

Did you know?



Kyleigh Perkins
National Technical Manager

The impact of alcohol and recreational drug abuse

In recent times we have been inundated with news, commentary, research and health statistics discussing the alarming rise of alcohol and recreational drug abuse among Australians, in particular, young adults and those in the professional sporting arena.

Below is an extract from a recent article on substance use published by Infrapsych. The article focuses on society's views and tolerances of alcohol and drug use.

“Society is highly oriented to drug use, although there is segmentation of the acceptance of drug use across culture. For example, in Australia, alcohol use is an acceptable form of drug use. Whilst smoking is legal, it may be less socially acceptable.

Society tries to mediate drug related harm and also tax legal drugs such as alcohol and tobacco. Public policy is often reactionary rather than rational, so there are often very harsh penalties for certain drugs that may be less harmful than legal drugs.

History is also accountable for the inconsistencies in drug policy. For example, in the United States, alcohol was prohibited during the early 20th century. But for many years it has been legal. Consider the legal drinking limit in Australia which is 18. In the US, the legal drinking age is 21. There is no scientific or rational argument to say either age is right or wrong.”¹

We are all aware of the broad impact that alcohol and drug abuse has, not only on an individuals' health, but also the broader impact on our nation, our ailing health system, business and government.

Fast facts on alcohol and drug use

- Emergence of recreational drug abuse as a major risk factor for stroke in young adults²
- Cocaine use is on the rise: in 2008 detection of cocaine at Australian borders increased by 71%³
- Drinkers face greater cancer risk; people who consume more than one alcoholic drink daily, on average, face a higher risk of developing six types of cancer; oesophageal, liver, colon, stomach, prostate, and lung cancer⁴
- Link between alcohol advertising in sport and Australia's binge drinking culture and alcohol-related violence in the community⁵
- In 2004/05 alcohol contributed to 3,494 premature deaths (early loss of life) in Australia
- The social burden of the disease was felt through the 1,031,660 hospital bed days attributable to alcohol
- From 2004 to 2005 the total tangible and intangible social costs of alcohol abuse in Australia are estimated at \$15.3 billion.⁶

¹ Infrapsych - Mental Health & Psychiatry Information – article, “Substance Use” - 2009

² Annals of Internal Medicine – David A. Kaku, MD and Daniel H. Lowenstein, MD 1 December 1990

³ Australian Crime Commission Report 2007/08

⁴ Cancer Detection and Prevention published by University of Montreal – August 6, 2009

⁵ Lateline: Link between alcohol ads and sport back on agenda - ABC 17 July 2009

⁶ www.drinkwise.com.au – Collins DJ and Lapsley, HM (2008), The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004/05, National Drug Strategy, Australian Government, Department of Health and Ageing, Canberra, 2008.



It is important to be aware of how alcohol and drug abuse can affect your clients when it comes to their personal risk insurance needs, particularly at time of application regarding appropriate disclosures and also in the event of a claim.

Like other insurers, CommInsure is suitably cautious when underwriting a history of drug and/or alcohol abuse, as we have sound evidence that alcohol/drug abuse increases the risk of claim whether it be death, a disability or a trauma event.

Our underwriters' view

For all the above reasons, a personal history of current drug abuse at the underwriting stage would lead to a decline of cover, and a history of drug abuse will lead to a decline of cover for a minimum of three to seven years from last use, depending on the drug abused, and then a loading of cover which can be reviewed a minimum of five years after it was imposed.

On advice that there is a history of, or current, alcohol abuse then current blood tests to determine the impact on the liver are performed and rated accordingly. If there is a disclosed history of alcoholism and the client states they are still drinking then in many circumstances, no cover will be offered. If the client is still abstaining, then loadings may apply depending current blood tests to determine the impact on the liver are performed and rated accordingly.

If at claim stage it is found that an applicant non disclosed this information, and that if we had known of the drug abuse we would not have ordinarily granted cover, then the claim may well be repudiated on the grounds of material non disclosure.

The other issue when assessing any application is any related mental health issue that is linked to this use/abuse, as this is a co morbidity factor that heavily impacts the assessment. Unfortunately, in some cases it is difficult to determine what comes first as, for example, the alcohol/drug abuse can cause the depression, whilst in some cases, the depression causes the increase of alcohol/drug to self medicate.

Summary

As with all underwriting cases, decisions are based on individual consideration and careful assessment of the 'whole picture' before any underwriting decisions are made.

It is important for advisers to be aware of the impacts surrounding alcohol and/or drug abuse, particularly at application and claim time.

Important information

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