



## MEDIA RELEASE

Friday 31 July 2020

### SUSTAINABILITY, MENTAL HEALTH AND EARLY INTERVENTION

As life insurance awareness week and the Financial Services Council (FSC) life insurance summit comes to an end today, the key take outs from the week is that the sustainability of the industry is on a knife edge with the rise of mental health claims being a major contributing factor.

FSC senior policy manager for life insurance, Nick Kirwan said: “In Minister Jane Hume’s opening remarks, she outlined that the government was willing to consider allowing life insurers to pay for treatment as an early intervention measure, particularly in relation to mental health-related claims.

This week the FSC 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

“If this reform were to be legislated it would allow life insurers to reduce the cost of mental health claims, improving the sustainability of the industry and reducing the cost for life insurance customers.

“Early intervention helps consumers recover from mental health issues, and consumers that recover quicker in turn helps the industry manage its sustainability and affordability – it’s all linked.

“We want a healthy and sustainable life insurance sector with the three A’s for consumers: availability of products; affordability of cover; and assurance that every valid claim will be paid,” Mr Kirwan added.

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

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**Contact: Esther Jago on 0421 102 944 or [ejago@fsc.org.au](mailto:ejago@fsc.org.au)**

#### 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.