



The Institute and Faculty of Actuaries

Income Protection: Work, Health and Disability working party - member

The Institute and Faculty of Actuaries (IFoA) is seeking volunteers to join this new short life working party to undertake modelling/research to support the IFoA practice boards and policy team in their response to the Government's Green Paper and anticipated future White Paper – 'Work, health and disability'.

Background

The Government's Green Paper and anticipated future White Paper – 'Work, health and disability', indicated an interest by Government in increasing group income protection (GIP) coverage to improve the recruitment and retention of those with disabilities and long-term health conditions. In addition, the current Universal Credit structure treats GIP and individual income protection (IIP) inconsistently, effectively penalising self-provision through IIP. Ineffective utilisation of GIP and penalising self-provision through IIP has the risk of:

- i) poorer outcomes for individuals, including less rehabilitation support
- ii) as coverage through GIP and IIP is assumed to be more comprehensive than Universal Credit provides
- iii) and this leads to an increased burden on the State.

Low coverage suggests, and this is discussed in the Paper, that employers and employees do not value income protection products. As a first stage, we would like to undertake modelling to demonstrate the value of having insurance for individuals who have had to leave work owing to poor health. In determining the potential difference in loss of earnings for those who have income protection compared to those who do not, it would be helpful to include any data around:

- information on Universal Credit
- information on typical claim payments
- the ability of insurers to provide specialised support and rehabilitation facilities more quickly, thereby reducing the length of time out of employment
- the difference in the time it takes to claim income from an insurance product, compared to the time taken to claim State benefits.

Secondary to this, we would like to model the interaction between the income generated from GIP and IIP against the financial assessment for Universal Credit. We understand that the interaction between the treatments of income from these products in the financial assessment for means-tested benefits is inconsistent and may act as a disincentive.

Experience/skills/background desirable

Applicants for this working party should be Fellows or Associates of the IFoA with extensive expertise in income protection and modelling and the ability to commit to the relatively short time frame of six months.

Outputs

This short term working party will aim to:

- model the interaction between the income generated from GIP and IIP against the financial assessment for Universal Credit
- support the IFoA's consultation response to the Government's Green Paper and anticipated future White Paper – 'Work, health and disability'
- present their findings at IFoA events
- any other outputs the working party identifies.

The types of tasks working party members take part in:

- chairing meetings
- reviewing literature and draft papers/reports
- modelling
- research
- writing

Time commitment

For this short life working party, lasting up to six months, volunteers will typically be expected to attend short fortnightly teleconferences, and to undertake research activities between calls. Volunteers should expect to contribute to research, modelling and drafting of reports/articles/consultation responses.

Meetings will be by conference call to allow us to widen this opportunity to all members. Conference calls will be arranged at a mutually convenient time for all involved. If you live or work near to one of the IFoA offices, you are welcome to make use of our facilities for the call. Similarly, if more than one member of the working party is based close to each other, you may agree to meet up and dial in together, but there will be no requirement for volunteers to meet in one place.

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