



# **The Actuarial Profession**

making financial sense of the future

consultation response

**EU Commission**

**Solidarity in health:**

**EU action to reduce health inequalities**

**March 2009**



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Sent by e-mail to: SANCO-C4-HEALTH-INEQUALITIES@ec.europa.eu

30 March 2009

Dear Sir/Madam

## **Solidarity in Health: EU action to reduce health inequalities**

Thank you for providing the Actuarial Profession with the opportunity to comment on this consultation. Our substantive comments are attached to this letter.

If you have any questions or would like to discuss any of these matters further, please do not hesitate to contact us as per details below.

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Yours faithfully

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## **Introduction to The Actuarial Profession**

Actuaries provide commercial, financial and prudential advice on the management of a business's assets and liabilities, especially where long term management and planning are critical to the success of any business venture. They also advise individuals, and advise on social and public interest issues.

Members of the Profession have a statutory role in the supervision of pension funds and life insurance companies. They also have a statutory role to provide actuarial opinions for managing agents at Lloyd's.

The Profession is governed jointly by the Faculty of Actuaries in Edinburgh and the Institute of Actuaries in London. A rigorous examination system is supported by a programme of continuing professional development and a professional code of conduct supports high standards reflecting the significant role of the Profession in society.

### **Consultation on Commission Communication “Solidarity in Health”**

The Actuarial Profession in the UK welcomes the opportunity to comment on the Consultation Paper entitled “EU action to reduce health inequalities”.

The Actuarial Profession in the UK contributes to the debate on public policy in financial matters and other areas where the Profession has expertise. As a professional body, we seek to work in an independent and objective manner when tackling public interest issues.

We have considered the questions posed in the Consultation Paper but in line with our expertise in measuring and monitoring health states, we have restricted our response to cover only these areas. We have therefore not commented on areas of national health policy. Our comments relate principally to the points raised in the section “On general data”.

Information on health inequalities in the UK has been collected and trends evaluated over a number of years by a number of government departments and other bodies, including the Department of Health and the Office for National Statistics (ONS).

The Office for National Statistics publishes life expectancy figures by area and by social class. ONS also publishes healthy life expectancy data at birth and at age 65. Two types of healthy life expectancy are calculated:

- (1) Healthy Life Expectancy (HLE) defines healthy life as years in good or fairly good self-perceived general health.
- (2) Disability-free Life Expectancy (DFLE) defines healthy life as years free from limiting longstanding illness.

These and other data on life expectancy can be accessed via

<http://www.statistics.gov.uk/hub/population/deaths/life-expectancies/index.html>

The ONS also produces a set of annual reports on mortality by all causes and also a range of specific causes of death, such as drug-related deaths, deaths associated with the healthcare infections (MRSA and Clostridium difficile) and estimates of excess winter mortality for England and Wales and infant mortality. Data are also available on mortality by marital status.

Health Statistics Quarterly, published by ONS, covers the latest trends in the UK's health. It contains articles and commentary on the latest health findings, and regularly updated statistical tables showing the latest quarterly information on deaths, childhood mortality, conceptions, abortions, and life expectancy.

ONS also publishes annual UK figures for suicides and alcohol-related deaths on the ONS website, as well as figures for the probability of survival to age 75 years in England and Wales. Reports are also published less frequently than annually on various topics such as cancer survival rates. Where data are not available for the UK as a whole, then additional data may be available from the General Register Office for Scotland and the Northern Ireland Statistics and Research Agency.

The Department of Health publishes a set of annual updates, based on ONS data, which are used to monitor progress against Department of Health Public Service Agreement (PSA) targets for cancer, circulatory diseases, suicide and injury of undetermined intent, accidents, life expectancy and infant mortality rates (see <http://www.statistics.gov.uk/hub/population/deaths/mortality-rates/index.html> )

The UK Department of Health has a programme for reducing health inequalities and a post-2010 strategic review of health inequalities has recently been set up (further details are available at <http://www.dh.gov.uk/en/Publichealth/Healthinequalities/index.htm> ). The Department of Health also publishes other data on various diseases and information and action plans related to health protection and improvement, communicable diseases etc (see <http://www.dh.gov.uk/en/Publichealth/index.htm> ).

Individual members of the Actuarial Profession have been involved in the design, implementation, analysis and the evaluation of the results and trends of such investigations for many years.

We have not compared, in detail, the different approaches to monitoring health inequalities in different territories but we would emphasise that comparisons between countries are most meaningful where there is standardization of data and methodology (for example, healthy life expectancy can be produced using a variety of data which might give different results). We appreciate that perfect standardization is not always achievable but, with appropriate methodology, meaningful comparisons may still be achievable. Where this is not possible it is helpful to be aware of the potential differences that may result from the different methodologies used. The Actuarial Profession is used to developing appropriate methods to use in such situations and to assessing the problems in interpretation that differing methodologies may give rise to.

The UK Actuarial Profession will be interested in your conclusions following the Consultation and would be happy to provide any additional help or discuss with the Commission further any issues arising.