
Committee Members,

I have been a life insurance sales agent/broker for over 27 years, so I believe my comments come from decades of experience. I am also a member of the AFA and LICG.

The proposed reductions in commission, along with an increase in responsibility period (clawback) will achieve one thing, and one thing only. That is the drastic reduction in the number of small, independent life insurance brokers.

It won't provide better outcomes for consumers, or reduced premiums, or any of the other benefits bandied about by so called experts.

Reducing the income of anyone, plus increasing their levels of stress, brought about by having all or part of that income at risk of being taken away for a period of up to 24 months, does absolutely no good at all. If that was true, then this method would have been part and parcel of how Australian business and Government have "fixed their problems" in the past. Quite simply this is a blatant grab for additional profits by 'big business'; and if small business and independent brokers suffer, as surely they will, then who cares?

I want you to care, I have voted in every election for the past 40 odd years, and have done so in the belief that our system of government works for the betterment of all Australians. I respectfully request that the Committee take a good, hard look at all the facts that have been presented in all the submissions made to date, and then, and only then, can a final decision be made. In its present format there will only be one group of winners, big insurance companies/banks, whilst there will probably be tens of thousands of losers, independent brokers and their clients (the consumers).

Our country and our people deserve better than that, they deserve a thorough and rigorous examination of the facts; please take the time to review all submissions, and present an unbiased report back to the Government.

My personal view is that 80/20 commission with a 1 year clawback, or the option to take level commission is fair to all parties. Both these options are currently available, were suggested in ASIC 413, plus was the preferred AFA option, and is the position of the LICG.

Thank you for taking the time to read my submission.

Sincerely

Greg Hayter | Authorised Representative

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