



RGA Global Mental Health Survey Part I: Overview

IN BRIEF

This is the first article of a four-part series that will also include articles further exploring the survey's implications for product development, underwriting, and claims. For more information, view the survey infographic and full survey report.

Mental health conditions are among the most common health conditions globally, affecting nearly 1 billion people¹ and accounting for nearly one-third of total Years Lived with Disability (YLD).²

Insurers historically may be viewed as taking a cautious approach to the assessment of mental health. In the wake of the COVID-19 pandemic and its acknowledged impact on mental wellbeing, RGA set out to understand global life and health insurers' views on current mental health trends and to learn how they are responding.

Despite this pervasive problem, the World Health Organization estimates that governments worldwide spend just over 2% of their health budgets on mental health.³ This care gap presents both opportunities and challenges for life and health insurers globally.

From January to April 2023, RGA conducted 17 qualitative interviews with life and health insurance companies from around the world, followed by an online quantitative survey with 137 respondents. Survey findings highlight insurers' activities regarding mental health initiatives and provide an overview of new developments, both globally and by region. The report outlines how leading life and health insurers are currently positioning mental health within their strategic priorities, including within claims, underwriting, and product and proposition development.



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A Growing Need

Globally, mental health ranked as a top or moderate priority for 85% of respondents. Highest-ranking mental health initiatives included evolving claims and underwriting management approaches and practices, providing value-added services to policyholders and/or claimants, and improving support or programming for employees. A majority (57%) of respondents reported additional demand for mental health-related products and services in the past two years.

Despite perceived demand for mental health services and products, only half of respondents (50%) reported the use of mental health specialists (e.g., medical specialist staff to support product development, underwriting and claims, and wellness support programs), and only 27% launched new products and services in the last two years. This included enhanced product coverages, employee assistance programs (EAPs), apps, virtual care and mental health specialist supports, internet cognitive behavioral therapy (iCBT), access to counseling networks, and precision medicine solutions such as pharmacogenetics.

Nearly one quarter (23%) of respondents reported future product development plans to enhance offerings, add coverages, or remove exclusions for mental health conditions. The main obstacles to progress included challenges in underwriting and claims management, appropriately defining covered conditions and the availability of data for pricing. Approximately half (49%) of participants believe that customers are not able to purchase adequate insurance coverage for mental health conditions in their market – a notable protection gap.

Underwriting and Claims Implications

Amid these challenges, the life and health insurance industry is making progress in adapting underwriting approaches to widen the scope of acceptable risks. 49% of respondents have updated underwriting philosophies or practices within the last two years in response to mental health trends. With a growing emphasis on expanding access to cover, 48% have plans to update their philosophies or practices in the next two years.

Survey findings revealed that 82% agreed or strongly agreed that existing underwriting guidelines have contributed to a conservative approach to mental health risk assessment. Top underwriting challenges included obtaining sufficient information to paint the full picture of risk, receiving appropriate disclosures from customers, and acquiring adequate medical evidence to make an accurate risk assessment.

The area of claims management yielded a variety of responses regarding the evolution of processes to support claimant mental health, including through specialist resources and value-added services, particularly for disability products. 43% of respondents reported the use of dedicated claims management resources for mental health cases. Regional responses varied, with resources primarily offered in North America and Australia and New Zealand, indicating this is an area of opportunity globally.

Among insurers providing disability/income protection products, 50% of respondents currently offer counseling networks (with mental health experts), 41% offer interventions designed to support or enable claimants to return to work, and 39% offer virtual medical care to support overall wellbeing. The top-rated challenge regarding the assessment and management of disability claims was difficulty receiving support from the attending physician in facilitating return-to-work support.

Conclusion

The life and health insurance industry has an opportunity and a responsibility to increase and improve support for mental health initiatives. This includes supporting advocacy, education, and research; adapting underwriting practices to expand eligibility for applicants with mental health issues; enhancing coverage for mental health conditions; and providing greater access to services. None of these steps can be taken in isolation – all are dependent on one another as part of a comprehensive solution.

Education and research lead to reduced stigma, which facilitates the evolution of claims and underwriting practices, which enables expansion of eligibility and enhanced coverage, which ultimately leads to greater access to mental health services for those who need them.

Similarly, insurers cannot work in isolation. The entire industry and relevant ecosystem partners must work together to bring about the transformation required. The noble purpose of insurance is to protect people in times of need, and the industry can and must play a vital role in addressing evolving global mental health needs.

The scale of the current crisis is staggering and its toll on the economy, individuals, and health systems continues to increase. It is time for the industry to heed this urgent call to action, accelerate progress, and realize the significant impact insurance can have on mental health treatment and outcomes.

Contact us to learn more about survey insights and how RGA is helping insurers meet the growing demand for mental health coverage.

References

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