



MEDIA RELEASE

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LIFE INSURANCE AWARENESS WEEK: COMMUNITY DAY – DATA REVEALS THE MENTAL HEALTH BURDEN SHARED ACROSS THE NATION

As part of Life Insurance Awareness week, the Financial Services Council (FSC) today published life insurance statistics on the incidence and duration of mental health income protection claims on a state by state level, reminding Australians that no community is untouched by mental health conditions.

KPMG on behalf of the FSC provides in-depth analysis of the causes of life insurance claims, particularly for Australians of working age – this data is updated every six months.

FSC senior policy manager for life insurance, Nick Kirwan said: “The data shows that the incidence and duration of mental health claims for income protection varies widely, depending on which jurisdiction you live in.

“The data tells us “what”, but doesn’t tell us “why”. By releasing this data, we hope it encourages debate on this important topic. However, what is clear is that the prevalence and toll that mental illness takes on Australians and their loved ones needs to be tackled as a community.

“For their part, life insurers would like the option to pay for extra treatment as an early intervention measure. The longer somebody is out of work, the harder it is for them to get back to work.”

Income protection claims for mental health by jurisdiction are shown below on the following page.

Yesterday, the FSC also released life insurance claims data from 2019 confirming mental illness is now the highest cause of claim for total permanent disability (TPD) and the third highest for income protection. Together, life insurers paid \$1.24 billion in 2019 to over 9,500 Australians for these mental health claims.

“When we drill down into these headline figures, we can see that the claims are for an extremely wide and complex spectrum of conditions. The list has a very long tail and the top five underlying types of mental health conditions account for less than half (46.9 per cent) of all claims for mental health conditions as follows:

1. 16.5% - depression, including single and recurrent episodes
2. 13.4% - unspecified anxiety disorders, for example panic or anxiety attacks
3. 11.3% - reaction to severe stress, for example post-traumatic stress disorder (PTSD)
4. 3.6% - Alzheimer’s disease
5. 2.1% - schizophrenia

Mr Kirwan continued: “During life insurance awareness week we encourage all Australians to check what life insurance cover they have - be aware of what you have and what you’re paying for. Give your superannuation trustee or life insurance company a call today and make sure the cover you have is right for you.”

If you or anyone you know needs support call Lifeline on 131 114, or Beyond Blue on 1800 512 348.

LIFE INSURANCE CLAIMS DATA

Mental Health Claims by State data

Income Protection Mental Health Claims		
State	Incidence (claims per 100,000 covers)	Duration (average number of years)
Northern Territory	75	3.2 - shortest
New South Wales	115	4.7
Australian Capital Territory	120	3.9
Victoria	126	4.7
South Australia	140	5.6 - longest
Western Australia	145	4.5
Tasmania	158	5.1
Queensland	180	4.6

Based on FSC-KPMG life insurance claims data based on all income protection mental health claims where the person received a payment during the 2014-2018.

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About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.