

## Industry Update

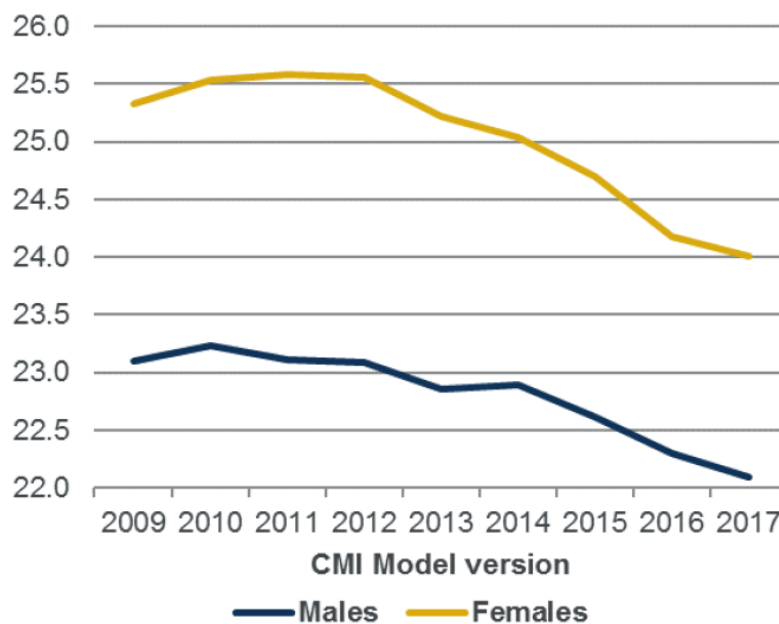
### New mortality projections

The Continuous Mortality Investigation (CMI) of the Institute and Faculty of Actuaries has released the 2017 version of its Mortality Projection Model (CMI\_2017). The previous release was this time last year, which we covered in our Update dated March 2017.

The CMI calibrates its mortality projection annually using the most up to date mortality data for England and Wales. The CMI\_2017 model is calibrated to data for ages 20-100 and calendar years 1977-2017.

#### The impact on life expectancies

Chart: Cohort life expectancies as at 1 January 2018 at age 65 from CMI\_2017 and earlier versions



*“...CMI\_2017 has lower cohort life expectancies than in all previous versions of the CMI Model...”*

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CMI\_2017 has lower cohort life expectancies than in all previous versions of the CMI Model. Life expectancies at age 65 are around 2 months lower in CMI\_2017 for both males and females comparing to the previous version, at 22.1 years and 24.0 years, respectively.

## Has UK longevity stopped improving?

Latest data shows that longevity continues to improve but at a much lower rate than expected a few years back. There is considerable debate about the causes of this slowdown since 2011, whether low improvements will persist and for how long. There is increasing evidence that the low level of recent mortality improvements may be due to medium or long-term influences.

## How may it affect your scheme?

The CMI mortality projection is one of the two key components of your Scheme's mortality assumption (the other being the base mortality table). If your Scheme currently adopts the CMI\_2016 in its funding basis, we estimate the liability will reduce by up to 0.7% under CMI\_2017. The reduction would be more if your Scheme currently adopts an earlier version of the CMI model.

## What should I do?

Your Scheme Actuary will be in touch with you when the time next comes to set assumptions. However, if you want more information, please contact your Scheme Actuary.

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