

## MEDIA RELEASE

### AFA-FSC statement on Trowbridge interim report

**17 December 2014:** The interim Trowbridge Report released today has identified four key areas that need to be addressed by the life insurance and advice industries in response to ASIC's *Review of Retail Life Insurance and Advice report* released on 9 October.

These include:

- the quality of advice
- remuneration and other adviser incentives
- insurer practices and product offerings, and
- industry productivity.

John Trowbridge, former member of APRA, is independent chairman of the Life Insurance and Advice Working Group (LIAWG) established by the Association of Financial Advisers (AFA) and the Financial Services Council (FSC) to address the issues raised in the ASIC Report.

His report is the output of discussions with the LIAWG on difficult and complex issues for the life insurance and advice industries covered in the ASIC report.

Brad Fox, CEO of the AFA said: "The interim Trowbridge Report is an important first step in establishing industry and policy solutions for the four areas identified."

"The issues are complex and the interim report seeks to stimulate deep thinking in each area that can be given consideration through the LIAWG process and thus contribute to Mr Trowbridge's final report," Mr Fox said.

Sally Loane, CEO of the FSC said: "The process is working well and we are looking forward to the next stage."

"It is important that consumer trust and confidence in financial advice and life insurance products is strengthened to ensure Australians are protected by sufficient life insurance cover," Ms Loane said.

Mr Trowbridge will be accepting submissions on the areas identified in his interim report until 30 January 2015. The final report, which will include recommendations, will be handed down at the end of March 2015.

The LIAWG will consult with a broad range of industry stakeholders, regulators and Parliament on its recommendations.

**[ENDS]**

#### For further information contact:

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**The Trowbridge Report can be accessed at:**

[http://www.fsc.org.au/downloads/file/PublicationsFile/TrowbridgeInterimReportonRetailLifeInsuranceAdvice\\_2014\\_1217.pdf](http://www.fsc.org.au/downloads/file/PublicationsFile/TrowbridgeInterimReportonRetailLifeInsuranceAdvice_2014_1217.pdf)

### **About the Life Insurance and Advice Working Group**

The Life Insurance and Advice Working Group (LIAWG) is an initiative of the Association of Financial Advisers and the Financial Services Council in response to the Australian Securities and Investment Commissions (ASIC) Report into life insurance, released on 9 October 2014.

The LIAWG and its interim and final reports represent the formal response to the ASIC report from the Association of Financial Advisers and Financial Services Council.

John Trowbridge, as independent chairman, has convened six meetings of the working group, consulted with consumer groups, regulators and industry since the LIAWG was formed immediately after the release of ASICs Report into life insurance.

The Financial System Inquiry final report recommended the Government considers the Trowbridge Report in its response next year.

The Working Group includes three representatives from the FSC and three from the AFA. The FSC's representatives are: Sally Loane – FSC CEO; Andrew Hagger – group executive, NAB Wealth and CEO of MLC Limited; and Geoff Summerhayes – CEO of Suncorp Life. AFA representatives include: Brad Fox – AFA CEO; John de Zwart – CEO of Centrepoint Alliance and Jeff Thurecht – AFA NSW/ACT State Director, (a practicing financial adviser).

### **About the AFA**

The Association of Financial Advisers Limited (AFA) has been the authentic voice on the value of financial advice for over 65 years. Today, the AFA is a vibrant, innovative association, where the underlying driver of policy is the belief that great advice transforms lives. To this end the AFA is striving to achieve the vision of Great Advice for More Australians. The AFA's ongoing relevance as a professional association is derived from our success in engaging with the major stakeholders in financial advice including advisers, consumers, licensees, product and service providers, and the regulator and government. Culturally we believe in the value of collaboration to create powerful outcomes and this drives how we achieve influence and work towards our vision.

### **About the Financial Services Council**

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The Council has over 125 members who are responsible for investing more than \$2.3 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.