
What your Zip code reveals about your lifespan

By Kerry Pechter Thu, Aug 8, 2019

A new report from ClubVita shows that life expectancy increased at a faster rate for more financially well-off retirees between 2001 and 2014.

Your nine-digit Zip code is a clue to how long you'll live, and pension plan consultants can benefit from learning what it is.

Club Vita, a provider of longevity risk data, has published "Zooming in on ZIP Codes," a white paper that addresses how integrating ZIP codes and other socioeconomic factors can help pension plan sponsors better capture the diversity of their participant bases, sharpen life expectancy estimates, and assess how much money to save to make their future payments.

Club Vita and Mercer, the global pension and benefits consultant, have developed a new longevity model for U.S. pension plan participants. The proprietary model, VitaCurves, employs the nine-digit ZIP code, or "ZIP+4 code," which offers significantly more detail on geographical differences in life expectancy than other methods.

According to Club Vita's report, life expectancy increased at a faster rate for more financially well-off retirees between 2001 and 2014. Statistics from the VitaCurves model also identified specific characteristics of individuals within pension plans that resulted in increases and decreases of liabilities of up to 6% relative to the standard Society of Actuaries tables. With a reduction of liabilities on average, the paper says most plans could be over-valuing their liabilities.

Club Vita's ZIP+4 code model will also facilitate the development of new products, allowing pension plans to prepare themselves for extreme longevity events, such as medical breakthroughs, while keeping control of plan assets. In addition, the reduction in uncertainty enables insurers of blocks of pensions to offer lower prices to take on this risk.

Club Vita extended its global footprint to the massive U.S. market in 2019. The company initially launched in the UK in 2008 and brought its model to Canada in 2015. In June, Mercer announced it was the first consulting firm to offer Club Vita's longevity risk reporting to its clients in the United States.

The white paper, "Zooming in on ZIP Codes," can be accessed [here](#). Club Vita's ZIP code

model will be available for use on September 1, 2019 by Mercer clients and any pension plan that signs up directly with Club Vita.

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