

Summary of the eleventh Welfare Working Group meeting, 12 November 2010

- Welfare Working Group business
- Options Paper
- Insurance concepts for the benefit system

Welfare Working Group business

The Welfare Working Group (WWG) agreed the minutes from their tenth meeting (29 and 30 October). The interests register was updated.

Options Paper

This meeting focused on finalising the WWG's Options Paper.

Insurance concepts for the benefit system

Charles Anderson (CEO Sovereign Insurance) presented on a number of issues around health insurance and how these issues relate to applying insurance concepts to the benefit system.

Topics discussed included:

- the concept of sustainable insurance, which is being developed as part of a United Nations Environment Programme Finance Initiative
- challenges around health insurance arising from the unsustainability of unmet health demand
- the value of using early intervention and investing in rehabilitation for beneficiaries
- the discipline and transparency that results from looking at lifetime costs
- the potential for mutual or community provision of insurance to work in some communities
- the increasing role and value of using information technology in insurance operations.

There was also a discussion about the common problems of insurance – moral hazard and adverse selection –and approaches to overcome them.