

Wising up to the business of risk

With Australia facing a chronic underinsurance issue, industry experts came together to analyse how the industry's key stakeholders can work together to bridge the gap. Simon Hoyle reports

ROUNDTABLE PARTICIPANTS

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GRAINGE: IFSA actually started working with the life insurance industry to understand the issue of underinsurance about five years ago. And we've put in place a whole series of research projects, firstly to quantify it; and so the first piece of research we did showed that it's something astonishing that six out of ten families don't have enough to last them for more than a year if the major breadwinner were to die.

We then went into this phase of trying to understand why the nation was underinsured. There are a number of issues in this space, I think, and we're widely quoted as saying some of it's cultural. I do think some of it is [because] people believe they have enough life insurance through superannuation. And there's also the issue of them not really understanding the product or the benefits of the product.

So what we decided to do was really go back

to basics and actually help people understand the importance of appreciating their own life's risks, putting in place a financial backup plan.

One of the things we found, by way of background, our research showed right from the outset, which I think is fascinating, is that people who have a relationship with a financial planner typically have the right levels of insurance cover in place. So Lifewise, if you like, aims to start the dialogue with consumers, and I guess, probably ask them the same questions a planner might ask them. So actually what is your plan if something were to go wrong?

KARDASH: That's an interesting point, about people being lulled into a false sense of security with their superannuation.

And we saw that quite strongly in the Victorian bushfires. The Victorian bushfires hit; Commlnsure at that point in time in general insurance paid out close to \$100 million dollars, for house, contents, cars, and so on.

We also had 17 deaths in the Victorian bushfires. And have a guess what our total sum insured was? One-point-five million dollars. And one of those was quite a large claim, because they had a financial adviser. The rest were, the average sum insured was \$64,000. Those people were insured through their group, salary continuance, superannuation fund.

KLIPIN: But Todd, don't you reckon, if you look at your general [insurance] payout, we're talking about government-mandated or commercially-mandated cover. So you can't drive a car, without green-slip cover, and you can't have a mortgage without appropriate cover in place. So there's lots of solutions to this. Isn't one of them, given the appall-

ingly low penetration rates, that government gets involved? Because like voting and like green-slip insurance, if there's going to be adequate cover, and we're not even close to adequate, there's got to be some sort of mandated response.

HOYLE: Richard, is one of the mandated approaches to say, if you're in a superannuation fund, you have insurance cover?

KLIPIN: That's not enough. It's not comprehensive; it's too low; it's all those things.

KALANTZIS: Which brings the point back to the IFSA research, one of the comments that you made, about those who actually went and sought advice from a financial adviser had adequate insurance cover.

So is there some sort of role there where we actually highlight the value of advice?

And actually, it's not about selling a product, it's more about the quality of the advice that is given, and the types of different insurances that one buys.

Insurance needs to be sold appropriately, and it has to be sold by people who are adequately trained and know the differences between certain insurances as well, taking into consideration the client's needs and circumstances.

TIM BROWNE: A constant thread amongst all of that is that the best outcome is where an adviser is involved. So if we're going to go across the industry with a [mandatory] measure - and if we can only choose one - it'd be to incentivise an adviser's involvement in the advice process, and that's why tax deductibility of advice fees is something that we're strong advocates for. Because it doesn't matter whether it's Lifewise or whether it's the bushfires, or whether it's all of the claims that the AFA's assisted with, where an adviser's involved, it's a better

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outcome for the client, and the dependents.

MICHAEL BROWNE: A mandated level will always be too low, and people only find out at the time of need, whether they've got a problem or not. So I think advice will also sit alongside any mandated change.

BARNES: I agree advice is very valuable and important. I think we missed the fact that lots of people will never choose to get it, no matter what we do.

Most advisers really, given how much work goes into your typical sale, aren't going to want to see someone for six or seven hundred thousand dollars worth of cover. Or even if they would, most people wouldn't know where to find that advice.

So to me it's not just about pushing advice, but about making the tools available, making the products available, and giving people choice.

GRAINGE: Certainly Lifewise isn't about saying that advice is better than group, which is better than direct. From my perspective, one of the things we've been very keen to do is make sure that no matter how it's accessible, life insurance is more broadly accessible than is currently the situation. And that's about making sure I think that Australians understand the value of life insurance. Equally important they understand the value of advice. But obviously it's important that life insurance is avail-

Michael Browne



able through the many mechanisms.

MICHAEL BROWNE: It comes down to the whole thing around accessibility, and I think product simplification. And the research that IFSA did also highlighted that as one of the major issues. And I think the industry needs to take that on board and start to address product design, and the way that people can purchase it. And mandating may help do that, certainly to get an entry level of covering, but it's not the only answer.

FITZPATRICK: But it is about addressing these issues in the proper way, and it's about addressing them in terms of insurance needs. So we have people who need a more simplified product, and that needs to be put to them.

But I think accessibility is a key point, because it isn't just a simple question of where you are on the wealth scale. It's about how people approach advice and how many understand advice, and whether people understand how they can access advice. And certainly with the concept of limited advice, insurance can fall into that in a really strong effective way.

That's something I think the industry is taking on board. It's something that we can move forward with. So it is a multidimensional problem, and I think we can pull it together a bit more.

HOYLE: I'm interested to know how you find the consumers. If you're not going through intermediaries to locate the consumer, so how do you actually find them?

BARNES: Well, at the moment most of them find us, to be honest. But we don't do very much marketing other than on our direct sites, other than on-line search engine optimisation; we don't do even much on-line advertising as such. We do a little bit of direct mail, but mainly to our own database. We also sell through nominated financial institutions, so mainly the credit unions ... and then we do other consumer credit-type insurances through those channels as well.

We see people buying on-line every day, basically. And so there are people out there looking, but most of our business just comes through different searches for life insurance, as a term. We have sold

policies on Christmas Day.

Emma Grainge



GRAINGE: I think one of the things I've certainly noticed going out and speaking to people is that actually life insurance over the last five years has become one of those things that people are actually beginning to actively seek out. So whether that's been supported by Lifewise, or actually the great work by the companies within the industry to promote their product, or the fact that we've actually managed to generate community debate about the importance of making sure you have financial security - whatever the reason - it is actually starting to culminate in people actively seeking out life insurance.

KLIPIN: Savvy, agile business owners will go where the markets are. Clients have always had insurance needs and I think the thing that we need to look for is that, post the GFC, as businesses recover, that that behaviour change is sustained, rather than we're back in pre-retirement investment allocation.

Because if there's 16,000-odd advisers out there, and there's roughly 3000 insurance specialists, and there's probably an equivalent, if you look at the bell curve, investment specialists that probably aren't going to ever deal with insurance. There's the great middle market that will go where they go, and I think it's those people that we need to, as a

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collective, target and ensure that insurance is part of their offer.

TIM BROWNE: We've also seen that this has also been a client-led increase in insurance. There's no escaping the fact that the client's concerns about risk management, in a broader definition, has gone through the roof. So whereas in previous times, there hasn't been the same sort of client interest and client appetite to consider the worst-case scenarios, there is now. And it's a confluence of both of those that has led to an increase in risk-management advice

MICHAEL BROWNE: In doing CommInsure's 135-year history, we had research going back through the archives. And in fact, insurance sales went up every time the market had a downturn. So including things from the Boer War, World War I, World War II, the Great Depressions in the 1800s and 1900s, September 11, stockmarket crashes - every time, Colonial Mutual sales increased substantially through those times. So it definitely is a consumer-driven thing. And the beauty I think now is we've got the opportunity to really embed holistic planning advice in the marketplace, so those advisers that did go away from insurance planning have the opportunity now to do the total needs, going forward.

KLIPIN: I think there's also an emerging issue, and it's the old philosophical one, which is, when you start advising clients, where do you start? Do you start with the money they've got to invest, or do you start with protecting what they've got and making sure the protection stuff's in place.

HOYLE: How do you integrate an insurance offer into a holistic financial planning offering?

TIM BROWNE: A good illustration of that is the Financial Standards Board paper that details the framework of risk management. And an old-world perspective is that insurance is just about which product or just about getting enough cover to cover your mortgage. But it is much more complex than that.

Insurance is a complex piece of advice with

many facets, but in this framework there's 17 steps that are involved in order to be able to provide quality advice just on insurance.

And when you think that there's another eight aspects of advice to cover off, say, the investments and the other parts of the puzzle, it makes eminent sense that you can't decide to be an insurance adviser one day and be able to do it the next. It's a reflection on how complex it is. But as an industry, we need to simplify those processes so that more clients can get advice.

Christina Kalantzis



HOYLE: Where do you start then?

TIM BROWNE: Start with the client. The solution is, and must always be, let's start with the client, start with the assessment of their needs, start with their aspirations, and then consider that judgement between protecting what they have and balancing that with setting aside what they'll need in the future. And then, the interesting thing is that there's a certain amount of process that can be built in. But the judgement and the balancing act between today and tomorrow is something that I don't believe any computer program will ever be able to do. Only an adviser with their experience and that deeper understanding of values is going to be able to get that balance right.

KALANTZIS: And that's a concern that I have

from a compliance perspective. Yes, we have seen an increase of traditional financial planners or investment advisers now embarking on advising on insurance; and it's not as simple as just, you put in seven days' [work] and you can start advising on insurance. Because one thing is the advice and the products, and then you have the ongoing reviews and you have the ongoing maintenance about advice as well, and claims management of insurance.

And from a risk management and compliance point of view, I dread to see, if you're not specialists in certain financial services arms, whether it be superannuation or insurance, what the risk ramifications are for you independently by yourself, in terms of being a competent adviser.

HOYLE: Is it a service that can potentially be outsourced?

KALANTZIS: In the industry we're seeing a range of relationships forming; so you can see traditional investment advisers have sought the specialties of insurance specialists and they do joint ventures together, or you can get traditionally a financial planning firm who's always traditionally advised in insurance, and then gone into superannuation, but within that firm of advisers you can see who is a specialist in each area. Or you just get straight-out advisers who just specialise in risk, and specifically in business risks, as well.

Advising on risk is not as simple as just selling someone a life insurance policy. And I think we can't forget how complicated this area is, as well.

And that's why I went to my first point which is the value of advice has to be highlighted, and the value of insurance advice is a separate issue from the value of investment advice as well. Even though it's part of the [advice process] that you're referring to, there are distinct roles that each adviser plays. If they could do it all, well, that's good, you need a good team. But what I am seeing is successful relationships are the ones where they joint-venture with someone else, or someone chooses to be a specialist in risk.

HOYLE: If the proportion of risk business that

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goes through intermediaries increases...do you see that affecting the direct market? Or will there always be parallel channels?

BARNES: No, I think there will always be parallel channels. To me it's about building choice for consumers. There's some people, no matter what you're going to do, whether they're ideological reasons or because they're very self-directed, or because they have the knowledge and experience to do it themselves, will always choose to do it themselves.

To me it's about getting the whole pie bigger. And as each channel grows, all the channels will grow. It's really about getting the message out to people that insurance is valuable. If you ever actually sit down with someone and talk about it, most people realise it themselves. It's just getting that dialogue going in the community so it's not a sort of taboo subject. I think people can see a bushfire, see the gas exploding, something can happen to my house, that's something you can bear to think about. Something happening to your spouse or happening to you, people - it's a discussion they don't even want to have, which I think is the primary cause of underinsurance.

KARDASH: It's the thing that every time we have a catastrophe in Australia, we see insurance go through the roof - the current bushfires is a classic. Our whole sales spiked the week of the bushfires, absolutely spiked. Not just in Victoria but all round Australia. So when we see a recession, when we see something, we see a spike. And if we could keep that spike going, we wouldn't have an underinsurance problem. So we either bring on a lot more catastrophes in Australia, or we try and solve it some other ways. But we are, you know, that's an issue that we see, that I absolutely agree, Meredith, we need to grow the pie together. We need to make the awareness better. It's not just whether direct [sales] at the expense of advice; it's all working together.

BARNES: We did a graph once, and it sounds terrible, but we had the "Crazy John effect" every time. Patrick Swayze dies, the next day. Because it's all of a sudden, Oh my goodness, he's only 58;

where he had two kids, I've got two kids. The biggest day we ever had - it sounds terrible to say this - but it was the day after Jane McGrath died. I think because women just went, "Oh, dear!"



Meredith Barnes

HOYLE: If we create additional demand for life insurance and a much larger number of consumers go out looking for it, is there sufficient capacity within the existing adviser numbers to cater for that demand?

TIM BROWNE: I'd like to say that the scenario you put forward is a problem I would like to have! I would be delighted if consumers were so motivated to address their insurance concerns that it created a problem for the industry.

Do we have the capacity to respond to that challenge? I think there is room for productivity improvements within the business right now. In addition to that, though, if we can better utilise the current legislation, better utilise the [super fund] intra-fund advice and work with the regulators to look for practical applications of that, I think we can get further productivity improvements, and again I'd like to explore that. But the scenario that you put forward is the scenario that we should be aspiring towards, because that will lead to more clients getting advice, which has got to be a good thing.

We've got a situation where [industry funds]

have got a large number of clients with a base level of insurance, and we have several hundred advisers with great expertise in insurance advice. So I'd welcome the opportunity to sit down with an industry fund and talk about how we can work together in that field, making sure the clients have the right insurance in place, at the right time. I think it could be more than communication - it could be across industry partnerships, and working together.



Tim Browne

BARNES: Where you do particularly need advice is when taking cover through your super, I think. From the tax side of things, people just have no idea. There's times where it's the right thing to do and there's times where it's not the right thing to do, and I think people just see that they can increase it through my super and I get a cashflow benefit for that. But that may or may not work to their advantage when they actually need a payout for their retirement, their circumstances.

Plus the process - I don't know if anyone's tried to increase their own cover through super? It's basically taking an adviser-type underwriting approach with no adviser, and it is, on the whole, quite ... "off-putting" might be the polite way to put it.

KARDASH: This industry was built on telling stories. Life insurance is not sold unless you can sell the story about what happens when something happens, you know, when someone dies. What

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happens to the rest of the family? What happens to the kids? Will they be pulled out of education, private schools? Do you have to sell the house? And we've lost the art, as an industry, of selling the stories. And, you know, the classic is that we pay out close to half a billion dollars - CommInsure that is - and the industry pays out, how much, \$5 billion a year?

HOYLE: The FPA's proposals on remuneration suggest product commission should disappear, and for the time being it has set insurance to one side. What are the issues you need to address on the insurance side before you can consider bringing it into that broader policy idea?

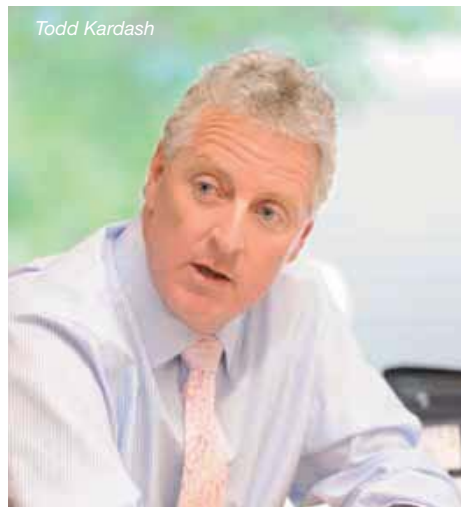
FITZPATRICK: Just to be clear as to where we are on the policy, we [have said] that "risk products would not fall within the policy until further consideration was given to the appropriateness of applying the six [remuneration] principles to risk products". That's where we are. I thought I'd get that in.

We've actually set up a special working group to look at these issues. And that's one of the three working groups that we have, to look at remuneration, the others are on corporate super and transition issues. So we set the principles, we set the landscape and we set the policy; that's very, very clear. There's no turning back on that. We know where we stand on that. It's now a case of working through the detail and how that applies. And I think it is really a case now of the next few months really hearing about where there are fundamental problems of practicalities, of implementation issues, and to take those on board.

KLIPIN: The AFA, from the outset, in the Ripoll Committee in evidence to Ripoll, said two things: one is that remuneration - all remuneration - is about choice, as long as it's disclosed and it's transparently disclosed, let the adviser and consumer determine which model's best for them. And clearly we also said in our Ripoll pieces that insurance ought to stay out of the scope, because if we head down the world of treating insurance

in the same way that we treat platforms and retail products, then we're already having an underinsurance problem, and there's a fair chance that we could exacerbate that. So let's get some market reality in the conversation.

But I think we need to get prepared in a best case/worst case scenario, that that luck may change, and as I said earlier, try and influence the outcome to keep insurance out of scope and the implications of what it would do if we went to a fully unbundled marketplace.



KALANTZIS: I have a concern about the whole fee, bill, service or commission debate.

I question when the inquiry's coming out about the whole fee-for-service and commission debate, if that's really the main issue.

Even if we go down the route of where we abolish commissions, which I'd hate to see happen, I don't think it'll actually achieve what the premise of the whole review is about, if it's about managing conflicts.

So my issue with fee for service and commission again is I think we're missing the point. You cannot legislate [against] bad advice, and this idea about perceptions and people following the higher commissions is just absolute rubbish.

FITZPATRICK: I'd agree you can't legislate

[against] bad advice. But we're talking about what are the preconditions for providing advice. And there are structures within which one outcome is more likely to occur rather than any other outcome. And that's really what the basis of the FPA's policy is, to try and get ahead of this debate.

Undoubtedly the Ripoll review will come out with their particular views on this, and certainly those will have to tie in with Cooper. We're going to have a coherent government response to all of these reviews, and it's going to make sense across the piece, between Cooper, the Henry review and Ripoll. We have to make sure that what we're saying is, one, consistent, but also able to deliver something that consumers need.

And I think there is an issue about real conflicts, and there's also an issue about perceptions of conflict. And in looking and taking the initiative in this area, we're actually therefore responding in an effective way, and enabling the Government to maybe look at things, and say, "Look, okay, how do we need, how hard do we need to go round this?"

KALANTZIS: My concern is just the ramifications or the unintended consequences of this, and has that actually been thought of correctly in a due diligence-type process? And I just think it's been an issue that's been going on for a long time.

And again it's something that I think is a ridiculous debate that continually surfaces ... in the newspapers, and I just think it's out of control, and we have to talk about the issues, the issues of affordability, the issue of giving appropriate advice and quality advice.

MICHAEL BROWNE: If you look at the whole debate, though, it does rest with the consumer and the adviser, not the manufacturer. But as an industry participant looking on it, I'd really hate to see that we go to a level playing field and insurance gets dragged into the debate and the same rules apply. If you do look at conflicts, and purely from a product point of view, there's probably only twelve insurance companies, really, in Australia, all their products are literally the same, but research can identify small

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differences. Their pricing is very similar, and the commissions are also very similar because it's such a competitive market.

FITZPATRICK: You said it's purely between the adviser and the consumer? I do think it is broader than that. I think it is structural. And you can't take the product varieties out of the equation on this, because obviously there is a whole set of interrelationships that are going down the chain. It does mean that people have to think about how they structure things. It does mean that people will have to think about how they price things. It doesn't necessarily mean, precisely on the point that will the cost be the same or will it be different, I think that will depend on how people respond to this and how they structure the business and the particular business models that they adopt. Certainly from a professional perspective, we're not mandating any of those things. We're just mandating a professional level, what should be good or better outcomes.

Gerard Fitzpatrick



TIM BROWNE: We support the FPA's position on commissions around investment products, and IFSA's policy on the same matter. We don't believe that insurances should be part of the debate. I believe that we'll have our hands full supporting our advisers to transition their arrangements on the investment side over the next couple of years. And I also believe that one of the unintended consequen-

es of going further and including insurance at this point in time, would be that less clients would get insurance cover in place, which would be counter-productive. So the industry's taken a step forward and a step in the right direction, which I think we need to do, to be a relevant voice in the debate.

Insurance should be kept out of it. And I'd hate to see industry in-fighting around this issue at a time where we need to have that relevant voice and we need to be progressing things forward.

KLIPIN: I think Tim's last point is spot-on. There is so much up for grabs, and one of the biggest things that came out of our recent visit to Canberra was that there's lots of different representatives with lots of different voices, and some of the issues are the same, and some of them are not the same.

I guess I'm flagging there that the associations are already [standing], and continue to stand, together, in a sense, because it's our industry and it's our profession. And I think the people who are in the best position to influence sensible outcomes are the people that know most about how clients operate and how advisers operate, manufacturers and that whole value chain.

FITZPATRICK: I agree, and FPA and AFA have worked together on some common principles. But I do think that where there are important issues that we have to debate, we do have to debate them. We can't step aside and avoid them. And I think there is a need for a common voice. I think one of the issues, why there may well be certain outcomes from the Ripoll Inquiry, may well be because they've had different messages. And it's not just from the associations. It's across the piece. But as we were talking about before, this isn't the most important issue. It is an issue, and if we could get over this, then there is a lot more fundamental points that we could be addressing.

HOYLE: How are underwriters helping to improve business efficiency and productivity? I don't mean their own, I mean business efficiency and productivity of advisers?

TIM BROWNE: A really positive trend - insur-

ers looking at straight-through processing and automating the process of taking a client's needs analysis through to having a policy in place. Streamlining that is critically important, and I think extremely valuable. That said, there's only a certain amount of efficiency that you can build into that. For certain circumstances there's no substitute for being able to sit down with an underwriter, talking through the issues that have been identified in the application process; and mobile underwriting is something that is equally important. So getting that balance between straight-through processing, getting easily accessible, preferably one-on-one underwriters, is another really important piece of the underwriting puzzle.

KLIPIN: The bit before that that I'd add is the technical support, because as Meredith said, where there's complexity, getting good advice on the phone or face-to-face, or whatever, allows the advice to make sure that the advice is robust, and then whatever is implemented, particularly in the areas of buy-sell and business insurance, that the structures are right. And then if you've got your mobile underwriter, he can assess, or tele-underwriting can assess and give you the heads-up. That's the "ease of doing business" issue. And I think those steps in the last few years have made a huge difference.

MICHAEL BROWNE: I think the steps around product design, there's been some really good improvements made, so the decline rate which was traditionally round 20 per cent in the industry is now down to 2 per cent.

So they've looked at the client's risk and said, "How can we still give some form of cover", rather than just opening the manual and saying "Yes" or "No"? And as a result of that, products have improved. I think also medical testing levels have increased substantially now. So people aren't suddenly finding out they've got something they didn't know about and then not getting insurance. So insurers are taking more risk, and then charging that back in the premium. But more people are again getting through the system, that sort of thing.

HOYLE: In the direct and the on-line world,

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what developments or innovations are coming down the pipeline to refine the underwriting process, or improve efficiency?

BARNES: I guess what I would say with a lot of the automated underwriting that I've seen on the advice side - which has started to change particularly, I guess, in the last 12 to 18 months - is that initially everyone was just replicating their paper-based process in an on-line engine. And while they're moving away from that, there's still a bit of that. The next stage is going to be seeing how far that those can be pushed; and if you look at how far we've pushed it, we offer cover to 99 per cent of the people on-line, some level of cover, so [even if] we can't do anything else we'll do an accidental death [policy].

And really, not just speeding up that process, but turning it on its head. We're starting that, which is good.

HOYLE: From an adviser's point of view, what is good support when it comes to dealing with a risk company?

TIM BROWNE: I judge insurers on paying claims. At the end of the day, insurers exist to pay claims, and that experience is the most important of all of the various facets. And all of the other pieces of the puzzle are all designed to ensure that at that hour of need, insurers step up, and it's quite simple to claim.

KLIPIN: That's absolutely right. But not every-one claims. So the peace of mind factor is there for people who are going to be healthy forever, and die at their appointed time, and so on.

So it's around product design and product innovation; the right product for the right market. There are various companies that specialise in hard-to-cover cases, or professional white collar cases, and so on. So I think that's part of it.

There's the education piece. I think there's a whole generation of new advisers coming through that didn't go through the tied agency learning process, two weeks in the incubator, with the claims book and the prospecting stuff. So the training and

the training support, I think companies that are investing in educating advisers are obviously - you know, this is about the future of the industry, and I think that's an important part.

And then it comes down to the teams they've got on the ground, their reach. A lot of licensees are heading into narrower partnership programs with insurers, so there's a whole range of deliverables around that. And then clearly it's around getting the business on the books, and the administration around that piece. And then ultimately for the per cent that end up in claim land, it's around that.



MICHAEL BROWNE: Also with underinsurance, you really need to start with the consumer, and just look at what's driving their behaviours. And the good thing with GFC is it's made people risk-averse. The danger is that things get better, and suddenly it's like, "I don't need to think about it now", or times are good, hopefully everything will be right, you know, "She'll be right". But we do have the opportunity now, while people still are risk-averse, to embed that, so the behaviour can change.

I think then access to advice and all the other things comes from, you know, a later stage. Education and awareness is key, and that's why I think the Lifewise program makes so much sense.

KALANTZIS: I think the current Government and

the inquiries that are currently on foot will need to be aware of the ramification or the longer-term consequences of whatever they come up with, especially for the whole fee-for-service or commission debate, whether or not to include insurance or not, and what that means to the industry as well, to the profession. And from the compliance perspective, thought has to be given in terms of the disclosure documents, from the PDS perspective, as well as from the consumer education perspective, and also from a statement of advice perspective as well, to make sure there's consistent disclosure. And also taking into consideration the carve-out provisions the intra-fund advice [relief] offered for super trustees, and not to the other advisers. Why did that happen?

GRAINGE: I think in addition to some of the things that have been said earlier about promoting the value of insurance, I think we actually do need to start talking up our successes and actually advancements that the industry's made. One of the things that concerns me is that the industry has actually moved an awful long way in many different areas, but unfortunately, the perception is actually lagging reality and people still have this flavour of mistrust or concern about insurance and whether or not they'll get paid. We need to start talking about the fact that they will.

FITZPATRICK: If we're looking at where the consumer is, obviously there needs to be quite an awareness-raising going on. And I think industry can do a certain amount, and I think the Lifewise campaign is a fantastic campaign, but I do think that it needs to be part of a broader literacy strategy. The Government and ASIC et cetera, need to step up to the plate in this area, and make sure that that's included as well. And all the way through the chain - recognition of the value of advice, simplifying products and ensuring that when consumers do interact with us direct, or through an adviser, that it's a fairly easy process. ■

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