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## Insurers under mounting pressure to reform mental health practices

*beyondblue*, Mental Health Australia (MHA) and the Public Interest Advocacy Centre (PIAC) welcome the Federal Government's royal commission into the financial services sector.

The practices of insurance companies will be scrutinised as part of the royal commission into misconduct in the financial services sector, a move applauded by the organisations.

*beyondblue*, MHA and PIAC have long campaigned against insurance industry practices that deny cover to and claims by people who once had, are experiencing or are deemed by the insurer likely to develop a mental health condition in the future.

Consumers can be denied insurance by blanket mental health exclusion clauses, be charged higher premiums or have their claims denied for travel, life, income protection and total and permanent disability (TPD) policies.

"These practices clearly fall within the broad terms of reference set for this royal commission and so it presents an opportunity to fix a very broken system that we believe discriminates on the basis of mental health," said ***beyondblue* CEO Georgie Harman**.

"Insurers too often over-estimate the impact of mental health conditions on people's every-day lives and underestimate the likelihood of recovery.

"Forcing people with mental health conditions to jump through hoops just to have their claims approved is stigmatising, can add to their mental distress and can discourage them from seeking support when they need it most. Put simply, this has to change."

**Mental Health Australia CEO Frank Quinlan** said the banking royal commission is a clear opportunity to address some longstanding injustices and discriminatory behaviour in the insurance industry.

"In September we saw a small shift away from the discriminatory practices of travel insurance agencies, with Cover-More Australia, IAG and QBE Insurance removing exclusions in their policies and amending clauses to properly protect people experiencing mental illness," said Mr Quinlan.

"It was a good step, but a small step in one product area. Discriminatory practices in the insurance industry have been going on for far too long leaving people with a mental health condition unable to access the same benefits as others in our community."

"Such a practice is discrimination plain and simple. This royal commission presents an opportunity to explore if such discriminatory behaviour exists in banking insurance policies as well."

**PIAC CEO, Jonathon Hunyor** said that for the last five years, PIAC has provided legal advice and assistance to many people who have been treated unfairly and in many cases unlawfully by insurance companies as a result of experiencing mental health conditions.



“PIAC’s clients have faced hefty additional premiums, blanket exclusions or been denied cover altogether as a result of disclosing current or past mental health conditions, including short episodes of anxiety or depression,” said Jonathon Hunyor.

“While we have recently seen some improvements in a few travel insurance policies, unfair, discriminatory practices by the insurance industry are still widespread in Australia.

“Given that almost half the population will experience a mental health condition at some point, we call on the commission to give this issue the focus and serious consideration it deserves.”

*beyondblue*, MHA and PIAC call on the insurance industry to embrace contemporary evidence and data, and take individual circumstances into account, instead of making broad assumptions about a person’s mental health and ability to function.

**For more information**

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