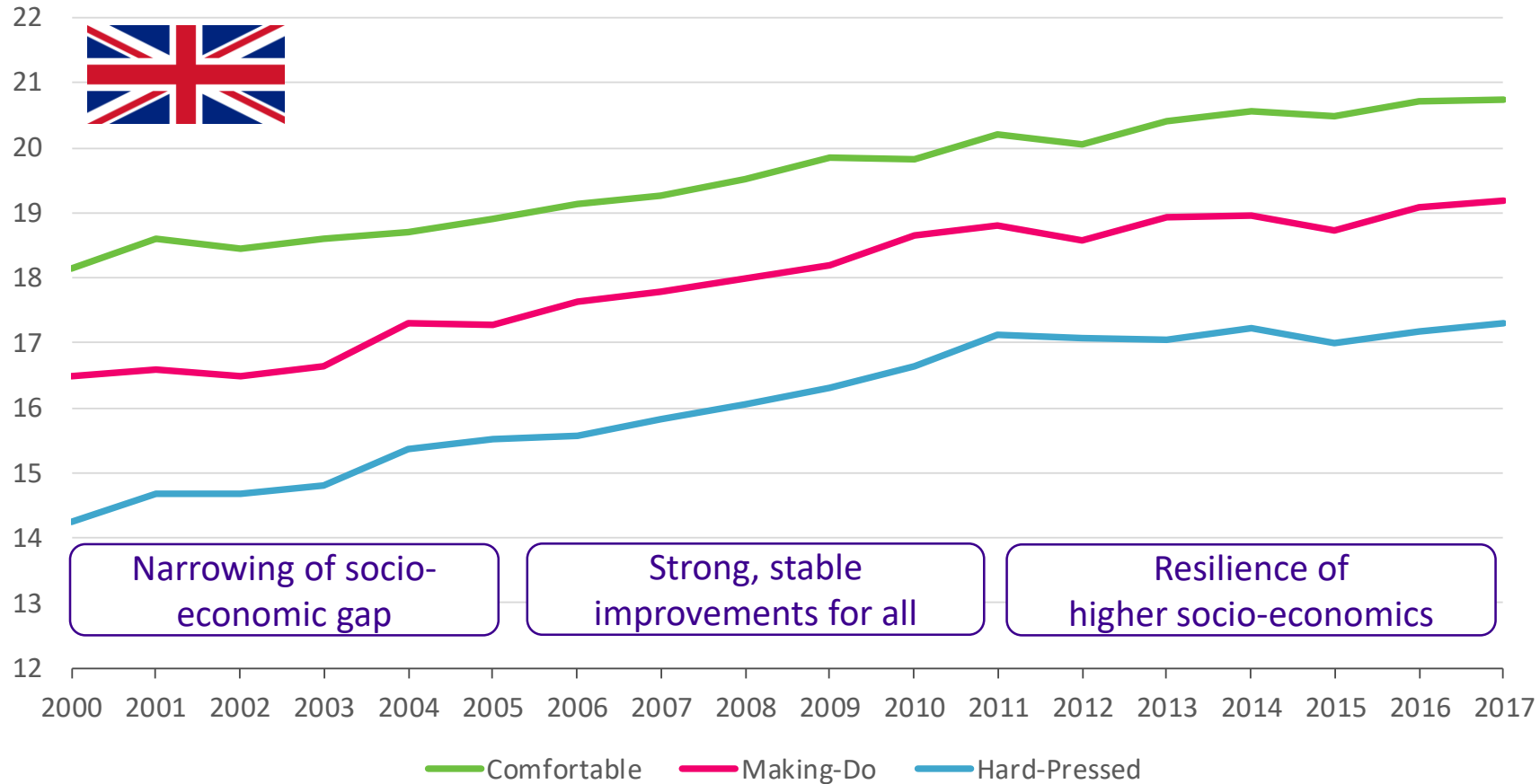
Risk of outliving your savings

- Since UK's "Freedom & Choice" law in 2014, only around 10% of retirees with DC pensions have bought annuities.
- Personalised life expectancies help, but the life expectancies are just a special form of average and disguise the underlying story of variability.
- 1 in 10 chance of living more than 10 years longer than your life expectancy, even after personalisation
- So if you want to be more than 90% confident of not running out of money, you need to budget for 10 years beyond life expectancy
- It might be more economic to buy an annuity after all!



One size does not fit all....

Life Expectancy at age 65 (men)

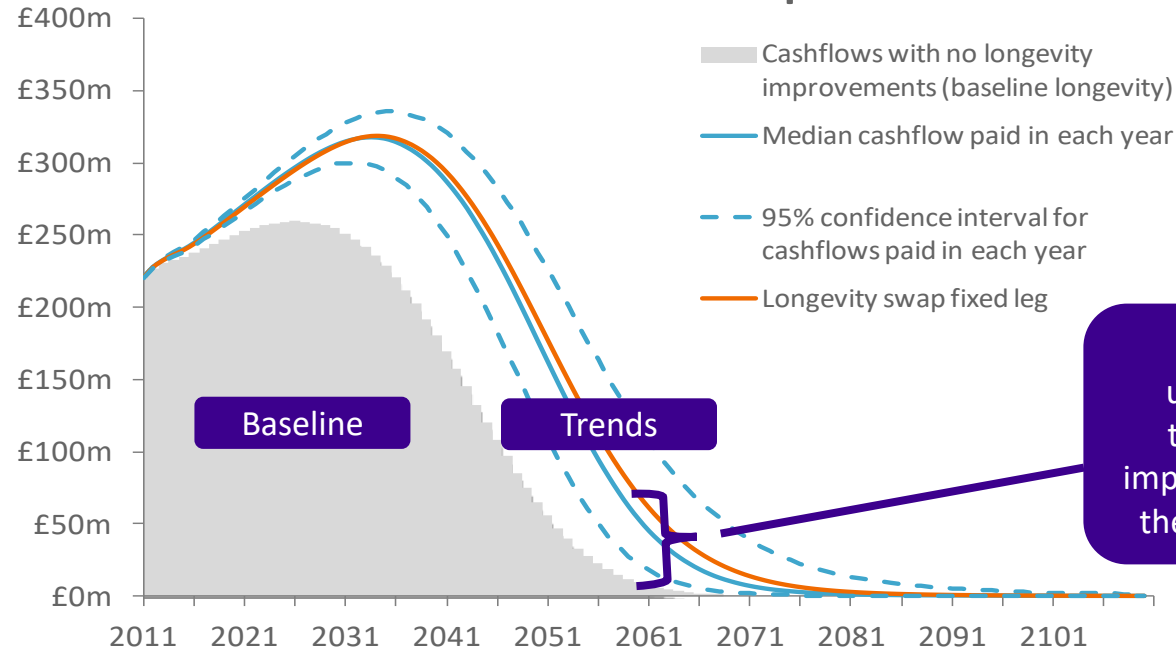


Fixing the baseline, focusses efforts on trends

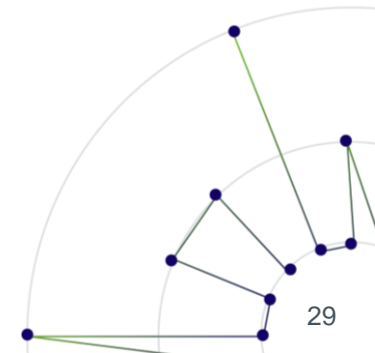
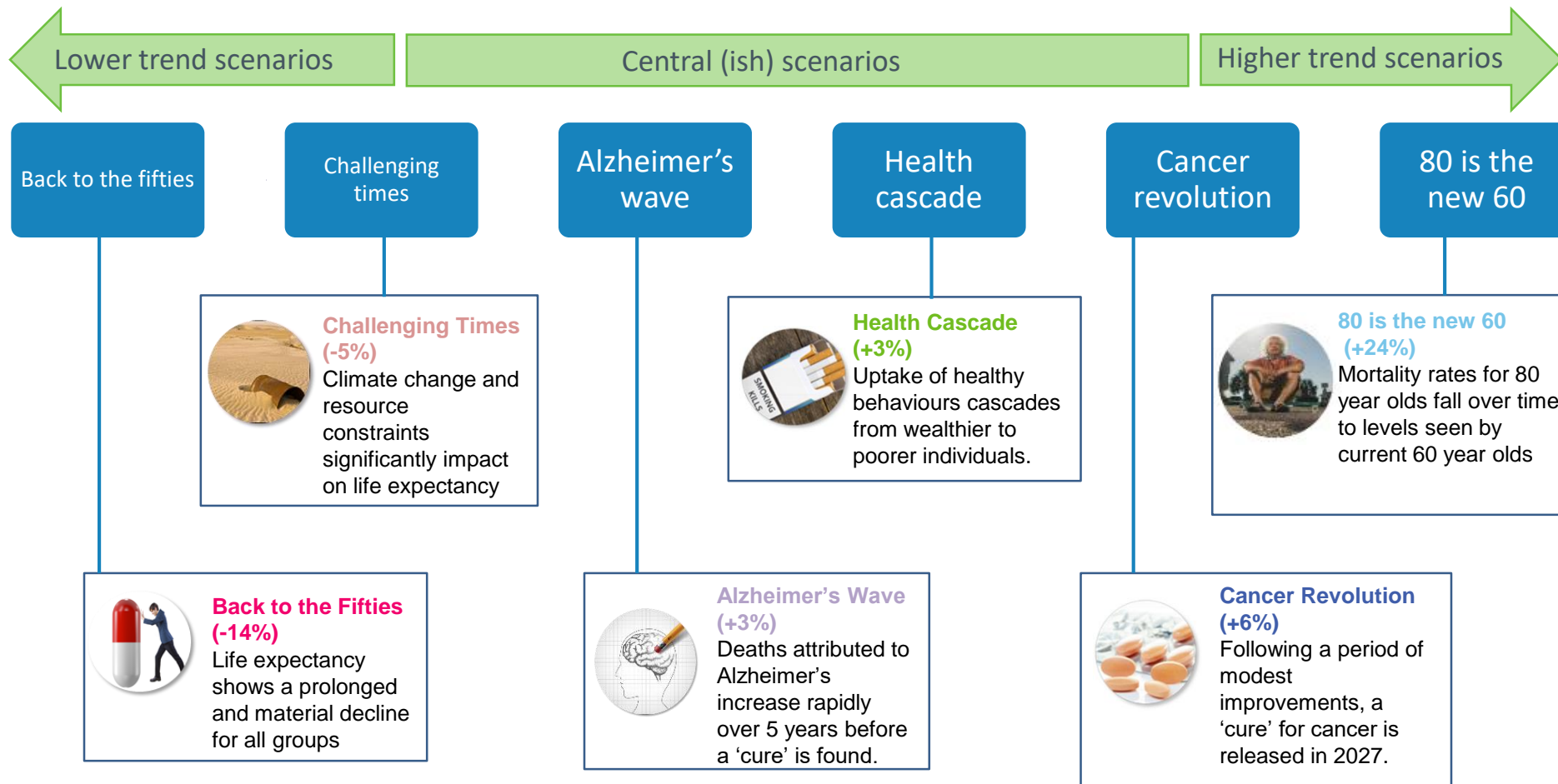
By separating baseline from improvements you clarify your strategy and your unmanaged risks

You can have high confidence in your baseline with smarter collection and analysis of survival data

Cashflows from annuitant portfolio



Use scenarios to visualise and quantify trend risk



Online life expectancy calculators

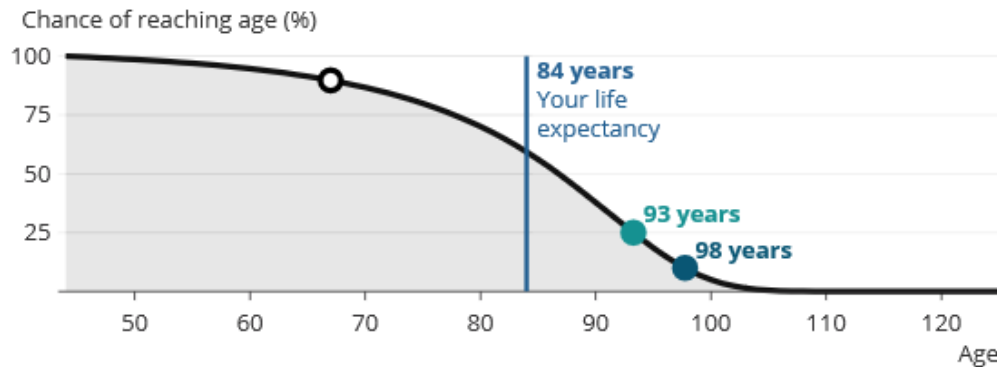
The phrasing of the “customer journey” is crucial

Your average life expectancy is **84 years**

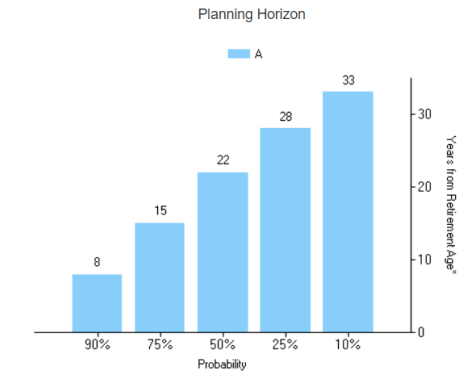
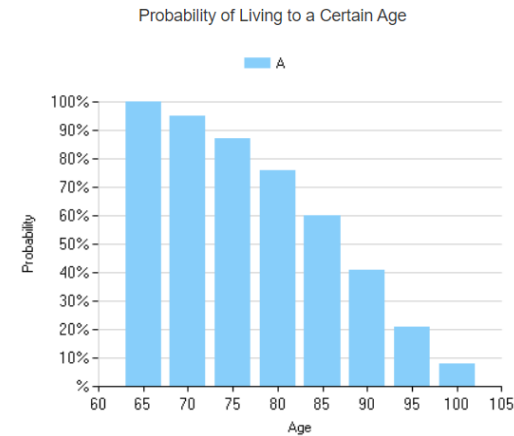
However there's a chance you might live longer...

● **93 years**
1 in 4 chance

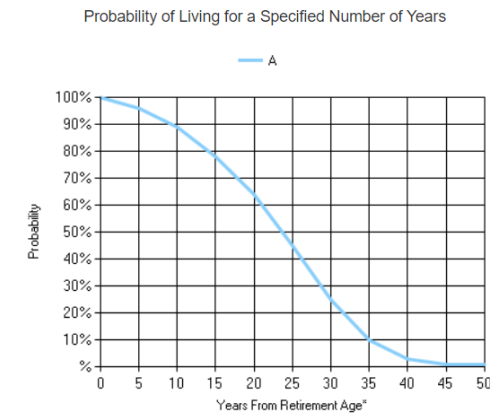
● **98 years**
1 in 10 chance



ons.gov.uk



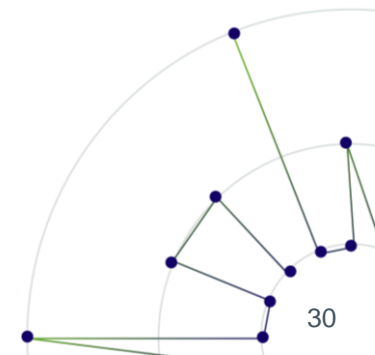
* From current age if you are already retired.



* From current age if you are already retired.



longevityillustrator.org

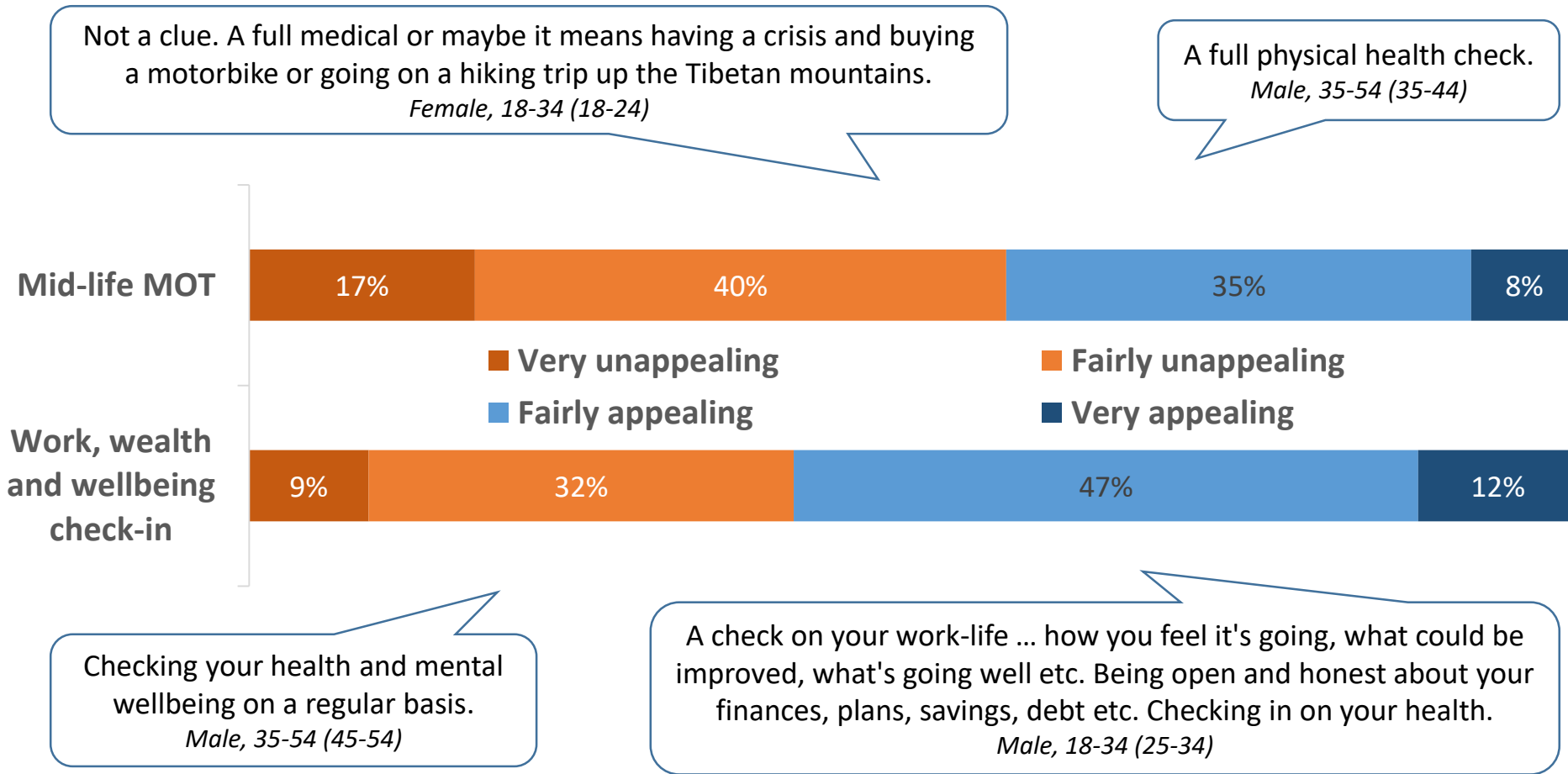


There is real progress in some key areas of the longevity debate

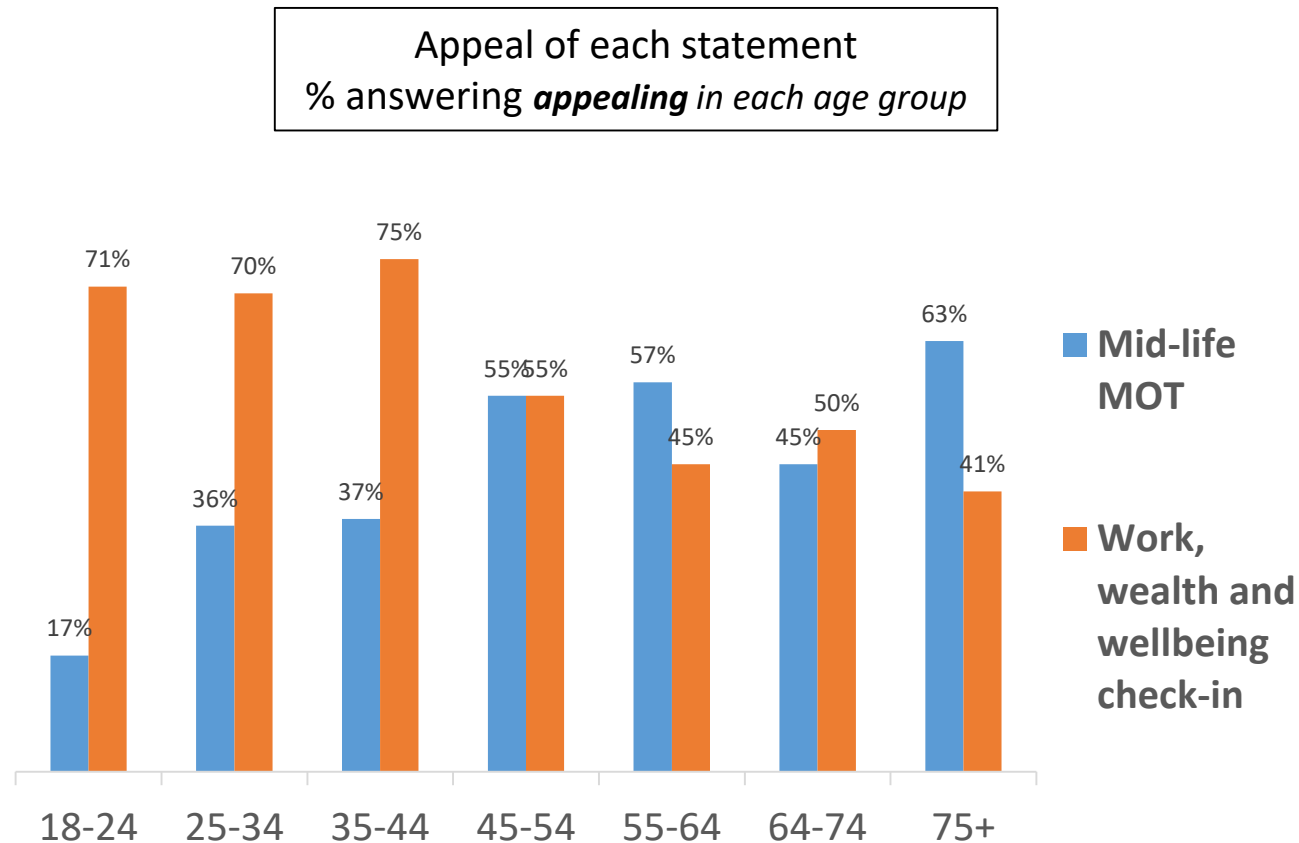
“As we live and work longer, many people now have more options and can make more choices. Yet there is relatively little help available in making those choices.”



The right language can widen appeal



Different audiences find different language appealing



Perhaps a check up on our health in the middle of our lives (maybe around 50 years old).

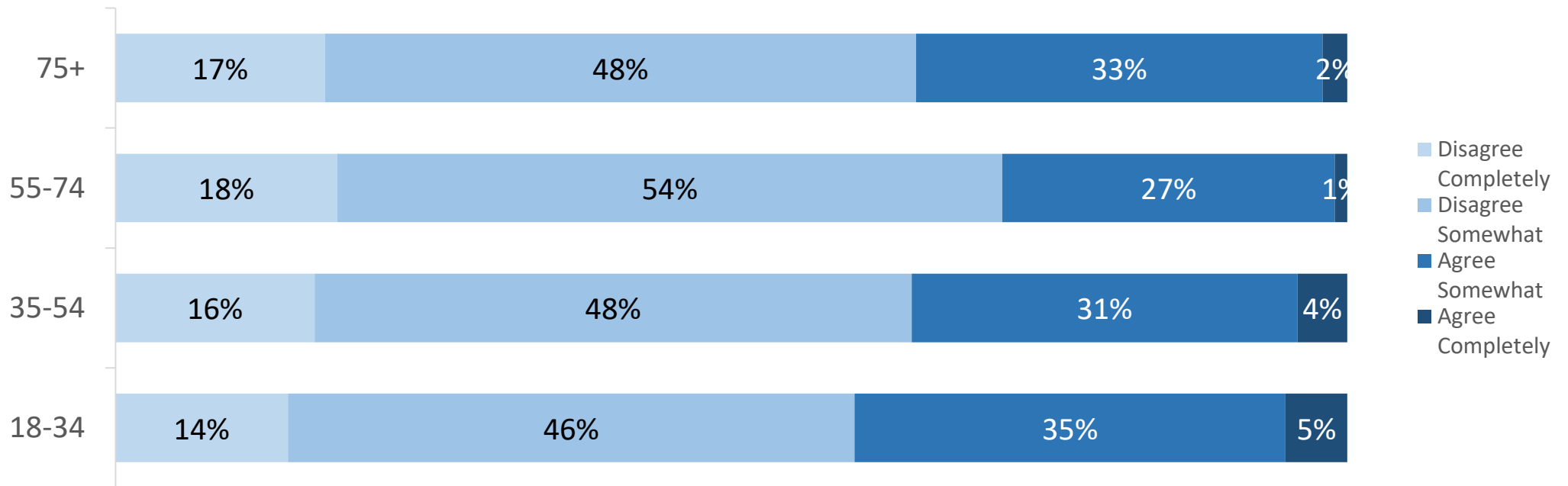
Female, 18-34 (18-24)

A lifestyle survey to help you be the best you can.

Female, 35-54 (35-44)

There are big opportunities if we can get it right

"Advertising and communications do a good job reflecting people like me."
% agreeing or disagreeing with this phrase



Questions?



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