



Society of
Claims
Professionals
Standards, Professionalism, Trust.

Good Practice Guide

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Mental health for Claims Professionals

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This paper is in response to members' requests to provide a summary of good practice within one source document and is based upon the Society of Claims Professionals' understanding of the regulator's rules and current stance. Whilst a summary, it is not intended to be exhaustive and should not be relied upon at the exclusion of other sources of information.

Foreword



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Mental health was a hot topic before the advent of COVID-19. Many companies within the insurance sector were providing mental health first aid training. HR teams and managers were busy supporting their own staff and having charities, such as MIND, visit their teams to provide guidance and support.

In the personal lines space, a number of insurers and brokers were identifying their vulnerable customers at inception of the policy or at the claims stage, and providing empathy and support. The Society of Claims Professionals issued their Vulnerable Customers Good Practice Guide on 8 April 2019 aware at that stage of the FCA consultation on Vulnerable Customers. Due to Covid-19, the consultation has taken longer than anticipated. The FCA have therefore decided upon a two-stage approach so that they can consider responses to the original consultation alongside views on their updated draft Guidance issued earlier this year. The final Guidance will be issued in late 2020 or early 2021.

Home working has also shone a spotlight on mental health. Many enjoy the lack of commute and having more family time. For others it's isolating, they miss the camaraderie and its damaging to their mental and physical wellbeing.

This Good Practice Guide will hopefully give guidance to claims handlers on the best approach to dealing with customers who have a pre-defined mental health condition or a mental health condition brought on as a result of the claim.

Introduction

According to the Association of British Insurers (ABI), mental health is the most common cause of claim on income protection policies in the UK. Mental Health UK also state that one in four people in the UK are likely to be affected by a mental health issue in any given year, with this number likely to be significantly affected by the impact of the coronavirus pandemic in 2020. With a strong correlation between mental health and financial health, living with a mental health condition can make it challenging to manage money.

In a recent survey, Mental Health UK discovered that 18% of people bringing a claim under income protection policies were not told how the answers they gave when making their claim would inform the result of their claim.

When making an insurance claim, the type of loss can vary, just as much as the circumstances behind the loss and how the customer is coping. Therefore, it is important to be mindful that those who experience poor mental health may need extra support during the claims process. The type of claim experienced can trigger stress and making a claim can also be a stressful experience for a customer. This will be the true test of how they will value their insurer.

Understanding mental health conditions

'Mental health' is often used as an umbrella term to describe the wide range of symptoms and conditions that affect millions of people each year. For some these conditions are temporary, for others they are permanent. Therefore, it is important to understand the context of the health condition rather than treating all customers the same.

Types of mental health condition that insurers may cover include:

- Addiction
- Anorexia Nervosa
- Anxiety
- Bipolar disorder
- Bulimia Nervosa
- Depression
- Obsessive Compulsive Disorder
- Panic attacks
- Paranoia
- Personality disorder
- Postnatal depression
- Psychosis
- Schizophrenia

There is currently an ongoing consultation by the Financial Conduct Authority (FCA) on 'the fair treatment of vulnerable customers'¹ which aims to ensure fair treatment is properly embedded by firms in their culture, policies and processes. This includes people living with mental health conditions, meaning that insurers should be taking better steps to be more inclusive with their products and services.

The Association of British Insurers (ABI) recently published a set of standards² to encourage the insurance sector to improve how it serves consumers with mental health conditions. The standards are:

1. Improving accessibility
2. Application process: asking appropriate questions
3. Communicating decisions and cover; clarity and empathy
4. Transparency

With an ever-increasing number of people recognising the importance of good mental health and seeking appropriate support and treatment when necessary, traditional views on mental health need to change, including with insurance.

¹ <https://www.fca.org.uk/publications/guidance-consultations/gc20-3-guidance-firms-fair-treatment-vulnerable-customers>
² <https://www.abi.org.uk/globalassets/files/subject/public/health/abi-mental-health-and-insurance-standards.pdf>

Providing a service

Events such as the death of a loved one, a major road traffic collision, fire, flood or theft are just some of the stressful events that can impact a person's mental health. While a claims handler needs to obtain specific details surrounding the loss, they also need to make sure that the customer they are speaking to, can cope with the conversation. If the customer has a known history of mental health, then this information should be obtained during the original purchase of the cover and noted accordingly. This should then allow the claims handler to have enough information to be able to speak to the customer and process the claim in a way that does not cause them further stress.

Mental Health UK recommend applying a "tell me once" principle³ so that people living with a mental health condition do not need to repeat their story. This should help reduce the anxieties that many people feel about engaging with their insurers. Once the information has been recorded, it should then be used to help the customer rather than as a point to labour over.

If the event of loss has created or exacerbated a mental health issue, then claims handlers should be proactive and use their best judgement to identify any particular needs. Appropriate training should be given to claims handlers to not only recognise how to provide additional support, but also how to be flexible enough to customise their approach to a client's needs.

There are also occasions where claims handlers have to deliver bad news (eg a rejected claim or a voided policy). Whilst no one likes hearing bad news, it can be a particularly sensitive issue for those whose reaction may be impacted by any mental health conditions. As well as communicating in a clear and concise way, claims handlers must also use their best judgement in how to deliver disappointing news in ways that respect the sensitive nature of their client's circumstances. This applies not just to the format of the delivery, but also the phrasing within it.

Insurers have a duty to process any insurance claim fairly and in line with the conditions set out in a policy wording. To understand if there is a connection between a customer's mental health and the cover they require, insurers need to obtain this information and base their decisions using accurate and up to date information. If this information has been withheld, this could be grounds to void the insurance policy or charge a lump sum fee. If a claim has already been settled and the insurer finds out afterwards, they may seek to recover the amount paid out.

Post-claim care

Once the initial claims process has begun, some customers may feel abandoned by their insurer. While they may get the financial outcome they desire, it can be bewildering trying to figure out how to cope with a significant loss.

Some customers may be suffering a bereavement or coping with losing their property. To provide a truly effective service, claims handlers should provide a post-claim service that follows up with customers as well as providing them with resources to help them cope with their loss. Recommending counselling to cope with bereavement and loss is something that would benefit many customers, especially those living with mental health conditions. Other resources such as nutritional guides, exercise plans or support groups may also provide extra value that takes into account the strain of a claim.

Some customers may already have this or other services included in their insurance policy. Therefore, this would be an appropriate opportunity to remind customers of the features of their insurance policy and the options still available to them.

³ <https://mhukcdn.s3.eu-west-2.amazonaws.com/wp-content/uploads/2020/07/29173911/Affording-protection-mental-health-and-insurance.pdf>

Good Practice

1. Learn more about mental health conditions.

There are many different types of mental health condition with many different causes. While it is not expected for insurers to become medical experts, they should at least make proactive steps towards better understanding how to speak to customers. Consider partnering with a charity that can provide better insight and research into improving the understanding of specific types of condition, the factors behind them, causes and impacts, and ways to provide effective support.

2. Put yourself in the customer's place.

Those making a claim have suffered a loss. By putting yourself in the mindset of your customer, this should help to empathise with their requirements and individual circumstances. During the call you should be able to obtain the necessary amount of information while displaying appropriate levels of empathy. It may be very difficult for the customer to articulate the specific details of the loss over a telephone call. Therefore, adequate levels of support need to be given, both professional and emotional. By placing yourself in the position of the customer, it's important to be able to identify what has happened as well as how to get them back on track. This is a good opportunity to read the customer profile and if there are any notes detailing mental health conditions. Similarly, this is the time to update records if it is relevant and will help the customer. Questions asked and phrasing during the conversation should be sensitive and demonstrate an understanding of why that information is required. If the customer can see you are trying to understand their needs, this should help towards creating an effective service.

3. Tell me once.

Customers should only have to disclose their mental health conditions to you once. While it is important to get as much information as you can for the insurance claim, if they have already disclosed their mental health condition at the application stage then there is no need to reiterate the same conversation. Questions should be well thought out and logical so that the customer is not being made to repeat themselves or being caused additional distress. It may be more appropriate to discuss what support and resources they currently have to determine if further action is required from you. If the mental health condition is connected to the claim, prepare your customer by letting them know about the information you are about to ask.

4. Follow up.

Handling a claim does not end with the telephone call. A good claims handler is able to co-ordinate assessing a claim, reassuring the customer and managing external suppliers – keeping the customer informed throughout. Once steps have taken place to restore the customer back to normal, check-in with the customer to see how they are progressing. To maintain trust, the individual claims handler should ideally deal with the life throughout its lifecycle. The impact of a claim will also have a lasting effect so providing access to counselling and other support resources may also help the customers cope with the aftermath.

5. Review the claims process.

How efficient is your claims process? While you may have a good customer score, it is important to always be seeking to continuously improve how you interact with customers. By monitoring customer calls and feedback, try to identify what works, what doesn't, and if there are any new factors that could improve the way that customers are handled.

Conclusion

An insurance claim is not just about receiving a payout, it is about providing a full service that aims to put the customer back into the position they enjoyed, immediately prior to the loss. To do this, a claims handler must use the information obtained when the cover was purchased and listen to the circumstances that led to the claim itself. By understanding the customer profile, a claims handler should be able to interpret what support is appropriate.

Mental health conditions vary and the way people cope with them also varies. Everyone deals with things differently and the mental health continuum is fluid and can change all the time. It is just as important to monitor and support customers you know have a mental health history as those who have experienced a trauma and are dealing with overwhelming stress as a result of the claim.

The claims process should not be solely focused on the financial transaction but on the customer. By identifying what their particular circumstances are, how this might impact their mental health and what more can be done to provide support, this will make positive steps towards helping the customer find both financial and emotional stability again.

Appendix - Primary source material

Association of British Insurers (ABI)

- **Mental health and insurance**, <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/health-insurance/mental-health/>
- **Mental Health & Insurance Standards**, <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/health-insurance/mental-health-standards/>
- **Wellbeing**, <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/health-insurance/wellbeing/>

Chartered Insurance Institute (CII)

- **A guide to implementing the Thriving at Work standards**, <https://www.cii.co.uk/media/10120634/implementing-the-thriving-at-work-standards.pdf>
- **Mental health strategies for the workplace**, <https://www.cii.co.uk/learning-index/articles/mental-health-strategies-for-the-workplace/72810>

Financial Conduct Authority (FCA)

- **GC20/3: Guidance for firms on the fair treatment of vulnerable customers**, <https://www.fca.org.uk/publications/guidance-consultations/gc20-3-guidance-firms-fair-treatment-vulnerable-customers>

Mental Health & Money Advice

- **Insurance and mental health guide**, <https://www.mentalhealthandmoneyadvice.org/en/managing-money/insurance-and-mental-health-guide/>

Mental Health In Business (MHIB)

- **MHIB homepage**, <https://mhib.co.uk/>

Mental Health UK

- **Affording protection: mental health and insurance (July 2020)**, <https://mhukcdn.s3.eu-west-2.amazonaws.com/wp-content/uploads/2020/07/29173911/Affording-protection-mental-health-and-insurance.pdf>
- **Insurance industry can't afford to discriminate against people living with mental illness**, <https://mentalhealth-uk.org/blog/insurance-industry-cant-afford-to-discriminate-against-people-living-with-mental-illness/>

Mind

- **Insurance cover and mental health**, <https://www.mind.org.uk/information-support/guides-to-support-and-services/insurance-cover-and-mental-health/challenges-to-getting-insurance-cover/>

Society of Underwriting Professionals (SOCUP)

- **Professional Focus: Mental health in the workplace**, <https://www.socup.org.uk/learning/learning-content-hub/articles/professional-focus-mental-health-in-the-workplace/90201>
- **Professional Focus: Mental health in the workplace - Should I be worried?**, <https://www.socup.org.uk/learning/learning-content-hub/articles/professional-focus-mental-health-in-the-workplace-should-i-be-worried/91651>
- **Vulnerable customers - A Good Practice Guide for underwriting professionals**, <https://www.socup.org.uk/learning/learning-content-hub/articles/vulnerable-customers/87620>
- **Wellbeing in the workplace**, <https://www.socup.org.uk/news-index/articles/wellbeing-in-the-workplace/84611>

