

Dear Sirs

## LIFE INSURANCE INQUIRY

I have 2 old Prudential whole of life policies which had their surrender values cut by about \$4,000 each by Comminsure after the GFC – Comminsure took over Colonial Mutual which had taken over Prudential’s Australian business.

I understood such policies to share in profits, not losses – traditionally these old “with profit” policies gave low but safe returns.

Comminsure have refused to give me copies of the actuary’s reports on division of profits between policyholders and shareholders.

APRA, ASIC and ACCC have each, in turn, decided they can’t do anything.

I note that under the 1945 Act I had a right to such reports – that seems to have been removed in 1995 (though it is not clear to me).

One may perhaps be forgiven for suspecting that the banks dumped GFC losses on policyholder funds of their life office subsidiaries while continuing to draw out profits for the shareholder parent banks (perhaps with a blind eye from Treasury etc. as everyone panicked – but that is beside the point if what they did was breach the *Life Insurance Act*).

By the way, Comminsure even cancelled one of the policies without notice – they reinstated it after protest.

Would the Committee be interested in the correspondence?

Yours faithfully

Terry Dwyer