



Combined Insurance Company of Australia

Submission on Do Not Call Register Legislation Amendment Bill 2009

21 January, 2010

Combined Insurance Company of Australia

Combined Insurance Company of America trading as Combined Insurance Company of Australia - ABN 77 009 714 425 - AFSL Number 232409
Combined Insurance Company of America is a limited company incorporated in the State of Illinois, USA

Australian Head Office 51 Berry Street, North Sydney NSW 2060 Australia **Postal Address** PO Box 403, North Sydney NSW 2059 Australia
Phone 02 9922 5033 **Customer Service** 1300 300 480 **Fax** 02 9922 2096 **Email** customer@combined.com.au **Website** www.combined.com.au

Combined Insurance Company of Australia submission on the Do Not Call Register
Legislation Amendment Bill 2009

This brief submission has been prepared by Combined Insurance Company of Australia ("**Combined**") in response to the *Do Not Call Register Legislation Amendment Bill 2009* ("**Bill**").

Combined is an underwriter of general insurance, accident and sickness products, and has been insuring Australians since 1960. Combined currently insures 93,000 Australians and in 2009 paid \$38.5m in claims.

Combined has approximately 550 contracted agents and staff. Combined is a member of the Insurance Council of Australia, the Financial Ombudsman Scheme and a party to the General Insurance Code of Practice.

Combined's contracted agents offer its general insurance accident and sickness insurance products on a personalised basis, primarily to self-employed business people, workers, and their families in rural and regional areas of Australia. Many of Combined's agents live and work in these rural communities and all are themselves self-employed.

Self-employed business people are not always aware of the importance of protecting their incomes in the event of accident or sickness and do not always actively seek out such protection, until sometimes it is too late. The need for such protection often has to be explained.

Under the anti-hawking provisions of the *Corporations Act 2001* (s 992a), financial advisers including insurance agents, are prohibited from approaching potential clients on an unsolicited basis. The only alternative means available to Combined's agents to contact potential business clients is to initially phone in the hope of arranging an appointment at a mutually convenient time. Combined feels that this is a professional approach considering that the *Corporations Act 2001* also further regulates the manner in which such calls are to be made.

At present, telephone numbers used primarily for business purposes cannot be registered on the Do Not Call Register ("**the Register**"). However, the provisions of this Bill will now permit the registration of business telephone numbers on the Register. Combined contends that this amendment will have the unintended consequence of significantly reducing the potential market of accident and sickness insurance clients, should many small business persons register their telephone numbers. Underinsurance is already a significant issue in the self-employed business community where proprietors will insure their homes, tools, cars and offices, but do not consider insuring their main income source, i.e., their capacity to work and earn a living.

Combined considers that if the Register is extended to include business telephone numbers (irrespective of the ability of the business to register consent to receive certain telemarketing calls based on an industry classification), the **end result** will be:

- (a) an increase in the reliance on social welfare in the event of self-employed persons becoming sick, or injured.
- (b) An unnecessary cost burden on Combined's agents and the Business as a result of the need to always check the Register before calling a business number;
- (c) a significant reduction in the earnings of Combined's agents;
- (d) potential unemployment as a result of the reduction in the market for potential business contacts; and

Combined Insurance Company of Australia submission on the Do Not Call Register
Legislation Amendment Bill 2009

(e) a reduced ability to offer a highly personalised service;

Combined does not believe Parliament intended the Bill to have these consequences.

Combined contends that the extension of the ambit of the Register to include business numbers is unwarranted and will adversely impact on legitimate business to business communications. Combined's insurance agents are themselves small business people and will likely be confronted by a significantly diminished pool of potential clients over time, as more business numbers are registered on the Register. As all financial services advisers are prohibited by law from approaching potential customers in person, the telephone is the only viable alternative form of contact available to find new clients.

Combined respectfully requests that the Committee considers the impact of extending the Register to encompass business telephone numbers, where this extension will invariably have a detrimental effect on the small business person who relies on making contact via the phone with potential clients. Many self-employed persons are unaware of the important protection offered by personal accident and sickness insurance, where they are at risk of falling ill or suffering an injury and have no fallback. Combined's agents depend on initial business to business telephone contact to build awareness and some rapport with a potential client.

We thank the Committee for its consideration and should you wish to seek any further information or explanation of any of the matters contained herein, please contact the writer.

Yours faithfully



Frank Gurney

Assistant Vice President – Legal and Insurance Services
Combined Insurance Company of Australia

CC Des Bosnic – Executive Vice President - Australia and New Zealand
Carl Nagle – Vice President Administration – Australia and New Zealand