



## **MEDIA RELEASE**

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### **FSC Statement on Life Insurance Reforms**

Minister for Small Business and Assistant Treasurer the Hon Kelly O'Dwyer's statement on the way forward on life insurance advice is a positive first step in lifting industry practices to improve consumer outcomes.

The reform package is a result of implementation discussions on the framework originally announced by her predecessor the Hon Josh Frydenberg.

The Financial Services Council welcomes these reforms and the ASIC review in two years.

In the longer term, we believe more refinement will be needed to improve consumer outcomes.

FSC Director of Policy Andrew Bragg said: "If consumer outcomes do not improve, the Government has given a clear commitment to implement the Financial System Inquiry's recommendation of a level commission model in 2018."

"As the financial advice profession matures, we expect all financial advisers to move to a fee-for-service model", Bragg said.

Many financial advisers have already moved to this model. These reforms must be implemented in a way which encourages the transition.

The additional details announced today cement key elements of the package, including the Life Insurance Code of Practice, an FSC Standard on Approved Product Lists and transparency in fee disclosure.

**[ENDS]**

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### **About the Financial Services Council**

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 130 members who are responsible for investing more than \$2 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.