



Dilnot Commission's proposals to reform long-term care

July 2011

Summary

On 4 July the Commission on Funding of Care and Support (Dilnot) published its recommendations on the future funding for long-term care. This short note sets out the CII's view on the proposals.

Despite the recommendation of a financial cap, our preliminary analysis suggests that the average pensioner will still not be able to afford long-term care through pension income alone. It is therefore essential that people engage and plan ahead so that they are able to cover the shortfall in a way that matches individual preferences and expectations.

Whilst Dilnot's recommendations should deliver greater fairness for those with only modest wealth, there will remain substantial engagement barriers deterring people from considering private sector solutions in advance. There are also significant decisions to be made about what burden of public spending society is willing to pay to fund long-term care.

Director of Policy and Public Affairs David Thomson commented:

"Given 8 out of 10 people have no idea how much they will have to pay for care there is a real need to address the 'perception gap' as well as setting out a solution to the 'funding gap' to achieve a lasting Beveridge-style settlement for long-term care".

"The insurance sector must play its part – not only in stepping up to the plate to support the private element of a new partnership with Government – but also in buttressing the future public trust and confidence in a solution to ensure the partnership's long-term stability and success."

"We need solutions that dare as well as care. A long term solution to long-term care is needed and we believe the Dilnot Commission will provide this platform."

We published a paper in advance of the Commission's recommendations here:

<http://www.cii.co.uk/pages/research/researchhandsurveys.asp>

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Please do not hesitate to contact us: Ben Franklin, Policy and Research Coordinator, tel 020 7417 4782; ben.franklin@cii.co.uk