



VI Congreso Internacional Dependencia y Calidad de Vida

Atención integrada y centrada en la persona

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Long Term Care Insurance



Successful international experiences

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Palacete Duques de Pastrana

Organizadores



Patrocinador



Colaboradores



Una marca de Compass Group

Old age fears

Insurance provides financial means in case of LTC

Being alone

Being active

Family and friends
provide company

Communities
provide services

Being poor

Social security
Welfare

Savings
Annuities

Getting sick

Prevention

Health insurance
Sick funds

Care giver
Nursing homes

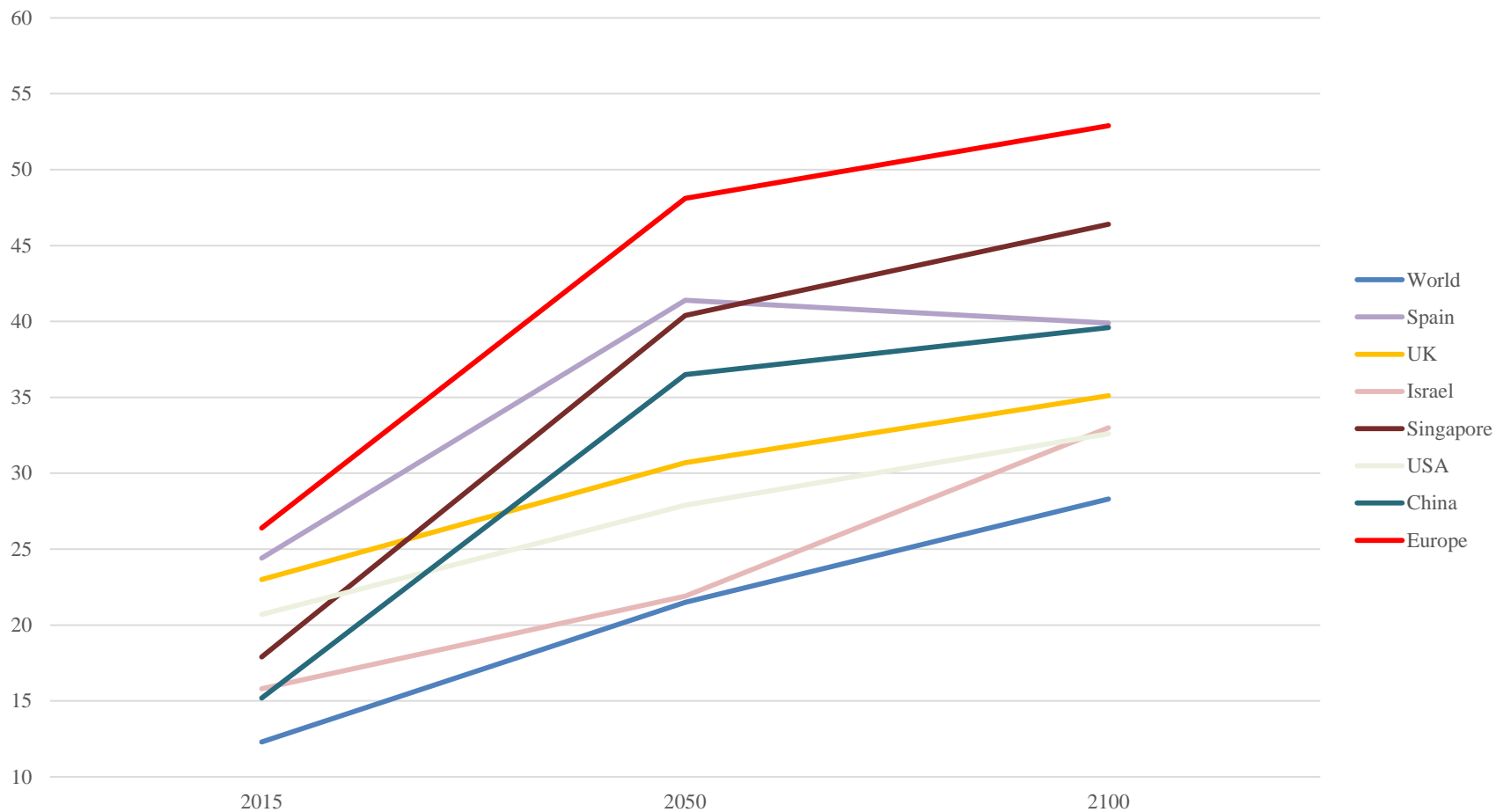


Long Term Care Insurance – Successful international experiences

Agenda

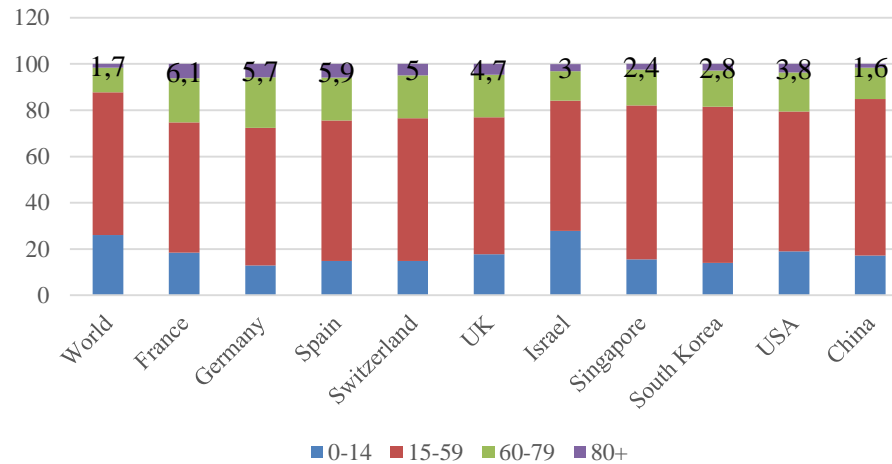
1. How does LTC Insurance work
2. The success of LTC insurance in Israel
3. International Experience
4. Conclusion

Percentage of people above 60 in the population

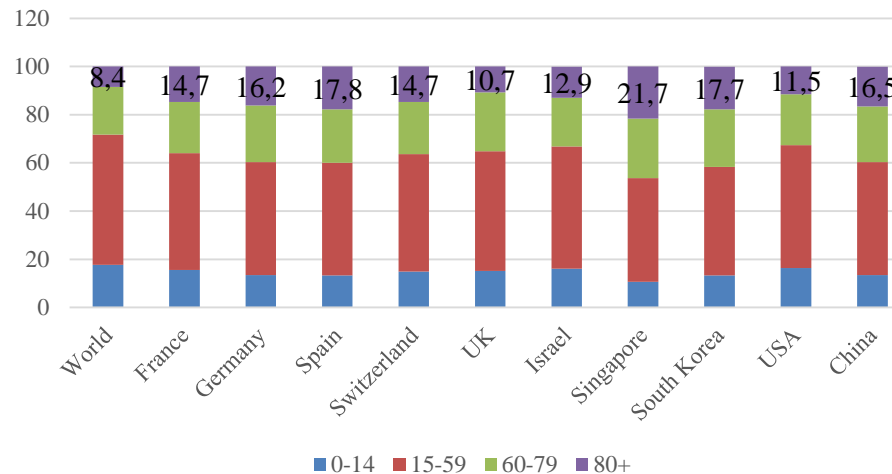


Population per age band 2015-2100

Population per age band in 2015



Population per age band in 2100



Actual or perceived role of the family support

- Only 40% of French dependent people are assisted by their family
- The Spanish and the Japanese cases are far from this situation with more than 70-65% assisted by family.
- The number of natural home helps (spouse, children, neighborhood) will drop in France from 2.5 to 2.1 persons by 2040 as:
 - The average size of the family is decreasing
 - The age of fertility is increasing , reducing the age and the availability of the children at moment of LTC occurrence
 - The labor participation of young and middle-aged women is rising
- In Israel 53% of population prefers to stay at home with care giver and 22% would prefer to stay with the children or a relative

Long Term Care – a world wide problem

- Life Expectancy of elderly people has increased
 - Healthy Life Expectancy without severe disability
 - Life Expectancy with severe disability
- One of the biggest threats of the wealth of the elderly
 - Only 15% of the people think they can cover the cost of LTC
- Long Term Care funding
 - Shortfall of state benefits: large need of cover to face long term care related costs



Strong development of private insurance

Long Term Care – a world wide problem

- In order to evaluate a person at claims stage objectively one needs simple, easy to understand criteria
- It requires strict and precise definition
- Differences may be observed in different markets
- LTC is defined by the inability to perform the Activities of Daily Living:

Bathing
Eating

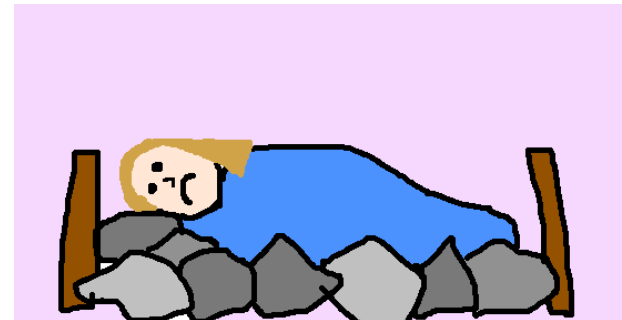
Dressing
Mobility

Continence
Transferring

- Often cognitive impairment is considered to trigger the LTC event
- Other scales – often public schemes - also use Instrumental Activities of Daily Living (more complex : domestic activities, managing of the financial affairs, phoning...) or Superior Activities (interaction with social background: leisure, sport, clubs, travels,...)
- Determining factors are numerous and various:
 - The ageing of the population
 - Actual or perceived role of the family assistance
 - Actual or perceived role of the public schemes

Definition of Dependency - Transferring

The insured is unable, without assistance, to move from a lying to a sitting position and/or to get out of a seat, including performing this activity from a wheelchair and/or bed.



Definition of Dependency - Mobility

The insured is unable to move from place to place and requires assistance to perform this function. If the insured is able to perform this function independently and without help from another person, but using crutches and/or a cane and/or a walker and/or any other mechanical, motorized or electronic appliance, he will be deemed to be mobile. However, if the insured is confined to bed or to a wheelchair, and is unable to move about unassisted, he shall be deemed immobile.

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gummy mummy

Definition of Dependency - Dressing

The insured is unable, without assistance, to put on and/or take off all garments, including to fasten and/or attach a medical corset and/or artificial limb.



Definition of Dependency - Bathing

The insured is unable, without assistance, to wash in a bathtub, in a shower or any other accepted manner, including getting in and out of the bathtub or shower.



Definition of Dependency - Eating

The insured is unable, without assistance, to feed himself in any manner (including drinking and not eating through a straw) after the food has been prepared and served to him.



Definition of Dependency - Continenence

The insured is unable to control bowel and /or bladder functions. The inability to control one of these functions, which for example implies the regular use of ostomy or catheter receptacles, or the regular use of diapers or other types of absorbent pads, is deemed as incontinence.



Definition of Dependency - Cognitive impairment

The insured's cognitive activity is impaired and his intellectual ability has deteriorated, including impaired understanding and judgement, decline in long and/or short-term memory and a lack of orientation in time and place, that require supervision during at most of the daytime hours, confirmed by a specialist in this field, the cause of which is a medical condition such as: Alzheimer's disease, or other forms of dementia..

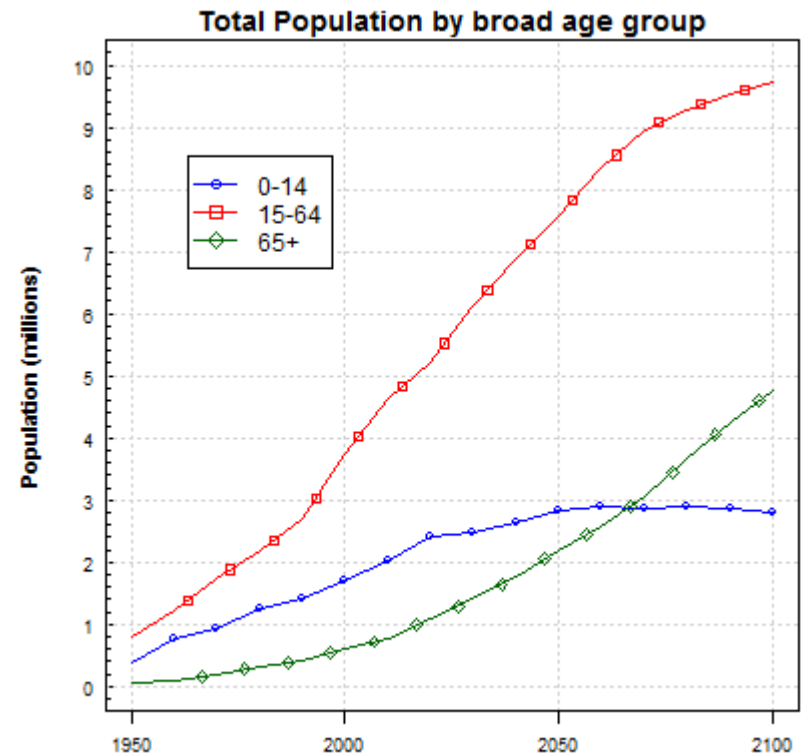
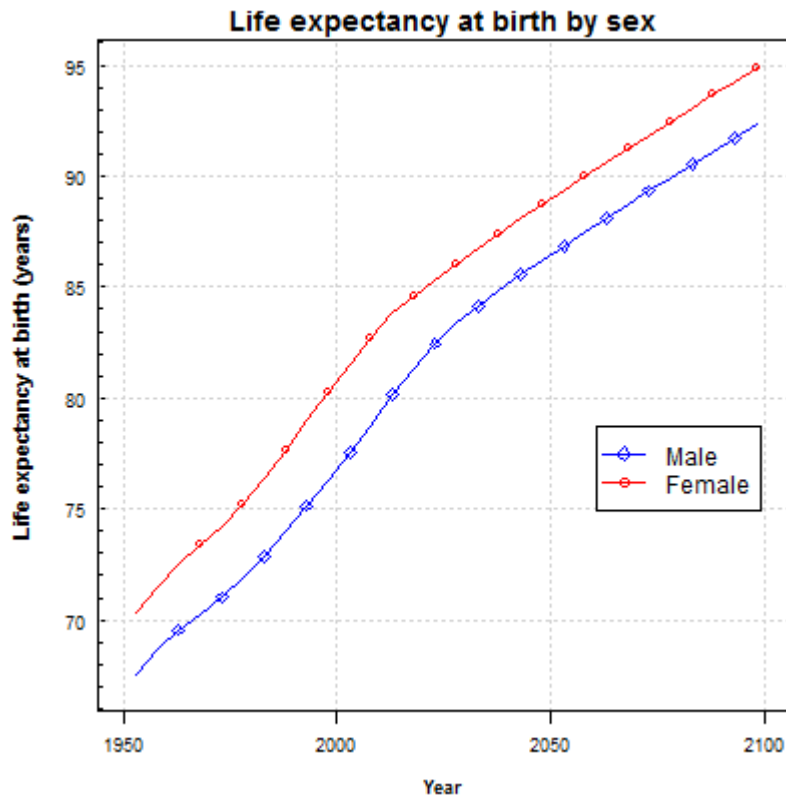


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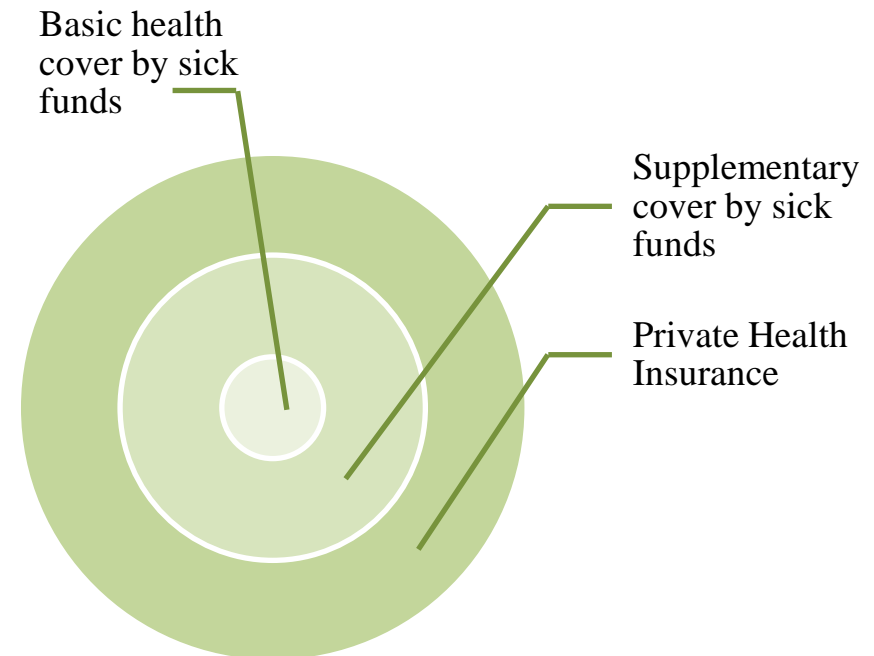
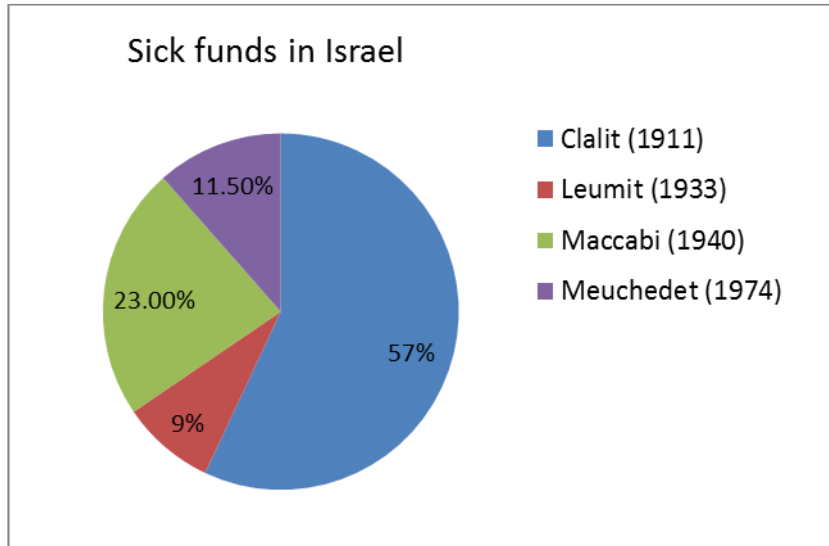
Israel population and life expectancy



High and increasing life expectancy

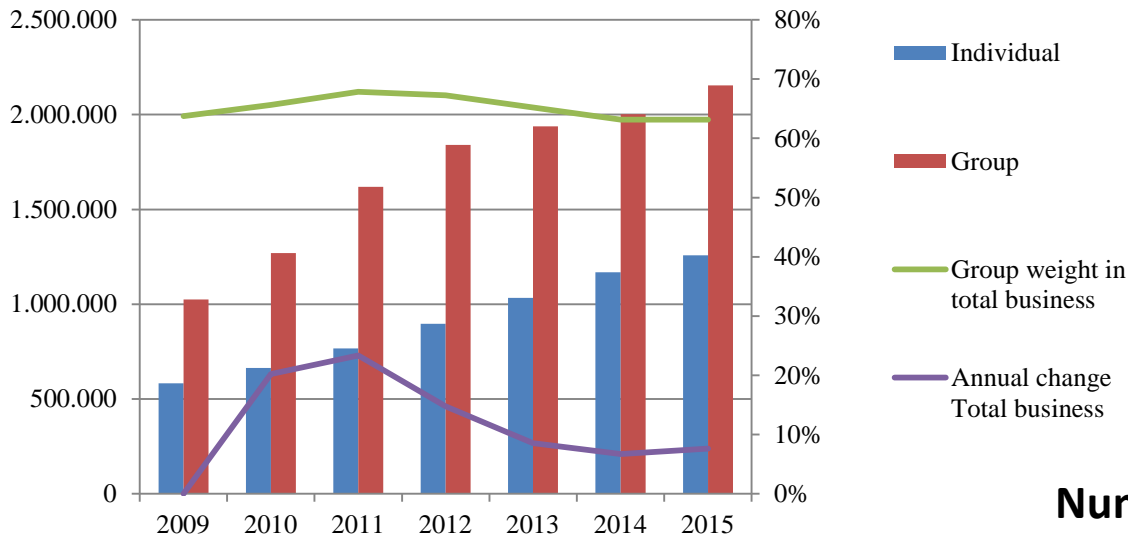
One tenth of the population is over 65

Long-term Care Insurance in Israel

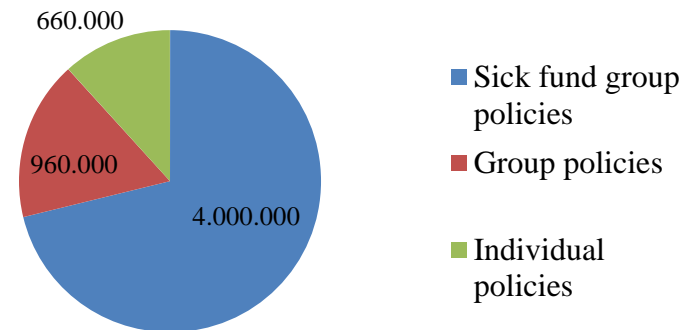


LTC premium and policies in Israel

Premiums in thousand NIS



Number of policies



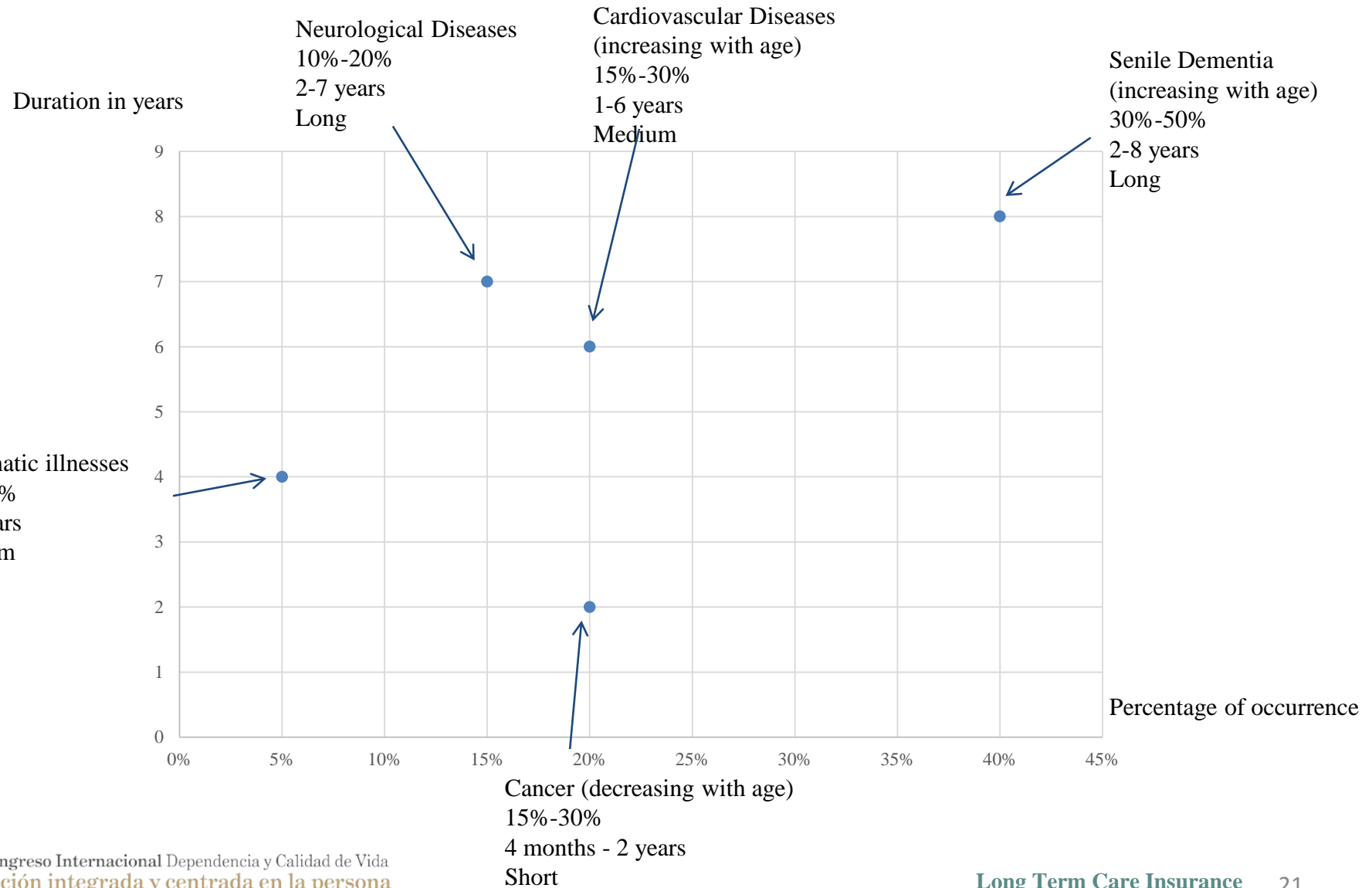
- 18% of all households are one person households
- Between 1970 and 2012 the hospitalization days due to long term care are nearly tripled
- Around 2/3 of the population has LTC insurance

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Main causes of LTC claims



Dementia: focus of the main cause of LTC

- Overall Prevalence in 75+ comes to 18% and it's importance is increasing with age in various countries
- Alzheimer's Disease accounts for 70-80% of these cases
- 60% of that population lives at home
- More than 2/3 of people in nursing homes are dement
- 44% of dement people have moderately severe to severe dementia (MMSE \leq 15, eligible to insurers benefits)

LTC claims – Gender Differences

- More cancer and cardiovascular diseases in men in France and more cancer in women in Israel
- More dementia in women
- More polypathology in women in France, in Israel evenly distributed
- Neurological diseases equally distributed in France and more in men in Israel, but overall not big contributors
- Men lose their autonomy 1-2 years earlier than women
- At equal age of loss of autonomy men have a lower life expectancy than women when dependent

International experience

- France: currently nearly 7 million insureds, mainly group business. The number of insureds doubled in the last ten years, mainly due to a large obligatory scheme. Now in France more than 10% of the population has LTC insurance
- US: 7 million insureds, this is about 2% of the population
- Germany: Public scheme (5th pillar of the social security system) introduced in 1995 with adjustments in 2008 and 2017. Within ten years the number of private insureds more than tripled. From less than 1.5% of the population with private schemes in 2006 it increased to 5% in 2015.
- Japan: About 2 million insureds, market went down when government introduced its large public scheme
- Singapore: Government is currently working on the revamping of the scheme; since its introduction potential private insurance is seen, but did not take off yet
- South Korea: 2007 introduction of the public scheme led to no further development of private insurance, at that time around 200'000 insureds
- Spain: 40'000 insureds within a population of 48 million.
- Switzerland: LTC is paid by health insurance and social welfare, practically no private LTC insurance
- UK: There is no LTC private insurance no market due to expected benefits from social welfare (objectively there is a need)

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Executive summary

- LTC Insurance is providing the financial means for receiving adequate care
- In Israel around 2/3 of the population has LTC Insurance
- Internationally the awareness of the need of LTC insurance is low
- The perception of sufficient public schemes reduces the LTC insurance