



Society of Actuaries in Ireland

Reinsurance Forum: The Future of Underwriting:

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Access all areas?

Are we doing enough to offer cover to those who need it the most?



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The issue

An advisors view

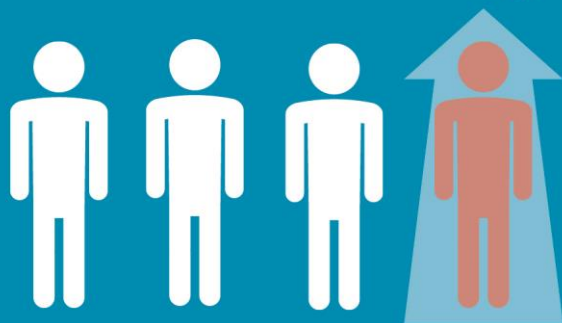
Why we need action

What we can learn from abroad

More and more people are living with chronic conditions



High blood pressure affects **more than 1 in 4** adults in England



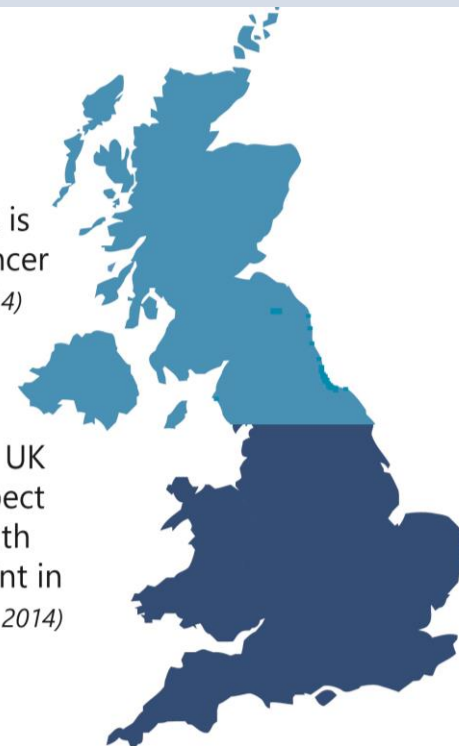
4.6 million people are living with diabetes in the UK

Cancer

Every two minutes someone in the UK is diagnosed with cancer
(Cancer Research UK 2014)

02:00

By 2020 half of the UK population can expect to be diagnosed with cancer at some point in their lives *(Macmillan 2014)*



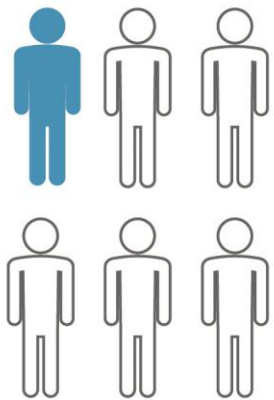
https://www.diabetes.org.uk/about_us/news/diabetes-prevalence-statistics

<https://www.gov.uk/government/publications/health-matters-combating-high-blood-pressure/health-matters-combating-high-blood-pressure>

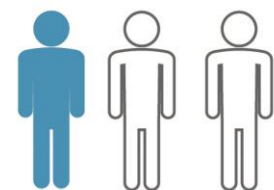
<https://www.cancerresearchuk.org/health-professional/cancer-statistics/incidence/age#heading-Zero>

<https://www.fca.org.uk/publication/occasional-papers/infographicop8.pdf>

They need protection



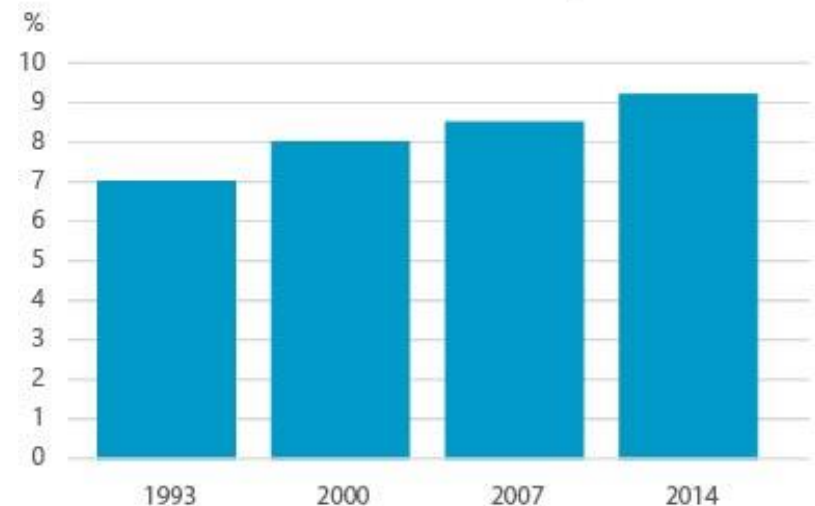
Almost
1 in 6
people of working age
have a diagnosable
mental health condition



Of people with physical
long term conditions,
1 in 3
also have mental illness
most often depression or anxiety

Severe mental illness on the rise since the early 1990s

Proportion of people with severe symptoms of
common mental disorders in the past week*



Source: NHS Digital, Mental Health & Wellbeing in England, Adult Psychiatric Morbidity Survey 2014

*Percentages scored in the highest category for overall neurotic symptoms

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677542/Infographic.png

Perception – getting cover is difficult with a chronic condition



Unfortunately, if you have a mental health problem you might sometimes find that you have a hard time getting suitable insurance cover. These are some common challenges:

- **You could be assessed as a 'high risk' customer** (meaning that the provider believes they are more likely to have to pay out money on a claim) and refused cover or charged a higher premium. This can happen even if you had a mental health problem in the past but are now recovered.

Most people living with diabetes have encountered difficulties arranging insurance, whether it is life assurance, income protection and family income benefit insurance or travel insurance.



Perception or reality? An Advisors view

Alan Knowles - CURA





Perception or reality?



Alcohol and Eating Disorder

- ▶ 42 year old non smoker
- ▶ Had bulimia for 20+ years
- ▶ Used alcohol to manage bulimia symptoms
- ▶ Was drinking approx 100 units per week at peak
- ▶ Had two suicide attempts
- ▶ Had been free of addiction and bulimia over 5 years
- ▶ We arranged £300,000 term life for £73pm

Osteogenesis Imperfecta

- ▶ 32 year old non-smoker
- ▶ Has Brittle Bone Disease, Osteogenesis Imperfecta type 3
- ▶ Wheelchair bound but works full time
- ▶ 3ft 0 / 8st 0 – BMI of 61
- ▶ We arranged life cover, accidental injury and accident/sickness cover for £65pm

Armed Forces Veteran

- ▶ 54 year old male non smoker
- ▶ PTSD caused by tours of duty and the witnessing of atrocities
- ▶ Was experiencing flashbacks and serious depression
- ▶ Was sectioned couple of years prior due to a suicide attempt
- ▶ We arranged £100,000 term life for £46pm (with a suicide exclusion)



What's going well?



What's not going so well?



What more can we do?



Perception or reality?



It's time to act



Be on the front foot

It's the right thing to do

BIG OPPORTUNITY



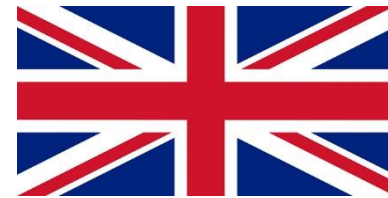
Global parallels

1. Big issue – big priority



- 7.2m people living with HIV in South Africa
- 18.8% adult prevalence (15-49)
- 270,000 New infections
- 1,110,000 AIDS related deaths
- 61% of adults on antiretroviral treatment*
- 58% of children on antiretroviral treatment*

*Of those living with HIV



- 1 in 6 working age people have a diagnosable mental health condition
- In 2018/19, stress, depression or anxiety were responsible for 44% of all cases of work-related ill health and 54% of all working days lost due to health issues in GB
- Mental ill health is responsible for 72 million working days lost and costs £34.9 billion each year

UNAIDS Data 2018

Mental ill health is responsible for 72 million working days lost and costs £34.9 billion each year

Health and Safety Executive. *Work-related Stress, Depression or Anxiety Statistics in Great Britain 2019* [Internet]. 2019 [cited 2020 Jan 6]. Available from: [hse.gov.uk](https://www.hse.gov.uk)
Centre for Mental Health. *Mental health at work: The business costs ten years on* [Internet]. 2017 [cited 2017 Oct 16]. Available from: [centreformentalhealth.org.uk](https://www.centreformentalhealth.org.uk)

Lobby pressure means doing nothing is not an option



PRESS



Pressure

The Advocacy group Section 27 said refusing to offer life insurance to HIV- positive people or making it prohibitively expensive was "unfair and discriminatory". The NGO said new research showed that people on ARVs had a "near-normal expectancy"

People with HIV pay more for life insurance – if they can get it

Research shows people who are HIV-positive have a near-normal life expectancy so to make premiums so high is discriminatory

Their life expectancy is almost as high as those who are HIV free, yet they pay much more

ADVOCACY GROUPS



Terms of Reference – Charity and consumer body reference group

Workstream title	Charity and consumer body reference group					
Workstream purpose	To ensure that consumer interests and compliance with the Equality Act are centred in the discussions within each workstream, and support other members to understand the particular needs of consumers with disabilities and long-term health conditions.					
Workstream chair	David Marjoribanks currently as this is rolling					
Workstream members	Johnny Timpson	Rose Ulldemolins	Leonora Miles	Rosalie Hayes	Afzal Rahman	Caroline Rogers
	Programme Manager	Programme Secretary	Macmillan Cancer Support	National AIDS Trust	Citizens Advice	Citizens Advice
	David Marjoribanks	Helen Quinn	John Eden	Lucy Malenczuk	Shan Mallie	Teresa Fritz
	Money Advice Service	Alzheimer's Society	Huntington's Association	Age UK	Bright Blue Hare	Money Advice Service
	Dr Rajeev Dhar	Merlyn Holkar	Gillian Connor	Morven Lean		
	The Royal College of Psychiatry	Money and Mental Health	Mental Health UK	Alzheimer's Society		
Scope and key issues	<ul style="list-style-type: none"> Many charities and consumer bodies have too limited capacity and resource to be involved in all the workstreams of the working group but workstreams must be held to account to ensure they are centring consumers' best interests Charities and consumer bodies can offer useful insight into consumer needs and barriers to access Bringing together charities and consumer bodies into one group can build their capacity and technical knowledge and offer opportunities for strategic working 					
Workstream objectives & success measures	To support the working group by being a point of contact for insights, and to ensure consumer interests are centric to our discussions.					
Workstream deliverables	Deliverable name	Deliverable description				Date due
	Hold workstreams to account	At least one charity and consumer reference group member in each workstream				Ongoing
	2. Regular meetings	Attend quarterly F2F sessions and intermittent conference calls as and when required				Ongoing
	3. Consumer input	Share any insights, knowledge and research with workstreams as and when required				Ongoing

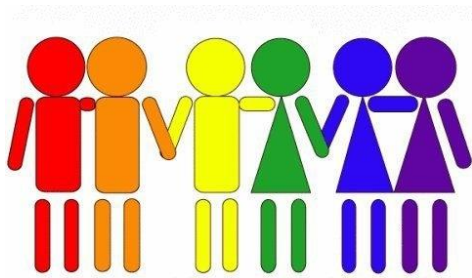
Lobby pressure

PRESS



Pressure

2. A real solution is an affordable one



“While we are pleased to learn that individuals living with HIV do have access to a variety – albeit limited – of insurance products, we are nevertheless concerned that some ASISA members still completely deny insurance products to individuals living with HIV. With regard to the products available to those who disclose their HIV status – the concerns are:

1. These products are very expensive
2. It is not clear that the premiums charged are justifiable in light of the available medical and other evidence regarding the life expectancy of people living with HIV.....



Unfortunately, if you have a mental health problem you might sometimes find that you have a hard time getting suitable insurance cover. These are some common challenges:

•**You could be assessed as a 'high risk' customer** (meaning that the provider believes they are more likely to have to pay out money on a claim) and refused cover or charged a higher premium. This can happen even if you had a mental health problem in the past but are now recovered.

3. Articulate the issues & concerns



AIDS mortality in insured portfolio?

ASSA AIDS models

AIDS Exclusions removed

Diagnosis

Subjectivity

Treatment compliance level?

Require evidence of compliance

Lower premiums offered

Severity

Over disclosure

Medical biomarkers

Local mortality once on treatment?

Academic paper

Wider cover, lower premiums

Co-morbidity

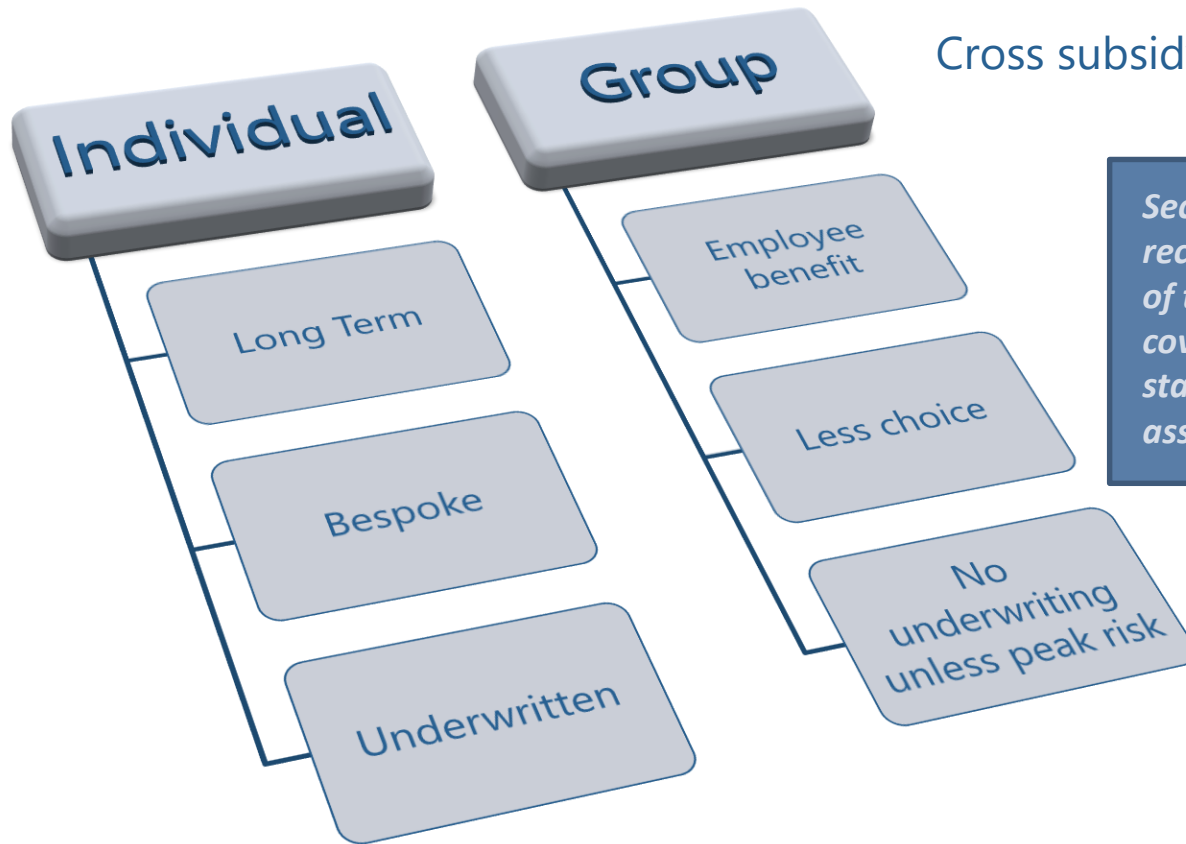
Social situation

Underwriting process

4. Invest in data



5. Pool risk where appropriate



Cross subsidy versus individual affordability?

Section 27: “we have continued to receive many complaints from members of the public who are denied insurance cover solely on the basis of their HIV status, without any individualised assessments of the risks.”

6. Product design – specialist products



Product Levers

- Sum assured caps
- Policy term caps
- Reviewability
- Ongoing engagement
- Pooling
- Maximum loadings (presentation as a loading?)
- Claims triggers
- Exclusions

Specialist Products

- **AllLife / AltRisk**
- Compliance requirements

- **Diabetes life cover**
 - Different underwriting journey
- **Life Cover with a suicide exclusion**

7. Application process



Environment

Speed

Confidentiality



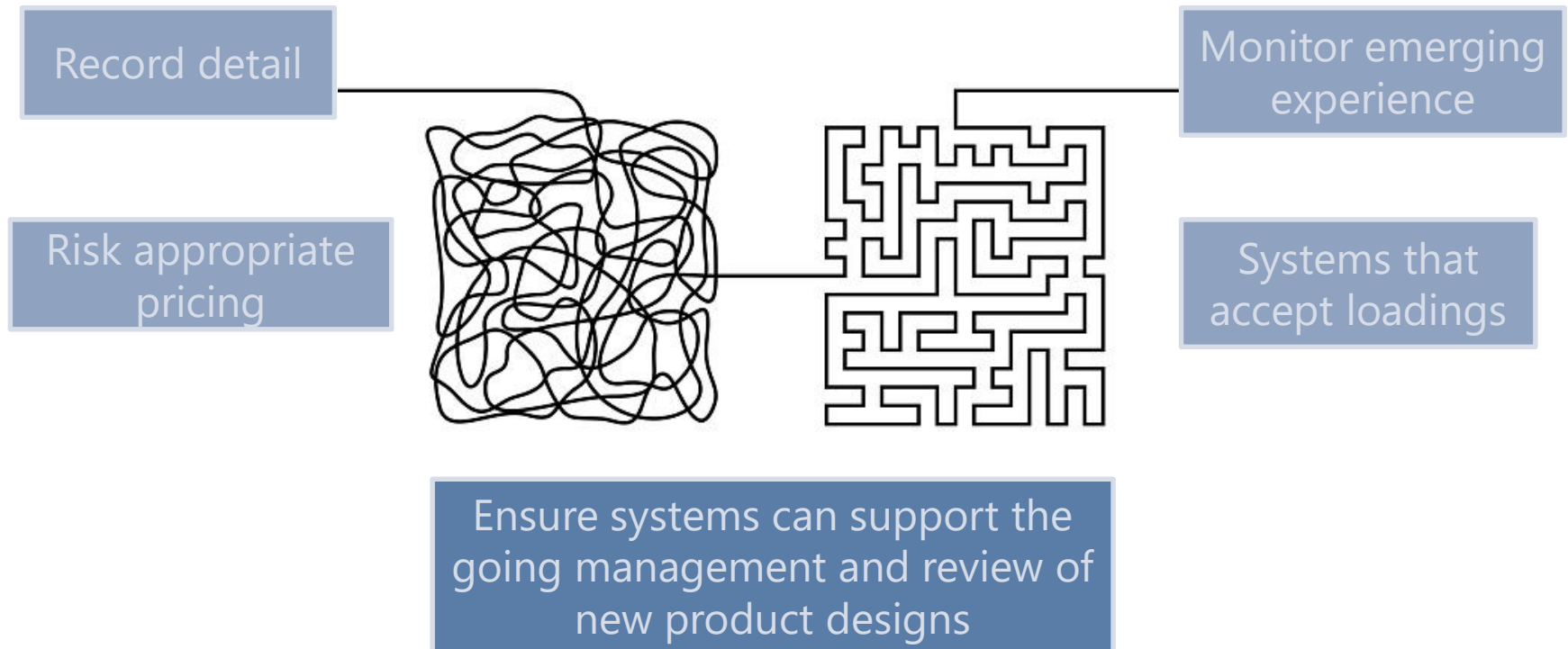
Questions &
Tone

Quality of
disclosure

Signposting

Is the underwriting journey
appropriate?

8. Systems fit for the future





Increasing access to insurance should be a big priority for us all

The challenges we face as an industry are not insurmountable

Doing nothing is not an option, there are opportunities for everyone

COVID 19 ?



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Visit genre.com for more info.



Questions



Please click on the Hands Up icon
to ask a question aloud

and

wait to be unmuted

or

Use the Q&A function to type your question

