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Why a "risk pool" must underpin a social care system

Several proposals have been put forward that suggest social care should be funded via individual insurance or savings products. Here's why we think relying on individual funding options is unlikely to provide a viable basis for the system.

How is social care funded now?	Costs are largely paid by individuals who need care. Anyone with means (e.g. income or property) above £23,250 pay 100% of their care costs and face unlimited care bills. One in ten of us will face costs of £100k+.
What is risk pooling?	Risk is spread evenly across a population so no individual faces the risk alone. In healthcare, we all contribute so that if we become ill we don't face unaffordable care bills – instead, that cost is spread across the whole of society.
Some politicians have suggested individuals should buy their own insurance. Why won't that work?	1. A large proportion of the population don't realise that care is not covered by the NHS so uptake is likely to be low 2. People who are at high risk of needing care are most likely to voluntarily buy insurance. If too few low risk people buy policies, the fund will quickly become unsustainable and/or premiums will become unaffordable. It's difficult to persuade people to buy insurance for care they cannot envisage needing 3. People on low incomes are least likely to be able or willing to buy insurance. Therefore, the majority of people who buy coverage will be those who would have been more able to afford to pay for their care in the first place 4. Demand for such policies has been so low that the market for them has not developed and there are very few products available 5. Private individual insurance will not raise money for the current generation of people who need care so does not solve the immediate issue of underfunding
Auto-enrollment pension schemes have been relatively successful with low opt out rates. Wouldn't it work like that?	1. Auto-enrolment means that people would be automatically enrolled into the scheme via their employer and would have to actively opt out. That may encourage people to remain in the scheme but there is a risk that people may choose to opt out of both pensions and care insurance. With young people increasingly struggling to buy housing, they may well choose to put any spare income into that 2. Pensions and care insurance are fundamentally different: you pay into a pension knowing that (unless you don't live to retirement) you *will* need a pension and you pay in in the knowledge that you will get something back. No-one knows if they will need care which makes voluntarily insurance unattractive – if you don't end up needing care, you get nothing back 3. There is also a difference in that your pension broadly offers a standard of living post-retirement in line with your income during your working life. Care need is not connected with income
So what's the answer?	Different mechanisms are available to raise money nationally. Some countries use social insurance which offers transparency but can be inflexible. In England, where there is no precedent of social insurance, we fund most of our public services via general taxation. Policy-makers may wish to consider raising money through a combination of national insurance and taxes that draw on both income and wealth in order to create a flexible funding system that is fair across the generations.
But surely there's no public support for paying higher taxes?	There is growing evidence of public support for collective funding for social care. Experience from Japan & Germany suggests the public are willing to pay more if the system is felt to be fair, the benefits are clear and the funding system is understandable and familiar.