

## Treasury Consultation in respect of Insurance Claims Handling

### Taking action on recommendation 4.8 of the Banking, Superannuation & Financial Services Royal Commission

#### 1. Introduction

- 1.1 To provide context to my submission, a short background to my involvement in the Life Insurance industry is as follows:
- 1.2 I have worked in the Life and Disability Insurance industry globally for 47 years. In that period of time I have spent approximately 41 years working in the disciplines of underwriting and claims.
- 1.3 My work has involved business in over 55 countries around the world including Australia. In the past 16 years I have been based in Australia and my most recent employment is as a consultant advising Australian Life Insurance companies on Life Insurance risk management issues, particularly in the field of underwriting and claims.
- 1.4 I am qualified as a Fellow of the Chartered Insurance Institute by examination and have a Diploma in Medical Underwriting awarded by the Assurance Medical Society in the UK for which I gained a distinction in the examination. I also hold the honorary qualification of a Fellow of the Assurance Medical Society, which was awarded to me for my contribution to insurance medicine. I am a Fellow & Life Member of the Australasian Life Underwriting and Claims Association.
- 1.5 My qualifications mandate a specified amount of continued professional development activities each year.
- 1.6 Specifically in respect of this submission, my projects involve the following activities:
  - Advising Australian Insurers on complex Life & Disability Insurance claims decisions.
  - Advising members of the public on Life & Disability claims issues.
  - Assisting members of the public on their submissions to Life & Disability insurers and External Dispute Resolution schemes regarding their claims.
  - Being an independent member of one insurance company's Life & Disability insurance claims review committee.
  - Expert witness work which can involve advising the court in respect of Life & Disability insurance claims issues.
  - Involvement in arbitration panels
  - Past CEO of the Australasian Life Underwriting and Claims Association

## **2. Submission**

- 2.1 A significant amount of the Life & Disability insurance claims work that I currently do, particularly for members of the public and industry bodies, is voluntary or pro bono. I do this on the basis that I am semi-retired and have the time and financial opportunity to give something back. I also believe that members of the public have a right to access the same knowledge and expertise that is held by insurers.
- 2.2 I also provide pro bono and some paid (at a reduced rate) work for the Australasian Life Underwriting and Claims Association. This representative body will call on my knowledge, experience and expertise in many different areas regarding Life Insurance underwriting and claims including education and professional development.
- 2.3 Much of the paid Life & Disability insurance claims work that I do for insurance companies is on the basis of being an 'independent expert' rather than being part of the corporate team. Working for my own company allows me to do operate in this 'independent' role. Whilst this is paid consultancy work it still is an opportunity to give back to the industry.
- 2.4 In doing my work I have to have my own business insurances for workers compensation, professional indemnity and public liability.
- 2.5 Whilst my current wish is to continue much of the work that I do into my semi-retirement/retirement, I am concerned that any change in law or regulation regarding the removal of the claims exemption from being a financial service may have the unintended consequences of placing an unreasonable time and financial burden on someone like myself who is semi-retired and not a full-time employee of an insurer and therefore does not have access to their resource.
- 2.6 If this was to happen I believe it quite likely that I would have to discontinue such work and this would be a loss to the public and the industry in so much as not having access to an independent person with extensive experience in Life & Disability insurance claims. I am sure that there are other individuals in a similar situation as me.
- 2.7 Therefore my request is that any changes to legislation and regulation are framed in a way that such unintended consequences do not occur.

### **3. Conclusion**

In conclusion, I respectfully ask that any change in legislation and/or regulation is framed in such a way that it does not impact unfairly on an independent consultant such as me.

One of the challenges that we have in the industry is that we are losing much of the senior experience through retirement at this critical time of change in the market and it would be unfortunate if any change in regulation or legislation accelerated this loss of experience.

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**13 March 2019**