

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

#### INSURANCE SECTOR

##### MetLife Insurance Limited (MetLife)

**MET01.AQW** *(a) Do you have any life insurance coverage exclusions or increased premiums in relation to mental health conditions?*

**Answer:** All underwriting cases where mental illness is disclosed are referred to an underwriter for individual consideration and communication to the applicant or their adviser.

For underwritten cover, MetLife considers each case and based on the individual's circumstances we may offer standard rates, apply a premium loading, apply an exclusion or decline cover.

*(a) (i) If so, what data have you used to determine the linkages between specific mental health conditions and related insurance claims?*

**Answer:** If a mental health condition is disclosed by the applicant during the application process, the exclusions or premium loadings that are applied are derived from the underwriting manual, which is provided by our reinsurers. Reinsurers develop the manuals using the following types of data:

- Claims experience from their portfolios in Australian and globally;
- Research papers issued by academics and other experts, for example but not limited to:
  - *The economic cost of serious mental illness and co-morbidities in Australia and New Zealand. Royal Australian and New Zealand College of Psychiatrists on the prevalence of co-morbidity;*
  - *Royal Australian and New Zealand College of Psychiatrists clinical practice guidelines for mood disorders, Australian and New Zealand Journal of Psychiatry, on recurrence and recovery rates;*
  - *Report of the National Review of Mental Health Programs and Services, NMHC, on treatment rates; and*
  - *Clinical diagnosis of depression in primary care: a meta-analysis, Lancet, on challenges of correct diagnoses by primary carers.*
- Publicly available data collected by bodies such as the Australian Bureau of Statistics and Australian Institute of Health and Welfare; and
- Actuarial studies of insurance experience, for example the FSC/KPMG study of disability claims 2009-2013, which showed that mental health claims represented about 15-23% of total claims cost.

For context, there are a number of challenges for the insurance industry posed by mental health conditions and data will be sourced for a number of purposes. For example:

- There are diagnostic challenges, including under-diagnosis, diagnostic uncertainty and change in diagnosis over time;
- Mental health disorders are strongly associated with other conditions (co-morbidity), which can impact on mortality and morbidity;
- There are a range of treatment challenges, limiting access to regular and appropriate care that could improve mortality or morbidity; and
- The recurrent nature of mental health disorders.

**MET01.BQW** *(b) Do your life insurance policies have exemptions relating to suicide?*

**Answer:** **Group insurance (insurance obtained by a trustee or employer)**

For default cover in group insurance policies, there are typically no exclusions for suicide. Suicide exclusions can however apply to the default cover that superannuation fund members receive if they become insured outside the standard eligibility period of:

1. Joining the fund; or
2. The commencement of employment.

This is generally because the member voluntarily elects, or takes a positive action to become insured at that point and there is therefore anti-selective risk.

For voluntary cover, or voluntary increases to cover, there are typically suicide exclusions for the first 12 to 24 months following the variation to cover. Treatment of suicide exclusions vary across our portfolio based on terms negotiated with trustees or policy holders.

**Retail insurance (individual insurance obtained via a financial adviser)**

For retail insurance, there is a standard suicide exclusion for the first 13 months of the policy being in effect. Where the insurance cover has been transferred from another insurer, and the waiting period has already been served, this exclusion is not re-applied.

*(b) (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)?*

**Answer:** **Group insurance**

For Group insurance, these exclusions relate typically to new insured members that join outside the standard eligibility period (as referred above as either joining the fund or commencement of a new employment arrangement). These exclusions remain for a period of between 12 to 24 months across our portfolio.

**Retail insurance**

For retail insurance, the exclusion period relates to the first 13 months of the policy, unless insurance cover has been transferred from another insurer, as explained above.

*(b) (ii) How did you determine these considerations?*

**Answer:** MetLife has carefully considered these exclusions to manage the inherent anti-selective and moral hazard risk associated with customers gaining access to cover with the intent to claim for self-harm. MetLife believes it is appropriate to protect policyholders against anti-selective behaviour which would otherwise impact on the claims experience and premiums paid by all customers. There is also moral hazard associated with life insurance cover for self-inflicted events, and the exclusions help to manage the moral hazard. MetLife seeks to keep the applicable timeframe such that an exclusion applies to a minimum and to ensure our product disclosure is clear for customers to understand.

**MET01.CQW** *(c) Do you have any special claims handling processes in place in relation to suicide?*

**Answer:** MetLife has an option in our claims management system (MetFlow) which can be used to indicate to internal MetLife staff that a claimant is at risk, or has been at risk, of suicidal ideation / self-harm intent based on the information collected during the claims process.

This serves as flag to the case manager or anyone else within the claims team who needs to take actions associated with that claim file. It is then up to the case management team to implement actions that are appropriate for the circumstances. Accordingly, case managers have the following actions available to them:

- **Ongoing Needs Analysis (ONA) case conference:** MetLife has an internal process embedded in our Claims Management Framework called an Ongoing Needs Analysis case conference. This is the strategic analysis of the claim between the Strategy and Recovery Specialist (within the Strategy and Recovery team) and the case manager to discuss the claim for any reason, at any point in the claim lifecycle. Case managers reaches out for an ONA case conference if they are concerned about suicidality or mental health of claimants. MetLife has engaged team members in the Strategy and Recovery with mental health qualifications.
- **Healthily:** MetLife has a health information platform, Healthily, which provides links to online credible health resources. A portion of the content is related to mental health resources. Through an ONA case conference, Strategy and Recovery Specialists will collate the relevant information for the case manager to then pass onto the claimant. This may include suicide management helplines, websites, apps, education booklets etc.
- **Nourish Program:** MetLife has a range of external occupational rehabilitation providers that can be referred to in the event that a case manager identifies that a claimant requires support or skills development in relation to personal safety.
- **Psychiatrist Chief Medical Officer:** MetLife has a Psychiatrist Chief Medical Officer for case managers to consult with if they require advice regarding the claimant's risk profile.
- **Care Co-ordination:** MetLife case managers can organise a Medical Case Conference with the claimant and their GP (or primary treater) to address any suicidal ideation or self-harm risks collaboratively, for example, the development of a safety plan.

*(c) (i) In the event that a claim is denied, do you offer any support to the listed beneficiary?*

**Answer:** In the event that a claim is denied, case managers at MetLife are able to rely on the actions listed above to support the beneficiary, for example, referral to Healthily.

**MET01.DQW** *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:** To illustrate how processes are being strengthened, MetLife has put in place policies and processes within our business to support claimants with mental health issues, as described below.

### **Claims Principles**

MetLife has adopted guiding principles that underpin our processes for all claims. These key principles are particularly beneficial for mental health claims, and for those where a secondary mental health condition develops. These key principles support the philosophy of claims as well as enabling a simple framework for teams to work by, and are set out on the following page.

<p><b>We take an evidence-based, best-practice approach to recovery</b></p>	<p><b>We support our customers' recovery from day 1 (including the waiting period)</b></p>
<p>Our approach to recovery is based on the following:</p> <ul style="list-style-type: none"> <li>• <b>Person-centred practice</b> - understanding what is important to our customers.</li> <li>• <b>Strength-based practice</b> - understanding what our customers inherent strengths are.</li> <li>• <b>Self-directed practice</b> - understanding how we can help our customers to recognise and take responsibility for their own recovery and wellbeing.</li> </ul>	<p>From the beginning, we carefully engage customers about their recovery by:</p> <ul style="list-style-type: none"> <li>• <b>Incorporating recovery messaging</b> in the early collateral and initial call.</li> <li>• <b>Connecting customers</b> and their support network to discuss their Recovery Planning.</li> <li>• <b>Providing personalised recovery guidance and resources</b>, regardless of the claim's lifecycle – where welcomed by our customers.</li> </ul>
<p><b>We get the basics right</b></p>	<p><b>We are respectful and responsive to the needs, values and preferences of customers</b></p>
<p>We provide reassurance for our customers by setting and managing expectations. We understand that, to support customers holistically we must first earn their trust by delivering on their core needs. This includes:</p> <ul style="list-style-type: none"> <li>• <b>Ensuring our communication is clear</b> and customer-focussed.</li> <li>• <b>Never asking for the same information</b> twice.</li> <li>• <b>Providing realistic timeframes</b> and overview of the process.</li> <li>• <b>Communicating proactively</b> with customers, including check-in's.</li> <li>• <b>Paying all legitimate claims</b> quickly, and on time.</li> </ul>	<p>We are proactive and respectful in supporting our customers, we demonstrate this by:</p> <ul style="list-style-type: none"> <li>• <b>Listening genuinely</b> and with empathy.</li> <li>• <b>Acknowledge and address</b> any pressing questions or concerns they may have.</li> <li>• <b>Speak to the individual</b> in a way that makes sense to them.</li> <li>• <b>Capture and honour their communication preferences</b> e.g. channel/s and frequency.</li> <li>• <b>Understand and are adaptive</b> to people's readiness for goal-setting.</li> </ul>
<p><b>We get the basics right</b></p>	<p><b>We are supported to achieve outcomes</b></p>
<p>We understand that our customers support network play a critical role through their recovery and claim journey. When engaging with our customers support network, we:</p> <ul style="list-style-type: none"> <li>• <b>Involve them</b> at the right time and ensure that we have the required authorities.</li> <li>• <b>Keep all parties in the loop</b> through clear, shared communications, ensuring each person has the right amount of detail to fulfil their role and that their privacy is protected.</li> <li>• <b>Remove any associated administrative burden</b> with the Recovery Planning Appointment.</li> <li>• <b>Acknowledge</b> the contribution of each party.</li> </ul>	<p>To support customers with their recovery, we are empowered by the business with:</p> <ul style="list-style-type: none"> <li>• <b>Best practice</b> training and coaching.</li> <li>• <b>Having highly engaged staff</b> despite the barriers of working from home.</li> <li>• <b>Technology and workflow managements tools</b> to ensure we can support all claims effectively.</li> <li>• <b>All claims staff are trained</b> in Mental Health first aid.</li> </ul>

### 360Health

As well as continuing to provide support to our customers with mental health conditions on claim, MetLife has also launched 360Health. 360Health is a program designed to support customers and members by providing health literacy and support across a number of serious illnesses with a key focus on mental health. This program covers prevention, awareness, early detection and then ultimately management through our claims model to support our customers with content and resources to information on where to seek help, understanding some of the key signs and symptoms of mental health and also links and information on managing mental health.

As part of 360Health, MetLife has recently launched a mental health toolkit which is available as a preventative tool as well as management resource for existing symptoms and considers attributes across diet, exercise/activity, sleep, mindfulness and other related issues that can help to improve overall mental health.

**Resources and activities for staff:**

- **Mental Health webinars/lunch and learn:** MetLife has provided all staff with access to webinars on mental health support for them to better understand the conditions, know what to do for themselves and customers as well as providing simple coping tools and mechanisms.
- **Mental Health First Aid training:** MetLife provides all of our front-line claims staff with annual mental health first aid training to enable them to better understand mental health, dealing with customers with empathy and supporting customers through significant events and issues while on a call.
- **Competency Framework:** MetLife has developed a competency framework that calls out appropriate behaviours to support all customers across communication, empathy, support and delivering on the customer promise. This competency framework is directly linked to our Delegated Authority Framework to ensure that staff meet the minimum requirements and expectations to support customer requirements during claim, in particular for their mental health.

**Tools to assist customers:**

MetLife has highlighted the tools available for customers to support them while on claim in our response to MET01.CQW.

In addition to the above claims processes, MetLife has sought to increase its engagement with mental health issues via a range of activities, including:

- Partnering with organisations such as SuperFriend and Beyond Blue;
- Participating in the FSC's Mental Health Roundtable which includes representative from peak mental health bodies and government bodies; and
- Organising seminars from relevant experts for our team and business partners.