



BOOK REVIEW: SUPPLEMENTARY FINANCIAL SECURITY FOR THE SILVER GENERATION

DĘBICKA, Joanna, HEILPERN, Stanisław, MARCINIUK, Agnieszka, ZMYŚLONA, Beata. (2025): **Supplementary Financial Security for the Silver Generation**. Publishing House of Wrocław University of Economics and Business. 165 p. ISBN 978-83-68394-28-3 (for printed version), 978-83-68394-28-0 (for electronic version) DOI: 10.15611/2025.29.0

Recently, a new book that reveals how a dignified life in old age can be ensured, was published by Publishing House of Wrocław University of Economics and Business. The monograph *Supplementary Financial Security for the Silver Generation*, written by Joanna Dębicka, Stanisław Heilpern, Agnieszka Marciniuk and Beata Zmyślona (2025), is an interdisciplinary publication focused on the financial well-being of this rapidly growing demographic, often referred to as the "silver generation."

In the monograph, the authors propose a *Comprehensive Marriage Contract with Health Protection* as a combination of a reverse annuity contract and critical insurance for married couples who are co-owners of real estate to finance the premiums for their health insurance and obtain the monthly capital (annuity) for increasing the standard of living. The authors focus on the actuarial model of such a contract and calculate the net benefits based on available data.

The monograph consists of five chapters. Chapter 1 reveals the silver generation in European countries, particularly emphasising the Polish population. The demographic, economic and health situation of older people and their needs impact the silver economy's development are discussed. Because older people are more exposed to poverty, health loss and disability, the need to create one's own (individual) financial security is emphasised (due to the state's stable financing of health care systems and pension systems are burdened with many types of risk). In the context of seniors' health and financial security, solutions such as co-payments for medical services, the possibility of additional pension and private financial security are reviewed. The first part of Chapter 2 is devoted to constructing a multistate model for a specific insurance contract covering many types of risk and actuarial methods for analysing cash flows resulting from the implementation of such agreements. In particular, the probabilistic and financial structure of the multistate model is described. The basic assumptions used in the work for the valuation of insurance contracts are also formulated. In the second part of the chapter, the method of analysing cash flows based on the modified multistate model is described because this approach allows the introduction of matrix notation in the actuarial values, which is a useful tool facilitating the application of theory in practice. Chapter 3 concerns individual insurance and annuity contracts related to the life and health of the insured and equity real estate agreement. Equity release contracts are discussed in detail, with numerical examples illustrating the benefits for a person reselling rights to their property. In the context of the risk of health loss, health insurance was classified. In addition, a detailed characterisation of three types of insurance contracts for the risk of serious illness is made. Appropriate multistate models are presented, describing their probabilistic structure and cash flows in a form that enables matrix formulas to determine the premium. In Chapter 4 authors consider marital contracts resulting from the combination of two individual contracts of a husband and wife.

Possible variants of these contracts (so-called Join Life Status and Life Surviving Status) and modified multistate models, which are closely related not only to the variant of the agreement chosen by the insured but also to the type of benefits (annuities, lump sum benefits), are discussed in detail. In this chapter, authors focus on modelling the probabilistic structure of the contract's model. The assumptions that the future lifetimes of the spouses' lives are independent and dependent are considered because they significantly impact the valuation of these contracts. This impact is illustrated in many numerical examples in which life annuities and reverse annuities are determined. In Chapter 5, the Comprehensive Marriage Contract with Health Protection was proposed based on the combination of two individual critical health insurance contracts (for wife and husband) and a marital reverse annuity contract. A multistate model and its probabilistic structure for the proposed agreement are presented. Different scenarios depending on the type of health benefit chosen by the spouses and applied modified multistate model are given to value the benefits resulting from the contract using matrix formulas. The chapter also contains numerical examples demonstrating the practical applicability of the proposed solution. At the end conclusions with a summary and a discussion of potential directions for further research and possibilities for expanding the proposed solutions are given.

In the monograph, authors mainly present standardised numerical examples due to the health data availability. They have used multistate life tables constructed for Poles with lung cancer. When creating the tables, 2008 was adopted as the reference year (as one of the middle periods), which allowed authors to consider the history of hospitalisation of these patients in 2006-2011. Therefore, the value of the interest rate was estimated based on data from 2008. The numerical examples illustrate the possibilities of applying the proposed solutions in practice and are intended to indicate the directions of possible comparative analyses.

To conclude the evaluation of the book by Joanna Dębicka, Stanisław Heilpern, Agnieszka Marciniuk and Beata Zmyślona, the monograph provides a valuable framework for understanding of the issue of financial security of the silver generation. It is going to be useful source of knowledge for scholars and practitioners alike.

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