A Study on Risk Assurance for the People with Disabilities and the Role of Private Sector

Most of disabilities are caused by illnesses rather than accidents. The risk of disability will increase due to ageing populations and become a growing concern in our society.

We investigate the current status of risk assurance for the disabled in the private sector to figure out the problems and limitations, and recommend future policy directions.

Public protections for the people with disabilities has been developed in both the scale and scope. But there is no appropriate protection for the risk such as injury and liability. Many people with disabilities are less likely to afford the private insurance and do not have equal access to it. Based on the principles of insurance market, applicants with severe disabilities will likely be declined, if not, higher premium rates or certain exclusions may apply. Moreover private insurers are reluctant to provide insurance to the people with disabilities because of the lack of risk statistics. It is hard for the people with mental disabilities to access to private insurance because of the ‘mental health exclusion’ policy.

Based on the analysis, we recommend separate policies for the physical and mental disability considering the different problems between the risks. We propose a cooperative insurance for the people with severe mental disabilities to provide them various protections. We also propose several policies to reduce discriminations and improve accessibility.