



Institute  
and Faculty  
of Actuaries

# IFoA Life Conference

**Mind matters: Mental health as a strategic priority for insurers**

Lisa Balboa, Hannover Re

Joe Wilson, RGA

# Agenda

Mental health as a strategic priority for insurers and actuaries

1

Mental health as a  
strategic priority

2

Mental health across  
the L&H insurance  
value chain

3

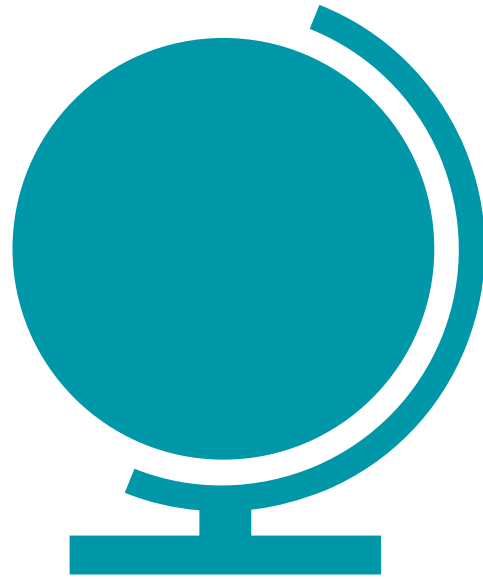
Supporting the  
mental health  
of actuaries



# Mental health as a strategic priority

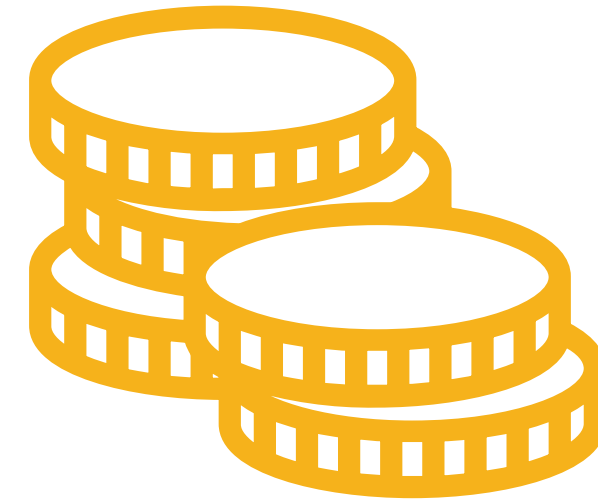
# Mental Health

Why does it matter?



**1 in 2 people**

globally develop a mental health disorder at some point in their lifetime



**£51bn**

annual cost of mental ill-health to UK employers

# The cost of inaction



Burnout



Reduced  
accuracy



Absenteeism



Talent drain

# Key drivers behind the shift

Social, economic, and regulatory forces reshaping insurer priorities

Economic stress, cost of living, and workplace mental health awareness.

Employer demand for holistic benefits — mental, physical, financial wellbeing.

Regulatory focus: FCA's Consumer Duty and vulnerable customer guidance.

Post-pandemic rise in anxiety, depression, and burnout.

# What are UK insurers doing?



Integrated support

Training for employees



Integrated claims

Mental health  
engagement



# Strategic alignment and business values

Reduced claims duration and cost through proactive support

Supports Consumer Duty and ESG (social responsibility, workforce wellbeing)

Strengthens insurer reputation and employer partnerships

Better mental health outcomes = better customer outcomes



# Mental health across life & health insurance the value chain

# Mental Health Working Party

Who are we & what have we been up to?

***“Raise the level of understanding of mental health amongst actuaries, promote the consideration of mental health in the design of products and processes and explore data and modelling for mental health risk factors.”***

Our aims, IFoA Mental Health Working Party

**Across our previous workstreams we’ve had contributions from a wide range of insurance industry professionals**  
e.g. actuaries, underwriters, policy expertise, advisers

Mental Health across the insurance lifecycle

Data and modelling considerations for Life insurance

Underwriting and mental health

Digital Mental Health Tools

# Mental Health in L&H insurance

Mental health touches the full insurance value chain



# Distribution & Underwriting

## Considerations

**Different routes of application may be preferred depending on individual needs**

- Advised incl. specialist advisers
- Non-advised
- Online journeys

**When it comes to underwriting for insurance products, we carried out a survey across the major UK insurers**

- 13 (re)insurers responded
- Mostly life insurance focused



## **IFoA Mental Health Working Party Survey Summary**

**Insurers' approaches to Mental Health Risk Assessment**

by IFoA Mental Health Working Party (Lisa Balboa, David Banks, Conor Donohoe, Maryse Réunissa Nashime, Joe Wilson)



# Distribution & Underwriting

## Results from insurance underwriting survey

The survey findings highlight that cover is generally available for the vast majority of customers who declare a mental health condition when applying for insurance. Income protection insurance for certain more severe mental health conditions is the product where survey results show the highest restrictions in cover.

For each insurance product, what approximate % of applicants with mental health conditions are declined cover?

	Life Insurance	Critical Illness	Income Protection
Depression	0–10%	0–10%	11–20%
Anxiety	0–10%	0–10%	11–20%
Bipolar Disorders	21–30%	11–20%	31–40%
Personality Disorders	0–10%	0–10%	11–20%
Eating Disorders	11–20%	11–20%	21–30%
Schizophrenia	21–30%	11–20%	91–100%
Other	0–10%	0–10%	11–20%



# Distribution & Underwriting

Challenges & opportunities highlighted in insurance underwriting survey

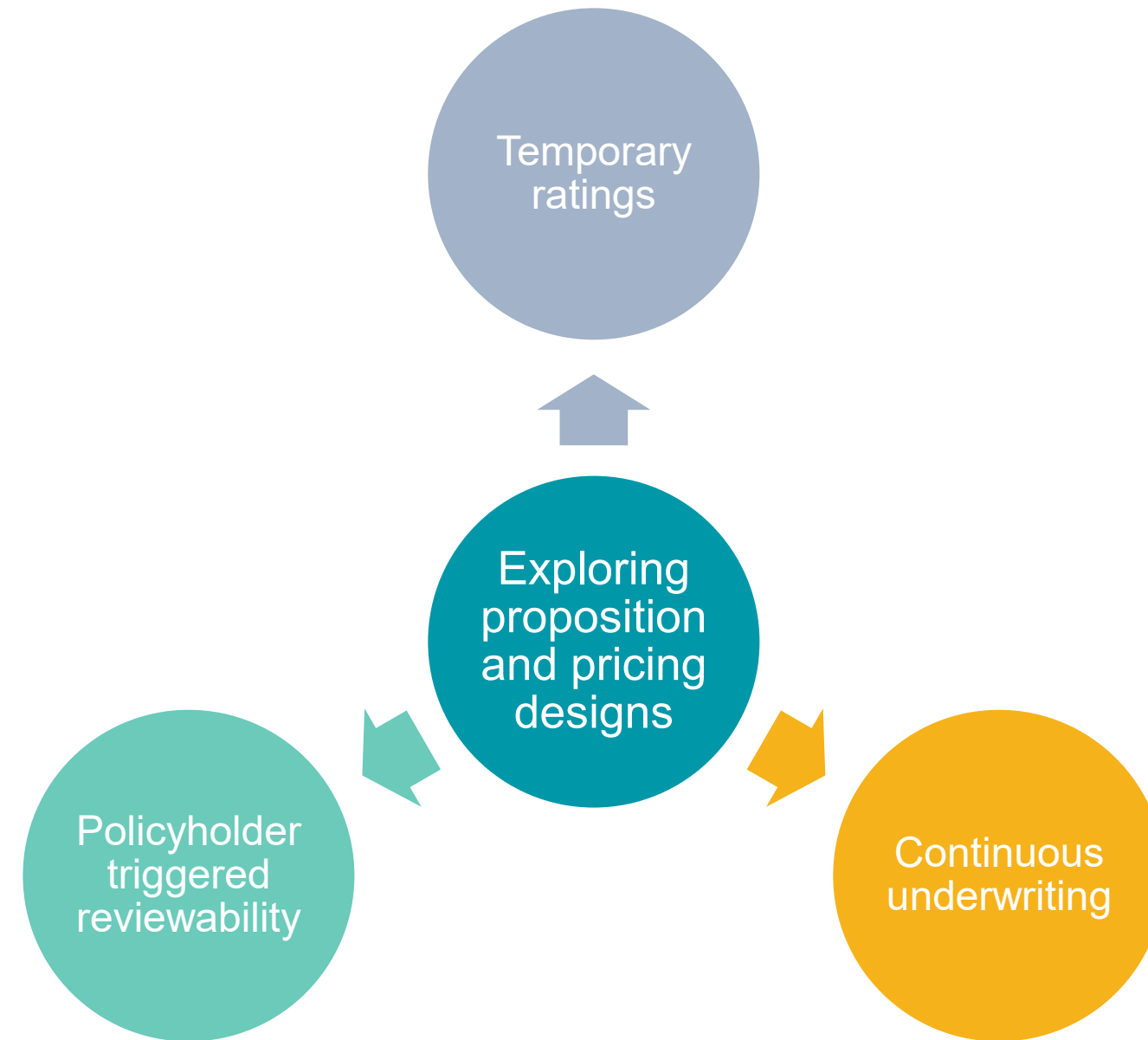
Building on the ABI's Mental Health in Insurance Standards there may be opportunities to further expand best practices across the industry:

1. **Ensure questions are phrased in a non-subjective way** e.g. leveraging behavioural science approaches
2. **Expanding data availability** on long-term outcomes and the influence of new risk factors for impact of mental health conditions on mortality risk e.g. diet, exercise
3. **Balance between rules-based and manual underwriting** in terms of requesting medical evidence and incorporating expert judgement required for nuanced, complex disclosures



# Proposition & Pricing

A starting point for further consideration in exploring additional underwriting, pricing and product designs in life insurance



# Proposition & Pricing

Supporting health management through proposition features

Digital mental health tools offer an opportunity to support policyholders to proactively manage their mental health from preventative care to early intervention and beyond

Case study: Headspace in health insurance, USA

**1,600**

insured members  
matched on age, gender,  
co-morbidities  
& geography adjusted

**\$53**

per member per  
month of savings for  
end-to-end app and  
care model

**\$32**

per member per month  
of savings for those  
engaged in coaching  
only

# Claims Experience & Management

What's on the horizon?

## The working party is expanding our work to consider mental health in IP

- Mental health claims are on the rise for disability products in many major markets
- We are exploring ways to gather first-hand insights from claimants to understand whether the claims journey is optimal for them from a process perspective



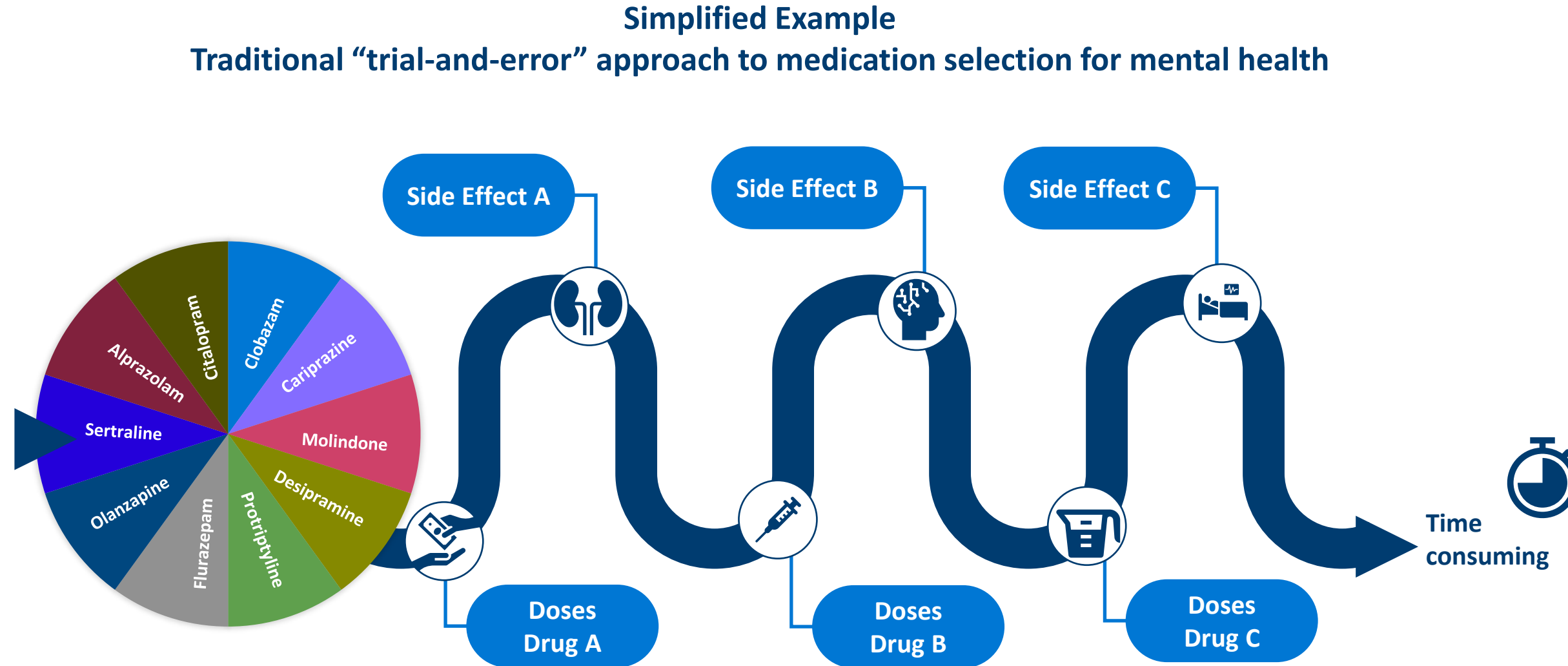
## New technologies on the horizon for claims management: supporting the health of customers

- Digital mental health tools are powerful, especially under guidance of occupational therapists
- Pharmacogenomics and personalized medicine to support eligible patients with identifying the most effective treatment for them



# Pharmacogenomics in action

Can it improve return to work for mental health disability claimants?

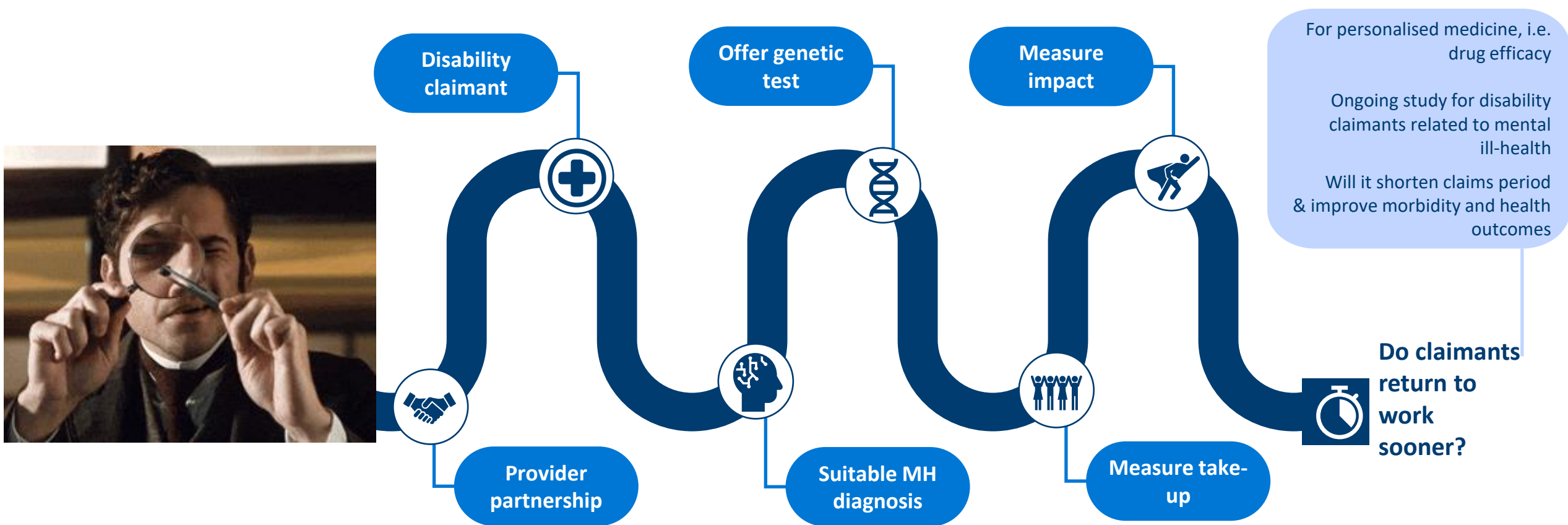




# Pharmacogenomics in action

Can it improve return to work for mental health disability claimants?

Ongoing study for disability claimants to assess if it will shorten the claim period and improve outcomes



# Supporting the mental health of actuaries

# Mental Health Working Party

## Current workstreams

**We are continuing our journey in insurance & supporting actuaries' mental health**

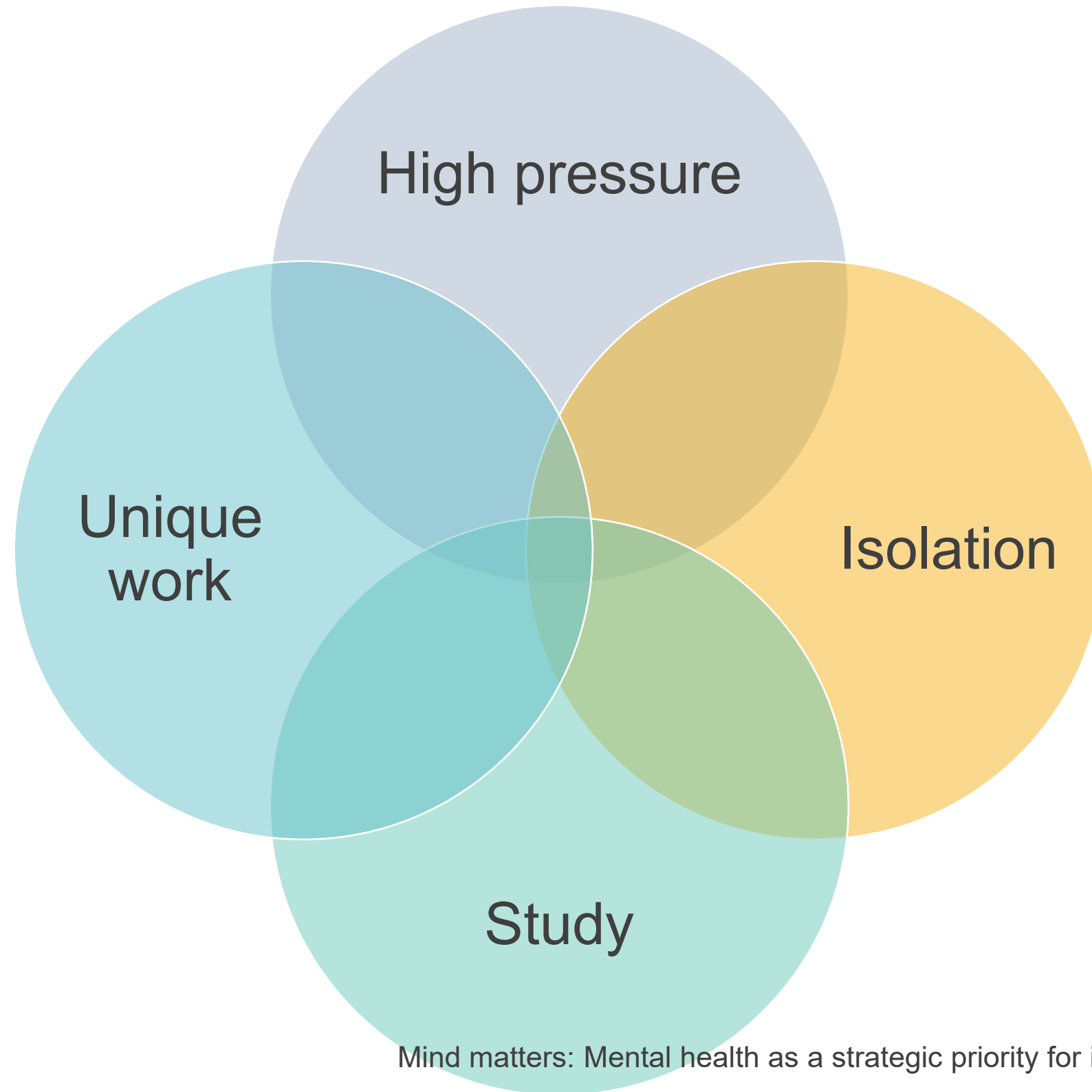
**Mental Health of Actuaries**

**Travel insurance**

**Disability insurance**

**Mental health charity  
engagement**

# Why mental health matters for actuaries



# Mental Health Working Party

What are we doing?

- Survey launched to understand specific stressors
- Give us clear direction as a working party for further work
- Inform future CPD and training







Institute  
and Faculty  
of Actuaries

**Mental Health Survey 2025**



**Thank you**  
**Any questions?**