



MEDIA RELEASE

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PRODUCTIVITY COMMISSION RECOMMENDS INCREASED LIFE INSURANCE FUNDING FOR MENTAL HEALTH

The Financial Services Council (FSC) has today welcomed the Productivity Commission Inquiry Report into Mental Health, particularly where it recommended the removal of barriers which currently prevent life insurers help people return to work after illness.

FSC CEO Sally Loane said: “This important mental health report reinforces that every Australian would benefit from an improved mental health system.”

“Mental ill-health is a serious and rapidly rising issue for Australians, and the FSC’s life insurance claims data from 2019 confirms mental illness is the highest cause of claim for total and permanent disability (TPD) and the third highest for income protection,” Ms Loane said.

“The life insurance industry plays a significant role in supporting Australians experiencing a mental health condition, being the largest financial contributor for people with a mental illness, after the Government. Together, life insurers paid \$1.24 billion in 2019 to more than 9,500 Australians for mental health claims.

“We strongly support the Productivity Commission’s recommendation that the Australian Government should permit life insurers to fund mental health treatments for their income protections and total and permanent disability insured customers on a discretionary basis. This is a policy the FSC has long advocated for.

“A well-designed funding arrangement, with the appropriate safeguards to ensure that consumers and their treating doctor are placed at the centre of the decision-making process, will help improve health and wellbeing outcomes for consumers and help to reduce the claims costs for life insurers to help keep premiums more affordable for all customers. We see this as a win-win.”

A full copy of the report can be found here: <https://www.pc.gov.au/inquiries/completed/mental-health/report>

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

- Ends

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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.