



ClearView Wealth Limited Annual General Meeting 2024

Transcript | 7 November 2024

Annual General Meeting 2024 - Transcript

Geoff Black:

Good morning everybody. I think it's 10:00 by my clock. So my name is Geoff Black. I'm chairman of ClearView Wealth Limited and I would like to welcome you to our 2024 annual general meeting. Firstly, I would like to acknowledge the traditional custodians of country throughout Australia, and their connections to land, sea, and community. We pay our respects to elders past and present, and extend that respect to all Aboriginal and Torres Strait Islanders peoples today. If we experience technical issues today, we will communicate with registered participants on how to access the meeting again. As a quorum is present, I now declare the meeting and the poll open.

I would like to introduce our directors who are here today, ClearView's, Managing Director Nadine Gooderick, Jennifer Lyon, Eddie Fabrizio, Gary Burg. I believe Michael Alscher is attending, but he's not here yet, and Nathaniel Thomson is an apology today. I would also welcome Judilyn Beaumont, our General Counsel and Company Secretary, other members of the executive leadership team, and Louise Burns from EY, our auditors. Voting at today's meeting will be conducted in person and via the online platform managed by Computershare. Returning Officer Glen Rogers is with us today, he's down the back there. For those attending virtually and entitled to vote at today's meeting, please log in to the online voting portal as provided in the notice of meeting and online voting guide.

Voting on all resolutions today will be conducted by way of a poll. To allow everyone attending our meeting virtually with enough time to vote, I advise that online voting is now open on all resolutions. If you are eligible to vote at this meeting, please select the Vote-icon and this will bring up a list of resolutions and voting options. To cast your vote, simply select one of the options. There is no need to hit a submit or end button as a vote is automatically recorded. You'll receive a vote confirmation on your screen. You can cast and change your vote on all resolutions up until the time I declare voting closed.

I welcome your questions and advise that Judilyn Beaumont, our company secretary will monitor the Q&A function on the webinar. We will attend to questions after all resolutions have been read out. Online attendees can submit questions at any time.

Please note that while you can submit questions at any time, I'll not address them until later in the meeting.

To submit a question, please select the Q&A icon, and type your question in the text box. Once finished, please hit the Send-button To ask a verbal question, please follow the instructions written below the broadcast window. Questions may be moderated or combined if there are multiple questions on the same topic.

When asking your question in person, please wait until you have the microphone before asking your question, so that online attendees can also hear. Please identify yourself as a shareholder, or visitor, or if applicable, who you represent, and advise which item of business your question relates to. I will then determine whether the question is appropriate for me as Chairman, the auditor, or Nadine as Managing Director to answer. The notice of this meeting was given to shareholders in accordance with the Corporations Act, and I therefore take the notice of meeting and the resolutions as read. The agenda for today's meeting is set out on the slide shown on the screen. I will deliver my address before handing over to Nadine. I'll then address the items of business, after which I'll answer any questions.

On behalf of the board, welcome to ClearView's 2024 annual general meeting. It's great to see a few familiar faces as well as a number of new shareholders. ClearView has had a strong year of growth since the last AGM, despite a sluggish domestic economic environment, stubbornly high inflation, and the ongoing uncertainty created by the geopolitical environment, and tensions relating to Ukraine, the Middle East, and in the US. While Australia has managed to avoid direct impact to date, our economy has remained relatively flat, with household discretionary consumption falling quarter on quarter. The cost of living continues to be a challenge for many households, and this trend is expected to remain for a few more years at least. This makes the role of life insurance all the more critical to help Australians and their families achieve peace of mind about their future. Pleasingly, the advised-life insurance market has now experienced sales growth in each of the past five quarters over the prior corresponding period. Likewise, ClearView's new business increased over the year, and our lapse experience continues to be with an expectation. This trajectory has been sustained through the first three months of FY25.

Despite challenging household economics, customers continue to retain cover, and our lapse experience continues to be with an expectation. However, like the rest of the life insurance industry, we have experienced an uplift in claims incidents, which is often a symptom of household financial stress. We are monitoring this trend, and have invested heavily in this area. Nadine will provide more detail on claims management, and the impact in her address. Importantly for our customers, benefits are indexed for inflation, ensuring that benefits align with the rising cost of living, but we also make it easier for customers to decline indexation if affordability is their main concern.

Over the past four years, the business has undertaken a major strategic transformation across the organisation. Last year we achieved a completion of our policy administration system build, which was a critical milestone in our transformation journey, and we have commenced the migration of our legacy policies, which is expected to complete in the 2026 financial year. Upon completion, we will have a single policy administration system, providing competitive advantage, and resulting in better customer experience, as well as efficiency benefits. In parallel, we have progressed the disciplined execution of our strategy with key call-outs, including building a high performance culture, strengthening the capability of our people, uplifting our cyber security rating to further safeguard the privacy of our customer information, and completing the Phase One of the IDII-review to further support sustainable future growth.

As we near the completion of our strategic transformation programme, we are committed to maximising the benefits of this work, and the board and I are really excited about what that means for the future of ClearView. The year ahead also sees us focusing on significant regulatory reform, including the introduction of CPS 230 Operational Risk Management, and the financial accountability regime. The implementation of which will strengthen ClearView's operational resilience, culture of accountability, and management of risk.

Turning to business performance, with FY '24 came the introduction of the new accounting standard, IFRS 17. The standard did not change the underlying economics of life insurance, but the increased granularity of reporting and change profit recognition features means there's likely we'll see more volatility in future financial reporting. During FY24, ClearView maintained the momentum coming out of FY23, new business life premium was up 34% on FY '23 at \$33.7 million. Gross premium was up 10% at \$358.1 million. Underlying impact for the life business was up 25% at \$35.3 million, at an underlying margin of 11%. For

life, new business premium values continued to reflect with strong support from advisors for ClearChoice as a sustainable product as demonstrated by the increase in our market share of new business, which moved to 11% from 9.2% in FY23.

We have experienced an uplift in our enforced market share, driven by a well-structured pricing review, and a laser light focus on customer retention. These results have been further supported by the investment in our product management and data capabilities over the past three years. As we strive to better understand, and respond more quickly and efficiently to the changing needs of our customers. In the back office, we are continuing to see operational efficiencies from our investment in technology, evidenced by a decrease in our acquisition costs, and we are optimising business processes to maximise these benefits.

More recently, we have invested in our People and Culture team with a view to further developing our people and driving a high-performance culture. ClearView is progressing the wealth exit through its final stages. We are currently providing limited transitional services to Human Financial as purchaser of the managed investment business, which ceases at the end of November, 2024, and new Superannuation fund trustee, which is expected to cease February, March 2025 with the trustees' anticipated successor fund transfer. Shortly after the completion of the successor fund transfer, all ClearView's wealth-related legal arrangements will have terminated.

During FY24, the excellent financial result and strong net capital generating position enabled the board to approve ClearView's inaugural interim dividend, increasing the total dividend from 3 cents to 3.20 cents per share this year, which is at the top end of the target payout ratio of 40 to 60% of underlying impact. This approach is consistent with the board position in seeking to pay dividends at a sustainable level. The board's view is that the current share price does not reflect full value of ClearView, particularly given the strong sales momentum, material underlying profit growth over the past 12 months, and our financial year 2026-targets as we recently disclosed.

Over the past 12 months, ClearView has been active in communicating with fund managers, analysts, and advisors to better educate and understand the business. ClearView publishes its embedded value under a range of discount rates to assist shareholders in thinking about underlying value. The completion of the transformation and simplification programmes in FY25 will have the business well positioned to focus on expanding its distribution footprint in life insurance, and continue the strong profit growth of the past two years.

However, the current economic environment is challenging for customers, and like many in the industry, we are seeing an increase in both TPD and income protection complaints in our legacy life solutions portfolio. The team is well resource to manage the uptick. However, there will likely be a strengthening of claims assumptions that will have an impact on financial performance. ClearView will continue to monitor and manage the position through a proactive claims management, and through implementing a premium rate increase for life solutions to appropriately reflect the change in claims experience.

In conclusion, I would like to thank my fellow directors for their contribution during the year, and for the significant additional work undertaken outside regular board meetings. Particularly in relation to ClearView's AASB 17-implementation and Wealth Exit. I would particularly like to acknowledge directors of ClearView Life Nominees, our superannuation trustee company, ClearView's exit from Wealth required considerable additional time and commitment from them to ensure an orderly transfer of trustee responsibilities to Equity Trustee Superannuation Limited. This was a critical milestone in the Wealth Exit. Also to Nadine, the executive leadership team, and all ClearView staff, who have stepped up, your contribution is acknowledged and appreciated. The key message for FY24 is that our strategy remains sound, our execution is on track, and our results reflect good progress towards our FY26-targets. I'll now like to hand over to our managing director, Nadine Gooderick.

Nadine Gooderick:

Thank you, Geoff. It's my pleasure to be here today at ClearView's AGM, my second as the group's Managing Director. This year has been a year of growth for ClearView and for me personally and professionally, and on that point, I'd like to acknowledge and welcome our shareholders on the line and in the room, members of ClearView's Executive Leadership team and the board to today's AGM, and thank you for your support throughout the past year. ClearView is on a strategic transformation journey that has led to a simplified business, focused on becoming one of Australia's key life insurance companies. ClearView is now a business dedicated to helping more Australians and their families achieve peace of mind about their future through life insurance. I like to say we're a small company with a big heart and big aspirations. We understand that many Australians are currently facing cost of living challenges, and we are working hard to make life insurance accessible, and fit for purpose for as many people as possible, through considered and high quality product design.

I'm proud to say that during Financial Year '24, ClearView paid 134.9 million in claims to help 1,040 customers maintain their way of life. At its inception, ClearView's ambition was to be a dynamic challenger in the market with a collaborative and customer-centric culture. That ethos continues today as we work together to continue to deliver on our strategic transformation programme. The end-game is to leverage our size, simplicity, and agility to respond quickly and efficiently to help more people, and we are well on our way to achieving that goal. When I stepped into the role in July, 2023, I committed to delivering ClearView's refreshed three-year plan at that time, built on the four pillars of protect, optimise, diversify, and explore. We are now one year into that three-year plan, and I'm pleased to report that ClearView achieved a 25% increase in group underlying impact for the year to June 30, 2024.

We achieved a strong result, driven by the front-end of the business with some impacts from increased claims costs on income protection and TPD products. During the 2024 financial year, we elevated our data capability and maturity to ensure that we stay at the forefront of product development, underwriting and claims management to maintain us a stable sustainable portfolio. In parallel, we further invested in our people and culture-capability to ensure continued growth and development of our teams, and to drive a culture of high performance. As Geoff said, we have made significant progress in our transformation programme. As we near the tail-end of that work, my key focus is to successfully complete delivery, including the migration of all policies onto our new policy administration system, as well as critical regulatory change projects, which will uplift our operational resilience and risk management. This will set the business up well for success in its next phase of growth.

As we simplify and transform our business, we are also reviewing our corporate social responsibility strategy. In the meantime, we continue to offer our customers holistic rehabilitation support, to empower them to return to life and work. And to back ClearView's Lifeline Australia scholarship programme, which provides eligible employees with paid community service leave up to 92 hours a year, to volunteer with Lifeline. The benefits of our investment in people, processes, and technology continue to flow through as evidenced by our results, as we increase scalability of our operations to future-proof our business. We remain very conscious about balancing the pace of our growth with our ability to maintain service to drive sustainable profitable performance.

The life insurance industry is a key contributor to maintaining the financial well-being and resilience of

Australians and the broader community, and we stand alongside our peers as a proud member of the Council of Australian Life Insurers, CALI.

Together we aim to do more to address the unmet advice and life insurance needs of Australians, and we're hopeful that the delivering better financial outcomes changes proposed by the government will create opportunities for life insurers to better support financial advisors and our customers. Before handing back to Geoff to complete the formalities and close this meeting, I'd like to touch on the trading performance for the first quarter. Whilst I described Financial Year '24 as a year of growth for ClearView, I have communicated that FY '25 is the year of the bridge, the final step in the transformation programme, the core focus on the successful migration to a single insurance platform and our exit from Wealth, aligned to the achievement of our '26-goals.

For the first quarter of FY '25, we have maintained our new business momentum and our lapse experience and expense management continues to be within expectation. However, we have seen a material increase in claims in the first quarter of FY '25 in select pockets of our legacy life solutions portfolio. For the three months ended 30 June, 2024, the after-tax claims experience loss relative to the new assumptions adopted was 6.2 million, which has led to a corresponding reduction in profitability for the first quarter. This poor claims experience was primarily driven by the total and permanent disability and income protection products within ClearView's old Life Solutions portfolio. This portfolio has been closed to new business since the 1st of October, 2021. The experience is not related to the newer, updated ClearChoice product range. Anecdotally, this experience appears to be at an industry-level, and points towards economic conditions and some affordability issues, as Geoff mentioned. Whilst this claims experience over the past three months is disappointing, claims are our business, and our Data and Analytics team have identified this issue early.

What we are focused on now, is ensuring that our old Life Solutions product continues to be priced appropriately, operationally managed through our strong claims management capability, including return-to-work outcomes, and considering appropriate retention strategies, including the transition of these older TPD and income protection products onto the new ClearChoice product range. Our infrastructure has been built to mitigate these risks through normal business operations, including strong claims management capability, repricing retention, further changes to price assumptions, and driving hard on our share of wallet and new business. These initiatives are in flight, and we'll begin to flow through the financial

results in the second half of FY '25, resulting in a short-term impact to the FY '25 life insurance underlying NPAT margin, and the FY '25 group underlying NPAT. We will provide a further update in our half year results, including further developments on how our claims experience and these initiatives evolve in the second quarter.

The front-end of the business with ClearChoice momentum continues to be very strong, and is ahead of the FY '26-plan, and we see significant opportunities in the retail advice sector. With the industry and regulatory focus on sustainability of IDII-products, ClearChoice has been specifically designed with significant structural changes to mitigate the risks of volatility, and ensure long-term sustainability for customers. Momentum continues to be strong in a market that is growing. We have a big year ahead of us and I remain positive about what the future holds for ClearView. Our strategic transformation is progressing well, and our organisation is growing and maturing at pace, with an increasing depth and diversity of capability and experience. We have a solid business and we're committed to strengthening our dynamic challenger position in the market as we look for opportunities to grow and diversify our revenue and risk and work towards our 26 targets. Thank you for your support. Thank you.

Geoff Black:

Thanks, Nadine. The first item of ordinary business is to receive and consider the financial statements, director's report, and the auditors report for the financial year ended 30 June, 2024. There is no resolution, however, this item of business gives shareholders and their proxies the opportunity to ask questions and make comments on the business, its management, and financial statements. Shareholders and their proxies may also ask questions of our auditor in relation to the conduct of the audit, the preparation, and the content of the auditors report, the accounting policies adopted by the company, and the independence of the auditor. As mentioned earlier, Louise Burns representing our auditors, EY, is here today and will be available to answer questions.

The company's financial statements for the year ended 30 June, 2024, the director's report, and the auditors report were distributed to shareholders and are also available on our website. A summary of resolutions to be dealt with during today's meeting appears on the next slide. Resolution One is to consider and adopt the remuneration report for the year ended 30 June, 2024. Shareholders are reminded that the poll is open, and you can vote at any time. Proxy votes for Resolution One are aligned on the screen. I intend to vote all undirected proxies in favour of all resolutions.

Michael Alscher who was appointed to fill a casual vacancy during the year, is standing for election, and Nathaniel Thomson retires by rotation and is standing for re-election today. Director's details and experience are included in the annual report notice of meeting and on the ClearView website. Each of directors other than the directors standing for re-election recommends the election of Michael Alscher and the re-election of Nathaniel.

Ladies and gentlemen, Resolution Two is to consider and if thought fit, approve the election of Michael Alscher, who is appointed to fill a casual vacancy on 24 May, 2024. Proxy votes are outlined on the screen. Resolution three is to consider, and if thought fit, approve the election of Nathaniel Thomson who retires as a director by rotation under the Constitution. Proxy votes are outlined on the screen. Resolution four is to consider, and if thought fit, approve to grant an issue of 991,525 performance rights to the Managing Director, Ms. Nadine Gooderick, in relation to her FY '25 long-term variable remuneration under the ClearView Wealth Limited Rights plan.

Shareholders are reminded that the poll is open, and you can vote at any time. Proxy votes received for this resolution are outlined on the screen. Resolution five is to consider, and if thought fit, approve to grant an issue of 225,147 restricted rights to our Managing Director, Ms. Nadine Gooderick in relation to the third FY '24 short-term variable remuneration under the ClearView Wealth Limited Rights Plan. Excuse me, shareholders are reminded that the poll is open, and you can vote at any time. Proxy votes received for this resolution are outlined on the screen.

Resolution six is to consider, and if thought fit, approve for granting of termination benefits to employee participants in the company's long-term variable remuneration plan as set out in the notice of meeting and explanatory statement. Proxy votes are outlined on the screen. This concludes the resolutions. I'll now take questions from attendees in the room, and respond to any that have been submitted online. For any questions from the floor, please be aware that the microphone is for those who, to hear the questions online, so even though I'll be able to hear you, people online won't be able to, so if you do have a question, please wait for the microphone.

Tony Mitchell:

Hi, my name's Tony Mitchell, I'm a shareholder. Can Nadine explain why this increase in has just occurred, and it wasn't revealed in the annual report? Secondly, will the pricing premium increases in life insurance offset the 6.2-thing for the first quarter, and can you make a guesstimate, if you've had 6.2 for the first

quarter, I mean, that annualizes to about \$25 million, which effectively erases the previous year's profit. Can you give us some sort of indication as to how the increase in life insurance premiums will offset that?

Nadine Gooderick:

Yeah, so-

Speaker 4:

[Inaudible 00:27:23]

Tony Mitchell:

What's that?

Speaker 4:

[Inaudible 00:27:26]

Nadine Gooderick:

Okay, thanks Tony. This is really, I mean, we saw a little bit of noise at the end of the last financial year, and we did strengthen our assumptions, but this has really occurred in the first quarter of this year. So we saw a spike come through, so we had quite a lot of notifications for TPD, and then we've been able to see that wash through. So it really is a disappointing first quarter for us. In saying that, I think the margin will definitely be impacted for the first half of the year. All the work that we have done in the business over the last four years, has meant that we've been able to see this really early and respond very quickly.

So we have a board-endorsed management plan that we're working through. Obviously, two of the big levers for us are repricing and claims management, and we are doing that right now. I do think the second half with all the work that we're doing now, that the goal is to really restore some of that margin for the second half, but it's still early days, Tony. It's developing for us now. We're seeing it early, we're on top of it. We're doing everything we can. Thanks, Chris.

Speaker 5:

Any other questions?

Tony Mitchell:

Just following, you haven't really answered specifically the number, but the logical question to ask is will this negative impact affect the dividend in terms of quantum for '24-'25?

Speaker 4:

[Inaudible 00:29:11]

Geoff Black:

I can talk from here. The dividend policy is as stated, and obviously we monitor the performance. Just adding to Nadine's, I mean, in life insurance you always get volatility of claims, and it is a long, long-term business, and if you jump it two or three months experience, it doesn't necessarily flow on from that. October-claims were more normalised what we saw, so that would suggest it may have just been volatility, but to Nadine's point, the team's very focused on dealing with those policies, and the claims, and repricing, and taking initiatives that we have in place. To answer your question, it's just too early to assess that, Tony. I'd rather see a few more months' outcome, whether it's normalises through to the half year, but in terms of the dividend policy, nothing's changed.

Tony Mitchell:

Thank you. In your address, Geoff, you've mentioned the fact that the board believes the share price is undervalued, rather than mucking around with dividends, why doesn't the company just institute an on-market buyback to show that you really mean that it's undervalued? Secondly, the other thing I want to just ask, in the last few weeks there's been a huge amount of stock that's gone through. Now it's been an avalanche, and I've been the major buyer. Now, I just would like to know why this comment about negative claims wasn't made public prior to this annual meeting?

Because if the board knew about this, they should have let the market know, because I can't specify it, but it seems to me that someone knew about this. Because we've had three brokers, Morgan's, Taylor Collison, and I've forgotten the other one, there's just been an absolute flood of selling. And I just wonder, and I tried to check all the time who was selling, no one came back to me, no one. So I'm just asking did the board know of this claims experience? When did the board know? And if they knew early, why wasn't it announced before the AGM?

Geoff Black:

The September results we only get to see literally in the last couple of weeks, and we've got to be certain before we announce things about whether the numbers are hard and so forth. So that is very recent, up-to-date information. I wouldn't be surprised if, more broadly, I can't speak for the market, but we're not alone in seeing the claims experience, and generally so the likes of TAL, Zurich, AIA, they're all in the same boat. There's a reason why the income protection products in particular were changed in 2021, and that's because earlier products we're not sustainable.

Having said that, life insurance is a long-term business, and the policyholder is the only person who can cancel the policy. And at this stage people want to some of the benefits that are there in those older policies. So I can't speak for why people sold. We are not aware of anything that how somebody would've got to know the \$6.2 million, because it really is hot off the press in terms of the absolute numbers. There's actually a lot of work involved in doing a full-on valuation and assessment and claims experience analysis, so it's unlikely in my view that somebody's trading on inside information or anything, because that information wasn't there.

Phil Pepe:

Hi. So Phil Pepe, Shaw and Partners, just on the first quarter, can we get a little bit more clarity on what's driving it, please? How much of it, if you can share, TPD versus income protection? Because seems to me like perhaps we're talking more income protection than TPD if you're mentioning economic conditions. Then part two, how much of it was extra claims, because the comments just made suggest it was cancellations, so was it claims or cancellations? And was it TPD versus income protection, please?

Nadine Gooderick:

So we definitely saw an uptick in TPD in the first quarter. It doesn't take a lot of claims to have an impact for us, because our book's quite small. So if I look at Life Solutions where it is, our exposure there in terms of TPD is around 16% of the book. So we saw more claims, and those claims were at higher value than what we would expect for that period of time. So we had that notification spike. When notifications come in, we then have to go through our preserving process, and then they wash through the system. So I think that's what we're seeing now. Geoff mentioned October, and I think that's what we're seeing this bit of a spike. The reason for the spike, there's no one reason, there's no ... We've got such granular data now, we can go all the way down to advisor level, cause of claim, where they're coming from, age band, sex, all of these things.

There isn't one thing that we can actually say, "This is a trend." Of course we're monitoring that as it goes through, but there isn't really anything. There's been, if anything, there's been a few late reported claims. That's probably the only thing, but it's only a handful. It's not really enough to say anything, so it doesn't feel like there's a big trend. It just feels like volatility for TPD.

For IP, we're seeing more across the book, which I think potentially is related to that affordability-issue.

That's where we're focusing all of our efforts right now, to get into those pockets, to look at the repricing. So that will go through in the second quarter. I think for us, when I really think about it, all of the things that we're doing that's contributing to the success at the front-end of the business, if I look at the speed to market, the agility of the technology, all the uplifting capabilities being in claims management, actuarial pricing, data and analytics. So that's what we now just apply to a challenging quarter. It's the same method, it's the same people doing the work, and that's what we're doing.

Tony Mitchell:

Thank you. Can you tell us how much is left in the Legacy book so we can make some sort of assessment?

Nadine Gooderick:

In the total [inaudible 00:36:23]-

Tony Mitchell:

Yeah, well, TPD and income disability compared to the new book.

Nadine Gooderick:

Oh, Ash, you got those numbers?

Speaker 7:

TPD is about 16%.

Nadine Gooderick:

Yeah, [inaudible 00:36:44]

Speaker 7:

So Life Solutions as a portfolio is around north of 250 million, and TPD is about 16% of that book. Income protection is around 40% of the book.

Nadine Gooderick:

[Inaudible 00:37:03].

Geoff Black:

Sorry, Michael?

Speaker 7:

[Inaudible 00:37:12]

Nadine Gooderick:

[inaudible 00:37:15]

Speaker 7:

Sorry, can I just reiterate what Nadine and Geoff have been saying? We've spent so much money on getting our IT infrastructure in place, and being able to see these things with high visibility quickly, and as a result, I think we're in one of the better positions in the market in terms of getting on top of these issues. If we have an issue, we're going through the process now, which is we're going through a repricing. We have a very strong Claims team in place. We don't think this is an ongoing issue, as I think has already been stated. We think this is volatility in the book.

If it's not, then we just keep repricing until we get to the right point. So really this is, in our minds I think, and Nadine and Geoff, correct me if I'm wrong, we see this as an aberration and we're watching it very closely, but as far as we're concerned what's going on in the business, the growth of the business, the broader performance, the quality of our Claims team, all those things are really allowing us to deal with these issues in a very timely fashion. While it's unfortunate we've got a first quarter which is a real aberration, we at this stage don't believe this is a reflection of what the year's going to turn into. But we have to reflect and make public the fact that we've had a poor first quarter on claims and we're just dealing with it in a very dynamic way. So I think that'll reflect itself in pricing, I think it'll reflect itself in how the rest of the year trades out, but for the first quarter we've had a tough quarter.

Nadine Gooderick:

Business is huge.

Tony Mitchell:

I'd just like to repeat my earlier question. Why doesn't the board have a on-market buyback? If you believe the share price is undervalued, show it. Don't just say it, do it.

Geoff Black:

Because part of, one of the feedback, if you like, when we talk to people is that the concentration of our shareholder-base is a problem, the liquidity is the problem. So to do the buyback just doesn't solve that particular problem at all.

Tony Mitchell:

Okay.

Geoff Black:

We have talked about it as a board, and we are comfortable with the strategy we are currently employing

Tony Mitchell:

Under normal circumstance, I would agree with you, Geoff, but as exemplified by the last three or four weeks, the turnover has been massive. You could have bought back a significant number of shares, and I've basically been doing the buying for the company. I've bought stacks of shares, and now the share price is going to come under pressure as a result of today, and I would've thought this is a very good opportunity for the board to show what they say, and that is do an on-market buyback.

Geoff Black:

Yeah, appreciate your view. I mean, I'm hearing what you're saying, and it would be a board discussion in here around that, but we are comfortable where we are at the minute. We're not comfortable with the share price, but sorry, Michael, you were going to ...

Speaker 7:

[inaudible 00:40:21].

Geoff Black:

Yeah, we're not comfortable with the share price as stated, it's undervalued, but I think that reflects other issues.

Speaker 7:

Yeah, again, if I can just reiterate what Geoff's saying, I mean, we think the share price is undervalued. We have an aberration, a share price is going to reflect the future cash flows of the business. That hasn't changed. The forward-look and visibility on the businesses is very strong. So while we have an undervalued share price, there are two elements to that. We also recently reintroduced a dividend, which is what shareholders wanted to see, and so we're going back to a process of having a very formalised way of thinking through a dividend. In the future, if that changes from a capital management perspective, as Geoff said, that's something for the board to consider. But at the moment, if people decide that the share price should fall, well, then it's a good buying opportunity for those that are willing to step in.

Geoff Black:

I would reiterate we haven't changed after FY '26-targets and goals, we are holding to those. So we

do see this as just a short-term issue, that we have the mechanisms to deal with that in terms of repricing, as well as our Claims Management-capability. Judilyn, is there anything online?

Judilyn Beaumont:

Yes, Chair. There's a number of questions online.

Geoff Black:

That haven't [inaudible 00:41:56] been dealt with.

Judilyn Beaumont:

No, these haven't been dealt with. The first question is from Stephen Mayne.

Geoff Black:

Sorry, could you get the microphone?

Speaker 4:

Oh, okay. Judilyn has a microphone. That can [inaudible 00:42:08]-

Geoff Black:

Okay.

Judilyn Beaumont:

So the question is, "What has been the long-term impact of the big four banks and AMP all getting out of the life insurance market? Are there any prospects that any of the big four banks could choose to get back in? Does the CEO believe it was a mistake of the banking sector to abandon this market? And should they come back in to offer their customers a broader range of financial products?"

Geoff Black:

I think there's probably a question for the banks, to be honest. I think they still do offer life insurance products through various distribution arrangements that they all have. So I think the banks would look at their experience in life insurance, and this is a personal view, that life insurance is a very specialist-area and requires certain skills, expertise, and capabilities, and is different to banking. I think that was always one of the challenges for the banks, and why they all chose to exit it, because they couldn't really make it work within their own businesses. So you never say never. As I say, the banks will make their own call on that, but the likelihood of coming back into banking, into life insurance, I suspect probably not. They're probably going to direct capital elsewhere, but it's a matter for them to be honest.

Nadine Gooderick:

Yeah, I'd just add to that, and say all the consolidation in the market has actually really created some opportunities for ClearView. Just being a single-focus, focused on life insurance and what we do really well without any distractions, with a very clear strategy, has meant that we've been able to really take share from some of those competitors, just with everything that they have going on in their businesses, as part of that consolidation, Chairman?

Speaker 4:

Just on that point, [inaudible 00:44:12], growing market share with new business momentum, can you quantify that for the audience?

Nadine Gooderick:

So growing market share with new business momentum, so quantify-

Speaker 4:

[Inaudible 00:44:24].

Nadine Gooderick:

... the reasons why?

Speaker 4:

Because last year it was quite strong, and we said that's great, [inaudible 00:44:26]-

Nadine Gooderick:

Yeah, so new market share has continued for us, which has been fantastic. For us, I think it's a combination of factors. We've got a very good product in ClearChoice very strong product offering. We've got great distribution network that's very stable. I think our product is priced well, it's good value. So advisors like to deal with a ClearView. We are accessible, we pay the right claims, and I think that really translates and resonates with our advisors. So we focus very hard on widening the share of the wallet for those tier ones and tier two-relationships that we have. We're looking at new advisor groups that are coming in, that are looking at the industry in a different way. We're seeing some younger advisor groups that are very focused on technology, I think, potentially will be the disruptors in the industry. So we're backing those guys, and that really helps to diversify our book as well.

Geoff Black:

Judilyn?

Judilyn Beaumont:

Thank you. We also have a question on item to the election of Michael Alscher. This is a question from Mr. Stephen Mayne, "When disclosing the outcome of voting on all resolutions today, including Michael Alscher's re-election, could you please advise ASX how many shareholders voted for and against the item? Others have already blazed the trail and made this voluntary disclosure."

Geoff Black:

I'm presuming it's just we're just going to disclose the election results by number? Don't see a problem with that.

Judilyn Beaumont:

We also have a further question from Mr. Stephen Mayne, "Could the CEO summarise her past LTI grants as to whether they have vested or lapsed? Also, has she ever sold any ordinary shares in the company, or bought any on market without relying on an incentive scheme to build equity in the company?"

Nadine Gooderick:

Thank you, Stephen. So I just had my first grant of LTI vests from 2021, which is approximately 96,000 shares. I haven't sold any shares, and I have purchased shares privately.

Judilyn Beaumont:

Thank you. We have another question from Mr. Stephen Mayne, "Given the interesting discussions across a range of topics today, could the chair undertake to make an archived copy of the webcast plus a full transcript of proceedings available on the company's website?"

Geoff Black:

Don't see a problem with that, as long as the technology enables it.

Judilyn Beaumont:

Another question from Mr. Stephen Mayne, "Did any of the main proxy-advisors issue a report ahead of this meeting which recommended a vote against today's resolutions?" I can comment on that. We are not aware of any such report. And one last question from Mr. Stephen Mayne, "Australia is currently in the midst of an unprecedented deluge of takeovers that has contributed to listed entities on the ASX falling in number. Does the chair agree this is a problem for the nation with so few new floats replenishing the ASX ranks? There is a clear mispricing between public markets and private markets. Why are the public markets not valuing ASX-listed companies like ours more highly? And what are we doing to avoid being gobbled up like so many other companies?"

Geoff Black:

I am not sure I'm equipped to answer that. I think, I would say potentially that the markets are cyclical, and public markets and private markets will move with the time, with capital flows and investment outcomes. So to that extent, we are listed, I mean, it's disappointing we don't necessarily have other life insurers who are listed to provide comparatives for analysts and shareholders to better understand the industry. I would certainly agree with that statement, but look, I don't see it as a massive problem for ClearView specifically.

Judilyn Beaumont:

Thank you. I have one further question from Mr. [inaudible 00:49:22] Lin, "Will the bond market volatility affect ClearView's investment at the moment?"

Geoff Black:

Well, obviously if interest rates go up, when you do embedded value calculations, value goes down. And obviously similarly, it impacts investment performance, albeit we have a pretty conservative investment portfolio of bonds, so I'm not sure on that. Athol, you might be better equipped to answer than I am, but I'm not seeing any major impact.

Speaker 7:

It's a very conservative portfolio with very limited duration, so it doesn't have a significant impact.

Judilyn Beaumont:

Thank you. There are no other questions, Chair.

Geoff Black:

Okay. All right, as there are no further questions, I'll give shareholders one final opportunity to cast their vote as the poll will be closing shortly. That completes the items of business for today, and I advise about voting will now close on all resolutions. For those attendees in the room, please would you hand your completed voting paper to the returning officer. I now declare the meeting closed. We'll announce the results of the poll to the ASX later today. Thank you for your attendance. The board appreciates you making the time to participate in our hybrid AGM. If you are in attendance, please feel free to join the board and Executive team for refreshments behind reception. Thank you.