
HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
INSURANCE SECTOR**

ClearView

- CLV03QW:** (a) Do you have any life insurance coverage exclusions or increased premiums in relation to mental health conditions?
- (i) If so, what data have you used to determine the linkages between specific mental health conditions and related insurance claims?
- (b) Do your life insurance policies have exemptions relating to suicide?
- (i) Are there any special considerations with regard to how these exemptions are applied (e.g. the length of time a person has been insured)?
- (ii) How did you determine these considerations?
- (c) Do you have any special claims handling processes in place in relation to suicide?
- (i) In the event that a claim is denied, do you offer any support to the listed beneficiary?
- (d) There have been some suggestions, including recently by the Productivity Commission's draft report into mental health, that the insurance industry's voluntary code of conduct may not be sufficient and that insurance practices in relation to mental health and suicide continue to vary widely. Can you illustrate how practices are continuing to improve in light of the current code?

Answer: (a) ClearView Life Assurance Limited (ClearView) is the product issuer of ClearView LifeSolutions, a comprehensive product currently on offer, and a number of legacy products. LifeSolutions is a fully underwritten retail risk product, which offers life, total and permanent disability, trauma, income protection and business expense cover. There are no standard exclusions in relation to mental health, however, from time-to-time ClearView may apply an exclusion or different premium due to an applicant's medical history on a case-by-case basis.

(a) (i) ClearView's underwriting guidelines are a comprehensive database developed with the input and data provided by our reinsurer. These guidelines take into account a number of data points, with statistical, actuarial and medical links drawn between these conditions and likelihood of claim arising due to a related condition.

(b) In relation to LifeSolutions and legacy products, suicide is an excluded event for the first 13 months on life cover.

Other covers (for example, total and permanent disability and income protection) may pay an ancillary death benefit if the insured dies while cover is in place. Under these terms, the principal and ancillary benefits would not be payable if the death was caused by an intentional self-inflicted act.

ClearView offers a range of accident only covers (including life cover) however suicide is not considered an accident.

(b) (i) The exclusion of suicide applies for the first 13 months on life cover, from:

- date of policy commencement;
- date of increase with respect to the increased portion only; or
- date of reinstatement where a policy lapses and is reinstated.

Importantly, the 13-month suicide exclusion does not apply where life cover is replacing an existing policy which has been in place for 13 consecutive months and other specific conditions are met.

(b) (ii) In Australia and for similar retail life insurance products, 13 months is the standard timeframe for suicide exclusions. These exclusions are generally intended to address situations where someone has applied for insurance in circumstances where sadly, they have considered or decided to attempt a suicidal act.

Determining these considerations takes into account data including that provided by our reinsurer including statistical and medical data.

(c) At ClearView, we expect all claims to be managed at a high standard, ethically and with empathy, and taking into account our customers' unique circumstances. We will not create additional burden for example by requesting information that we do not need.

We do however recognise that customers from time to time may be facing more difficult challenges and therefore require additional support. Accordingly, ClearView has a Vulnerable Customer Policy that outlines minimum standards in relation to all vulnerable customers including those in suicidal situations. This Policy applies at all stages of business operations including during our claims process and amongst other things recognises that:

- Customers who are going through tough times may not see themselves as vulnerable.
- We will take appropriate steps to consider the circumstances of any individual who is particularly vulnerable or susceptible to detriment and therefore needs additional assistance. We would ordinarily deal with situations involving potential suicide, as vulnerable customer circumstances.
- We will refer vulnerable customers to external support services as appropriate.

(c) (i) Our Vulnerable Customer Policy applies to all customers including listed beneficiaries.

(d) Clearview supports the Life Insurance Code of Practice. We continue to look to support our customers including those customers who may be suffering mental health conditions or in situations involving potential suicide. In particular:

- We are currently undertaking a project to improve our communication and support throughout all types of claims – including the development of brochures and service material to direct our customers to assistance programs available in the community.
- We use tools available through our rehabilitation services. An important one is Positivum – a program that measures someone’s level of coping with their disability and life changes then provides a program supported by an allied health professional, which is specifically tailored for the individual and designed to build resilience and coping skills.
- Our Vulnerable Customer Policy processes also ensure we deal with our customers who are more vulnerable including those with mental health concerns or suicidal intentions, with particular care, sensitivity, empathy and additional support.