

# DIRECT LIFE INSURANCE STAR RATINGS

## IN THIS REPORT

We research & rate:

- Direct life insurance policies offered by 16 providers



## BUYING DIRECT: HOW DOES IT DIFFER?

There are now two ways of buying life insurance: through a financial planner or direct 'off the shelf' through either insurance companies, financial institutions or health funds. There are a number of advantages in buying direct life insurance. For a start there is no involvement by a financial planner, the cover is easy to apply for, requiring minimal medical information and applications can be completed online, in the branch or over the phone.

Some companies allow you to add other benefits such as Total and Permanent Disablement, Trauma and Income Protection using the same process.

Sounds too good to be true! These products were designed especially for people who really *should* have life insurance but can't be bothered with the whole financial planner process. For instance, a new home buyer may decide to buy life insurance to protect the asset and ensure his family doesn't suffer financially, should the worst happen. As such, direct life insurance fills a useful niche which is becoming increasingly more obvious as its popularity continues to grow. There's no doubt that direct life insurance has opened up this sector and made life insurance more readily accessible to a much wider range of Australians. The growing popularity of direct life insurance attests to that.

Direct life insurance products appeal to people who know what they want and like the idea of having a straight forward life insurance policy in place to protect their family and assets, should the worst happen unexpectedly. Direct life insurance is also a good quick-fix for someone who wants to put a policy into place straight away but plans to review their complete asset protection and investment strategy with a licensed financial planner a bit later on.

## ONE SIZE FITS ALL vs TAILOR MADE

There are distinct benefits to buying a one-size-fits-all life insurance policy. In a nutshell, the benefits of direct life insurance are:

- It's much simpler to apply for this type of policy
- Download the application form from the internet, or apply on the phone or at your bank or insurance company branch
- The questions are easy
- Minimal medical information required
- Fast answer – you know straight away if your application has been successful
- Immediate death cover – you are covered straight away, upon acceptance of your application

The trade-off is that you don't have the guidance of a financial planner who understands what is covered and what is not covered in all the different policies and can steer you towards the one that best meets your needs. This is why it's really important to do your homework thoroughly and make it your business to know exactly what you are signing up for. You need to understand what is covered and the exclusions in the policy.



Of particular importance are the definitions of pre-existing medical conditions. Although pre-existing conditions are not as prevalent in today's direct life insurance contracts, they still exist, so read the product disclosure statement carefully to ensure you are getting the cover you need.

Generally, direct life insurance provides coverage up to \$1.5 million but be aware that some policies reduce the amount of cover as you age. All have restrictions on risky lifestyles such as working on an ocean oil drilling rig and motor racing in your spare time.

## OUR COMPARISON WILL HELP

**W**ith direct life insurance becoming more mainstream every day, how can you compare policies to see what's right for you? CANSTAR CANNEX has undertaken an extensive comparison of direct life insurance policies to help you make an informed choice. Our comparison focused on policies freely available to everyone i.e. products not restricted to membership of an organization. This resulted in 16 providers of direct life insurance being compared. We then examined features and pricing for different profiles and level of cover, making the CANSTAR CANNEX *direct life insurance star ratings* more relevant for those compiling a short list of policies that may suit.

We looked at policy features, as well as the cost across two levels of coverage - \$100,000 and \$400,000. We used four common profiles, listed below. We then drilled down into gender and smoking status. The insurance industry treats smokers as standard but gives a discount to non-smokers, commonly defined as someone who has not smoked in the last 12 months.

## DID YOU KNOW?

**26.6%** -

The increase in direct life insurance sales in Australia in the last 12 months

**13.8%** -

Direct life insurance market share of risk insurance

## WHICH PROFILE DESCRIBES YOU?



**Young – aged 20-29 years**  
New to work, early working years

**Middle – aged 30-39 years**  
Building for the future



**Mature – aged 40-49 years**  
Established lifestyle, peak earnings period

**Empty Nester – aged 50-55 years**  
Kids off their hands, approaching retirement



## WHAT ELSE IS AVAILABLE?

**W**ith the direct life insurance industry moving ahead at such a great rate, we are now seeing the industry branch out. You can now buy income protection, trauma and TPD insurance direct. However, because the number of providers is not large at the moment, we have not included these in our direct life insurance research as yet. We plan to do so as more insurers offer these added policies.

Be aware, though, that the financial industry or insurer you deal with may have income protection, trauma or TPD insurance available alongside direct life insurance on their website.

More and more financial institutions are offering members home loan insurance so that in the event of the sudden death of the breadwinner, at least the family will be able to stay in their own home.

Consumers should be encouraged to find out what their bank, building society or credit union offers in the way of general or life insurance, as it may well suit their purposes. Extra savings can be made through schemes like a premium freeze where the premium is fixed for five years, or a 10% premium savings if you pay upfront for, say, three years.



## BUT I HAVE SUPER ...

**M**any people think they are covered by life insurance within their superannuation policy but most Income Protection policies inside super provide for only 2 years' worth of cover.

This could be a problem if, say, at 35 years of age you could no longer work because of a serious accident or illness. The cover inside your super policy would provide income until you reach 37. What happens then? It's a long way from there to retirement age with no income support.

A possible solution may be to continue with your current Income Protection policy inside super – it is cheap because of the group cover – but supplement this with a policy outside super. Because super covers you for the first two years, specify a waiting period of two years with your additional policy outside super. This substantially reduces your premiums and, more importantly, gives adequate cover for you and your family.

Naturally, before embarking on this course of action, contact your super fund to find out the exact timeframe they will pay you income protection in the event of a claim.

## WHO CAME OUT ON TOP?

**T**his time around, our research revealed a three-way tie for the major CANSTAR CANNEX award for the direct life insurer offering outstanding value across the board. Allianz, Real Insurance and Zurich could not be separated, a true indication of just how competitive the industry is in this country.



Allianz is a general insurance giant which repeated its feat of last year, thanks to consistently cheaper products in all our profiles. Allianz's Life Plan adds a strong suite of features to its premium price structure to offer attractive direct life insurance to the majority of consumers.

Allianz is also joined on the podium by fellow insurance giant Zurich. A balanced blend of features and prices across all our profiles saw Zurich EziCover Term life insurance triumph as a direct life insurance policy which offers outstanding value.

The surprise this year is Real Insurance, the 'David' among the 'Goliaths'. Real Insurance is a young company which prides itself on its innovative offerings in the general insurance arena. We found Real Insurance's Family Life Cover scored highly on features such as policy and general coverage terms, as well as eligibility. A reasonable premium cost adds to the product's appeal.

It is obvious to us that all three products from Allianz, Real Insurance and Zurich are spot on the mark for consumers and CANSTAR CANNEX congratulates all three winners on their achievement.

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# direct life insurance star ratings

## Empty nester Female Non-Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
<b>★★★★★</b>							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
<b>★★★★</b>							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
<b>★★★</b>							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Empty nester Female Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
★★★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Empty nester Male Non-Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
<b>★★★★★</b>							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
<b>★★★★★</b>							
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗
<b>★★★★</b>							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Empty nester Male Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
★★★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Mature Female Non-Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★☆							
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
★★★☆☆							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Mature Female Smoker

Product Name	Application process			Cover option Availability to add riders eg Trauma and/or TPD, Income Protection	Premium options		
	Auto Acceptance	Online Application	Phone support		Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
★★★★★							
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Mature Male Non-Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
<b>★★★★★</b>							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
<b>★★★★★</b>							
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
<b>★★★★</b>							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Mature Male Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
★★★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



Middle Female Non-Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
MBF - EasyLife Insurance	✗	✗	✓	✗	✗	✓	✓
★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Middle Female Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
<b>★★★★★</b>							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
<b>★★★★★</b>							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
<b>★★★★</b>							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Middle Male Non-Smoker

Product Name	Application process			Cover option Availability to add riders eg Trauma and/or TPD, Income Protection	Premium options		
	Auto Acceptance	Online Application	Phone support		Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



Middle Male Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★☆							
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



Young Female Non-Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
★★★★							
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



Young Female Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
★★★★★							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



# direct life insurance star ratings

## Young Male Non-Smoker

Product Name	Application process			Cover option Availability to add riders eg Trauma and/or TPD, Income Protection	Premium options		
	Auto Acceptance	Online Application	Phone support		Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
★★★★☆							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★☆☆							
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗



Young Male Smoker

Product Name	Application process			Cover option	Premium options		
	Auto Acceptance	Online Application	Phone support	Availability to add riders eg Trauma and/or TPD, Income Protection	Fortnightly payment	Monthly payment	Annual payment
★★★★★							
Allianz - Life Plan	✓	✓	✓	✓	✗	✓	✓
Zurich - EziCover Term	✗	✓	✓	✓	✗	✓	✗
★★★★☆							
Medibank - Life Insurance	✗	✓	✓	✓	✓	✓	✗
Real Insurance - Family Life Cover	✗	✓	✓	✓	✗	✓	✓
★★★☆☆							
Aussie - Life Plan	✗	✗	✓	✓	✓	✓	✓
Bankwest - Lite Life	✗	✗	✓	✗	✗	✓	✗
GE Money - Life Protect	✗	✓	✓	✗	✗	✓	✓
Guardian - Life Insurance	✓	✗	✓	✓	✓	✓	✓
HCF - Life Cover	✗	✗	✓	✓	✓	✓	✓
Insurance Line - Life Insurance Plan	✓	✓	✓	✗	✓	✓	✓
MBF - Easylife Insurance	✗	✗	✓	✗	✗	✓	✓
MBF - Term Life Insurance	✗	✗	✓	✓	✗	✓	✓
Norwich - Widecover Life	✓	✗	✓	✓	✗	✓	✓
NIB - Value Life Insurance	✗	✓	✓	✗	✗	✓	✗
Suncorp - Life Protect	✓	✓	✓	✗	✓	✓	✓
Swann - ActivLife	✓	✓	✓	✓	✗	✓	✗

## DIRECT LIFE INSURANCE STAR RATINGS

### What are the CANSTAR CANNEX *direct life insurance star ratings*?

CANSTAR CANNEX *direct life insurance star ratings* are a sophisticated rating methodology, unique to CANSTAR CANNEX, which compare the dominant direct life insurance products in Australia and present the results in a simple, user-friendly format.

The results are reflected in a consumer-friendly 5-star concept with 5 stars representing outstanding value to the consumer.

### Awards to Insurers

CANSTAR CANNEX names the insurer or insurers who offer outstanding value based on their star ratings performance across the entire 16 direct life insurance categories.



Direct Life Insurance

Across 16 Profiles

#### Age Group

Young  
(25%)

Middle  
(30%)

Mature  
(30%)

Empty nester  
(15%)

#### Gender

Male  
(50%)

Female  
(50%)

#### Smoking Status

Smoker  
(15%)

Non – Smoker  
(85%)

There are 16 micro profiles/categories based on the level of age group, gender and smoking status. All this 16 micro profile star ratings help to arrive at the national award.

**Age Group:** The three different age groups are

- Young : 20-29 years
- Middle : 30-39 years
- Mature : 40-49 years
- Empty Nester : 50-55 year

**Smoking Status:** The star ratings categories is further sub divided based on the smoking status of the consumer. A non-smoker is someone who has not been smoking at least for the last twelve months.)

- Smoker
- Non – Smoker

### Eligibility requirements for Direct Life star ratings

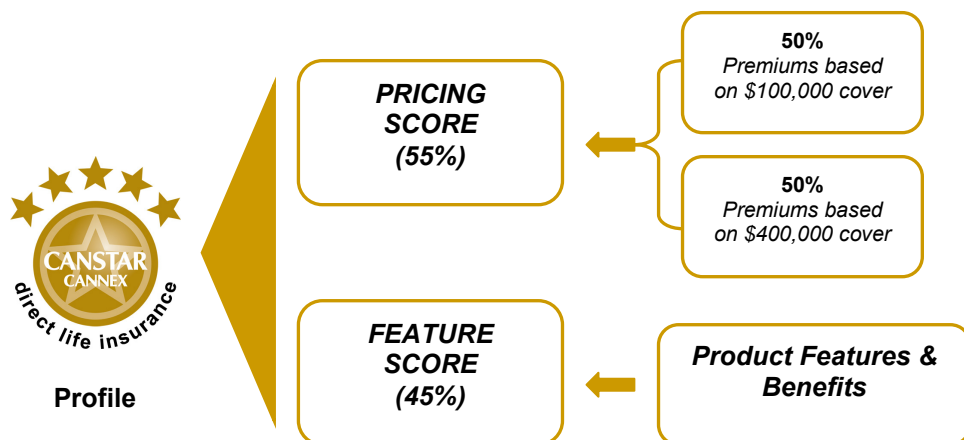
- Product should have been available in the market for 12 months or longer
- Product not restricted to a membership of any organization
- Product has to have a minimum sum insured of \$100,000
- Product should be an accident & sickness policy
- Has to be available direct to the consumer with no planner involved
- Sum insured cannot be restricted to the loan amount

### How does it work? How are the ‘stars’ calculated?

The CANSTAR CANNEX *direct life insurance star ratings* is based on an overall score, which is calculated from:

$$\text{TOTAL STAR RATINGS SCORE (T)} = w_1\text{PRICING SCORE (P)} + w_2\text{FEATURES SCORE (F)}$$

The methodology is as follows:



## PRICING SCORE:

The pricing score is calculated by collecting the premium data for all the 16 profiles. Premiums are quoted based on the level of coverage (two sums insured: \$100,000 & 400,000) and for every age within the profiles. The product with the lowest cost under the particular profile gets the maximum pricing score in comparison with other products in the profile. The products are indexed and scored in relation to the maximum pricing scored product in the particular profile. The final pricing score is equally contributed by the scores from both the sum insured (\$100,000 & \$400,000)

## FEATURE SCORE:

The feature score is calculated based on the features and benefits offered by the particular product. The features are categorised into six different categories. Each feature carries particular points and weightings. The product that has the maximum feature points gets the maximum score. Other peer products are scored in comparison with this product. They are shown below in the tabular column and they carry different weightings across the three different age profiles.

Category/Profile	All Profiles	Description
<b>Coverage/Policy Terms</b>	<b>25%</b>	
<i>Coverage Terms</i>	40%	<i>pre-existing conditions etc.</i>
<i>Policy Terms</i>	40%	<i>multiple life insured etc.</i>
<i>Premiums</i>	20%	<i>male, female etc.</i>
<b>Exclusions</b>	<b>25%</b>	
<i>Exclusions</i>	100%	<i>suicide, self inflicted etc.</i>
<b>Eligibility</b>	<b>20%</b>	
<i>Entry/Expiry ages</i>	35%	<i>entry &amp; expiry age etc.</i>
<i>Sums Insured</i>	35%	<i>Min &amp; Max sum insured etc.</i>
<i>Eligibility Restrictions</i>	30%	<i>restricted to institutions etc.</i>
<b>Application Process</b>	<b>20%</b>	
<i>Application Process</i>	50%	<i>online application process etc.</i>
<i>Payment Options</i>	50%	<i>monthly, fortnightly etc.</i>
<b>Added Benefits</b>	<b>5%</b>	
<i>Benefit Boosters</i>	25%	<i>accident booster etc.</i>
<i>Loyalty Bonus</i>	25%	<i>premium waiver, premium refund etc.</i>
<i>Funeral Benefit</i>	25%	<i>funeral benefit etc.</i>
<i>Financial Planning Benefit</i>	25%	<i>financial planning benefit etc.</i>
<b>Extra Options</b>	<b>5%</b>	
<i>Additional Cover Option</i>	40%	<i>option for TPD, Trauma etc.</i>
<i>Accidental Injury</i>	20%	<i>accidental injury etc.</i>
<i>Involuntary Unemployment Cover</i>	20%	<i>involuntary unemployment cover etc.</i>
<i>Consumer Pricing Index</i>	10%	<i>CPI etc.</i>
<i>Guarantee Future Insurability</i>	10%	<i>GFI etc.</i>

## How many products and financial institutions are analysed?

In order to calculate the ratings, CANSTAR CANNEX analysed 17 direct life insurance policies from 16 companies in Australia.

## How are the stars awarded?

CANSTAR CANNEX ranks direct life insurance based on value-for-money measures and then awards a star ratings according to rank. The number of products awarded each of the 3 to 5 star ratings will ultimately depend on the dispersion of final scores.

Scores are awarded to each product on the basis of price (premiums) and features (Benefits & Options). The methodology is revised and parameters are updated on a regular basis to make sure that the products are analysed using, the most up-to-date information capturing all industry developments. A detailed methodology is provided above

## How often are CANSTAR CANNEX *direct life insurance star ratings* re-rated?

All ratings are fully recalculated every 12 months based on the latest pricing and features offered by each insurer.

## Does CANSTAR CANNEX rate other product areas?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR CANNEX website at [www.canstarcannex.com.au](http://www.canstarcannex.com.au) if you would like to view the latest star ratings reports of interest.



- Agribusiness
- Business banking
- Business life insurance
- Car insurance
- CFD trading
- Credit cards
- Deposit accounts
- Direct life insurance
- Health insurance
- Home & Contents
- Home loans
- Life Insurance
- Margin lending
- Package banking
- Personal loans
- Reward programs
- Superannuation
- Travel insurance

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