

Assessing The Older Age Risk

PRESENTATION PURPOSE

- To provide additional information, that may be helpful, when underwriting older applicants
- To offer diverse perspectives on the aging population as it affects the insurance industry
- To stimulate discussion concerning the assessment of the older risk

Topics

- Survey Results
- Claims Department Info
- Aging Population
- Normal Aging Process
- Frailty
- Caregiver
- Discussion

Presentation Survey Results

*18 underwriter surveys reviewed

- ALL surveys, reflected underwriting someone age 75 differently than age 60 is warranted.

- Risk factors to look for when underwriting for age 75 and above (most common answers)
 - Activity level (ability to do ADL's/IADL's)
 - Co-Morbidities (smoker, poor medical follow-ups)
 - Family/spousal support (active POA, recent move, living environment)

Underwriting Survey: NH Claims

Top 3 NH Claims for Individuals 75 & Above

- Cognitive disorders
- Mobility/Falls
- CVA/Stroke

*Cognitive disorders & mobility problems were the top 2 answers chosen at 18 each. 16 underwriters chose CVA/strokes.

TOP 10 NH Claims

(From Jan 1, 2001-June 1, 2001)

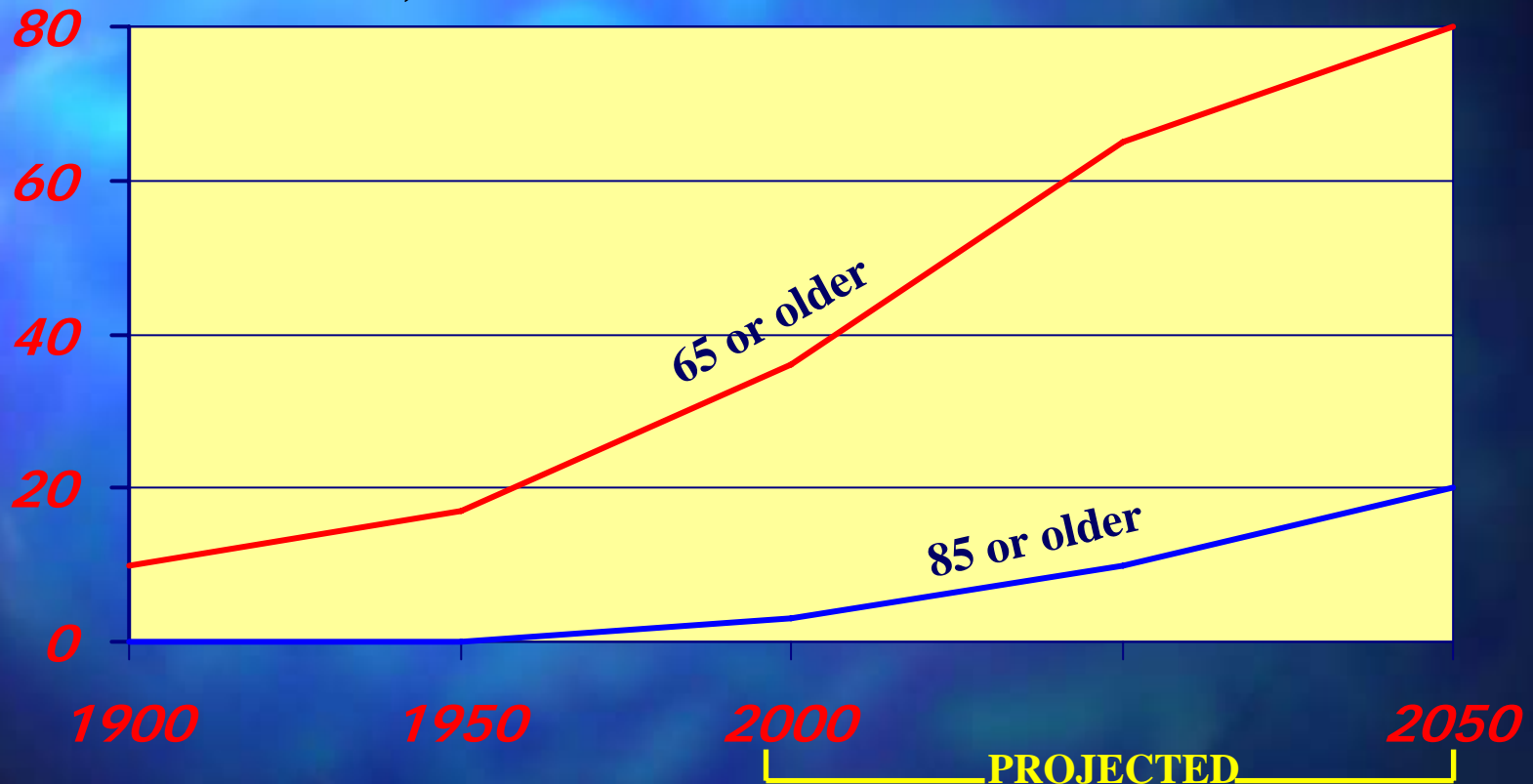
- Senile Dementia
- Diabetes Mellitus w/o complications
- Alzheimer's Disease
- Congestive Heart Failure
- Cerebrovascular Disease
- Osteoarthritis
- Osteoporosis
- Fractures
- Pulmonary Disorders
- Peripheral Vascular Disease

Aging Population

- 2000 Population statistics indicate approximately 35 million U.S. citizens are age 65
- 2011 Baby Boomers begin to hit 65
- 2030 Projected 1 in 5 people in U.S. will be 65 or older

Number of Older Americans

Total number of persons age 65 or older, by age group, 1900 to 2050, in millions

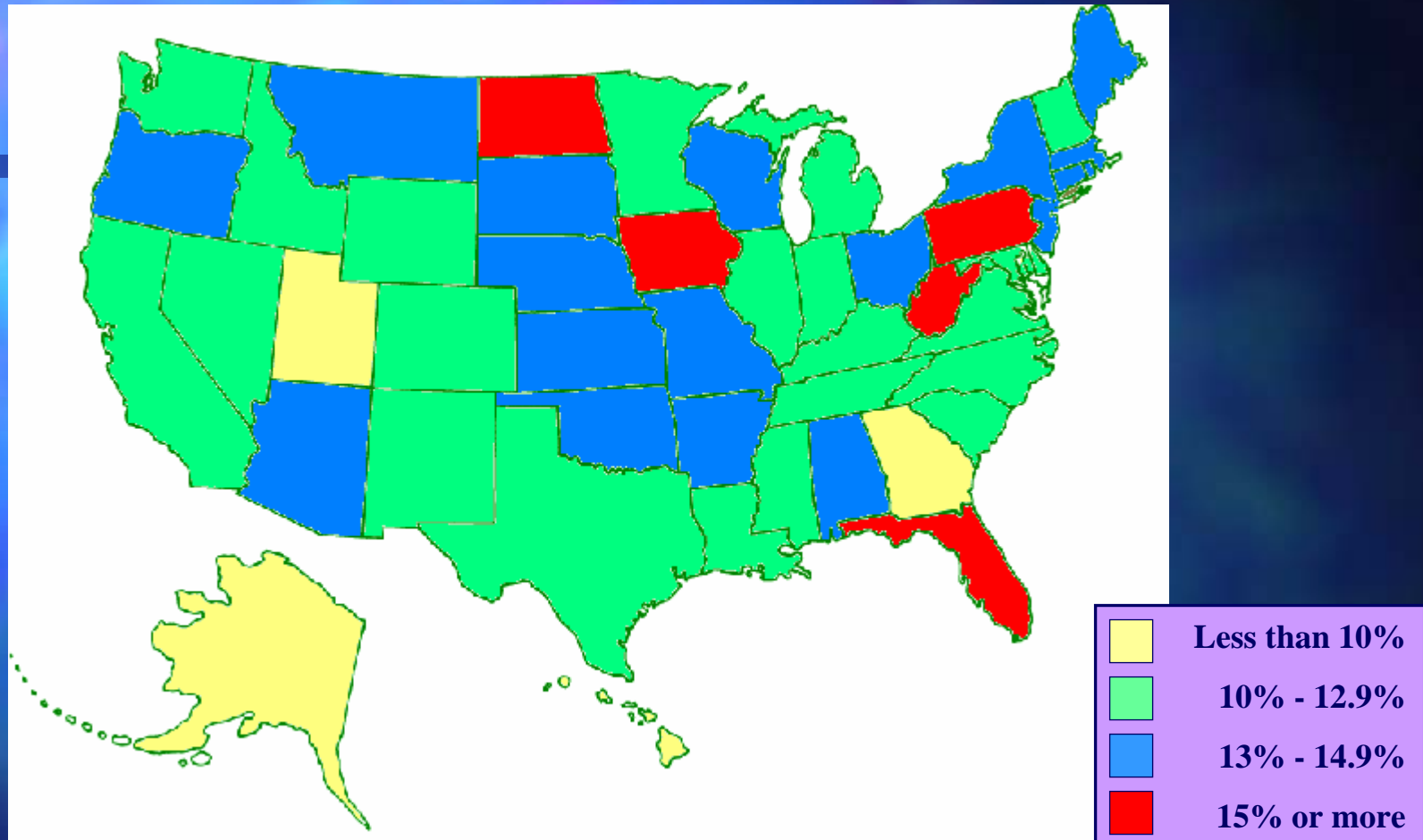


NOTE: Data for the years 2000 to 2050 are middle-series projections of the population.

Reference population: These data refer to the resident population.

Source: U.S. Census Bureau, Decennial Census Data and Population Projections.

Percentage of the population age 65 and older, by State



Note: Data for the year 2000 are middle-series projections of the population.
Reference population: These date refer to the resident population.
Source: U.S. Census Bureau, Population Projection.

Chronic Health Conditions

Reported from People over age 70

- 58% reported arthritis in some form
- 45% HTN
- 21% Heart Disease
- 19% Cancer
- 12% DM
- 9% Stroke

**According to the 1989
National Long Term Care
Survey: Most frequently
reported ADL limitations
(based upon age 65+)**

1. Bathing

2. Transferring/Mobility

Normal Aging

DID YOU KNOW??

- Lungs: 40% of lung capacity is lost between age 20 and 80.
- Kidneys: Gradually become less efficient at extracting waste from blood

DID YOU KNOW??

- **Body Fat:** Redistributes itself from under the skin to deeper parts of the body.
- **Muscle:** Without exercise muscle mass declines approximately 22% in women and 23% in men.

Some things Stay the Same

- Heart: Although the heart grows somewhat larger with age, it functions at nearly the same level of efficiency
- Personality: After age 30, personality is stable
- Sex Drive: Generally remains the same

Source: BLSA 1958 - 1998

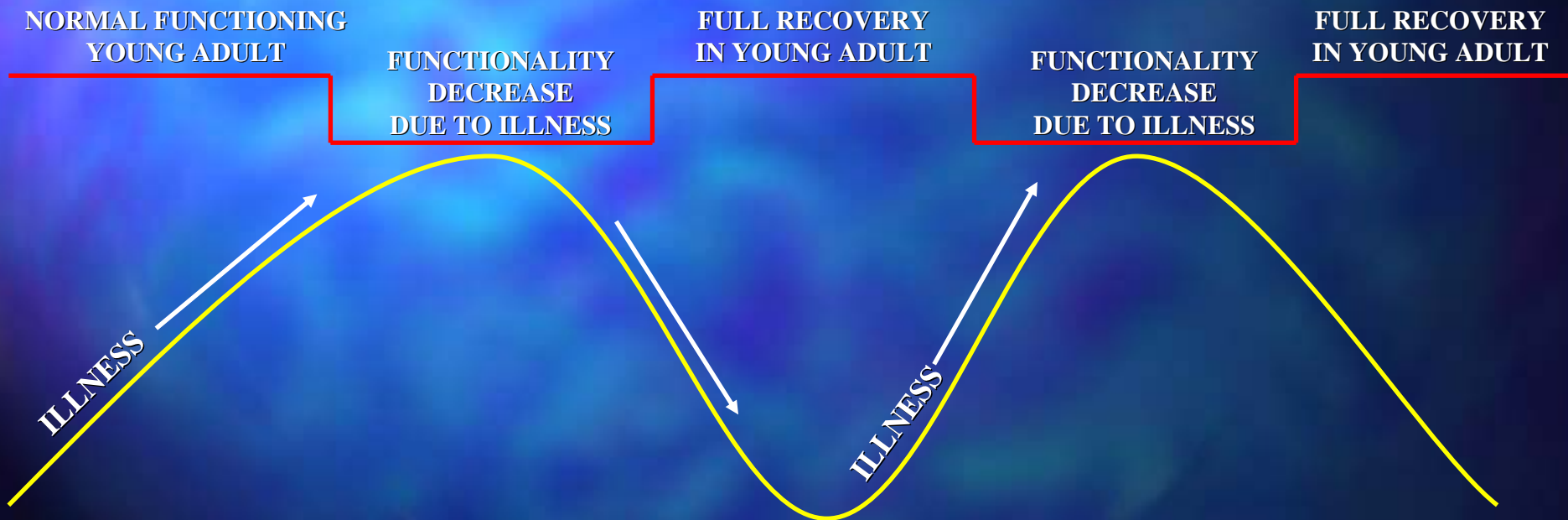
Frailty

An impairment in the physical abilities to live independently, generally involving muscle strength, posture and balance in gait and in bone mass and quality.

Major cause of frailty:

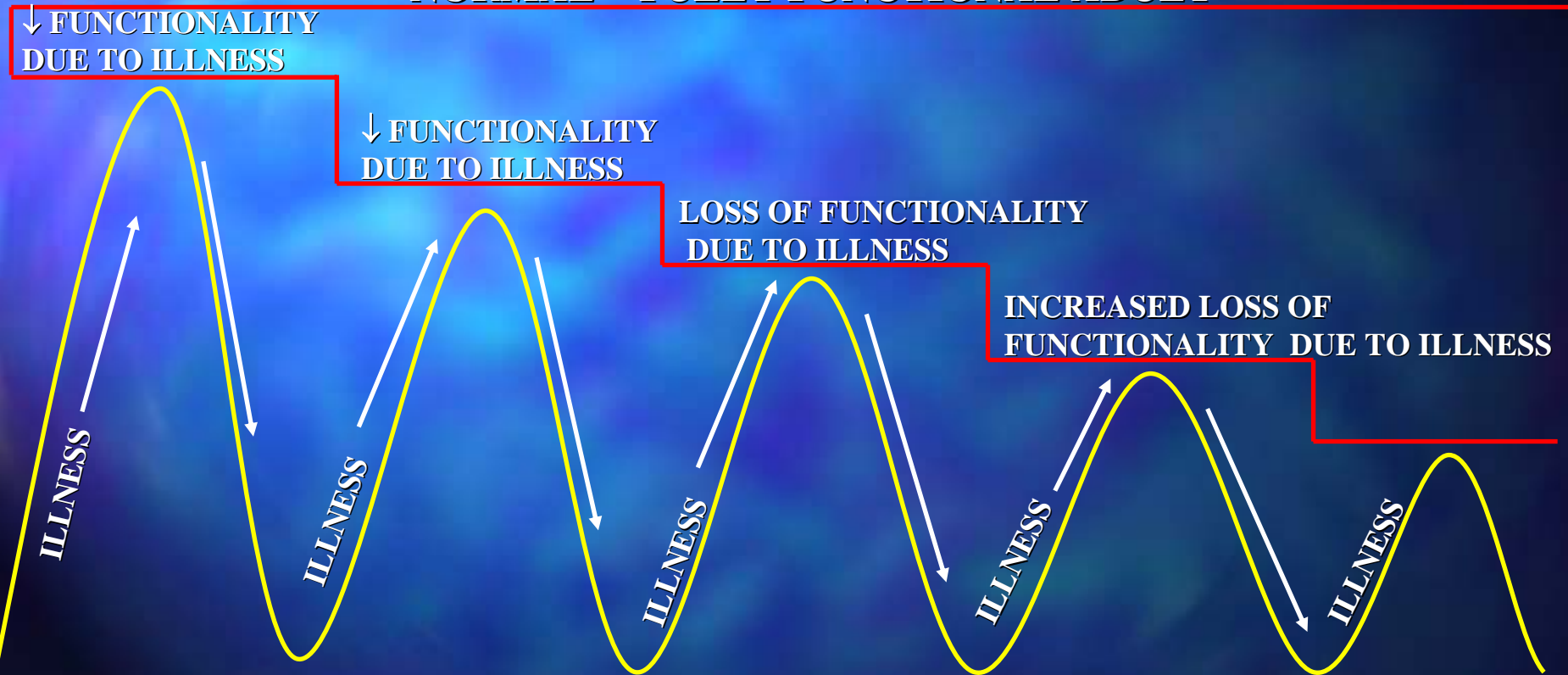
Cardiovascular Disease

Recovery in Young Adults



Recovery in Older Adults

NORMAL - FULLY FUNCTIONAL ADULT



People Age 75 and Above

- 32% of people have difficulty climbing 10 steps.
- 40% of people have difficulty walking 1/4 of a mile.
- 22% of people are unable to lift 10 lbs.

Caregiving

80% of older adults who need LTC in the U.S. receive that care not in nursing homes but rather in their own homes or in community settings from informal caregivers (family or friends) who number 20 to 25 million

Source: Congressional Research Service

Nursing Home residents have decreased approximately 10% during the past decade, a period in which the number of Americans over 75 grew 27%.

Information Sources

- U.S. News & World Report
- 1989 Long Term Care Survey
- Administration on Aging
- Baltimore Longitudinal Study on Aging 1958 - 1998
- National Institute on Aging
- Federal Interagency forum on Aging
- Claims Department - Irene Anderson/Carolyn Eickenberg
- Special thanks to Karen Jones