

### **Inquiry into the life insurance industry**

This submission will address the specific terms of reference:

- C) Whether entities are engaging in unethical practices to avoid meeting claims;
- E) The effectiveness of internal dispute resolution in life insurance;
- F) The roles of the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority in reform and oversight of the industry and;
- G) Any related matters.

To keep this submission brief (as we have had a long history with dealing with 1 particular unethical insurance company, I will address my main issues in a dot point structure.

#### **Brief History**

- My wife is currently on income protection payments and her TPD claim was denied due to “insufficient evidence” we are currently undergoing legal assistance to resolve this. The stress that she was put through with the insurer got so bad at one point that I had to start making/taking calls to the insurance company along with writing/receiving emails. All of this whilst trying to look after my wife try and work to save our suffering business. The \$\$ on the income protection plan don't add up to even 40% of her pre-injury wage yet somehow correct and undisputable.
- My wife whilst was under casual employment use to work a minimum of 35 hours a week and contributed to our business administration and customer support in her down time to the order of 20-30 hours per week.
- Her injury basically deemed her unemployed and unemployable to our business or any others overnight.
- We provided all information asked for when lodging and was told this was all of the information required to claim then 6-8 weeks later when we were contacted again by the insurer we were told to resubmit everything again along with further information that seemed for the most part irrelevant.

**Relevant to specific term of reference C**

C) Whether entities are engaging in unethical practices to avoid meeting claims;

Our dealings with the insurer began after the initial work cover ceased, at first they were pleasant enough to deal with however as time went on and our claims went in, the cracks in behaviour started to show dealing with the insurers has only got harder, some of the following is just some of the ways things were dragged out in what I feel an unethical manner.

- **Asking for irrelevant documents unrelated to the case**
- **Asking for financials from up to 4 years ago (but telling us they only go on the prior 6 months of income statements)**
- **Asking for the same information multiple times**
- **Once legal proceeding began access to my personal insurance "profile" was taken down and unable to access**
- **When asking for a copy of the privacy policy we are told to contact our super fund and when contacting super fund they tell us to contact the insurer**
- **When we asked for copies of the phone recordings to help build our case, we were told we couldn't have them**
- **Lengthy delays in assessing claims**
- **Treating individuals as the "bad guy"**
- **When we eventually received phone records, we were given written transcripts of the conversations not actual recordings, there were large sections of conversations missed, we believe because they said things that would incriminate or show information to benefit OUR case**
- **Some of the conversations included "chatter" between phone operators apologising that they have to deal with "her"**
- **Saying things like "she sounds like she is on strong medications" "she always calls"**
- **In the included transcripts were medical records with private information relating to another individuals medical issues**
- **Conversations taken of context to label my wife as fit for work**
- **3 separate medical reports supporting our claim including that of the workers compensation commission that was said to be "not a document that we use/or recognise in our investigation"**

**Relevant to the specific term of reference E**

E) The effectiveness of internal dispute resolution in life insurance;

Nobody wants to help, they will refer you to documents on their website that aren't specific, only general with hours of reading to try and find the "relevant section", only to find that section is entirely different to your circumstance.

We have tried to resolve our disputes many times but to no avail, there seems to be a huge "handball" culture with in the insurance companies and the superannuation companies along with internal individuals in both companies, with a lot of "ass covering" taking place.

**Relevant to the specific term of reference F**

F) The roles of the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority in reform and oversight of the industry;

Another issue relating to insurers is that there is absolutely no avenue for an individual to go and have their case looked at further, we approached the superannuation provider, Superannuation Commission the Financial Ombudsman our local member of parliament finally having to seek legal advice and assistance that is still ongoing.

Surely regulators should be monitoring these companies in greater detail along with their processes in order to best help claimants.

**Relevant to the specific term of reference G**

G) Any related matters

In the last 24 hours we have had dealings with our insurance company over medical certificates that haven't changed in 6 months but for some reason the day before payment is due there is an issue and we need to provide more information to them before payment can be made, my wife was pushed to her breaking point by the customer service representative, we are 6 weeks from having a child and this undue stress created by the insurer could have severe medial ramifications.

There are many ways I feel that the "life insurance companies" could be improved, not the least being, stop treating valid claimants as though they are trying to wrought the system, my wife is treated as though she is taking something she isn't entitled too, she pays for this insurance so she would be covered if this situation was to ever happen, but the insurer makes out that this is ploy and we have been waiting all this time just so we could make a claim (15 odd years).

We look forward to your findings on this inquiry and hope that NOONE has to go through what we and so many other families have for the last couple of years.