



Society of Actuaries in Ireland

Press Release: Monday 3rd April, 2023

Right to be Forgotten for Cancer Survivors When Applying for Life Insurance Products

Different Groups of Consumers Will Be Impacted in Different Ways by a Right to be Forgotten Framework for Cancer Survivors

The introduction of a right to be forgotten framework for cancer survivors could have a direct benefit for them but different groups of consumers will be impacted in different ways when applying for life insurance products.

This is among the key points in a report published today (Monday April 3rd) by the Society of Actuaries in Ireland that the authors hope will be useful to all with an interest in a right to be forgotten (RTBF), including cancer survivors, consumer bodies, policymakers and those working in the insurance industry.

A right to be forgotten framework was proposed by the European Commission and is being discussed in Ireland by representatives of cancer survivors, the insurance industry, and Government.

It is estimated that in Ireland there are 200,000 people living beyond a cancer diagnosis. The National Cancer Registry estimated in 2020 that 1 in 2 people will be diagnosed with cancer at some point in their lifetime.

According to the Co-Chair of the Society's RTBF Working group, Gavin Maguire, *"The report shows that some cancer survivors do currently get accepted for life insurance, so for this cohort of cancer survivors actual outcomes may not change on foot of an RTBF framework, as they are already being offered cover. However, cancer survivors do face a longer application process which will be improved for some through the introduction of an RTBF framework. Importantly, it may help to change perceptions of accessibility of life insurance, leading to more cancer survivors applying for cover."*

The report states that life Insurance products will likely become more affordable for some cancer survivors. This could be expected to lead to an increase in the number of cancer survivors buying life insurance products.

Other consumers who have never been diagnosed with cancer are likely to see an increase in premiums if an RTBF framework is introduced (i.e. cross-subsidising for consumers who meet the RTBF criteria). Some consumers may consider this to be unfair and this could

potentially lead to a reduction in the overall number of consumers purchasing life insurance products.

Consumers who have recovered from other illnesses or diseases may feel unfairly treated as they would still be required to disclose their prior condition.

The Society of Actuaries' report, based on data obtained over an almost 8-year period, shows that an estimated 17,000 cancer survivors applied for life insurance (1.7% of circa 995,000 applications for life insurance in Ireland over the period).

Data compiled on the automated underwriting decisions for these applications shows that customers with a previous cancer diagnosis do not get a point of application automatic acceptance decision. The majority of these applications were referred to an underwriter for individual consideration with the remainder being postponed (meaning cover is not currently available but the application will be re-assessed in a certain timeframe, usually 6 months) or declined.

Further, the report shows that the reason for referring to an underwriter or to postpone may not be solely due to the cancer disclosure but may be also partly because the applicant disclosed a number of other risk factors.

The report does not quantify the potential price implications for different groups of consumers due to the introduction of a RTBF framework and states that, "In a competitive market it would not be appropriate to set a baseline or comment on a specific range of pricing impacts. Each insurer would need to determine the price implications of any proposed RTBF framework."

The report recommends that to inform the discussion in Ireland it would be worthwhile to carry out an impact assessment of the RTBF frameworks introduced in other jurisdictions and to take into account the features of the Irish market while analysing the results as they may have a positive or negative impact on any RTBF framework in Ireland.

The report is available on the Society of Actuaries' website [here](#).

Background

In February 2021 the European Commission published "Europe's Beating Cancer Plan" which, along with setting out steps for the prevention and treatment of cancer, includes wider considerations of improving the quality of life of cancer patients, survivors and carers.

With the aim of ensuring fair access for cancer survivors to financial services (including insurance), a proposal has been set out by the European Commission to introduce a right to be forgotten (RTBF) for cancer. The RTBF would mean that former cancer patients who have overcome their illness would not be required to disclose the prior diagnosis of cancer when applying for life insurance.

The Society of Actuaries in Ireland formed a working group in 2022 to consider the topic in more detail – the results of which are set out in the report published today.

Given the origin of the European Commission’s beating cancer plan, the analysis has focused on cancer itself. Work has also been focused on individual life insurance products (i.e., Life Cover, Serious Illness and Income Protection products) and the data obtained within the report has focused on Life Cover in particular.

Ends

Issued on behalf of the Society of Actuaries in Ireland by Setanta Communications:

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Email enquiries are welcome as it eases distribution of questions to available voluntary working part members.

Society of Actuaries in Ireland

The Society of Actuaries in Ireland is the professional body for actuaries practising in Ireland. Actuaries provide advice on and relevant solutions for financial, business and societal issues involving uncertain future events. Most of the Society's members work in the financial services industry, and members of the profession hold statutory or regulated roles relating to the financial management of pension schemes and insurance companies. The Society seeks to make an impartial contribution to public debate on social policy and public interest matters where an actuarial perspective can add value.