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AMP Financial Services
33 Alfred Street
Sydney NSW 2000 Australia
Public Affairs
Tel: 02 9257 6127
Email: media@amp.com.au

AMP Planner Protection Poll: It's not just the horses who have blinkers on this spring

With the Spring Racing Carnival in full swing, AMP research finds Australians still have blinkers on when it comes to the importance of insurance.

The AMP Planner Protection Poll found that consumer awareness of the need to protect against trauma and price sensitivity are the two primary issues impacting the uptake of trauma insurance in Australia.

When asked about specific improvements that could lead to an increase in trauma insurance uptake, 47 per cent of planners polled responded that an increase in awareness of the need for trauma insurance was crucial.

Price sensitivity is another deterrent to trauma uptake, with 43.5 per cent of respondents answering that improvements in price would be likely to increase trauma uptake amongst consumers.

When asked about product complexity, 56.5 per cent of planners did not see trauma products as too complex; however 43.5 per cent did see trauma products as too complex.

AMP's Director Wealth Protection Products Michael Paff said many Australians remain unaware of the importance of trauma insurance.

"Many people don't plan for worst-case scenario, they either don't think about it, believe it won't happen to them or they seriously underestimate the true cost associated with a serious illness or accident," Mr Paff said.

"Sadly, personal insurance is still one of the most neglected aspects of the average person's financial planning.

"Financial planners have a crucial role to play in educating people about the value of protecting themselves against sudden illness or injury."

Mr Paff added: "Financial stress can be another deterrent to trauma uptake."

"While trying to manage budgets, people sometimes see personal insurance as a cost that can be cut. While intending to reduce their financial vulnerability, they actually inadvertently increase it," Mr Paff said.

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The online AMP Planner Protection Poll was made available to financial planners across Australia and more than 170 responses were received. The poll asked two questions: "Are trauma products too expensive" and "Improvement in which of the following would most likely increase trauma uptake amongst consumers".

Trauma cover provides a lump sum payment if a person is diagnosed with a specified 'trauma' condition, such as a heart attack or cancer. It is designed to help cover increased medical costs and living expenses, providing financial security during the important recovery process.

AMP Planner Protection Poll: Results at a glance

Are trauma products in Australia too complex?:

Yes - 74 (43.5 %)

No - 96 (56.5 %)

Total - 170

Improvement in which of the following would most likely increase trauma uptake amongst consumers:

Price - 74 (43.5 %)

Product features - 2 (1.2%)

Definitions - 14 (8.2%)

Awareness of the need for trauma - 80 (47.1 %)

Total - 170

Media Enquiries

Katherine Perry

AMP

Ph: 03 9622 5088

Mob: 0411 247 629