

Insurance stays on the agenda

Three years after the original implementation of a Memorandum of Understanding (MoU) between the Investment and Financial Services Association (IFSA) and Mental Health Services Stakeholders (MHSS), underwriting records shows a clear trend that people with a mental health condition are experiencing better access to life insurance products.

Acknowledging the importance of ongoing reform, the two parties have recommitted to the MoU, originally signed in 2004 and a first in addressing the insurance issues faced by the community, particularly where the underwriting process affects people with common mental health problems such as depression or anxiety.

The MHSS recognise the importance of ensuring that the Financial Planners, who are often the first point of contact for a consumer seeking life insurance or income protection, are better informed on mental health issues and the changes in industry practice. They also want to improve communications with general insurers to improve access to things like travel insurance for people with a mental illness.

Some of the questions being asked by insurance applicants include:

- What are my obligations when I apply for life insurance?
- What about my privacy?
- Where should I go to get more information about the company's decision not to insure me or to change the terms of the policy by excluding some events or charging a higher premium?
- The company has agreed to insure me but has excluded mental nervous disorders from the scope of cover provided. They haven't reduced the premium, however. Should I keep the policy? What use is it to me?
- I have been doing everything my doctor has told me to do and feel that I am fit and well. I've never had to take time off work because of my condition. Why can the insurance company discriminate against me by refusing my application for insurance?
- How can I appeal a decision on life insurance?

Answers to these questions and a copy of the MoU are available at: www.mhca.org.au