

19 July 2018

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

By email: corporations.joint@aph.gov.au

Dear Dr Hodder,

Thank you for your letter dated 18 July 2018, outlining two additional questions in relation to the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) inquiry into options for greater involvement by private sector life insurers in worker rehabilitation.

Our responses appear below.

Question 1:

Noting the issues raised in your submission, do you have any different views on life insurers having greater involvement in rehabilitation in the following two situations:

- a. Where an injury illness occurs at or due to work and people have access to relevant workers compensation and other support mechanisms; or*
- b. Where an injury or illness is unrelated to work?*

Response:

The content of this question is very similar to that of the second of the Questions on Notice that I responded to in my letter dated 17 July 2018, attached for your convenience.

I refer the Committee to that response.

Question 2:

Do you support greater involvement by private sector life insurers in worker rehabilitation before the life insurance industry has completed actioning the recommendations of the committee's Report?

Response:

No.

Maurice Blackburn believes it would be judicious and appropriate for the Committee to wait for the outcomes and recommendations of the Inquiry into the Life Insurance Industry to be actioned, before making recommendations in relation to allowing greater involvement by private sector life insurers in worker rehabilitation.

In addition to this, Maurice Blackburn urges the Committee to consider waiting for the outcomes of two further inquiries before handing down its findings into the current matter, they being:

1. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. We encourage the Committee to note that the culture and corporate behaviours of superannuation funds and providers of group insurances will be the focus of an upcoming public hearing. We believe this may inform the Committee's opinion as to whether additional powers should be granted to private sector insurance providers.
2. The Treasury's inquiry into extending Unfair Contract Terms provisions to cover insurance contracts. Once again, we believe that the outcomes of this inquiry will be useful in informing the Committee's perspective in matters such as the need for consistency in definitions.

Given that the current inquiry is determining whether to recommend a change to the status quo – a regime which is successfully managing power imbalances – we would suggest that the need to act quickly has not been established. Taking the outcomes of these additional inquiry processes would be logical and sensible.

If we can provide additional information to assist the Committee in its deliberations, please do not hesitate to make contact.

Yours sincerely,

Kim Shaw
Principal
Maurice Blackburn