



The \$27 Trillion Question: How Long Will You Live?

By Alan Farnham
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How long will you live? To you, of course, the answer matters. But it matters, too, to insurers and to pension funds, to nursing homes and hospitals and to every provider of goods and services that you may want or need as you grow older.

Longevity affects so many different industries that SmartMoney, in a [current article](#), says it lays behind "the \$27 trillion question."

Notions about life expectancy and aging have been changing rapidly.

SmartMoney cites the case of a 78-year-old woman trying to buy life insurance. She's a survivor of breast cancer. Her family has a history of heart disease (her father died of a massive heart attack in his 60s). She suffers from bipolar disease, for which she takes medication.

She wants a \$20 million policy.

Does she get it? You bet -- and from a household name insurer. A few years ago, she might not have; but medical advances have now made her an attractive customer. Her life expectancy is 92.

Every year in the insurance industry, one set of actuarial tables gets thrown out and is replaced by an updated one that determines how much you'll pay for life insurance -- or whether you'll get it at all. Not every company goes about revising its tables the same way.

"There's considerable variation," says S. Jay Olshansky, a researcher in the University of Illinois' School of Public Health.

Most insurers, in his view, go about it the wrong way. The prevailing method, he says, is "to take historical trends in life expectancy and project them forward. That's easy to do."

It fails to take into account the health status of persons now alive, who will "exhibit mortality" in the future.

Factoring in the health status of persons still alive "is not an easy thing to do," Olshansky says. "It's not how actuaries are taught to make forecasts."

Dr. Robert Pokorski, chief medical strategist for The Hartford, goes about it differently, factoring in not just past trends but the latest scientific research and medical treatments.

At The Hartford, advanced heart disease is no longer regarded as a "death marker." As recently as 1995, the industry viewed people with advanced heart disease as uninsurable. Now, arterial blockages can be repaired, and new plaque buildup prevented with medicines. The Hartford's latest tables reflect those advances.

Maddy Dychtwald, an expert on aging and co-founder of the trend-watcher [AgeWave](#) in California, says there's no longer any reason to think of life expectancy as bound by mere chronology.

"It's not necessarily a question of how many years you've racked up," she says. "Somebody aged 78 can have the vitality of a 52-year old. You need to dig deeper, past chronology down into other health factors."

People aren't only living longer. Many are living more healthfully.

Baby boomers, whom AgeWave tracks, get more exercise than any other generation, Dychtwald says. Makers of goods and services aimed at older Americans need to take that into account.

Many have already. The Hartford, MetLife and a variety of other insurers and financial services companies have tailored new products to middle-aged customers worried, justifiably, they may live longer than they planned and, thus, exhaust their savings prematurely.

MetLife in 2004 introduced an annuity called the Longevity Income Guarantee, which starts paying at age 85 and keeps on paying for as long as the client lives. The Hartford has a competing product called the Longevity Access Rider.

Life expectancy predictions, however, in order to be accurate, need to factor in the negative, as well.

"Every once in a while," says Olshansky, "a novel source of data surfaces that makes it possible to peer into the future in a fundamentally different and far more revealing way."

Case in point: a study of 3,237 young Minnesotans who died between 1981 and 2004. Their autopsies revealed that while the severity of coronary heart disease had declined from '81 to '95, the trend had reversed itself after 2000, owing to an increase in obesity, among other factors.

Insurers and other longevity predictors, he says, make a mistake not to consider negative lifestyle factors. The Minnesota data, in his view, offers "a glimpse into the future of heart disease" in tomorrow's adults.

Unlike many of his peers, he does accept it as a given that tomorrow's Americans will live longer than today's. More likely, he thinks, they will hit a "longevity wall" at age 85.

Even if science were to find a cure for cancer and for heart disease, Olshansky says, the average human lifespan won't advance beyond 90, unless someone finds a way to slow the aging process itself.

That search is underway at a variety of laboratories around the country, including at [Sierra Sciences](#) in Reno, Nev. Sierra's motto: "To cure aging or die trying."

This article can be found at http://abcnews.go.com/Business/long-live-27-trillion-question/story?id=15642063#.Tz0vnRzY_YF.