
A Reference Work Built for You

By Kerry Pechter Fri, Aug 12, 2011

The Society of Actuaries' recent book (available here in pdf form) puts the reader at the center of a web of hundreds of articles, research studies, other resources relevant to the risks and opportunities of Boomer retirement.



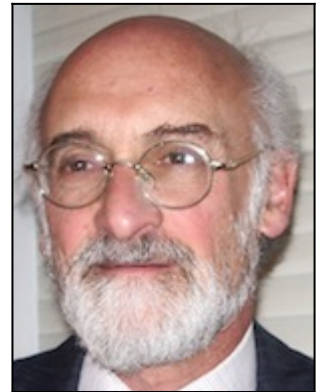
With little fanfare, last March the Society of Actuaries published a pdf document—an e-book, really—that can and should serve as an important desktop reference for anyone who wants to understand and exploit the retirement income opportunity.

Don't let the ponderous title scare you off. The book is called ["Implications of the Perceptions of Post Retirement Risk for the Life Insurance Industry: Inside Track Marketing Opportunity, But Requiring Focused Retooling."](#) The principal researcher/author is actuary and SoA member Steve Cooperstein (below) of Pacific Grove, Calif.

The book is part call-to-action and part literature review. Among other things, Cooperstein advocates:

- * A more transparent retooling of income generating annuities.
- * A better way to help people more practicably pay for long term care if such costs arise.
- * Development of financial planning tools that more fully deal with the risks in retirement that lie beyond investment advice.
- * Retraining financial advisors to help people with their holistic planning needs and risks in retirement.
- * Use of the internet to more effectively bridge the needs of this sector.

Written clearly and concisely, the book also makes maximum use of hyperlinks to put the reader at the center of a web of hundreds of other articles, research studies, other resources relevant to the risks and opportunities of Boomer retirement from the past several years. The bibliography alone includes almost 40 pages of hyperlinks. Because the book is a pdf, its content is searchable.



Would you like to be able to lay your hands quickly on William Sharpe's article, "The 4% Rule—At What Price?" Or on a seminal 2006 article by Olivia Mitchell and Raimond Maurer, "Optimizing the Retirement Portfolio: Asset Allocation, Annuitization and Risk Aversion"? Or on a Deloitte article from 2009, "Mining the Retirement Income"? This book puts them in instant reach.

On page 51, and in the bibliography, the book contains a link to one of my all-time favorites: "Making Retirement Income Last a Life," by three luminaries of the field, John Ameriks, Ph.D. (currently of Vanguard), the columnist Bob Veres, and Mark J. Warshawsky, Ph.D. (currently of Towers Watson).

One technical caveat: Quite a few of the hyperlinks to websites, particularly those of publications, lead to a "Page Not Found" message. That flaw is inherent in the management of websites, however, not in the design of the SoA/Cooperstein book.

Throughout the book are many references to work by organizations, publications, authorities, academics and pollsters whose names will be familiar to anyone tracking this industry (or reading Retirement Income Journal) over the past few years. That includes GDC Research, The MetLife Mature Market Survey, the Center for Retirement Research at Boston College, Mathew Greenwald & Associates, *National Underwriter*, and, of course, the Society of Actuaries.

Although advisors and academics will be able to find useful information in this book, the target audience appears to be those involved in the insurance business—particularly those involved in creating or marketing life-contingent payout annuities, long-term care insurance, variable annuities with living benefits, and life insurance.

The author exhibits a strong belief in the value of life-contingent payout annuities, which he says, "have been poorly positioned. They have essentially been framed as a gamble; a bet against the insurance company about how long the annuitant must live to 'break even', bringing in the powerful behavioral aversion to loss."

No marketer yet, Cooperstein laments, has properly articulated the value of the so-called mortality credit, "which enables all buyers to safely draw more income from their assets for life than any other product or approach otherwise available. [It] is generally not even mentioned, let alone explained and understood."

