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To whom it may concern,

I am writing in regard to the proposed changes to Life Insurance commissions. The removal of high upfront commissions was sold to Parliament and the community as a way to cut down churning of policies by advisers. It is however a blatant strategy for the banks and insurers to cut out advisers, decrease competition and increase their profits. I understand that all banks and insurers are in business to maximise profits. However our politicians are not elected to increase the share prices of banks. Our politicians are elected to serve the people and **not one person has ever stated how customers will be better off** with the decrease of upfront commissions and more importantly the 2 year responsibility period.

The removal of commissions will make it harder for advisers to service mum and dad clients. These clients will now be forced to go direct to the market. Insurance is not like a mortgage or even an investment. These policies are very complex and if we allow clients to deal directly with the insurers they will end up getting a bad deal. Clients do not have time to read 200 pages of Product Disclosure Statement. The direct insurers do not have to give actual advice they only have to give a price. The banks and insurers also do not have to act in the BEST INTERESTS OF CLIENTS. An Insurance adviser had a duty of care to each client and we are forced by law to act in the best interest of clients.

A major benefit of having an **INDEPENDENT** adviser helping you with your insurance is our help at claim time. If you get an insurance policy from a bank then at claim time the bank adviser will just email you the documents and leave you to speak to the claims department yourself. An independent adviser does this differently. We have recommended the policy and we will ensure it gets paid. We liaise with doctors and the insurance company for the client and walk them through the claim. This is a benefit of insurance advisers. Did you know that claims departments have targets for the value of claims they decline. They cannot get away with unfair declines when dealing with independent advisers as we usually know more than the claims assessors.

Please urge everyone to consider how the general public will benefit from decreased competition (which inevitably leads to higher prices) and limited access to independent advice (especially for young and mum and dad clients).

Please do not force clients to deal directly with the insurance companies and their call centres. This will lead to misselling and poor advice. It will also lead to clients being stuck with inferior and **more expensive** policies and increase the dependence on the welfare system.

I came across a town in the outback full of clients with cheap Life and disability Insurance policies which only paid out for disability if the person was injured on public transport. There was no public transport in the town.

The banks and insurers already know who the churners are. They are most often licensed by the banks themselves. If they really wanted to do anything about this issue they would have years ago. It was never about churning of insurance policies.

Kind Regards

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