

Code of Practice for Underwriting Mortgage Protection Insurance for Cancer Survivors

Martin Duffy, Head of Underwriting & Protection Claims

The EU launched a 'Beating Cancer Plan' part of which specifies fairer access to financial services for cancer survivors. Following this, Insurance Ireland launched a voluntary Code of Practice (COP) for 'Underwriting Mortgage Protection Insurance for Cancer Survivors', in early June 2023 with a six-month lead in time.

The COP is a framework or set of rules, which allows those who have survived a cancer diagnoses to be exempt from the normal underwriting process for their cancer history in specific circumstances. In Ireland the COP focuses on mortgage protection life insurance cover.

This means that an applicant will get normal premium rates for their cancer medical history, as opposed to a loading or other underwriting decision, outside the COP.

Irish Life will be implementing this Code for all relevant mortgage protection new business completed on or after Saturday 9th December 2023.

The COP criteria being applied by Irish Life

- New business applications for consideration under the COP should be for mortgage protection, life cover only.
- The maximum acceptable level of life cover per life, is the lesser of the mortgage amount or €500,000. This applies across all applications in the market.
- It applies to life cover in connection with a mortgage on a primary private residence only. This includes first time buyers, home movers and re-mortgages. It does not apply to second, holiday or buy-to-let properties.
- For the mortgage protection cover under the COP to be valid the mortgage amount must be drawn down from the lender. So, a mortgage life cover application on its own, without a mortgage being in place, cannot be used as family protection cover.
- For consideration under the COP, the applicant must have ended their cancer active treatment and their cancer must have been in remission for more than 7 years prior to their application (if the cancer was first diagnosed when they were over aged 18) or more than 5 years prior to their application (if the applicant was under 18 when it was first diagnosed).

How will the process work in Irish Life?

Firstly, the applicant must disclose their cancer medical history when asked to.

- Although the COP is commonly called 'A right to be forgotten', there is no 'right' for an applicant, to 'forget' to disclose a cancer medical history under any application for cover.
- A customer not correctly disclosing a cancer history and treatment details, when asked, may have serious implications at the time any claim occurs.
- Where a client wishes to avail of the COP for cancer survivors, the application must be submitted using the Irish Life 'Underwriting Submission Platform'.
- This allows drill down medical questions to be asked and answered directly by the applicant. The product sale and general advice around the COP would still be provided by you. If you haven't already used the Irish Life 'Underwriting Submission Platform', please discuss same with your account manager.

Any applicant who applies for mortgage protection life cover of €500,000 or less, and who also discloses a cancer medical history, will automatically trigger the COP and an extra series of cancer related health questions.

- These extra questions are about the original diagnosis, treatment, and remission. They aim to determine whether the applicant meets the COP criteria.
- It is important that the applicant answers these extra cancer related questions carefully. This is critical where key dates are being asked for e.g., date of last treatment.
- After these extra questions, the applicant will complete the rest of the medical application questions and declarations as normal.
- The COP electronic prompt or additional cancer questions will only be asked on mortgage protection applications where life cover only of €500,000 or less applies.

How is an applicant underwritten?

- All COP applications received will be reviewed by an underwriter. As the COP is so important for these customers, we want to ensure that we are implementing it correctly, speedily, and professionally.
- The underwriter will review the answers to the health questions and if the case meets the COP criteria, the application will be accepted at standard rates (unless the applicant also has a second rateable medical history or non-medical limits are exceeded). Essentially the underwriter disregards the cancer medical history for underwriting purposes.
- The underwriter will then communicate the decision by email to the financial broker, so the customer can be updated.
- In accordance with the spirit of the COP, we will not be routinely obtaining medical evidence at outset to validate the customers cancer history disclosure. Evidence may be required for other reasons e.g., non-medical limits or another different medical history. We will include some COP cases as part of our normal routine post issue medical evidence sampling in 2024.

In summary, we in Irish Life hope that the 'Insurance Ireland - Code of Practice for Underwriting Mortgage Protection Insurance for Cancer Survivors' will help to change perceptions around the accessibility of mortgage life insurance for cancer survivors.

While the number of COP qualifying applicants will be small, the Code, alongside Irish Life's technical underwriting back up, should allow advisers to tell a very positive story to a particularly vulnerable group of potential applicants. This is a good thing for our industry.

Separately it is also worth noting, that some cancer survivors don't have to have ended treatment or be in remission longer than 7 years, to be able to get life insurance cover. Many cancer histories can be considered for life cover much earlier than this, albeit with a loading. Irish Life underwriting can advise on any such cases in advance of an application.

If you require more information on this Code of Practice, talk to your account manager.