

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS INSURANCE SECTOR

TAL Life

Answers to questions on notice in writing:

TAL03QON: To the extent that people aren't renewing, do you have a sense of the demographics of that cohort? It would also be much appreciated if you could provide an update on that front, say, in a couple of months, because obviously it's a very fluid situation.

Answer: 8.8% of TAL's retail (advised) policies were not renewed during the 2019 calendar year and 10% of TAL's direct policies were not renewed during the 2019 calendar year.

For the 2019 calendar year, TAL's policy termination data shows that:

- More of the people who do not renew their policies are male (66% male for TAL's retail-advised policies and 54% male for TAL's direct policies). This is generally consistent with the demographics of our inforce customer base.
- More of the people who do not renew their retail (advised) policies are older (over 55). This is the case because of the nature of our retail customers. Generally, the older age groups are reaching their financial goals and require less insurance as they get older.
- More of the people who do not renew their direct policies are younger (under 45) and these relate to life cover or income protection. This is generally consistent with the demographics of our inforce direct customer base for life and income protection.

TAL will provide a further update to the committee on this data by 30 August 2020 unless required earlier by the committee members.