



## News

### For Immediate Release

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### **21st Services Announces Age-Exact Life Expectancy Evaluations; Accuracy Improvement Could Be Significant for Shorter Life Expectancies**

*August 1, 2011, Minneapolis, MN* – 21st Services, a leading provider of life expectancy evaluations to the life settlements industry, has announced a change in the age calculation in its evaluations. Effective August 1, 2011, 21st Services is using exact ages rather than industry-standard “age-nearest birthday” or “age-last birthday” when it calculates life expectancies.

Vince Granieri, Chief Actuary at 21st Services, said, “For many years now, both the life expectancy industry and the life insurance industry have underwritten based on broad definitions of an insured’s age. The most common underwriting conventions are ‘age nearest birthday’ and ‘age last birthday.’” The underwriters round to the nearest whole year if they use the “age nearest birthday” method. For example, using age nearest birthday, both an insured who was 55 years and seven months old and one who is 56 years and 5 months old would be underwritten as a 56-year-old. These conventions were created to simplify the process at a time when many calculations were done by hand, without the assistance of today’s technologies.

Granieri pointed out that using “age last” or “age nearest” to calculate a person’s life expectancy could distort the estimate, particularly for a short life expectancy. If we are looking at a 60-month life expectancy, a difference of up to six months between an exact-age calculation and an ‘age-nearest’ calculation is potentially a 10% distortion. Further, the current practice leads to a person’s life expectancy being constant for a year and then changing significantly, only to remain constant at the new level for another year. He said, “This stair-step result is not consistent with what we understand about mortality.”

21st Service’s algorithms now use the exact age for every evaluation the company produces.

21st Services CEO Jack Kettler said, “Our goal has always been to produce the most accurate life expectancy evaluations possible. We see this as another important step toward meeting that goal.”

**About 21st Services**

21st Services provides longevity estimates that are used to facilitate the sale and transfer of life insurance policies in life settlement transactions and to support financial planning decisions. 21st Services also offers post-purchase portfolio management services for the life settlement market, litigation support and expert witness services in the longevity space and valuation assistance for structured settlements and worker’s compensation insurance. The company’s headquarters are in Minneapolis, MN.

For more information about 21st Services, go to [www.21stservices.com](http://www.21stservices.com).