

Robust Modelling and Management of Longevity Risk

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In this talk I will focus on the importance of the choice of stochastic mortality model in relation to the intended risk management application. This will involve reviewing how modelling has developed in recent years and whether or not it is fit for purpose. I will argue that we need to be focusing on simpler, more robust models in order to deliver consistent and reliable results for the valuation and management of longevity risk. Additionally, I will discuss how a focus on robustness can help determine what are the most appropriate hedging instruments for hedging longevity risk.