

Future mortality improvements in the G7 countries

-

Application to life insurance

Bernhard Babel, Eckart Bomsdorf¹ and Jens Kahlenberg²

Abstract. Most developed countries have shown an increase in human life expectancy over the last century. This paper provides projections of future life expectancy for the G7 countries: Canada, England and Wales, France, Germany, Italy, Japan and the United States of America. In detail, due to practical application, life expectancies at age 30 and life expectancies at age 60 are calculated. It is shown that a continuing increase in life expectancy is probable in all considered countries. Further, the recent mortality trends indicate acceleration in the increase of male life expectancy which particularly should be considered in pricing life insurance products.

JEL classification: J11, C51, I12

Key words: Life expectancy, forecasting, G7, cohort perspective, period perspective, life insurance

¹ Department of Economic and Social Statistics, University of Cologne, Albertus-Magnus-Platz, 50923 Cologne, Germany. Email: babel@wiso.uni-koeln.de (corresponding author), bomsdorf@wiso.uni-koeln.de. Fax: +49-221-470-5074.

² Jens Kahlenberg is member of the German Institute of Actuaries (DAV) and working as actuarial consultant at agens Consulting GmbH, Germany. Email: jens.kahlenberg@agens.com.