

31 March

Response to “Life insurance lobby pushes back against calls for greater oversight” *Sydney Morning Herald*, 30 March

Dear Editor,

The life insurance industry’s strong commitment to reform started more than two years ago when the FSC commissioned the independent Trowbridge Inquiry of 2014 into the entire sector.

Trowbridge’s landmark report has resulted in the significant reduction of high up front commissions paid to advisers, the industry’s first ever Code of Practice and at least two new Standards for FSC members in advice and life insurance.

Our Code of Practice will be mandatory for life insurers on July 1 and we are currently undertaking writing the next iteration.

Georgia Wilkins (“Life insurance lobby pushes back against calls for greater oversight”, 30 March) made the mistake of confusing the life insurance industry’s commitment to robust self-regulation with registering the Code with ASIC. Our annual conference in fact opened on Thursday with ASIC deputy chair Peter Kell presenting the case as to why our Code should be registered with the regulator. We are on the record many times as stating that this is absolutely within our framework for the next iteration of the Code.

To be clear – the FSC represents 22 life insurance companies, not just the four “bank owned” businesses.

As well, we have been working with other super organisations and CHOICE to extend Code commitments to super trustees, since last October.

Far from ignoring calls to address community concerns about the treatment of mental illness by life insurance companies, our members are united in prioritising this issue and the FSC is engaged with leading mental health and consumer advocacy groups.

*Sally Loane, CEO, Financial Services Council*