

Mental health and insurance

Everything you need to know
about mental health conditions
and how they may impact your
client's life insurance



This brochure is designed to help you understand common mental health conditions that may affect your clients, and how these may impact their insurance application and policy.

Everyone can benefit from a balance of both physical and mental wellbeing. Both are essential for overall wellbeing, and just like physical health, mental health requires care and resources to help maintain it.



1 in 5 Australians¹

are living with a mental health condition. As life insurers, we have a responsibility to provide you with tools and resources that empower you to have meaningful conversations with your clients about mental health.

Understanding mental health

The terms 'mental health' and 'mental illness/disorder' are increasingly being used interchangeably, yet they do not mean the same thing. The below definitions from the [World Health Organisation²](#) highlight the distinction between the two terms:



Mental Health

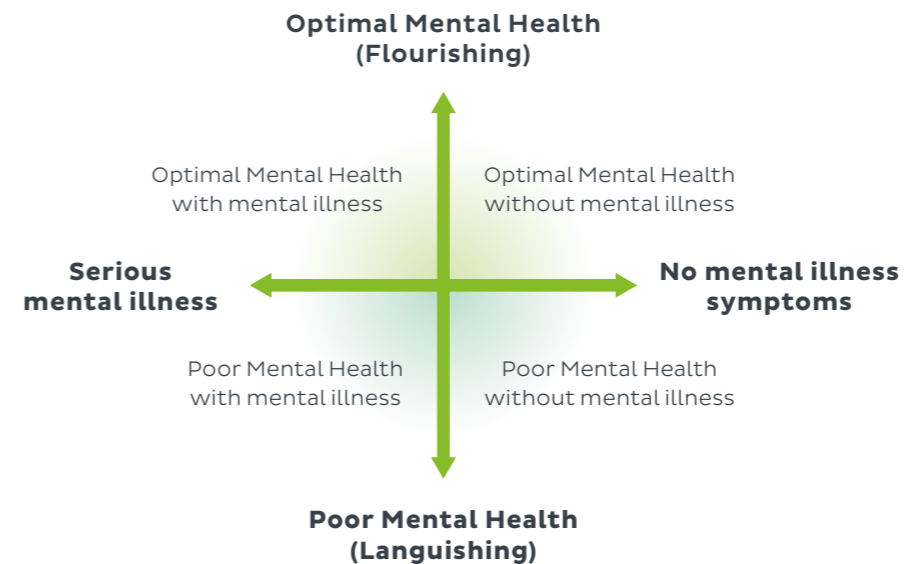
is a state of wellbeing in which an individual realises their own abilities, can cope with the normal stressors of life, can work productively and is able to make a contribution to their community.



Mental Disorder

is a clinically significant disturbance in an individual's cognition, emotional regulation or behaviour. It is usually associated with distress or impairment in important areas of functioning.

This distinction is important as individuals may experience positive or negative states of 'mental health', either with or without a 'mental illness'. This is illustrated in the Dual Continuum Model of Mental Health³:



This means that an individual may be living with a mental health condition such as major depression and still be managing their work and relationships. Yet another person may be struggling to manage these, without the presence of a mental health condition.



Embedding this understanding ensures we recognise the individual experience of our customers and reflects TAL's approach to managing these conditions.

HOW COMMON ARE MENTAL HEALTH CONDITIONS?

The prevalence of mental health conditions is on the rise, with **one in five Australians¹** being affected in any given year, and **two in five during their lifetime⁴**. Despite this increasing occurrence, it's important to recognise the complexity of these conditions and their impact on the individual.



At present, mental health conditions are the leading cause of disability in Australia.



**1 in 5
Australians**

are living with a mental health condition¹.



Anxiety

is the most common mental health condition, affecting **17% of the population⁵**.



**8.5 million
Australians**

have experienced a mental disorder at some time in their life¹.



**4.8 million
Australians**

filled a mental health-related prescription in 2022-23⁶.



**2.2 million
Australians**

living with a mental health condition and experiencing symptoms did not see a health professional⁷.

Despite its growing prevalence, many Australians living with a mental health condition may have limited access to regular treatment or may not be receiving evidence-based care.

DIAGNOSIS AND TREATMENT

Mental health conditions are usually diagnosed by a general practitioner, or a mental health professional based on the individuals experience of certain symptoms over a period of time and any history of previous bouts of these symptoms. The diagnosis will consider the person's responses to questions around mood, thoughts and behaviours, as well as the duration of their symptoms.

Occasionally, a diagnosis may change as further signs or symptoms develop, or if it becomes apparent that there is more than one condition present at the same time.

Common mental health conditions

Some of the most common conditions impacting people are depression, anxiety, post-traumatic stress disorder (PTSD) and bipolar disorder.



According to the [Black Dog Institute](#), of the 20% of Australians living with a mental health condition in any one year,

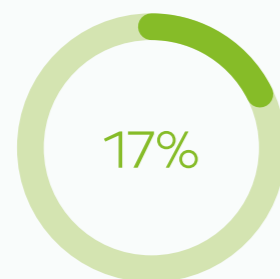
8.5% have two or more mental disorders.



Prevalence of 12-month mental disorders⁹



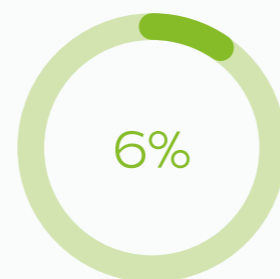
1.5 million people experience a mood disorder like depression each year.



3.4 million people experience an anxiety disorder each year.



391,000 people experience bipolar disorder each year.



1.1 million people experience PTSD each year.

These conditions are prevalent within the Australian population, yet their impact varies from person to person. For further information, visit [SANE Australia](#).

UNDIAGNOSED AND UNTREATED CONDITIONS

Undiagnosed:

Those who have a lived experience of symptoms without a formal diagnosis.

Untreated:

Those who may have received a diagnosis but may not be receiving optimal treatment.

Many people rely on self-management of symptoms. For some, however, this opens the risk of not receiving adequate care and exacerbating symptoms. By seeking help, people can access the appropriate support and treatment at the right frequency. While a diagnosis is not needed to receive care in all circumstances, diagnoses have the benefit of evidence-based and best-practice standards for mental health conditions and their treatments.

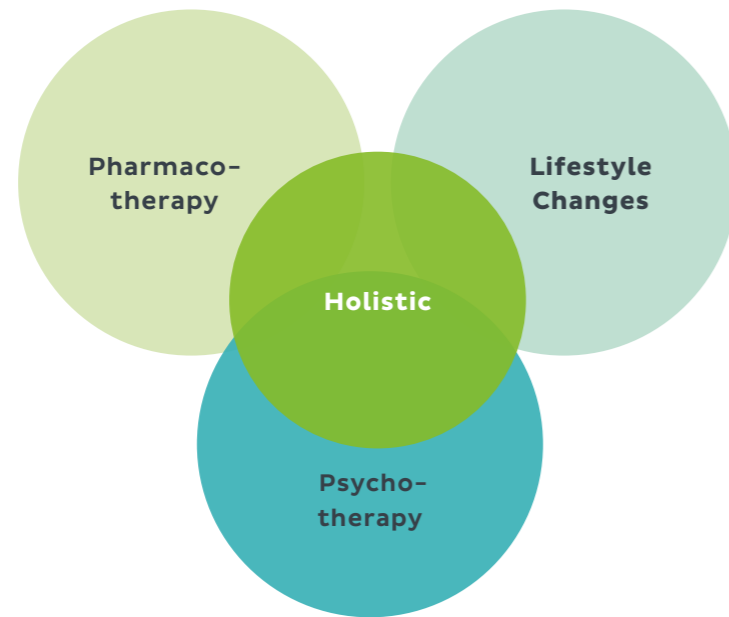
Seeking a diagnosis is important

As important as diagnosis is for treatment, some people may be hesitant to seek professional help. This short video provides some insight into why seeking a diagnosis is worth it.



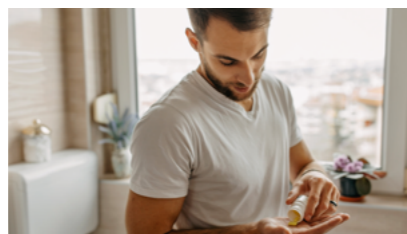
LIVING WITH A MENTAL HEALTH CONDITION

Just like a physical condition, mental health conditions can be treated to help minimise the effects of the condition and promote recovery. This could include a combination of psychological support and/or medication, community support, and self-help strategies.



Psychotherapy:

A health professional speaks with the person about their symptoms and concerns and applies evidence-based practices to provide them with new ways of thinking.



Pharmaco-therapy:

Some people are helped by taking medication for a short time while others may need it on an ongoing basis. A prescription is needed for medicines used to treat mental illness. People respond differently to medicines so it's important to ensure regular follow-ups with the treating practitioner.



Community support:

Support programs go beyond psychosocial rehabilitation or mutual support groups, and include the benefits of having a strong support network through community, friends and/or family. Overall, as a known protective factor, social support was associated with a [55% lower odds of depression](#)¹⁰.

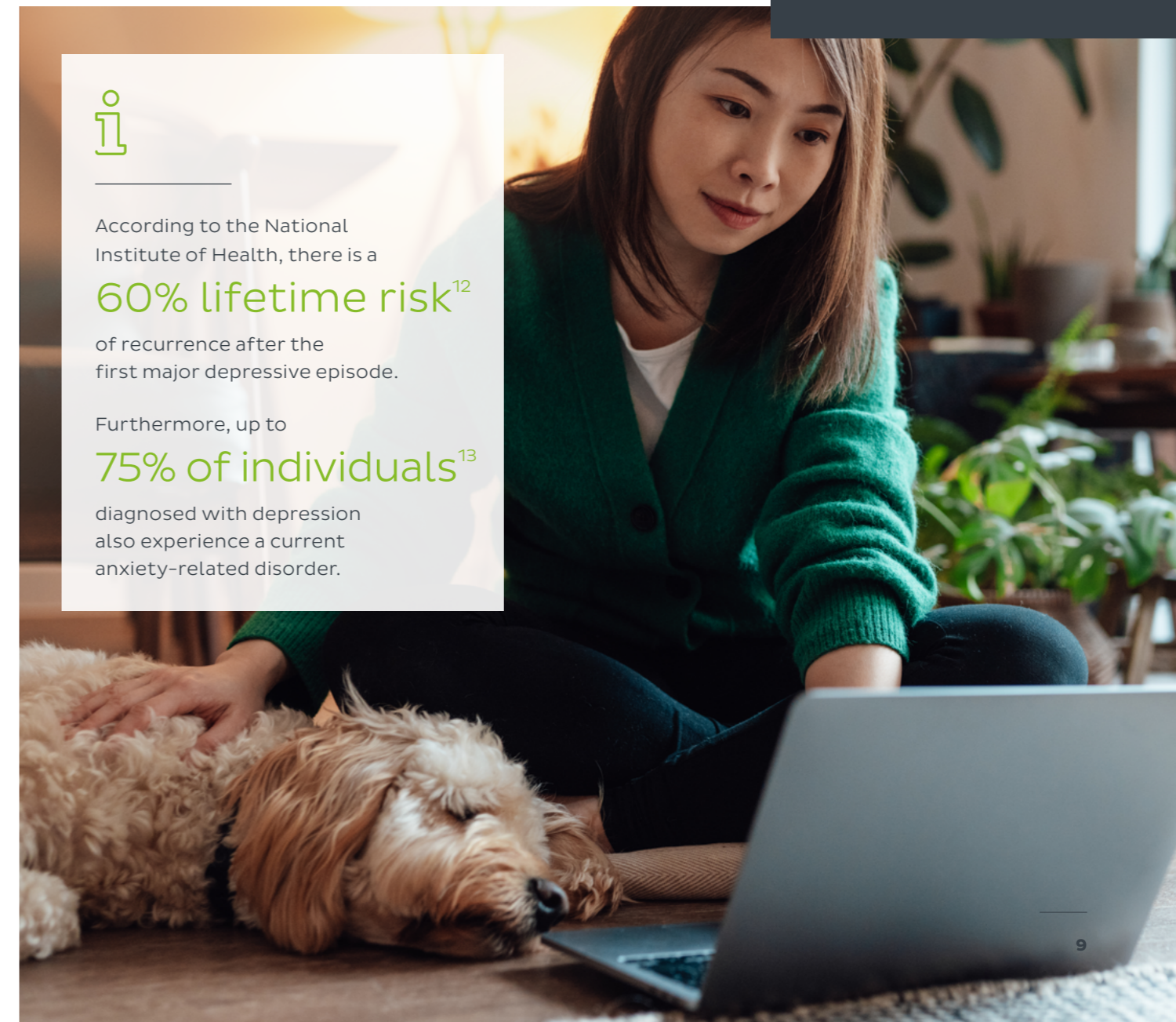
Mental health and life insurance

HOW TAL'S MENTAL HEALTH EXCLUSIONS WORK

When evaluating your client's level of cover, the decisions made around their policy can only be made at the time of underwriting.

Mental health conditions constantly evolve, which may lead to recurrence or further signs or symptoms. The presence of one mental health condition may not directly cause another, however, [epidemiological studies](#)¹¹ indicate that individuals with one type of mental disorder have an increased risk of developing other types of mental disorders. For example, it has been shown that anxiety disorders are more frequent where someone has previously experienced depression. For this reason, exclusions may be applied against the likelihood of any additional future risk for each condition.

Mental health conditions come with a unique set of complexities when it comes to life insurance and it's important to understand how these will affect your client at claim time.



According to the National Institute of Health, there is a

60% lifetime risk¹²

of recurrence after the first major depressive episode.

Furthermore, up to

75% of individuals¹³

diagnosed with depression also experience a current anxiety-related disorder.

WHAT IF YOUR CLIENT HAS EXPERIENCED A MENTAL HEALTH PROBLEM IN THE PAST BUT HAS RECOVERED?

We acknowledge that working through a mental health condition and recovering is a complex process, requiring determination and patience. Disclosures relating to having previously experienced a mental health problem or sought treatment do not necessarily exclude your client from receiving insurance cover.

Your client will be assessed based on their individual circumstances at the time of application. If your client has previously experienced or sought treatment for a mental health condition, this may be considered a pre-existing condition, which could present a risk of recurrence or exacerbate a physical health condition (comorbidity). Under these circumstances, TAL may apply loadings or exclusions to the policy. In some cases, however, we may determine that the condition poses minor risk and accept the policy without restriction.

TAL has an obligation to be fair to all people insured under our products. Hence, we may apply premium loadings or exclusions to our benefits. If we were to do otherwise, the cost of accounting for the higher overall risk would lead to increased premiums for all. Ultimately, this could lead to cover becoming unaffordable for some, or insurance companies being unable to set aside appropriate reserves to cover claims.



At TAL, we don't ever want to discourage anyone from seeking help when they need it.

TAL'S APPROACH TO MENTAL HEALTH UNDERWRITING AND INFORMATION SHARING

When assessing an application for Accelerated Protection, TAL's underwriting guidelines for depression and anxiety take the individual and their unique situation into consideration.

In assessing the insurability of a mental health condition, we will consider:

Impact on functionality:

How these symptoms have affected your client's ability to work.

Nature, severity and duration:

The nature, severity and duration of the symptoms, as well as the individual's efforts in managing them.

Treatment history:

Past and current treatments, including medications or psychological therapies.

Diagnosis received:

Any diagnoses received.

Holistic perspective:

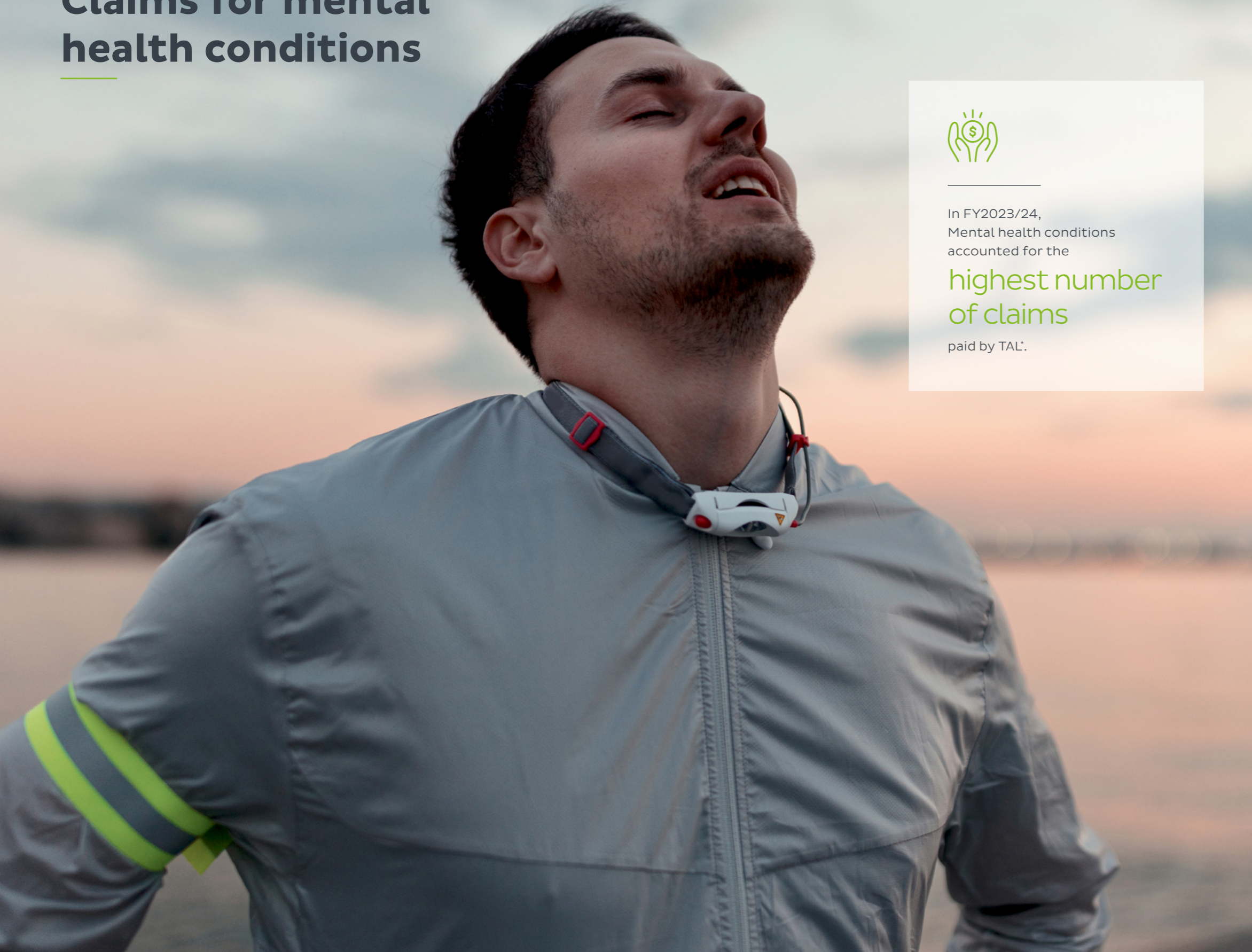
General information about how your client maintains a balance between health, lifestyle and work.

When your client applies for insurance, the underwriting process provides them the opportunity to disclose information that would be relevant to the insurer's decision whether to accept the risk of insurance.

TAL will assess your client's past and current symptoms to determine whether an exclusion, loading, or other restriction is necessary. In some cases, we may reach out to the client's treating health professional to gain a better understanding of their history, with a focus on its current impact on their life. This allows us to offer your client the right terms that consider both their personal circumstances and our insights from mental health research and our claims experience.



Claims for mental health conditions



In FY2023/24, Mental health conditions accounted for the **highest number of claims** paid by TAL.



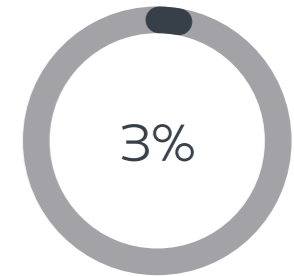
MENTAL HEALTH CONDITIONS

including post-traumatic stress disorder and depression accounted for

20%

of all the claims we accepted.

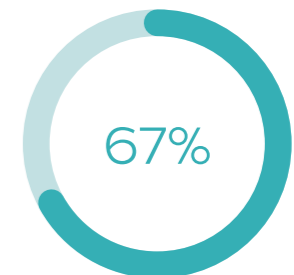
The payments for mental health related claims fell into the following product categories:



Life Insurance



TPD Insurance



Income Protection

CASE STUDY

This case study demonstrates the importance of having informed conversations with your clients to help them take a proactive path to recovery.



MELANIE'S STORY

- 1 Melanie's workplace has gone through a string of redundancies which has resulted in shared responsibilities, adding to her workload. During this time, Melanie has been experiencing some bouts of low mood and is struggling to motivate herself to get through the day. Some days are easier than others.
- 2 Melanie has been handed more duties at work and has also had some trouble with her children refusing to go to school. Despite her efforts, these issues are beginning to take a toll, with little support in sight.
- 3 A few months pass and Melanie is truly burnt out; feeling isolated, irritable, exhausted, and more frequently putting things off. Having spoken to her GP and been diagnosed with depression, she asks her manager to take time off work and makes a claim on her income protection policy with her insurer, TAL.



Benefits of being proactive

- 4 Her insurer assigns a case manager whom Melanie engages with, who identifies she has served her waiting period and meets eligibility criteria for a claim. While Melanie is supported financially, her case manager connects her with a mental health support program to provide her with the emotional help she needs.



3 months

- 5 Melanie has seen her GP and has been referred to a psychologist. She has maintained monthly appointments with her GP and continued to see her psychologist fortnightly.



3 months

- 6 With support, Melanie has successfully made a gradual return to health. Melanie's case manager supports her with re-engaging with her employer to negotiate a return to work they are both comfortable with. Equipped with new skills and resources, Melanie is able to ease back into regaining her sense of self.

Impacts of being reactive

- 4 Melanie is assigned a case manager; however, she does not wish to engage with the suggested support services as she feels she has too much on her plate. While Melanie is provided with financial support, she still feels isolated and unsupported through her depression.



6 months

- 5 Melanie continues to receive financial support as she does not feel ready to return to work. The thought of returning to work brings up high levels of anxiety and distress. Over time, this anxiety has begun to apply to other areas of her life and developed into a secondary condition to her depression. Melanie remains on claim until the end of her benefit period and worries about her future, which exacerbates her conditions.

Mental health and claims at TAL

OUR CLAIMS PHILOSOPHY SUPPORTS EVERY CUSTOMERS' MENTAL HEALTH, NO MATTER WHAT CLAIM TYPE



Creating a safe environment for customers by providing transparency of the claims process and our respective roles and responsibilities.



Building trust with customers through open and holistic conversations, and adapting our approach as their needs change.



Providing customers with access to mental health information, tools and services – at their pace – so they feel supported.



Explaining the reasons for our decisions in a way that is clearly understood, and providing customers with options if they are not satisfied.



Taking a person-centred approach to communicating, claims handling and decision making.

WE BUILD ON OUR CLAIMS PHILOSOPHY WITH A DEDICATED APPROACH TO MENTAL HEALTH CONDITION CLAIMS

Providing customers with confidence at the outset by setting out how we can support them along the way. This includes:

- Understanding the needs of customers with mental health conditions and how they want to interact with us
- Setting clear expectations of how we can support customers in ways that meet their needs
- Early identification of mental health support information, tools and services that we can refer customers to

Tailoring our handling of mental health condition claims by understanding how a customer's condition affects them and their life. This includes:

- Communicating with customers on a regular basis in ways that suit them
- Taking a holistic view of customers by understanding the unique circumstances affecting them
- Understanding customer management plans by engaging customers, their support networks and treating providers

Supporting the mental health of customers by collaborating with them and their treating providers. This includes:

- Offering mental health coaching to provide practical skills to identify and replace unhelpful behaviours and thoughts
- Providing the ability to fast-track customer access to clinical psychologists and/or psychiatrists to review customer treatment plans

Making timely decisions through robust processes, independent expert advice and considering what's fair and reasonable. This includes:

- Following best practice claims handling guidelines for mental health condition claims
- Ensuring our claims strategies are tailored and optimal through early and regular reviews with technical specialists and medical experts
- Reviewing complex mental health condition claims and decisions through the Claims Decision Advisory Panel

Supporting our people so they have the expertise to handle our customers' mental health condition claims with confidence. This includes:

- Delivering comprehensive training on mental health conditions including anxiety, depression, PTSD and bipolar disorder
- Providing the tools to identify indicators of grief and/or suicidal ideation and respond accordingly
- Regular call coaching for mental health condition claims to support person-centred communication
- Regular reviews and case conferencing of mental health condition claims to ensure our people feel confident in their approach

WE SUPPORT THE MENTAL HEALTH OF OUR PEOPLE SO THEY'RE AT THEIR BEST TO HELP OUR CUSTOMERS



Providing comprehensive on-boarding and skill-based training programs.



Resourcing our teams so they have the time to support your members in the way they need.



Building a positive team culture through peer-based collaboration, support and expert advice.



Promoting mental wellbeing through preventative health information and help, and offering individual support when needed.





We're here to help you build the skills and knowledge you need to support your clients and understand their situation, enabling you to confidently approach the topic with care and empathy.

Your role as an adviser

The statistics show that it's very likely you'll find yourself speaking with clients who are living with mental health conditions. It's important that you're able to discuss how your client's mental health can impact their financial decisions and options, including their life insurance.

We know these conversations can feel uncomfortable for many. TAL's Value of Advice research shows that [38% of advisers](#) don't feel confident dealing with a distraught client, and when this becomes a claim, [42% of advisers](#) revealed they sometimes avoid difficult conversations with clients about claims.

HOW TO SUPPORT YOUR CLIENTS AND YOURSELF

Talking openly about mental health can be difficult for some, so it's important to provide a safe space for your clients. The TAL Risk Academy platform offers on-demand sessions that go through practical skills for these conversations. Along with these sessions, here are some tips on how you might better support your clients' experiencing difficulties with their mental health:



Keep up your education

Mental health education fosters a supportive environment for you, your team and your clients. This brochure is a great start. We've also included helpful resources to build your skills so you can assist your clients facing mental health challenges.



Encourage open conversations

TAL provides a client care series through the Risk Academy, which talks through skills for opening a healthy dialogue about sensitive topics like mental health, as well as how to normalise this experience so that we can have these conversations regularly.



Be mindful of your own mental health

Look after yourself by taking time to rest, relax and practice mindfulness when you can. It's difficult to show up for others if you're feeling depleted. Whether it's a walk around your neighbourhood, a yoga or gym class, make time to do the things that boost your mental wellbeing.



Lead by example

This is not only about keeping tabs on your own mental health but also being approachable and authentic in your communication with clients and your team around the topic. Showing empathy is vital.

TAL resources to help you support your clients

ONGOING EDUCATION THROUGH TAL RISK ACADEMY

TAL Risk Academy continues to support advisers throughout the year with a professional development program aimed at reinforcing mental health awareness. This offers a range of on-demand CPD learning, workshops and resources to help boost knowledge in the mental well-being space.



Mental Wellbeing: Thriving in the financial advice industry

→ [Enrol now](#)



Mental Wellbeing: Supporting at-risk clients

→ [Enrol now](#)



Supporting grieving clients: Fireside chat with the experts

→ [Enrol now](#)



Supporting clients at claim time

→ [Enrol now](#)

HEADLIGHT TOOL

In partnership with researchers from the University of Sydney's Brain and Mind Centre, we've developed a preventative mental health tool designed to support you and your clients' mental well-being. Headlight asks simple lifestyle questions to give you a well-being score and then arms you with evidence-based resources that can help you take control of your mental well-being.

→ [Try the Headlight tool](#)



EXTERNAL RESOURCES



Beyondblue

supports people affected by anxiety, depression and suicide.

1300 224 636

beyondblue.org.au



Black Dog Institute

is Australia's only medical research institute to investigate mental health across the lifespan. They provide evidence-based tools, resources and insights.

blackdoginstitute.org.au



Lifeline

provides 24-hour crisis support and suicide prevention.

13 11 14

lifeline.org.au



SANE

is the leading national mental health organisation for people with complex mental health issues in Australia and for the families and friends that support them.

1800 187 263

sane.org

Supporting return to work

Aside from the financial benefit our products provide, we can also provide recovery and support programs to assist in the return to health, and the return to work. Returning to work after an extended period away from the workplace can be challenging, particularly as we know being out of work can have profound negative impacts on both physical and mental health. The longer an individual is away from work, the less likely they are to return to work.

We acknowledge that some individuals do not reach a point of recovery, however for most, living and working with a mental health condition is something that can be done successfully. Returning to work fosters personal achievement, a sense of community, social connection as well as a sense of purpose.

Your client may not need to have totally recovered from their mental health condition, they may have established strategies to help improve day to day living/function, therefore obtaining guidance from their treating providers can be helpful in determining when it is safe to return to work.

As a life insurer, TAL is dedicated to supporting your client during those times where they need it most.



References

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- 2 World Health Organization (2022). Mental health. [online] www.who.int. Available at: <https://www.who.int/data/gho/data/themes/theme-details/GHO/mental-health>. [Accessed April 2024].
- 3 <https://opentextbc.ca/mhwframework/back-matter/appendix-b/>
- 4 [https://www.abs.gov.au/media-centre/media-releases/two-five-australians-have-experienced-mental-disorder#:~:text=More%20than%20two%20in%20five,Bureau%20of%20Statistics%20\(ABS\)](https://www.abs.gov.au/media-centre/media-releases/two-five-australians-have-experienced-mental-disorder#:~:text=More%20than%20two%20in%20five,Bureau%20of%20Statistics%20(ABS))
- 5 <https://www.aihw.gov.au/mental-health/overview/prevalence-and-impact-of-mental-illness>
- 6 <https://www.aihw.gov.au/mental-health/topic-areas/mental-health-prescriptions>
- 7 <https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/2020-21#prevalence-of-mental-disorders>
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- 11 McGrath, J.J., Lim, C.C.W., Plana-Ripoll, O., Holtz, Y., Agerbo, E., Momen, N.C., Mortensen, P.B., Pedersen, C.B., Abdulmalik, J., Aguilar-Gaxiola, S., Al-Hamzawi, A., Alonso, J., Bromet, E.J., Bruffaerts, R., Bunting, B., de Almeida, J.M.C., de Girolamo, G., De Vries, Y.A., Florescu, S. and Gureje, O. (2020). Comorbidity within mental disorders: a comprehensive analysis based on 145 990 survey respondents from 27 countries. Epidemiology and Psychiatric Sciences, 29(1). doi: <https://doi.org/10.1017/s2045796020000633>. [Accessed April 2024].
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- 13 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC181193/#:~:text=Large%20primary%20care%20surveys%20suggest,care%20than%20in%20the%20community.&text=Overall%2C%20more%20than%2075%25%20of,from%20a%20current%20anxiety%20disorder>

Important Information:

*Claims statistics based on total number of assessed claims (including funeral insurance) that were accepted between 1 April 2023 and 31 March 2024. A claim is assessed in order to determine whether or not the claim is payable. A claim is accepted when the claim is determined to be payable

This information has been prepared for use by advisers in their professional capacity only and is not intended to be used by clients to make a decision. Any financial product advice is general in nature only and does not take into account any person's objectives, financial situation or needs; as such the appropriateness of the advice for any person should be considered having regard to those factors. Before making a decision to acquire or continue to hold Accelerated Protection clients should consider the Product Disclosure Statement and Policy Document (PDS) available from www.tal.com.au. The Target Market Determination for Accelerated Protection is also available at this web address.

This document contains a summary of some of the features of Accelerated Protection and is not a substitute for reading the PDS, which contains information about the terms, conditions, limits and exclusions that apply. Some features and benefits may not be available depending on the cover selected and individual circumstances. Capitalised terms have special meanings set out in the PDS. If there is any inconsistency between this document and the PDS, the PDS prevails.

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