

AIA Australia's response to PJC

Options for greater involvement by private sector life insurers in worker rehabilitation



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?

AIA Australia believes that the opportunity to have greater involvement in rehabilitation is important irrespective of whether the injury or illness is work related or not. At AIA Australia, we work collaboratively with workers compensation insurers and any existing rehabilitation support resources to determine suitable return-to-work goals and programs. Our claims management framework maximises the opportunity for claimants to return to work. Through our embedded model, our Rehabilitation team works collaboratively with our Claims team to discuss rehabilitation opportunities throughout the claim process to identify and determine how we can best supplement it or make it more effective.

As a life insurer we would mostly offer occupational rehabilitation for work related injury or illness when the workers compensation has ceased, was declined or as a complementary service to fill in the 'gaps'. Allowing life insurers to fund targeted medical treatment and expenses will help create a more efficient and effective system of income support. This in turn supports people with illness and injury and assists them to return to wellness and work.

It is mandatory for injured workers to participate in rehabilitation through workers compensation and life insurers would take this into consideration so not to overwhelm the injured worker. The workers compensation insurer would be the lead insurer to manage treatment and occupational rehabilitation.

Where the injury or illness is unrelated to work, we believe the importance of the reforms are amplified since the person on claim has no other formalised support mechanisms to help them return to work or wellness. AIA Australia assists claimants with a much broader range of conditions than workers compensation. For example, 75% of workers compensation claims are related to the same cause of claim - injuries, poisoning or accidents. For income protection claims paid by AIA Australia, a similar percentage of claim is spread across four major claim causes – injuries, poisonings or accidents (similar to workers compensation), cancer, mental health, and musculoskeletal. Funding targeted medical treatment and expenses will assist a greater spectrum of Australian workers.

It is important that each claim is assessed on a case by case basis, and that consideration is given to the specific circumstances and expectations of the individual. It is critical to recognise that not everyone lodging a claim will have return to work potential, nor may they be suitable to receive funding for medical treatment or services to facilitate an improvement in recovery and function. A tailored evidenced based approach will be adopted to ensure reasonably necessary treatment would be offered to assist with return to wellness and work outcomes to fill in the gaps when other options for treatment aren't available. Treatment will only be offered where we have consulted the treating doctor and they support the proposed approach.

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?

We strongly support programs and reforms that will enable us to support and assist more people in their recovery. It is about addressing a gap in protection for claimants where they do not have funds or access to other insurance, such as private health insurance, workers compensation or have utilised or cannot afford the gap for services available under Medicare and support them to return to life, health and wellbeing.

Allowing private sector life insurer greater involvement in workers rehabilitation should not be linked to the Government adopting the PJC's recommendations. Life insurers are currently limited in their ability to help people to return to wellness and work. Currently there is a need for it and it should not have to wait until the Government has considered the other reforms proposed. The inability for customers to afford the right treatment when it is needed is often a barrier in their recovery and can result in secondary disability.