

# Can people who survived cancer purchase insurance?

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# Disclosure slide

- I have no conflicts of interest to declare

*“I wanted to start my own business, but because of my disease I can’t get an income protection insurance.”*

*“I was left with a huge premium, a yearly extra premium of 750 euro during a time period of 13 years.” (Belgium)*

*“I was offered a life insurance by my insurance company, but as soon as I mentioned I was a cancer patient, there was no way for life insurance any more.” (Slovakia)*

## Cancer survivors: insurance problems

- Disability or increased health risk= limited access to **private** insurance
- (perceived) increased health risk (e.g. cancer survivors)  
→ High surcharge, refusal, adjournment, lack of transparency
- Life insurance, loan protection insurance, travel insurance, private health insurance (health is believed to reflect the probability of loss)
- Access to financial services= important to make use of economic opportunities, to improve health, education and overall well-being

# An EU-wide problem

Study on the use of age, disability [...] in financial services\*

- Literature review, survey of stakeholders (EU27), in depth research (7 MS's), analysis of complaints
- Pricing of insurance: based on segmenting the customers in groups of similar risk
- High risk individuals: priced out of the market
- Most complaints concerning alleged discrimination: life, private health, motor, travel insurance
- Age and disability/health condition: most frequently mentioned discrimination grounds

\*(Alleweldt, Civic Consulting/European Commission, 2010)

# Initiatives to improve access to insurance in member states and EU

- Patchwork of legislative measures (e.g. antidiscrimination legislation) and institutions (ombudsman, equality bodies) in countries
- France: AERAS; Belgium: law
- EU: proposed equal treatment directive?

# Convention AERAS, France

- Voluntary agreement between stakeholders to facilitate access of persons with aggravated health risks to home and consumer loans and to loan insurance
  - Fast acknowledgement of medical progress by insurance companies
  - 3 levels of evaluation for refused customers
  - A capping mechanism for high surcharges
  - Mediation committee

# Law about access to loan protection insurance (Belgium)

- Aim: Improved insurability for people with increased health risk
- Objective justification of decision: obligatory
- Re-evaluation bureau (refusal, medical surcharge > 75%)
- Capping mechanism for surcharge of more than 200% (limit: 800%)

# Proposed new Equal Treatment Directive

- Scope: access to goods and services (also financial services) ; Social protection and healthcare ; Education
- Protected grounds: sex, racial or ethnic origins, religion or belief, disability, age or sexual orientation
- Still under negotiation in Council (and EP)

# Exception for insurance

- “in the provision of financial services Member States may permit proportionate differences in treatment where, for the product in question, the use of age or disability is a key factor in the assessment of risk based on relevant and accurate actuarial or statistical data.” (art. 2 § 7)

# Conclusion

- Access to private insurance for cancer survivors = challenge
- On national level: initiatives to improve access
- Proposed EU equal treatment directive: a lot of questions about impact
- Important topic for Patient Support Working Group of European Cancer Leagues

# Point of view of insurance companies

- “We use objective, up to date and evidence-based data to calculate risk and premium”
- “Impairments to the freedom of insurers (e.g. same premium for everybody) = adverse selection spiral → average price of insurance rises, total number of people who buy insurance falls”
- “Exclusion of high risk minority = inevitable”

# Public policy perspective

- Proportion of loss events covered by insurance = more important than number of policies sold (e.g. life insurance: 40% of deaths covered is better than 30%)
- Moderate adverse selection (more higher risks taking out an insurance, small amount of better risks dropping out) improves proportion
- Moderate impairments of freedom of insurance companies = beneficial
- Price elasticity

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