



Obtaining insurance is not always a straightforward exercise. In particular, people with a past or current experience of mental illness may have trouble in their attempts to obtain or claim on various forms of insurance. This is an ongoing issue and it remains a priority for mental health advocates.

Mental Health and Insurance Survey

In 2007-08, the MHCA distributed a survey to mental health consumers and carers to find out about the issues that they face in obtaining insurance and making claims, undertaken with funding and collaboration from *beyondblue: the national depression initiative*. Ranges of responses were received, which have provided further information on issues of which were already apparent and have also raised issues in some unexpected areas.

Information arising from the survey responses was included in a joint report from the MHCA, *beyondblue* and the Investment and Financial Services Association.

The survey results have proven to be an invaluable resource. A new mechanism for handling complaints and comments about mental health and insurance is being developed in collaboration with other signatories of the Memorandum of Understanding on insurance issues.

Memorandum of Understanding (MOU)

This has been in place between mental health sector stakeholders and the Investment and Financial Services Association (IFSA) since 2003. The original MoU was a world-first agreement to improve life insurance outcomes for Australians with high prevalence mental health conditions such as depression and anxiety, and has since expanded to cover all mental illness.

The MoU has been re-signed on a number of occasions, most recently on 13 October 2008.

The MOU signatories are:

- The Investment and Financial Services Association
- The Mental Health Council of Australia
- *beyondblue: the national depression initiative*

- Australian General Practice Network (formerly Australian Divisions of General Practice)
- Australian Medical Association
- Australian Psychological Society
- Royal Australian College of General Practitioners
- Royal Australia and New Zealand College of Psychiatrists.

Key objectives of the MOU include:

- improving communication and education;
- assessment of complaints resolution; and
- improved underwriting and claims.



Since it was first signed in 2003, there have been a number of achievements under the MOU:

- Development of new industry-wide guidelines for both underwriting and claims management.
- Development and implementation of new processes that provide the means for more people with a mental illness to receive an appropriately modified insurance policy, rather than being denied access to cover. The majority of IFSA members surveyed reported that they now able to offer cover to more people with a history of common mental illnesses.
- Data collection and reporting from IFSA members on current practices in insurance applications and determinations in Australia.
- Changes in industry attitudes and practices to incorporate current scientific knowledge about effective medical and psychological treatments, and progress towards recovery.
- Completion of a study by an eminent researcher, Professor Gavin Andrews, to review Australian population health and insurance industry data to determine degrees of risk and benefits of treatment in the Australian environment.
- Preparation by the insurance industry of new

information sheets to assist the community to understand the implications of applying for insurance products and the importance of making accurate statements about their health.

- Enhanced communication between the two sectors on major national mental health initiatives, as well as frank and productive engagement on critical issues.

Survey of Consumer Experiences 2011

Since the first signing of the MoU in 2003, however, there has been a significant decline in the number of applications that have been refused insurance. However, consumers still express concerns about unfair treatment at the hands of insurance companies.

Mental Health, Discrimination and Insurance: A Survey of Consumer Experiences 2011, a survey, conducted by the MHCA, attempted to capture the experiences of Australians living with mental illness when accessing insurance products and making claims about their policies, and builds on the work of the MoU.

The survey found that respondents reported difficulties in applying for insurance products. Life insurance and income protection, and making claims against policies stood out as being particularly problematic.

Many reported facing higher premiums, exclusions and in many cases, being refused coverage. They also pointed out those insurance companies which did not take into account personal considerations, and instead relied on broad assumptions when assessing applications and claims.

In addition, respondents showed limited awareness of rights and responsibilities in relation to insurance coverage.

The survey highlighted the work that still needs to be done in educating not only the insurance and financial sector workforce, but all Australians about the real-world experiences of mental illness. It also sought to break down the stigma and stereotypes that are so frequently applied to mental health consumers, and to minimise the disadvantage they experience because of misinformation and misconception.

Moreover, considerable work needs to be done to increase knowledge and awareness of the insurance and financial service industries, how they work, and what products are better suited to people with mental health conditions etc., among Australians living with mental illness.

The survey further recommended that the mental health and broad ranging insurance, financial, and superannuation sectors continue to work towards better understanding and addressing these gaps.

