

## FAIR-MINDED COVER

# Implementation progress

## Insurers

Party	Status based on party self-assessment	Summary of party self-assessment of steps taken to implement the recommendation
Recommendation 1: All insurers who participated in the investigation should develop a strategy for compliance with the Equal Opportunity Act.		
Allianz & AGA	Implemented	<ul style="list-style-type: none"><li>Reviewed and updated internal governance frameworks to ensure compliance with the requirements of the <i>Equal Opportunity Act 2010</i> (and other relevant state and Commonwealth anti-discrimination legislation) to include requirements not to unlawfully discriminate against a person with a protected attribute, including a person with a mental health condition with respect to product and pricing models.</li><li>Have taken steps to ensure that the third party providers used to conduct the screening process for individuals with pre-existing conditions are compliant with relevant anti-discrimination legislation, including the <i>Equal Opportunity Act 2010</i>.</li><li>Have taken steps to ensure actuarial data and statistics used in its screening process are current, regularly updated and consistent with medical and technological updates.</li></ul>
Suncorp	On track	<ul style="list-style-type: none"><li>Have undertaken a comprehensive review of its insurance products, making changes to policy wording and processes to ensure there is no unlawful discrimination regarding customers with mental health conditions, whether those conditions are pre-existing or first-occurrence conditions that may later give rise to a claim.</li><li>Currently revising its product development framework to formally require regular review of actuarial and statistical assumptions, including a framework for compliance with anti-discrimination laws. Previously, regular reviews did occur but without the formal requirement to do so.</li></ul>

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		<b>Steps still to complete:</b> The Commission looks forward to Suncorp completing its revision of its product development framework.
nib-WNG	On track	<ul style="list-style-type: none"> <li>• Conducting an ongoing review of its product development methodology, including a review of actuarial and statistical data and policy terms to ensure compliance with anti-discrimination legislation, and current relevant clinical and medical knowledge.</li> <li>• Engaging with third party providers to enhance their compliance with anti-discrimination laws.</li> <li>• Reviewing underwriting guidelines and developing the capability to provide enhanced cover for pre-existing mental health conditions.</li> </ul> <p><b>Steps still to complete:</b> The Commission looks forward to nib-WNG completing its review of its product development methodology and underwriting guidelines, as well as its capability to provide enhanced cover for pre-existing mental health conditions.</p>
Zurich – Cover-More	Implemented	<ul style="list-style-type: none"> <li>• Zurich has an integrated compliance framework which supports compliance with the Equal Opportunity Act and is working with Cover-More to improve policy terms for mental health coverage.</li> <li>• Cover-More has developed a strategy for compliance with the Equal Opportunity Act, which: <ul style="list-style-type: none"> <li>– includes regular monitoring and updating of actuarial and statistical data on which insurance terms are based;</li> <li>– provides for continuous improvement and regular review of policy terms to ensure it is compliant with anti-discrimination law and considers the continual advances in relevant medical knowledge;</li> <li>– ensures any third party it uses to collect data or provide assessment for cover complies with relevant anti-discrimination laws; and</li> </ul> </li> </ul>

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<b>Recommendation 2: Allianz &amp; AGA, Suncorp and nib-WNG should apply rigorous actuarial analysis to the policy terms they use to offer or exclude travel insurance cover to people with a mental health condition (having regard to the DDA Guidelines).</b>		
<b>Allianz &amp; AGA</b>	<b>Implemented</b>	<ul style="list-style-type: none"> <li>Reviewed the internal documentation of the methodology which supports the underwriting position with respect to cover of mental illness across its travel insurance portfolio.</li> <li>Have taken steps to ensure actuarial data and statistics used in its screening process are current, regularly updated and consistent with medical and technological updates.</li> <li>Participated in the Australian Actuaries Institute Anti-Discrimination Working Group, feeding back information from the working group to inform the ongoing decisions made by its underwriting committee.</li> </ul>
<b>Suncorp</b>	<b>Implemented</b>	<ul style="list-style-type: none"> <li>Implemented a medical risk assessment platform, which covers 23 mental health categories and provides statistical data to inform assessments.</li> <li>Developed its own claims database to support underwriting assessments.</li> </ul>
<b>nib-WNG</b>	<b>On track</b>	<ul style="list-style-type: none"> <li>Engaging with external consultants to obtain improved statistical and actuarial data used for underwriting any policy terms for pre-existing mental health conditions.</li> <li>Will ensure the data to be obtained meets the requirements of anti-discrimination laws and is regularly updated and relevant.</li> </ul> <p><b>Steps still to complete:</b> The Commission looks forward to nib-WNG finalising its work to obtain improved statistical and actual data.</p>
<b>Recommendation 3: Allianz, Suncorp and nib-WNG should contact claimants denied indemnity or claims based on a mental health condition during the Investigation Period to notify them about the Investigation and its outcomes.</b>		
<b>Allianz &amp; AGA</b>	<b>Not accepted</b>	Allianz & AGA informed the Commission that it has reviewed all claims declined on the basis of a mental health condition during the investigation period for products which were the subject of the Investigation and determined that these claims were correctly declined. On this basis, AGA has determined that it is not necessary to provide these claimants with a copy of the Investigation Report and Outcome Notice.

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		<p>Allianz &amp; AGA noted that the <i>Fair-minded cover</i> report is publicly available, and the relevant claimants were informed at the time of their claims that they could seek a review of the indemnity decision with respect to their claim on an individual basis, including providing information with respect to external review authorities. Allianz &amp; AGA's position is that later contacting a sub-set of claimants who had their claim declined on the basis of a mental health condition and providing them with a copy of the <i>Fair-minded cover</i> report would likely cause unnecessary confusion for those customers.</p> <p>The Commission considers this recommendation to be an important accountability measure. It is a means by which consumers can be informed of their rights and demonstrates a commitment to stamping out this kind of discrimination in the future.</p>
Suncorp	Implemented	Suncorp implemented the recommendation fully by October 2019, reopening and remediating denied claims.
nib-WNG	Implemented	nib-WNG reviewed relevant claims data relating to mental health conditions. nib Travel contacted the one claimant denied indemnity based on the application of a blanket mental health exclusion during the investigation period, providing them with a copy of the investigation report and outcome notice and making a payment to them for their claim, inclusive of interest.
<b>Recommendation 4: Allianz, Suncorp, nib-WNG and Zurich should provide their staff with regular education and training on anti-discrimination laws.</b>		
Allianz & AGA	On track	<p>AGA has rolled out training on applicable anti-discrimination laws. It is intended that three tiers of training will be delivered, by reference to the various job functions in AGA's business.</p> <ol style="list-style-type: none"> <li>1. Tier 1 "<i>Anti-Discrimination Awareness</i>" training has been rolled out and all AGA employees (which includes senior leadership staff) were required to complete this training module by 30 June 2020.</li> <li>2. Tier 2 "<i>Anti-Discrimination in Insurance Products and Services</i>" training is a more detailed module that is targeted towards AGA employees in a customer facing role. The Tier 2 training module is finalised and ready to be rolled out in AGA's business.</li> </ol>

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		<p>3. Tier 3 training is the most comprehensive module with a detailed focus on relevant anti-discrimination training and is intended for all underwriting and product design staff, legal, compliance, general managers and the executive team. The Tier 3 training module is still in development.</p> <p>Separately, all AGA frontline and insurance-related employees were required to undertake training on the updated General Insurance Code of Practice (<b>Code</b>) by 30 June 2020. For most employees, this should have involved completing two online learning modules, covering an awareness of the revised Code as well as training on recognising customers experiencing vulnerability, which includes those customers with a mental health condition.</p> <p>Allianz has invested significantly in providing staff (including senior leadership) relevant anti-discrimination education and training, which formed part of Allianz's overall commitment to comply with the new General Insurance Code of Practice (GICOP) requirements (commencing 1 January 2021) with respect to dealing with customers experiencing vulnerability, which includes those customers with a mental health condition.</p> <p>Allianz's training model comprises a three tier learning approach including the following modules:</p> <ul style="list-style-type: none"> <li>• Vulnerability awareness training – comprising two online training modules provided by ANZIIIF, which was compulsory for most employees, including frontline employees and other employees that may influence decisions and outcomes for customers, such as Senior Executive Team employees.</li> <li>• Customers experiencing vulnerability response training – comprising a 90 minute training session is compulsory for our frontline employees.</li> <li>• High care training – comprising 10-hours of facilitated training for our employees who case manage customers in vulnerable circumstances.</li> </ul> <p><b>Steps still to complete:</b> The Commission looks forward to AGA finalising and rolling out its Tiers 2 and 3 training.</p>
Suncorp	Implemented	<ul style="list-style-type: none"> <li>• Developed and delivered specific anti-discrimination training for staff involved in the development and management of travel insurance products. The training is a requirement for management positions.</li> <li>• Updated its training modules for staff in customer-facing roles.</li> </ul>

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		<ul style="list-style-type: none"> <li>Developed and delivered anti-discrimination training for travel insurance senior leadership.</li> </ul>
nib-WNG	Implemented	<ul style="list-style-type: none"> <li>Developed and delivered specific training for senior managers, underwriters, and leadership team involved in the drafting of policy terms and conditions in August 2020. This training specifically addresses anti-discrimination laws and its influence on policy drafting and product design.</li> </ul>
Zurich – Cover-More	On track	<ul style="list-style-type: none"> <li>Zurich requires all staff and third-party providers to undertake annual compliance training, focusing on vulnerable people (including people with mental health conditions), family violence and financial hardship ahead of the introduction of the ICA updated Code of Conduct.</li> <li>Zurich is also implementing additional, targeted anti-discrimination training to key Zurich and Cover-More staff, including relevant senior managers and Executives.</li> <li>Cover-More staff were involved in writing an industry paper titled “The Australian Anti-Discrimination Acts: Information and Practical Suggestions for Actuaries”. Cover-More plans to use this paper to develop training for technical staff to improve understanding of the practicalities of anti-discrimination laws. Delivery of this training has been disrupted by COVID-19.</li> <li>Cover-More has updated its anti-discrimination and equal employment opportunity policy and its annual training about customer-facing discrimination.</li> </ul> <p><b>Steps still to complete:</b> The Commission looks forward to Zurich – Cover-More implementing its targeted anti-discrimination training to all staff, including senior leadership.</p>
<b>Recommendation 5: All insurers who participated in the Investigation should develop risk profiles and appropriate coverage for different mental health conditions.</b>		
Allianz & AGA	Implemented	<p>Since the removal of the blanket exclusion for mental health conditions, AGA has developed its risk profiles for different mental health conditions so as to ensure that different conditions are not treated as a single category. The updated risk profiles ensure greater accuracy in the medical screening process which AGA applies to all customers that declare a pre-existing condition (which includes all mental health conditions) prior to offering</p>

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		cover. In AGA's view, this enables AGA to identify any customers with pre-existing mental health conditions who can be offered appropriate cover.
Suncorp	Implemented	The assessment tool used by Suncorp includes data related to 23 mental health conditions. This tool, in combination with its underwriting system enables tailored risk assessments for appropriate coverage for each of those mental health conditions.
nib-WNG	On track	nib-WNG is developing improved risk profiles and appropriate coverage for a range of mental health conditions. This work includes the use of internal and external data to enhance the development of such risk profiles and coverage.  <b>Steps still to complete:</b> The Commission looks forward to nib-WNG finalising its improved risk profiles and coverage for a range of mental health conditions.
Zurich – Cover-More	Implemented	<ul style="list-style-type: none"> <li>Cover-More has developed risk profiles and appropriate coverage for differing mental health conditions within its travel insurance policies, as it does with differing physical conditions.</li> <li>Zurich updated several Corporate Travel and Group Accident products to include additional benefits for certain mental health conditions.</li> </ul>
<b>Recommendation 6: All insurers who participated in the Investigation should provide clear reasons to travel insurance customers for refusing to offer cover or deny indemnity based on a mental health condition.</b>		
Allianz & AGA	Implemented	<ul style="list-style-type: none"> <li>Provides reasons for a decision to decline indemnity under a travel insurance policy.</li> <li>Offers clear and accessible information about internal dispute resolution processes to customers seeking to a review an indemnity decision.</li> <li>Informs customers of a free, external dispute resolution process through the Australian Financial Complaints Authority where the customer has had their claim declined.</li> </ul>

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Suncorp	Implemented	<ul style="list-style-type: none"> <li>Suncorp's enhanced assessment capability enables it to provide customers with clear reasons for denial of claims or coverage.</li> <li>Reasons are accompanied by information regarding internal and external dispute resolution options.</li> <li>Where Suncorp is unable to cover a risk associated with a pre-existing condition, modified coverage is offered to the customer consistent with practice related to other medical conditions.</li> </ul>
nib-WNG	Implemented	<ul style="list-style-type: none"> <li>nib-WNG has undertaken a full review of all correspondence to consumers declined cover related to a mental health condition. nib-WNG provides written reasons to consumers regarding cover denials, including policy clauses and how they relate specifically to the consumer's circumstances.</li> <li>nib-WNG provides information outlining internal and external review options when coverage is denied.</li> <li>nib-WNG will review all cover denial letters that have followed a medical assessment, in order to support the development of enhanced cover options for consumers with mental health conditions.</li> <li></li> </ul>
Zurich – Cover-More	Implemented	<ul style="list-style-type: none"> <li>Zurich has a practice of providing reasons by email on any refusal to cover or any denial of indemnity.</li> <li>Cover-More has a detailed and structured process for communicating with consumers denied coverage. This process incorporates written communication, phone calls and opportunities to seek internal review or further assessment. It also allows consumers to provide additional relevant information.</li> </ul>
Providers were offered the opportunity to share additional information on their work in addressing discrimination		
Allianz & AGA		<ul style="list-style-type: none"> <li>Looking to update its Product Disclosure Statements to be more consumer focused and simple. The process to apply for cover for pre-existing conditions is also being simplified.</li> <li>Contributed to the updated ICA Code of Conduct, which includes a new part: 'Supporting consumers experiencing vulnerability', including customers with a mental health condition. Allianz is working to adopt all necessary standards as required by this Part of the</li> </ul>



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		<p>Code, into its business including the provision of awareness training for all staff and more specialised training for customer facing roles together, with the establishment of a High Care team.</p> <ul style="list-style-type: none"> <li>• Implemented several initiatives to support the mental health of its employees and customers: <ul style="list-style-type: none"> <li>– Offering of counselling to over 1000 customers affected by bushfires.</li> <li>– Providing tools, resources and services to improve employee mental health and wellbeing, including a thought leadership paper in 2019, “Awareness into Action”, which provides employers with data and tools to support mentally healthy workplaces and in September 2020 producing the ‘Future Thriving Workplaces’ report to raise Australian employers’ awareness of mental ill-health in the workplace and to help them take tangible action to make a difference to the mental health of workers.</li> <li>– Launching a Social Impact Framework, committed to improving mental health outcomes in the community through new partnerships and programs.</li> </ul> </li> </ul> <p>Allianz is a founding member of the City Mental Health Alliance, a collaboration of organisations with a shared vision of mentally healthy workplaces.</p>

## The Actuaries Institute and the Insurance Council of Australia

Recommendation	Party	Status based on party self-assessment	Summary of party self-assessment of steps taken to implement the recommendation
<b>1 – Develop an anti-discrimination education strategy for members</b>	<b><i>Actuaries Institute</i></b>	<b>Implemented</b>	<ul style="list-style-type: none"> <li>Established an Anti-Discrimination Working Group to develop and implement an anti-discrimination education strategy. Members of the working groups include senior actuaries from various practice areas.</li> <li>Developed continuing professional development content to assist members in understanding the practicalities of relevant anti-discrimination laws.</li> <li>Conducted an information session on anti-discrimination at their annual summit in August 2020.</li> <li>Established a Communication, Modelling and Professionalism subject that covers anti-discrimination obligations. The subject will run a twice a year.</li> </ul>
<b>1 – Strengthen the Code of Practice and consequences for breach</b>	<b><i>Insurance Council of Australia</i></b>	<b>Implemented</b>	<ul style="list-style-type: none"> <li>Published an updated General Insurance Code of Practice (<b>Code</b>). The deadline for full technical compliance for Parts 9 and 10 of the Code is 1 January 2021. The deadline for compliance with all remaining Code provisions is 1 July 2021.</li> <li>The updated Code includes a new commitment to take extra care with customers who are experiencing vulnerability and a requirement to develop internal processes and procedures that take into account mental health considerations by: <ul style="list-style-type: none"> <li>at a minimum, designing and selling products, as well as applying their terms in compliance with federal, state and territory anti-discrimination laws;</li> <li>treating customers with a past or current mental health condition fairly;</li> <li>only asking relevant questions when deciding whether to provide cover for a pre-existing mental health condition; and</li> </ul> </li> </ul>

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			<ul style="list-style-type: none"> <li>telling customers of their right to ask for the information relied on if the general insurer tells the customer they cannot provide cover for a particular condition.</li> <li>The updated Code also allows the Code Governance Committee to publish de-identified breach decisions and imposes sanctions for significant breaches.</li> <li>Published a principles-based Guide on Mental Health.</li> </ul>
<b>2 – Develop or arrange an education program on anti-discrimination obligations</b>	<b><i>Insurance Council of Australia</i></b>	<b>On track</b>	<p>The ICA has worked with a leading training provider to develop training related to the Code, which includes a module developed to improve awareness of vulnerability, including mental health conditions. As part of an upcoming review of vulnerability training in the first quarter of 2021, the Insurance Council will explore the feasibility of complementing the existing general training, to increase awareness of general obligations across Federal, State and Territory equal opportunity laws.</p> <p><b>Steps still to complete:</b> The Commission recommends that the training expressly incorporate education and training about the legal obligations in relation to people with mental health conditions.</p>