

People with Disability Australia

fax transmission

To Attention: Julie Toth From Rob Lake
Productivity Commission, c/
Trades Hall Room, Radisson Hotel
and Suites Sydney, 72 Liverpool
Street, Darling Harbour
Fax 82688889
Date 18 February 2004
Subject NAPWAI AFAO presentation Thursday

Message:

Hi Julie,

Am enclosing an agenda we prepared, also the UK insurance discussion paper referred. Please note I am not the President of NAPWA, title listed.

Regards

Rob Lake

**NATIONAL ASSOCIATION OF PEOPLE LIVING WITH HIV/AIDS
AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS**

Issues to be addressed in oral submissions to Productivity Commission

DISABILITY DISCRIMINATION ACT INQUIRY

Thursday 19 February 2004

Rob Lake, Portfolio Convenor, Care and Support Portfolio.
National Association of People Living with HIV/AIDS
John Godwin, Policy Analyst, Australian Federation of AIDS Organisations

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 - benefits of the DDA to the community of people living with HIV
 - support for draft recommendations
2. Insurance
 - nature of discrimination
 - concerns regarding partial exemption
3. Migration
 - nature of discrimination
 - concerns regarding exemption
4. Employment
 - standards
 - positive duty on employers
5. Health care
 - nature of discrimination
 - role of standards
6. People who use drugs
- 7, Accessibility
8. Representative complaints

Association of British Insurers
Consultation Paper

Draft Statement of Best Practice
on
HIV and Insurance

September 2003

www.abi.org.uk

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1 . Introduction

What is the purpose of this Statement?

- 1.1 HIV is an issue of major concern to public, policymakers, the insurance industry and the general public. The Department of Health's 2001 Annual Report on the Prevalence of HIV and hepatitis infections in the UK draws attention to the continued high rate of HIV transmission among gay and bisexual men. It also highlights the increased impact of the global situation on heterosexuals in the UK.
- 1.2 Insurers' actions, and perceived attitudes, towards those who apply for insurance and are asked to take an HIV test continue to be an issue of public interest. From time to time, allegations are made about the conduct of individual companies.
- 1.3 This Statement is intended to help insurance companies selling long-term insurance products¹ to adopt best practice, It sets out requirements on, and guidance for, insurance industry professionals, for use when dealing with applications for insurance where HIV may be an issue.

Who should read the Statement?

- 1.4 This Statement is intended primarily for insurance underwriters. Some aspects of it will also be relevant to others working in insurance companies, including Chief Medical Officers, sales personnel and those working in customer services or complaints departments.
- 1.5 The Statement is also intended to explain to external stakeholders the way that the insurance industry deals with issues surrounding HIV, It may therefore be of interest to doctors, patient support groups, policymakers and interested individuals.
- 1.6 A user friendly Consumer Guide to HIV and Insurance will be produce. d for people applying for health protection insurance once this Statement has been implemented.

What status does the Statement have?

- 1.7 The Statement falls under the ABI Life Insurance (Non Investment Business) Selling Code of Practice.

How was the Statement developed?

- 1.8 This Statement has been drawn up by the Association of British Insurers (ABI) Medical Underwriting Committee. The ABI's HIV

1. The insurance products covered by this guide are income protection, critical illness, term life long term care and the life insurance element of whole life and endowments

Working Party, the Terence Higgins Trust and Pinkfinance.com also made significant contributions to the Statement.

- 1.9 The Statement further develops the last ABI Statement of Practice on Underwriting Life Insurance for HIV/AIDS, first published in July 1994 and revised in 1997, That document is superseded by this one. The new Statement will be reviewed again in three years time.
- 1.10 The Statement also draws heavily on several previous ABI publications in related areas available from the ABI web-site. These are:
- An Insurer's Guide to the Disability Discrimination Act 1995
 - Statement of Best Practice for Critical Illness Cover; and
 - Statement of Best Practice for Income Protection Insurance

Responses to the Draft Statement and implementation

- 1.11 At various points in this Statement we have identified questions where views would be particularly welcome. **Please send your responses to them, and any other points you wish to make to Richard Walsh, Head of Health, Association of British Insurers, 51 Gresham Street, London EC2V 7HQ or e-mail Richard.walsh@abi.org.uk by 31 December 2003.** Once we have had an opportunity to consider the comments a final version will be issued for implementation. **Latest date for implementation by companies is will be six months following the issue of the final document.**

2. Key principles

- 2.1 There are a number of key principles which underpin this Statement of Best Practice. They are as follows:
- **Principle 1 - Underwriting approach** - take decisions on a case-by-case basis and assess premiums fairly
 - **Principle 2 - Collection of information** - don't ask for excessive, speculative or irrelevant information
 - **Principle 3 - Use of information** - take account of all relevant factors
 - **Principle 4 - Accuracy of information** - stay up to date with developments and statistics.
 - **Principle 5 - Company policy on HIV and underwriting** have an agreed policy on dealing with HIV which is updated at least every three years
- 2.2 The following paragraphs in this section explain briefly what each principle is intended to cover. The other sections of the. Statement then expand upon the principles in greater detail.

Principle 1 - Underwriting approach The primary duty of insurers is to assess insurance applications fairly according to the degree of risk that the applicant brings to the

insurance pool. Insurance companies should consider each application for insurance on a case-by-case basis, based solely on the best available relevant evidence, in accordance with the guidelines laid down in this Statement. An individual's general occupation is no guide to their HIV risk. Being, for example, a cabin crew member, ballet dancer or hairdresser cannot of itself justify an HIV rating.

Principle 2 - Collection of information

2-4 Only ask for information that is relevant. Insurers will not request information which is unnecessary or irrelevant to the risk being insured, such as speculative questions that rely on inference and assumption on the part of the underwriter, for example house co-purchasing arrangements.

Principle 3 - Use of information

2-5 In reaching a decision on a particular application, the underwriter will take account of all relevant information and will be able to explain the reason for the underwriting decision

Principle 4 - Accuracy of information

2-6 General information (for example, ratings manuals, public health data, actuarial studies - see **Annex A** on evidence) used by the underwriter to assist them in making underwriting decisions should be accurate and up to date and reviewed annually.

Principle 5 - Company policy on HIV and underwriting

2,7 Each member company of ABI should have a clear policy on how it deals with applications where HIV status may be an issue, and their practice on exclusions, to ensure that it reflects current knowledge as in **Annex A**. This policy should be updated by the company at least every three years.

Question 1 - are the five principles the right ones and do you have any comments on them?

3. Action at the application stage

Communicating with the applicant's GP

3,1 Care should be exercised when communicating with an applicant's GP. Prior explicit written permission **must be obtained** from the applicant before writing to the doctor with any information or questions that could directly or indirectly reveal the sexuality of the applicant to the GP. In particular, information arising from the applicant's answers to questions