In the scandal over possible misconduct by CommInsure, the insurance arm of CommBank, for its treatment of sick and dying customers, much has been made about how serious illnesses are diagnosed.

In one example in the recent ABC Four Corners/Fairfax expose , a claimant, who had "died" in the emergency ward, was denied a payout on his protection insurance, because CommInsure considered that he had had the "wrong kind" of heart attack.

Now one might be forgiven for believing that diagnosing a mental illness or a rare genetic disease might be problematical, but one would have thought diagnosis of a heart attack was a "slam dunk". Apparently not.

To define a heart attack, CommInsure claims assessors use a measure of Troponin, which is a globular protein complex involved in muscle contraction. They wrote to the claimant rejecting his claim:

On the basis of the information obtained during the assessment of your claim, it is CommInsure's opinion that the above definition has not been met as your Troponin I levels did not reach the threshold (2.0 mcg/L) that is required within the 'Heart attack of specified severity' definition as stated in the policy document.

At this point, the author will readily admit that his rudimentary medical knowledge does not extend anywhere near that far. So in such an instance, one looks for experts.

Luckily for CommInsure, there was an expert close at hand, in the person of Dr Benjamin Koh who was until recently Chief Medical Officer (CMO) of CommInsure. However as reported in Four Corners, Dr Koh disagreed with the claims assessors and noted that,
on their own
, Troponin levels are not sufficient to diagnose a heart attack and he was confident that the claimant had suffered a severe heart attack.

But was Dr Koh out of line, out of touch?

In the Four Corners program, Adele Ferguson interviewed Assoc. Professor Andrew Macisaac, President of the Cardiac Society of Australia and New Zealand, who agreed with Dr Koh's thinking, adding

In the last 10 years there's been big advances in the understanding of the role of troponin in diagnosing heart attacks. If we're going to use two, ah, micrograms per litre as our threshold for diagnosing a heart attack, that's certainly out of date and not the standard that we'd apply now.

So it was CommInsure, rather than Dr Koh, that was out of touch.

But how do other insurance companies define "heart attack"?

Like beauty, it appears to be in the eye of the policy beholder.

For example, the Product Disclosure Statement (PDS) for ANZ Life Insurance products uses a similar criteria to CommInsure for Troponin levels although, importantly, it does allow other evidence whereas CommInsure uses the word "AND" for additional evidence - that is, Troponin levels, though an out-of-date measure, are non-negotiable.

What about Westpac and its subsidiary BT ? They don't mention Troponin at all but recognise that change occurs

If the above tests are inconclusive or superseded by technological advances, we will consider other appropriate and medically recognised tests in support of a diagnosis.

Nor does MLC (the wealth management and insurance arm of NAB) use Troponin levels to diagnose a heart attack.

Surely the biggest non-bank super manager AMP would agree with CommInsure? Nope .

What do these differences mean for the man or woman in street, who has just bought an Income Protection or Total Permanent Disability (TPD) policy? Better make sure that you always carry a copy of your PDS so that the emergency physicians can do the right set of tests.

Alternatively, one could ask the question – why do different insurers have different definitions of "heart attack" and, presumably, other medical conditions?

Since insurance companies are all regulated by the same supervisor, APRA, surely common definitions would be useful for comparing the financial stability of firms, such as provisions for future claims? And since insurance companies are all regulated by ASIC as to their conduct, surely common definitions would allow for misconduct to be detected and, more importantly, corrected before it becomes a serious problem, as in the CommInsure case.

Medical science is "agile", constantly finding new information about existing diseases and ways to treat those diseases. On the other hand, insurance policies are positively sclerotic, with definitions hard coded into product disclosure statements , until they change that is, when a supplementary PDS is published. How many people read the fine print on an updated PDS? Even fewer than read the original, I bet?

While the industry may say it's "much too hard", surely one agency responsible for defining the criteria for diagnosing insurable medical conditions would not only provide customers, doctors and claimants with a level playing field but would be more efficient, cutting out duplication in each firm.

Rather than each insurer coming up with their own definitions, something like "a heart attack is as defined at the time by (for example) the Cardiac Society of Australia and New Zealand" would apply the latest information to the medical condition at any point in time.

Insurance companies compete on the basis of their actuarial skills in estimating losses in their policies and how good they are at investing the funds raised by their premiums.

However, if companies actually make some of their profits on their ability to cynically arbitrage medical definitions, that is essentially uncompetitive, and should be subject to rules of the Australian Competition and Consumer Commission (ACCC).

Read more http://theconversation.com/comminsure-you-pays-your-money-and-you-takes-your-chance-56141