

The document below was submitted by the following individuals and organisations:

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Good afternoon,

Today I spoke on the *CORPORATIONS AMENDMENT (LIFE INSURANCE REMUNERATION ARRANGEMENTS) BILL 2016* in Parliament.

The changes outlined in the bill have been announced as a response to the Trowbridge, ASIC and FSI reports.

This bill seeks to better align the interests of financial advisers who sell life insurance products with the interests of their clients. I am concerned it does not achieve this.

After consulting with a number of Independent Financial Advisors over the past couple of months, I spoke against this legislation and shared the concerns raised by industry leaders. In its present form I do not support this bill in its current form due to the risk imposed on independent financial advisers, in particular those who specialise in the provision of life insurance advice.

You can watch my speech at: <https://youtu.be/JLDxLjB1N2A>

Please share this link with your fellow colleagues and industry partners.

As a former Financial Advisor myself with more than 15 years' experience, I understand the concerns many independent financial advisers in the industry, and I will continue to advocate on their behalf.

If you have any questions please get in touch.

Kind regards,

**Bert van Manen**

**Federal Member for Forde**

**p: 3807 6340 | e: [bert.vanmanen.mp@aph.gov.au](mailto:bert.vanmanen.mp@aph.gov.au)**

**[Website](#) | [Facebook](#) | [Twitter](#)**

A blue contact card for Bert van Manen MP. On the left is a portrait of Bert van Manen. To the right of the portrait, the text reads: "Bert van Manen MP", "FEDERAL MEMBER FOR FORDE", "Electorate Office 4/96 George Street, Beenleigh Qld 4207", "Postal PO Box 884, Beenleigh Qld 4207 | P 07 3807 6340 | F 07 3807 1990", "W www.bertvanmanen.com.au | E bert.vanmanen.mp@aph.gov.au". At the bottom, there are social media icons and links: a Facebook icon followed by "/bertvanmanen.page", a Twitter icon followed by "@bertvanmanen", a YouTube icon followed by "/bertvanmanen", and a Facebook icon followed by "/people/bertvanmanenmp". On the right side of the card is the Australian Coat of Arms.

*This email is solely for the named addressee and may be confidential. You should only read, disclose, transmit, copy, distribute, act in reliance on or commercialise the contents if you are authorised to do so. If you are not the intended recipient of this email, please notify the sender by email immediately, then destroy all copies of this message. Except where otherwise specifically stated, views expressed in this email are those of the individual sender.*

**There is not one single obligation in the LIF 'reforms' for insurers to provide any consumer benefit.**

In the last 48 hours we have received overwhelming support from the growing number of LICG members. Register at [www.licg.com.au](http://www.licg.com.au).

It is important now that every Adviser follow the 2 EASY actions below, it will only take you 5 minutes!

**ACTION 1: WE URGENTLY REQUIRE YOU TO CONTACT YOUR LOCAL MEMBERS OF PARLIAMENT BY FOLLOWING THESE FEW SIMPLE STEPS:**

Step 1. Visit [http://www.aph.gov.au/senators\\_and\\_members](http://www.aph.gov.au/senators_and_members) then scroll down to "Search Senators & Members" and select your local member of Parliament by simply typing in your postcode (please note there may be more than 1 Representative eg Senator and Member).

Step 2. Click on each of the buttons that say "Contact" and then complete the following steps

Step 3. Forward the text of the attached draft email (see below) and include the other attachments above, to the email address that is provided on the Government Website [http://www.aph.gov.au/senators\\_and\\_members](http://www.aph.gov.au/senators_and_members) & Cc your email to: [action@licg.com.au](mailto:action@licg.com.au)

Step 4. If you have time please follow up your MPs with a brief phone call to express your concerns.

**ACTION 2: NOW IS YOUR LAST CHANCE FOR YOUR VOICE TO BE HEARD, WE STRONGLY ENCOURAGE YOU TO MAKE A SUBMISSION TO THE SEC BEFORE THE 7<sup>th</sup> MARCH 2016**

Step 1. You can send the same MP email above (and/or any previous submission you have made, started or wanted to make (to Trowbridge or Treasury)) directly to the Senate Economic Committee.

Step 2. Send your email or submission directly to the SEC to this email address [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au) and CC [action@licg.com.au](mailto:action@licg.com.au) on or before the **7<sup>th</sup> March 2016**.

You can see further details on the SEC website:

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Life\\_Insurance](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Life_Insurance)

Phone: +61 2 6277 3540

Fax: +61 2 6277 5719

[economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

The LICG group will be also be lodging a submission with the SEC, which will be consistent with the attached version, HOWEVER WE NEED THE NUMBERS OF 2200 LICG MEMBERSHIP TO MAKE YOUR VOICES HEARD.

SO PLEASE SPEND 5 MINUTES SENDING THE EMAILS AT ACTION 1 & 2 ABOVE.

IF YOU WANT TO MAKE THE LIFE INSURANCE LEGISLATION FAIRER, IF YOU WANT TO ACHIEVE BETTER OUTCOMES FOR YOUR INDUSTRY AND CONSUMERS, THEN YOU HAVE A WINDOW OF OPPORTUNITY TO ACT NOW!

THIS WINDOW WAS CREATED FOR YOU BY PEOPLE WHO CARE ABOUT THEIR INDUSTRY AND THEIR CUSTOMERS, IT SHOWS WHAT CAN BE DONE WHEN BE BAND TOGETHER AND SHOW STRENGTH-IN-NUMBERS AND THE POSITIVE EFFECTS OF PEOPLE-POWER.

DON'T DO NOTHING OTHERWISE YOU WILL PAY FOR IT WITH YOUR BUSINESS.

Thank you for your support - it has certainly enabled us to gain momentum & we encourage your feedback while we work together to get better outcomes for consumers!

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**EMAIL TEXT FOR YOUR FEDERAL MP AND THE SEC**

**CUT AND PASTE INTO AN EMAIL AND INCLUDED THE ATTACHMENTS FOR ACTIONS 1 & 2 ABOVE:**

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Dear MP,

The Life Insurance (LIF) Legislation in its current form will have adverse outcomes for Consumers and will exacerbate Australia's chronic under-insurance crisis.

As my Federal Representative, I am asking for your support to oppose the LIF Legislation and enquire into the misrepresentations and false claims made by the Financial Service Council (FSC) on behalf of Banks and Insurance Companies, who have not substantiated any of their claims.

The Banks and the Insurance Companies have announced record profits and sales growth from insurance, quarter on quarter, yet they have remarkably claimed apparent hardship to the Government.

The LIF Legislation has been referred to the Senate Economics Legislation Committee for enquiry and report by 15 March, submissions close 7 March.

The LIF proposed legislation fails on so many fronts but primarily:

The LIF legislation:

- **Dramatically favours large institutions & vertically integrated models at the expense of consumers**
- **Will increase the cost of insurance and advice to consumers**
- **Restricts competition & consumer choice**
- **Does not provide any identifiable benefits for consumers**
- **Does not improve the quality of advice for consumers**
- **There has been no study conducted to validate the claims made by the FSC or how consumers will benefit**
- **The LIF appears to only be based on a "wish-list" submitted to the Minister by the FSC**

My primary concern is that the consumer will not be better off and that Banks and Insurance Companies have engineered the life insurance debate only to swell their already record profits. In fact, no substantive or empirical evidence exists to support the LIF proposals; and no consumer benefit has ever been quantified.

In this debate, the voices of the people whose job it is to help protect consumers and their families have not been heard. In order to give members of the advice community a chance to voice their very real concerns about the LIF, The Life Insurance Customer Group (LICG), which I am a member, announced (shortly before Christmas) its intention to petition the parliament about its objections to the LIF and the conduct of the FSC.

In an extremely short period of time (which included the Christmas / New Year period) over 2000 members of the advice community who service over 1 million+ customers have registered their objection to the LIF by signing the petition. The LICG petition was submitted to the Senate on 1 February 2016. Minister O'Dwyer claimed the LIF proposals had the full support of the Financial Services Council (naturally as the FSC only represent the Banks and Insurance companies) and the two financial adviser associations being the FPA and the AFA (These associations combined only represent about half of the registered adviser community).

Over 50% of our petitioners identified themselves as members of the AFA and/or the FPA; the very associations who have falsely claimed they represent their members in these proposed Reforms.

(It should be noted that both the AFA and FPA receive considerable sponsorship from the Banks and Insurance companies and that both of these organisations have subsequently distanced themselves from the LIF Legislation).

The only support for the LIF comes from the FSC (whose members account for the vast majority of consumer complaints and compensation pay-outs for poor advice) and not the entire industry as has been claimed. The needs of the consumer have been completely left out of this debate. Myself and the petitioners want a proper debate that results in tangible benefits for consumers; Rather than the current thinly disguised attempt by the financial institutions to both squeeze more profit from consumers and marginalise those of us that want to stand up for consumers.

The petitioners represent a sizeable chunk of the adviser community and 100% of these petitioners consider that the LIF, above all else, should:

- Deal with the moral hazard posed by bank-owned vertically integrated models
- Reduce the cost of insurance and advice to consumers
- Increase competition & consumer choice
- Provide identifiable benefits for consumers
- Improve the quality of advice to consumers

Accompanying the LICG petition was both real data and real evidence to support their position on the LIF in its current form.

I also refer you to the following independent report entitled: "Is Trowbridge Fixing a Problem that doesn't Exist"

<http://www.triapartners.com/article.php?slug=is-trowbridge-fixing-a-problem-that-doesnt-exist>

**I am seeking the Senate to oppose the LIF Legislation and conduct a full inquiry into the misrepresentations by the various Institutionally (Banks & Life Insurance Companies) funded bodies** that have led to this decidedly imbalanced and unsubstantiated draft Legislation, that favours the Banks and large institutions at the expense of small business and the need of the consumer. Consumers should have the choice to receive unbiased proper advice on how to protect themselves, their families and their assets against the unforeseen.

Yours Sincerely

(Name of Concerned Citizen)

[To unsubscribe please return email with "Unsubscribe" in the subject"]