

## MEDIA RELEASE

# CLEARVIEW ANNOUNCES TOP THREE ADVOCACY PRIORITIES

Monday 1 April, 2019: Stable life insurance commission rates, tax deductibility of financial advice fees and choice of life insurance provider should be on top of the financial services industry's advocacy agenda, according to ClearView.

Releasing the group's [Reform Agenda and Priorities](#), ClearView Managing Director Simon Swanson urged policymakers to think carefully about how best to implement the Royal Commission's recommendations to ensure no unintended adverse consequences for participants and consumers.

"Change is important and necessary to fix some of the industry's problems and ensure strong consumer protections but there are some elements worth protecting, namely the ability for product manufacturers like ClearView to fund the provision of life insurance advice to ordinary Australians," he said.

"Life insurance offers invaluable protection and makes an enormous difference in people's lives but it is a complex financial product. It is difficult for the average person to assess the value of a product which may not pay a financial benefit for 20-30 years."

"While insurance allows a person to transfer risk to an insurance company and benefit from the peace of knowing that their loved ones are protected should something unexpected happen to them, consumers need upfront and ongoing advice to ensure they hold and retain adequate cover."

Mr Swanson warned that additional changes to adviser remuneration would put professional financial advice out of reach for many people, force many practices out of business and exacerbate Australia's underinsurance problem, citing research which estimated the nation's underinsurance gap is around \$1.8 trillion. Ultimately, this burden will fall on individuals, their families and the government.

ClearView's broad position is that commission rates under the Life Insurance Framework (**LIF**) are appropriate and once LIF has been fully implemented, grandfathered rebates are removed and restricted Approved Product Lists (**APLs**) are banned, the vast majority of the industry's conflicts will be addressed.

"This is the right foundation to build on and at this critical juncture there's no case for changing the commission rates," Mr Swanson said.

Read ClearView's [Reform Agenda and Priorities](#).

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#### *About ClearView*

*ClearView Wealth Limited is an ASX-listed diversified financial services company that specialises in life insurance, wealth management and financial advice solutions. The group partners with financial advisers to help more Australians grow and protect their wealth and achieve their financial goals. As at 31 December 2018, the group had \$240.7 million in inforce premium, \$2.62 billion in funds under management and 242 financial advisers. ClearView has been independently rated No. 1 in claims customer satisfaction. In the six months ending December 31, the group paid approximately \$40 million in claim entitlements.*