



Local and Global Issues Related to Mortality and Population Seminar Report held in Mexico City, Mexico on Tuesday, 27 November 2018

The International Actuarial Association's (IAA) Mortality Working Group (MWG) and Population Issues Working Group (PIWG) held the "Local and Global Issues Related to Mortality and Population Seminar" at the Sheraton Mexico City Maria Isabel on the afternoon of November 27, 2018. The seminar was sponsored by the Society of Actuaries and featured several presentations on current market and research topics. A welcome was given to the attendees by the seminar coordinator R. Dale Hall, Managing Director of Research at the Society of Actuaries and member of the IAA MWG. Opening remarks followed from Brian Ridsdale, Chair of the IAA MWG, who highlighted the current work of the MWG and PIWG and their role in the research and discussion of mortality and population topics within the actuarial profession.

The opening keynote address was presented by Norma Alicia Rosas Rodriguez, President of the Comision Nacional de Seguros y Finanzas in Mexico. Her talk was entitled "Insurance Markets and Population Trends in Mexico", and highlighted the current state and ongoing development of the local insurance markets. Rosas noted the opportunities for the Mexican life insurance market to increase coverage penetration to households. Rosas also covered the recent demographic and population trends in Mexico. Increasing life expectancy and a noted increase in the percentage of the population aged 65 and above is on the horizon in Mexico over the coming decades. Rosas also noted the opportunities she sees for growth in annuities and health coverages in the Mexican market.

Jorge Campa, CEO for Latin America for RGA Reinsurance Company in Mexico City, gave a presentation on "Epidemiological Transition in Mexico and the Impact on the Insurance Industry." Campa noted that Mexico has shown important changes in the epidemiology of diseases in recent times, combined with environmental, demographic, economic, social and cultural changes and advances in health care. Diabetes mellitus has transitioned over recent decades to be the leading cause of death in the Mexican population, as well as an increase in recent years in mortality due to interpersonal violence. Campa also presented research on the leading causes of disability, noting recent increases in lower back and neck injuries and onset of diabetes.

Hernan Poblete Miranda, Director of Latin America Research for LIMRA's Secure Retirement Institute gave a presentation on "Population, Consumer and Retirement Trends in Latin America", as the seminar progressed from beyond the Mexican market to other countries in the region. Poblete noted social system dependency ratios for many countries are increasing, with notable growth in recent years in countries such as Mexico, Cuba, Argentina and Ecuador. Other countries have remarkably different demographics, however, such as Guatemala where a larger younger generation is expected in the next 20 – 30 years. Poblete also noted the growing tendency for the

labor market in the region to continue work past age 65, and opportunities for life insurance companies to provide solutions and services that match the consumer demand, such as annuities and other longevity products.

Sam Gutterman, Co-Vice Chair of the IAA Population Issues Working Group presented on “Inequality and Actuarial Science”, highlighting the importance of considering the effects of inequality in many actuarial practice areas. Gutterman provided details on recent research that showed the differences in population mortality by variables such as geography and income ranges and noted that a variety of socioeconomic drivers often impact assumptions. Income and education level examples were presented across many different countries to show the impact of these differences. Gutterman concluded the presentation noting importantly that inequality affects the work of actuaries in many ways, such as in the pricing and development of products and assessing the sustainability of social system programs.

The seminar concluded with a presentation by Allen M. Klein, Co-Vice Chair of the IAA Mortality Working Group, and Principal and Consulting Actuary from Milliman. Klein’s presentation on “Drivers of Future Mortality” highlighted results from an upcoming research release from the IAA Mortality Working Group with details across a variety of categories including aging, lifestyles, catastrophes, medical advances and technological advances. Examples included the potential impact of antibiotic-resistant bacteria in the future, environmental issues such as pollution, the relation, and lifestyle trends such as exercise and food choices. Klein noted the impact of many of these variables both in the local Mexican market and around the world and noted that many additional medical and technological advances are on the horizon that will further drive mortality trends. A reception was held after the seminar for attendees to ask additional questions of the speakers and to have an opportunity for networking. Future seminars are under development to precede IAA meetings in Washington, DC and Tokyo.