Abstract

Pension funds and life insurance companies are very concerned with their liabilities in respect of premiums collected for life policies and pensions. This concern is mainly due to their dependence on correct calculations of premiums and their corresponding dependence on life tables used. A recent government directive issued by the Central Insurance of Iran provides the necessary table and provides the required assurance for life insurance policies and pension funds. However, as we discuss in this paper, life tables that are estimated using national and local statistics provide more accurate estimates for parameters needed in the life table. Here in this paper, we estimate life expectancy using Iranian Oil Industry Pension Fund statistics and find there is a gap between nationally used estimates and those found here. The significance of these estimates is seen when variations in excess of five years are noted and the consequent appreciation of pensions in retirement. Thus, we place a greater emphasis on estimates found in this paper and hope to encourage greater use of accurate data and reliable life tables.

Keywords: Life table, pension funds, life expectancy, life insurance

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