

23 February 2015

Mr Denis Strangman  
Committee Member  
Brain Tumour Alliance Australia  
PO Box 76  
Dickson, ACT, 2602

Email: string@hotkey.net.au

Dear Mr Strangman

### TRAVEL INSURANCE FOR PERSONS WITH A BRAIN TUMOUR

The Insurance Council of Australia (the **Insurance Council**) is writing to you in response to your email to Greg Wharfe, dated 28 August 2014, regarding travel insurance for persons with a brain tumour. Accessibility of insurance is an important part of our work on promoting financial inclusion, and the Insurance Council welcomes the opportunity to respond to the issues raised by the Brain Tumour Alliance Australia (**BTAA**). **The Insurance Council's Travel Insurance Committee and Anti-discrimination Working Group reviewed the issues of concern to the BTAA, and provided the information for the following response.**

Insurers active in the travel insurance market advise that there is a range of policies designed to meet the varying needs of different consumers; and the differences catered for also extend to the way pre-existing medical conditions are treated. Having a range of product offerings available is beneficial to all consumers, as it increases the chance that a consumer will be able to purchase a policy that suits their specific requirements. We are aware of three different types of travel insurance policies available in the Australian market:

- **Limited pre-existing conditions coverage** – These products provide limited coverage for pre-existing medical conditions and anything outside of the nominated conditions (generally common and uncomplicated) is generally not accepted. These are mass-marketed products and are kept simple to allow for ease of application and low premiums.
- **Tiered system for assessing pre-existing medical conditions** – These products simplify the assessment of pre-existing conditions by separating conditions into different tiers. In one tier, simple medical conditions are automatically accepted subject to certain criteria being met. For more complicated but controlled conditions, coverage will be provided at the completion of a medical form. **All other medical conditions, generally including the majority of brain tumours, fall into a separate tier where a customer can apply for cover and is required to fill out a self assessment form.** Cover may or may not be offered depending on the unique circumstances of the applicant, and usually will involve payment of an additional fee if cover is offered. **Alternatively, the customer may simply declare the condition and not apply for extra cover.**

- Case-by-case assessment of any pre-existing condition** – Some products make available an application process for any condition to be assessed for cover. Generally, a form is required to be completed by a medical practitioner and will be assessed on a case-by-case basis. **A member who provides these types of travel insurance policies indicated their confidence that the concerns set out in your email would be addressed under such an application process. A letter from the doctor would generally suffice for this process, provided the insurer is able to obtain an adequate level of understanding of the current status of the tumour and associated levels of risk.**

Given the range of products available, we encourage consumers to shop around adequately to ensure that their specific needs are met. Having one insurer decline coverage for a pre-existing medical condition does not mean that another insurer will also decline coverage.

For consumers seeking insurance coverage for a pre-existing medical condition requiring the completion of a self assessment form, **we encourage applicants to supply as much information as possible to enable the insurer to make an informed assessment. As you rightly suggest, brain tumour conditions are diverse. Consequently, when a customer writes on their application “brain tumour” without providing further detail, insurers are unable to properly assess the customer’s condition and we are advised that coverage is often declined on this basis.**

A member has provided the following two examples of applications received in the last 12 months; with one accepted and one declined.

### Example 1: Accepted Self-assessment

**Q16.** Please advise all conditions and medications taken. For conditions diagnosed over 12 months ago, approximate dates will suffice

Medical Condition(s)	Date Diagnosed	Medication Taken	Frequency
Removal of benign Brain tumour, Craniotomy	03 / 05 /2011	Dexametasone	2mths
seizure post surgery	? // / 05 /2011	Kepra, lamictal	1gm twice daily, 200mg
High BP	? / ? /1980	Micardis, Zanadlp	Daily

**Q17.** If you have diabetes, high blood pressure or high cholesterol please advise of your last reading and date collected:

### Example 2: Declined Self-assessment

**Medical information (if you are unsure about any of the medical information, please check with your doctor)**

**Q16.** Please advise all conditions and medications taken. For conditions diagnosed over 12 months ago, approximate dates will suffice

Medical Condition(s)	Date Diagnosed	Medication Taken	Frequency
Brain Tumor	16/5/14	Kepra	Stopped
	/ /	Celbrex	1 Per Day
	/ /		

As you can see, the accepted applicant gave the insurer sufficient information, and in this instance coverage was provided for a \$35,000 trip to the USA. The declined applicant supplied minimal information and was seeking cover for a \$6,000 trip to Bali as well as cover

for anything that went wrong; in this instance, the insurer was unable to accept this application.

In relation to the drug Temozolomide referenced in your email, it is one of many drugs which can be used for treatment. We have been advised that Temozolomide is not the only drug used for treatment and still has numerous side effects that can inhibit a patient. Every tumour is treated differently and is generally assessed on a case-by-case basis. **Due to the nature of chemotherapy both administered intravenously or orally and the long term side effects, some insurers deny medical cover for any patient who received their last treatment only recently.**

This policy condition is generally not specific to brain tumours, but apply to other medical conditions as well. We understand from our members that it is prudent to mandate an appropriate waiting period between treatment and international travel.

You state in your email:

*“Nor is the exclusion of patients who might have had brain surgery at some stage in their life particularly helpful. This unfairly penalises patients who might have had brain surgery twenty or thirty years previously and who now show no evidence of being affected by a brain tumour”*

The insurers we consulted on this matter advise that they do not decline insurance coverage on the basis of surgery completed 20 to 30 years ago. Members would consider brain surgery 20-30 years ago, with no further related medical complications arising, to be resolved. **Insurers may decline coverage for customers who had recent surgery, but this is commonly for surgery performed over the past 12 months.**

Were the BTAA to become aware of specific examples of insurers declining coverage on this basis, and the insurer has not provided any reasons for its decision, these are matters that could potentially be breaches of provisions of the General Insurance Code of Practice<sup>1</sup>, and could be referred to the Code Governance Committee for investigation.

We note your suggestion that a letter from a treating specialist that the brain tumour patient is well enough to undertake a proposed overseas trip should be the major factor in determining a person’s eligibility for travel insurance coverage of their pre-existing condition. **Members advise that a letter from an applicant’s treating specialist would be taken strongly into consideration in assessing an underwriting application. However, a letter is not guaranteed to result in coverage for a pre-existing condition as insurers must ultimately assess and manage financial risk as a business.**

In making an underwriting decision, insurers will consider the risks that a brain tumour patient poses relative to a person without such a condition. For example, what may be an uncomplicated visit to an overseas hospital for a mysterious headache will cost less than \$5,000 for a person with no pre-existing medical conditions, but a brain tumour patient could easily see an escalation of that to \$25,000 due to their medical history.

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<sup>1</sup> For more information about the General Insurance Code of Practice, visit: <http://codeofpractice.com.au/>

If you have any further questions or comments, please contact John Anning, the Insurance Council's General Manager Policy, Regulation Directorate, on (02) 9253 5121 or [janning@insurancecouncil.com.au](mailto:janning@insurancecouncil.com.au).

Yours sincerely



Robert Whelan  
Executive Director & CEO