

Contribution to EC call for evidence on access to affordable and high-quality long-term care

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Contact person:	Margot Jilet Vesentini	E-mail:	JiletVesentini@insuranceeurope.eu
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While life expectancy appears to be stalling in many European countries, the average population age continues to increase, and will do so for years to come. It is therefore vital to ensure that, in the future, an increasing number of people have access to affordable healthcare throughout their old age. Against this background, Insurance Europe welcomes the European Commission's call for evidence and looks forward to the upcoming discussions.

There are several ways to ensure accessibility and affordability of long-term care across Europe, and these should reflect the various approaches implemented by individual member states. Despite this diversity, there is a broad consensus in most countries that the private insurance industry has a major role to play to reconcile adequate and affordable healthcare and long-term care coverage with fiscal and financial sustainability, and that it could play an even greater one in the future.

European insurers have extensive experience regarding the provision of health and long-term care services, albeit linked to the organisation of national health systems.

- Private health insurers typically fulfil a supplementary, complementary or substitutional role; or, in some cases, a combination of these three types of roles (depending on the national set-up).
- Private insurers often allow policyholders to benefit from faster access to treatment and a wider choice of healthcare providers.
- Pooling and smoothing of risks over long periods of time are the essence of private insurance. Insurers can offer relatively stable lifetime premiums to customers, using "ageing reserves". Indeed, as claims costs tend to rise with age, early access to private health insurance allows policyholders to build up their "reserve" and therefore achieve affordable insurance in later life.

Insurers remain committed to continuing to provide these services and to supporting governments where possible. In order to do so, it will be vital for member states to ensure that the right conditions are in place to enable insurers to play their role.

- Tax incentives could, for instance, play a role in ensuring that insurance products remain affordable and attractive.
- Insurers are also keen to explore with authorities the possibility to expand their range of activities. This could include, for instance, acting as gateways to services — especially services that encourage



prevention, awareness and adaptation, areas in which insurers have experience and which are vital to keep healthcare costs affordable.

As mentioned earlier, healthcare and social affairs are still predominantly regulated by individual member states. Nonetheless, the insurance industry takes the view that the EU has a role to play. In particular, the Commission could explore ways to support member states in making insurance cover more accessible and affordable:

- It is vital for all member states to develop approaches that will likely decrease the pressure on health systems, and the Commission could play a role in promoting such approaches. Of particular importance is prevention, notably by promoting healthy lifestyles and making appropriate use of digital solutions.
- Public private partnerships (PPPs) and, in particular, the exchange of information and good practices between stakeholders could contribute to addressing long-term care challenges. The EU could support member states by promoting the value of and supporting the set-up of such PPPs.
- Another element to consider is the importance of clear information to citizens. Citizens should have clear information about what the public sector covers them for in terms of health and social services, so that they can take responsibility for any gaps in their coverage.

Insurance Europe is the European insurance and reinsurance federation. Through its 36 member bodies — the national insurance associations — it represents all types and sizes of insurance and reinsurance undertakings. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers pay out over €1 000bn annually — or €2.8bn a day — in claims, directly employ more than 920 000 people and invest over €10.6trn in the economy.