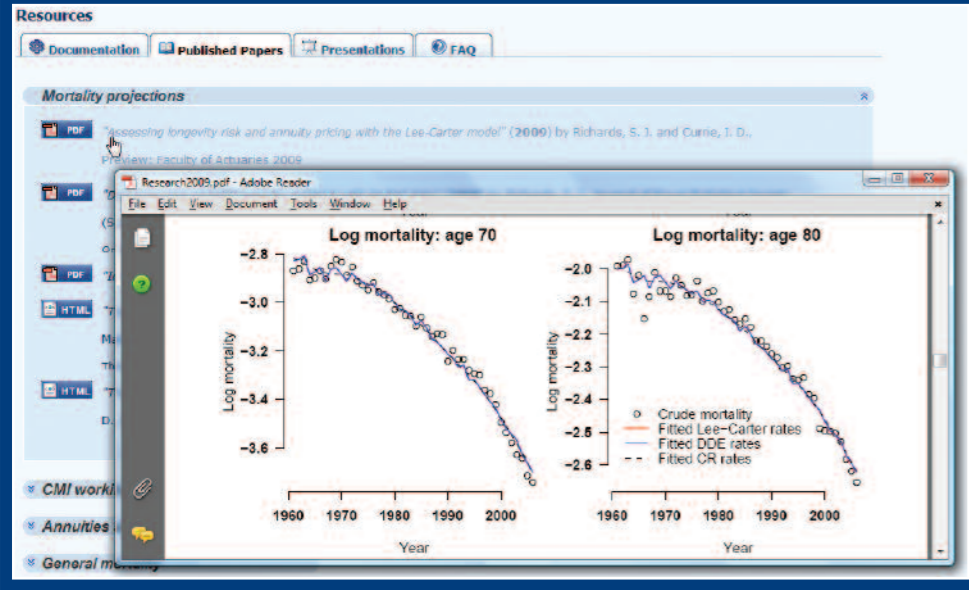


## SERVICE, NOT SOFTWARE

Instead of requiring you to install, manage and maintain the underlying software, **mortalityrating.com** is available as a fully supported service operated securely over the Internet. If you have a web browser, you are ready to use mortalityrating.com.

## FIRST TO KNOW

We regularly publish research notes and papers relevant to pensioner mortality. Licence holders have exclusive access to research notes as well as privileged early access to papers and presentations up to four months before they become public.



## EXPLORING RISK

The Pensions Regulator encourages trustees to use stochastic modelling to explore the risks to their schemes. **mortalityrating.com** does full portfolio run-off simulations, exploring trend risk, concentration risk and stochastic risk. Users can select trend-risk models based on a choice of data sets.

**mortalityrating.com** expresses results as a simple percentage of a standard table, including six of the recent SAPS1 tables.

The screenshot shows a web form for configuring a rating scenario. The 'Rating Name or Description' is 'Mortalityrating'. The 'Rating As At' date is '2008-01-01'. The 'Default Mortality Group' is '1 (longest-lived)'. The 'Rating Scenarios' table is as follows:

	Std. Table	Interest %	Escalation %	Projection Basis
First Rating	PNA00Base	1.50%	1.00%	Age-cohort penalties
Second Rating	S1NAight	2.50%	1.25%	Age-cohort penalties
Third Rating	S1PAheavy	3.50%	1.50%	Age-cohort penalties
Fourth Rating	S1NAight	4.00%	1.75%	Age-cohort penalties
Fifth Rating	S1PAight	5.00%	2.00%	Age-cohort penalties

Additional options include 'Include Spouses' (checked) and 'Geography' (set to 'UK').

## REFERENCES

LONGEVITAS LTD, [www.longevitas.co.uk](http://www.longevitas.co.uk)

RICHARDS, S. J. AND JONES, G. L. 2004 "Financial aspects of longevity risk", Staple Inn Actuarial Society, London

RICHARDS, S. J. 2008 "Applying survival models to pensioner mortality data", British Actuarial Journal (to appear).



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The proprietary model behind **mortalityrating.com** was created with Longevitas, a cutting-edge software system for the preparation and analysis of pensioner longevity. If your pension scheme is large enough, Longevitas allows the creation of bespoke models tailored around your data. For more details, see [www.longevitas.co.uk](http://www.longevitas.co.uk)

**Assessing longevity risk for pensions in payment**



**Assessing longevity risk for pensions in payment**

**Fast, Secure and Comprehensive**

# mortalityrating.com

## SUPPORTING YOUR JUDGEMENT

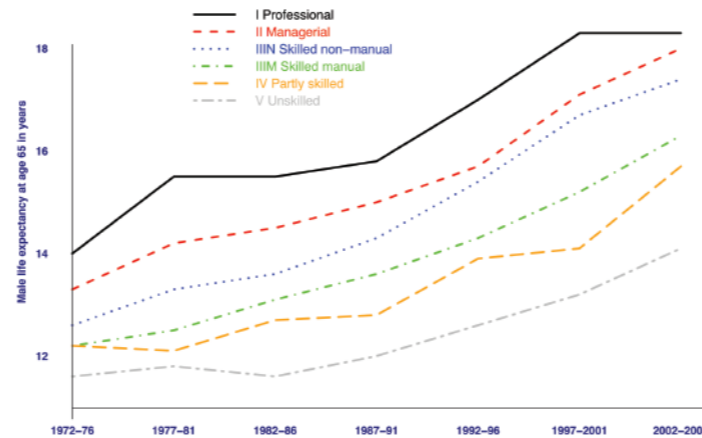
**mortalityrating.com** is a service for companies with defined-benefit pension plans in the United Kingdom. It takes away the guesswork in setting a mortality basis for small and mid-sized pension schemes. Even if you do not have enough mortality experience for your own scheme, **mortalityrating.com** will give you a best-estimate rating based on the most modern profiling techniques used by UK insurers. Above all, **mortalityrating.com** is fast and secure: your data will be securely analysed when you require it, and you will usually have a detailed report within minutes.

After age and gender, socio-economic group or "lifestyle" is the most important standard rating factor for pensioner longevity. The traditional actuarial approach has been to use the pension size as a proxy for socio-economic group: people with larger pensions do tend to belong to the more up-market social classes. However, a person's pension income is nowadays often fragmented, and pension size is not always a reliable guide to social class on its own. UK life insurers increasingly use a better combined proxy of pension size and full postcode, the same approach taken by **mortalityrating.com**.



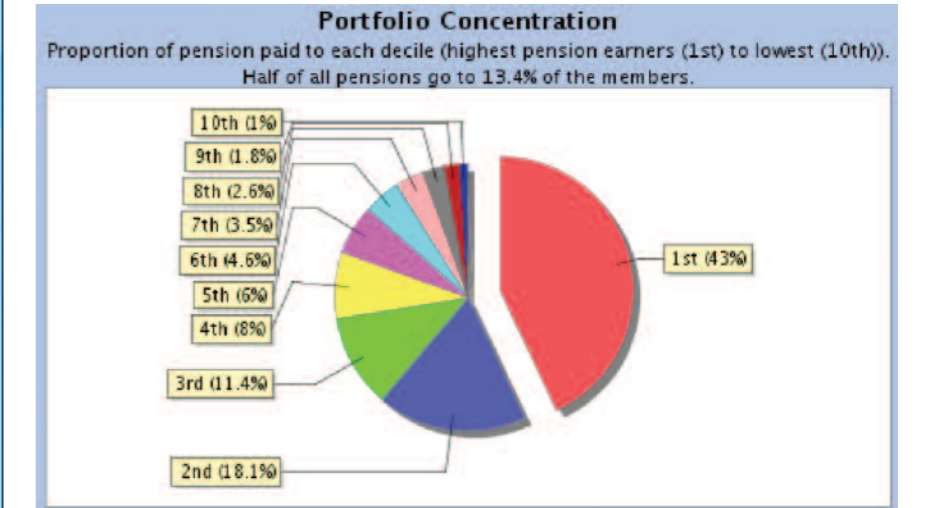
Our lifestyle profiling uses each and every part of the postcode, providing the most reliable foundation for your ratings.

## LIFESTYLE



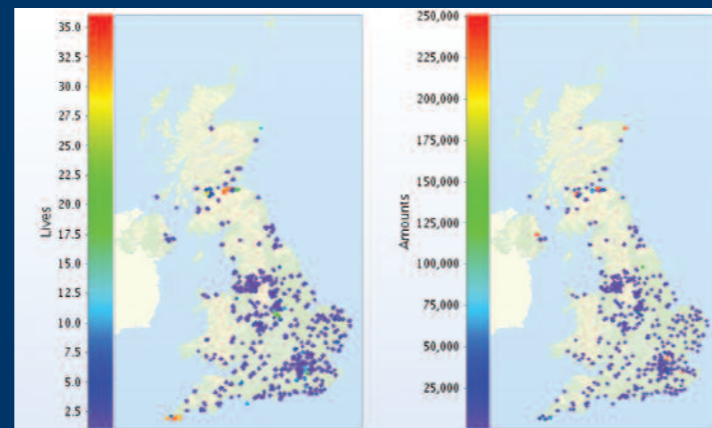
## CONCENTRATION

Pensions in any given portfolio differ widely in size. Typically, a large proportion of liabilities is concentrated on a relatively small number of lives. **mortalityrating.com** provides various summary statistics for concentration, including the Gini coefficient.



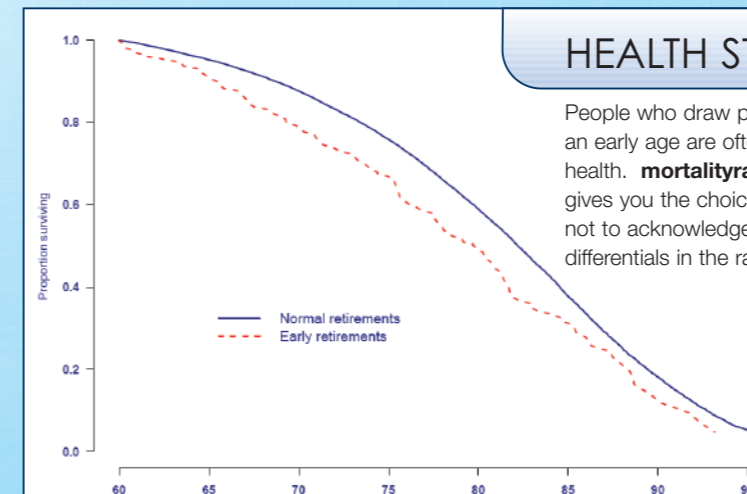
## REGION

Mapping gives you a fast overview of where your liabilities are in the U.K.



## HEALTH STATUS

People who draw pensions from an early age are often in poor health. **mortalityrating.com** gives you the choice of whether or not to acknowledge such mortality differentials in the rating process.



## MARITAL STATUS

**mortalityrating.com** offers multiple ways to explore the proportion married assumption, and can rate schemes both with and without dependent spouses