

# FUNDING LONGER LIVES AND ELDERLY PROTECTION

Workshop of the ETH Risk Center  
October 20/21, 2014

Venue: Swiss Re Centre for Global Dialogue, Forum A, Rüschlikon, Switzerland

Two facts about the demographic transition in the industrialized economies are particularly robust and well-established. First, gains in life expectancy have been huge over the last decades and the average age at death still keeps increasing rapidly. Second, the decrease in mortality rates comes to a large extent from the fact that many severe conditions do not kill patients any more, while they still lead to serious impediments to the most basic everyday activities. As a direct consequence of these developments, people today typically spend a substantial amount of time in retirement and a large fraction of the elderly becomes invalid and dependent on care at some point of their life. Economic theory suggests that this should lead to a sustained demand for insurance against the financial consequences of a very long life and against the high costs of foster care. However, the private markets for annuities and long-term care insurance are surprisingly small. The existence of mandatory public old-age and health insurance can explain the low demand for these products to some degree, but is not satisfactory as an explanation by its own. Is there a way to rationalize the small size of the private markets? What are the major determinants of the demand for annuities and long-term care insurance? Would it be desirable and possible to foster insurance demand? These are some of the interrogations that will be addressed during the workshop.

## Monday, October 20, 2014

13.30 - 14.00	<i>Registration – Welcome Coffee</i>
14.00 - 14.15	Opening by <b>Stephan Schreckenber</b> g (Swiss Re)
14.15 - 15.00	<b>Eddy van Doorslaer (Erasmus School of Economics)</b> “The Determinants of LTC Use and Expenditures: Empirical Evidence for the Netherlands”
15.00 - 15.45	<b>Thomas Davidoff (University of British Columbia)</b> “Can High Costs Justify Weak Demand for the Home Equity Conversion Mortgage?”
15.45 - 16.15	<i>Coffee Break</i>
16.15 - 17.00	<b>Svetlana Pashchenko (University of Surrey)</b> “Work Incentives of Medicaid Beneficiaries and the Role of Asset Testing”
17.00 - 17.45	<b>Nina Zerrar (PhD - University Paris-Dauphine)</b> “To What Extent Do Individual Preferences Limit Long-Term Care Insurance Demand?”
17.45 - 18.00	<i>Short Break</i>
18.00 - 18.45	<b>Panel Discussion I</b> (Chaired by Paul Embrechts) <b>Topic: Elderly Protection: Understanding the Needs for Insurance</b> Thomas Gerber (AXA Winterthur, Head of Life, Executive Committee Member) Julien Descombes (Swiss Re, Head L&H Hub Head Continental Europe, Middle East & Latin America) Eddy van Doorslaer (Erasmus School of Economics)
18.45 – open	<i>Dinner &amp; Networking Event (Dining Room – Villa)</i>

# FUNDING LONGER LIVES AND ELDERLY PROTECTION

Workshop of the ETH Risk Center  
October 20/21, 2014

Venue: Swiss Re Centre for Global Dialogue, Forum A, Rüschlikon, Switzerland

## Tuesday, October 21, 2014

08.30 - 08.45	<i>Welcome Coffee</i>
08.45 - 09.30	<p><b>Moshe Milevsky (York University)</b> "What Can Market Annuity Prices Teach Us About Longevity Expectations?"</p>
09.30 - 10.15	<p><b>Eric French (University College London)</b> "Medicaid Insurance in Old Age"</p>
10.15 - 10.45	<i>Coffee Break</i>
10.45 - 11.30	<p><b>Michael Hoy (University of Guelph)</b> "Banning the Use of Genetic Tests by Insurers: Potential Economic Impacts"</p>
11.30 - 12.15	<p><b>Kerstin Roeder (Ludwig-Maximilians-Universität)</b> "Long-Term Care and Lazy Rotten Kids"</p>
12.15 - 13.00	<p><b>Panel Discussion II</b> (Chaired by Antoine Bommier) <b>Topic: Potential Solutions for LTC Insurance: Combining Private and Public Insurance? Merging LTC Insurance and the Pension System?</b> Matthias Aellig (Swiss Life, Chief Risk Officer) Klemens Binswanger (Swiss Re, Head Life &amp; Health Switzerland) Thomas Davidoff (University of British Columbia) Michael Hoy (University of Guelph)</p>
13.00	<i>Lunch (optional - Foyer)</i>
14.30	<i>END OF THE WORKSHOP</i>