

Who will pay for Long Term Care?

Navigating towards a sustainable solution for Long Term Care in the United Kingdom

Who pays for care today?

For those with £23,000 and up:

- Private LTC insurance products
- Private savings
- Selling of assets – house, car, land etc
- Support from family, friends and other organisations

For those with £23,000 and under:

- Supported by Local Authority

Problems and pitfalls of the current market





The Funding Challenge

- Changing demographics
- The baby boom
- £7 billion => £20 billion
- The financial crisis

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The Funding Options

- User pays? (if they can)
- Pay-as-you-go?
- A savings solution?
- Pooling the risk?
 - Government or private sector?
 - Tax or insurance?
 - Who's in the pool?

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The 'Ideal Situation'

The Government can only pay a proportion of the costs associated with Long Term Care.

The industry can share the financial risk alongside Government to meet the additional costs.

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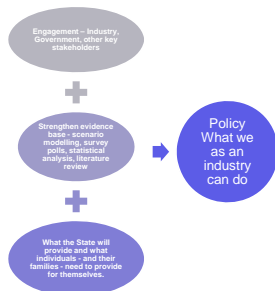
ABI Policy Position To Date

- Keen to work with Government
- Consensus from all political parties
- National entitlement
- Pooling the National risk
- Industry expertise to develop solutions

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ABI – How we will evolve this issue



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ABI – What we hope to achieve in 2010 - 2011

- A Policy Document to highlight the 'ideal situation'
- To show that the ABI is prepared to discuss any Government proposal
- To ensure the Government and all other key players are aware of the industry's expertise in pricing risk and knowledge of LTC

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ABI – Current policy work

- Members Survey (May 2010) – to ensure ABI is accurately representing all members
- Discussion and engagement with Long Term Care Working Group
- Engagement both Pre and Post election with all key players
- Raising awareness – article to be published in ABI 2010 Yearbook
- Sponsorship of Conservative and Labour Roundtable discussions over September – October 2010
- ABI Long Term Care Breakfast October 2010

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Any questions?



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