

LIFE INSURANCE INDUSTRY RESPONSE TO:

Productivity Commission's Draft Report on the Social & Economic Benefits of Improving Mental Health

This is a public response – it does not contain 'in confidence' material in the main response and can be placed on the Productivity Commission's website.

Date Submitted: 23 January 2020



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TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
PRIORITY RECOMMENDATIONS IN RESPONSE TO THE DRAFT REPORT:	6
SOCIAL INCLUSION (CHAPTER 20)	6
20.2 – AWARENESS OF MENTAL ILLNESS IN THE INSURANCE SECTOR	7
FUNDING OPTIONS (CHAPTER 24)	18
24.6 – LIFE INSURERS & FUNDING OF MENTAL HEALTHCARE	18
INCOME SUPPORT (CHAPTER 14)	20
SECTION 14.1 THE IMPORTANCE OF INCOME AND EMPLOYMENT SUPPORT FOR PEOPLE WITH MENTAL ILL-HEALTH.	20
WORKPLACES (CHAPTER 19)	22
19.1 – PSYCHOLOGICAL HEALTH AND SAFETY IN WORKPLACE HEALTH AND SAFETY LAWS	23
19.2 – CODES OF PRACTICE ON EMPLOYER DUTY OF CARE (SHORT TERM: IN NEXT 2 YEARS)	25
19.4 – NO-LIABILITY TREATMENT OF MENTAL HEALTH-RELATED WORKERS COMPENSATION CLAIMS	25
19.3 – LOWER PREMIUMS AND WORKPLACE INITIATIVES	26
19.5 – DISSEMINATING INFORMATION ON WORKPLACE INTERVENTIONS	28
INFORMATION REQUESTS	30
WORKPLACES (CHAPTER 19)	30
19.3 – BARRIERS TO PURCHASING INCOME PROTECTION INSURANCE.....	30
LIFE INSURANCE INDUSTRY’S RECOMMENDATIONS TO PRODUCTIVITY COMMISSION.....	31
CONCLUSION.....	37
APPENDIX 1 – CONTEXTUAL INFORMATION	38
APPENDIX 2 – CONTRIBUTORS	42

Executive Summary

The Life Insurance Industry (the industry) has worked collaboratively to develop this response to the Productivity Commissions' draft report into the *Inquiry into the Social and Economic Benefits for Improving Mental Health*.

Industry leaders representing the following organisations contributed to the drafting of this response and are united in its submission: **AIA Australia (which includes Commlnsure Life), Financial Services Council (FSC), Hannover Re, MetLife, MLC Life Insurance, OnePath and Zurich, SuperFriend – Industry Funds' Mental Health Initiative (SuperFriend), and TAL.**

This submission signifies the Industry's consensus in response. It includes recommendations for further consideration by the Productivity Commission. It also demonstrates the industry's willingness, capacity and capability to be a valuable collaborator and stakeholder in achieving system reform for better mental health and wellbeing outcomes for all Australians. In addition to this unanimous position, individual organisations may provide the Productivity Commission with additional submissions, which are intended to augment this submission.

The industry commends the Productivity Commission on the extensive inquiry undertaken to date, including consultations with the community, business, industry and other stakeholders, and the resultant draft report released 31 October 2019.

Collectively, the life insurance organisations represented, hold 77 per cent of all in-force life insurance premiums for Australians.

Life insurance, and the broader financial services industry, has a critically important role to play, which is different to Government(s) and other support agencies, in enabling improved mental health and wellbeing outcomes for Australians. After Government, the life insurance industry is the largest financial (and other supports) contributor for people with a mental illness, paying over \$700 million in mental illness related claims in 2018. Mental Illness related claims (primary cause of claim) is the second most common cause of claim overall; being the most common cause for Total and Permanent Disablement (TPD) claims and third most common cause for Income Protection (IP).

Furthermore, the industry now collects detailed up-to-date data on mental illness which, when compared or augmented with other large population-based data sources, could be immensely beneficial in identifying trends and addressing system reform for social and economic benefits. Therefore, for Government(s) to fully understand the entirety of the 'system' and the opportunity for genuine system reform for sustainable social and economic impact, it will be essential that the Productivity Commission, in its final report and recommendations to Government, considers and articulates the non-government



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'actors' roles and responsibilities in creating social and economic gains for Australia through reform. The life insurance industry has a critical role to play in such reforms and is willing to work with Government(s) and other stakeholders to progress this agenda. Whilst articulating the valuable work of the life insurance industry, it will be important for the Productivity Commission, in its final recommendation to Government, to also consider the industry's limitations from such instruments as regulations.

Many industry organisations represented are signatories to the Health Benefits of Good Work (HBGW). This is an initiative led by Australasian Faculty of Occupational and Environmental Medicine (AFOEM) of The Royal Australasian College of Physicians (RACP) to promote the numerous health and wellbeing outcomes derived from participating in 'good' work. This initiative, underpinned by compelling Australasian and international evidence, also recognises that long term work absence, work disability and unemployment generally have a negative impact on health and wellbeing. The superannuation and life insurance industry, through the provision of group life insurance, enables a range of preventative strategies targeting workplaces and members (including mental health, financial health, wellbeing in retirement etc.), including rehabilitation and supports for improved return to work. This work augments the preventative approaches promoted by the HBGW.

This submission articulates the position of the industry organisations represented. It includes contextual information, suggestions and recommendations as well as identified additional and new opportunities for the Productivity Commission to consider in its deliberations for the final Government recommendations.

As we prepare this submission, we have huge parts of Australia being directly and indirectly impacted by bushfires, droughts, cyclones and flash flooding. This summer's bushfire crisis is unprecedented. It will have long term social and economic impacts, including on the mental health and wellbeing of many Australians. Like many other industries and organisations, the life insurance industry and the superannuation industry are also responding to this crisis with tangible supports. Poignantly, we believe this work of the Productivity Commission's inquiry has a new level of criticality and importance. Therefore, we urge courage in recommending bolder reforms and reconsidering the time horizons for change.

To that end, we encourage the Productivity Commission to include the following new and modified recommendations and observations in their final report.

Following is a summary of the **industry recommendations**, with full details provided on pages 33-37 of this submission.



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Industry Recommendations – Summary:

1. Inclusion of the Life insurance industry's substantive contribution and willingness to be part of the solution in improving the social and economic support of Australian's with mental health conditions.
2. Life Insurers and Funding of Mental Healthcare (*PC draft recommendation 24.6*) The Life insurance industry is supportive of this draft recommendation, noting additional considerations.
3. Government to fund the undertaking of a national population-based survey on mental health for data currency (*PD draft recommendation 25.2*) and to fund the development and maintenance of an Australian Comprehensive Mental Health Condition Resource
4. Awareness of Mental Illness in Insurance Sector (*PC draft recommendation 20.2.*) is supported in principle, with proposed modifications detailed.
5. Comprehensive evaluation and review of Better Access, MBS-rebated psychological therapy. Recommendation includes additional information and suggested considerations.
6. Biopsychosocial approaches being more widely promoted and are recognised as valuable adjuncts or alternatives to clinical interventions.
7. Government led, fostered or recognised Coordination / Collaboration of Cross-sector working groups, to drive system wide change.
8. Invest more broadly in Mentally Healthy Workplaces (*PC Chapter 19 recommendations*) and seed-fund the implementation support of the National Workplace Initiative. Additional information, including proposed modifications to the PC draft recommendations are included.



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Priority Recommendations in response to the Draft Report:

This section responds to the relevant and specific Recommendations made by the Productivity Commission as contained in their Draft Report.

SOCIAL INCLUSION (CHAPTER 20)

Life insurance plays an important role in supporting Australians in the event of unexpected death, disease or disability. It provides a safety net and ensures financial security to cover payments such as the mortgage or rent, medical fees, and groceries. It provides support not only to those with mental health conditions, but all Australians and ensures that families are provided financial support during life's challenging events.

The vast majority of Australians have some form of life insurance, with nearly 16 million Australians (or 82 per cent of the adult population) having a life cover policy which pays a lump sum in the event of death. Many Australians are also covered for other life events including cover for loss of income if they are unable to work, and total and permanent disability cover which pays a lump sum on becoming unable to work again. This coverage plays a significant role in the community, with life insurers paying \$10.5 billion in claims in the year to March 2019. APRA data also shows that life insurers paid claims to about 100,000 Australians in the year to December 2018 and 93 per cent of claims received are paid in the first instance. ¹

Whilst employees in Australia are covered by statutory workplace compensation schemes, these schemes will only pay expenses which are related to the (workplace) injury and will not provide security for individuals or families if a mortgage payment or school fees are due. In the period 2016-17, the median compensation paid by workers compensation was \$12,100.² Additionally, workers compensation cannot be accessed by everyone who is self-employed. For context, workers compensation pays on average \$75,000 to approximately 7,200 Australians that experience mental ill-health each year.³ The life insurance industry played a comparatively greater role, which on average paid \$95,000 to 8,500 Australians for the 12 months ending June 2018.⁴

In recognition of the importance of life insurance in Australia, the FSC is continuing to facilitate an industry-wide data initiative, of which one outcome will be to improve risk assessment and pricing for mental health conditions. In addition, this comprehensive set of data will allow the industry to better understand the mental health conditions faced by many Australians.

¹ FSC State of the Industry 2019

² Safe Work Australia Statistics 2016-17, https://www.safeworkaustralia.gov.au/system/files/documents/2001/australian-workers-compensation-statistics-2017-18_1.pdf

³ Safe Work Australia Statistics up to 30 June 2018, <https://www.safeworkaustralia.gov.au/topic/mental-health#overview>

⁴ FSC's Life Insurance Data Collection, 2018 – 2021, managed by KPMG



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Given that the industry has a specific focus on improving outcomes for those experiencing mental health conditions, the FSC's data project is just one example of the industry working together to improve customer experiences and claims outcomes. Another tangible example is the FSC convenes a biannual mental health roundtable which brings together life insurers, mental health organisations and medical associations to work together on solutions on improving the mental health of Australians. The Australian and New Zealand Institute of Insurance and Finance (ANZIIF) also recognises the importance of addressing mental health outcomes as an industry including developing education standards. Furthermore, for 13 years, these life insurance industry organisations, in partnership with many of their industry superannuation fund clients, have continued to fund, support and work collaboratively with SuperFriend – a unique national initiative with the vision for all Australian workplaces to be mentally healthy. SuperFriend is recognised nationally and internationally as a national leader in workplace mental health. All of these industry-wide measures are supplemented by initiatives and investments of individual organisations such as improved data analytics, rehabilitation programs and other initiatives designed to progress better health outcomes for Australians.

The life insurance industry maintains a strong relationship with regulators to deliver good consumer outcomes while at the same time ensuring that the industry remains sustainable and can continue to provide a means for Australians to be covered in the event of an unexpected life event. In addition to oversight by ASIC and APRA, the life insurance industry is also bound by the Life Insurance Code of Practice, which governs the interaction between insurers and consumers. Since its introduction in 2017, the Code has been instrumental in improving industry standards and is currently under review to further bolster and improve customer outcomes.

20.2 – Awareness of Mental Illness in the Insurance Sector

(Short Term: in next 2 years)

There are three major components addressed in draft recommendation 20.2.

1. Standard 21

Under the coordination of the FSC, there is an industry working group currently reviewing Standard 21. At the time of preparing this submission, the review of Standard 21 is well progressed. The industry working group intends to consider in further detail the specific recommendations raised by the Productivity Commission as part of finalising its review.

There is strong support by the industry in “expanding the coverage” of mental health education and training to staff working in life insurance. The original purpose of Standard 21, when introduced in 2013, was to ensure customer facing employees of life insurers received appropriate training in relation to mental health awareness. Since then, the industry has acknowledged there are convincing

arguments to broadening the scope of staff roles captured under the Standard beyond simply customer facing employees. To this end, the life insurance industry fully supports the Productivity Commission's intention (of this part of the draft recommendation) to encourage broader industry knowledge, understanding and expertise in better supporting customers (and staff) experiencing mental illness, a mental health problem or mental ill-health. However, the Industry cautions a 'one size fits all' mandatory approach. Best practice and long-term desired impact from mental health awareness, education and training requires context-relevant and content-appropriate information as well as identified skill and competency development considerations based on each specific role within an insurer or the industry. For example, customer facing roles, such as claims assessors and contact centre staff, have different education and training requirements. Likewise, other staff working in a life insurer, who are not customer facing, such as an underwriter or a marketing and communication staff member, will have differing needs again.

The FSC facilitates a Mental Health Roundtable with national carer and consumer organisations and national mental health organisations. It is proposed that the life insurance industry consults with this already-established group of experts to consider the proposed changes to Standard 21. The industry believes it is best placed to ensure fit-for-purpose education and training of its staff.

In relation to the recommendation that compliance with Standard 21 is published by the FSC, the industry acknowledges the policy intent of this recommendation. However, we strongly advise that compliance reporting is absorbed into existing industry compliance reporting mechanisms. This will avoid inefficiencies or other unintended outcomes. As part of the review of Standard 21, the industry is instead exploring whether mental health training requirements could be incorporated as part of the Life Insurance Code of Practice. Compliance to the Life Insurance Code of Practice is binding for all FSC members and is currently overseen by the Life Code Compliance Committee (LCCC).

Industry Recommendation 4: The industry calls on the Productivity Commission to modify the draft recommendation 20.2 in relation to Standard 21. It is suggested the proposed recommendation is modified to:

- a) Enable each life insurer to determine the specifics (type of training, skill development requirements, content and frequency) of the mental health training and education for their staff;**
- b) Provide due recognition of the FSC's existing processes for approving any changes to their Standards (and Codes); and**
- c) Reconsider the need to publicly publish industry compliance with Standard 21, given the existing industry compliance reporting mechanisms already in place.**

Another Industry collaboration, the Australian and New Zealand Institute of Insurance and Finance (ANZIIF), is also currently working with the life insurance industry on developing a professional standards framework, which will determine the competencies required to fulfil job roles at every level of the business. This is intended to ensure that life insurance professionals have a high level of well-rounded knowledge and skill, with a focus on good customer outcomes. This work is progressing.

2. Insurance Industry Code of Practice and Industry Standards

This section of draft 20.2 recommendation calls for the Australian Securities and Investments Commission (ASIC) to evaluate the insurance industry's Codes of Practice and Standards. It is worth noting that ASIC's powers in relation to financial services codes are limited to approval in accordance with ASIC Regulatory Guide 183. **Industry Recommendation 4: The FSC intends to submit the next iteration of its Life Insurance Code of Practice to ASIC for consideration and approval.**

The Life insurance industry provides the following contextual information for consideration by the Productivity Commission in reviewing this recommendation.

Underwriting and Education:

The Life insurance industry acknowledges that there is much work it can do to improve education with its customers, employees, partners and health community stakeholders regarding mental health conditions.

This includes not only employee understanding of mental health conditions through FSC Standard 21, but also improving the understanding of customers, advocacy groups and the health service community about the way in which mental health conditions are treated by life insurers. This education extends beyond just the commitments in the current Life Code of Practice, and those being added to Version 2 of this Code.

There is wide-spread misunderstanding that anyone who has a mental condition is unable to access life insurance cover. There are 3 mechanisms through which any customer with a mental health condition may access cover:

1. *Group insurance through a superannuation fund* – insurance sold through this channel is community risk rated and is therefore not subject to any one member being individually underwritten. Certain super funds may have a waiting period, but essentially those with mental health conditions can access Life(death), Total and Permanent Disability (TPD) and Income Protection (IP) cover without restriction.

2. *Retail insurance* – insurance sold through an advice channel. This form of insurance is subject to a full underwriting model and a customer with a mental health condition may obtain death, TPD, IP and Critical Illness cover either without any restriction, with a loading, or with an exclusion. A full decline of all or any of these benefits is rare with overall application decline rates across the industry for all conditions generally being less than 10 per cent.

Underwriters will assess each individual application based on multiple factors including symptoms, diagnosis (if present), treatment and response to treatment, episodes of hospitalisation, time off work, time since last symptoms, amongst many other factors. Life insurers are bound to comply with Section 46 of the Disability Discrimination Act, so any adverse decision does need to be substantiated with a strong evidence base, including previous industry or insurer claims experience. Most life insurers rely on reinsurance manuals to assist with the overall risk assessment methodology, as reinsurers invest heavily in keeping up to date with new clinical protocols and outcomes in order to ensure the overall risk evaluation is current and justified. Furthermore, it is widespread industry practice for underwriters to access the expertise of medical practitioners, psychiatrists and psychologists to assist with any complex cases.

Advisers are strong advocates for their customers and require any adverse decision to be supported by this evidence in a manner that they can explain to their client. Certain members of superannuation funds that already have default life insurance can apply for additional cover (voluntary cover – refer Appendix 1) above the set agreed cover limits (automatic acceptance or free cover limits – refer Appendix 1), but these amounts would be subject to similar underwriting processes and due diligence as experienced in the retail underwriting process. Of importance is that all conditions are underwritten in a similar way, with an evidence base and due diligence process.

3. *Direct insurance* – insurance that the customer can purchase directly from an insurer. This type of insurance has a hybrid underwriting model to provide the customer with choice as to what they want to purchase. Certain products have limited underwriting and may have a blanket mental health condition exclusion clause as part of the policy terms and conditions. As mental health conditions are a significant proportion of all disability claims (TPD and IP), this blanket exclusion allows insurers to charge a cheaper premium for this type of product. Insurers that sell this product will make this blanket mental health condition exclusion clear to the customer at time of purchase and offer them an alternative product either through a direct or



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retail channel, where mental health conditions are covered. In the direct channel, this would then involve a limited underwriting model with a similar type process to the retail underwriting (described in 2, above).

Similar education is required regarding the treatment of claims for mental health conditions by life insurers. Most life insurers take a holistic approach in the management of mental health condition claims that involves not only the diagnosis (if available) and symptoms, but outcome of the condition considering psychosocial factors impacting the person claiming as well. The Life Code of Practice provides guidance on the minimum level of requirements when dealing with any claim and version two of this Code will address mental health conditions specifically.

Underwriting and Blanket Exclusions:

As explained above, underwriters follow a set of underwriting guidelines which provide a comprehensive list of different mental health conditions, and the risk classification to assess the severity of each mental health condition. Some products (more often offered within direct and retail insurance than group insurance, as an example) apply a blanket exclusion. It's important to note that there are considerations to be explored before removing mental health blanket exclusions at either policy levels or at underwriting, such as the impact on pricing (and therefore accessibility, affordability and sustainability) with increasing mental health related claims.

The industry recognises that more work is required to explore other solutions, besides applying a mental health blanket exclusion at either the policy or underwriting levels. These include progressing initiatives such as innovative product solutions, improvements in underwriting, as well as the collection, analysis and better use of more granular data, as just some examples. Importantly, for these changes to occur, sustainability in product and policy design, which includes pricing, will be essential, and is currently being explored by APRA.

Data:

At the heart of providing consumers with fairer and better justified underwriting decisions lies data. The KPMG/FSC data collection initiative, which has been in-force since 2017, has greatly improved insurers' access to up-to-date and accurate data, which in turn has been used to uplift underwriting capabilities across industry. However, we acknowledge there is more work to do. The industry remains committed to this initiative and is actively working to enhance the quality (and granularity) of data that is collected every six months.

Allianz has released a recent workers compensation study⁵ that evidences a concerning upward trend in mental health conditions as a secondary cause of claim. The Allianz study has found that secondary mental health related claims result in a three-fold increase in time off work. Furthermore, it states the cost of these claims are four times more expensive than a primary psychological claim. Therefore, the FSC and industry-wide data project's work will help inform the trends and opportunities for interventions to address the well-accepted, but yet to be analysed, industry-wide impact of secondary cause of claim (mental health conditions) within life insurance. Once this work has been undertaken, the industry recognises opportunities to work with workers compensation insurers and other stakeholders to collaborate on innovations and initiatives to address this issue to improve health outcomes for many Australians.

What would augment the industry's investment in data analytics and understanding, is for the Government to invest in undertaking the national mental health population-level survey (in accordance with draft recommendation 25.2). The current data is over a decade old and has not kept pace with increasing trends coming from workers compensation, life insurance or the utilisation of Medicare mental health care plans. It is important to note that all three of these data sources do not cover the whole Australian population. Therefore, a whole of population – covering all ages – would provide more accurate data on national prevalence, formal diagnosis and possibly mental health service utilisation.

The industry supports draft recommendation 25.1 and welcomes opportunities to engage across sectors in exploring beneficial data linkages. In reference to the Productivity Commission's Information Request 25.1, under-utilised datasets, the industry invites consultation from Government or other entities in relation to possible data utilisation and sharing.

Industry Recommendation 3 a): The industry supports draft recommendation 25.2 for the Government to fund the Australian Bureau of Statistics (ABS) or the Australian Institute of Health & Welfare (AIHW) to conduct of a *national population-based survey of mental health and wellbeing* – to measure prevalence, diagnosis and mental health service utilisation and outcomes. Results of survey results should be shared. We recommend that the first of these should be undertaken without delay. Data sharing and linkage opportunities should consult the life insurance industry. (Short term: in next two years)

⁵ Allianz Australian Insurance Limited, 2019 <https://www.allianz.com.au/media/news/2018/allianz-sees-a-surge-in-secondary-mental-health-conditions>

Psychosocial Interventions and Recovery:

There is an increasing body of research that acknowledges the many psychosocial factors that contribute to incapacity, yet are potentially secondary to the mental health issue, but may have had a primary causative effect⁶. Broader and more granular data will equip life insurers with the knowledge and data on how to best support Australians experiencing a mental health condition. Over time, comprehensive and accurate industry data will increasingly inform the public debate and ultimately provide for the development of better mental health policy.

The industry calls on the Productivity Commission's final report to Government(s) to elevate the promotion and usage of psychosocial supports and approaches in recovery. This includes recognising the benefits of non-clinical yet evidence-based or evidence-informed interventions being possibly (1) integrated with clinical support and offered more broadly, or (2) being used without clinical supports in certain situations, especially for people experiencing mild symptoms or mental ill-health. For example, the industry proposes greater promotion of the Beyond Blue New Access program and the various evidence-based tele-health and e-mental health programs. Concerted promotion through various channels would support increased reach and access, whilst giving greater opportunity for building further the evidence base of program impact.

Given there is no central repository to direct people to get the support they need, the industry is calling on Government(s) to take more active role in better coordinating and promoting initiatives and programs. The benefits of Government promotion of these types of services is to help take-up and utilisation, avoid biases from self-promotion, and can ensure evaluation of impact is undertaken robustly. Currently non-clinical interventions are oftentimes perceived as 'substandard' with information being treated in a negative way. Too often emphasis is *only* on clinical interventions, yet we know that utilisation of more-traditional clinical services is lower than it should be. To reverse this perception and reality about psychosocial interventions, data on impact will be essential. This will result in key stakeholders, such as life insurers, workers compensation insurers, helplines, mental health service providers etc, utilising this (independent) evidence to improve services, products and outcomes.

For the life insurance industry, we see great social and economic benefits through improved product design, policy outcomes, underwriting and claims management (including rehabilitation and supported return to work outcomes), should the coordination, promotion of psychosocial supports be more widely promoted, adopted and evaluated.

⁶ The Impact of Psychosocial factors on Mental Health and their implications in Life Insurance, <https://www.fsc.org.au/resources/1865-the-impact-of-psychosocial-factors-on-mental-health-and-their-implications-in-life-insurance-fsc-kpmg-research-report/file>



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Industry recommendation 6: Psychosocial approaches being promoted are recognised as valuable adjuncts or alternatives to clinical interventions. (Short term: in next two years)

Standardised Definitions:

The life insurance industry relies on medical definitions, used by medical practitioners for the numerous types of mental illness, to assist in understanding diagnosis and determining eligibility for making a claim. However, it is critically important to note that in most cases the life insurance industry does not require a formal diagnosis of a mental health condition in order to make a claim under the terms and conditions of life insurance policies for disability products. Furthermore, General Practitioners treating a person on a disability claim will often 'sign off' the insurance claim without a formal diagnosis or best practice treatment plan. In cases where the person claiming does not have a formal diagnosis, the life insurer will rely heavily on other (non-medical) data that is also captured at time of making a claim. It is standard industry practice to use non-medical data to inform decisions to understand the reasons for incapacitation (such information includes time off work, reoccurrence of time off work etc.).

The life insurance industry is turning more and more to the emerging evidence of a psychosocial approach to mental ill-health management, rehabilitation and recovery, to augment medical definitions and clinical treatment options. A recent research paper (KPMG & FSC)⁷ provided industry-relevant insights into current research, knowledge and understanding of psychosocial factors that contribute to mental ill-health and the all-important protective factors that promote mental wellbeing. This information is informing the industry's work to improve risk profiling and provide more holistic, person-centred experiences across all aspects of life insurance (including underwriting, product design, pricing, policy, claims management etc.).

What is missing in Australia, is a universally recognised and current mental health condition resource that comprehensively details:

- mental ill-health symptoms (to assist with early intervention)
- mental health conditions and their criteria for diagnosis
- psychosocial risks and protective factors
- treatment options (both clinical and non-clinical/psychosocial)
- pharmacological interventions and known side effects
- prognosis guidance for recovery and return to wellness, highlighting factors that promote better recovery outcomes

⁷ FSC & KPMG Report – The Impact Of Psychosocial Factors On Mental Health and their Implications in Life Insurance
<https://fsc.org.au/news/psychosocial-fsc-kpmg>

The DSM-V does not cover best practice treatment, and ICD-10 is for classification purposes only. A comprehensive resource of this nature would greatly assist the industry (and many other industries including workers compensation, health insurance, rehabilitation providers, community health services, allied health practitioners, General Practitioners, Psychiatrists, Emergency services and trauma workers, etc.) in being able to provide consistent, standardised information and evidence-based approaches.

A comprehensive mental health condition resource of this nature, if independently developed and maintained (such as by Department of Health working in consultation with a range of stakeholders including lived experience, as an example) would build confidence and trust across the entire mental health system, including providing valuable information to Australian's affected by mental health conditions – who are sometimes provided with different diagnosis from different doctors.

The life insurance industry also notes that there is an absence of Government data and information for the industry to use by way of comparison to respond to calls for standardised definitions across life insurance products. Life insurers, amongst other many other stakeholders, could play a significant role in assisting in developing a nationally consistent comprehensive mental health resource. The industry's perspective and experience could be vital in determining the success of any holistic view for encouraging mental wellbeing and managing mental health conditions. This is especially so, given life insurance is a unique industry that tracks customers from healthy to unwell and beyond, from medical, occupational and financial aspects.

Industry Recommendation 1: Inclusion of the Life insurance industry's substantive contribution and willingness to be part of the solution in improving the social and economic support of Australian's with mental health conditions.

Importantly, there are many other experts and key stakeholders that would also add considerable value to the development of a contemporary and highly trusted comprehensive mental health condition resource.

Therefore, the industry encourages the Productivity Commission considers the cost-benefit of creating a centralised, open-source mental health condition resource covering symptoms, diagnosis, prognosis and treatment options.

Industry Recommendation 3 b): The life insurance industry recommends the Government invest in the development and maintenance of an Australian Comprehensive Mental Health Resource. (Short term: in next two years)

Code of Practice, Industry Standards & Guidelines:

The Life Insurance Code of Practice (Code) was introduced on 1 October 2016 and has been binding on all FSC members from 30 June 2017. The Code is the industry's commitment to mandatory customer service standards and covers many aspects of a customer's relationship with the insurer. It sets out an insurer's obligations and commitments to customers on standards of practice, conduct and disclosure. The Code also sets service standards for insurers when interacting with customers.

There is evidence that the introduction of the Code has led to improvements in the industry with the Royal Commission observing that the Life Code had played a role in the reduction of the use of surveillance in claims assessment.⁸ However, there is still more that the life insurance industry can do and as such the FSC is currently undertaking a review of the Code. This review reflects the additional concerns which have been raised since the introduction of the Code such as by the Parliamentary Joint Committee on Corporations and Financial Services inquiry into life insurance, and the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

The revised Code is recognition by the industry that more needs to be done to improve the way in which industry interacts with their customers and to seek to improve consumer outcomes, including those with a mental health condition. Two examples of these proposed enhancements are; (1) a requirement to confirm that individual circumstances of mental health conditions such as history and, (2) severity, are taken into account through additional obligations on insurers when supporting vulnerable groups, including those with a mental health condition.

Industry Recommendation 4: Productivity Commission Draft Recommendation 20.2: The FSC intends to submit the revised Code for ASIC approval as an enforceable code under RG 183. Furthermore, the Government will introduce legislation by 30 June 2020 which will make provisions of industry codes statutorily enforceable. Along with the improvements to the revised Code, these steps will enhance compliance with the Code, introduce greater penalties for Code breaches and improve reporting and transparency in relation to the Code.

3. Review protocols for insurer to access clinical records

This section of the Productivity Commission Draft Recommendation 20.2 calls for the Office of the Australian Information Commissioner to review whether protocols for insurer access to clinical records have resulted in more targeted requests for clinical information and whether they give sufficient protections to customers.

⁸ See ASIC REP 633 <https://download.asic.gov.au/media/5311117/rep633-published-17-october-2019.pdf>



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In March 2019, the Parliamentary Joint Committee on Corporations and Financial Services inquiry into the life insurance industry released its final report and recommendations. The Committee recommended that the FSC and the Royal Australian College of General Practitioners (RACGP) agree and develop protocols seeking the consent of consumers when accessing medical information.⁹ As a result, the FSC, in collaboration with the RACGP and the mental health roundtable developed FSC Standard 26 – Consent for accessing health information. Standard 26 commenced on 1 July 2019 and all FSC members are required to adopt the standard by 1 July 2020.

The purpose of Standard 26 is to ensure that, when obtaining information from health practitioners about customers, all FSC members use clear information and transparent consent wording, that is consistent across the life insurance industry. Furthermore, the revised Code proposes to place obligations on insurers to seek consent before collecting medical information that is used during the underwriting and claims process as well as providing additional protections for consumers to ensure that insurers can only ask for information that is necessary and needed.

Industry Recommendation 4: Productivity Commission Draft Recommendation 20.2: The industry agrees with the recommendation that the Office of the Australian Information Commissioner review whether the protocols for insurers to access clinical records have resulted in more targeted requests for clinical information and whether these protocols given sufficient protections to consumers in 2022 after the Standard has been in operation for two years.

⁹ Recommendation 8.1,

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/LifeInsurance/Report/c08



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FUNDING OPTIONS (CHAPTER 24)

24.6 – Life Insurers & Funding of Mental Healthcare

(Short Term: in next 2 years)

The industry is united in their support of the Productivity Commission's draft recommendation 24.6 that would enable the industry to fund mental health treatments for its customers, noting the further comments, modifications and clarifications below.

The industry believes that this intervention (and changes to relevant laws) will provide for the opportunity for earlier intervention and treatment, leading to improved health and wellbeing outcomes for customers. It will also assist with continuation of treatment, with the proposed increase in sessions of the Mental Health Care Plans from 10 to 20, where life insurers (in conjunction with the treating doctor) deem appropriate for a successful return to work.

There is strong support for the benefits of having 'discretion' being applied to this recommendation, to avoid life insurers inadvertently 'acting' as private health insurers or Medicare, whilst also providing choice for participation for the customer.

It is noted that legislative reforms to section 126 of the Health Insurance Act 1973 and section 10 of the Private Health Insurance (prudential Supervision) Act 2015 (Cth) will need to occur for life insurers to be able to fund any discretionary treatment-based services.

Despite this positive opportunity to help improve health outcomes, there are some important considerations that the industry encourages the Productivity Commission to take into account.

Industry Recommendation 2: The industry supports the Productivity Commission's draft recommendation 24.6, with the following, proposed considerations:

- **Ensuring evidence-based mental health treatment incorporates psychological and psychiatric services, as well as psychosocial (non-clinical) support services. These services to be discussed with and approved by the treating doctor. (Industry recommendation 6)**
- **Recognising the effects of both primary and secondary mental health conditions as a claim cause. This will require the proposed change to incorporate funding for mental health treatment for customers experiencing any type of illness, not only mental health conditions.** (i.e. this means the industry would have the ability to fund mental health treatment when mental illness is not the primary cause of claim). For example, a customer who is on claim for cancer may be experiencing underlying poor mental health symptoms (not meeting diagnosable criteria) and benefit from mental health treatment.



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- **Funding of treatment being available for both TPD and IP products to assist customers with their recovery journey.** The funding should be universal and not product specific. The funding should also be on a discretionary basis as outlined in the draft recommendations. It is noted that mental illness related claims (primary cause of claim) account for 20% of all TPD claims in the industry.
- **To ensure consistency across the industry, develop definitions and clear guidelines around access to evidence-based, reasonable and necessary treatment including the nature of treatment and that the referral for treatment would be of a voluntary nature.** This would be further enhanced with the adoption of **Industry recommendation 3 b)** being the development and maintenance of an **Australian Comprehensive Mental Health Condition Resource.**
- **That customer's consent is paramount, as is support for the proposed treatment by treating doctor.** This includes the customer having choice of practitioner, treatment being optional, and treatment not being linked to payment of benefit from the insurer.
- **Insurers being able to fund mental health treatment during the waiting period for income protection policies to maximise the well-known benefits of early intervention in recovery outcomes.**
- **Insurers having the flexibility to fund recognised (evidence-based) and government supported online self-help and e-mental health treatment options and other suitable non-clinical interventions (with the support of the treating doctor). (Industry recommendation 6)**

Also, of note in relation to this recommendation is **Industry Recommendation 5** that calls for a **comprehensive evaluation and review of Better Access, MBS-rebated psychological therapy, including** (*short term: in the next two years*) (Building on draft finding 5.2 and draft recommendations 5.9, 5.2, 5.6, 5.8, & 5.5):

- a) A comprehensive quantitative (cost-benefit) and qualitative (lived experience and stakeholder) evaluation of Better Access. The industry is recommending a redesign of Better Access to include ongoing, improved impact monitoring and reporting of outcomes which would improve governance of the program's administration as well as improving the mental health and wellbeing social outcomes. It is further recommended that the findings of a review as well as ongoing evaluation are made public.
- b) Consideration for no-gap psychological supports being available (e.g. in cases of financial hardship, complex mental illness or trauma (such as with the recent bushfires – where Government is asking practitioners (who may have also been impacted by the fires) to not pass on the gap fee).
- c) The industry agrees with the Productivity Commissions suggestion of increasing the number of available mental health care plan sessions from 10 to meet clinical guidelines best practice of 20, and for this to be offered in a flexible mix of individual or group sessions.

INCOME SUPPORT (CHAPTER 14)

Section 14.1 The importance of income and employment support for people with mental ill-health.

Section 14.1 recognises that income support is an important safety net for people experiencing a mental health condition(s). This section of the Productivity Commission's Draft Report focuses on income support provided by the Government. It provides important analysis of barriers, experienced by people with mental health conditions, for seeking various types of income support with recommendations for improving access.

The Draft Report does not mention income support provided by non-Government entities, including superannuation funds and insurers. Yet, the FSC estimates that approximately \$800m per annum is provided by life insurers to people, whose primary condition is a mental health condition. These claim payments are generally provided for income protection or total and permanent disability claims.

These payments also represent an important safety net. Some important features of income support provided by insurers are:

- Income protection payments can support people who have a mental health condition that is subject to fluctuations and may be not be 'stabilised', as that term is used in the disability support pension (DSP) context.
- Life insurance claims can be paid to people who are experiencing symptoms of illness when a formal diagnosis of a specified condition has not been made, unlike DSP payments.
- Life insurance products are generally designed to be acquired by people who are engaged in the workforce and to provide a benefit if an illness or accident causes disruption to the ability to work – either temporarily or permanently. Life insurance products are therefore more likely to benefit people whose mental health condition is episodic or later onset. They are less likely to be of benefit to those who have never participated in the workforce, as it often the case with people who have early-onset, complex and severe mental health conditions.

Recent amendments to Part 7 of the *Superannuation Industry (Supervision) Act 1993* (Protecting Your Super (PYS) and Putting Members Interests First (PMIF)) have changed the way in which superannuation trustees can provide opt-out insurance to their members. These changes mean that opt-out insurance cannot be provided to the following groups:

- Members whose superannuation fund account is inactive (that is, has not received a contribution) for 16 months (from 1 October 2019);
- Members whose superannuation fund account balance has not exceeded \$6000 (from 1 April 2020);
- New superannuation fund members under the age of 25 (from 1 April 2020).



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Various industry participants have expressed some concerns with these changes, especially for those with mental health conditions. An important feature of group insurance through superannuation, is that insurance is provided by default to the whole group and does not require underwriting. There are therefore no exclusions or premium loadings to the insurance products offered at default level of coverage through superannuation funds. For people who have a mental illness, this can be a significant advantage. The industry is particularly concerned about the impact these changes may have for young people and, also for the families of young members who die by suicide. With 75 per cent of people, who will experience a mental health condition in their lifetime, having had their first episode by age 25, these changes are potentially more impactful on young people entering the workforce and obtaining insurance and also having access to insurance-funded rehabilitation programs etc. Furthermore, most life insurance policies (offered at the default level through superannuation) provides payment of a death claim to the beneficiary(s) in the case of a death by suicide (sometimes with a 13-month exclusion period). Noting the concerning youth and young-person suicide rates in Australia, raises other concerns in relation to these changes. Given it is early days in the introductions of these measures, the industry will continue to monitor the impacts, especially any unintended consequences, of these legislated changes.

An alternative to insurance provided through superannuation is insurance acquired on behalf of employees by an employer. The Draft Report has requested information about barriers for employers in acquiring income protection policies for high-risk industries, which is discussed later in this submission – see Information Requests section.

Industry recommendation 1: Inclusion of the Life insurance industry's substantive contribution and willingness to be part of the solution in improving the social and economic support of Australian's with mental health conditions.

WORKPLACES (CHAPTER 19)

Workers compensation schemes are not the only 'actors' (a term used by the OECD) in the system when it comes to providing and influencing mentally healthy workplaces for all Australian workers. The life insurance industry recognises that there are many other suitably qualified and well-resourced service providers, researchers, health promotion organisations, consultants and peak bodies who actively support the creation of mentally healthy workplaces. It is acknowledged that these other 'actors' may approach creating mentally healthy workplaces albeit from a different perspective from the WHS regulators and scheme agents. This is viewed as a good thing!

Likewise, an approach that emphasises workplace-injury responses will miss the many non-work related (e.g. relationship breakdown, financial hardship, non-work-related illness and trauma etc), yet workforce and productivity impacted mental health issues affecting many more Australian workplaces (and workers) than workplace mental health injuries.

As noted in the draft report and issues paper, presenteeism causes a significant drain to the Australian economy. Many people who experience symptoms associated with presenteeism do not, and will not, claim on any insurance product (workers compensation, life insurance, social services or DSP etc). Yet, the workplace and the economy wear the brunt of these productivity related costs.

The prominence in the Productivity Commission's Draft Report (including draft recommendations), that focuses on workers compensation and workplace injury, does not adequately capture the full extent of the impacts of mental ill-health on workplaces, productivity (including presenteeism), people's health and wellbeing, community and broader economic costs, etc. Furthermore, the emphasis on the workers compensation schemes being able to drive system wide improvements also raises a number of serious concerns.

As such, the industry calls on the Productivity Commission to provide acknowledgement of the complexity of workplace mental health requiring (and benefitting from) a diverse range of interventions, expertise and know-how. For example, the Mentally Healthy Workplace Alliance's (MHWa) National Workplace Initiative (NWI) which is currently in development, aims to provide ALL Australian workplaces with evidence-informed, practical and useful information, tools, supports and resources to create mentally healthy workplaces. The NWI will draw in and utilise the plethora of existing, good work of the States and Territory regulators, Comcare as well as many other existing tools and resources that have been developed by a wide range of organisations, in making a difference in workplace mental health and wellbeing. It will aim to address the well-known challenge that many employers face, and that is 'how to create a mentally healthy workplace' and 'where to start'.



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The Productivity Commission has also noted that consideration should be given to adding a mental health diagnostic instrument to the job seeker classification instrument and supplementing the employment services assessment with a personal and social performance measure. Given that life insurers are aligned in outcome to workers compensation schemes in striving for a successful return to work or return to health for all persons on claim, it would be worthwhile exploring alignment where relevant of some of these measures. [Industry Recommendation 1](#) and [Industry Recommendation 7](#).

A risk-mitigation only approach will not deliver the intended social and economic gains that this inquiry is aiming to find and highlight. Therefore the industry, in recognising that it is already playing a substantial role in helping employers in creating sustained change in workplace mental health (through effective early intervention programs, evidence based rehabilitation and return to work initiatives, supporting the national work of SuperFriend etc.) strongly encourages the Productivity Commission to broaden the onus and responsibility of creating sustained change in workplace mental wellbeing beyond that of the workers compensation system.

Below is the life insurance industry's united position on the workplace section's draft recommendations.

19.1 – Psychological health and safety in workplace health and safety laws (Short Term: in next 2 years)

The draft recommendation says that psychological health and safety should be given the same importance as physical health and safety in workplace health and safety (WHS) laws. The Industry has interpreted this to mean

- The model laws, and laws in jurisdictions not using the model laws, should be amended to clearly specify the protection of psychological health and safety.
- Similar amendments should be made to other relevant legislation and regulation.

The life insurance industry is supportive of the recommendation for an increased focus on the importance of psychological health and safety as being proposed. The industry provides the following information as additional context and information for consideration by the Productivity Commission as it creates the final report for Government.

The life insurance industry is often working with customers who have experienced poor work practices and cultures as contributing factors to their illness or ill-health. Some of these customers have navigated their way through a workers compensation claim before making a claim on their life insurance, whilst other customers have not been through the workers compensation claim system (although having been negatively impacted at work).

SuperFriend's Indicators of a Thriving Workplace Survey (2019) of over 10,000 Australian workers found that 50 per cent have experienced a mental health condition. Furthermore, 43 per cent of people with a lived experience of mental illness, perceive their workplace is contributing to, or causing their mental ill-health.

The life insurance industry believes that increasing clarity on what constitutes psychological safety and how to measure it would assist in addressing this substantial issue. Furthermore, the industry is supportive of the development and implementation of codes, frameworks and guidance on risk identification and mitigation by the workers compensation system, provided they are standardised, industry-relevant and nationally applied. The work health and safety regulators must provide education and support to employers if Australia is to build its capability and capacity to identify psychological risks and develop effective mitigations. It is believed that this would greatly assist employers in meeting their legal obligations and reducing negative impacts caused by poor work practices. Given the prevalence of mental ill-health, and workplace-contributed impacts (as noted above in the Indicators of a Thriving Workplace Survey, 2019), more emphasis, focus and activity by workplaces is urgently needed.

Industry Recommendation 8 b) For this to have substantial impact, **the industry is recommending the WHS authorities use clear, specific and directive language, with the onus on employers and consequences if they do not meet legislative safety levels. The industry suggests the Productivity Commission consider including reporting of incidence in the changes to the laws, codes, practices and frameworks.** This would elevate the importance of psychological risks, and therefore drive necessary focus, education, action and response by employers.

A concerted effort in improving return to work (and stay at work) practices across all Australian workplaces is also being called for by the life insurance industry. This could be a high-impact outcome if all WHS authorities expanded their education, support and information for all businesses – both large and small. Further work is required in this area, especially for people with mental health conditions who experience stigma. Likewise, a forgotten cohort are those people who need assistance in getting back to work, if they have lost work due to their mental health condition (and have not made a workers compensation or life insurance claim). The evidence in return to work is clear – the more positively supported a person is by their employer (from time of disclosure or incident) the better the return to work outcome. Therefore, it would be good to see an increased role and emphasis on the WHS agencies in supporting improved return to work and stay at work (recovery at work) practices.

Until Australia moves to nationally consistent WHS laws, there will always be challenges and confusion in ensuring implementation consistency, universal understanding and appropriate action by employers, especially those that operate across multiple

jurisdictions. If changes to laws are proposed, a federated workers compensation system [may] make these changes more challenging to achieve in a timely and efficient manner.

19.2 – Codes of Practice on Employer Duty of Care (Short Term: in next 2 years)

The Draft recommendation states: Codes of practice should be developed by Workplace Health and Safety authorities in conjunction with Safe Work Australia to assist employers meet their duty of care in identifying, eliminating and managing risks to psychological health in the workplace. Codes of practices should be developed to reflect the different risk profiles of different industries and occupations.

As per the Industry's response to draft Recommendation 19.1, the life insurance industry is united in their support of this draft Recommendation.

19.4 – No-liability treatment of mental health-related workers compensation claims (Short Term: in next 2 years)

The draft recommendation states: Workers compensation schemes should be amended to provide clinical treatment for all mental health related workers compensation claims, regardless of liability, until the injured worker returns to work or up to a period of six months following lodgement of the claim. Similar provisions should be required of self-insurers.

The life insurance industry is very supportive of this as we know that early intervention is critical to the recovery process. As workers compensation legislation has become more stringent around the definition of a work-related psychological injury, the life insurance industry has seen an increase in the number of claims. These claims are lodged after the workers compensation process has been exhausted following the declinature and as a result the opportunity to provide early intervention support has passed.

We would acknowledge however that the treatment will come at a significant cost and if this is paid for through the workers compensation schemes then employers' premiums will increase.

As such, the industry recommends that the Productivity Commission considers the following in their recommendation to Government:

- Develop a funding model to support psychological treatment for workers compensation Claims when liability has not been accepted.
- Undertake an analysis of the cost of loss of productivity as a result of the psychological injury claims which are declined in the workers compensation system and compare that to the cost of early intervention psychological treatment to determine if there is a cost benefit analysis to support the funding of this treatment.

This analysis should also look at the cost to the governments as these employees will progress to Centrelink benefits as their condition deteriorates.

- One suggested funding mechanism would be that treatment could be funded by the Better Access to Treatment Scheme and that the plans could be increased to align with current clinical practice guidelines. **Industry Recommendation 5.**
- Consideration to be given to non-clinical (psychosocial) treatment options such as the Beyond Blue's New Access Program. A triage process could be undertaken to determine what type of intervention is required for the individual. **Industry Recommendation 6.**
- Exploration of workers compensation and Life Insurers working more collaboratively. We do note however that this may require changes to the current privacy legislation. **Industry Recommendation 7.**
- It is important to ensure appropriate mental illness diagnosis as this will have a significant impact on the treatment pathway. We recognise that there is a continuum from when an individual starts to struggle through to the time when they are diagnosed with mental illness. There is an opportunity to provide further support in the early stages of ill-health utilising a stepped care model. **Industry Recommendation 3 b)** and **Industry Recommendation 5.**

19.3 – Lower premiums and workplace initiatives

(Medium Term: over 2 – 5 years)

The draft recommendation states: Workers compensation schemes should provide lower premiums for employers who implement workplace initiatives and programs that have been considered by the relevant Workplace Health and Safety authority to be highly likely to reduce the risks of workplace related psychological injury and mental illness for that specific workplace.

There are two elements to this recommendation that the industry encourages the Productivity Commission more deeply explores. These are:

1. the 'evidence' that supports the use of incentives to actually drive positive and sustained behaviour change of this type is unproven; and
2. the required level of extensive expertise by WHS authorities to advise all Australian employers on the best interventions available to reduce risks for their specific workplace.

In relation to points 1 and 2 above, the industry raises further queries for consideration by the Productivity Commission. These include:

- Capacity – Do the WHS authorities realistically have capacity and reach/access into all Australian workplaces across a diverse range of industries, size, geographic

locations etc. on a frequent enough basis to support positive steps forward and sustained change in creating mentally healthy workplaces?

- Capability & Expertise - Do the WHS authorities have the expertise in knowing the latest evidence and being across the plethora of interventions and resources available to ensure fit for purpose and relevancy for every Australian business?
- Know-how - Do the WHS authorities have the essential know-how in considering and assessing a business' stage of readiness for change and its maturity stage in workplace mental health and wellbeing?

The industry's response is expanded below.

The industry acknowledges that market forces, such as incentives for 'good' behaviours and 'no' or 'lower' claims may drive behaviour change and better outcomes. By and large, it is believed that this is already in existence within the WHS system – i.e. your business does not make a claim, your premiums are not adversely impacted. Furthermore, there is also acknowledgement that premium discounts may not change the claims experience substantially or materially. Therefore, the industry suggests that this part of the recommendation is reconsidered, through a more proactive and holistic lens. The industry suggests consideration of premium reduction based on (1) no or lower claims (volume); AND (2) stay at work/recovery at work outcomes or earlier return to work outcomes (claim duration + experience of person on claim), ideally before six months. By taking this approach it will encourage psychologically safer work environments for both those in the workforce (whole population) and those returning to work after a psychological (or physical) injury. Return to work and stay at work suggestions are also addressed under draft recommendation 19.1 above.

The other concerning aspect to this recommendation is the expertise level required of the WHS Authorities in providing advice to employers as to 'what works' for their specific workplace. Given the complexity and dynamism of workplace mental health and wellbeing, the growing number of interventions and research and the differing levels of evidence of impacts, it seems unrealistic for the WHS authorities alone to play such a critical role – especially when there are a range of other 'actors' that are experts in workplace mental health available. Therefore, the industry is proposing a cross-sector approach, as being developed by the MHW through the National Workplace Initiative, will provide a more comprehensive, dynamic and responsive support to all workplaces.

The NWI will use co-design methodology (which will involve and include WHS regulators and the states and territories and Comcare as well as businesses of all sizes, industries etc.), so that what is developed is truly designed to be useful by business. The industry is also supportive of additional funding being provided to the NWI for implementation support – as know-how in implementation is one of the biggest known barriers for employers in investing in mentally healthy workplaces (i.e. *How to create a mentally healthy workplace*).

Pragmatically speaking, not all employers welcome contact or engagement with their WHS authority. Many employers do not see the role of the regulator in helping provide *advice* to their business about creating mentally healthy workplaces and what works. They see the role of the WHS authority as the health and safety regulator who has the ability to reprimand and prosecute.

There is absolute support for the WHS authorities to play a leadership role in building greater knowledge, understanding and action by employers in psychological risk identification and mitigation in workplaces. However, due to the complex construct of workplace mental health, cross-sector collaborations are believed to have greater impact, stickability and relevance – for both social and economic outcomes.

19.5 – Disseminating information on workplace interventions

(Medium Term: over 2 – 5 years)

The draft recommendation states: WHS agencies should monitor and collect evidence from employer-initiated interventions to create mentally healthy workplaces and improve and protect the mental health of their employees. They should then advise employers of effective interventions that would be appropriate for their workplace.

As stated above in draft recommendation 19.3, the industry re-states its concerns for the role of WHS agencies in taking the role of advising workplaces on what works in creating mentally healthy workplaces. There are many other highly qualified and expert 'actors' in the workplace mental health sector that need to be recognised by the Productivity Commission in these recommendations (19.3 and 19.5).

Industry Recommendation 8: Also as stated above in response to draft recommendation 19.3, the industry strongly encourages the Productivity Commission to recognise the excellent work to-date of the Mentally Healthy Workplace Alliance in bringing together a cross-sector response, (involving Safe Work Australia and Comcare) through the development of the National Workplace Initiative. The funding of the NWI by the Government in April 2019's budget is a positive step forward in creating mentally healthy workplaces for all Australians.

The NWI aims to help all employers create a mentally health workplace. It aims to ensure employers are not only meeting their WHS requirements but are supported on a journey of creating a thriving workplace – where everyone can be their best, do good work and go home with energy to spare.

The NWI will provide champions as role models for businesses to learn from about what works. It will also promote evidence informed interventions, tools, resources and programs.

The NWI is also committed to effective evaluation, aiming to add to the 'body of knowledge' in workplace mental health and wellbeing through continuous improvement impact evaluations. Importantly, the NWI will be a nationally consistent approach – meeting the known-needs of businesses across Australia.

The industry supports further funding being provided to the NWI to support implementation. The Productivity Commission's recognition of workplaces playing a critical role in improving mental wellbeing outcomes for Australia, should reconsider the recommendation 19.5, to include: (1) funding implementation support of the NWI; and (2) the role of other 'actors' in system (in addition to WHS Authorities) in creating mentally healthy workplaces, such as the MHWAA and the many service providers, consultants, health promotion organisations, researchers, business schools and higher education facilities, etc.

The industry, through SuperFriend, is represented on the Mentally Healthy Workplace Alliance. SuperFriend has been highly active in the work to-date by the Mentally Healthy Workplace Alliance in the development of the NWI. The industry is looking forward to the opportunity to be actively involved in the co-design of the NWI as it progresses. **Industry recommendation 7**



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Information Requests

WORKPLACES (CHAPTER 19)

19.3 – Barriers to Purchasing Income Protection Insurance

The Productivity Commission has called for further information to address:

Are there any barriers to employers — in sectors where there is a higher risk of workers developing a work-related psychological injury or mental illness — purchasing income protection insurance (including for loss of income relating to mental ill-health) for their employees on a group basis to enable their employees to access this insurance at a lower cost?

This section provides commentary on the potential barriers to employers in sectors where there is a higher risk of their workers developing a work-related psychological injury or mental illness, purchasing income protection insurance, including for loss of income relating to mental health for their employees, on a group basis to enable their employees to access this insurance at a lower cost.

The life insurance industry provides income protection insurance to individuals and to members of group life insurance or industry superannuation plans which are usually sponsored in full or in part by their employers. Some group life insurance or industry superannuation plans allow members to purchase additional insurance at their own cost and this is known as voluntary cover (refer Appendix 1).

Attached in **Appendix 1** is valuable information highlighting common pricing principles for individual and group income protection insurance, along with details about the concept of group insurance risk sharing. The intention is to explain to the Productivity Commission how the industry manages high risk occupation segments in a group insurance environment, especially those where there is a high risk of work-related psychological injury or mental illness.



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Life Insurance Industry's Recommendations to Productivity Commission

1. **Inclusion of the Life insurance industry's substantive contribution and willingness to be part of the solution in improving the social and economic support of Australian's with mental health conditions.** Noted below are the sections of this submission that are relevant to this recommendation:

- Chapter 20 – Social Inclusion – Industry Recommendation 3 b)
- Chapter 14 – Income Support: draft recommendation 14.1
- Chapter 19 – Workplaces
- Chapter 25 – Monitoring, reporting and evaluation: Information request 25.1 and draft recommendations 25.1 and 25.2.

2. **Life Insurers and Funding of Mental Healthcare** (PC draft recommendation 24.6; short term in the next 2 years). Life insurance supportive, with the following, proposed considerations:

- Ensuring evidence-based mental health treatment incorporates psychological and psychiatric services, as well as biopsychosocial (non-clinical) support services. These services to be discussed with and approved by the treating doctor.
- Recognising the effects of both primary and secondary mental health conditions as a claim cause. This will require the proposed change to incorporate funding for mental health treatment for customers experiencing any type of illnesses, not only mental health conditions. (i.e. this means the industry would have the ability to fund mental health treatment when mental illness is not the primary cause of claim). For example, a customer who is on claim for cancer may be experiencing underlying poor mental health symptoms (not meeting diagnosable criteria) and benefit from mental health treatment.
- Funding of treatment being available for both TPD and IP products to assist customers with their recovery journey. The funding should be universal and not product specific. The funding should also be on a discretionary basis as outlined in the draft recommendations. It is noted that mental illness related claims (primary cause of claim) account for 20% of all TPD claims in the industry.
- To ensure consistency across the industry, develop definitions and clear guidelines around access to evidence-based, reasonable and necessary treatment including the nature of treatment and that the referral for treatment would be of a voluntary nature. This would be further enhanced with the adoption of Industry recommendation 3(b) – an Australian Comprehensive Mental Health Condition Resource.
- That customer's consent is paramount, as is support for the proposed treatment by treating doctor. This includes the customer having choice of practitioner, treatment being optional, and treatment not being linked to payment of benefit from the insurer.



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- Insurers being able to fund mental health treatment during the waiting period for income protection policies to maximise the well-known benefits of early intervention in recovery outcomes
- Insurers having the flexibility to fund recognised (evidence-based) and government supported online self-help and e-mental health treatment options and other suitable non-clinical interventions (with the support of the treating doctor).

3. Undertake a National population-based survey on mental health for data currency (*PC draft recommendation 25.2*) and **Develop an Australian Comprehensive Mental Health Condition Resource:** (*Short term: in the next two years*)

- a) Government to invest in the Australian Bureau of Statistics (ABS) or the Australian Institute of Health & Welfare (AIHW) to conduct of a *national population-based survey of mental health and wellbeing* – to measure prevalence, diagnosis, service utilisation and outcomes. (*PC draft recommendation 25.2*). Results of the survey should be shared publicly. We recommend that the first of these should be undertaken without delay. Data sharing and linkage opportunities should consult the life insurance industry.
- b) Government to invest in the development of an open-source *Australian Comprehensive Mental Health Condition Resource* as a centralised, open-source resource covering symptoms, diagnosis, prognosis and treatment options (both clinical and non-clinical)

4. To modify the draft recommendation 20.2. Awareness of Mental Illness in Insurance Sector. (*Short term: in the next two years*).

In relation to Standard 21, it is suggested the proposed recommendation is modified to:

- a) Enable each life insurer to determine the specifics (type of training, skill development requirements, content and frequency) of the mental health training and education for their staff;
- b) Provide due recognition of the FSC's existing processes for approving any changes to their Standards; and
- c) Reconsider the need to publicly publish industry compliance with Standard 21, given the existing industry compliance reporting mechanisms already in place.

Furthermore, the industry notes for the Productivity Commission that the FSC intends to submit the revised Code for ASIC approval as an enforceable code under RG 183.

The industry agrees with the recommendation that the Office of the Australian Information Commissioner review whether the protocols for insurers to access clinical records have resulted in more targeted requests for clinical information and whether

these protocols given sufficient protections to consumers in 2022 after the Standard has been in operation for two years.

5. Comprehensive evaluation and review of Better Access, MBS-rebated psychological therapy, including *(Short term: in next two years)* (Building on draft finding 5.2 and draft recommendations 5.9, 5.2, 5.6, 5.8, & 5.5):

- a) A comprehensive quantitative (cost-benefit) and qualitative (lived experience and stakeholder) evaluation of Better Access. The industry is recommending a redesign of Better Access to include ongoing, improved impact monitoring and reporting of outcomes which would improve governance of the program's administration as well as improving the mental health and wellbeing social outcomes. It is further recommended that the findings of a review as well as ongoing evaluation are made public.
- b) Consideration for no-gap psychological supports being available (e.g. in cases of financial hardship, complex mental illness or trauma (such as with the recent bushfires – where the government is asking practitioners (who may have also been impacted by the fires) to not pass on the gap fee).
- c) The industry agrees with the Productivity Commissions suggestion of increasing the number of available mental health care plan sessions from 10 to meet clinical guidelines best practice of 20, and for this to be offered in a flexible mix of individual or group sessions.

6. Biopsychosocial approaches being promoted are recognised as valuable adjuncts or alternatives to clinical interventions. *(Short term: in next two years)* (Building on draft recommendations 6.1 & 6.2)

The industry calls on the Productivity Commission's final report to Government(s) to elevate the promotion and usage of biopsychosocial supports and approaches in recovery. This includes recognising the benefits of non-clinical yet evidence-based or evidence-informed interventions being possibly (1) integrated with clinical support and offered more broadly, or (2) being used without clinical supports in certain situations, especially for people experiencing mild symptoms or mental ill-health. Concerted promotion through various channels would support increased reach and access, whilst giving greater opportunity for building further the evidence base for impact.

Data on impact evaluation will be essential, so that stakeholders, such as life insurers, workers compensation insurers, helplines, mental health service providers etc can use this (independent) evidence to improve. For the life insurance industry, we see great benefits through improved product design, policy outcomes, underwriting and claims management (including rehabilitation and supported return to work outcomes), should the coordination, promotion of psychosocial supports be more widely adopted and evaluated.

Offering services proactively and early will provide opportunities for life insurers to evolve their underwriting policies and practices as well as product offerings.

7. Government led, fostered or recognised Coordination / Collaboration of Cross-sector working groups. *(Short Term: in next two years)*

The Industry recommends better coordination and collaboration between employers, superannuation trustees, workers compensation providers, life insurers, health care providers (including GP's), lived experience, advocacy groups, policy makers, researchers and mental health and suicide prevention sector organisations. There are also opportunities to consider the intersect of the NDIS and life insurance. Connection with the National Mental Health Commission in its proposed role as stipulated in the draft report, would be welcomed.

For systems change to occur, the industry supports the opportunity for cross-sector collaborations being fostered, enabled and recognised by Government. Government leadership in facilitating these working groups could provide momentum for change.

There is great opportunity and appetite for the industry to demonstrate their willingness to work more broadly to achieve reform outcomes – as noted in multiple places throughout this paper. The industry can add to meaningful dialogue, insights and be part of holistic, system-wide solutions.

The industry also has population level data and would like to see the opportunity for other data source comparative work to tackle challenges such as secondary cause of claim that will be affecting the workers compensation sector, private health insurers in addition to the life insurance sector. Therefore, in reference to the Productivity Commission's Information Request 25.1, under-utilised datasets, the industry invites consultation from Government or other entities in relation to possible data utilisation and sharing. Furthermore, in relation to draft recommendation 25.1, the industry also invites consultation for potential involvement with a Data Linkage Strategy for Mental Health Data.

In short, there are many other opportunities that could see cross-sector working groups leading the way of change and reform, which could be accelerated with proactive Government engagement and involvement.

8. Invest more broadly in Mentally Healthy Workplaces and seed-fund the implementation support of the National Workplace Initiative. *(Short Term: in next two years) (Building on all recommendations in Chapter 19)*

The life insurance industry recommends the Productivity Commission includes in recommendations in Chapter 19 the following:

- a) Reference and funding for the Mentally Healthy Workplace Alliance's Government-funded National Workplace Initiative in the final report to

Government. Moreover, Governments should be seed-funding the implementation support for the NWI as it is crucial for its success including take-up, scale, reach and impact evaluation.

- b) Workers who come out of work (e.g. make a claim through the workers compensation or life insurance systems) must be returning to healthy and safe workplaces. Indisputably, prevention of workplace injury would be a far superior outcome. Therefore, the industry is recommending instruction from the Productivity Commission for WHS authorities to use clear, specific and directive language, with the onus on employers and consequences if they do not meet legislative safety levels. In final recommendations to Government, the WHS authorities should also be called upon to prioritise better return to work education, supports and understanding for all businesses in Australia, with an emphasis on mental health supports and education. The industry suggests the Productivity Commission consider including reporting of incidence in the changes to the laws, codes, practices and frameworks.
- c) General regard and promotion in the final report for an integrated approach to workplace mental health and wellbeing across whole of business that addresses risks, ensures appropriate actions and supports when people are unwell (irrespective of cause) and promotes the positive aspects of work (drawing on the evidence from the positive sciences and the principles of the Health Benefits of Good Work). Best practice workplace interventions consider the whole of business requirements across leadership, policy, capability, connectedness and culture. The draft report puts too much onus on the WHS authorities to lead the creation of mentally healthy workplaces. For reasons outline in our submission, the industry recommends the Productivity Commission elevate the role of employers and other 'actors' in the system, (such as the Mentally Healthy Workplace Alliance, service providers, EAPs, health promotion organisations, training providers, chambers of commerce, etc) in creating sustainable business and mentally healthy workplaces for all workers.
- d) General regard and promotion for the other 'actors', beyond WHS authorities, who can also influence better workplace practices, including evaluating and promoting what works and thus continually adding to the evidence base. An example of this is the cross-sector collaboration of the Mentally Healthy Workplace Alliance, with all members, both individually and collectively, playing an active role in creating mentally healthy workplaces in Australia.
- e) Consider innovative opportunities to help incentivise employers in creating mentally healthy workplaces and contribute to the evidence base. With only 5 per cent of Australian businesses considered Thriving (SuperFriend 2019), there is opportunity for the Productivity Commission to adopt and promote strengths-based approaches, drawing on the positive sciences. The industry supports the notion that a mentally healthy workplace must start with psychological safety (WHS), but it must also inspire competitive advantage, productivity gains and wellbeing outcomes for ALL Australian Workplaces and workers. The Productivity



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Commission's issues paper alluded to this opportunity of exploring 'what's possible?'. However, it seems that the draft report is missing this chance to inspire bolder and innovative opportunities for transformational change. The industry encourages the Productivity Commission to consider some recommendations that not only address the risk of ill-health but promote the benefits of wellbeing and thriving. This draws on the philosophy of keeping the well, well.



Conclusion

We thank the Productivity Commission for their significant efforts in undertaking a comprehensive, system-wide inquiry with the aim to highlight to Government the numerous opportunities for genuine transformation in mental health and wellbeing in Australia. As an industry, we believe that concerted effort by many stakeholders, including Government, will achieve the social and economic benefits in mental health and wellbeing derived from reforming many parts of our economy, health system and community.

In summary, we urge the Productivity Commission to broaden its recommendations by referencing the role of the many other 'actors' in Australia's mental health system. Mental health and wellbeing is complex, as well articulated in the Productivity Commission's issues paper. It covers the full health spectrum from illness to thriving. It also touches the lives of every Australian and every part of our economy. The industry therefore encourages complex systems thinking, with a practical approach, if we are to achieve transformational change and social and economic impact.

The industry has naturally focused on parts of the system that fall predominantly in the industry's areas of control, influence or impact – this includes social inclusion, financial supports, funding options and workplace mental health.

Most importantly, the life insurance industry is a willing and able collaborative stakeholder, ready to play its role in contributing to a better mental health and wellbeing whole of system that enables improved outcomes for all Australians and the economy.

We acknowledge that there have been many other inquiries and reports written about the various aspects of mental health. We truly hope the Productivity Commission's final report to Government is acted upon promptly and collaboratively.

We welcome requests by the Productivity Commission for further information or clarity on any aspects included in this collaborative industry response.



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Appendix 1 – CONTEXTUAL INFORMATION

The following information is provided to assist the Productivity Commission's consideration of this submission (including recommendations), particularly information request 19.3.

Pricing Principles of Individual Insurance

In insurance terms, risk is the chance something harmful or unexpected could happen. For income protection insurance this risk involves someone being unable to work due to illness or injury.

Insurers assess and price various risks to work out how much they would need to pay out if a policyholder or life insured suffered a loss for something covered by the policy. This helps the insurer determine the amount (premium) to charge for insurance.

To be able to put a financial value on a risk of disability, life insurance actuaries calculate the probability, based on age, gender, smoking status, incidence studies of disease and accidents by industry and occupation, of an applicant having an illness or injury which could lead to time off work.

Pricing is also impacted by the company's historical claims experience because this experience can be predictive of future experience, and the insurer will also need to know how much money they need to reserve to pay the future cost of claims they have already incurred. The Australian Prudential Regulation Authority (APRA) also has rules in place to ensure insurers have enough capital to pay a very high volume of claims.

All these factors are used to make up the base premium rates for an individual income protection policy, which primarily differ based on age, gender, smoking status and occupation. The cost of income protection insurance is higher for older lives, for females compared to males due to higher claims incidence and manual and hazardous occupations due to the higher accident risk and claims experience.

The final premium charged to an individual applicant for income protection insurance is modified during the process of underwriting by an individual's own specific risk factors e.g. medical history, pastimes, habits and lifestyle, travel and residence and by any special risks associated with their employment e.g. emergency services personnel involved in field work where the risk of work-related injury is heightened due to exposure to unforeseen circumstances like criminality or natural or man-made hazards, for example, flood, fire, major accidents etc.

The premium charged to an individual should be commensurate with the risk they represent of having a claim against the insured lives pool, which is the total premiums of all individual insurance applicants, including associated investment returns, less the cost of administration and the cost of claims. Insurance is all about pooling the premiums of many people with similar risks to make sure that the few who experience a loss are protected by those that don't.



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Pricing Principles of Group Insurance

Turning now to the pricing principles for Group Insurance i.e. specifically employer-sponsored income protection insurance, the cost of insurance is typically lower than for individual insurance because the insurer can spread elements of the risk across a large group of people helping to modify certain concentration of risks such as hazardous occupations.

For instance, in groups where most employees are in sedentary/clerical roles and only a small number are engaged in hazardous duties. Because the hazardous exposure across the entire group is low the risk can be shared across many employees making the overall risk profile of the group low which helps to keep the cost of insurance down.

Conversely, for groups where the hazardous occupation risk is more widespread with most personnel being exposed to high-risk hazards e.g. emergency services personnel in the field, commercial aviation, divers, people working at heights or in remote locations etc., the concept of risk sharing may not always result in a lower cost of insurance.

In most groups there is a mixture of occupation hazards. The cost of income protection insurance is rated differently for various occupation groups based on their risk factors, but there is typically a single rate charged for the entire group plan i.e. a blended rate, which is like an average premium rate for all employees.

Automatic acceptance limit (AAL) or free cover limit (FCL)

A significant difference between individual and group insurance, which is favourable to members of a group insurance or industry superannuation plan, is the concept of automatic acceptance limits (AAL) or free cover limits (FCL).

For large group insurance or industry superannuation plans where there is a good spread of risk, insurers will usually offer a level of cover, including income protection insurance, up to what is known as the plan AAL or FCL.

The basic concept is that the larger the group, the larger the spread of risk so the AAL and FCL is typically higher for large groups than smaller ones. This limit is often known as default cover i.e. cover which is free of any medical assessment.

Cover granted under an AAL or FCL means the member is fully covered for any illness or injury, including work-related psychological injury or mental illness up to the group's AAL or FCL limit.

Voluntary Cover

For those members requiring cover beyond the AAL or FCL, otherwise known as voluntary cover, underwriting of the member's individual risk factors e.g. medical history, pastimes, habits and lifestyle, are considered and medical loadings or exclusions may be applied to any voluntary cover above the group's AAL or FCL.

High Risk Groups and the Impact of Claims Experience

The impact of an adverse claims experience for a group can have a significant impact on the cost and/or availability of insurance.

For instance, for both large or small groups with a sizeable proportion of members in hazardous occupations where the disability claims experience has been materially adverse, income protection may be subject to a very high premium rate for those employees, or not even allowed at all, to help keep the overall cost of insurance for all other members at an affordable level.

For new plans where claims experience is not available, experience within the industry or within similar profile groups held by the insurer is used as a proxy.

Group Insurance for Work-related Psychological Injury or Mental Illness

In business sectors where there is a higher risk of workers developing a work-related psychological injury or mental illness, purchasing group income protection insurance, including loss of income relating to mental ill-health, has proved to be problematic in recent times.

The industry has experienced significant losses by providing income protection insurance cover to members who are part of groups with a high proportion of at-risk employees with a very high incidence of mental illness related events resulting in disability and therefore, much larger than expected claims payouts. This is not a sustainable situation for the customer base or the insurer.

When setting premiums for groups, claims experience is an important consideration. If the cost of claims increases at an exponential rate beyond the expected rate determined by the insurer's actuary, the insurer has no option but to increase the cost of insurance in future to help sustain the portfolio.

Group insurance is designed around the concept of risk sharing or the law of large numbers i.e. the premiums of many will cover the cost of the few who make a claim. However, this concept breaks down when the claims experience of high-risk groups within an insurer's portfolio causes that portfolio to suffer significant losses.

To maintain equity within its portfolio and a fair-go for other groups that have a different risk profile and claims experience relative to the high-risk groups, the insurer often has no option but to increase the cost of insurance for those plans with significantly adverse claims history.

The industry is keen to work on providing affordable income protection insurance, including cover for loss of income due to mental-health events, to business sectors where there is a higher risk of workers developing work-related psychological injury or mental illness.



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However, the cost of providing income protection insurance to these business sectors, even in a group insurance setting, is reaching unaffordable limits right now due to the significantly adverse claims history within these business sectors.

Therefore, the industry is highly supportive of all measures that genuinely lead to improved workplace mental health and wellbeing outcomes for all workers and workplaces, especially those in high risk occupations or workplaces/industries with poor claims histories. By raising expectations, increasing the focus and accountability of the various workplace mental health stakeholders (including WHS agencies, and workplaces), and including a stronger preventative focus, the industry believes that concerted effort over time may course-correct the current unaffordability for some sectors. The industry calls on the Productivity Commission to recommend funding the implementation support of the National Workplace Initiative (NWI) as detailed in the Mentally Healthy Workplace Alliance and SuperFriend submission and included in the **Industry Recommendation 8**. Likewise, the industry encourages the Productivity Commission to be stronger in the recognition of prevention-led and aspirational, whole of population mental wellbeing initiatives, as identified in the **Industry Recommendation 8**.

Appendix 2 – Contributors

The following organisations have contributed to this united industry submission.

AIA Australia (including Commlnsure Life)

AIA Australia is a leading life insurance specialist with over 46 years' experience. With a unique customer value proposition focused on life, health and wellbeing, our purpose is to make a difference in people's lives.

AIA Australia offers a range of products that protect and enhance the lives of more than 3.5 million Australians. Our vision is to embrace shared value in championing Australia and New Zealand to be the healthiest and most protected nations in the world. With AIA Vitality – the world's leading science-based health and wellbeing program – we help members to live healthier, longer, better lives.

In November 2019, AIA Group commenced its Joint Cooperation Agreement (JCA) with the Commonwealth Bank of Australia (CBA) to purchase its life insurance business (known as Commlnsure Life).

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Financial Services Council

The Financial Services Council is a leading peak body which sets mandatory Standards and develops policy for more than 100 member companies in Australia's largest industry sector, financial services.

Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

Contact details:

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<https://www.fsc.org.au/>
Hannover Life Re

Hannover Life Re of Australasia enjoys a global reputation as a leading provider of reinsurance concepts and solutions as part of the Hannover Re group. Hannover Re is the world's 3rd largest reinsurer with staff across every continent.

We have over 60 years' experience as a specialty Australian group life insurer providing direct insurance and reinsurance solutions for superannuation funds, distribution partners, employers, and other insurers, so they can protect and grow their businesses.

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MetLife

MetLife Insurance Limited (MetLife) is a specialist provider of life insurance to advisers, superannuation funds and employers in Australia.

MetLife is currently the third largest issuer of group life insurance in Australia, protecting some 2.6 million people.

Contact details:

Cathy Duloy

Head of Public Policy

MLC Life Insurance

MLC Life Insurance is a specialised life insurance business, operated by MLC Limited. Nippon Life Insurance holds a majority 80% of the shares in MLC Limited. The Australian-led and managed business aims to leverage Nippon Life's global presence, built over 131 years, alongside MLC Life Insurance's significant experience in understanding and meeting the insurance needs of everyday Australians since 1886.

MLC Limited is part of the Nippon Life Insurance Group. MLC Limited is no longer part of the NAB Group of Companies.

For more information on MLC Life Insurance, visit mlcinsurance.com.au.

Contact details:

Mick Jones
Chief Underwriter

OnePath and Zurich

Zurich Australia is the Australian arm of Zurich Insurance Group (*Zurich*) - a leading multi-line insurer that serves its customers in global and local markets.

Zurich was founded in the city of Zurich, Switzerland in 1872. Our Australian story dates back to 1920, when the Commonwealth General Assurance Corporation Ltd (CGA) was incorporated in New South Wales. In 1961, CGA became part of the Zurich Insurance Group. Since then our Australian business has grown significantly, employing more than 1,000 people across Australia and New Zealand who share our commitment to always placing our customers' needs at the heart of our business.

On 1 June 2019 ANZ's life and consumer credit insurance business (*OnePath Life*) was formally acquired by Zurich Australia. This created one of Australia's largest life insurers, with a combined Australian heritage of more than 200 years, serving more than two million customers and paying more than \$1 billion per annum in claims.

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SuperFriend – Industry Funds' Mental Health Initiative

SuperFriend is a national workplace mental health not-for-profit organisation, partnering with the superannuation and life insurance industry to achieve our vision for an Australia

where all workplaces are mentally healthy. SuperFriend advocates for, equips and empowers industry superannuation funds and insurers to achieve mentally healthy workplaces for their staff and members.

We do this through:

- **Solutions** - evidence-informed and useful programs, training, resources and events.
- **Advocacy** - collaborations, national working groups, international alliances and Government forums.
- **Insights** - regular national and local research analysing trends, impacts and outcomes.

We have a unique model, primarily working collaboratively with our Partner industry 23 superannuation funds and 8 life insurers, together with their participating employers and members. Through this model, uniquely and importantly, we have the potential to embed mental health and wellbeing best practices into 750,000 workplaces and impact more than 7.5 million Australians.

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TAL

TAL is a leading Australian life insurance specialist that has been protecting people, not things, for 150 years. We currently protect around 4.5 million people and from 1 December 2019, this has grown to over 5.5 million Australians.

TAL's business model embodies a fundamental principle: that Australians should have choice in how they access life insurance, reflecting their individual needs and preferences. That means we ensure our customers can access cover in the way they choose, on their terms. Therefore, TAL provides life insurance through advisers, directly to customers, through alliance partners or through superannuation funds.

TAL has a holistic view of health which incorporates physical, mental and financial health, because they all need to be in balance to live a healthy and full life. We want to help our customers live their best lives through good health and we do that through two key areas.

1. **TAL Health Sense** – a simple and rewarding program that supports our customers across all stages of prevention – primary, secondary and tertiary. Through this program we encourage customers to take the right health action and provide a fair value exchange to incentivise those customers who undertake evidence based and health community recognised preventative measures.



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2. **TAL Health Connect** – helping customers during time of claim by doing whatever it takes to get them to their best possible state of health. We do this by offering a personalised approach, by tailoring support to the specific condition and psychosocial factors of the individual.

TAL regards itself as influential in the customers' health journey and would like to have a stronger support role in every health interaction for each of its customers.

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