

‘She’ll be right’ attitude out the door as Aussies worry about Global Financial Crisis

The Global Financial Crisis has hit hard at the core of Australia’s laissez-faire attitude towards life’s risks, according to AXA’s 2009 Protection Report.

The survey, conducted in May by Newspoll found one in three Australians (33 per cent) felt it was likely they would suffer from serious financial problems, compared to just 16 per cent when the last Protection Report was published in 2007.

AXA General Manager Sales and Marketing, Adrian Emery says it’s not just our savings that have taken a hit during the economic crisis.

“Two years ago we had the most care-free outlook in the world but our seemingly indestructible attitude is now gone; the global economic crisis has hit at the core of the Australian psyche,” he said.

The survey also reveals a dramatic change in Australians’ attitude towards employment. In 2007, 15 per cent of those surveyed said they were likely or somewhat likely to suffer unemployment; today 37 per cent are concerned about their job security.

“With Australia’s jobless rate continuing its steady increase, more Australians are concerned about their future in the workforce and it’s clear the global recession is having a direct impact on our attitudes to life’s risks,” Emery said.

“A lot has changed in the past two years and the results of this survey are another reminder that it’s now more important than ever to sit down and review your personal financial situation,” he said.

The impact of the economic downturn has also seen a shift in attitude towards levels of insurance with more Australians feeling vulnerable about their level of insurance cover.

In the 2007 AXA Protection Report, 33 per cent of Australians felt they were ‘very well insured’; today only 15 per cent feel the same way.

When asked whether they’ve made any changes to their level of insurance cover since the beginning of the financial crisis, 7 per cent of those surveyed said they had taken out additional life cover.



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Michael Rogers, General Manager Financial Protection at AXA said: "It is encouraging to see the shift in attitude; this is a positive step forward, but we have still got a long way to go.

The survey found a further 13 per cent of Australians are more concerned about their level of insurance but have not done anything about it and a further 45 per cent of Australians believe they don't need additional insurance.

"The insurance industry has been working hard over the past few years to break down the barriers and make life and income protection insurance more accessible to more Australians. Our involvement in Lifewise, a public awareness campaign to help address Australia's concerning levels of underinsurance, is a prime example of this.

"We see so many people suffer because they are not insured or they are under-insured. Insurance is something most of us don't want to think or talk about, but the fact is most of us don't have adequate levels of cover.

"Many of us have some insurance through our work, but in most cases this is not enough because it does not take your personal circumstances into consideration," he said.

AXA is a supporter of the Investment and Financial Services Association's Lifewise campaign, which aims to give Australians the independent information they need to help them make a decision about what type and how much insurance cover is right for them.

John O'Shaughnessy, IFSA's Deputy CEO, said: The fact that more Australians are taking their insurance needs more seriously is certainly a positive outcome. However, research consistently shows that most Australians still do not have the appropriate cover to provide an adequate level of financial security should the unexpected happen.

We hope that by using the Lifewise tools such as the 'how much is enough' calculator Australians will be better equipped to assess the risks they face in life and how they can manage them."

To find out more about how much insurance you need, visit www.lifewise.org.au

N.B The survey was conducted on the Newspoll Online Omnibus, in national capital cities, among 711 respondents aged 18-64 between 14-17 May.

Proportion of Australians who think the following events may happen to them.

	Serious illness	Serious car accident	Serious financial problems	Domestic or sports accident	Be unemployed	Suffer natural disaster	Suffer from crime	Have a work accident
2009	25%	16%	33%	19%	37%	15%	18%	14%
2007	34%	27%	18%	13%	15%	11%	14%	14%

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