Annex A: Methodology

A.1 Research design

This research project consisted of:

- A review of the academic and grey literature, and existing policy relating to insurance.
- Analysis of external datasets including the FCA's *Financial Lives* survey from 2020.
- Mystery shopping of 15 travel insurance providers' websites, testing eight different 'personas' across all 15 providers and more in-depth options with three.
- Work in 2022 with members of the Money and Mental Health Research Community - a group of people with lived experience of mental health problems - consisting of two online surveys and an online focus group.
- A roundtable attended by experts from across the insurance industry, including individual firms and consumer organisations.

Further details on each component of the research are provided below.

A mixed-methods approach was used to combine quantitative and qualitative insight on people with mental health problems' experience of buying and using insurance, and to gather and test views on how to improve outcomes for this group.

We are grateful to all those who supported this research by sharing their personal experience.

A.2 Literature review

We completed a desk-based review of academic and grey literature published on insurance, how pricing decisions are made and the experiences of different groups of consumers, including people with mental health problems, when buying and using different products. This was conducted alongside a review of the insurance policy context, including recent developments such as the Consumer Duty, which was used to inform policy recommendations in the final section of the report.

A.3 Analysis of external datasets

To further explore the experiences of people with mental health problems when buying and using insurance, we conducted exploratory analysis of external datasets to ascertain whether they would include relevant questions. We also examined external health datasets to assess if they could help us to understand the risk that people with mental health might pose to insurers. Datasets for the former included Wave 10 of *Understanding Society* and the 2019/20 *Family Resources Survey*, published by the DWP. However, there were limited questions on insurance and so we focused our analysis on the FCA's *Financial Lives* survey from 2020.

Datasets for the latter included *Hospital Admitted Patient Care Activity 2020-21, Health Survey for England 2019* and *Adult Psychiatric Morbidity Survey 2014*, all published by NHS Digital. However, the analysis used in the report was from the 2016 report: *McManus S et al. Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016*.

Financial Lives

Financial Lives is a nationally representative survey of UK consumers, commissioned by the FCA. It provides information about consumers' attitudes towards managing their money, the financial products they have and their experiences of engaging with financial services firms. A total of 16,190 respondents completed the February 2020 survey.[1] We used this survey primarily for its questions on people's experiences of insurance products.

All respondents were asked "Have you ever experienced a mental health problem?" The group of people with a mental health problem consisted of those who answered "yes, in the last 2 years" and "yes, longer ago". The group of people without a mental health problem consisted of those who answered "no" to this question.

The statistics used in the report for the level of claims for different insurance products came from a set of questions asked to those who previously answered that they had the relevant insurance policy (P_GI61 - "Now thinking about all the insurance policies you currently hold, have you made a claim on any of these policies in the last 2 years?"). We compared the responses between the two groups identified above.

---

[1] https://www.fca.org.uk/publications/research/financial-lives

A.3 Mystery shopping of travel insurance providers

To explore how disclosing a mental health problem affects the price and quality of travel insurance people are offered, we conducted a "mystery shopping" exercise in August 2022.

Testing of 15 providers

We collected quotes from 15 travel insurance providers - five larger providers, five who specialised in pre-existing medical conditions and five smaller providers. We kept personal details like age (born in 1988) and gender (male), and journey details like the destination (France) and dates covered (22/08/22 - 28/08/22) consistent. For one provider we had to redo some of the quotes due to an initial error meaning the dates covered were different (as the original dates had passed); however, comparative searches with the other providers revealed very little variation since the original test and so we felt the updated quotes were still relevant to use. Searches were carried out on the providers' websites using private browsing windows to avoid cookies distorting quotes.

To allow us to assess the impact that mental health problems have, we varied the health condition and how recent and severe the condition was. We collected quotes for eight different 'personas', described in further detail in the table below. In addition to a baseline persona with no medical condition, we tested results for six mental health 'personas' with either depression or bipolar disorder. For both depression and bipolar we used three categories: a 'historic' persona, who had experienced a mental health problem in the past; a 'stable' persona, who was actively managing their condition but whose day-to-day life was not adversely affected by it; and a 'more severe' persona, who had more recently faced difficult experiences. For comparative purposes, we also included a persona with type 1 diabetes, a common example of a physical health condition which could lead to needing medical support while abroad. We did not use the results from the type 1 diabetes persona in our analysis used in the report.

Persona	Characteristics
Long term stable depression	- Has been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years - Diagnosed with depression but not anxiety - Not referred to a psychiatrist in past 2 years - Not cut travel plans short due to condition - No hospital admission in last 2 years - No compulsory admission to hospital

Historic depression	- Has not been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years* - Diagnosed with depression but not anxiety - Not referred to a psychiatrist in past 2 years - Not cut travel plans short due to condition - No hospital admission in last 2 years - Compulsory admission to hospital over five years ago
More severe depression	- Has been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years - Diagnosed with depression but not anxiety - Referred to a psychiatrist in past 2 years - Not cut travel plans short due to condition - Two or more hospital admission in last 2 years - Compulsory admission to hospital in last 5 years
Long term stable bipolar	- Has been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years - Diagnosed with bipolar - Has been advised to take medication continuously for the last 2 years - Is taking medication as required - Not cut travel plans short due to condition - No hospital admission in last 2 years - No compulsory admission to hospital
Historic bipolar	- Has not been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years* - Diagnosed with bipolar - Has not been advised to take medication continuously for the last 2 years - Not cut travel plans short due to condition - No hospital admission in last 2 years - Compulsory admission to hospital over five years ago
More severe bipolar	- Has been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years - Diagnosed with bipolar - Has been advised to take medication continuously for the last 2 years - Is taking medication as required - Not cut travel plans short due to condition - Two or more hospital admission in last 2 years - Compulsory admission to hospital in last 5 years

No health condition	● Has never been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition
Type 1 diabetes	● Has been prescribed medication, received treatment or had a consultation with a doctor or hospital specialist for any medical condition in the past 2 years ● Diagnosed with type 1 diabetes ● Takes insulin ● One unplanned hospital admission related to condition in last 2 years ● No extra condition ● Not advised to take medication for high blood pressure or to lower cholesterol

The questions asked by the different insurance providers followed a very similar pattern which allowed for the comparisons. One of the main differences was in the timelines insurers were interested in for whether customers had pre-existing mental health problems. These ranged from ever having had a mental health problem to within the last 12 months. We therefore only included the historic persona if the provider asked whether the persona had ever or within the last five years had a mental health problem(*). While the key experience for this persona (compulsory hospitalisation) was over five years ago, we felt it was realistic for someone to have experienced some symptoms or sought medical advice within the last five years, but not as recently as two years which we used as the cut-off. We included all but the historic personas when the insurer asked about mental health problems within the last 12 months.

We compared the price offered in each case, and noted any additional terms or policy exclusion that were applied. We were unable to go through all corresponding documentation for each persona and each insurer, so we only noted where exclusions were made clear during the customer journey.

Due to the complexity and high levels of variation in travel insurance policies we do not report on the results for individual insurers, and focus on the differences by persona rather than insurer. Given we tested five firms for each of the three different types of insurers - larger, smaller and specialist - we were able to compare between the three groups. The analysis is limited to the firms we were able to test with, so caution should be used when extrapolating results out to the wider industry.

For each of the insurers we also tested what would happen if we said that someone was experiencing symptoms and waiting for diagnosis or treatment. Sometimes this was a question asked directly by the insurer, other times it was a statement (e.g. "you do not have any undiagnosed symptoms/you are not currently waiting for treatment") that had to be confirmed to proceed with the quote. Almost all of the insurers would not provide cover to someone

waiting for a diagnosis, some did the same for waiting for treatment, and a few required the customer to ring up to speak to the customer support team.

As well as recording the premium quoted or whether there were exclusions or a decline, we also noted whether the customer was signposted to a specialist travel insurance directory as required by FCA rules. For all the declines, we were provided with details of the directories but the level of detail varied between firms. For some exclusions and premium increases above £100 we were not provided with clear details of where we could find alternative cover during the parts of the customer journey we tested.

In-depth testing of three providers

In addition to the testing above, we also conducted more in-depth mystery shopping with three of the 15 providers - one larger, one specialist and one small. In this exercise we included more personas, again focused on depression and bipolar, where we varied the experiences to a smaller degree to allow us to see the impact that a specific experience had on the price and quality of cover offered. The experiences and conditions we tested were:

● Long-term stable depression AND been referred to a psychiatrist in the last two years
● Long-term stable depression AND also diagnosed with anxiety
● Long-term stable bipolar AND not taking all medication as required
● Long-term, historic and more severe personas AND cut plans short due to condition in the last five years/over five years ago
● Severe personas (only one hospital admission in past two years and no compulsory admission)
● Slightly more severe personas (only one hospital admission in past two years and one compulsory admission over five years ago)
● Severe depression AND cut plans short due to condition in the last five years/over five years ago

A.4 Research Community survey

Scoping survey

A preliminary scoping survey of the Money and Mental Health Research Community was carried out online between 6 and 20 March 2022. A total of 157 people responded, and this survey provided more general insights into people's experiences of buying and using insurance. The responses from this survey helped inform the key issues across the consumer journey and the specific products we looked into as part of this research project.

Detailed lived experience survey

A further, more detailed online survey with the Research Community was carried out online between 12 and 24 August 2022. A total of 211 people responded, and this survey provided further detailed insights into people with mental health problems' experiences of buying and using insurance. This included comparing different policies and providers, the impact that insurers' decisions can have on someone's finances and mental health, and people's experiences of interacting with their insurance provider and making claims.

A.5 Research Community focus group

A focus group was held on 7 September 2022 to explore people with mental health problems' experience of buying and using insurance. The eight participants all self-identified as experiencing mental health problems and all had at some point experienced problems with insurance. All focus group participants were offered a £35 voucher as a thank you for taking part.

The focus group considered:
- The questions asked by insurers about mental health problems during customer journeys
- The impact that decisions by insurers had on participants' finances and mental health
- Good experiences that participants had had with insurers
- What insurers should do to make sure people with mental health problems can buy and use insurance.

A written transcript of the focus group was thematically coded. Emerging themes were used to understand people's experiences, and used to inform policy recommendations, ensuring our recommendations were grounded in experience and practice.

A.6 Roundtable

To generate ideas and test our emerging thinking, we held an online roundtable on 3 November 2022 with experts from across the insurance industry, including individual firms and consumer organisations. We are grateful to those who shared their knowledge and experience.