

The Mental Health and Insurance Standards Implementation Report

May 2023

The UK insurance and long-term savings market and the ABI

*The Association of British Insurers is the voice of the UK's world-leading insurance and long-term savings industry. A productive and inclusive sector, our industry supports towns and cities across Britain in building back a balanced and innovative economy, employing over **350,000** individuals in high-skilled, lifelong careers, two-thirds of whom are outside of London.*

*Our members manage investments of **£1.6 trillion**, pay over **£17.2 billion** in taxes to the Government and support communities and businesses across the UK by enabling trade, risk-taking, investment and innovation.*

*Our industry is also a global success story, the largest sector in Europe and the fourth largest in the world. The ABI represents over **200** member companies, including most household names and specialist providers, giving peace of mind to customers across the UK.*

Introduction

The Mental Health and Insurance Standards signify the insurance industry's commitment to supporting individuals with prior or existing mental health conditions when they seek insurance cover. The Standards were launched in September 2020 and had an implementation deadline of 31st December 2021.¹

In 2022 the ABI (Association of British Insurers) surveyed 18 of its members to assess whether these Standards are being embedded across the industry. In April and May 2023, we issued a further call for evidence to its travel insurance members. This means in total, we have responses from 3 health, 9 protection and 8 travel insurers, and 2 reinsurers.

To support the implementation of these Standards, we launched a number of Mental Health e-Learning Modules for insurer advisers and frontline staff. The Modules were developed with the not-for-profit 'Rightsteps', a specialist in mental health and well-being solutions. The Modules are accredited by the CII. They are designed to train advisers and frontline staff on a range of mental health conditions and how to respond to and support consumers with mental health conditions throughout the application and claims process. More than 6,000 courses have been taken by over 2,000 insurer frontline staff and advisers since its launch.

We have also published a Mental Health and Insurance information page on its website. It provides information for consumers who may have had trouble obtaining insurance, including what questions consumers should ask their insurer to make sure they understand their cover, as well as links to specialist advisors. More than 2,200 people accessed this information in the past year.

The ABI and our members are committed to the implementation of these Standards and making insurance accessible for people with current or prior mental health conditions. This report sets out several next steps that the ABI will take by working with our members, regulators, consumers and mental health charities.

Key findings:

Accessibility

- Insurer frontline staff and advisers have completed more than 6,000 e-Learning courses to improve their understanding of mental health so that they're better equipped to support consumers with mental health conditions. The courses were developed by the ABI and the not-for-profit 'Rightsteps', and they are accredited by the Chartered Insurance Institute (CII).
- 100% of respondents have taken steps to improve the accessibility of their communications.

¹ [ABI - Mental Health and Insurance Standards](#)

Asking appropriate questions in the application process

- 88% of respondents stated that they include an introduction to their underwriting questions to manage consumer expectations. The remaining 12% said they had taken alternative actions, such as including this information at a different stage in the underwriting process or that they used Verisk for this component of the underwriting process.
- 100% of respondents stated that the questions they asked could be answered without prior medical knowledge.

What is Verisk?

Verisk provides information about insurance risk. It does this by analysing data and converting it into practical tools to support decision-making around risk. Verisk has worked with insurers to develop an independent medical risk assessment tool that assesses the likelihood of a pre-existing medical condition resulting in a claim, and how much that claim could cost the insurer. The tool asks consumers a series of questions about specific health conditions. This information helps insurers to price their products and create terms for people with medical conditions. Ultimately, this makes their products more accessible to people with prior medical conditions. Verisk undertakes an annual review of their mental health conditions with the support and guidance of their external psychiatric consultant. Verisk advises that anxiety and depression both feature consistently in the Top 10 most frequently declared medical conditions for travel insurance.

Communicating decisions and cover with clarity and empathy

- 81% of respondents stated that they regularly review written and verbal communications about underwriting decisions with support from relevant mental health professionals, charities, or consumer groups.
- 81% of respondents stated that they have made mental health exclusions highly prominent in policy documents and in any communications where this is relevant.
- These figures are not 100% as this Standard is not applicable to all travel insurers as generally, they do not automatically exclude any mental or physical health conditions from their products and they use a third-party, such as Verisk, to assess and communicate under-writing decisions about pre-existing medical conditions.

Transparency

- 83% of respondents stated that they ensure their underwriting approach around mental health conditions is reviewed regularly, using up-to-date and relevant, statistically credible evidence. As above, this score is lower because many travel insurers use Verisk, an independent medical screening system, rather than doing this in-house. Verisk undertakes an annual review of their mental health conditions with the support and guidance of their external psychiatry consultant.
- 94% stated that, on a customer's request, they explain to customers what evidence is used to inform the underwriting approach.

Mental Health and Insurance


The last survey of Mental Health and Wellbeing in England found that 1 in 6 people aged 16+ had experienced symptoms of a common mental health problem, such as depression or anxiety, in the past week.² More recently, the Office for National Statistics (ONS) found that the prevalence of depressive symptoms among adults in Great Britain has increased since the start of the Covid-19 pandemic - from 10% between July 2019 and March 2020, to 21% between January and March 2021. Prevalence has started to fall, but it remains higher than pre-pandemic levels.³ Increased diagnosis has led to an increase in anti-depressant prescriptions – between October and December 2021, 21.2 million antidepressant drugs were prescribed.⁴ Insurers recognise the need to provide cover and support the increasing number of people suffering with poor mental health.

Disclosing existing and pre-existing mental health conditions when applying for, or claiming against, insurance is very important. Insurers need to know about existing conditions as it allows them to understand the type of mental health condition and the

² [Adult Psychiatric Morbidity Survey: Survey of Mental Health and Wellbeing, England, 2014.](#)

³ ONS (2021) [Coronavirus and depression in adults, Great Britain: January to March 2021](#)

⁴ NHS Business Services Authority (NHSBSA) (2022) [Medicines Used in Mental Health – England – Quarterly Summary Statistics October to December 2021](#)



associated risk based on scientific evidence. Complete and accurate information is needed because it affects the risk assessment, the premiums charged, and the terms and conditions of an insurance policy. It is also a legal requirement and failure to do so may result in a policy being void.

Given the importance of complete and accurate disclosure for individuals and insurers, the Mental Health and Insurance Standards:

- Provide guidance for the insurance industry on underwriting application processes to improve access to insurance for individuals with mental health conditions.
- Promote transparency for people with pre-existing mental health conditions by increasing consumer knowledge of insurance underwriting processes and reasons for the application of loadings or declination.
- Examine ways to improve the manner and presentation of questions on mental health in insurance underwriting documents to improve accessibility.

The Mental Health and Insurance Standards are relevant for protection, health and a range of general insurance products, including travel. However, health and income protection products have a greater role to play in reducing the number of people who experience mental health issues. Many income protection and health insurers provide a range of services to help people manage their physical and mental health. These include:

- Preventative measures: Many insurers provide specialist mental health service support. This can include a tailored treatment plan and access to a wide range of specialists including psychologists, counsellors, and psychiatrists.
- Accessing support services: Most insurers have dedicated Employee Assistance Programmes which provide access to support services 24 hours a day. These can offer support on a range of topics that may trigger stress or anxiety, such as finances, relationships, and legal issues, as well as dedicated mental health counsellors. These services can be accessed through dedicated helplines as well as through interactive online services.
- Rehabilitation services: Rehabilitation services are at the heart of most protection insurance products. They often offer access to counselling and have specific mental health pathways for people to get the tailored assistance they need.

These services keep people healthier and happier, which often supports them to stay in work, securing policyholders' financial well-being, and reducing pressure on employers and on the NHS.

The Mental Health and Insurance Standards

The Standards provide guidance to health, protection, and travel insurers. They include four commitments, each underpinned by several measurable performance indicators. The Standards are set in such a way that individual firms can tailor their approach to their consumers and underwriting propositions, and to allow for the development of new and innovative propositions.

The commitments and KPIs are:

1. Accessibility
 - a. Give consumers two or more choices of how to communicate with them.
 - b. Implement processes to support consumers who may need assistance to complete the application process.
 - c. Implement training and staff awareness programmes to empower frontline staff to:
 - i. develop a basic understanding of mental health problems;
 - ii. show compassion; and
 - iii. use appropriate language.
2. Ask appropriate questions in the application process
 - a. Include an introduction to their underwriting questions, to manage consumer expectations, that:
 - i. explains the process
 - ii. highlights the importance of accurately answering the application form questions
 - iii. explains why questions are asked.
 - b. Ask questions that can be answered without prior medical knowledge or understanding.
 - c. Only ask questions that are relevant to mental health conditions and treatments that:

- i. are linked to an outcome and/or severity; and
 - ii. do not list multiple conditions of widely differing severity into a single question.
3. Communicate decisions and cover with clarity and empathy
 - a. Make mental health exclusions highly prominent in policy documents and in any communications where this is relevant.
 - b. On request, explain to applicants, in their preferred communication channel, why their policy includes exclusions or an increased premium, or why cover is not being provided.
 - c. Regularly review written and verbal communications about underwriting decisions, supported by a relevant mental health professional, charity or consumer group.
 - d. Where appropriate, signpost consumers to the relevant support services.
 - e. Remove formalised and negative language, such as “declining” and “declinature”, and replace them with neutral and non-technical wording.
 4. Transparency
 - a. Ensure that their underwriting approach around mental health conditions is reviewed regularly using up-to-date and/or relevant, statistically credible evidence.
 - b. On a consumer’s request, explain what evidence was used to inform the underwriting approach and state when it was last reviewed.

The Implementation Review

Accessibility

100% of survey respondents stated that they provide consumers with two or more choices of how to communicate with them. The most typically available options are phone, email or post. Some respondents also offered chat functions and communication via social media. Survey respondents stated that since the introduction of the Standards, they have made it easier for consumers to state which form of communication they prefer, as well as improving their signposting to different communication channels.

Only one survey respondent stated that they had not implemented processes to support consumers who may need assistance to complete the application process. This respondent stated they had not done so as all their products are offered through financial advisors who are trained to help consumers i.e., they are already receiving support.

Common forms of assistance across respondents include:

- Allowing alternative methods of application. For example, allowing individuals to complete their application alongside an intermediary/professional. This was offered in-house, over the phone, or online. There was also the option to have an intermediary complete the application on behalf of customers.
- Signposting to services that provide extra support, or cover, if that insurer is unable to provide cover. Such services included BIBA (British Insurance Brokers Association) Find Insurance Service, mental health-related charities, advised firms and non-advised firms. It is worth noting that in April 2021 the FCA introduced a requirement that travel insurers, in certain circumstances, must give consumers details of a directory of travel insurance firms that have the appetite and capability to cover consumers with more serious pre-existing medical conditions.⁵
- Changes to the application such as improved mental health question sets, adding further information and guidance, and using informational videos.
- Ensuring accessibility by making information available in large print, audio and braille.

Ask appropriate questions in the application process

88% of respondents stated that they include an introduction to their underwriting questions, to manage consumer expectations. The 12% that had not done so said they had taken alternative actions, such as using Verisk’s Risk Rating Tool and having this information at a different stage in the underwriting process.

⁵ <https://www.fca.org.uk/publications/policy-statements/ps20-3-signposting-travel-insurance-consumers-medical-conditions>

Some respondents provided qualitative feedback on the impact this had on consumers. One respondent stated:

“For our new underwritten product launched in January 21 we have seen low levels of cancellations for those who have been referred for medical underwriting beyond our online portal. For such cases who have completed underwriting and attracted an exclusion we have seen a high acceptance rate of our revised terms (80.5%) – this is a good metric to demonstrate our philosophy, communications and underwriting process, in tandem with the advisor, is working well.”

100% of respondents stated that the questions they asked could be answered without medical knowledge. The questions asked by Verisk can also be answered without medical knowledge. Respondents tested that this was the case by working with mental health professionals and individuals without a medical background.

100% of respondents stated that they only ask questions that are relevant to mental health conditions and treatments that:

- are linked to an outcome and/or severity; and
- do not list multiple conditions of widely differing severity into a single question.

Actions taken by respondents included:

- Asking questions on severe mental health conditions separately to mild/moderate health conditions.
- Asking time-sensitive questions, for example, asking about a symptom in the last 4 years, so customers only refer to recent events.
- Eliminating the amount of information needed, for example, by only requiring disclosure if the customer has needed treatment or had time off work.

Here is an example of the positive actions taken by respondents:

“Prior to 2019, our treatment question within our mental health rule asked, ‘Are you still in treatment for this condition?’

- Yes
- No

If the customer answered ‘Yes’, this could potentially result in a non-standard decision.


Following our review in 2019, we changed the question and options to provide more favourable outcomes for customers who are currently managing their symptoms and receiving treatment by asking “Has there been any change in your medication in the last year?”

- *No change – same type and amount of medication*
- *Amount of medication has increased*
- *Amount of medication has decreased on medical advice*
- *Amount of medication has decreased for other reasons*
- *Type of medication has changed.”*

Communicate decisions and cover with clarity and empathy

81% of respondents stated that they have made mental health exclusions highly prominent in policy documents and in any communications where this is relevant. The 19% of respondents that answered no to this question were travel insurers meaning 100% of the protection and health insurance respondents answered yes. The reason for some travel insurers not making mental health exclusions prominent was that they treat mental health conditions the same way as any other medical conditions. It is important to note that this element of the Standards is not relevant to many travel insurers as they do not exclude mental health conditions from their policies, instead, they use Verisk in the underwriting process to determine whether they can offer cover, at what cost and with what terms.

100% of respondents also stated that they clearly explained to applicants, using their preferred communication channel, why their policy includes exclusions, or there is an increased premium, or why the cover is not being provided.



81% of respondents stated that they regularly review written and verbal communications about underwriting decisions with support from relevant mental health professionals, charities, or consumer groups. As above, those who do not regularly review their wording use Verisk for this purpose.

Examples of how these reviews had tangibly changed their communications include:

- Ensuring decision letters are fit for purpose
- Providing enough level of detail
- Using an appropriate tone
- Removing use of wording such as “decline” - 100% of respondents stated that they had removed ‘negative’ language such as ‘declined cover’ from their communications.
- Explaining more about the underwriting process
- Signposting for cases where cover is not being provided – 88% of respondents stated that they signpost consumers to relevant mental health support services.

Transparency

83% of respondents stated that they ensure their underwriting approach around mental health conditions is reviewed regularly, using up-to-date and relevant, statistically credible evidence. Those that responded no to this question gave the following reasons:

“We are not planning on introducing this, as we rely on our independent medical screening system (Verisk) to screen the condition and provide a risk score. This risk score determines whether we can offer cover and if so, the additional premium required.” (Travel insurer)

“Our underwriting manual is a key part of our reinsurance service offering and is maintained on an ongoing basis. A combination of proprietary data sets, expert judgement from medical professionals and publicly available information and statistics is used to assess ongoing suitability of underwriting recommendations.” (Reinsurer)

94% stated that, on a consumer’s request, they explain to customers what evidence is used to inform the underwriting approach. The respondent that answered no to this question was a reinsurer who explained that direct customer engagement is carried out by the primary insurer, but upon request, they sign-post the primary insurer or adviser to the items in their underwriting manual that informed their decision.

Next steps

Following feedback from the Money and Mental Health Policy Institute in February 2023, we will review the Mental Health and Insurance hub on the ABI website and better explain why and how specific data points like mental health are used in the industry. We will continue to engage with the Money and Mental Health Policy Institute to understand whether further actions are required.

We have committed to funding a further 5,000 e-Learning Modules via RightSteps to ensure insurer frontline staff and advisers are equipped to support people with mental health conditions throughout the application and claims processes.

All ABI members are working hard to implement the new Consumer Duty requirements, which place particular emphasis on the fair treatment of vulnerable customers and come into effect in July.

The ABI and its travel insurance members are working with the FCA on its [post-implementation review](#) of signposting for those with pre-existing medical conditions.

Appendix: Expectations from the Standards

[The Mental Health and Insurance Standards](#) were designed to operate within UK competition law, which requires insurers to innovate and compete on price and quality to offer consumers choice and fair outcomes. The Standards promote a base level



of expectation across the industry, but they do not aim to prescribe the changes that had to be made so firms can implement them in their own way.

The Standards are not intended to change underwriting philosophies. An insurer may still not provide cover to consumers with pre-existing medical conditions. However, we want to help consumers find insurers who will offer cover, as there are many who do cover individuals with pre-existing medical conditions. We encourage consumers to seek financial advice if they are interested in finding specialist insurance firms.

Overall, the Standards ensure that firms reassess their approach and processes that involve access to insurance for individuals with mental health conditions, with the aim of presenting new opportunities for firms to innovate and create new processes to improve consumer outcomes for all conditions.