

Insurance and cancer

Information for people affected by cancer

Many people affected by cancer have questions about insurance and what it means for them.

This fact sheet talks about:

- the different types of insurance which could be affected
- what you may need to consider when making an insurance claim
- applying for a new policy after a diagnosis
- the information you need to share with your insurance company
- why you may be refused cover
- what steps you can take if you think you've been treated unfairly.

What is insurance?

Insurance can help you cover the costs of everyday life if something unexpected happens, such as disability, major illness or injury, or death. In Australia, there are many types of insurance. You can have an insurance policy on its own (known as a standalone policy) or insurance benefits attached to your superannuation.

For specific details about what insurance you have and what it covers, check your policy documents, annual statement or the product disclosure statement (PDS). If you're unsure about what you are covered for, speak with your insurance company or seek legal or financial advice.

Types of insurance

Trauma insurance	Income protection	Total and permanent disability (TPD)	Life insurance
<ul style="list-style-type: none"> • also called critical illness or serious illness insurance • covers major illness or serious injury when you may still be able to return to work after you recover • available up to age 70, but may vary depending on specific policy • paid as a lump sum payment • illness or injury needs to be confirmed by a medical practitioner • insurer definitions of major illness and serious injury vary between providers – check your PDS. 	<ul style="list-style-type: none"> • also called salary continuance • available up to age 70, but may vary depending on specific policy • usually pays up to 75% of your pre-disability salary if you can't work because of illness or injury • the condition must continue beyond a waiting period after you stop working (usually 30–90 days) during which time no benefits are paid • you will need to show you are regularly attending and/or following the advice of a medical practitioner. • paid as recurring monthly payments (income stream) • paid for specified period (usually 2 or 5 years); the period will be set out in the policy. 	<ul style="list-style-type: none"> • covers a permanent illness or injury in which you are unlikely to return to your pre-disability role • you must have been continuously absent from work for a specified amount of time due to the illness or injury – usually 3 months but can be up to 12 months • usually for people aged between 18–65, but can be for people aged between 14–75, depending on specific policy; check your PDS • paid as either a lump sum payment or in instalments • insurer definitions of this insurance can vary – check your PDS. 	<ul style="list-style-type: none"> • also called death benefit • provides the people you choose (beneficiaries) with a lump sum payment if you die • you can receive this before you die if you have a terminal medical condition with a life expectancy of 12–24 months (depending on the definition in your policy), and certified by 2 medical practitioners • some policies may offer a funeral advancement benefit to help with immediate funeral costs • generally paid as a lump sum payment • age limits may apply – check your PDS.

How insurance works

Underwriting – Most insurance policies are based on an assessment of risk called underwriting. This is the process of working out how likely it is that someone will need to make a claim in the future. To assess your risk level, the insurer uses data and answers to questions about your age, gender, smoking status, health and family history, pastimes and occupation. This is known as a risk-rated insurance policy.

If you have or have had cancer, the insurer may assess you as a higher risk as you may be more likely to make a claim. This could increase how much you have to pay for your insurance (the premium).

Guaranteed renewable – Life insurance policies are often guaranteed renewable, which means that as long as you keep paying the premiums, the insurer must continue to provide cover. You do not need to tell them about changes to your health, job or hobbies, or the results of any genetic tests (see next page).

Not risk rated – Some insurers offer insurance without asking questions about your health or other personal circumstances. This means the insurance is not risk rated and is not underwritten. However, they often don't cover pre-existing conditions. Policies that are not risk rated usually don't pay a benefit for death or disability due to cancer if you knew about the cancer when you applied for insurance. This is different to insurance in superannuation.

Insurance through your superannuation

Many people don't know they have insurance attached to their super. If you're working and have super through your employer, you may have insurance included, unless you've chosen to opt out.

To find out whether you have insurance attached to your super, check your statements or contact your fund directly. If you have more than one super fund, you might have more than one insurance policy and may be able to make multiple claims.

If you start a new job and join your employer's default super fund, you may automatically receive income protection, total and permanent disability cover and/or death cover without needing to answer

questions about your health. Usually, you need to join the super fund and begin making contributions within 6 months of starting the job. Before you join, check that the cover meets your needs.

You do not have to join your employer's super fund of choice – you can ask your employer to make super contributions into your fund of choice. The insurer will pay any benefits you are eligible to receive directly into your super fund.

Disclosing a cancer diagnosis

If you are applying for a new policy – If you have a health condition such as cancer before applying for insurance, this is called a pre-existing condition.

When applying for a new policy, you'll be asked many questions, including ones about your health and job. You must answer any questions truthfully and accurately and provide details about any pre-existing conditions you know of. You must also tell the insurer about any changes to your health or new health issues that occur after you apply for insurance cover but before your cover starts. This information helps the insurer work out the level of risk (underwriting) and decide whether to insure you.

If you don't answer questions correctly or do not disclose a pre-existing condition, the insurer may deny your claim, cancel the cover, reduce the amount you're insured for, or change the terms of your cover (such as increasing premiums, applying exclusions or increasing waiting periods).

If you already have a policy – If you're not making a claim, you don't usually need to tell the insurer about your cancer diagnosis until you renew your policy or change your level of cover. Talk to your insurance provider or a financial advisor to find out whether you need to tell them about new health issues.



All life insurance companies in Australia follow the Life Insurance Code of Practice (called the Life Code). This was developed to ensure you receive good service from your insurer. If you believe your insurer has not followed the Life Code, you can make a complaint at lifeccc.org.au/report-an-issue.

Genetic tests and insurance

You may be concerned about getting insurance if a genetic test shows you have a gene that increases your risk of cancer. Currently, to help people with genetic conditions get insurance there is a freeze against insurers asking about genetic test results.

This means that for new life insurance policies under certain amounts you don't need to tell the insurer about your genetic test results, and also the insurer can't ask about them. This applies to the following amounts:

- \$500,000 for lump sum death cover
- \$500,000 for TPD cover
- \$200,000 for trauma cover
- \$4,000 a month for any combination of income protection, salary continuance or business expense cover.

However, if your policy cover is for greater than these amounts, insurers can ask about genetic test results, and you will have to share this information with them. Insurers may use this information to assess your application and risk level if it's relevant to the policy.

Other key points of the freeze include:

- insurers cannot ask you to take a genetic test as part of the application process
- insurers must consider any information about what you are doing to reduce your risk of developing cancer, such as having regular screening tests
- regardless of the amount of insurance, if a genetic test shows you don't have a gene that increases your cancer risk, you can choose to share this information with the insurance company.

Insurers should not use your genetic test results to refuse insurance to your family or to charge them higher premiums. The results are only relevant to your application.

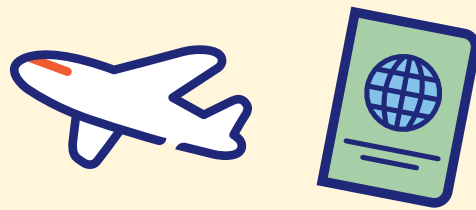


In September 2024, the Australian Government announced that it will ban the use of adverse genetic testing in all individually underwritten life insurance applications. Conditions already diagnosed would still need to be disclosed. At the time of writing, the details of the ban have not been confirmed.

Travel insurance

Getting travel insurance can be a major concern for people with cancer or who have had cancer. Cancer is usually considered a pre-existing medical condition. It may be difficult to get travel insurance that covers cancer-related medical issues. If you have to tell them about any pre-existing health conditions, it's important to be honest because a claim may be denied if you withhold information.

How to get travel insurance



- Apply for travel insurance well before your departure date
- Shop around – the terms and conditions can vary between policies
- Ask your specialist or GP to write a detailed letter outlining your condition
- You may have travel insurance available through a credit card. Check what cover, if any, is provided for pre-existing medical conditions
- If you are travelling overseas, check whether there is a reciprocal health care agreement which covers some of the costs of medical treatment between Australia and the country you are visiting
- If you are denied travel insurance, ask the insurer to provide reasons in writing.

What to do if your insurance claim is rejected

Under Australian law, cancer is considered a disability, and the *Disability Discrimination Act 1992* protects people from discrimination. However, there are exceptions for insurance. Insurers may refuse insurance, charge higher premiums or not cover certain conditions such as early-stage cancer. This is legal if the discrimination is reasonable under the circumstances and supported by data.

If you're refused a new insurance policy, if your claim is rejected, delayed or reduced, or if you feel your premium offer is wrong, you can ask the insurer to explain the reason for their decision. They must show that they considered your personal circumstances and relevant statistical data. You can request the insurer provide their explanation in writing. Keep this letter for your records.

How to appeal a decision or submit a complaint

First, try to appeal or resolve the complaint directly with the insurer. They will review your complaint through their internal dispute resolution process.

The insurer must provide you with a written response to your complaint within the specific time frames specified by law, depending on what your complaint is about.

If you're not happy with the insurer's response, you have several options:

- You can contact the Australian Financial Complaints Authority (AFCA) on 1800 931 678 or visit afca.org.au and fill in the online complaint form.
- If you think it's discrimination, you can complain to the anti-discrimination organisation or human rights/equality opportunity commission in your state or territory. You can also contact the Australian Human Rights Commission on 1300 656 419 or visit humanrights.gov.au.
- You can seek legal advice on what to do next, including taking your case to court. For more information, call Cancer Council on 13 11 20. We may be able to refer you to a lawyer or suggest where to seek advice.

Where to get help and information

Call Cancer Council 13 11 20 for more information about insurance and cancer. Our Financial Support Services can provide information and guidance, and may be able to refer you to a financial adviser or lawyer for advice. You can also visit your local Cancer Council website.

ACT	actcancer.org
NSW	cancercouncil.com.au
NT	cancer.org.au/nt
QLD	cancerqld.org.au
SA	cancersa.org.au
TAS	cancer.org.au/tas
VIC	cancervic.org.au
WA	cancerwa.asn.au
Australia	cancer.org.au

Other useful websites

You can find many useful resources online, but not all websites are reliable. These websites are good sources of support and information.

Insurance Law Service	financialrights.org.au/caseworker-resources/insurance-law-service/
Moneysmart (Australian Securities and Investments Commission or ASIC)	moneysmart.gov.au

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Note to reader

Always consult your doctor about matters that affect your health, and your financial adviser or financial counsellor about matters concerning your finances, and a lawyer about legal matters. This fact sheet is intended as a general introduction to the topic and should not be seen as a substitute

for medical, legal or financial advice. You should obtain independent advice relevant to your specific situation from appropriate professionals. Laws, regulations and entitlements that affect people with cancer may change. While all care is taken to ensure accuracy at the time of publication, Cancer Council Australia and its members exclude all liability for any injury, loss or damage incurred by use of or reliance on the information provided in this fact sheet.

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Cancer Council NSW acknowledges Traditional Custodians of Country and recognises the continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past, present and emerging.

