LifeBid

2022

Fixing Life Insurance Advice

LifeBid Quality of Advice Review Submission 10 June 2022

Executive Summary

Dear Michelle Levy, The Hon Stephen Jones MP, Treasury, ASIC and The Hon Stuart Robert MP,

This LifeBid industry working group submission, specifically discusses the issues affecting life insurance advice and the wider life insurance sector, and how the industry is working together to fix them.

We get asked quite a lot "What does the name **LifeBid** stand for?" LifeBid stands for **Life Insurance Best Interest Duty**.

To keep our submission clear and succinct we will refer to life insurance advice as risk advice, which at a high level, encompasses advice on the following areas:

> **Products**: Life, Total & Permanent Disability, Trauma/Critical Illness, Health Events, Income Protection, Business Expenses Protection, Business Debt Protection, Business Key Person, Business Shareholders Buy/Sell, Employer Group Plans and also the comparisons and interactions that take place when consumers hold direct solutions and wholesale group cover through their super.

> **Advice Types, Consumer Needs and Market Dynamics:** Educating and scoping the types of advice available for the consumer to pick from, working out their life and disability insurance needs, meeting their goals and objectives, understanding evolving market dynamics and articulating the most appropriate solutions available to ensure the client is making informed decisions.

> **Affordability, Policy Ownership and Benefits Structuring:** Ownership of policies, tax considerations, juggling the trade-offs of costs vs. risks vs. benefits when selecting policy options and effectively prioritising affordability of the various cover types, benefits and features available.

> **Partnerships:** Working with product providers and other professionals at initial discussion, advice, underwriting, renewal, review, alteration and claim stages, to ensure the client's risk advice needs and best interests are met, and they have cover that is fit for purpose, whilst identifying and assisting consumers with accessing solutions to help them address their other planning and advice needs.

> **Compliance:** Ensuring advice meets the highest quality standards, is clear and easy to understand for consumers and is delivered in a client friendly manner using methods that meet regulatory and consumer expectations.

Risk advice drives great consumer outcomes and makes life as easy as possible for consumers to set up, maintain and claim on their cover, however a confluence of technology inadequacies and regulatory complexities are making risk advice unviable for advisers to provide, and unaffordable for consumers to access.

LifeBid is delivering a 100% digital, end-to end, industry standard risk advice solution, to open up access to affordable and high-quality risk advice, ensure consistent ongoing service to reward existing policy holders and ensure their cover keeps up with life's changes, provide a flawless client-adviser experience that meets 2022 expectations; whilst making it achievable for the industry to reverse declines, sustainably grow, be compliantly scalable and increase capacity and capability to help more Australians protect their incomes, families and businesses.

Our working group is made up of life insurers from the largest to the smallest, a group of foundation advice partners who represent many thousands of employed, self-employed, self-licenced and some larger corporatised advice businesses, with also one of the main industry associations and Insurtech Australia as advocacy partners. Over the coming months we are also welcoming more involvement from reinsurers, to help us shape and innovate with new styles and types of products, to meet Australia's changing and evolving consumer needs and expectations.

Our philosophies are:

> Consumers should be able to access high quality risk advice and services on any device, without the barriers of large upfront and ongoing advice costs in addition to their premiums.

> Advisers should be able to wake up each day, provide the risk advice their clients and communities need at a sustainable and profitable price point, without unnecessary complexity and fear of non-compliance.

- The life insurance sectors ability to help Australians protect their livelihoods, should not be hamstrung by inadequate technology that is not fit for purpose and regulatory settings that can cause uncertainty and increased compliance risks.
- Pure robo-advice is not effective and is prone to high dropout rates when the consumer needs to make a complex decision or commitment on their own. The most effective model is where risk advice is adviser lead and technology driven; where the technology does the below the line work that adds little perceived value to the client and the adviser is able focus on client facing value add engagement, which helps the client understand the benefits of the advice, the outcomes it will help them achieve, whilst also making implementation, maintenance, reviews and claims as streamlined and as simple as possible.
- Fixing risk advice is not just a Government problem or an ASIC problem, we understand that as a group of industry stakeholders and leaders, we need to innovate and work together, to deliver an industry solution to current and any future risk advice issues.
- All industries and professions can have some bad eggs, however it is important to acknowledge that the vast majority of risk advice providers don't deliberately set out to do the wrong thing, it's just that the current risk advice framework has become too hard to help the average client, stay compliant and cover costs all at the same time; and all they need is a fair and efficient platform to operate and help their clients on.
- With the right technology, advice standards, regulatory guardrails and real time monitoring; the government, regulators and industry stakeholders can work together to ensure Australia sets the standard and delivers a world class, efficient life insurance sector that supports our communities, grows consumer confidence, increases financial literacy and ultimately reduces financial hardship and reliance on government benefits and welfare.
- The financial services sector is at the heart of our economy – Risk advice is the foundation of financial advice and is most often the entry point to consumers starting their advice and financial planning journeys.
- It is important that consumers maintain choice between utilising commissions, fees for service or a combination of both, when funding their life insurance advice, ongoing service and claims handling needs.
- Risk advice specialist education and training pathways, will help ensure qualification options are appropriate for existing risk advisers and attractive for new entrants to want to start their career in risk advice.
- We all need to be working together on other complimentary ideas and initiatives to help increase the life insurance sectors capacity and capability to help more Australians and grow the ~$15b p.a. of community and economic benefits.

Thank you for taking the time to review LifeBid's submission and please feel free to reach out with any questions or requests for industry data relating to the areas that interest you most (we understand you will be receiving a lot of data points from the submissions provided by our working group and industry partners too and we can provide you with further data sources to back up what is discussed in this document if required).

We look forward to collaborating with you over the coming months, to fix life insurance advice for all Australians.

Kind regards,

BWright

Brett Wright
Founder and Board of Advice Chair

Brett has 15 years of coal face risk advice experience helping small single parent personal insurance clients, through to large corporate clients with complex key person insurance needs. With 30 years to run before retirement, he and the LifeBid working group are innovating to ensure we not only fix the issues in risk advice now, but also correctly set the foundations for the future.

Brett can be reached directly by emailing bwright@lifebid.com.au or calling 0410 507 687.

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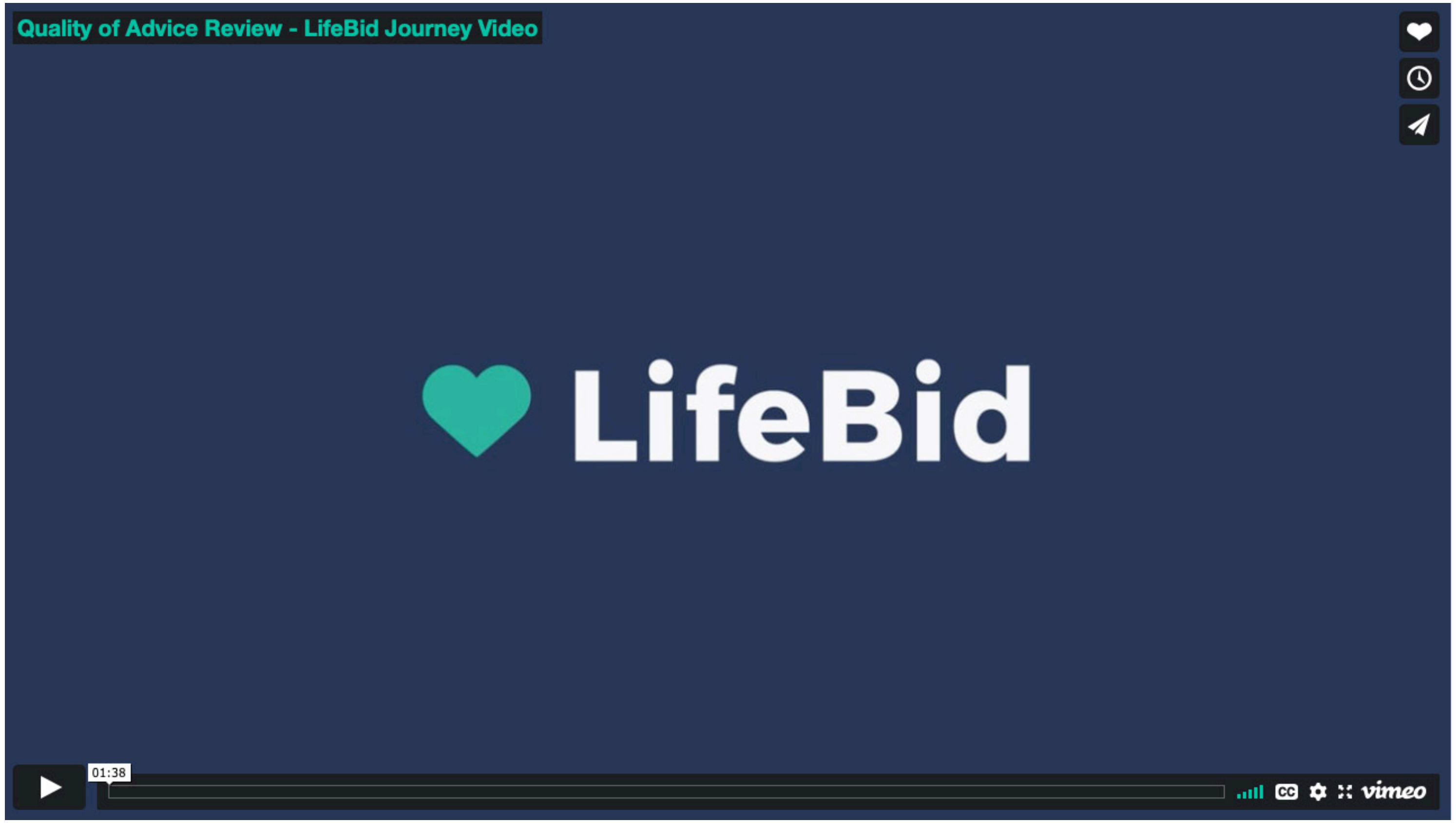
Introduction

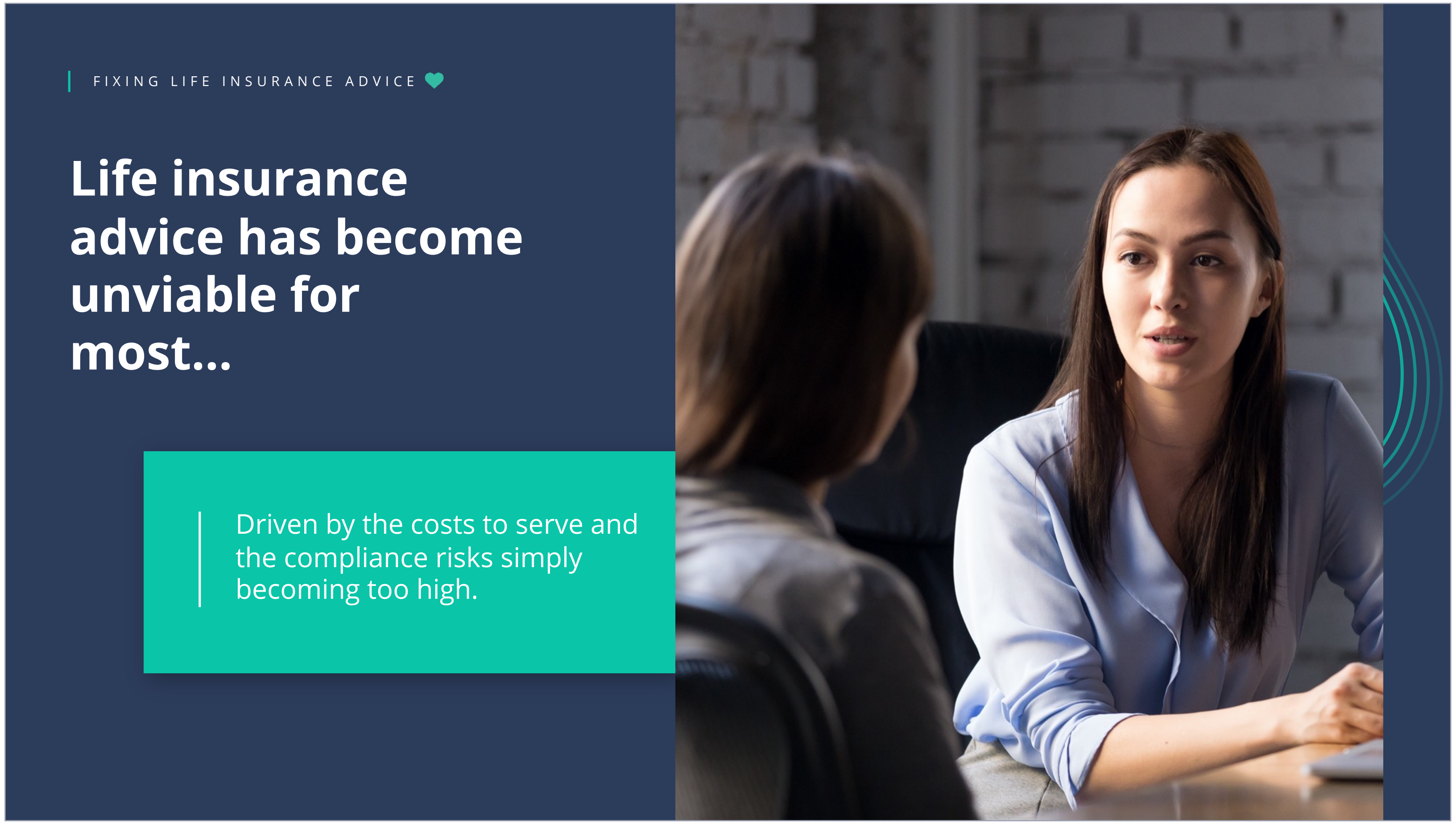
Every Australian is living their own version of life's journey and deserves the right to protect it.

That's why LifeBid exists, to ensure life insurance is done faster, fairer, better… for everyone.

Click here to view our LifeBid Journey video



Fixing risk advice with technology and innovation



Key Considerations

- Consumers benefit immensely from advice, but advice providers can no longer afford to provide risk advice to the large number of Australians who need it most.
- Risk advice removes complexity and other barriers to entry, whilst giving consumers access to tailored solutions and policies that are generally better priced, provide more benefits and are easier to claim on, compared with outcomes of trying to DIY.

FIXING LIFE INSURANCE ADVICE

Australians life insurance needs have never been higher, yet...

New cover has halved over the last 5 years

In-force policies are in decline and claims are rising

~70% of new cover is organised with the help of an adviser

Not enough advisers are providing advice and ongoing service, and the risk pool is sick

Key Considerations

- It is no secret that the demand for risk advice is high and the consumer need is even higher.
- Due to the complexity of the risk advice process, advice providers are either exiting, not seeing new risk advice clients or scoping out risk advice all together.
- Trying to find and train new entrants to provide risk advice is also a major challenge, with very few new entrants available (or willing) to enter a career in risk advice.

FIXING LIFE INSURANCE ADVICE

The problems keeping us awake at night are...

10-15 hours ($3k – $5k) to help a new client with basic risk advice needs

Ongoing service is too manual and clunky

Too much complexity, inefficiency and compliance risk across all business functions

No light at the end of the tunnel for advice providers

Client experience does not live up to 2022 expectations

Advice is currently unsustainable, not scalable and consumers are priced out

Key Considerations

- 10-15 hours to help a client with basic needs, is simply not acceptable.
- Ongoing service is manual, clunky and generates large amounts of paperwork and compliance, or if the clients circumstances are significantly different or premiums have significantly increased, advisers are pushed down the loss making 10-15 hour new advice process again.
- The complexity, inefficiencies and compliance risks have pushed advice providers to the edge.
- Most important of all, the client experience (especially for the next generation of consumers) is not acceptable and most Australians are priced out anyway.

FIXING LIFE INSURANCE ADVICE

Advice Challenges

SOA, ROA, LOA or Professional Judgment?

We need to show the adviser has done the work to put their client in a better position and is providing great ongoing service, whilst keeping it as simple as possible for both the adviser and their client.

Regulation and consumer protections exist for a reason.

The best solution is to have standards and guardrails, and automate as much as possible, to make advice affordable to access and deliver.

Why?

> Why do I need or want cover?

> Why should I trust you?

What?

> What do I need or want?

> What is the cost (cost vs. benefits and trade-offs)?

Show

> Show me I'm getting value for money.

> Make it quick and easy to set up and manage.

Key Considerations

- Risk advice is different to investment, retirement and other categories of financial advice.
- The risk advice challenge is not what the advice document should be, or how much we allow the advice provider to exercise professional judgement.
- In a perfect professionally judged world, everyone would have the maximum amounts of cover and all of the best benefits and options available, but the world is not perfect and insurance costs money (of which, most consumers in need of life and disability insurance, do not have a lot of money to spare).
- When it comes to risk advice, it is about making sure the client understands the why, the what and the show, and ensuring they are making a well-informed decision on the costs vs. risks vs. benefits and the trade-offs associated with those decisions.

FIXING LIFE INSURANCE ADVICE

Without an industry solution, the market is at risk of collapse

Lapses and claims will continue to rise over the next 5-10 years.

The next generation of consumers are disconnected with the need for risk advice and the process to get it.

45% Aged 55+

of in-force lump sum market and 28.5% of IP market.

Less than

4% Aged 35 or under

of in-force lump sum market and only 8% of IP market.

Life insurance and advice cannot survive and thrive in its current form and needs an end-to-end revolution.

Protecting incomes and families should be growing, but is in decline, to the detriment of consumers and economy.

The industry is currently operating like Blockbuster Video, when Australians need and want Netflix.

Key Considerations

> Markets move towards efficiencies and demand providers stay relevant, but as we know, both technology and regulatory standards and guard rails, have not kept up and the life insurance sector is in crisis.

> The current risk advice process is like an adviser driving their client down to Blockbuster Video to a hire a VHS, when all everyone wants is a Netflix experience (fast, efficient and can be provided/accessed on any device i.e. adviser lead and technology driven).

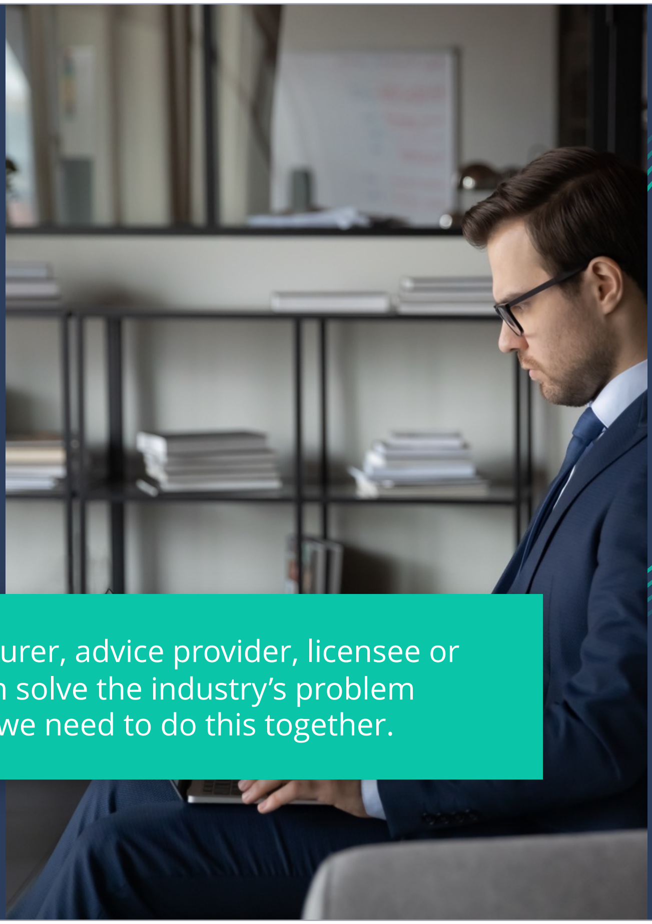
FIXING LIFE INSURANCE ADVICE

Innovating and Working Together

The LifeBid working group understands it is our responsibility to innovate for the benefit of consumers and the wider life insurance sector.

Technology and **digital innovation** are the only way forward.

No single insurer, advice provider, licensee or regulator can solve the industry's problem themselves, we need to do this together.



Key Considerations

> The sectors ability to serve Australians, or a consumers ability to access the advice they need, should not be limited or negatively impacted by inadequate technology or regulatory complexity.

> LifeBid is delivering an open, transparent, fair and level platform for industry stakeholders to compete on customer service, value and partnerships, for the benefit of the consumers we serve and to also ensure the ongoing sustainability and viability of advice and product providers into the future.

FIXING LIFE INSURANCE ADVICE

Solving risk advice issues with...

A 100% digital, end-to-end, industry standard solution, to fix life insurance advice and 10x capacity to help Australians.

Affordable advice for all Australians

Enabling all consumers to access quality advice for hundreds of dollars worth of time, not many thousands.

Consistent ongoing service

To reconfirm value, need, affordability and reward existing policy holders.

Increased capacity and scalability

Ensuring quality life insurance advice is compliantly scalable, on any device, with real time monitoring for regulators.

More SME's, growth, jobs and consumer confidence.

LifeBid is supported by our industry's most innovative leaders

Platinum Insurers

Gold Insurers

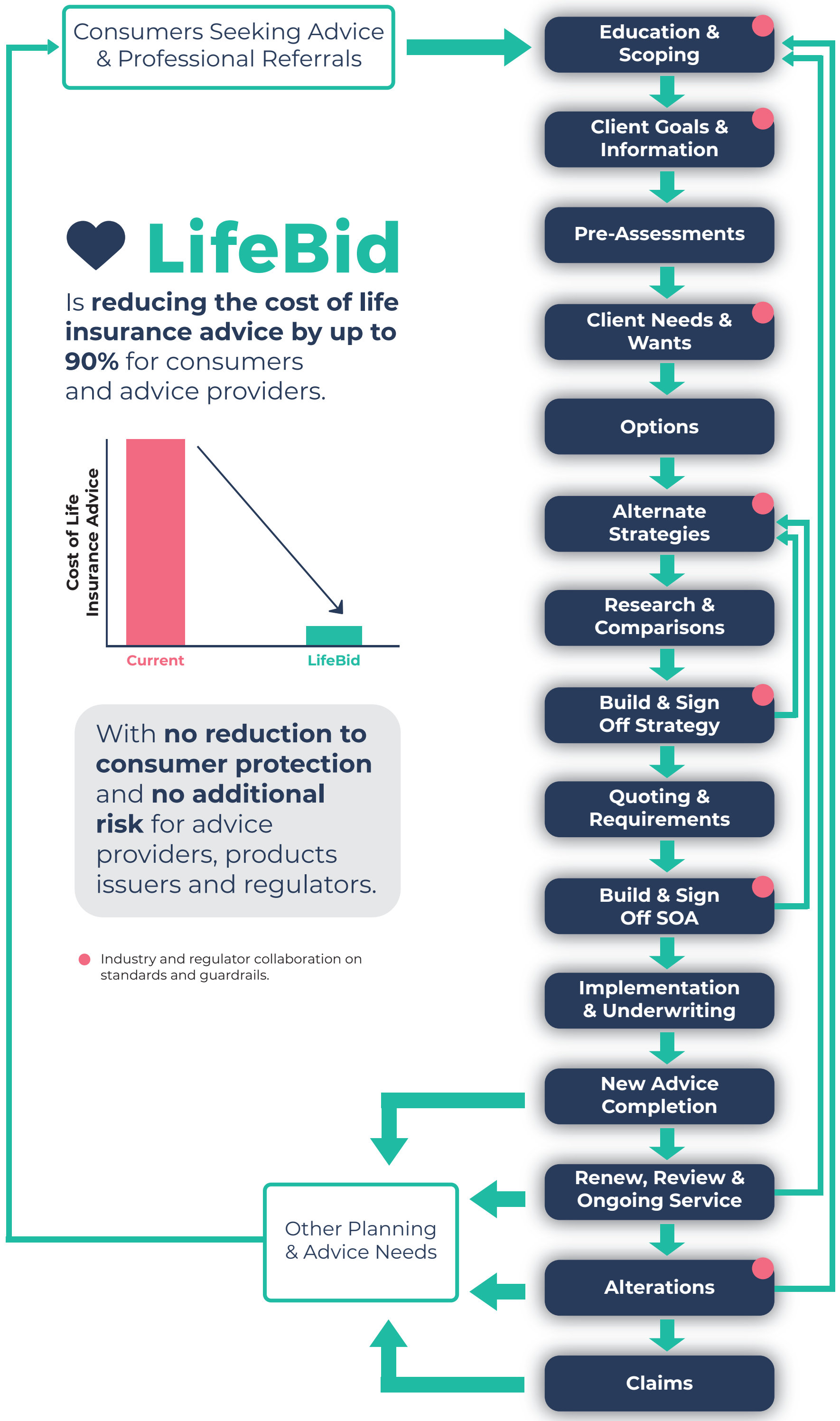
Foundation Advice Partners

Advocacy Partners

Key Considerations

- With advisers using 10-15 different systems to run their risk advice offerings (which are often siloed and don't talk to each other), an advisers tech stack is actually a tech spaghetti further exacerbating problems.
- As previously mentioned, the key is to drive down the cost to produce risk advice so advisers can afford to help clients with even the most basic of needs; whilst ensuring it is efficient and client friendly to review and make sure policies are keeping up with life's changes.
- We are not going to be able to restore the number of risk advice providers to previous levels overnight, so we need to make sure we deliver increased capacity and scalability industry wide, and make it attractive for graduates to want to get into risk advice.

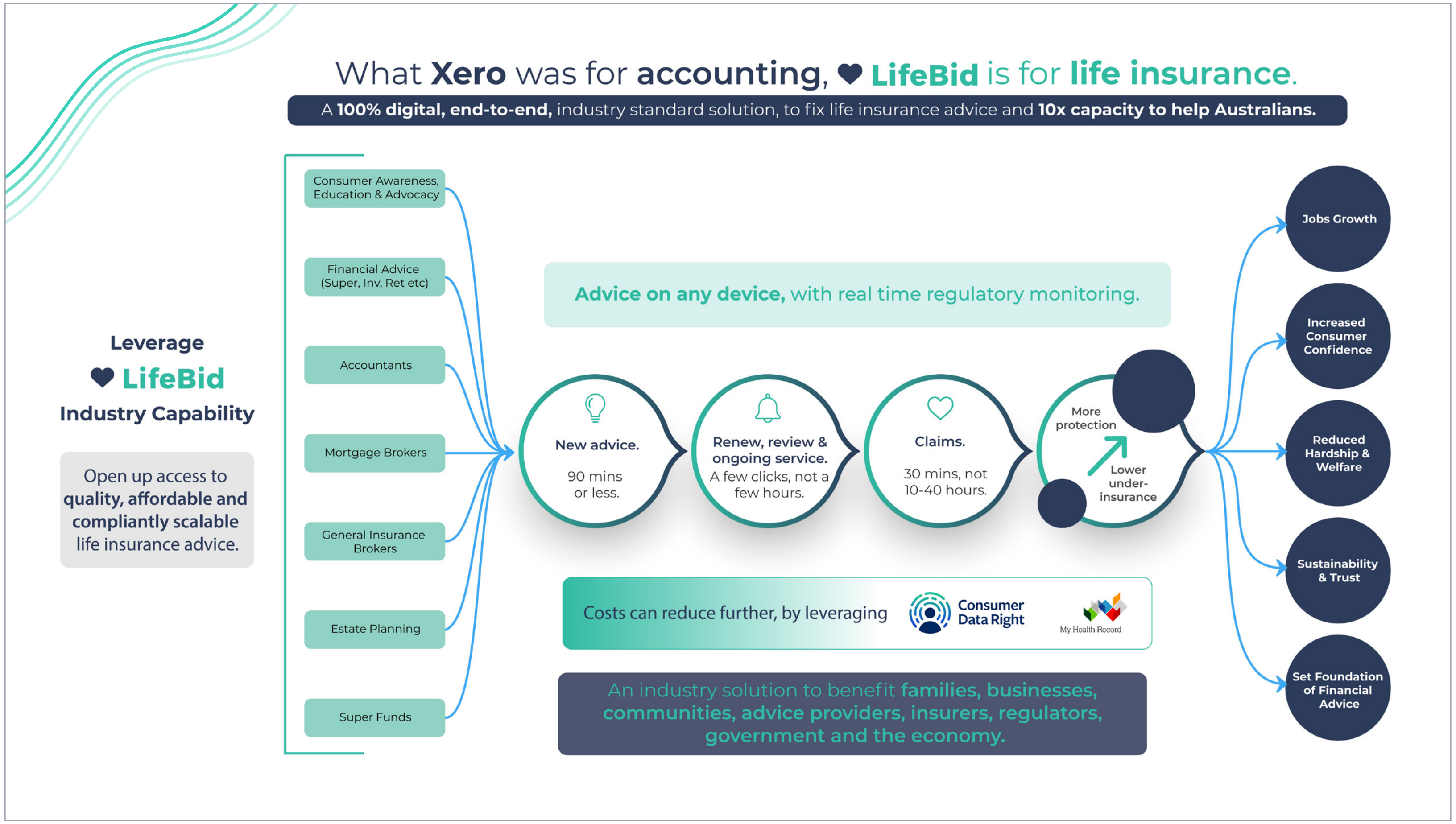
The Life Insurance Advice Process



Key Considerations

> There is great benefit and value to come from industry stakeholders, QAR, government and regulators collaborating on key steps of the risk advice process.

> These key steps are marked with the red circle in the infographic.



Key Considerations

> In summary, if you think about how Xero revolutionised some old clunky accounting systems, archaic processes and lots of paper shuffling with one end-to-end system between clients, accountants and the ATO, LifeBid is doing the same for risk advice – One system that is end-to-end for clients, advisers and life insurers (with regulatory collaboration built in).

Making high-quality risk advice accessible to all Australians

The Importance of Choice – Commissions and Fee for Service

Life insurance is the pool of many, supporting the unlucky, for the benefit of the community and the economy.

The same principle applies to life insurance advice commissions, where the pool of commissions enables advisers to cost effectively help the many, put in place the right cover, review their cover and claim on their cover.

Commissions remove cost and complexity, maximise affordability and accessibility, de-risk the life insurance process and transactions for consumers and keep the system sustainable.

Are commissions in the best interest of clients?

When it comes to consumer best interest in advised life insurance and the payment of commissions, the main factors to consider are:

> Can the consumer access policies and advice without cost barriers?
> Do consumers have the ability to review their cover at any time, without fear of additional costs on top of their premiums?
> Is cover fit for purpose and with the help of their adviser, will the consumer have the best chance of a successful claim without confusion, anxiety, financial risk and financial distress?
> Is the consumer in a better position compared with outcomes of trying to DIY?

For the vast majority, the answer is yes to each of the above questions for consumers who arrange their life insurance with the help of their adviser under a commission model.

Can everyone afford Fee for Service in risk advice?

User pays models typically result in only the more affluent being able to afford or seeing value in the service, or the service needing to be cross subsidised and bundled in with other services to make the cost appear more feasible.

Applying the user pays fee for service model to risk advice, results in:

> Risk advice specialists who operate on a user pays fee for service basis, only working with high earning professionals and they cannot afford to provide advice to lower income earning Australians.
> Holistic advisers who provide risk advice on a user pays fee for service basis, can only do so when cross subsidising and packaging in the cost of the risk advice with other financial advice services such as investment, super and retirement planning, which is not ideal because the average financial advice client is a 60-year-old couple who typically no longer require insurance.
> There are some risk advice businesses that successfully operate on a hybrid model, where they charge a small upfront commitment fee of ~$300 and then cover the rest of the cost of the risk advice with commission (with some rebating the upfront fee upon the successful implementation of the clients cover).

Australia has a very large under-insurance problem and the benefits of high-quality risk advice and holding advised retail life insurance are intangible and hard for consumers to articulate until they have received advice and the rubber hits the road at claim time. This is why it is so important that the cost and access barriers to risk advice are kept low and that pooled funding of advice, ongoing service and claims continues to allow all Australians to engage with risk advice as a first step to protect their livelihoods, which for most sets the foundation and serves as starting point for a broader advice and planning journey as their needs grow and evolve.

Capacity to fund advice needs – Risk advice versus other categories of financial advice.

It is important to understand that consumers needs and capacity to pay for advice, significantly differ between risk advice and other categories of financial advice such as investment, super and retirement.

Risk advice is often required when a consumers expenses are at all-time highs, with very little capacity to fund the upfront and ongoing costs of advice – For example, most have large mortgages, young families with kids going through school, one parent on maternity/paternity leave, cost of living pressures, with the added challenges of being self-employed and juggling fluctuating cash flows, or even starting a new business from scratch. Risk advice clients don't usually have the awareness or the bandwidth to proactively seek out advice and they subsequently rely on family, friends, and other professionals such as accountants and mortgage brokers, who point out they need to get their life and disability insurances sorted and then they get referred or recommended to their local risk adviser.

Other types of financial advice such as investment, super and retirement, attracts an average client who are a 60-year-old couple moving away from the need for insurance and who have the asset base to cover advice costs coupled with the genuine interest to grow and protect their retirement nest egg.

A 2019 consumer study conducted by Rice Warner and Zurich, found only 8 percent of those surveyed indicated they were willing to pay more than $1,000 as an out of pocket fee for life insurance advice, none of the consumers surveyed said they were willing to pay $2,000 or more, almost 30 percent of consumers said they were not willing to pay a fee at all for life insurance advice and a large 55% of consumers said they were not willing to pay more than $250. Couple this research with income figures published by the Grattan Institute in April 2019, which show 80% of Australian's earn less than $80,000 per year and the typical worker earns just $57,918 per year, it is fair to say that ~80% of consumers would not be able to afford and/or would not be willing to pay a fee for service on top of their life insurance premiums, that covers what it actually costs an adviser to provide life insurance advice and services.

It is important to acknowledge, that since commissions have reduced under LIF reforms, premiums have been significantly increasing year on year, not decreasing – Without advisers being able to provide advice and adequately cover their operating costs, consumers don't get covered.

A pure fee for service model or further reductions to commissions, will result in the continuance of advisers either scoping out risk advice or closing their risk advice businesses, new advice graduates not wanting to become skilled in risk advice and ultimately fewer consumers adequately protecting their incomes, families and businesses.

Value of risk advice and the importance of choice in funding risk advice needs.

Life insurance is complex, confusing and people don't wake up in the morning thinking about why they need to buy it.

Life insurance advisers cut through consumer apathy and are able to do this by making the process seamless for the consumer, often collaborating with other professionals such as accountants, and willingly provide advice and services without consumers needing to worry about being charged thousands of dollars in upfront and ongoing fees on top of their insurance premiums.

Advised consumers receive great value for money, understand exactly what they are (and are not) covered for, have tailored superior fit for purpose cover, and they also have the help, support and advocacy from their adviser, every step of the way. Once cover is in place through an adviser, the consumer is in complete control, the policies are automatically upgraded and cannot be cancelled or changed by the insurer to the detriment of the policy holder.

THE VALUE OF RISK ADVICE	ADVISED LIFE INSURANCE USING COMMISSION/ BROKERAGE	FEE FOR SERVICE AND THE IMPORTANCE OF CHOICE
GETTING COVERED The human body is the most valuable and complex asset to insure. Advisers provide advice and help put in place the right cover, for the right price and take care of all of the paperwork with the insurers, to make a very complex and confronting process as easy as possible for consumers to protect their incomes, families and businesses.	Commission/brokerage removes the cost and complexity barriers for consumers. Even if applications for insurance are declined by insurers and the consumer cannot get cover, there is no charge for the advice provided and the work completed.	For markets to function, competition and choice is essential. Different business models and different value propositions compete for different segments of the market. Funding risk advice needs with commissions has wide ranging access, affordability and pooled advice benefits for the large majority of consumers, and also the broader sustainability of life risk pools and the life insurance sector as a whole. Fee for service models have benefits for a much smaller demographic of risk advice consumers and diminish the benefits of pooled access to risk advice, ongoing services and high quality cover as previously discussed. It is critical that commissions remain at a viable level to enable risk advice providers to service the broader needs of all demographics of Australians, and not just the high-income earners or those with complex large premium needs. It is also important for consumers to be able to compare and consider fee for service as an option. In summary, both commissions and fee for service need to remain as options for consumers to fund their risk advice needs, with an emphasis on ensuring commissions remain at viable levels to ensure advice remains affordable and accessible for all Australians.
REVIEWING, RENEWING & ONGOING SERVICE Every year when policies renew, advisers offer a review of the market to make sure consumers are still getting value for money, and also help review and make adjustments to policies to keep up with changing needs and circumstances.	Commission/brokerage covers the cost of any market reviews and policy adjustments, whilst encouraging the client to review the ongoing appropriateness of their cover and reconfirm the value and need for it, without the fear of incurring advice and service fees on top of premium rate increases at each renewal, as the client gets older. The clients policies are monitored to ensure they stay in-force and risk advisers also assist with ensuring the clients other planning and advice needs are addressed as required.	
MAKING CLAIMS When consumers need to claim, advisers are there to organise all of the forms, work with their doctors and manage their insurers, so they and their family can focus on recovering, without the stress of back and forth with insurers and lawyers.	Commission/brokerage covers the cost of managing claims and removes the need for consumers to pay large fees after being dealt the physical, mental and financial blows associated with losing the ability to work, or a loved one passing away. Ultimately, advisers are able to advocate for their clients and ensure integrity and trust is maintained at the most important time of a policy's lifecycle and at a time when their clients are most vulnerable, no matter the size or complexity of a claim.	
ABOUT RISK ADVISERS AND HOW THEY ARE PRIMARILY PAID FOR THE VALUE THEY PROVIDE Risk advisers represent consumer needs and interests, not the big insurers. Their purpose is to remove barriers and make life as easy as possible when it comes to life, income protection and key person insurance.	Commission/brokerage is paid by the successful insurer after a client's policies are put in place, and each insurer pays the same amounts, so there is no financial incentive to recommend one insurer over another. When providing advice and recommendations, advisers act in consumers best interests and any commission/brokerage is fully disclosed in a comprehensive statement of advice, which is reviewed before any decisions are made. Life insurance advisers are the intermediaries who play an essential role maintaining balance, trust, integrity and efficiency in a market, where individuals rely on multi-billion-dollar corporations. The significantly low number of complaints reported by APRA against risk advisers, demonstrates risk advisers do a great job performing their duties and make the system a better and fairer place for the end consumer.	

Risk advice economics

Most risk advice providers are small business owners working in their local communities, who not only need to cover the time that it takes to deliver advice and keep a roof over their family's heads, but also the additional associated costs that go with running an advice business such as rent, rates and other office running costs, support staff, licensing, regulatory levies, professional indemnity cover, general insurance, ongoing education, pro bono work, software and technology costs, maintaining cyber security, association fees, servicing borrowings, taxes, accounting, legal and other professional services fees etc.

The average client premium is ~$2,500 per annum (most clients pay monthly) and advisers can typically service an active client base of approximately 250 clients.

New Advice Economics (60% upfront commission)	Renewal & Ongoing Service Economics (20% renewal commission, this is best case as most existing clients are on 10% renewal commission)
$2,500 premium: - 8% modal loading - $90 policy fee - $5 stamp duty = $2,205 commissionable premium x 60% **= $1,323 ($1,677 loss based on a conservative $3,000/10 hour cost to serve)**	$2,205 commissionable premium x 20%: = $441 per client **= $441 per client x 250 clients (revenue of $110,250, which is not enough to cover operating costs)**

The fallout of the current risk advice economics is:

> New entrants cannot afford to get started in risk advice and existing practices cannot afford to take on new entrants.

> Existing risk advisers cannot grow and are going backwards.

> If an existing risk advice client needs new advice or an alteration, advisers are forced into a loss-making position.

> Holistic advisers are not offering risk advice and/or scoping it out, due to the cost, risk and complexity not making it worthwhile to provide.

> Fewer consumers are getting covered, large cohorts of consumers are becoming orphaned and the number of lives insured is shrinking.

We understand you will be receiving a lot of data from industry stakeholders about the need to retain commissions and explaining why putting further limitations on commissions will exacerbate the under-insurance issues and will further increase the risk advice gap, to the detriment of consumers and the economy.

The above economics and earlier discussions in this submission, show why it is so critical that we not only retain commissions at their current levels, but why it is also so important to get the time, cost, compliance risks and complexity to provide risk advice, significantly reduced for the benefit of all stakeholders.

Life insurance is a chain of stakeholders and when a party in the chain cannot afford to perform their role, the chain breaks and the system becomes unsustainable for everyone, for example when advisers cannot run their businesses, consumers don't get insured and lapses increase, which sees the risk pool deteriorate, premiums increase for everyone and the system becomes increasingly unviable.

Life Insurance Specialisation and Education Pathways

Risk advice and holistic investment, super and retirement advice, are two very separate and specialised skill sets that require significantly different education, training and experience. The old saying of a jack of all trades, but master of none is applicable in this respect, because it is very hard to be an expert and a specialist of every financial advice discipline.

Risk Advice Requires Specialist Knowledge Across:

- Personal and Business Key Person Risk Management Strategies, Solutions, Tax Effective Ownership and Affordable Premium Structuring
- Lump Sum Insurance Products
- Income Insurance Products
- Key Person Insurance Products
- Complex Product Structures
- Underwriting and Medical Terminologies and Expertise
- Multiple Insurer Systems and Processes
- Re-insurance Treaties and Practices
- Claims Processes and Technicalities
- Maintaining Insurer Relationships for Benefit of Clients
- Insurance Distribution Methods (incl. working with and being able to compare, assess and understand the nuances of not just retail advised cover, but the varying structures and product designs of direct, group and general insurance products)

Small overlap and working knowledge required between the two skill sets.

Holistic Investment, Superannuation and Retirement Advice Requires Specialist Knowledge Across:

- Pre-Retirement and Retirement Strategies
- Cash Flow and Budgeting
- Superannuation Products
- Investment Planning and Strategies
- Property Investment
- Managed Fund Products
- Equities and Other Exchange Traded Products
- Cash, Bonds and Other Fixed Interest Products
- Margin Lending
- Aged Care
- Social Security Services
- Asset Structuring

Requiring life insurance advisers to retrain as holistic advisers because there is a small overlap of life insurance working knowledge with other advice needs, is like requiring an accountant to retrain as a lawyer because there is an overlap of tax returns with tax law, or a plumber to retrain as an electrician because there is a power point in a bathroom.

There are now only approximately 1,200 risk advisers in Australia, with risk advisers leaving the industry at a rate 2.48 times greater than their "holistic advice peers" in the calendar year 2021 (2019 & 2020: 2.4 times greater). Please let us know if you would like the total data sets of all types of financial adviser exits from pure risk advisers, through to those who dabble in risk advice at varying levels and those who do not provide risk advice at all.

Specialist education requirements and pathways for risk advisers need to be implemented to:

- Encourage new entrants to try a career in risk advice.
- Enable holistic planners to employ specialist risk advisers within their practices.
- Stop the exits of specialist risk advisers and enable specialist risk advisers to continue with a qualification that is relevant to the advice and services they provide, whilst also encouraging them to be able find, train and employ risk advice new entrants in their practices too.
- Our discussions with risk advisers show that they do not object to further education, they object to spending tens of thousands of dollars and years completing study that is not relevant to what they do, plus there is limited recognition of their prior training, education and experience.

LifeBid case study from latest annual industry landscape report

The recently released adviser ratings annual industry landscape report, featured a LifeBid case study, which we have included for your perusal.

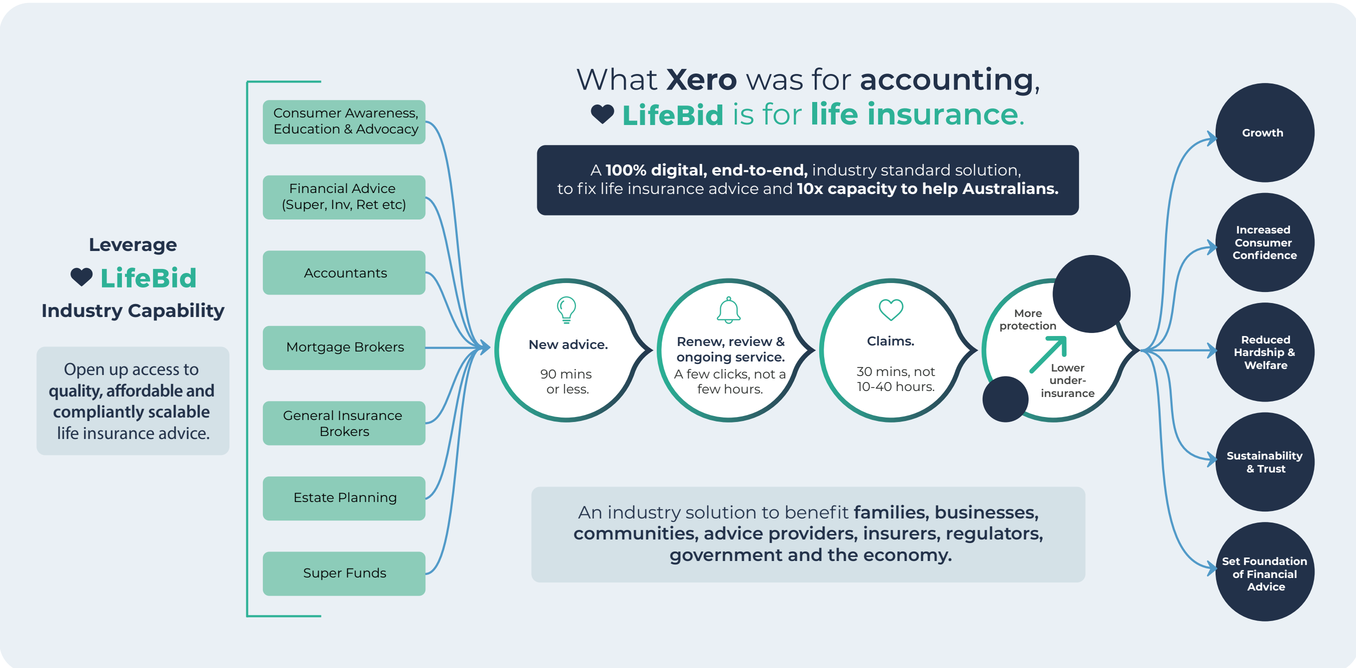
If you would like a copy of the complete life insurance landscape chapter, please let us know.

The LifeBid case study

Industry Problem

- Unsustainable cost to deliver risk advice, with advisers estimated to be spending $3,000 - $5,000 in 'time' with client, support staff and insurer to provide advice and put in place appropriate cover that is fit for purpose.
- Compliance risks and complexity eroding the already challenged mandated remuneration paid by insurers to advisers. With advisers generating a loss of $1,500 or more to serve Australians' basic risk advice needs, it has become too hard and unviable for them to help the average consumer, stay compliant and run a successful business all at the same time.
- Pricing instability (mainly increases), varying product features and benefits (particularly in the IP space) and lack of adviser-client friendly technology, are making it difficult for advisers to educate their clients, provide great advice and provide customer onboarding and ongoing service experiences that live up to 2022 expectations.
- The wide variety of systems within advice practices and across the various insurers can be clunky and are often siloed, which creates inefficiencies and errors and adds to the many issues that are making risk advice unsustainable in its current form and not scalable, along with leaving a large cohort of consumers priced out of accessing the quality life insurance advice and products they need.

Figure 9.2: The LifeBid Solution



Source: LifeBid

Industry Solution

- LifeBid is building an end-to-end technology solution connecting major stakeholders on one platform – insurers, licensees, advisers and consumers – with the aim to onboard, service and claim through the one place, utilising a flawless client-adviser-insurer experience.
- The mission of the organisation is to reduce upfront and ongoing costs incurred for both insurer and adviser, with the ambitious target of increasing the life insurance sector's capability to advise and protect Australians by up to 10 times, which will help grow the risk pool and increase sustainability.

- With this innovation reducing costs to serve by up to 90% and automating a lot of compliance and below-the-line tasks in the advice process, the technology will provide all Australians with the ability to access and benefit from quality life insurance advice and products, and enables advisers and insurers to expand their risk advice and product offerings, instead of having risk advice scoped out, or the market focusing on chasing a limited number of large premium life insurance advice needs.

- Staying relevant to changing consumer needs, coupled with the ability to protect more Australians' incomes, families and businesses without putting more cost and risk onto advisers, life insurers and regulators, is a community and economic win from which everyone can benefit.

Industry support

LifeBid has secured support from a critical mass of life insurers, including Australia's largest, along with a good cross-section of advice providers who represent employees, self-employed and self-licensed advice practices who offer risk advice services. The Association of Financial Advisers and Insurtech Australia are also advocacy partners.

The potential impact of technology and data on Australia's underinsured population

The Australian retail life insurance market has been presented with an opportunity to reinvent itself as:

1. new agile players look to disrupt the incumbents.

2. there is a willingness for the industry to work together as highlighted by the LifeBid proposition and a galvanising of key players behind the new IDII regime and opposition to elements of that same regime.

3. a "potential" turning point in profitability of the industry has arrived and, therefore, there is a willingness to spend on growth elements, such as technology and data.

4. an ownership structure (i.e., global insurers) allows local insurers to test best-in-breed solutions in a competitive and reticent consumer market.

Based on 12 million working Australians and an average premium of $2,500, the current annual premium pool of $15bn has the opportunity to potentially double through innovation, data and technology investment.

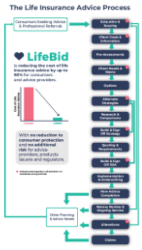
The opportunity is there!

Figure 9.3: LifeBid Industry Partners

Source: LifeBid

Answers to relevant quality of advice review issues paper questions

Responses to Relevant Quality of Advice Review Issues Paper Consultation Questions

Questions	Responses
• **Question 1** What are the characteristics of quality advice for providers of advice?	• As per the process outlined on page 13 of this submission paper. 
• **Question 2** What are the characteristics of quality advice for consumers?	• As per page 9 of this submission. 
• **Question 3** Have previous regulatory changes improved the quality of advice (for example the best interests duty and the safe harbour (see section 4.2))?	• Yes.
• **Question 4** What are the factors the Review should consider in deciding whether a measure has increased the quality of advice?	• Does the measure ensure the consumer is put in a better position? Does the measure help the consumer clearly understand any relevant impacts or trade-offs of the costs vs. risks vs. benefits associated with their decisions, when they implement, alter or cancel life and disability insurance cover? Does the measure remove cost and complexity barriers that prevent consumers getting access to high quality risk advice?
• **Question 5** What is the average cost of providing comprehensive advice to a new client?	• Comprehensive risk advice costs >$5k + underwriting, implementation and file checking time.
• **Question 6** What are the cost drivers of providing financial advice?	• A confluence of technology inadequacies and regulatory complexities are making risk advice unviable for advisers to provide, and unaffordable for consumers to access. We are happy to run you through an end-to-end demonstration of these.

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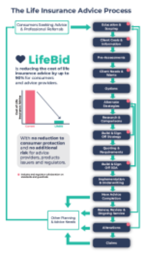
Question 7 How are these costs apportioned across meeting regulatory requirements, time spent with clients, staffing costs (including training), fixed costs (e.g. rent), professional indemnity insurance, software/technology?	See page 19 of this submission and we are happy to facilitate the review of some risk advice practices P&L's. For an adviser to draw a decent living wage running a suburban risk advice practice, they cannot effectively cover their costs in the current environment. Many holistic practices simply avoid providing risk advice because the economics don't add up.
Question 8 How much is the cost of meeting the regulatory requirements a result of what the law requires and how much is a result of the processes and requirements of an AFS licensee, superannuation trustee, platform operator or ASIC?	Equally interlinked is a fair answer. ASIC is doing their job and licensees are doing their job, but the system we are all trying to coexist within is just not client or adviser friendly at the moment. LifeBid is fixing these issues in risk advice. It is important to note that many super funds are hard to deal with when trying to advise clients on life insurances held within their funds.
Question 9 Which elements of meeting the regulatory requirements contribute most to costs?	As per the process outlined on page 13 of this submission paper, it is the areas we have marked as areas to collaborate with regulators and the steps in the process that require interactions with siloed technology systems. 
Question 10 Have previous reforms by Government been implemented in a cost-effective way?	No, which has resulted in the cost to serve and accessibility crisis.
Question 11 Could financial technology (fintech) reduce the cost of providing advice?	Yes. This is the reason why LifeBid is creating an industry standard risk advice solution, to make sure a consumers ability to benefit from advice and the industry's ability to provide it, is never again hamstrung by technology inadequacies.

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• **Question 12** Are there regulatory impediments to adopting technological solutions to assist in providing advice?	• We haven't experienced any yet and have communicated with the regulator, who have been happy to support LifeBid and the capability the technology is delivering to market.
• **Question 13** How should we measure demand for financial advice?	• Measure direct, group and advised take up rates of life and disability insurance coverage, which is available from life insurers. Run adviser surveys on the number of enquiries advisers are receiving each month. Licensees have some capacity to report on new enquiry statistics at a licensee level from their CRM's too.
• **Question 14** In what circumstances do people need financial advice but might not be seeking it?	• People don't wake up thinking about purchasing life insurance and they often don't know where to start. Not understanding the value and the need for cover in conjunction with the concerns about the costs and complexity, prevent people from seeking out the help and coverage they need. In the life insurance space in 2021, 38% of people surveyed said they could not afford cover, 23% said it wasn't relevant for them, 22% haven't given it any thought, 17% don't think it's worth the money, 12% don't understand enough about it, 8% don't have the time to organise and 3% said they would rather take the risk. Other large contributors to people not seeking out risk advice include apathy, gaps in financial literacy, other higher perceived priorities in life and people needing to be guided and coached on what they need to do.
• **Question 15** What are the barriers to people who need or want financial advice accessing it?	• Not knowing where to start, costs and complexity.

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• **Question 16** How could advice be more accessible?	• Making it easier and more efficient for advisers to help clients piece by piece, and not having to try and boil the ocean upfront with education and scoping. Most people cannot consume large volumes of information and advice, they need it broken down into simple steps, piece by piece. We also need to make it easier for risk advisers to work closely with other professional service providers.
• **Question 17** Are there circumstances in which advice or certain types of advice could be provided other than by a financial adviser and, if so, what?	• Only if it is factual and there is a clear pathway for the consumer to find and access the right advice when they decide they feel comfortable to act on that information.
• **Question 18** Could financial advisers and consumers benefit from advisers using fintech solutions to assist with compliance and the preparation of advice?	• Yes, that is the basis of the LifeBid industry solution, adviser lead, technology driven with a flawless client-adviser experience that meets 2022 expectations.
• **Question 19** What is preventing new entrants into the industry with innovative, digital-first business models?	• High barriers to entry with regards to the capital required, regulatory and cyber security requirements and typically the start-ups trying to invent solutions fundamentally don't understand the client-adviser relationship and how advice works at the coal face.
• **Question 20** Is there a practical difference between financial advice and financial product advice and should they be treated in the same way by the regulatory framework?	• In the life insurance space, risk advice and financial product advice are deeply intertwined, because even the best risk advice can be significantly impacted if a poor quality or inappropriate product is implemented (which typically occurs when consumers focus on price instead of overall quality and value for money).
• **Question 21** Are there any impediments to a financial adviser providing financial advice more broadly, e.g. about budgeting, home ownership or Centrelink pensions? If so, what?	• Yes. Time, cost, client's capacity to pay and bandwidth to do the job properly and be across the detail, especially in areas such as Centrelink and pensions advice.
• **Question 22** What types of financial advice should be regulated and to what extent?	• In the life insurance space, risk advice and financial product advice regardless of whether it is personal or general.

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• **Question 23** Should there be different categories of financial advice and financial product advice and if so for what purpose?	• Yes. To allow consumers to choose and benefit from the types of advice they are most comfortable with at whatever stage of their advice journey they are at.
• **Question 24** How should the different categories of advice be labelled?	• For risk advice, there are 4 main types of advice clients seek: ○ Comprehensive personal risk advice (small percentage of clients). ○ Goals based personal risk advice (majority of clients). ○ Specific requests and options (product advice only, for clients who either know what they want, or who are unsure and just want to see some options). ○ DIY general information (implementation assistance only for the people who want to pick their cover themselves, but want someone to make it easy to implement, maintain and claim).
• **Question 25** Should advice provided to groups of consumers who share some common circumstances or characteristics of the cohort (such as targeted advertising) be regulated differently from advice provided only to an individual?	• It should be easier to provide life insurance advice to the cohort of Australians who have been affected by PYS and PMIF, to enable them to get a default style of cover with the help of an adviser quickly and easily, with the benefit of being able to review and add more cover as their needs change and grow over time.
• **Question 26** How should alternative advice providers, such as financial coaches or influencers, be regulated, if at all?	• Advice that is centred around basic financial literacy e.g. budgeting, should not need to be regulated, but if someone is pushing strategies that can have significant consequences on the financial wellbeing of the people they are "helping" e.g. how to buy and trade crypto, they should be regulated.
• **Question 27** How does applying and considering the distinction between general and personal advice add to the cost of providing advice?	• Most risk advice providers are providing personal advice by default, with a subset of advice providers offering general advice person to person, with other general advice typically driven by the consumer through direct providers and comparators.

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• **Question 28** Should the scope of intra-fund advice be expanded? If so, in what way?	• No.
• **Question 29** Should superannuation trustees be encouraged or required to provide intra-fund advice to members?	• Yes. Where clients have life insurance needs beyond what the fund can offer, they should have partnerships with risk advice providers to help their members meet broader life insurance needs.
• **Question 30** Are any other changes to the regulatory framework necessary to assist superannuation trustees to provide intra-fund advice or to more actively engage with their members particularly in relation to retirement issues?	• Not applicable to LifeBid.
• **Question 31** To what extent does the provision of intra-fund advice affect competition in the financial advice market?	• Generally intra-fund advice does not affect competition in the risk advice market, it creates an awareness of life insurance options for fund members and opportunities for broader risk advice conversations outside the remit of intra-fund advice and outside of what is available through the super fund e.g. trauma cover, own occupation TPD, business risk needs etc.
• **Question 32** Do you think that limited scope advice can be valuable for consumers?	• Yes.
• **Question 33** What legislative changes are necessary to facilitate the delivery of limited scope advice?	• Clear standards and guardrails for each type of limited scope advice, as per response to question 16.
• **Question 34** Other than uncertainty about legal obligations, are there other factors that might encourage financial advisers to provide comprehensive advice rather than limited scope advice?	• Generally no, unless the adviser is operating in a niche segment of the market where clients have a high need for comprehensive advice and also have the capacity to pay for it.
• **Question 35** Do you agree that digital advice can make financial advice more accessible and affordable?	• Yes, as per executive summary philosophies on page 3 and as per key considerations on page 10 of this submission.

• **Question 36** Are there any types of advice that might be better suited to digital advice than other types of advice, for example limited scope advice about specific topics?	• All types of advice are suited to digital advice. The success and quality of digital advice is dependent on the quality of the algorithm and the quality of the data, which is then dependent on the quality of the engagement with the consumer, to reach the right advice outcome.
• **Question 37** Are the risks for consumers different when they receive digital advice and when they receive it from a financial adviser?	• Digital advice technology if done correctly, significantly reduces risks for both the client and the advice provider.
• **Question 38** Should different forms of advice be regulated differently, e.g. advice provided by a digital advice tool from advice provided by a financial adviser?	• No, level playing field for all.
• **Question 39** Are you concerned that the quality of advice might be compromised by digital advice?	• No.
• **Question 40** Are any changes to the regulatory framework necessary to facilitate digital advice?	• Clearer standards and guardrails are required to drive automation.
• **Question 41** If technology is part of the solution to making advice more accessible, who should be responsible for the advice provided (for example, an AFS licensee)?	• Currently the AFSL and the adviser providing the advice to the client is responsible, but we foresee this model shifting over time as hybrid solutions become more prevalent between advice providers and technology providers.
• **Question 42** In what ways can digital advice complement human-provided advice and when should it be a substitute?	• As per executive summary philosophies on page 3 and as per key considerations on page 10 of this submission – Adviser lead, technology driven is the key.

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• **Question 43** Do you consider that the statutory safe harbour for the best interests duty provides any benefit to consumers or advisers and would there be any prejudice to either of them if it was removed?	• Safe harbour and best interest duty provide benefits for both clients and advisers, the removal of these measures is not in the consumer best interest and increases unnecessary risks for the advice provider. LifeBid is significantly reducing the time and the cost of providing risk advice, without watering down consumer protections and without putting more risk onto advice providers, product issuers and regulators.
• **Question 44** If at all, how does complying with the safe harbour add to the cost of advice and to what extent?	• Using existing risk advice systems and processes, complying with safe harbour adds significant cost, however as per response to question 43, LifeBid is ensuring it doesn't in risk advice.
• **Question 45** If the safe harbour was removed, what would change about how you would provide personal advice or how you would require your representatives to provide personal advice?	• LifeBid will still make sure consumers are receiving high-quality advice that is in their best interests.
• **Question 46** To what extent can the best interests obligations (including the best interests duty, appropriate advice obligation and the conflicts priority rule) be streamlined to remove duplication?	• LifeBid is being delivered to meet current regulatory requirements – Technology is key to ensuring these obligations are met automatically.
• **Question 47** Do you consider that financial advisers should be required to consider the target market determination for a financial product before providing personal advice about the product?	• In the life insurance space where products are advised, quoted and underwritten to client needs and circumstances, no they shouldn't.
• **Question 48** To what extent has the ban on conflicted remuneration assisted in aligning adviser and consumer interests?	• Not applicable to LifeBid. Commissions are essential as per pages 15, 16, 17, 18 and 19 of this submission.
• **Question 49** Has the ban contributed towards improving the quality of advice?	• Not applicable to LifeBid. Quality is not the major concern in risk advice (highlighted by the significantly low number of AFCA complaints), it is advice being inaccessible as per page 19 of this submission that is the major concern.

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• **Question 50** Has the ban affected other outcomes in the financial advice industry, such as the profitability of advice firms, the structure of advice firms and the cost of providing advice?	• Not applicable to LifeBid. See response to question 51 below.
• **Question 51** What would be the implications for consumers if the exemptions from the ban on conflicted remuneration were removed, including on the quality of financial advice and the affordability and accessibility of advice? Please indicate which exemption you are referring to in providing your feedback.	• Life insurance commissions exemption. Risk advice businesses would collapse immediately and the collapse of risk pools would not be too far behind. The pooled access to risk advice and quality products that commissions provide are a consumer benefit, not a conflict of interest, as explained on pages 15, 16, 17, 18 and 19 of this submission.
• **Question 52** Are there alternatives to removing the exemptions to adjust adviser incentives, reduce conflicts of interest and promote better consumer outcomes?	• The pooled access to advice that commissions provide does promote better consumer outcomes by removing cost and complexity, maximising affordability and accessibility, de-risking the risk advice process and transactions for consumers and keeps the system sustainable. It is important for consumers to be able to compare and consider fee for service as an option and choose which is best for them. Reducing life insurance commissions to unviable levels, or banning them all together, does not promote better consumer, community or economic outcomes.
• **Question 53** Has the capping of life insurance commissions led to a reduction in the level of insurance coverage or contributed to underinsurance? If so, please provide data to support this claim.	• Yes, as per page 7 of this submission and industry data showing the significant decreases in new cover and the decreasing number of in-force policies, with large premium increases required to prop up risk pools.
• **Question 54** Is under insurance a present or emerging issue for any retail general insurance products? If so, please provide data to support this claim.	• Not applicable to LifeBid.

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• **Question 55** What other countervailing factors should the Review have regard to when deciding whether a particular exemption from the ban on conflicted remuneration should be retained?	• In addition to the information discussed on pages 15, 16, 17, 18 and 19 of this submission, this review needs to study closely the initial and ongoing impacts and consequences that occurred in other markets such as the UK, when regulators restricted advice commissions and consumer choice when funding advice.
• **Question 56** Are consent requirements for charging non-ongoing fees to superannuation accounts working effectively? How could these requirements be streamlined or improved?	• Not applicable to LifeBid.
• **Question 57** To what extent can the requirements around the ongoing fee arrangements be streamlined, simplified or made more principles-based to reduce compliance costs?	• Not applicable to LifeBid.
• **Question 58** How could these documents be improved for consumers?	• Not applicable to LifeBid.
• **Question 59** Are there other ways that could more effectively provide accountability and transparency around ongoing fee arrangements and protect consumers from being charged a fee for no service?	• Not applicable to LifeBid.
• **Question 60** How much does meeting the ongoing fee arrangements, including the consent arrangements and FDS contribute to the cost of providing advice?	• Not applicable to LifeBid.
• **Question 61** To what extent, if at all, do superannuation trustees (and other product issuers) impose obligations on advisers which are in addition to those imposed by the OFA and FDS requirements in the Corporations Act 2001?	• Not applicable to LifeBid.

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• **Question 62** How do the superannuation trustee covenants, particularly the obligation to act in the best financial interests of members, affect a trustee's decision to deduct ongoing advice fees from a member's account?	• Not applicable to LifeBid.
• **Question 63** How successful have SOAs been in addressing information asymmetry?	• SOA's are an excellent tool for documenting advice, recommended actions and trade offs for risk advice if they are done correctly, however they have been weaponised and have gone from addressing information asymmetry, to providing information overload, which is having the opposite effect of what they were originally intended, because no-one reads them.
• **Question 64** How much does the requirement to prepare a SOA contribute to the cost of advice?	• It is essential to prepare and present an SOA for the clients benefit and to show the adviser is putting their client in a better position, it is the inefficient systems and processes that sit behind the generation of the SOA that are causing the extended SOA and advice production times.
• **Question 65** To what extent can the content requirements for SOAs and ROAs be streamlined, simplified or made more principles-based to reduce compliance costs while still ensuring that consumers have the information they need to make an informed decision?	• LifeBid does SOA's differently. An adviser can generate a SOA, and a consumer can review and make an informed decision on any device, in minutes not hours – no more 50 page PDF's.
• **Question 66** To what extent is the length of the disclosure documents driven by regulatory requirements or existing practices and attitudes towards risk and compliance adopted within industry?	• Cautious risk and compliance practices and regulatory uncertainty, both drive the length of disclosure documents.
• **Question 67** How could the regulatory regime be amended to facilitate the delivery of disclosure documents that are more engaging for consumers?	• Consumer centred design with clear guidelines and standards for what is acceptable. Currently there are 1,500+ licensees with 1,500+ different interpretations of what compliant risk advice looks like.
• **Question 68** Are there particular types of advice that are better suited to reduced disclosure documents? If so, why?	• In the life insurance space, advice relating to the review and alterations process, because the adviser knows their client and it is low risk.

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• **Question 69** Has recent guidance assisted advisers in understanding where they are able to use ROAs rather than SOAs, and has this led to a greater provision of this simpler form of disclosure?	• In the life insurance space, no.
• **Question 70** Are there elements of the COVID-19 advice-related relief for disclosure obligations which should be permanently retained? If so, why?	• Not applicable to LifeBid.
• **Question 71** Should accountants be able to provide financial advice on superannuation products outside of the existing AFSL regime and without needing to meet the education requirements imposed on other professionals wanting to provide financial advice? If so, why?	• No.
• **Question 72** If an exemption was granted, what range of topics should accountants be able to provide advice on? How can consumers be protected?	• Not applicable to LifeBid.
• **Question 73** What effect would allowing accountants to provide this advice have on the number of advisers in the market and the number of consumers receiving financial advice?	• Not applicable to LifeBid.
• **Question 74** Is the limited AFS licence working as intended? What changes to the limited licence could be made to make it more accessible to accountants wanting to provide financial advice?	• Not applicable to LifeBid.
• **Question 75** Are there other barriers to accountants providing financial advice about SMSFs, apart from the limited AFSL regime?	• Not applicable to LifeBid.
• **Question 76** Should there be a requirement for a client to agree with the adviser in writing to being classified as a wholesale client?	• Not applicable to LifeBid.

Question 77 Are any changes necessary to the regulatory framework to ensure consumers understand the consequences of being a sophisticated investor or wholesale client?	Not applicable to LifeBid.
Question 78 Should there be a requirement for a client to be informed by the adviser if they are being classified as a wholesale client and be given an explanation that this means the protections for retail clients will not apply?	Not applicable to LifeBid.
Question 79 What steps have licensees taken to improve the quality, accessibility and affordability of advice? How have these steps affected the quality, accessibility and affordability of advice?	LifeBid has had great experiences with our foundation advice partners who genuinely care and are supportive of our work to improve the quality, accessibility and affordability of risk advice. Technology and digital innovation is the only way forward, but advice providers don't have the budgets, the bandwidths or the skills to try and be technology developers in addition to being great advisers. This is why the LifeBid working group is innovating together, to create an industry standard risk advice solution for the benefit of all life insurance stakeholders and consumers.
Question 80 What steps have professional associations taken to improve the quality, accessibility and affordability of advice? How have these steps affected the quality, accessibility and affordability of advice?	The main function of associations is advocacy and policy maker engagement on behalf of their membership and their memberships clients, to help shape good policy that benefits not only consumers but is workable and scalable for advice providers operating within the regulatory frameworks. Unfortunately, it has been a non-stop pipeline of reform after reform. Associations have done a good job at keeping their members up to date and educated on new obligations, but the pace of change has been relentless for all involved (including clients), and overwhelming to keep up with.
Question 81 Have ASIC's recent actions in response to consultation (CP 332), including the new financial advice hub webpage and example SOAs and ROAs, assisted licensees and advisers to provide good quality and affordable advice?	The affordability of advice has not increased in response to CP 332.

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• **Question 82** Has licensee supervision and monitoring of advisers improved since the Financial Services Royal Commission?	• It has improved and continues to improve, but is still quite clunky. LifeBid is working with licensees to highly automate their supervision and monitoring of risk advice.
• **Question 83** What further actions could ASIC, licensees or professional associations take to improve the quality, accessibility or affordability of financial advice?	• With regards to life insurance, continue collaboration with the LifeBid working group, to help deliver the industry solution as quickly as possible.

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