

How Does Aging Society Affect the Life Insurance Business?

OLIS Asia Life Insurance Symposium

November 16, 2012

Fiscal Implication of Aging Society

- Sovereign Debt: mostly social security / entitlement spending (healthcare, pension)
- “Who will fund the elderly’s expenses” is key political topic for developed nations

Role of Private Sector

To what extent can private insurance companies replace the role of government?

Limitations:

- Transfer of health risk (healthy vs not-healthy)
- Income redistribution (rich vs low income)
- Mandatory purchase vs voluntary
- Tax incentives

Insurance for the Elderly

- Insurance is for “low probability”, “high economic loss” event
- Healthcare and living cost for elderly is not “low probability” (nor “big economic loss”) event
 - Not really suited for “insurance”?

Questions for Panelists

- Changes in demographic trends in each market?
- Implications for life insurance business?
- Role of private life insurance companies?
 - Products
 - Services
 - Marketing
 - Technology

Technological Innovation in Aging Society?

