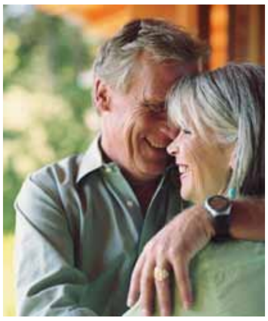
# Financial System Inquiry 2014

## Suncorp Life Submission

# Submission to the Financial System Inquiry

**31 March 2014**

Suncorp Life is a life insurance specialist and superannuation business, selling products and services through Asteron Life to advisers and direct to new and existing customers through Suncorp Group brands (Suncorp, AAMI, Apia, GIO and Suncorp Bank).

Suncorp Life has a proud history of helping people with life insurance and superannuation in Australia, having issued Australia's first life policy and paying the first claim. Suncorp Life has 500,000 customers in Australia.

Suncorp Life is part of the Suncorp Group, an ASX top-20 Australian company with a market capitalisation of $16 billion, 15,000 employees and nine million customers across Australia and New Zealand.

**Suncorp Life has a proud history, having issued Australia's first ever life insurance policy.**

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31 March 2014

Mr David Murray AO
Financial System Inquiry
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Dear Mr Murray

## Financial System Inquiry

Thank you for the opportunity to make a submission to this Inquiry.

Suncorp Life is part of the Suncorp Group, an ASX top-20 Australian company with a market capitalisation of $16 billion, 15,000 employees and nine million customers in Australia and New Zealand. Suncorp Group has five core businesses: Personal Insurance; Commercial Insurance; Vero New Zealand; Suncorp Bank and Suncorp Life.

Suncorp Life is a life insurance specialist and superannuation business, selling products and services to advisers through the brand Asteron Life and directly to new and existing customers through Suncorp Group brands (Suncorp, AAMI, Apia, GIO and Suncorp Bank). Plan for Life data for the year to September 2013 shows that annual premium written across the Australian life insurance industry totalled $12.4 billion. Suncorp Life's share of total annual premium written is 5.7 per cent or $709.7 million (ranked seventh).

Life insurance protects millions of Australians and their families against a very fundamental risk – the inability to earn an income. Private life cover ensures Australians receive income support (lump-sum or ongoing) should an income earner die, suffer trauma or be temporarily or permanently unable to work. In doing so, life insurance also reduces the pressure on publicly-funded social welfare. Research commissioned by the Financial Services Council shows that increased take-up of private disability insurance would reduce pressure on the federally-funded Disability Support Pension by $340 million in the first year and up to $2.5 billion per annum after 10 years[1].

The Australian life insurance industry is facing some of the most challenging conditions in recent history, including increased lapse rates and poor claims experience. Product and premium structures, a mismatch between product features and evolving customer behaviour, as well as cyclical economic factors have also played a role. These structural challenges will require fundamental changes from the industry, including a much stronger customer focus.

Suncorp Life has been progressing a number of immediate and long-term improvements to its customer and adviser offering in order to improve sustainability. This includes investing in direct channels, refining pricing, modifying adviser remuneration to focus on retention, improving claims handling, enhancing service and improving customer engagement.

We believe the industry must take the lead in driving change. The priority for policymakers is to ensure the regulatory and policy environment removes distortions that could impede the industry change program.

[1] *Financial Services Council submission to 2014-15 Federal Budget*

Therefore, the attached submission puts forward a small number of recommendations that complement the industry change program including:

- A co-operative approach between industry and Government to raise awareness of the differences between the National Disability Insurance Scheme (NDIS), National Injury Insurance Scheme (NIIS) and privately provided health, personal injury, sickness and life cover;
- Consideration of policy changes to improve the take-up of private life insurance cover including income protection;
- Improvements in the transparency of the product assessment process undertaken by ratings houses;
- Modernising the role of key advisers such as the Appointed Actuary; and
- A regulatory framework that cuts the cost, complexity and uncertainty of critical transactions such as the rationalisation of legacy products, product enhancements and switching between superannuation and non-superannuation environments.

As a member of the Financial Services Council we are supportive of their submission and recommendations.

We acknowledge that following the conclusion of the Financial System Inquiry, there will be a range of priorities across financial services that will require attention from departments such as Treasury. We urge the policymakers to ensure that life insurance, which traditionally has received less focus than banking and superannuation, is given an appropriate level of focus and resourcing.

I welcome the opportunity to contribute further to the development of initiatives which support these objectives and deliver a more sustainable life insurance sector.

Yours sincerely

**Geoff Summerhayes**
Chief Executive Officer
Suncorp Life

# Executive Summary

Life insurance is a widely held financial product with around 94 per cent of the working age population holding some form of life cover, 68 per cent having total and permanent disability cover and 37 per cent having income protection[2]. The advent of compulsory superannuation and nominal amounts of life cover in superannuation schemes have driven access but not awareness of the product and cover levels. The adequacy of cover remains an issue, with many Australians holding an insufficient level of insurance to cover their living expenses in the event of accidents, illness or injury.

Suncorp Life welcomes the Government's interest in ensuring the policy settings in life insurance promote stability, competition, efficiency and growth. Like general insurance, life insurance has a vital role to play in protecting individuals, families and communities that underpin Australia's future prosperity. Suncorp Life remains committed to offering high quality products to consumers. The table on page 6 outlines the recommendations we believe will complement these objectives.

[2] *RiceWarner Underinsurance in Australia 2013 edition*

| Issue | Recommendation |
|---|---|
| **Consumer awareness of the value of private insurance (particularly living insurance)*** | We recommend an education program be developed by Government to better inform Australians about the differences between the National Disability Insurance Scheme (NDIS), National Injury Insurance Scheme (NIIS) and privately provided health, injury, sickness and life cover. Also, that consideration be given to the industry-wide need for policy reform to improve the take-up of insurance that provides income streams in the event of disability or illness. |
| **Transparency in product assessments** | We recommend Government and the life insurance industry focus on simplicity and value in the delivery of products and services to consumers. This includes development of a simplified life, trauma, total and permanent disability (TPD) and income protection product assessment questionnaire that could be accessed by consumers through the MoneySmart website. Also, a move towards general categorisation of products. |
| **Modernising the Appointed Actuary role** | It is recommended that Treasury take the lead with industry in reviewing the role of the Appointed Actuary. Consideration should be given to adopting relevant practices from the United Kingdom. |
| **Efficiency in product rationalisation and simplification** | It is recommended that Treasury consult with industry to develop a more streamlined and simplified life insurance product rationalisation mechanism, including consideration of tax implications. Priority needs to be given to life insurance given the absence of an existing efficient mechanism relative to other areas such as superannuation. |
| **Enabling customer efficiency in switching** | We recommend Treasury provide advice to Government about a simpler process enabling policyholders to move their life insurance arrangements between superannuation and non-superannuation environments without having to cancel their current policy. |

** Living insurances include trauma, TPD and income protection.*

# Introduction

This submission supports the development of a sustainable life insurance sector for the benefit of Australian consumers and the nation's economic growth and future prosperity. The document makes a series of recommendations and includes:

1. An overview of Suncorp Life
2. The role of life insurance in the economy
3. Market and regulatory structure
4. Adequacy of insurance
5. Key priorities for reform
6. Reforms that improve consumer awareness and increase transparency
7. Reforms that foster innovation and efficiency
8. Conclusion

# About Suncorp

Suncorp Life is part of the Suncorp Group, an ASX top-20 Australian company with a market capitalisation of $16 billion, 15,000 employees and nine million customers across Australia and New Zealand. Suncorp Group has five core businesses: Personal Insurance; Commercial Insurance; Vero New Zealand; Suncorp Bank and Suncorp Life.

Suncorp Life is a life insurance specialist and superannuation business, selling products and services through Asteron Life to advisers and direct to new and existing customers through Suncorp Group brands (Suncorp, AAMI, Apia, GIO and Suncorp Bank). Suncorp Life plays an important role for the Suncorp Group by protecting the value of customers' lives and their ability to earn an income, thereby strengthening the Suncorp Group's relationships with its general insurance and bank customers.

Suncorp Life has a proud history of helping people with life insurance and superannuation in Australia, having issued Australia's first life policy and paying the first claim. Suncorp Life has 500,000 customers in Australia. The business pays out $7 million each month in retirement incomes and $1.5 million a day in life insurance claims. Importantly, 70 per cent of claims are for living insurances – accidents, injury or illness.

# The role of life insurance in the economy

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Life insurance protects millions of Australians and their families against a very fundamental risk – the inability to earn an income. Life insurance is a widely held financial product with around 94 per cent of the working age population holding some form of life cover, 68 per cent having total and permanent disability cover and 37 per cent having income protection[3]. The adequacy of cover remains an issue, with many Australians holding an insufficient level of insurance to cover their living expenses in the event of accidents, illness or injury (refer to Section 4 on the adequacy of insurance cover).

Life insurance products pay lump sum or ongoing income support (generally 75 per cent of gross wages) should an income earner die or be temporarily or permanently unable to work due to illness or injury. For example, the average Asteron Life payout for a total and permanent disability event for a male is $366,349 and for a woman the average payout is $178,876.

**The key products are:**

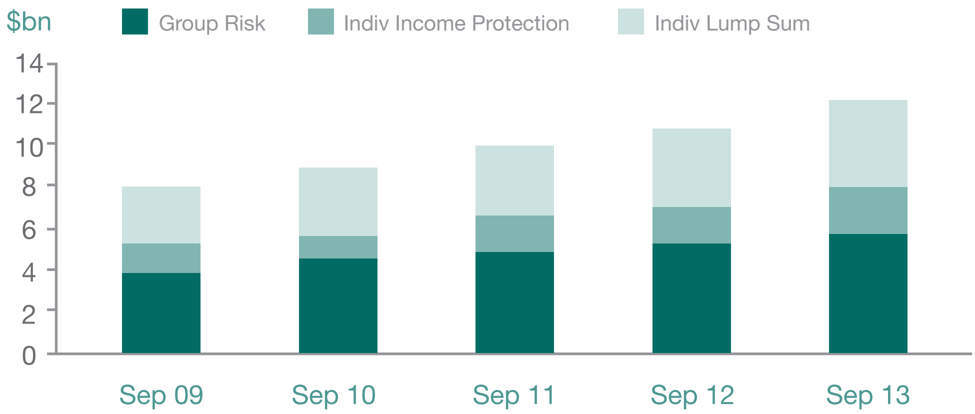
- death cover (life insurance) which pays a lump-sum to family dependants when the insured person dies;
- total and permanent disability cover, which provides a lump-sum payment should the insured person be permanently unable to work;
- trauma cover, which provides a lump sum if the insured person suffers a list of medical conditions including a heart attack or cancer; and
- income protection which pays a monthly benefit while the insured person is temporarily unable to work.

[3] *RiceWarner Underinsurance in Australia 2013 edition*

Life insurance products are distributed through wholesale arrangements between life insurers and superannuation funds. This could be at an enterprise level through employer sponsored funds or an industry level via industry superannuation funds. This market is known as group risk, because underwriting occurs across a defined group of people, for example, employees of a particular company. The group insurance market comprises 35 per cent of the total annual net premium written and almost always includes cover for life, as well as the total and permanent incapacity ie the inability to work in any occupation and income protection. It rarely includes trauma insurance.

The other key segment is the individual risk market where underwriting is done on an individual basis. This is typically an underwritten offer where the risk of the individual is priced through tailored underwriting processes, including in some cases a medical examination. The key distribution channel is specialist financial advisers. Direct channels including the phone or internet, are a small but growing part of the individual risk market.

### Australian Life Risk Inforce Premiums (annual)




Source: *Plan for Life*

Life insurance provides a vital privately funded safety net and in doing so reduces the pressure on publicly funded income support. This is because private income protection benefits are taxable and reduce means-tested publicly-funded income support entitlements. Research commissioned by the Financial Services Council shows that increased take-up of private disability insurance would reduce pressure on the Disability Support Pension by $340 million in the first year and up to $2.5 billion per annum after 10 years[4].

[4] *Financial Services Council submission to 2014-15 Federal Budget (using KPMG analysis)*

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# Market and regulatory structure

The Australian life insurance market accounts for 1.7 per cent of the world market[5].

The Australian life insurance market has rationalised from 58 life insurers in 1990 to 28 in 2013, as demutualisation, financial deregulation and acquisitions re-shaped market structures[6]. Over that period the market has also become more concentrated. In 1990 the top three life insurers had 55 per cent of the industry assets and in 2013 this figure was 76 per cent.

Plan for Life data for the year to September 2013 shows annual premium written across the life insurance industry totalled $12.4 billion. The top three companies include AMP Group (14.8 per cent share), TAL Group (14.2 per cent share) and National Australia Bank/MLC (13.0 per cent share). Suncorp Life's share of total annual premium written is 5.7 per cent or $709.7 million (ranked seventh).

A key feature of the Australian market is the sale of life insurance within a superannuation environment which provides Australians with choice as to how they access and pay for their life insurance cover. Industry estimates have shown that approximately 83 per cent of life insurance and approximately 79 per cent of income protection in Australia is held through superannuation[7].

[5] *World Insurance in 2012 Sigma No 3 2012.*
[6] *APRA data and Monica Kenely Deakin University School of Economics "Adaptation and Change in the Australian life industry: An historical perspective"*
[7] *RiceWarner Underinsurance in Australia 2013 edition*

The group insurance market is dominated by insurance sold within a superannuation structure, enabling insurance premiums to be deducted from a member's superannuation savings. Given the primary purpose of superannuation is to provide retirement income, balancing affordability with coverage and quality is an on-going issue for superannuation trustees and life insurers. For example, Rice Warner estimates that average death and TPD insurance prices in employer-based superannuation funds have increased by 10 per cent between June 2012 and June 2013[8], which is well above CPI inflation.

Many Australians prefer to access insurance outside a superannuation structure because it provides flexibility around product features or the conditions of release. The individual risk market has a mix of both superannuation and non-superannuation structures. It is important that strong markets for insurance sold within superannuation and outside superannuation are maintained in order to provide maximum flexibility.

[8] *Rice Warner Media Release, Proper adequacy in life insurance means looking beyond rising premiums, 2 Dec 2013*

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# Adequacy of insurance

Underinsurance can have significant personal and social consequences. Lack of cover or inadequate cover can lead to unexpected falls in living standards, gaps in care and additional financial and emotional distress beyond the unavoidable strains associated with the death, injury or illness of a loved one. As outlined above, there are also consequences for Government through a higher burden on social welfare.

Adequate life insurance includes coverage for up-front expenses (funeral costs, medical equipment) as well as the on-going income needed to support basic and other lifestyle needs. Relevant considerations include family circumstances (most notably number of dependants), the household balance sheet (level of debt and income from other sources) and age.

Rice Warner has undertaken a comprehensive assessment of insurance needs for typical families and concluded that an average Australian couple aged 40 with children require life insurance cover of approximately 10 times annual earnings simply to repay debts and maintain current living standards[9].

The median level of life insurance coverage across the working age population is 64 per cent of basic life insurance needs, but only 42 per cent of the amount needed to fully maintain the standard of living of remaining family members.  Median levels of TPD and income protection are much lower, at 14 per cent and 16 per cent of needs respectively.

[9] *Rice Warner Underinsurance in Australia 2013 edition*

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# Key priorities for reform

Traditionally life insurance has not had the same policy focus or public profile as banking, superannuation or general insurance.

The life industry is facing some of the most challenging conditions in recent history. In financial year 2012/13 despite strong net premium revenue (up 9.7 per cent after reinsurance), industry net profit almost halved due to higher claims and overall lapse rates. The March 2014 reporting season continued this trend, with listed companies including Suncorp and AMP reporting sharp declines in the profitability of their life insurance divisions for the six months to December 2013.

Poor outcomes are being driven by a number of structural factors, particularly in pricing for risk, adviser remuneration, product design and evolving customer needs. As a result of weaker economic conditions and cautious consumer sentiment, adverse lapse and claims experience has impacted the industry as a whole. This has been felt in both short-term performance as well as in longer-term assumptions which underpin the economic outlook for the industry. The rapid pace of change and high degree of economic and industry uncertainty also make the setting of key assumptions extremely challenging.

These structural challenges will require fundamental changes from the life industry. Suncorp Life has been progressing a number of immediate and long-term improvements to its customer and adviser offering in order to improve sustainability. This includes investing in direct channels, refining pricing, modifying adviser remuneration to focus on retention, improving claims handling, enhancing service and improving customer engagement.

There is growing recognition that the life industry must take responsibility for addressing issues of sustainability and pleasingly, APRA has also taken a closer interest in unsustainable industry practices such as tender pricing in group insurance. We believe the priority for policymakers is to address distortions that could impede the industry change program.

Accordingly, Suncorp Life has identified a small number of complementary policy and regulatory changes that, if implemented, would raise consumer awareness of the value of life insurance cover, remove impediments to innovation and improve efficiency, with consequent improvements for consumers. Importantly, they would support necessary change and sustainability in a vital industry that protects millions of Australians.

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# Reforms that improve consumer awareness and increase transparency

**Public and private income support**

The National Disability Insurance Scheme (NDIS) and the National Injury Insurance Scheme (NIIS) are significant reforms that will improve support for those with a major and permanent disability.

Suncorp Group is the largest personal injury scheme provider in Australia through its Commercial Insurance operations and is a leading provider of life insurance. This combination of businesses puts Suncorp in a unique position to work with Government on better consumer education regarding the coverage and benefits of Commonwealth assistance schemes such as the NDIS; state-based statutory insurance cover and private life and health insurance.

It is important that consumers understand the interaction between NDIS and private disability cover. While the NDIS assists with medical and other care expenses it does not provide income replacement to cover expenses such as childcare costs or a mortgage.

With Australians living longer and significant reforms such as the NDIS and NIIS being progressed, it is important that voluntary private life insurance coverage does not fall. A reduction in cover would result in an additional fiscal burden and the very real social issue of families not having sufficient income to support their needs.

Moreover, there needs to be a stronger emphasis on “living insurance” cover, which includes trauma and income protection as these areas are where the most significant gaps in coverage are. For example, only 37 per cent of Australians hold income protection and the level of underinsurance is estimated at $517 billion[10].

[10] *RiceWarner Underinsurance in Australia 2013 edition*

# Case study

### Impact of no income protection

James, single, is 49 years old and self-employed. His salary is $75,000 (including super). He doesn't have any income protection cover. He has a mortgage of $300,000 and monthly bills to pay. His monthly expenses (including mortgage repayments) are $4,000. James has $4,000 in savings.

James plays soccer and tears a knee ligament. According to James's doctor, he is unable to work for six months. As this accident is not work-related and occurred in James's personal time, he is not covered by WorkCover. He goes through the public health system and has minimal medical expenses.

James would struggle financially after the first month off work. He would not be entitled to any social security assistance, however, he may be able to claim some tax back in his tax return at the end of the financial year.

James could approach his lender to discuss his options. His lender may be able to offer an extension of his loan term, a reduced repayment or a short-term deferral of repayments.

Income protection cover would have replaced up to 75 per cent of James' income after a month off work. This would have allowed him to continue paying his mortgage, kept food on the table and covered many of his other costs and expenses.

## Recommendation

We recommend an education program be developed by Government to better inform Australians about the differences between the National Disability Insurance Scheme (NDIS), National Injury Insurance Scheme (NIIS) and privately provided health, injury, sickness and life cover. Also, that consideration be given to the industry-wide need for policy reform to improve the take-up of insurance that provides income streams in the event of disability or illness.

## Transparency in product assessment

The financial services industry has a range of intermediaries (mortgage brokers, super fund trustees, fund managers) who execute transactions and provide advice in the interests of consumers (the principals). In doing so they can reduce search costs, ensure products are suitable for consumers and ultimately add to the overall efficiency of the financial services system. Importantly, these intermediaries need to be acting in the consumers' best interests (the principal).

In life insurance these intermediaries include financial advisers (risk specialists) and Product Ratings Houses (PRH). PRH have typically attracted less attention than specialist financial advisers, but they play an important role in product selection. PRH include companies such as IRESS/X Plan, LifeRisk OnLine/Plan for Life, LifeBroker and Coin. Their role is to provide an independent assessment (or rating) of insurance products to assist financial advisers with product selection. The argument is that this is particularly useful for life insurance, as the complexity of specific terms, particularly in relation to medical conditions, can be difficult for consumers and financial advisers to navigate.

However, most consumers want the comfort of knowing they are covered for the most common causes of ill health and injury. For example, the five main trauma benefits (stroke, heart attack, heart surgery, cancer and heart disease) typically account for over 90 per cent of claims and are generally well covered by most retail trauma products.

PRH are critical in influencing adviser recommendations and therefore product selection, yet their methodologies vary and inordinate value is placed on esoteric features, rather than the assessment process focusing on a few simple features that cover the key risks that most consumers will face[11]. PRH fees are paid by the product issuer, therefore any cost and complexity is not borne by the PRH, creating little incentive for behavioural change.

*[11] In 2012, an assessment of research houses was conducted by ASIC. The result was additional compliance requirements for research houses. In addition to the general AFS Licence obligations that a research house must comply with, they are also now required to comply with more stringent compliance reporting, must ensure they have a process to manage conflicts of interest and must explain to clients and subscribers the methodology and process by which reports and ratings are produced.*

There is also concern within the industry that PRH are focusing on very minor differences between definitions to differentiate their scoring methodology. The outcome has been a wide difference in ratings that are not reflective of the most critical aspects of insurance coverage. The additional cost and complexity is ultimately borne by consumers.

Rather than dealing with the issues above by imposing extra red tape and regulation on PRH, we propose that industry works with regulators and consumer groups to develop simple and valued products. This could include moving away from the use of product scores and instead move towards categorising products e.g. as "fit for purpose", "in excess of customer requirement" and "not meeting customer requirement".

This would help raise awareness of the critical features consumers need to look for and act as a counterpoint to complex and opaque PRH processes that add cost and complexity.

## Recommendation

We recommend Government and the life insurance industry focus on simplicity and value in the delivery of products and services to consumers. This includes development of a simplified life, trauma, total and permanent disability (TPD) and income protection product assessment questionnaire that could be accessed by consumers through the MoneySmart website.
Also, a move towards general categorisation of products.

7

# Reforms that foster innovation and efficiency

### Modernising the role of the Appointed Actuary in Life Insurance

Under the Life Insurance Act 1995 a life insurer must have an Appointed Actuary (the Actuary). The Actuary is responsible for providing impartial advice in relation to the life company's operations, financial condition, capital base, prescribed capital amount and policy liabilities. It is the ultimate responsibility of the Board of a life company to enable the Actuary to undertake his or her responsibilities. APRA Prudential Standard 320 sets out the roles and responsibilities of the Actuary in more detail. Importantly, where there is a conflict between duty to policyholders and other duties, the Actuary is required to place the interest of policyholders first. General insurers are also required to have a (Chief) Actuary, as are private health insurers.

Life insurance by its very nature is an industry with long-term liabilities and it is important that the Actuary has the flexibility to balance short-term considerations with longer-term issues. Unfavourable outcomes may take many years to emerge.

There is debate about whether the role of the Actuary has kept pace with changing business structures and is too compliance focused rather than being strategic. For example, corporate executive structures have evolved considerably with new roles such as Chief Risk Officer now in place and a huge step-up in governance and risk management practices across many financial services companies. This has created complexity and increased demand on the role of the Appointed Actuary. In addition, the inherent conflict between policyholder's interests and commercial priorities has become challenging in this phase of the industry downturn.

These and other difficulties have made recruitment of Appointed Actuaries increasingly difficult for many life insurers and there are a number of vacancies across the market. In addition, the process of product development and enhancement is more cumbersome, costly and complex than it needs to be. There is no consensus as to whether these issues are caused by regulations or the interpretation of the regulations. Therefore, we recommend a general review of the Actuary role, including international benchmarking.

## Recommendation

It is recommended that Treasury take the lead with industry in reviewing the role of the Appointed Actuary. Consideration should be given to adopting relevant practices from the United Kingdom.

### Efficiency in product rationalisation and simplification

Innovation, technological advances and changes in consumer behaviour require life companies to modernise, consolidate and enhance their product suite. For example, companies may want to move customers and their underlying products to a new administrative system while maintaining the underlying contractual obligations between the life insurer and customer or may wish to upgrade customers to the newest products.

While a statutory product rationalisation regime exists in superannuation (successor fund transfers or SFT), it is notable that the current transfer possibilities within life insurance are far more limited and cumbersome. The superannuation SFT regime sets out the legal tests that are required to rationalise products, while preserving a member's rights.

In life insurance, there is no equivalent statutory framework for internal product transfers. Existing rationalisation mechanisms are mainly confined to Part 9 transfers under the Life Act and a transfer of business under the Insurance Acquisitions and Takeovers Act 1991. Both options can only occur between life companies. A Part 9 process is subject to court approval, whereas a transfer of business involves the Treasurer delegating approval to APRA.

Outside these options there is a possibility for achieving transfers within a life company, but this process may require the approval of all policyholders and is not clearly codified and may vary between insurers. The lack of a clear and codified process that preserves policyholders' rights creates unnecessary complexity cost and uncertainty.  For example, a recent inter-company life company rationalisation took 18 months, cost millions and involved hundreds of thousands of customers. This acts as a deterrent to more frequent product rationalisation.

The gap in the life insurance efficiency framework has adverse effects on consumers (not being upgraded to better products), shareholders (higher costs) and employees (compliance burden).

## Recommendation

It is recommended that Treasury consult with industry to develop a more streamlined and simplified life insurance product rationalisation mechanism, including consideration of tax implications. Priority needs to be given to life insurance given the absence of an existing efficient mechanism relative to other areas such as superannuation.

### Enabling customer efficiency in switching

As mentioned earlier, the sale of insurance within superannuation is a key feature of the Australian market, however many consumers choose to access insurance outside superannuation. Customers transfer their insurance arrangements between superannuation and non-superannuation structures for tax, control and flexibility reasons.

Current rules around the ownership of insurance require the cancellation and re-issuance of policies in the name of policyholders when moving from superannuation to non-superannuation. This results in duplication and the need for consumers to pay for advice in relation to life insurance transfers between a superannuation and non-superannuation environment. It also imposes unnecessary costs as the life insurer is forced to cancel or re-issue the customer's (non super) policy and replace it with a new (super) policy. This is an onerous process and requires advice. It creates an incentive for financial advisers to move business based on lower premiums or replacement commissions so they get paid for their advice.

### Recommendation

We recommend Treasury provide advice to Government about a simpler process enabling policyholders to move their life insurance arrangements between superannuation and non-superannuation environments without having to cancel their current policy.

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# Conclusion

Suncorp Life welcomes the Government's interest in ensuring the policy settings in life insurance promote stability, competition, efficiency and growth. Life insurance has a vital role to play in protecting Australians most valuable asset, their life and ability to earn income. This in turn flows through to families, communities and Australia's future prosperity. Suncorp Life, as a core part of Suncorp Group, remains committed to offering high quality products to enable our customers to live with confidence.