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MEDIA RELEASE

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Review of Retail Life Insurance Advice

The Government welcomes the release of the Review of Retail Life Insurance Advice, chaired by John Trowbridge.

The independent and important report was commissioned by the Financial Services Council and the Association of Financial Advisers on behalf of the industry. It follows the ASIC Review of Retail Life Insurance Advice of October 2014 which criticised the quality of advice and misaligned financial incentives.

Mr Trowbridge's report makes a significant and constructive contribution to improving the quality of advice and outcomes for consumers.

The Government is giving close consideration to these issues in the course of responding to the Financial System Inquiry (FSI), which included a recommendation that a level commission structure for life insurance be implemented through legislation.

The Government is currently consulting with industry and consumer groups on the FSI recommendations, and will consider the issues raised by the Trowbridge report in this context.

The Government's consideration of its response to the FSI need not delay industry-led initiatives that may flow from the Trowbridge Report.

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