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PRESS RELEASE

5 December 2011

Consumers will suffer if antidiscrimination goes too far with insurance

Brussels - It is in the interest of consumers that insurance markets provide affordable and accessible insurance. However, if risk factors such as age and disability should be ruled discriminatory, as was the case for gender in the landmark ruling of the European Court of Justice in March 2011, certain types of insurance cover could become unavailable, according to the Groupe Consultatif Actuariel Européen.

*Gábor Hanák, Chairman of the Groupe Consultatif, says that, "if insurers were not allowed to use age as a risk factor, there would be profound consequences for the availability of some types of insurance on a private voluntary basis. For example, if insurers were not allowed to offer different annuity rates for different ages, then the cost of private voluntary annuities would increase enormously, and conceivably **private insurers would withdraw entirely from providing annuities**. If the private insurance market were to become dysfunctional, it would **not be possible for governments, in their efforts to ease the burden on public budgets, to shift responsibility from public programmes to private insurance**.*

The Groupe Consultatif's position paper, released on 5 December, points out that insurance serves an important social need which can be provided through public social security systems or through private insurance markets. Where private insurance operates on a voluntary basis - meaning that consumers can choose whether to purchase insurance cover and/or choose the level of cover - differentiation between different groups of risks is necessary in order for the insurance market to function effectively. **Age in particular is a key risk factor that cannot be substituted by alternative risk factors for many types of insurance in achieving the goal of providing affordable and accessible insurance.**

The position paper, by the Groupe Consultatif outlines the reasons why it believes these outcomes are a real possibility if age and disability were not allowed as rating factors in insurance.

Note to Editors:

The *Groupe Consultatif Actuariel Européen* was established in 1978; it represents the actuarial profession in Europe. Its main purpose is to provide advice and opinions, independent of industry interests, to the various institutions of the European Union - the Commission, the Council of Ministers, the European Parliament, EIOPA and their various committees – on actuarial issues in European legislation.

The full position paper is available from <http://www.gcactuaries.org>

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