

# The Personal Actuary

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# Definition of Personal Actuary

- An actuary who performs actuarial services for specific individuals. The client for these personal actuarial services may be individual(s) or other parties who are working on programs involving the specific individual(s) and need the services of an actuary. Actuaries working directly on behalf of specific individuals will have their best interests in mind.

# Areas of personal actuarial services

- Personal Evaluations
- Personal Risk Management
- Matters Involving Claims and Entitlements
- Investments
- Taxes (possibly as part of a service package)
- Life Settlements

# Personal Evaluations

- Life Expectancy
- Health Expectancy (Number of “healthy” years) - Example: Male age 55, nonsmoker – 23.9 healthy years + 4.8 assisted living years + 2.3 skilled nursing = 31 years
- Retirement & Pension evaluation
- Insurance Review

# Personal Risk Management

- Pension options/decisions
  - Lump sum or other option evaluations
  - Dividing pension assets in divorce cases
- Life Insurance decisions
  - Compare various life insurance illustrations
  - Advice on size, type of policy and company
- Health insurance/Long term care needs
  - Assisted living contract advice
  - Impact on Investment risk tolerance

# Investments

- Incorporating actuarial/life risks into investment planning decisions
- Asset allocations to minimize risk incorporating actuarial calculations
- Scenario testing
- Life Settlements & Viatical business
  - Investment decisions
  - Rehabilitation of distressed blocks

# Claims and Entitlements

- Claims disputes
- Social security benefits
- Early retirement or golden parachute offers
- Structured settlements
- Other legal settlements
  - Divorce
  - Personal injury

# Taxes

- Estate and gift tax consequences in various financial plans
- Deferred taxation of qualified plans
- Help with tax return preparation (possibly as part of a financial service package)