

The Cross-Section of Asia-Pacific Mortality Dynamics: Implications for Longevity Risk Sharing^{*}

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April 30, 2014

Abstract

We study the dynamics of longevity risk across a number of countries in the Asia-Pacific (APAC) region. We use hand collected data on mortality rates from emerging economies, as well as widely available data from more developed economies, to understand how mortality improvements vary within and across APAC countries. We use our results to identify cross-hedging opportunities among longevity risk exposures in the APAC region. We provide applications of our findings to the design of indexed longevity swaps, as well as longevity trend bonds and similar insurance-linked securities.

^{*}We are grateful to the Insurance Risk and Finance Research Centre (IRFRC: www.irfrc.com) at Nanyang Business School for generous financial support and for providing the Asia-Pacific mortality dataset.

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