

**Total
Financial
Solutions
Australia**

28th January, 2003



Roger Budd
Authorised Representative
PO Box 19
Parramatta NSW 2124

The Secretary
Parliamentary Joint Committee
on Corporations and Financial Services
Parliament House
CANBERRA
ACT 2600

To the secretary,

RE: Commission Disclosure on Risk Products-Tuesday 21st January, 2003.

My name is Roger Budd and I am life insurance agent, licensed authorized representative and financial planner with over thirty-three years experience in assisting individual Australian's and Business people with their Life, Trauma and Income Protection needs, as well as providing Superannuation and Investment Advice for over twenty years.

I run my own practice with my own staff in which we cater to a diversified client base. We have 1,000 closely held clients and 2,000 arms length clients who are serviced on no less than an annual basis. This regular reviewing process ensures that each policy and plan is fulfilling the requirements of the client, their family and business.

Our role in society, as Financial Advisers and Life Insurance Agents, is to ensure that no family is any worse off economically once the bread-winner or any producing member of that family is either seriously injured, deceased or retired. In other words, we provide each client with the protection and advice required to allow them to have access to dollars where and when they need it most.

Commission disclosure on risk insurance products means that many planners and agents will lose the drive to look after their clients in the long term. Disclosure is farcical and could quite easily then be extended to be compared with the sale of any commodity, product or service. This is, of course, unrealistic and impractical.

The purpose behind Life, Trauma and Income Protection insurances is to make Australian families more secure. This procedure requires face to face professional

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advice to ensure that adequate provision is made no matter what the circumstances of the particular client and his family are.

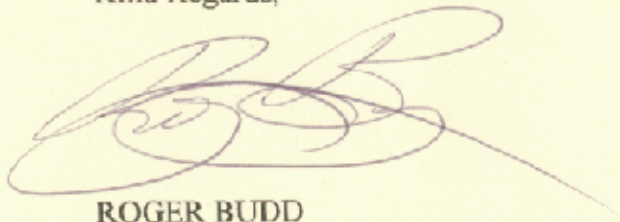
This facilitation process needs to be paid for just like any other professional advice. To be a professional we need to have an infrastructure of our own to ensure continuity of service to our client base, who are in fact a large number of the Australian tax-paying population.

Imagine if your wife was paying for a washing machine based on the commission that the sales-man was going to receive rather than the automatic benefits of the size, structure, digital control versus manual control of the said washing machine.

The intricacies of insurance, ownership and funding options require very serious application and regular review. Without remuneration this is never going to occur and Australian's will be left inadequately or totally unprotected in the event of premature death or disability.

I am sure that you have seen enough examples of how commission disclosure could become the predominant purpose for the insurance rather than the protection that it affords. The **premium** is the **solution** to the problem, disclosure could make it the problem.

Kind Regards,

A handwritten signature in purple ink, appearing to be 'R. Budd', with a long horizontal line extending to the right.

ROGER BUDD