



INSURANCE COMMITTEE – ROME 6 OCTOBER 2022

***AAE GOING TO WIDER FIELDS
THE SUPPLEMENTARY PRIVATE HEALTH FUNDS (SPHF)***

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PRESIDENT ISOA***

IN AAE WE ARE EXPLORING WIDER FIELDS

***SOME OF THEM ARE CONSOLIDATED ENOUGH,
OTHER A LITTLE, OTHER ALMOST NOTHING***

***IN ITALY FOR INSTANCE WE CONSIDER SPHF AS
CONSOLIDATED ENOUGH, AS FOLLOWS***

WHY CONSOLIDATED ENOUGH ?

Some FQA work in this field as consultant or as employee

(at the moment more consultants than employees but step by step also the employees are increasing, especially for great SPHF)

A SYSTEM WITH THREE PILLARS (SIMILAR TO PENSION FUNDS)

➤ **FIRST PILLAR – NATIONAL HEALTH SERVICE (SSN) –** many basic benefits

➤ **SECOND PILLAR – SPHF: to replace or to integrate the benefits paid by the first pillar.** Often, unfortunately, one of the reasons to be registered in a SPHF are the long waiting lists before booking a visit to the SSN.

So the so called «*Fondi Sanitari Integrativi*» (SPHF) started to develop in different form as «*Fondi Sanitari*», «*Società di Mutuo Soccorso*», «*Casse*», but all with similar goals

SPHF: MAINLY FOR GROUP

➤ **THIRD PILLAR - managed by the insurance companies.**
MAINLY INDIVIDUAL

SPHF IS THE SECOND PILLAR

- Some rules were issued, but the **legislation is not complete** and it is not working in progress at the moment
- **There are many kind of SPHF**: some are contracted out (often only for employees), others are open, some were born many years ago (also a century ago (!)), and other recently due, for instance, to new contract bargaining agreements
- The origin and the contents in terms of benefits of the different SPHF can influence the **fiscal rules with advantages and disadvantages**. If long term care and other kind of health care are provided, then the fiscal rules can be different, more or less favourable
- **The third pillar has not the same fiscal rules**. Less fiscal advantages but often they offer the same benefits (!)

THE REAL GREAT SUBDIVISION OF SPHF IS:

- ***SELF MANAGED***
- ***INSURED***

Really there are also «**MIX SPHF**» part self managed, part insured.

There is a discussion about the collocation of SPHF, because they can be included inside a welfare process, but also in insurance.

- Anyway today our aim is to consider the **role of Actuary** and the related opportunities of this wider field for the future
- **Actuary is able to work in SELF MANAGED, INSURED AND MIX SPHF**

THE ROLE OF ACTUARY IN SPHF

AS IN OTHER SECTORS, WE ARE GOING TOWARDS 360 DEGREES AND MORE

- CONTRIBUTIONS/RATES/TARIFFS – TECHNICAL BASIS –DATA (ALSO DATA QUALITY)
- TECHNICAL BALANCE (ANALYTICAL AND SYNTHETIC)
- EVALUATION OF ANY KIND OF LIABILITIES
- ADVISOR FOR THE CHOICE OF AN INSURANCE COMPANY
- PROFIT SHARING CLAUSES
- TECHNICAL AUDIT
- BENEFITS' CHANGES AND RELATED ECONOMIC IMPACT
- IN SOME CASES: ALM ANALYSIS
- REVIEW OF BENEFITS
- IN SOME CASES: ASSETS' AND LIQUIDITY'S EVALUATION

THE ROLE OF ACTUARY IN SHPF

- FUND'S ORGANIZATION
- ADMINISTRATIVE MANAGEMENT
- ADVISOR FOR OTHER INSURANCE COVERAGES AS LONG TERM CARE, DREAD DISEASES, DEATH AND DISABILITY

NEWS IN DEVELOPMENT

- SOLVENCY, ESPECIALLY IN CASE OF SELF MANAGED SPHF ?
- RISK MANAGER ?
- ACTUARIAL FUNCTION ?
- CAPITAL? MANAGEMENT OF ACCRUED FUNDS ?
- DO WE EXPECT RULES SIMILAR TO IORP2 ?
- EXTENSION TO INTERNAL AUDITING ?
- GOVERNANCE/BOARD/GENERAL MANAGER ?

➤ *IN SOME CASES ACTUARY WAS ALREADY INVOLVED (GOVERNANCE, SOLVENCY, FOR INSTANCE)*

➤ Several years ago **specific guidelines** (actuarial standards – at the moment we have other 12 guidelines about many other important topics) were issued by «Ordine Attuari», the public body recognized by the law to manage the actuarial profession in Italy only for the registered FQA in the so called «Albo».

FQA must apply the guidelines; it is one of the numerous compulsory requirements

➤ A **great development in the last years** at the beginning limited to consultants but especially great Funds started to employ young actuaries or in some cases also senior actuaries. It seems the same path of insurance and pension fund sectors in the recent past. Italian Actuarial Association supports this development from all the points of view, included communication

➤ **Insurance market is very involved** through the LOB «HEALTH» (non life insurance), but sometimes some other LOBs can be involved as disability, life (for instance term and long term care insurance coverages)

- **THIRD PILLAR** managed by the insurance companies
- **ONLY INSURANCE COMPANIES: MAINLY INDIVIDUAL POLICIES**
- typically these policies cover the **reimbursement of the expenses** in case of various health care, included surgeries, specialistic examinations, etc
- very often insurance companies sign agreements with a **network of clinics or private health centers** to control better the costs and to manage quickly and efficiently the relationships with the policyholders. So the benefit/service is direct

UPDATE AND DEVELOPMENTS

I AM TRANSLATING IN ENGLISH THE MOST IMPORTANT POINT OF THE ITALIAN GUIDELINES FOR THE INSURANCE COMMITTEE SO IT WILL BE POSSIBLE TO DEEPEN AND TO FACE BETTER THE SPHF

➤ ANY CONSIDERATION, INFORMATION, KNOWLEDGE COMING FROM OTHER MEMBER ASSOCIATIONS WILL BE USEFUL AND VERY APPRECIATED

**THANK YOU FOR YOUR
ATTENTION !**