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Media Release

AIA welcomes Government's transformational announcement on advice

Melbourne, 7 December 2023. Life, health and wellbeing insurer AIA Australia has congratulated Financial Services Minister Hon. Stephen Jones MP for his bold and transformational announcements this morning, which will enable millions of Australians to make better financial decisions with the help of good-quality advice.

AIA Australia CEO and Council of Australian Life Insurers (CALI) co-Chair Damien Mu said that supporting Australians with advice is critical to their financial wellbeing now and in retirement. The life insurer receives customer enquiries that the current regulatory framework prevents the company from assisting with, to the detriment of consumers.

"Insurers have a clear role to play in helping people understand if their cover continues to meet their needs as their lives change, to right-size where needed and to assist with affordability. Our ability to help people understand their protection needs and ensure their insurance is fit-for-purpose will be significantly improved under the Government reforms, meeting an under-served need in the current environment," Mr Mu said.

The new class of "qualified advisers" will be complementary to the critical services provided by professional and independent financial advisers.

"Professional financial advisers will continue to play an important role in supporting Australians with their holistic financial needs. However, where someone has a straight-forward and targeted issue about life insurance, we want to be able to assist with this efficiently and effectively, and in many cases support our external advice partners to help their clients," Mr Mu said.

The insurer acknowledged the need for strong consumer protections to ensure that opening up advice leads to improved financial outcomes.

"There is a lot of work still to be done on the detail, so that we can ensure our advisers are appropriately qualified, the provision of advice is clear in scope, there are no misaligned financial incentives, and we have good monitoring and reporting in place.

"We know there have been concerns from groups like CHOICE about this representing a return to issues of the past, and it is our responsibility to make sure that we set up systems and processes that prevent this.

"We are keen to work closely with CALI, consumer advocates, Treasury, Parliament, regulators and the rest of the financial services industry in 2024, to design a framework that delivers the best possible outcomes for Australians," said Mr Mu.

Mr Mu further acknowledged the tireless work of industry association CALI in representing the industry's views on key issues such as access to advice.

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About AIA Australia

AIA Australia is a leading life, health and wellbeing insurance specialist with more than 50 years' experience and a mission to help Australians lead healthier, longer, better lives. The lives of more than 5.7 million Australians are protected and enhanced through AIA Australia's unique value proposition of life, health and wellbeing.

AIA's vision is to embrace shared value in championing Australia to be the healthiest and best protected nation in the world. Eligible members have access to AIA Vitality, an exclusive, world-leading, science-based health and wellbeing digital program.

AIA Australia also developed AIA Embrace - a comprehensive wellbeing ecosystem of world-class products, programs and partnerships. These are designed to help customers, partners and the broader community to embrace better health and wellbeing.

AIA Australia has been recognised with multiple awards, including the ANZIIF Life Insurance Company of the Year (2023, 2022), Women in Finance Employer of the Year Award (2019, 2018), Super Review's Best Insurer of the Year (2019, 2018), FSC Life Insurance Industry Awards Innovation in Group Life Insurance (2021), Shared Value Awards Organisation of the Year (2020) and Shared Value Project of the Year (2021).

Further information at www.aia.com.au.

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