

PJC Follow up Query Response

- 1) *Noting the issues raised in your submission, do you have any different views on life insurers having greater involvement in rehabilitation in the following two situations:*
- a) *Where an injury / illness occurs at or due to work and people have access to relevant workers compensation and other support mechanisms; or*
 - b) *Where an injury or illness is unrelated to work?*

Allianz Response:

Allianz's recommendation remains that private sector life insurers should have the opportunity to fund medical treatment/rehabilitation to facilitate optimal recovery and return to work for individuals. We strongly believe, however, that such an option should *complement, not replace*, existing treatment/rehabilitation funding avenues (i.e. those currently available under workers compensation schemes). Allianz supports private sector life insurers being able to fund medical treatment/rehabilitation in circumstances *where a gap exists* that results in individuals being unable to access appropriately recommended medical treatment/rehabilitation, potentially negatively impacting their recovery and unnecessarily prolonging their return to health and time away from employment.

Allianz is supportive of life insurers having the option of providing medical treatment/rehabilitation where treatment is not available through other means, such as a workers compensation policy, or where workers compensation entitlements may have ended (noting retail life insurance disability policies commonly have Age 65 Benefit Periods).

Regarding the question of work relatedness, Allianz's view is that the presence of a causal connection to a work event shouldn't necessarily preclude a life insurer from being able to provide appropriately recommended medical treatment/rehabilitation to an individual that has a claim. In our view, the ability for life insurers to fund medical treatment/rehabilitation should be triggered by the inability to access appropriate or recommended medical treatment that would assist an individual's ability to improve their health and capacity to work, rather than the presence or absence of a work-related condition.

- 2) *Do you support greater involvement by private sector life insurers in worker rehabilitation before the life insurance industry has completed actioning the recommendations of the committee's Report?*

Allianz Response:

Allianz is of the view that any amendments to legislation potentially allowing life insurers to fund medical treatment/rehabilitation need to be considered in light of other potential reforms to life insurance to avoid any unintended consequences. However, while Allianz is supportive in principle of most of the reforms recommended by the Committee in its recent inquiry into life insurance, we do not believe that the benefits of allowing life insurers to fund medical treatment/rehabilitation are reliant on the implementation of those recommendations nor that any recommended reforms arising from the current inquiry should be delayed by, or made subject to, the implementation of any of the previous recommended changes.