

The following are what I believe should be addressed before proceeding with the new sledge hammer approach (Bill) to combat the alleged churning:

1. Introduce a uniform life policy that is standard throughout the insurance companies – without differing clauses. This will allow the consumer to select an inexpensive policy, knowing that the other policies are identical. This will create a competition within the insurance industry and allow Adam Smith's invisible hand to do its job;
2. Introduce rollover provisions, where the uniform policies can be rolled over from one insurer to another without going through full underwriting. There are various options available to ensure the insurers are not penalised where a policy is actioned by the deceased family soon after rollover. Other sophisticated policies could also possibly be rolled over with appropriate provisions to ensure the insurer is not out of pocket;
3. Currently, as far as I am aware, there is no sophisticated software to be able to compare group insurance and retail insurance – This needs to be addressed **urgently** in order for the advisers to present factual and researched representations of policy differences. This will definitely increase the skills of the adviser and raise the bar for the profession;
4. This sophisticated software could be used similar to tax return software i.e. where the adviser switches policies, the full details of the two policies are compared and the reasons why the policy switching has been recommended . This populated a standard ASIC switching return (to be devised by ASIC) and lodged electronically to ASIC for validation. (The software will prompt the adviser for the reasons, which if insufficient, the return will fail to pass for lodgement to ASIC) .Once validated by ASIC, the insurance return is lodged with the nominated insurance company. Please note the lodgement could be done via a clearing house etc;
5. This system will remove any alleged churning and also ensure the industry remains consumer focused and ethical. Moreover, it will **promote competition**.
6. Insurance advisers should have a sound grounding and appropriate qualifications. Their own pathway;
7. Insurance should become part of the tax and social security system, with tax benefits offered;
8. Private health insurance should be linked to life, TPD and trauma policies;

I wish to stress that by addressing the needs and wants at the grass roots level, you will ensure that the industry grows for the benefit of advisers and most importantly the consumer.

By placing proper software and systems into place, instead of introducing draconian measures, you will ensure a thriving industry, which is currently stagnating!

Your current measures will drive down competition and reduce the incentive for new advisers to practice in this undervalued profession. Insurance should not be a dirty name!

As you are aware, increasing the level of insure within the population will directly have a large impact on the social security system. This is ignored and really it is part and parcel of an insurance system

The industry, as I see it, is currently piecemeal and is in need of proper regulation and education standards.

You have the power to make a positive impact on the wellbeing of the average Australian.

My political mentor once said that politics is the art of the impossible.