



## **MEDIA RELEASE**

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### **THE IMPACT OF PSYCHOSOCIAL FACTORS ON MENTAL HEALTH**

The Financial Services Council (FSC) has today launched a research paper which provides the life insurance industry with evidence on some prognostic and protective factors associated with mental ill-health. The report is released in mental health awareness month (October).

FSC CEO Sally Loane said the joint initiative by the FSC and mental health stakeholders, based on research undertaken by KPMG, reinforces what many sufferers are experiencing: there are compounding impacts to mental ill-health and it is a holistic approach that drives successful recovery.

“One in five Australians are affected by a mental illness annually and last financial year, life insurers paid \$809 million to 8500 Australians suffering from a mental illness,” Ms Loane said.

“In addition to paying out 93 per cent of claims, life insurers devote significant resources to support those suffering from a mental ill-health – after the Federal Government, life insurers are the second largest contributor of funding for mental health programs.

“This KPMG paper is vital research that the life insurance industry can use to better understand psychosocial factors and the impact they have on the wellbeing and mental health of Australians,” Ms Loane said.

The research is being examined by the FSC Mental Health Working Group to determine how best to use the evidence collectively and as individual organisations.

Jane Dorter, KPMG’s Head of Insurance Claims and Workplace Health, said: “We found significant evidence to suggest that, in addition to biomedical factors, psychosocial factors such as resilience and strong family, social and workplace relationships can assist to predict the onset and duration of mental health issues.”

“The paper also suggests strategies that life insurers can consider to further transition to a psychosocial approach, particularly in relation to product design, underwriting and claims management,” Ms Dorter said.

“We now know that the best treatment for a disease is not always through medication, sometimes the best treatment is prevention.”

Ms Loane said KPMG has shown that there is a growing body of evidence that psychosocial factors play a key role in forecasting and managing mental ill-health.

“We know there is more to learn and understand - the FSC intends to undertake two further research papers relating to mental health,” Ms Loane said.

The research was borne out of engagement between the FSC’s life insurance members and representatives from the mental health industry, which formally meets twice a year through the Mental Health and Life Insurance Roundtable.

Download a copy of the KPMG Impact of Psychosocial Factors on Mental Health and Their Implications in Life Insurance Research Paper: <https://fsc.org.au/resources/1865-the-impact-of-psychosocial-factors-on-mental-health-and-their-implications-in-life-insurance-fsc-kpmg-research-report/file>

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#### **About the Financial Services Council**

The Financial Services Council (FSC) has more than 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency. The FSC’s mission is to protect and enhance confidence in a strong, sustainable financial services sector that serves Australians with integrity