



Dr Patrick Hodder  
Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services

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Further Submission - Maurice Blackburn Lawyers

Dear Dr Hodder

Thank you for the opportunity to make a further Submission to the Committee, further to our submission dated 18<sup>th</sup> November 2016 and my appearance on 22<sup>nd</sup> February 2017.

In this submission we highlight specific examples of the impact of some of the policy changes that have impacted our clients, as well as the impact of behaviours and cultures of funds and insurers.

We have included additionally examples demonstrating the importance of maintaining an “opt out” system, including those that show the positive and transformative impact of fund membership and access to one or more TPD policies can have on our clients' lives.

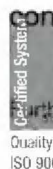
### **A critical aspect of fairness is to ensure Funds are not creating junk insurance:**

#### Case study 1:

Our client signed up to a racing industry fund where his occupation was as stable-hand at a high profile horse training facility. He is a [redacted] year old stable-hand who sustained serious injuries to his left hand in a workplace incident on [redacted]. A claim was lodged for Total and Permanent Disability (TPD) on [redacted] and rejected or [redacted] as the occupation of stable-hand is an “excluded occupation”. The Occupation Classifications for the Policy specifically exclude: Farm employee or labourer “not insurable”; Horse strapper: “not insurable”. Our client therefore was never entitled to insurance cover under this policy at the outset. It is effectively junk insurance and he is left without the support from insurance he badly needs and was paying for.

#### Case Study 2:

Our client signed up to a fund where seasonal or contract employment is an “excluded occupation”. He is a [redacted] year old plant operator employed on contract basis via a labour hire company in the mining industry and is suffering from chronic schizophrenia and chronic lower back pain. He injured his back on [redacted]. Claim lodged for Income Protection (IP) and TPD [redacted] and rejected on [redacted], as seasonal or contract employment is an “excluded occupation”. Seasonal or contract employment is defined as work that is not fixed term employment but employed for a fixed term/contracted to complete a specific job and without guaranteed of continuity of employment, irrespective of hours worked or period of employment. He and his colleagues were all project workers – which is obviously very common during the recent boom in Western Australia – and they were issued with “termination notices” at the conclusion of the project. None of these workers, including our client, were ever going to have insurance cover under this policy even though they paid contributions.



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Further Submission to JPC Life Insurance.docx V5  
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**A further aspect of behaviour is to stop the creation of unfair barriers to access benefits:**

**An egregious development is the establishment of multiple policy exclusions:**

Case Study 4:

**Shifts away from SIS Act definitions:**

Case Study 6

Case Study 7

## **How multiple policies transform people's lives**

### Case Study 8

Our client was a maintenance worker at a winery in South Australia. He had always worked full time in a heavy manual capacity. On 14 he suffered a stroke and lost the use of the right side of his body, as well as suffering from memory loss, difficulty with speech and a numbness/tingling over his entire body.

Because he did not suffer with a work-related injury, he did not think he could claim any benefits. He was struggling on a Disability Support Pension and was not aware that he had any superannuation entitlements until he sought our assistance.

Our client was found to have the following several insurance policies that were of significant benefit to him:

These claims meant that rather than relying on the DSP and living a meek existence, he and his family are now able to live a life of dignity. These claims have changed his life and he is very appreciative of our work.

### Case Study 9

Our client is aged 50 years old and was a truck driver all of his life. The client injured his shoulder in a truck accident and had surgery, but has never been able to drive again.

Again, this client was found to have several policies that were of significant benefit to him:

### Case Study 10

Our client is in his late 40's and a mechanic with a bad lower back injury; he had been a mechanic and storeman all of his working life. He has subsequently had to have surgeries to his back.

Upon investigating his claim we found several insurance policies this client was entitled to, again which were of significant benefit to him:

This client has used the money he has received to pay off his house and to support his family together with ongoing medical bills

#### Case Study 11

We have a client who has a young family and he is only [redacted] years old. He suffered an injury to his right shoulder and right elbow. He is unable to use right arm at all now and was a factory worker, who has only ever worked in factory. This client has had two claims accepted which have made a significant difference to him:

This client was very emotional when we told him of the benefits he would be receiving, as it has allowed him to buy a small house and provide an appropriate standard of living for his family.

#### Case Study 12

This client is currently in an acquired brain injury unit and is aged just [redacted] years old.

He has three successful TPD claims that have paid him a total of [redacted] – significant particularly given his young age and loss of working ability.

These claims were as follows:

#### **Conclusion**

We hope that this additional submission will further assist the Committee with its inquiry; in particular in seeking to understand the importance of maintaining an opt-out system, as well outlining the need to ensure the right balance is struck in improving the broader industry for the benefit of all members.

Yours faithfully,

**Kim Shaw**  
**Principal**  
**Maurice Blackburn Lawyers**