The big pitch: the next big research topic in health, care, and protection

Institute and Faculty of Actuaries

29 September 2025

AGENDA

Welcome and opening remarks   **15:00 - 15:10**

Scene-setting overview: Nicky Draper   **15:10 - 15:30**

Research pitches and discussions   **15:30 - 16:30**

Audience 'Dragons' Den' challenge and poll   **16:30 - 17:00**

Networking and canapés   **17:00 - 18:00**

Welcome and Opening Remarks

Scene-setting overview: Nicky Draper, member of the IFoA's Health and Care Board

29 September 2025

Research pitches and discussions

29 September 2025

Outpatient care insurance

India story, context setting

1

Healthcare Landscape

- Concept of family doctor, OTC medicines, routine diagnostics
- Conventional and alternate forms of treatments available
- Largest democracy in the world
- Absence of healthcare regulator

2

Insurance Landscape

- Higher prevalence of secondary and tertiary care treatment
- Medical policies primarily cover inpatient hospitalization
- COVID-19 pandemic led to primary healthcare gaining prominence

3

Digital Landscape

- Leverage benefits of Unified Payment Interface
- Low-cost telecom services with negligible transaction charges
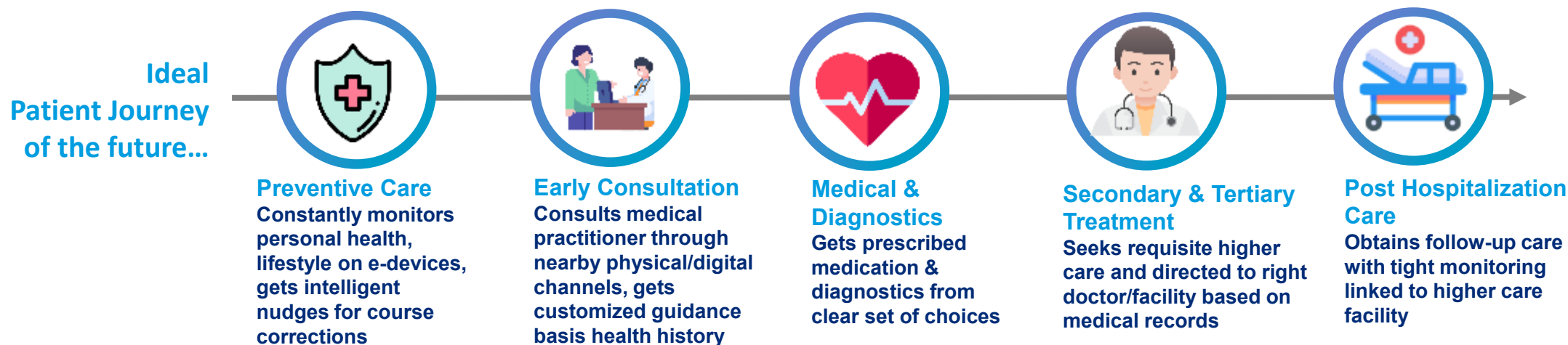- Digital adoption by ~1B internet users by 2026

4

Healthcare Ecosystem

- Advent of health-tech providers in 2020
- Curation of network capitalizing on the strength of the existing providers
- Risk mitigation through insurance
- Financial protection and sustainability of program

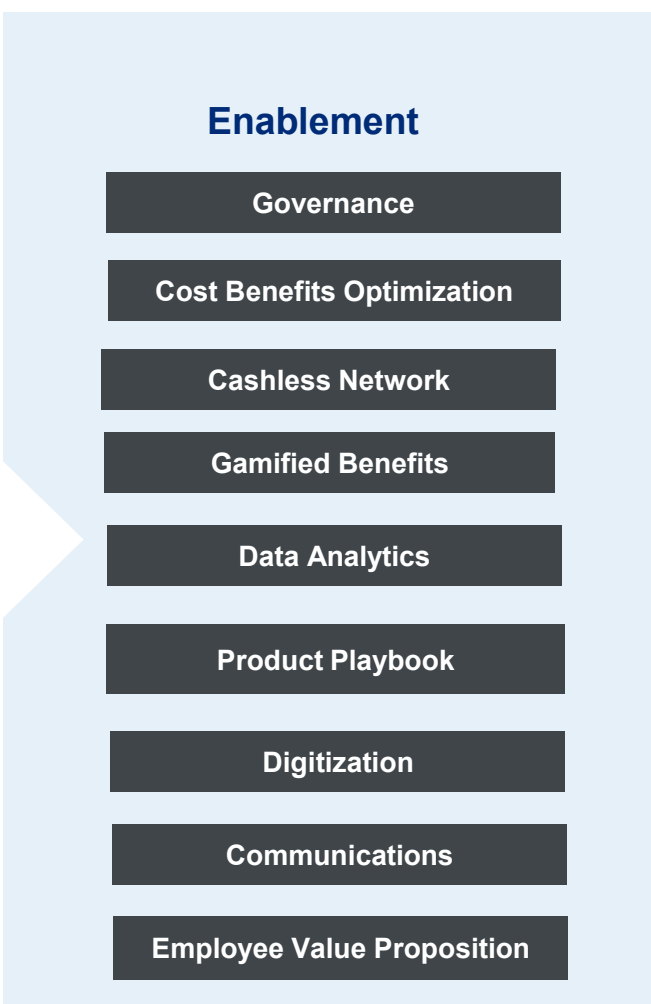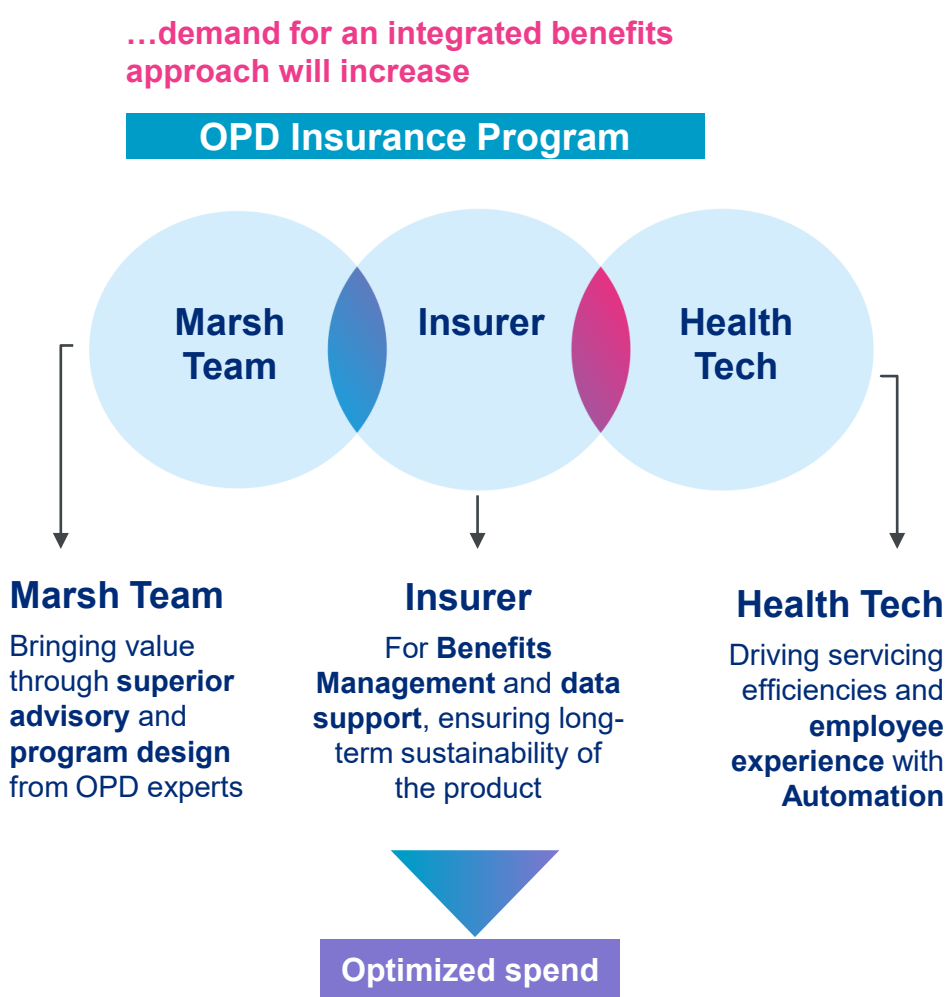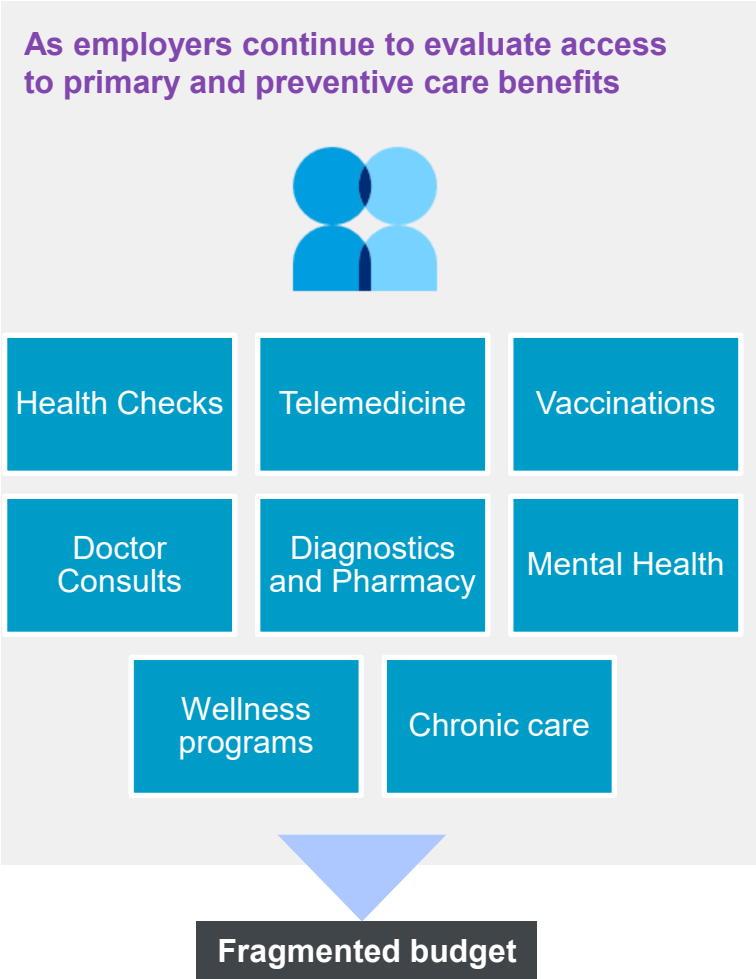# OPD Insurance – pathway to workforce health management

Ideal Patient Journey of the future...

	Preventive Care	Early Consultation	Medical & Diagnostics	Secondary & Tertiary Treatment	Post Hospitalization Care
	Constantly monitors personal health, lifestyle on e-devices, gets intelligent nudges for course corrections	Consults medical practitioner through nearby physical/digital channels, gets customized guidance basis health history	Gets prescribed medication & diagnostics from clear set of choices	Seeks requisite higher care and directed to right doctor/facility based on medical records	Obtains follow-up care with tight monitoring linked to higher care facility
Infrastructure	Access to fully equipped wellness centers, low-cost health care trackers	Comprehensive primary care via Health Wellness Centers, Digital Healthcare	Nearby pharmacy & diagnostics centers Network access for quality diagnostics at optimal cost	Nearby sec./tertiary public/ private/PPP based care centers, skilled practitioners	Collaborative model between facilities including e-ICU, tiered support model
Insurance & Financing	Insurance plan design with embedded Wellness-based rewards	Coverage for OPD consultation, integrated digital claims experience	Medicine & diagnosis coverage by co-pay models, digitized prescription	Outcome based reimbursement, large hospital network, cashless claims	Post-discharge coverage including home healthcare

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Stitching Group OPD Insurance Programs

As employers continue to evaluate access to primary and preventive care benefits

Health Checks	Telemedicine	Vaccinations
Doctor Consults	Diagnostics and Pharmacy	Mental Health

Wellness programs	Chronic care

Fragmented budget

…demand for an integrated benefits approach will increase

OPD Insurance Program

Marsh Team — **Insurer** — **Health Tech**

Marsh Team
Bringing value through **superior advisory** and **program design** from OPD experts

Insurer
For **Benefits Management** and **data support**, ensuring long-term sustainability of the product

Health Tech
Driving servicing efficiencies and **employee experience** with **Automation**

Optimized spend

Enablement

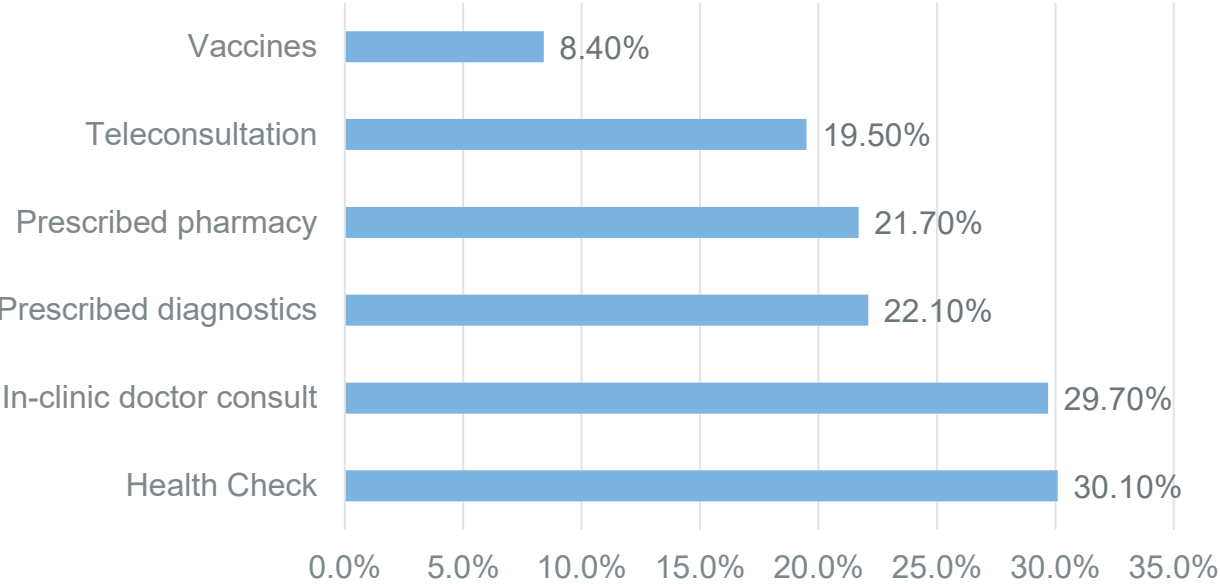| Governance |
| --- |
| Cost Benefits Optimization |
| Cashless Network |
| Gamified Benefits |
| Data Analytics |
| Product Playbook |
| Digitization |
| Communications |
| Employee Value Proposition |

A well-structured, comprehensive, sustainable OPD Plan will bring cost savings in Group Medical Plan in the long-run
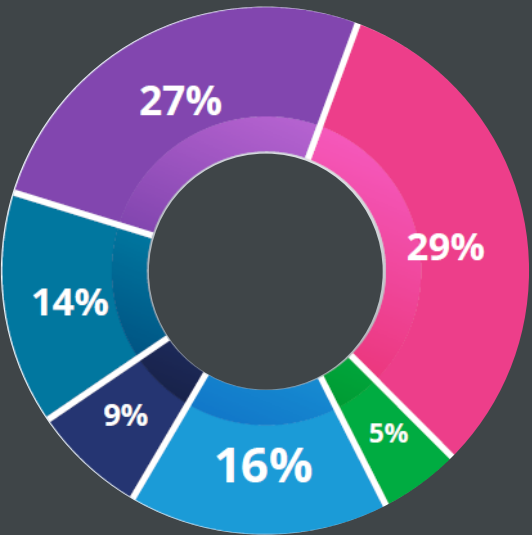
Benefits program utilization

61% of unique employees avail at least one or more OPD benefits.

Benefit wise family utilization

| Benefit	Percentage
Vaccines	8.40%
Teleconsultation	19.50%
Prescribed pharmacy	21.70%
Prescribed diagnostics	22.10%
In-clinic doctor consult	29.70%
Health Check	30.10%

0.0% 5.0% 10.0% 15.0% 20.0% 25.0% 30.0% 35.0%

Utilization basis nature of condition

29%
5%
16%
9%
14%
27%

Basis the mix of claims count, we see that 1 in 2 doctor consultation leads to a prescribed diagnostic test and almost every doctor consultation results in a prescribed pharmacy.

Outpatient care and inpatient hospitalization outcome

Stitching the primary and secondary care treatments
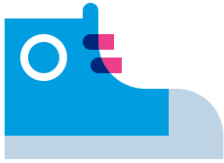
11% reduced hospitalization days
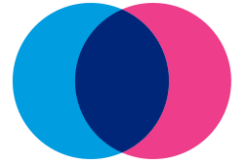
7% improved employee productivity
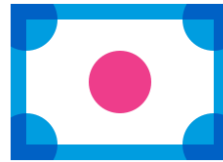
9% overall cost saving in IPD on account of OPD investment

4% increased incidence rate

13% reduction in the average cost of claims

Creating a real impact ensuring long-term sustainability

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PRODUCT PLAYBOOK AND INNOVATION

The Wellbeing Index: Transforming Health Through Data-Driven Insights

Well-Being Index

Central Hypothesis	Solutioning	Efficiencies built in through AI and Machine Learning (ML)	Benefits of Quantification
➤ A dynamic, accessible index is needed to reflect the multifaceted nature of well-being. ➤ Current health assessments are often fragmented, lacking a holistic perspective. ➤ Integrated data points create a holistic, dynamic health score. ➤ Aggregated scores provide valuable insights into community health.	➤ Create an automated, personalized health score using OPD Insurance data. ➤ Transition from sporadic interventions to continuous monitoring with longitudinal data. ➤ Develop a "Wellbeing Rating" to empower individuals and communities. ➤ Provide personalized health improvement recommendations. ➤ Encourage healthier behaviors and informed healthcare decisions with clear feedback. ➤ Illustrate how individual parameters impact the overall score	➤ Predict risks of chronic conditions (diabetes, hypertension, CVD). ➤ Utilize demographics, lifestyle, family history, and OPD utilization patterns for risk stratification. ➤ Enable risk prediction even without direct physiological measurements.	➤ Individual: Increased awareness of chronic disease risks and proactive management. ➤ Communities: Tailored wellness programs, accurate insurance pricing, informed public health policies

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KEY HIGHLIGHTS | Annual Health Check Ups. | Diagnostic Services | Teleconsultations | Pharmacy Data | Lifestyle Questionnaire

Refining and Expanding the Wellbeing Index: A Data-Driven Future

REFINEMENT

➢ Incorporate specific risk factors for hypertension and diabetes.
➢ Hypertension: Age, BMI, blood pressure, smoking, family history, medication.
➢ Diabetes: Age, BMI, blood pressure, waist circumference, cholesterol, medication, glucose, family history

STRATEGIC LINK TO OPD

➢ Promote OPD insurance to gather robust data for refining the Wellbeing Rating.
➢ Analyze OPD utilization trends and key chronic risk factors.

FUTURE DEVELOPMENT

➢ Incorporate additional risk factors.
➢ Refine parameter weightings.
➢ Explore advanced analytics and machine learning techniques.
➢ Contribute to public health initiatives and research.

IMPACT

➢ Granular and accurate assessment of individual risk profiles.
➢ Empower individuals to work with healthcare professionals on personalized strategies.
➢ Contribute to valuable research on chronic condition prevalence and trends.

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Real-Time Insights and Future Development: Building a Comprehensive Health Ecosystem

CORE OBJECTIVE

➢ Construct a multi-level Health Index/Score (individual, community, corporate).

➢ Integrate physiological data (where available) with OPD utilization trends.

➢ Categorize data into diabetes, hypertension, and CVD risk.

NEAR REAL TIME CAPABILITIES

➢ Leverage high-frequency OPD claims for a dynamic health index.

➢ Reflect current health status based on latest utilization and assessments.

➢ Enable proactive interventions and personalized health recommendations.

REAL TIME INSIGHTS

METHADOLOGY & DATA REQUIREMENT

➢ Assign a single score for overall health.

➢ Use readily available data on major health risks.

➢ Create an aggregated database for health services.

➢ Data needed: lifestyle and family medical history at enrollment, digital medical locker, OPD insurance utilization data.

THE WELLBEING RATING

➢ Based on the Framingham Study.

➢ Utilize positive framing.

➢ Applicable across all business areas.

➢ Future development: add risk factors, refine parameter weighting, explore advanced analytics and machine learning, and support public health initiatives and research.

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Why should we be concerned?

- The UK population is ageing and life expectancy has stalled

- Health and care costs taking up a greater share of national income

- Rising numbers of working age people are economically inactive

- Health inequalities are holding back the economy

- There is no sign of these trends abating

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Aims

- How greater focus on prevention could extend healthy lives and improve well being and economic growth

- Introduce tools used by health economists for evaluating the benefits of prevention

- Provide a worked example of the economic value of prevention based on tobacco control

- Consider how actuaries could become more engaged in prevention and why

- Suggest some next steps

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# Life expectancy has stalled after decades of improvement
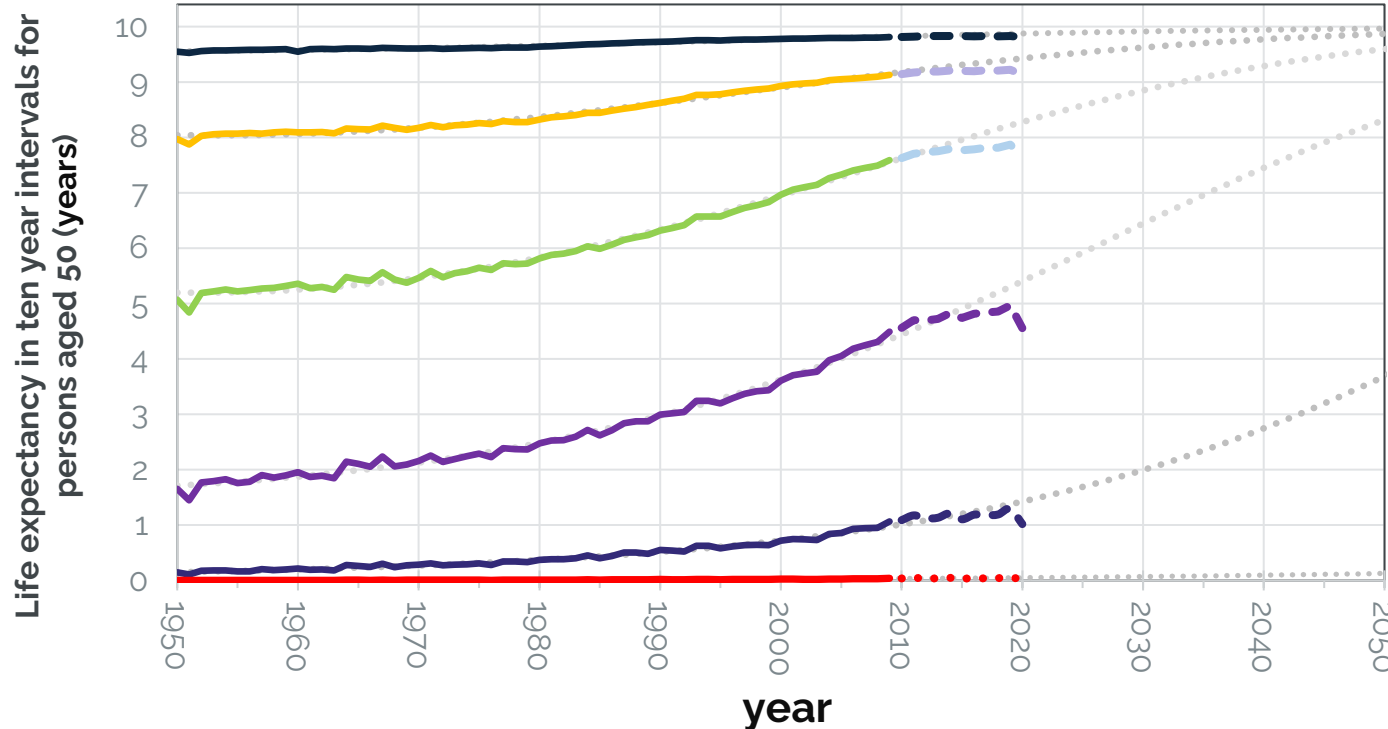
- UK life expectancy at age 50 increased 7.9 yrs. to 32.7yrs from 1950 to 2010.

- Post-2010 dotted lines show actuals with the drop in 2020 due to COVID

- Compared with the long-term trend life expectancy is 2.3 years lower

Chart showing trends in partial life expectancy from age 50 i.e. how many years out of the next ten you can expect to live if you are 50, 60, 70 etc.. The trend up to 2010 could be accurately predicted for each decade of life but not any more

Health inequalities are shockingly high
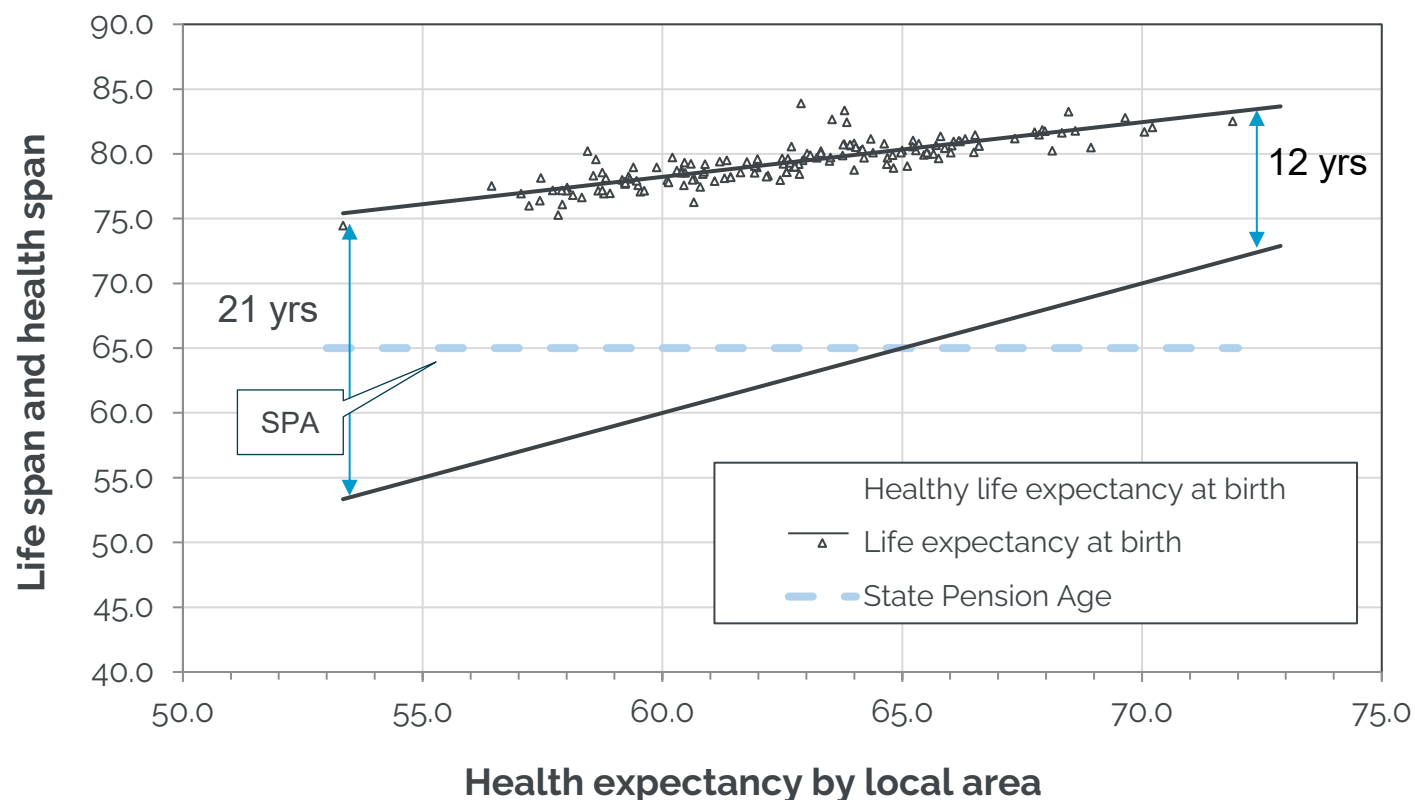
Values of life expectancy range from 74.5 to 83.9 years in the longest-lived area and health expectancy from 53.3 to 71.9 years in the healthiest authority. In the unhealthiest areas the LE-HLE gap is 21 years and in the healthiest 12 years.

On the horizontal axis is health expectancy at birth for upper tier local authorities in England. Upper line show correlation with life expectancy based on 150 observations in 2016-2018 (R-squared =0.70)

What is prevention?

Health risk	Danger	Intervention types
Chronic disease	Shorter unhealthier lives Pandemics	Prophylactic medication Vaccination Surveillance
Infectious disease	Productivity loss Lower tax receipts Lower living standards	Social prescribing Health promotion Education
Wider determinants	Greater inequality	Helping people into employment Regulation Abstinence

Prevention and risk are mathematically related.

Prevention gain can be defined as the change in risk multiplied by the population at risk.

e.g., prevention gain = Δr x population at risk

This can be extended to healthy years or in financial or other units

Another way to describe it is:

Prevention gain = change in risk x threat
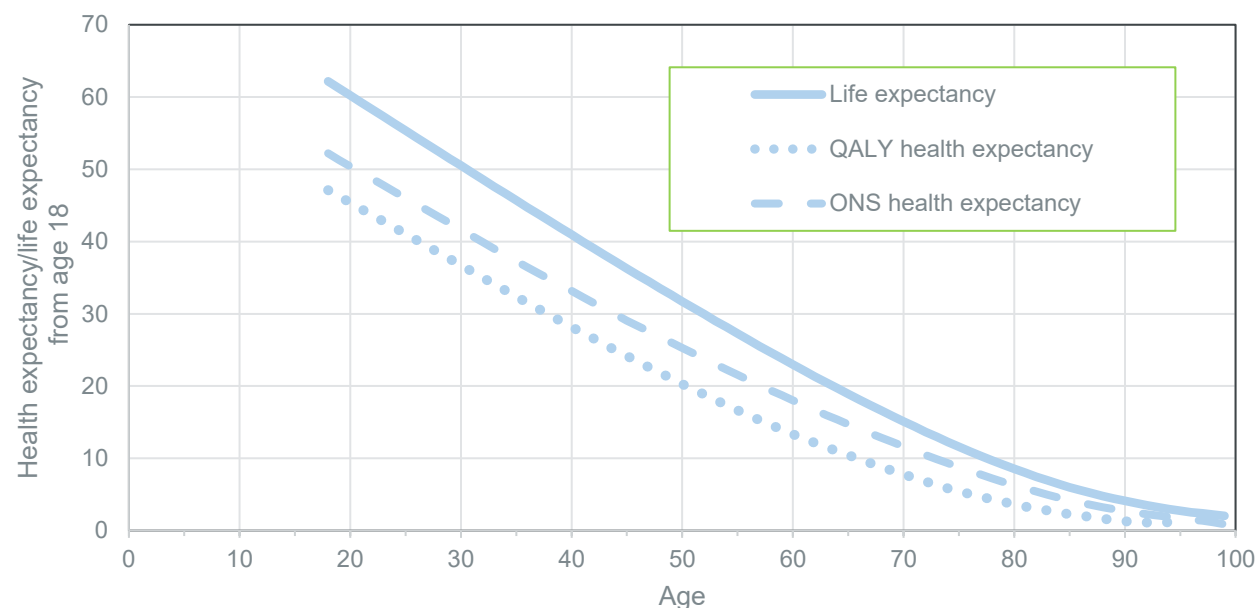
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Health economics

Key concepts in health economics

- Cost benefit analysis

- Disability adjusted life years

- Discount rates

- Willingness to pay

- QALYS

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QALYs versus health expectancy

Health expectancy versus life expectancy from age 18 using QALYs and ONS data. Similar age patterns but QALYS are 3.7 years higher on average than ONS.
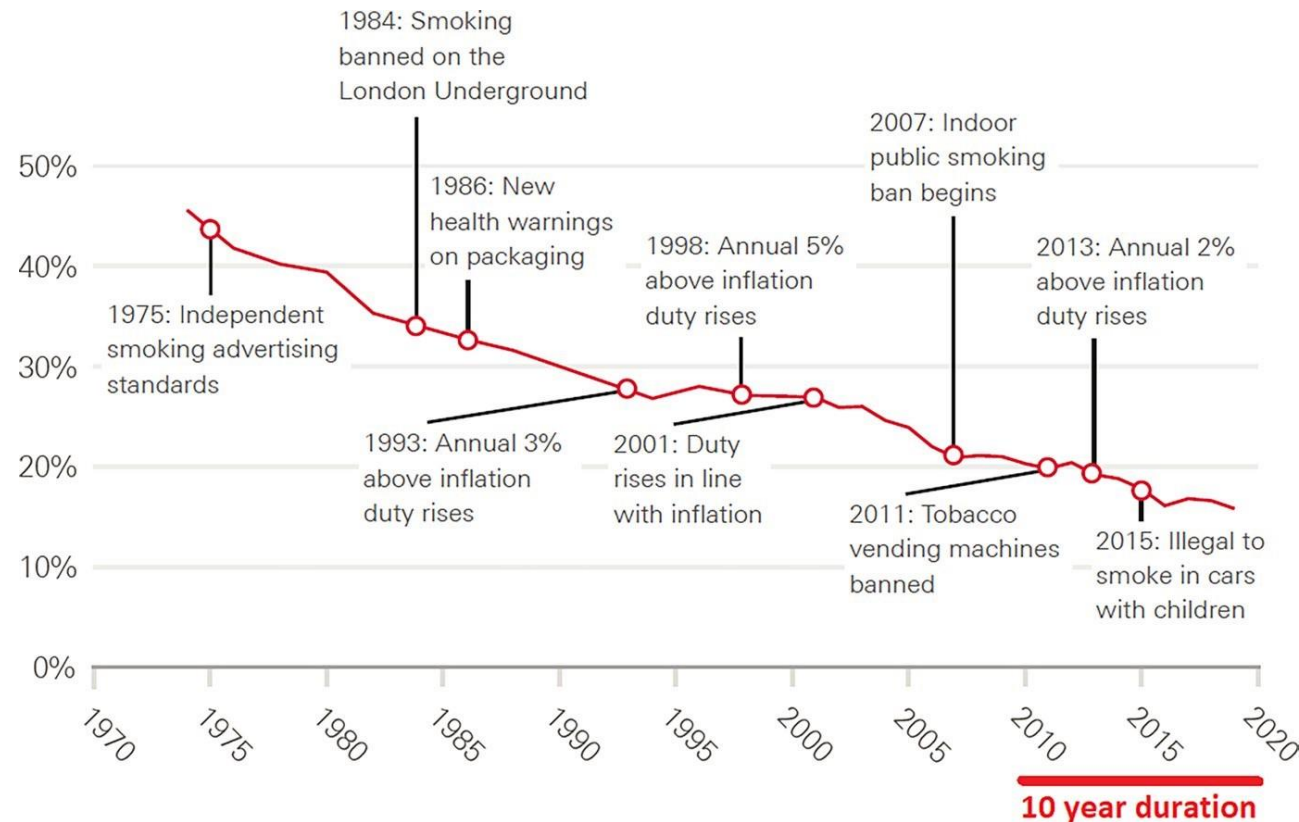
Notes:
1. QALY health expectancy norms for the English males produced by NICE/University of Sheffield based on EQ5D data form waves 2017-18 Health Survey for England.

2. Health expectancy based on self reported health using the Annual Population Survey.

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A brief resume of action on tobacco use

1975: Independent smoking advertising standards

1984: Smoking banned on the London Underground

1986: New health warnings on packaging

1993: Annual 3% above inflation duty rises

1998: Annual 5% above inflation duty rises

2001: Duty rises in line with inflation

2007: Indoor public smoking ban begins

2011: Tobacco vending machines banned

2013: Annual 2% above inflation duty rises

2015: Illegal to smoke in cars with children

10 year duration

Although smoking is less prevalent than it was, it still kills about 78,000 a year and is responsible 0.5m hospital admissions, but it has taken 50 years to get it down to the level where it is today. Would action have been taken sooner if we had known the social and economic impact?

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Average annual health costs for smokers and non-smokers by age - Denmark
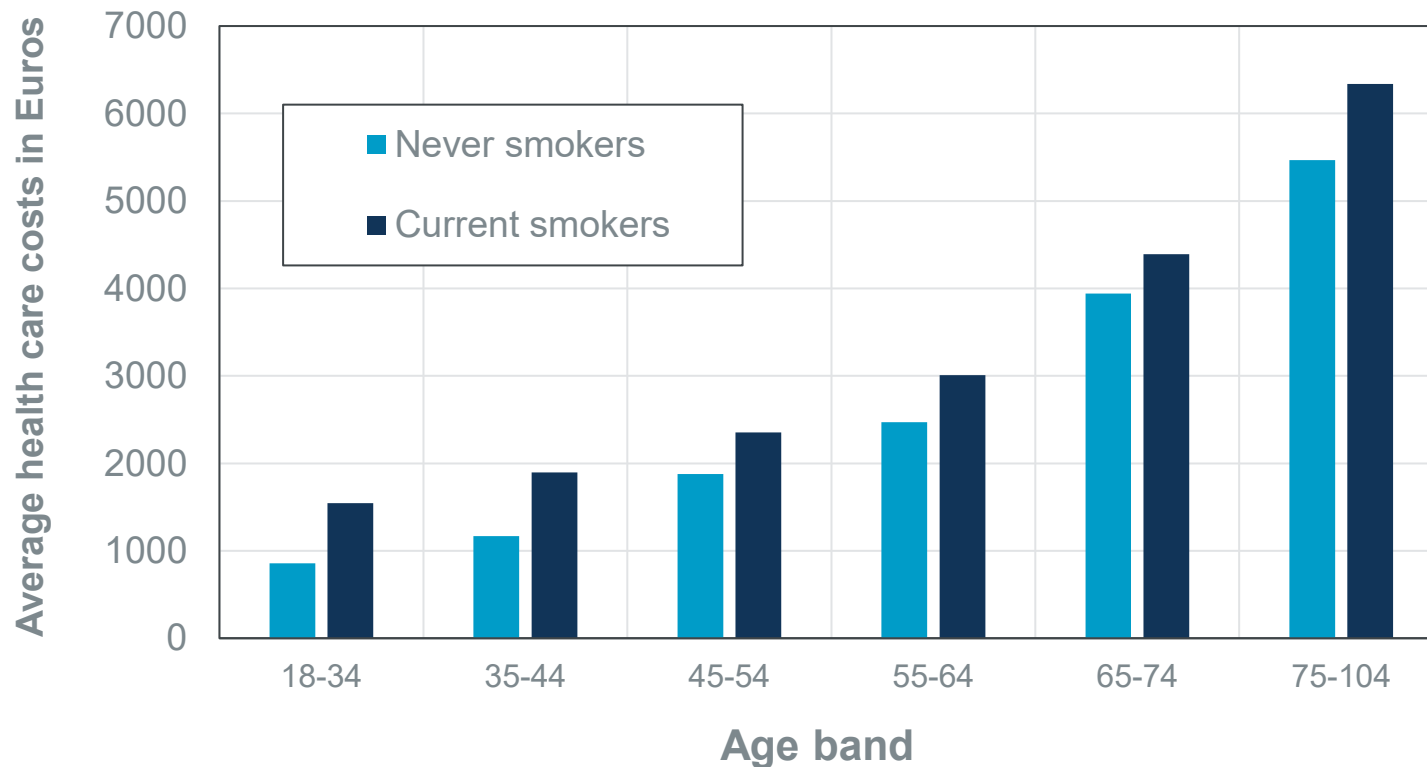
Denmark has a very similar health care system to the UK and is free at the point of use. This chart shows the average annual health care costs by age for smokers and non- smokers taken, (source: Lifetime costs and lifetime net public expenditures of smoking, Ramssusen et al 2021)

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Smoking, economic inactivity and GDP loss
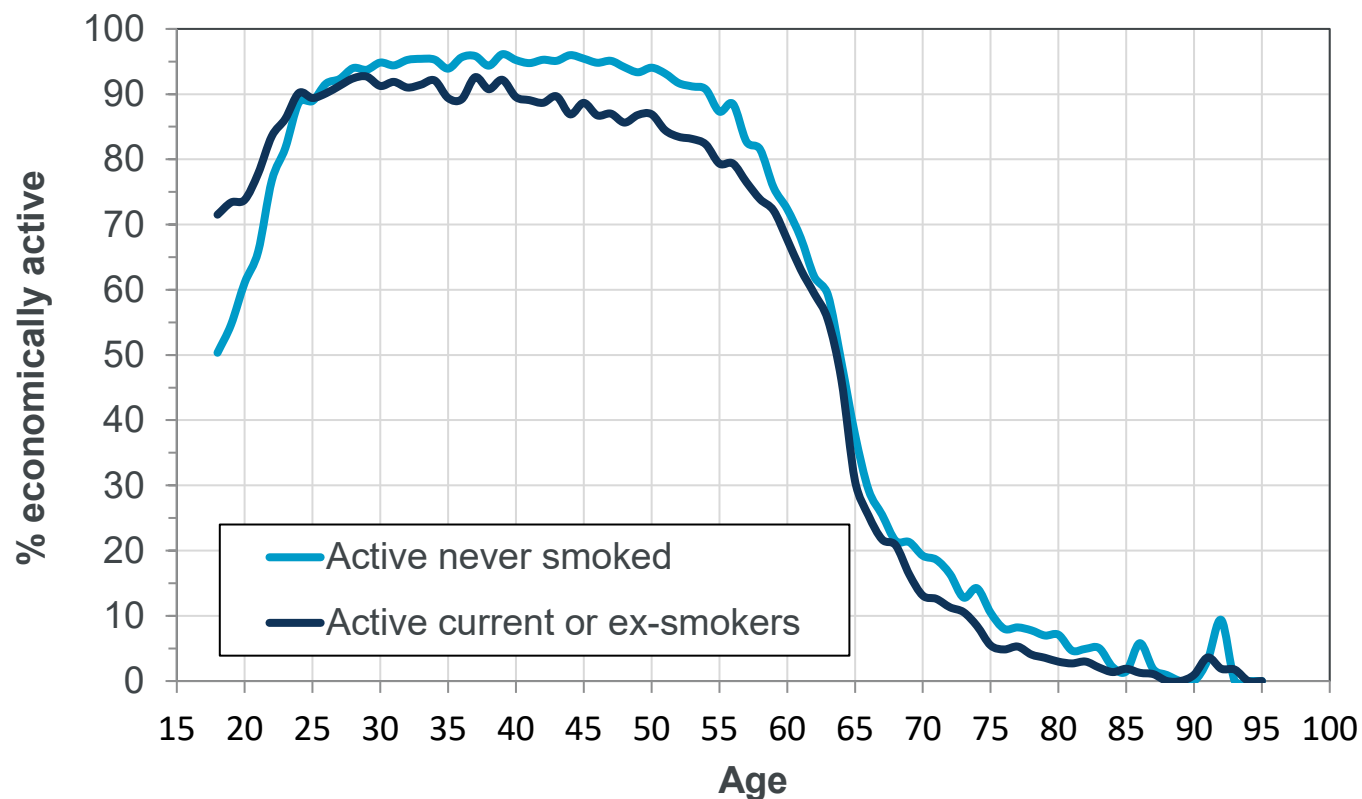
The impact of smoking on economic activity at each age showing the percentage of economically active men by single year of age whether they are never smokers or current or ex-smokers.

We estimate if all men had never smoked, the U.K.'s GDP would be £11.5 billion higher per year plus £7.6 billion for women (source: The great health challenge: levelling up the UK, 2023)

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Value of a smoking ban to society

- Productivity related costs

- Increased cost of service provision

- Value of preventable fatalities due to smoking

Total societal costs

Costs of smoking	England £bn	UK £bn
Total productivity costs	28.7	34.1
Total service costs	17.3	20.5
Cost of early deaths valued using QALYs	32.2	38.3
Total	78.2	93.0

Source: Landmark Economics, 2024

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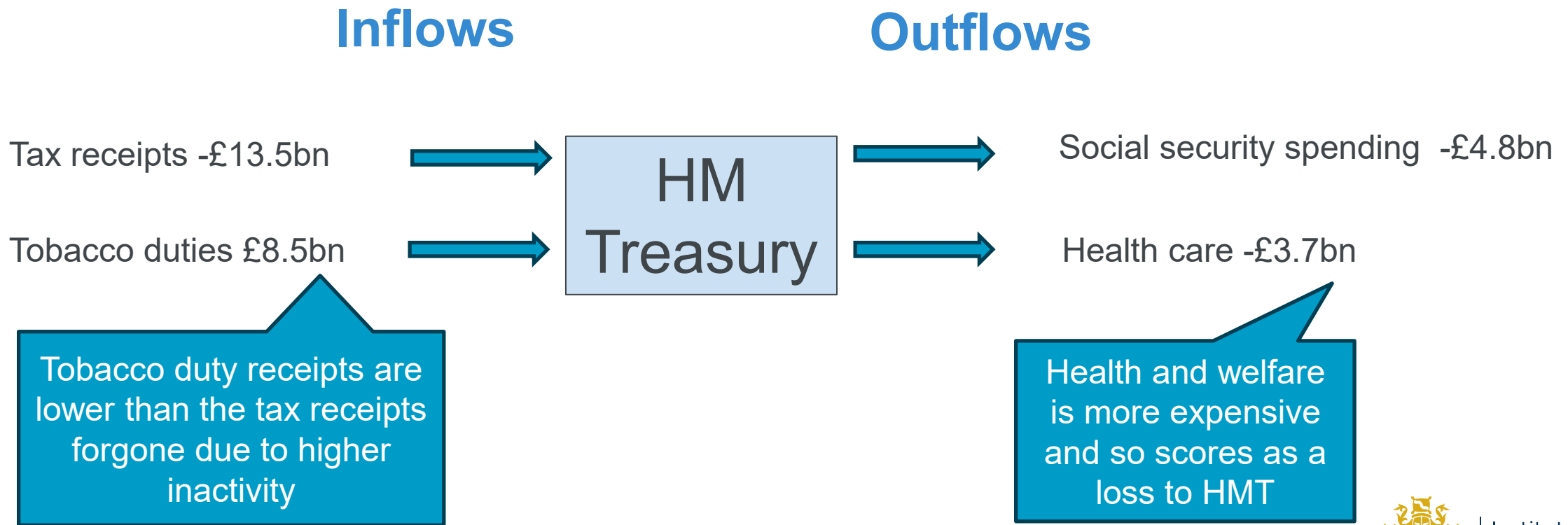
Net cost to public finances (inflows minus outflows)

Public finance net costs of smoking	England £bn	UK £bn
Total impact on tax receipts	-11.3	-13.5
Total social security spending impact	-4.0	-4.8
Total service costs to health and social care	-3.1	-3.7
Less tobacco duties and other savings	7.1	8.4
Total public service costs	-11.4	-13.5

Source: Landman Economics, 2024

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Net impact on public finances due to smoking

Inflows

Outflows

Tax receipts -£13.5bn

HM Treasury

Social security spending -£4.8bn

Tobacco duties £8.5bn

Health care -£3.7bn

Tobacco duty receipts are lower than the tax receipts forgone due to higher inactivity

Health and welfare is more expensive and so scores as a loss to HMT

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Conclusions and prospects?

- Prevention permeates all areas of life and there are many examples of things to consider from everyday behaviour to societal challenges like inequalities

- Whilst everyone benefits from free NHS treatment, more gains to society are generated by benefits which are contingent on being in good health

- The silo nature of the Government departments precludes data sharing and so difficult to challenge the supremacy of the medical model for improving health.

- The UK does not keep registers like Scandinavian countries and the prospects for change are very small, so we need to make-do

- Most important more prevention is needed to tackle inequality etc. and manage NHS expenditure.

How might actuaries contribute?

- Forging a link between risk, disease prevention and cost is where actuarial expertise could help at the individual and population level

- Using industry data to link health and financial data using some of the same techniques in Scandinavian studies

- Examples of studies could include the value of prevention for extending working lives or interventions for delaying the onset of long-term health conditions and multi-morbidities

- Other applications could include creating dashboard of metrics similar to CMI but with more emphasis on health expectancy, economic inactivity, and the financial burden of disease

- Specific applications could include investigation into the life-long health and economic benefits of education, reducing health inequalities, or the quantifying the link between housing and health

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Next steps?

We suggest the following

- Funding a research programme leading to an actuarial qualification in prevention or including prevention in the actuarial curriculum

- Increasing public visibility and how we communicate with the wider public and media with an actuarial perspective

- Challenge the medical model of prevention and concentrate on the wider determinates and societal benefits

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Thanks for listening

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29 September 2025

The authors

Vince Bodnar

- American actuary with 41 years of insurance industry experience including 12 years of familiarity with the UK market
- Focused on retirement and social care insurance products
- Former Head of Product Strategy and Development at Genworth, the largest US long-term care insurance company
- Expertise in new product innovation and "consumer-back" design and testing
- Named one of the "Twenty Most Creative People in Insurance" by ThinkAdvisor, a leading US insurance publication
- Twice Chairperson of Society of Actuaries Long-Term Care Insurance Section
- Current member of the Institute and Faculty of Actuaries Social Care Working Party.

Greg Moore

- Successful health-tech start-up entrepreneur
- Focused on home-based social care services delivery in the US for over 10 years
- Expertise in digital customer experience processes
- Expertise in consumer-back product development and testing using in-depth interviews.

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Research objectives and approach

Objectives

- Design and test the consumer appeal of a social care insurance product linked to a defined contribution pension
- Provide contributory learnings and other useful insights from consumer interactions.

Approach

- Initially informed by the authors' experience with consumer attitudes towards social care and retirement planning
- Use in-depth qualitative consumer input to shape the design
- Stay open-minded and nimble, let consumer input drive design thinking
- Design a product informed by this input
- Test the appeal of such a product with consumers, also using an in-depth qualitative approach.

Contributory learnings are marked with a lightbulb symbol throughout.

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Ethnographic method

Ethnographic method explained

- Rooted in anthropology

- Dives deep into a social group to understand behaviors, beliefs, ways of life

- Focuses on immersion in everyday realities, not survey data.

Application of the method

- Conduct in-depth phone interviews with empathetic listening, reactive questions on concerns, motivations

- Derive strong themes related to planning for social care and retirement and to product appeal

- Product appeal and actionability discussions included usage of a mock website, positioned as live. The interviewer was described as a neutral contractor hired to hear consumer feedback.

Study scope

- 50+ in-depth interviews of 40 consumers, plus employers

- Individuals aged 30 to 60 with household incomes of £60k-£120k.

Consumer attitudes: Quotes from dominant themes

Retirement security anxiety compounded with perceived complexity

- "The state pension won't be enough, and I don't want to rely on it entirely, but it's hard to know how much I'll really need"

- "They keep changing the [pension plan] rules, and it just seems like a con"

- "I know whatever amount of money I have saved when I'm ready to retire is not going to be enough... That's a constant stressor in the back of my mind"

- "I don't know how much I'm going to need... I don't know, that's kind of like a kind of the back of my mind"

- "Honestly, I don't have any money specifically earmarked for retirement... It just seems like the returns are so small, why bother?"

- "How do you determine how much you're going to need?... I don't know what I don't know"

- "All I can do is save as much as possible and hope for the best... I don't know what's going to happen"

- "Right now, I don't have time to do all the research, and Google leads me down rabbit holes. I just want something clear and reliable"

- "How do you determine how much you're going to need?... I don't know what I don't know"

- "I need a lot more research... It's hard to think about all these pieces at once"

- "I haven't researched it deeply yet... It's a lot to think about"

- "Why can't they make it clear? I don't understand why it's so complicated."

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Consumer attitudes: Quotes from dominant themes

Social care funding anxiety exists as well, especially for those that have experienced it through loved ones

- *"At first, it was manageable, but when she needed full-time care, the costs skyrocketed. It makes you wonder—what happens if you don't have enough saved?"*

- *"Here in England, if you have money, you're expected to spend it on care before getting any government help. It made us realize that planning for care isn't optional—it's inevitable"*

- *"I'm always looking for ways that my family wouldn't be burdened... I don't want to be a burden on them"*

- *"Life is unpredictable... I saw my dad, who had a stroke, and I saw how quickly your money can disappear"*

- *"Healthcare costs, which are going to be that number one expense in retirement... You don't want that to eat up everything"*

- *"I saw how quickly your money can disappear... You don't ever think you're going to need [social] care, but likely you will"*

- *"[Social] care scares the crap out of me... I don't want my kids to be burdened with my care."*

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Consumer attitudes: Quotes from dominant themes

Social care planning is not primary to retirement security

- *"No matter what I do, I feel like I won't ever be fully prepared [for retirement]... I've thought about [social care], but I'm not doing anything proactively yet"*

- *"I worry I won't have enough money saved. It's a constant concern... Honestly, no [re: care planning]. I think we all like to assume we'll be in good health forever"*

- *"[Social care] is something we know we'll need to deal with eventually... We haven't put a specific amount aside for care yet"*

- *"I would be, at this point more concerned about making sure I have enough to live off of during retirement… [Social care] is kind of in the back of my mind, but not in the front."*

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Early design pivot informed by initial learnings

Early product concept design:

- Social care protection insurance funded by premiums from a defined contribution pension pot.

Initial product design learnings:

- Consumers avoid addressing social care planning <u>before</u> addressing retirement anxieties

  – The core retirement anxiety is having enough monthly income in retirement, which DC plans do not directly address

- A social care protection insurance concept faced headwinds

  – Insurance terminology, questions on mechanics and perceived complexities bogged down conversations

  – Fear of contributing premiums to a product they may not need ("use it or lose it").

Pivot in product concept design:

- Supplemental DC product that provides retirement income assurance

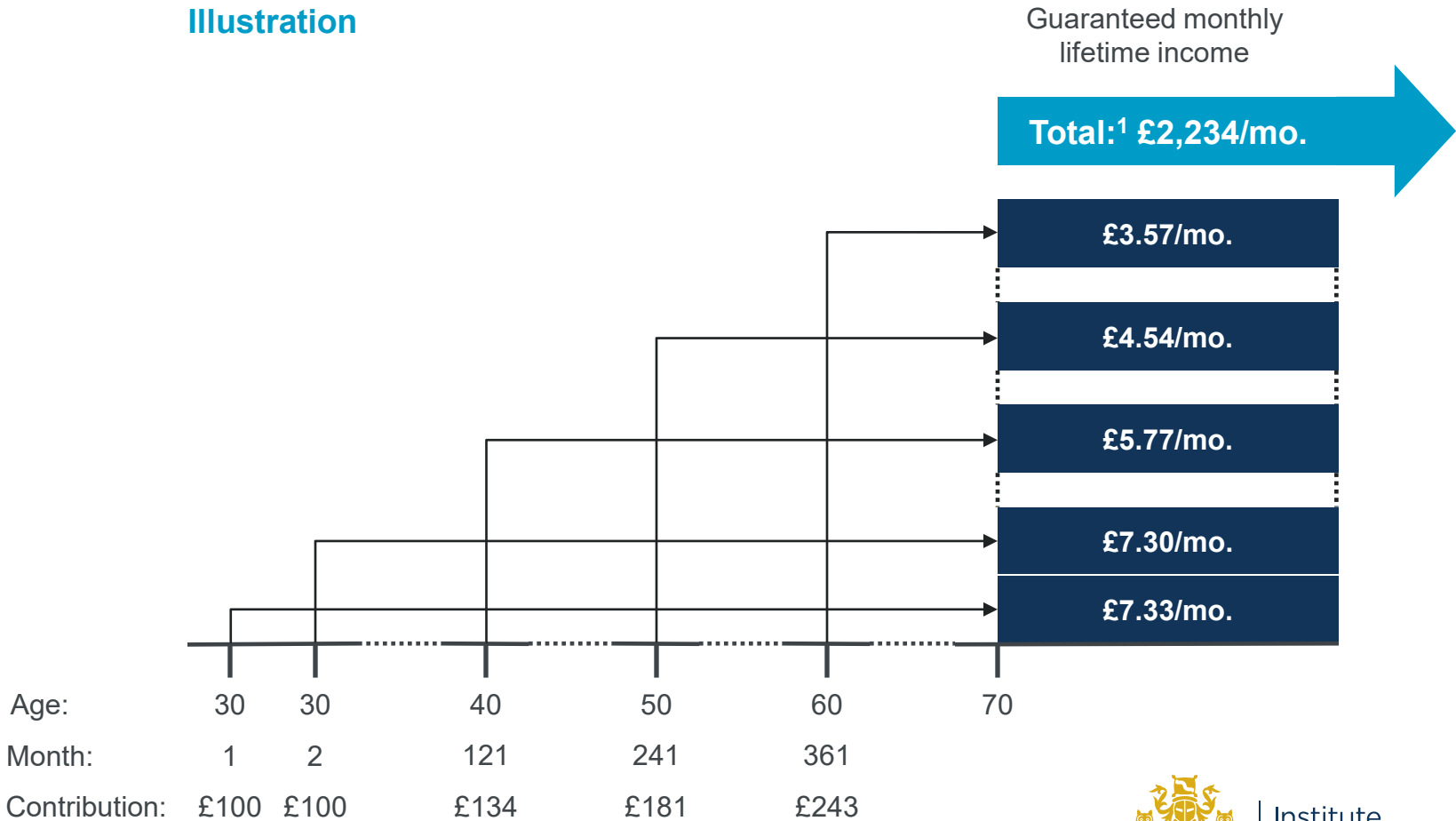- Include non-insurance social care funding as a secondary feature.

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Key insights that shaped the product design

Insight	Description	Resulting product features
Retirement assurance prioritisation	💡 People worry about both retirement income and social care (funding and finding) but prioritize the former	• "Retirement Income Fund" as core feature • "Social Care Fund" as secondary • Social care coordination services
Preference for certainty	💡 Preference for locking in guaranteed income pre-retirement over investment risk and growing a pot	• Each contribution locks in a known layer of guaranteed monthly income at retirement, closely resembling a US deferred income annuity
Difficulty starting	• People don't know how or where to start planning for retirement, delaying action	• Easy-to-use, education-based enrolment platform • Interactive displays of contributions and resulting benefits • Ongoing engagement to encourage increasing contributions
Flexibility	• People want contribution and withdrawal flexibility	• Flexible contribution frequency and amounts, including lump sums • Withdrawals allowed (with market value adjustment)
Accessibility	• Insurance terminology is confusing, creating an access barrier • Low usage of financial advisors	• Avoid insurance terminology • Workplace-based enrolment as alternative, broad distribution • Potential for employer contributions

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Primary feature: Locking in layers of guaranteed income

- Each contribution creates a layer of guaranteed retirement income, priced and locked in at the time of contribution

- Example: £100 at 30 might lock in £7.33/month guaranteed income at 70

- [1]Total shown at the top of the bar is the sum of all layers purchased before age 70, which is annuitised at age 70

- Assumptions
  - Monthly contributions, initially at £100, increasing by 3% on anniversary
  - 5.5% interest discount
  - No pre-retirement survivorship discount
  - CMI S4 Series Mortality post retirement.

Illustration

Guaranteed monthly lifetime income

Total:[1] £2,234/mo.

| £3.57/mo. |
| £4.54/mo. |
| £5.77/mo. |
| £7.30/mo. |
| £7.33/mo. |

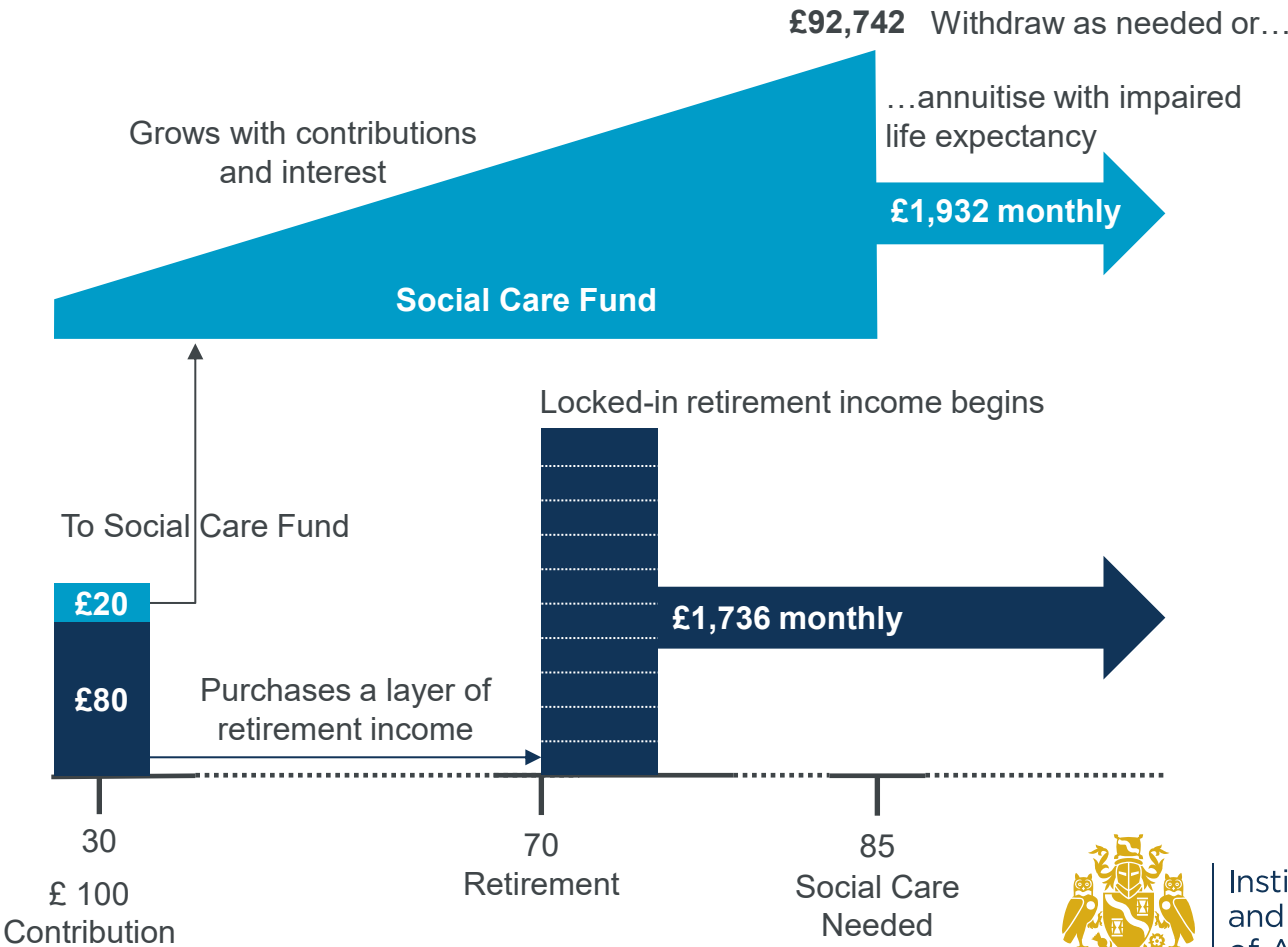| Age:	30	30	40	50	60	70
Month:	1	2	121	241	361	
Contribution:	£100	£100	£134	£181	£243	

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Secondary feature: Social care funding

- An elected portion of each contribution payment (e.g., 20%) goes towards a Social Care Fund
  - Remainder purchases a layer of guaranteed monthly retirement income (per prior page)
- The Social Care Fund grows with each contribution and interest (e.g., 5.5%), before and after retirement
- Can be used to fund social care when needed (e.g., age 85) either by periodic withdrawals or annuitised based on impaired life expectancy
- Customers elect contribution allocation informed by local social care costs and estimates of resulting fund.

Example

Local care cost	Fund needed at 85	Annuitized income
£2,000/month	£92,742	£1,932

Illustration

£92,742 Withdraw as needed or…

Grows with contributions and interest

…annuitise with impaired life expectancy

£1,932 monthly

Social Care Fund

To Social Care Fund

£20

£80

Purchases a layer of retirement income

Locked-in retirement income begins

£1,736 monthly

30
£ 100 Contribution

70
Retirement

85
Social Care Needed

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Additional features

Contribution flexibility and withdrawals

- Customers can contribute amounts at their choosing and at the frequency of their choosing, including lump sums

- The customer view of the Retirement Income Fund at any time pre-retirement is the present value of total guaranteed retirement income

- Withdrawals are treated the same way as contributions, but as a debit to guaranteed retirement income, based on age at withdrawal and amount of the withdrawal, and subject to a market value adjustment

- The customer view of the Social Care Fund at any time prior to optional annuitisation is the accumulated value of contributions.

Social care coordination services

- Customers will have access to a care coordination service that assists in locating and coordinating social care and other support services oriented to prolonging aging at home.

Enrolment portal

- Self-service enrolment via online portal or workplace programs

- Interactive view of contribution levels and fund allocations vs projected lifetime income and social care fund (and additional income)

- Encouraged to start, even with small contributions at first

- Enrol with minimal time and effort. No financial advisor needed.

Ongoing engagement

- Purpose is to move from "getting started" to program comfort and encouragement to increase contributions over time and as income grows

- Real-time tracking of contributions, locked-in income and social care fund

- Notifications for milestones (e.g., "Your latest contribution increased your total retirement income to £1,000/month").

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Indicative values

Assumptions used to calculate indicative values

- Customer increases monthly contributions by 3% annually

- Monthly contributions cease and lifetime retirement income payments begin at age 70

- 20% of periodic and 50% of lump-sum contributions are allocated to the Social Care Fund

- Social Care Fund is annuitised at substandard mortality, with a life expectancy of 4 years

- Mortality: CMI S4 Series Mortality Tables

- Net investment earnings rate: 5.5%

- £3 monthly administrative expense deducted from Retirement Income Fund.

Starting age	Initial monthly contribution	Initial lump sum	Monthly retirement income at 70	Social Care Fund at 85	Additional monthly income if annuitised
30	£100	£0	£1,736	£92,742	£1,932
40	£200	£0	£1,719	£118,611	£2,471
50	£300	£10,000	£1,249	£111,451	£2,322
60	£400	£110,000	£1,300	£254,053	£5,293

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Product appeal: Quotes from dominant themes

Locked-in retirement income

- *"It sounds like a pension you set up for yourself, which is quite clever"*

- *"Your income is guaranteed once you pay into it... I do like it not really influenced by the market, because I don't like risk too much"*

- *"It's like getting a paycheck to help you live... This is cushion, it's supplemental income when you're not working anymore"*

- *"I care more about the guarantee... I like knowing my money is safe, and I will definitely get it back, plus some returns."*

Social care feature

- *"The [social] care piece is always interesting... kind of peace of mind, knowing that maybe that won't break the bank later"*

- *"Guaranteed of somebody taking care of you through your late years... it's super important because my mom had Alzheimer's"*

- *"You know you will get a certain amount of money... help cover healthcare costs, which are going to be that number one expense in retirement"*

- *"It's trying to make sure that your money is protected in retirement... I saw my dad, who had a stroke, and I saw how quickly your money can disappear"*

- *"It will help me do that too... the biggest expense in my retirement, which is going to be healthcare costs, this leverages my dollars."*

Flexibility

- *"I can start off with any amount of money I want... I do like that I'm not being forced to put in a large amount"*

- *"I'd start small and see how it works, maybe £100 a month"*

- *"If I got a bonus, maybe I'd throw in a few thousand all at once"*

- *"I'd want to be sure I'm not locked in with no way out if my circumstances change."*

Easy to start

- *"The easier you make it to understand, the more likely people will actually sign up"*

- *"You sign up, and we walk through the process... I feel like this is actually a good product"*

- *"You're hitting two birds with one stone... simplicity when you have fewer dollars is hard to come by"*

- *"If my employer sent this out, I'd at least take a look. It's way easier than figuring it out on my own."*

# Product appeal: Willingness to enrol

High interest indicated

- 57% expressed willingness to enrol
  - 24% immediate, 33% likely with more details.

Most appealing aspects

- Certainty of guaranteed income layers without investment risk
- Two-in-one product
- Flexibility of contributions, including lump sums
- Ease of enrolment
- Workplace enrolment for credibility and ease
- Potential for employer contributions
- Potential tax advantages.

Willingness to enrol

57% willing to enrol

Legend: ■ Uncertain ■ Likely ■ Immediate
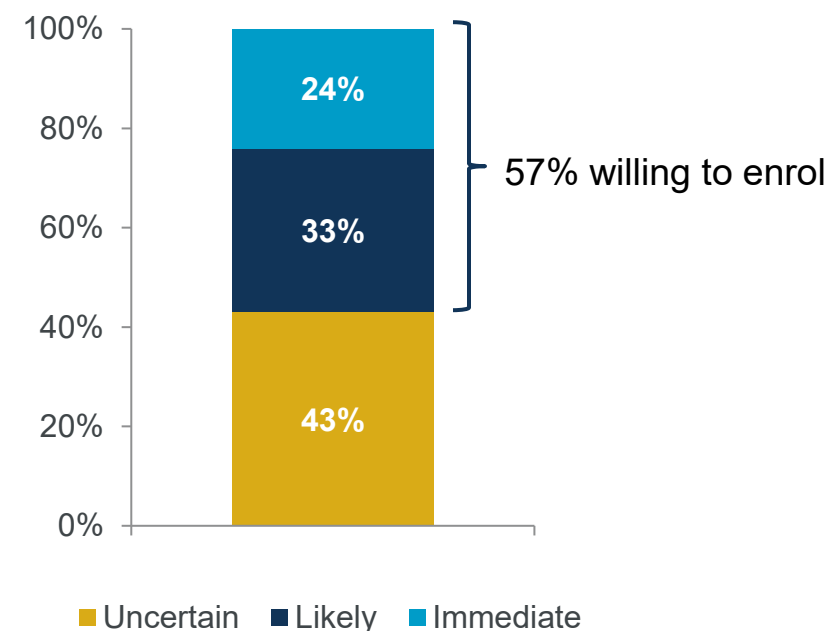
Addressing insurer risk concerns

Concern

- Insurers may hesitate to take on investment and post-retirement longevity risk.

Response

- Insurers and reinsurers manage these risks in pension risk transfers, especially for deferred pensioners
- Suggest robust pricing and quantitative analysis to assess consumer willingness to pay the risk premium.
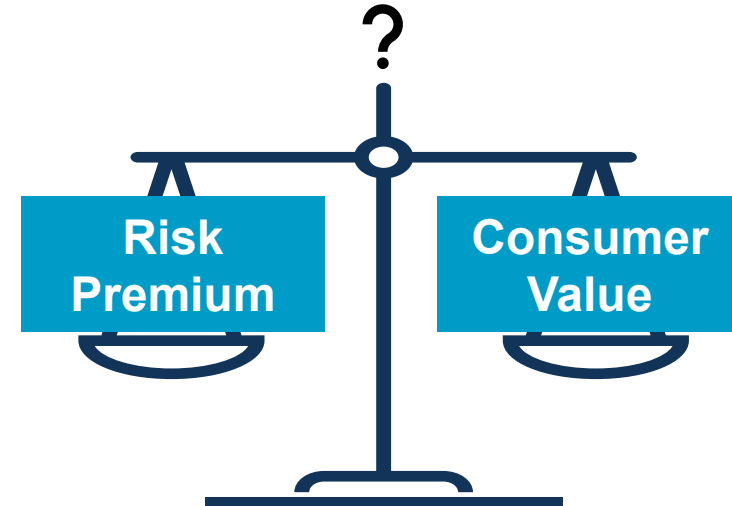
Closing remarks

Conclusions

- The road to working-age consumers contributing to social care funding runs through retirement income assurance

- To consumers, retirement income assurance means locking it in during working years

- Many consumers are willing to receive this assurance and remove investment risk/gains

- The product has strong consumer appeal (57% willingness to enroll)

  – The product addresses dual anxieties by prioritizing retirement income and integrating social care funding

  – Self-service enrollment, contribution flexibility, liquidity and ongoing engagement makes it "easy to start" and later build on.

Potential next steps

- Full quantifying study of features, price-points and likelihood of enrolment

- Explore taxation of features and possible proposals for tax advantages

- Assess insurer and employer receptivity

- Consider a fully insured social care buy-up feature offer post enrolment

- Quantify the impact on public social care spending.

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Questions

Comments

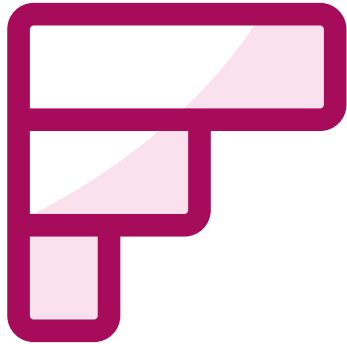Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

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29 September 2025