

Positive Life Part 1

By Chris Morgan

Seven years ago in the HIV community press I publically issued a challenge to the Life Insurance Industry to insure HIV Positive people.

It wasn't so much as a challenge at the time, more of a dare!

Medications and life expectancy was improving and it seemed only a matter of time before they would yield and the dream would come true. Yet, they still resisted and complained that there wasn't enough statistical data and evidence to create a product.

The reality has taken five years and some fierce negotiation within the Association of British Insurers HIV Working Group for there to be any movement on the issue. We looked at products from all around the world and always there was a feeling of negativity in the room.

Insurance companies were looking for reasons NOT to do the product, instead of reasons to do the product. Admittedly the working group didn't directly create HIV Life Assurance, but it certainly created the environment and the pressure for it to happen.

For the Gay and HIV communities to have a voice, on this important committee meant they had the opportunity to raise their concerns and press the case for the insurance industry to finally do the right thing and offer life assurance for HIV Positive people.

Amongst the members of this working group there was a gay and HIV 'friendly' re-insurer who felt a responsibility to continue looking at the issue and to try and break down the barriers that still existed within the industry.

The HIV community owe this lady a debt of gratitude.

In 2009 the first HIV Life Assurance Product rolled off the shelf, although it had restrictive criteria, it was still pretty much a normal Life Assurance product. It was offered by the mainstream insurer Prudential. Prudential did take some risk to their reputation launching HIV Life Assurance, especially as the original product was unable to insure more people, than it was able to insure. Many people particularly took exception to their refusal to insure long term survivors.

There were also restrictions on age with applicants needing to be between 25 and 50. Applicants needed to be on HAART therapy for at least six months, with the treatment resulting in an increased CD4 count and viral load nearer undetectable.

Applicants also needed to be Hepatitis B and C negative. To say the criteria was restrictive was a understatement with brokers turning away more people than were being offered terms. In reality it was a public relations disaster for Prudential.

However, the product was in the market place and at least some HIV Positive people were getting insurance and looking after and protecting their family and loved ones. Even if in many applicants were having to complete an assault course to get cover.

But, at least it was a positive step!

It soon became apparent that the odds were heavily stacked in the insurers favour with this new HIV Life Assurance. With sums assured limited to £250,000 and the term limited to a maximum of 10 years.

We were finding that in many cases with Prudential the original 10 year term was being cut to five years following underwriting. Obviously this was to protect the insurance company, because they were lacking a history of previous claims.

Many applicants who had minor ailments over and above HIV were being rejected out of hand in the early days. For example, where urine samples contained protein, or slight traces of blood, or where there had been inconsistent CD4 counts over the previous year.

These cases that were originally rejected out of hand were accepted after perseverance and a huge amount of unnecessary stress for the applicant. At least the Positive side of these problems was that we were able to interact with the insurer and push back the boundaries.

For example, we pointed out that there was no difference in risk to the insurer in a 50 year old taking a 10 year policy and a 55 year old taking a five year policy. The maximum age was then quickly (and quietly) changed to 55.

Another Positive Step!

It was only a matter of time before more insurers would come into the market and with our HIV Life Assurance survey published in December 2010 we established that 33% of insurance companies had taken the plunge and decided to offer the new product.

The insurers that were offering the product at the time of that survey were Prudential, Zurich, Fortis Life and Scottish Provident. It has to be said that some of the companies were less than organised when it came to actually delivering the product.

For example, of six cases that were presented to Scottish Provident as pre sales enquiries, they failed to issue any possible terms on exactly six occasions. Not only was this an incredible waste of time, it raised the question are they actually offering HIV life cover?

During the survey we were shocked at the attitude of Aegon Scottish Equitable who when asked if they offer HIV Life Assurance, replied 'Of Course We Don't!'. Their underwriting department were quickly brought up to pace on the situation with HIV Life Assurance.

So, it's fair to say there is still a developing market for HIV Life Assurance and part two of Positive Life will appear in the next issue of Baseline, containing the results of our 2011 HIV Life Assurance survey and an analysis of all the current HIV Life Assurance providers.

Although HIV Life Assurance has been a tough journey so far, we remain committed to researching, developing and advising our clients on HIV Life Assurance.

We've come too far to turn back now!

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