



The Facts is a new regular feature. In each issue, we'll look at one of the most common queries received by the SAMH Information Service.

Q. Does having a mental health problem make it harder to get insurance?

A. In the 1990s, a Mind survey found that around a quarter of respondents had been turned down for financial services, including insurance, because of a psychiatric diagnosis. Insurance can be refused or premiums increased because of the additional "risk" that applies to a particular individual. That risk can be the diagnosis of or recurrence of a pre-existing medical condition, including a mental health problem, which may increase the chances of a claim being made on the policy.

However, the Disability Discrimination Act means that companies cannot just automatically charge you more or refuse to cover you because you have a mental health problem. They must be able to demonstrate that the risks of a claim being made are statistically higher as a direct result of a specific mental health problem. The Association of British Insurers has produced an Insurers' Guide to the Disability Discrimination Act, which is available on their website. Although it is in need of revision, it may still be a useful reference.

If you do not disclose a mental health problem when you apply for insurance, the company may be entitled to reject any subsequent claims that you make, because you have not provided all the relevant information. If you already have an insurance policy and are then diagnosed with a mental health problem, you may find that their insurer asks them to pay a higher premium. Exclusions may also be added to the policy, relating to the conditions disclosed.

When you apply for insurance, you may be asked for specific information relating to your mental health problem. The company may also ask for permission to get a medical report from your GP. If you give this permission, the Medical Reports Act 1988 gives you a legal right to view the report. You will need to arrange this with your GP. You then have 21 days in which to review the report.

Travel insurance

In most standard policies pre-existing conditions will not be covered. Some companies do provide full cover policies but the premiums are very high.

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Sometimes your insurance company might request a letter from your GP or consultant stating that you are fit to travel.

It is also important to remember the European Health Insurance Card (EHIC). This is valid when you travel to any other country within the EEA (European Economic Area) or Switzerland and has replaced the old E111 form. The EHIC entitles you to free state-provided medical treatment in the country you are visiting. It also covers you for any pre-existing illness. It does not act a substitute for travel insurance, nor does it cover repatriation (travel arrangements to return you to the UK if you become unwell).

Life insurance

Insurance companies can only refuse to provide you with life insurance or charge you a higher premium if they can show evidence that your mental health problem could affect your life expectancy, such as an increased risk of suicide.

Private Medical Insurance

Private medical insurance policies may have clauses which exclude treatment for any pre-existing condition or period of illness before the policy commenced. If a person is diagnosed with a mental health problem after initiating the policy, the policy may only cover treatment for a limited period.

Car insurance

Normally there are no obstacles to obtaining car insurance, although the premiums may be higher. Legally, all drivers must meet medical standards

of fitness in order to keep their licence (see The Facts issue 23 for details).

Payment Protection Insurance

Payment protection insurance covers loan or debt repayments in the event of illness or becoming unable to work. It will not cover a recurrence of any illness you had before taking up the policy. Some payment protection policies do not kick in straightaway – in some cases they may not cover up to the first 60 days of illness.

Useful contacts

Association of British Insurers (ABI)

T: 020 7600 3333

E: info@abi.org.uk

www.abi.org.uk

Financial Services Ombudsman

T: 0845 080 1800

E: complaint.info@financial-ombudsman.org.uk

www.financial-ombudsman.org.uk