

SURVIVE THRIVE



Natural Selection

Financial Services Forum

21-22 May 2018 • Hilton Sydney



**Actuaries
Institute**



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Mental Health and Insurance


FSF Panel 2018

Our panellists

Please welcome:

-  **Lucy Brogden** – Mental Health Commission

-  **Alex Collie** – Monash University

-  **Sally Phillips** – TAL

For all references, please refer to the Green Paper

Actuaries Institute Green Paper



- In 2016 the Actuaries Institute published a Green Paper on Mental Health in Insurance.
- Aims of the paper:
 - “*explore the issues of mental health as they interact with the insurance and superannuation industries*”
 - Contribute to public policy,
 - Help educate our membership and other stakeholders.

Why does the insurance sector find it difficult?

The Green Paper called out 8 problems - interrelated

Lack of relevant and appropriately collated data – a frustration for all involved, but at least it is a problem that can be tackled

Diagnosis of mental health conditions relies on subjective information and may not relate to prognosis or the impact on a person's ability to work

Reliance on self-reporting of symptoms and difficulty in validation

Severity and prospects of recovery are hard to understand, and even harder to influence

There is a high prevalence of co-morbidities, including substance abuse

The prospect of financial compensation can influence behaviour and produce worse health outcomes

The claim process itself can lead to 'secondary mental harm'

Ineffective regulatory framework, decision making and dispute resolution given the specific nature of mental health conditions

How can improvements be made?



Product
Definitions

Product
Design

Underwriting
Guidelines

Early
Treatment

Review
of Laws

Data

Specialised
Claims
Management

Expert Neutral
Evaluation

Education &
Collaboration

Lots of activity and attention



Cross sector Forums



Research & Data



Best Practice Frameworks



Lots of politics

Parliamentary Joint Committee Inquiry into Life Insurance

Royal Commission?
