



Club Vita Longevity Update

Leicestershire County Council Pension Fund



Mark Sharkey FIA CERA
Head of Client Delivery
mark.sharkey@clubvita.net

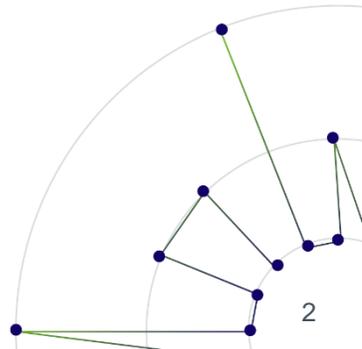
10 June 2022

Agenda

What we'll cover

1. Introduction
2. Baseline longevity: current life expectancy
3. Future improvements: monitoring the long term risk
4. Questions

Using data analytics to gain greater insights as we emerge from the pandemic



Introduction

What is Club Vita?

Club Vita

Proper noun, [kluhb vee-tuh], \ 'kləb vē-tə\

1. Centre of excellence for improving understanding of human longevity.
2. Community of organisations with a shared interest in longevity and belief that the 'bigger' the data, the lower the (statistical) noise.
3. Provider of longevity risk informatics to support pension schemes' risk management strategies and enable market innovation.

2008



2015



2019



Club Vita is an independent data utility, supporting pension funds, advisors, insurers & asset managers

VITACURVES® longevity profiling

- A multifactorial model allows for wider spread of outcomes



Life expectancy
from 65:
12.7 years

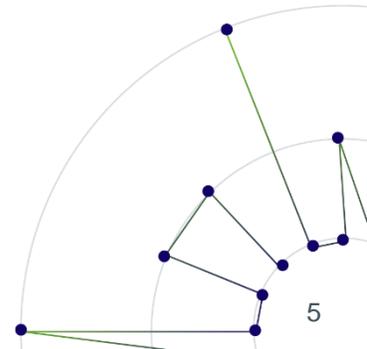


Life expectancy
from 65:
23.0 years



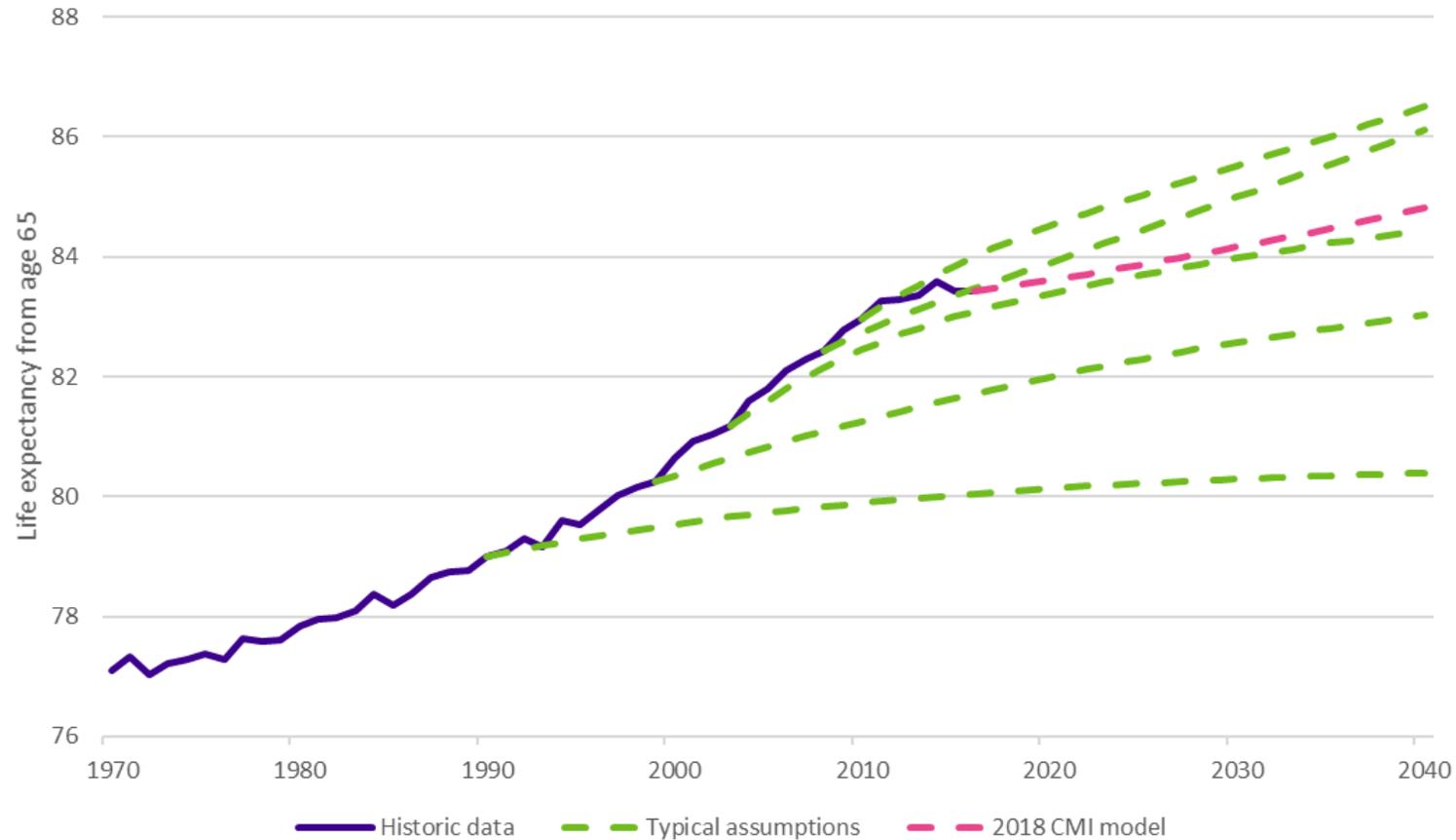
Life expectancies shown are period life expectancies at 1/1/2018.

VitaCurves enables bespoke, member by member assumptions

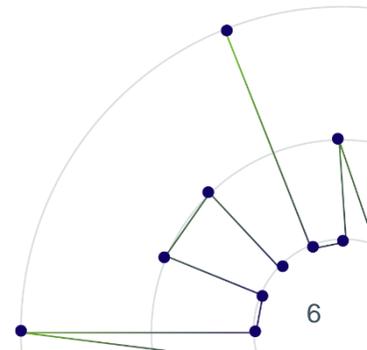


Future improvement assumption

Period life expectancy from age 65
(Men, HMD data)

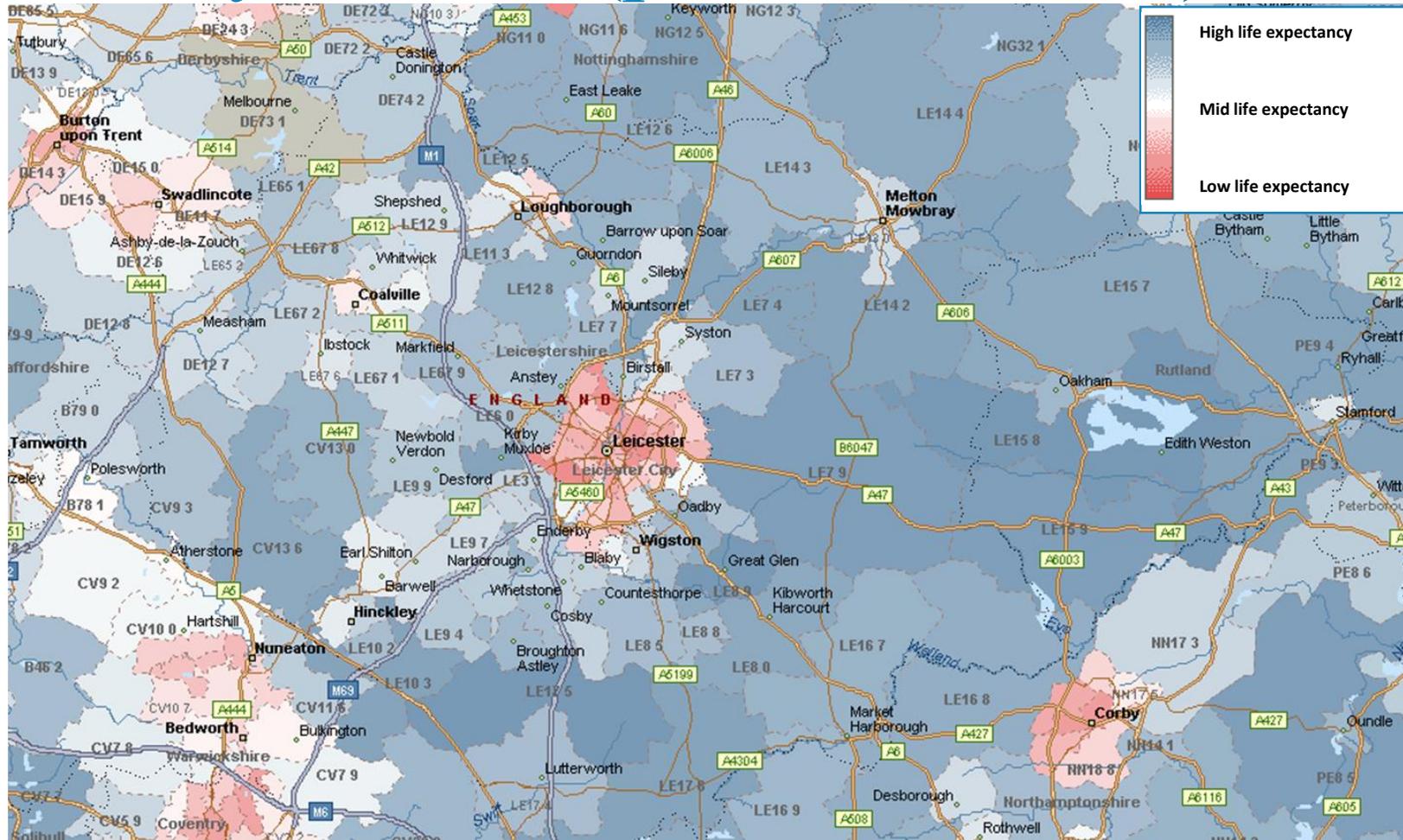


Projections based on expectations of future trends in longevity

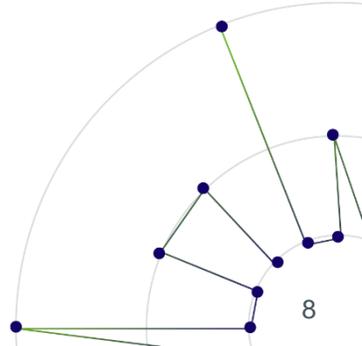


Zooming in on current life expectancy

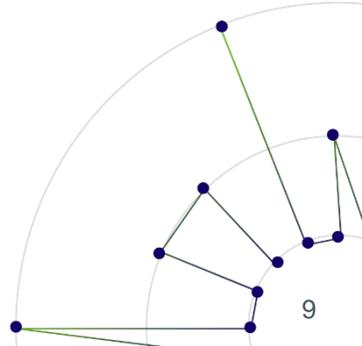
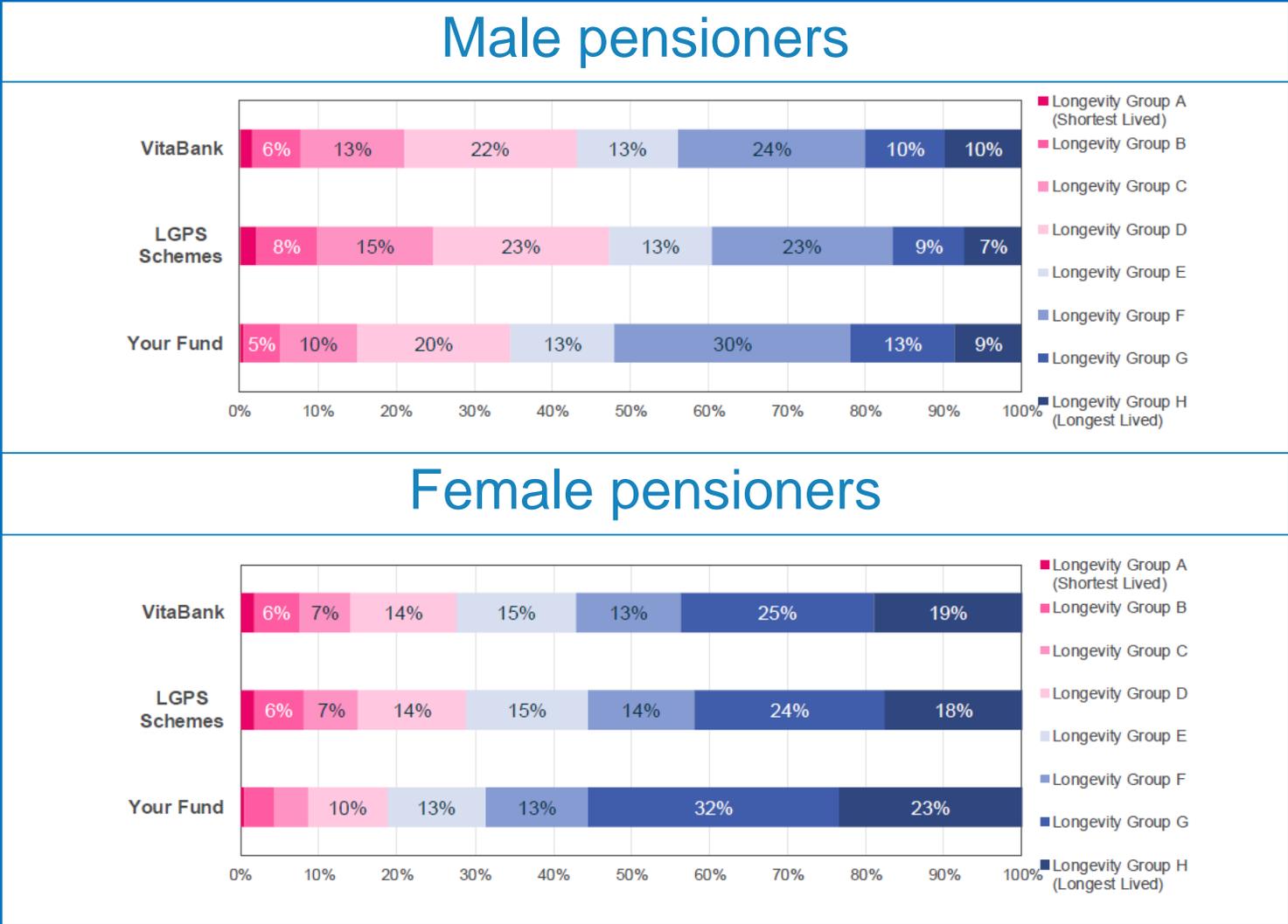
Vita's lifestyle effect (postcode based)



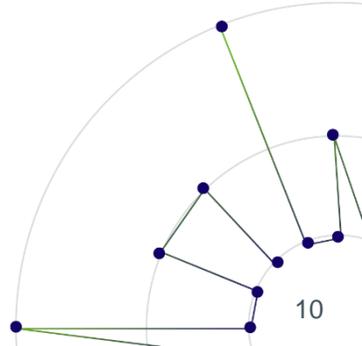
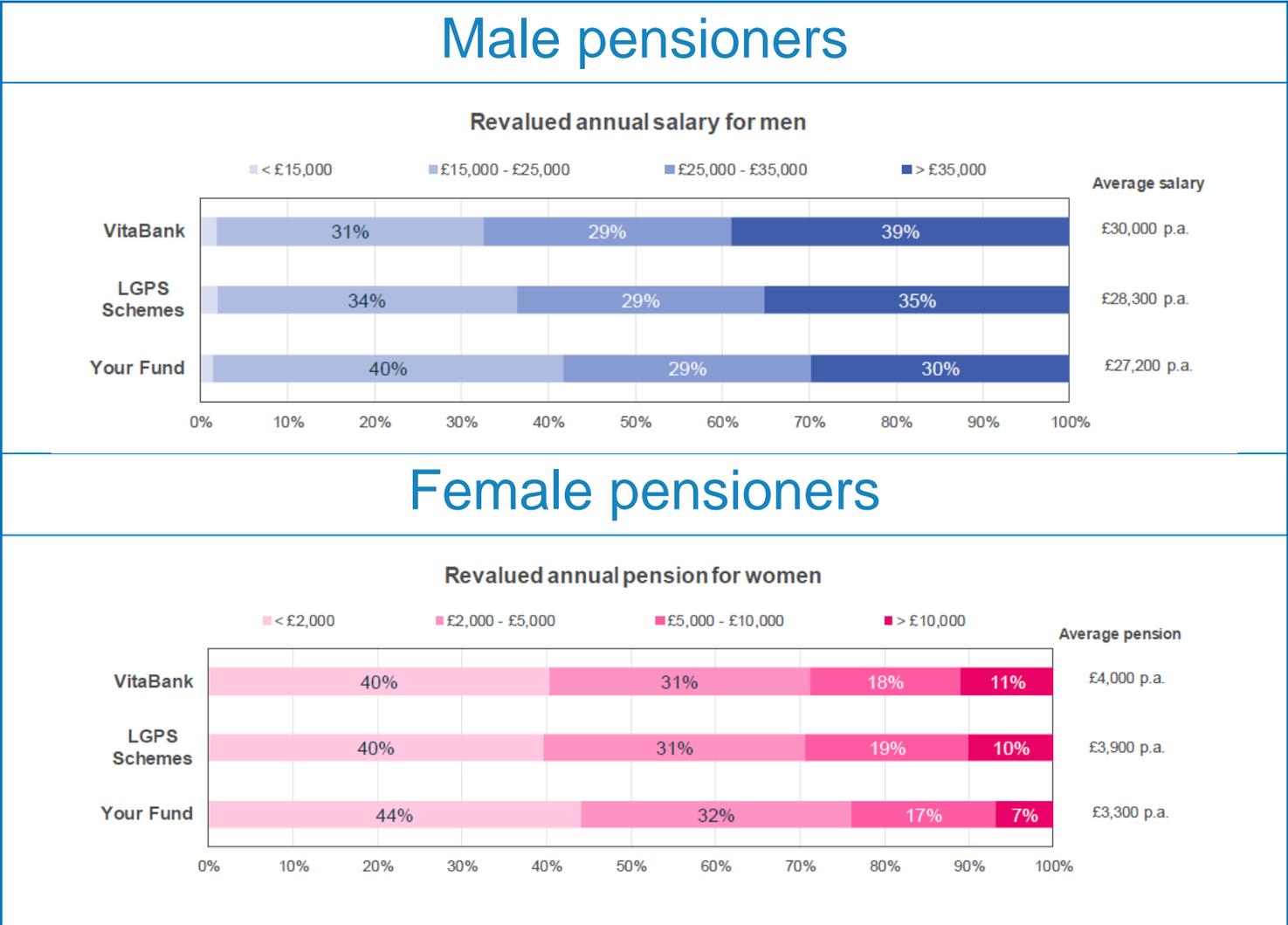
We see significant diversity in the demographic characteristics of DB pensioners



Benchmarking – Lifestyle

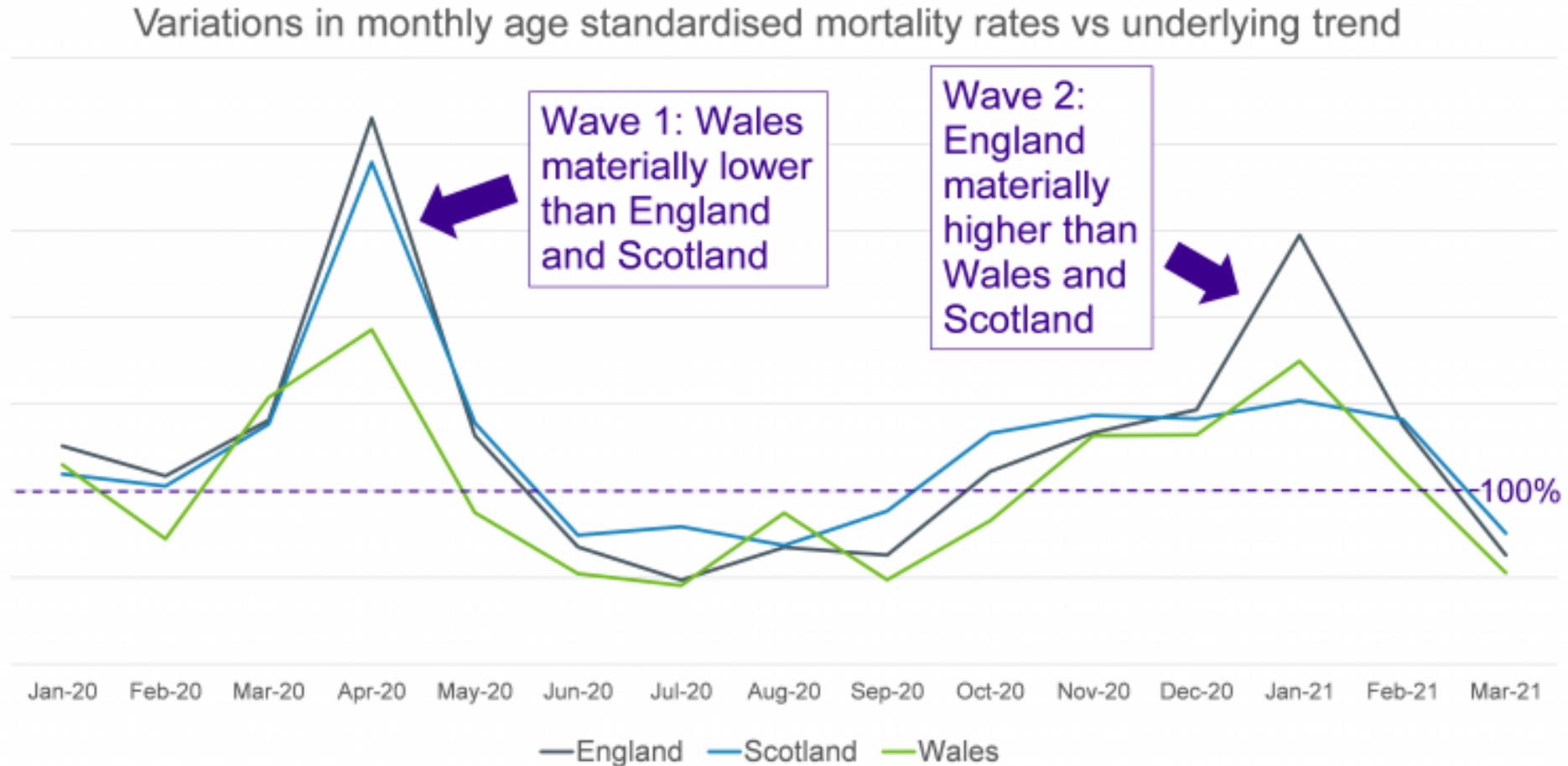


Benchmarking – Affluence

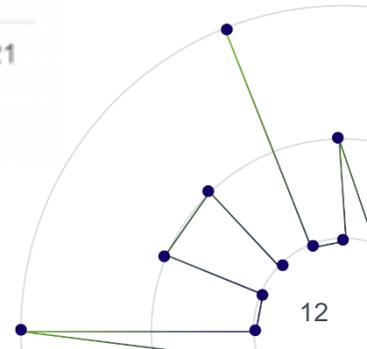


Monitoring the long term risk

Speeding up our understanding...



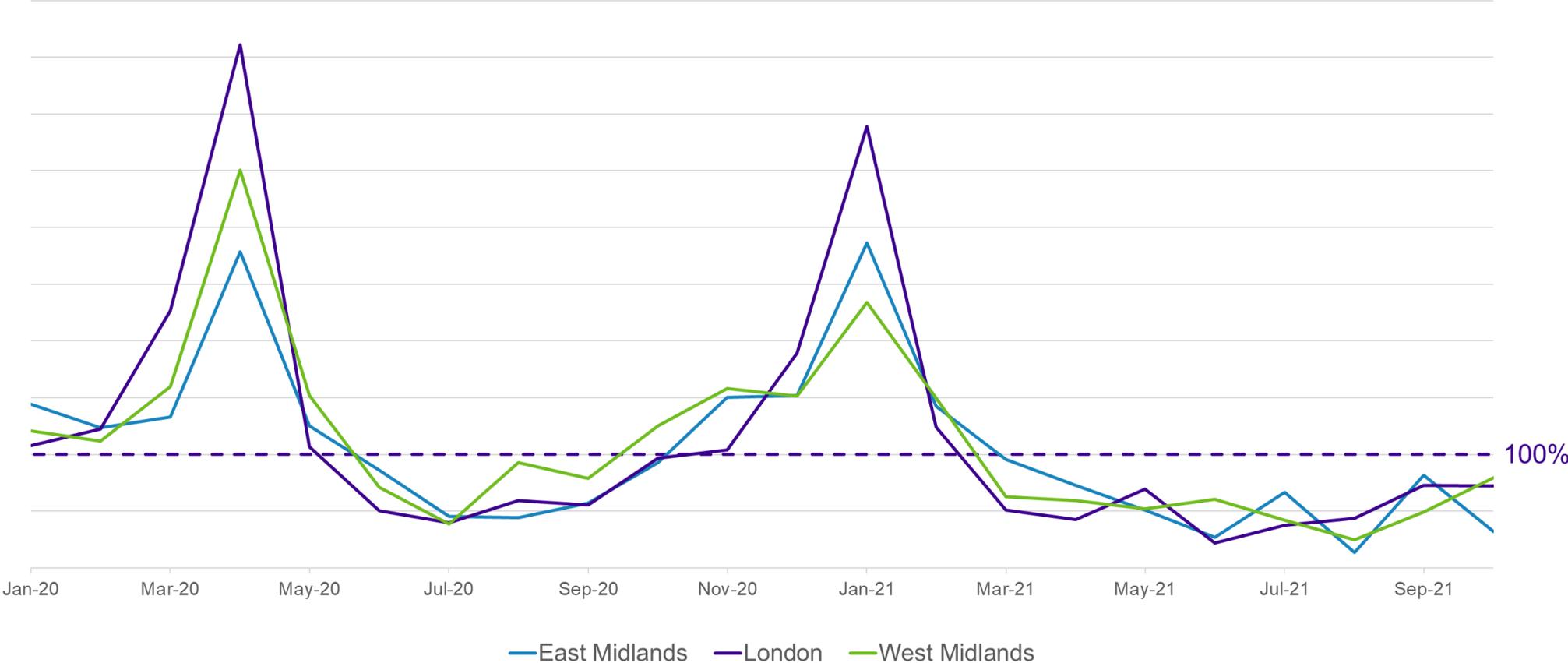
Source: <https://www.clubvita.co.uk/news-and-insights/top-charts-21-10-differences-in-covid-19-impact-on-pensioners-in-england-scotland-and-wales>



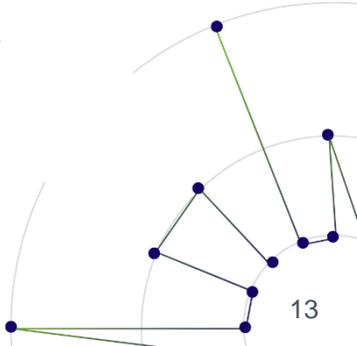


Digging deeper...

Variations in monthly age standardised mortality rates vs underlying trend



Monthly age standardised mortality based on monthly crude mortality rates. Standardised over age range of 65-95 and based on age profile of Club Vita data in 2012. Data enriched by monthly feeds from Life Existence Checking exercise – last check ran July 2021.



Drivers of long term pandemic uncertainty

Lower longevity improvements

Short term risk of COVID-19

There is a risk that we see further waves of infection as social distancing measures are relaxed

Global recession

A global recession may impact future public sector spending in health care.

Disruption to non-COVID care

Deterioration of patients with non-coronavirus conditions due to delays in treatment (e.g. cancer)

Impaired long-term health

The long term health of those who were infected with COVID-19 but survived the virus might be damaged.

Higher longevity improvements

Health/social care funding

Issues with funding unearthed during the pandemic may be more likely to be addressed

Reduced circulation of flu

Change in social behaviour (e.g. increased handwashing) may reduce prevalence of flu and other diseases.

Reduction in air pollution

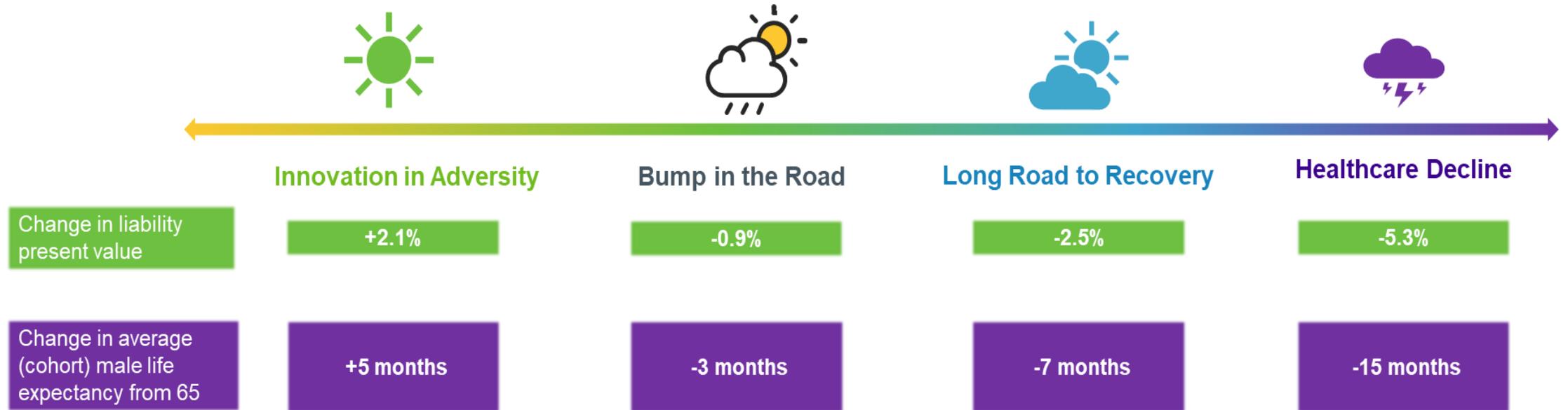
Change in social behaviour may result in the reductions to air pollution persisting.

Reduction in smoking

Disease may have encouraged existing smokers to stop

Longer term pandemic impact is likely to have a much greater liability impact on most funds than 2020/21 experience.

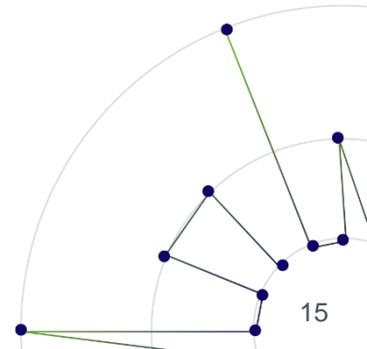
Understanding the uncertainty



Impact shown above for a typical fund

Source: [Club Vita COVID-19 scenarios: A bump in the road or a catalyst for change?](#)

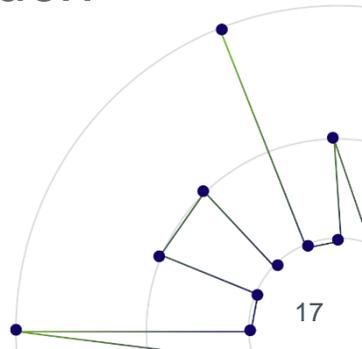
Scenario analysis and timely horizon scanning can help identify and understand early warning signals



What this means for the 2022 valuation

Summary: what this means for the 2022 valuation

- The Fund actuary at Hymans Robertson will use Club Vita analytics to set longevity assumptions.
- The Club Vita analytics enables bespoke, member by member assumptions that reflects the bespoke mix of individuals in the Fund.
- The Club Vita analytics show a wide range of life expectancies in the Fund, with members typically concentrated in geographic areas where pensioners tend to live longer than average.
- In isolation, the impact of the excess deaths experienced in 2020 and 2021 is likely to be minimal – a 0.1%-0.2% reduction for the typical Fund.
- However, the longer lasting after-effects of the pandemic could have much more material impacts. Club Vita analytics will be used to monitor the evolving longevity landscape between valuations, based on data for pensioners in the relevant regional and socioeconomic groups.



Any questions?

This presentation contains confidential information belonging to Club VITA (UK) LLP (CV). CV are the owner or the licensee of all intellectual property rights in the presentation. All such rights are reserved. The material and charts included herewith are provided as background information for illustration purposes only. This presentation is not a definitive analysis of the subjects covered and should not be regarded as a substitute for specific advice in relation to the matters addressed. It is not advice and should not be relied upon. This presentation should not be released or otherwise disclosed to any third party without prior consent from CV. CV accept no liability for errors or omissions or reliance upon any statement or opinion herein.