

MEDIA RELEASE

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Life insurance and advice industry to embrace change: Trowbridge Interim Report

John Trowbridge today released his interim report for the Life Insurance and Advice Working Group (LIAWG) established by the Association of Financial Advisers (AFA) and the Financial Services Council (FSC).

Mr Trowbridge, who is independent chairman of the LIAWG said: "The interim report thoroughly assesses ASIC's *Review of Retail Life Insurance and Advice* report released on 9 October."

"Since forming in October, the Working Group has made considerable progress in addressing the concerns raised by ASIC. This interim report puts a framework around the issues and paves the way for developing recommendations to improve consumer outcomes," Mr Trowbridge said.

Mr Trowbridge has identified four critical areas that need to be addressed. They are:

- the quality of advice
- remuneration and other adviser incentives
- insurer practices and product offerings, and
- industry productivity.

Formal submissions on these topics are invited and will be open until 30 January 2015.

"The industry is committed to improving life insurance advice quality, remuneration practices and industry efficiency and should be commended for this initiative," he said. "We are now inviting all interested parties to read the interim report and to provide submissions."

"The ultimate aims are to ensure quality advice for consumers and improved insurance coverage across the community. These aims will guide our assessment of the submissions," he said.

Mr Trowbridge will produce a final report for the LIAWG which will include recommendations for change. The report will be released at the end of March 2015.

About the Working Group

The Life Insurance and Advice Working Group (LIAWG) is an initiative of the Association of Financial Advisers and the Financial Services Council in response to the Australian Securities and Investment Commissions (ASIC) Report 413 into retail life insurance advice, released on 9 October 2014.

The LIAWG and its interim and final reports represent the formal response to the ASIC report from the Association of Financial Advisers and Financial Services Council.

John Trowbridge, as independent chairman, has convened numerous meetings of the working group, consulted with consumer groups, regulators and industry since the LIAWG was formed immediately after the release of ASIC's Report.

The Financial System Inquiry final report recommended the Government considers the Trowbridge Report in its response to the FSI next year.

The

Report: http://www.fsc.org.au/downloads/file/PublicationsFile/TrowbridgeInterimReportonRetailLifeInsuranceAdvice_2014_1217.pdf

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