

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 6

Submitted By: Mohamed El-Ansary

Email: [REDACTED]@m

Phone Number: [REDACTED]

Submission for: Another Person

Name of other person, business or organisation: [REDACTED]

Do you agree to your submission being published: Yes

Do you agree to your full name being published: Yes

Your submission:

I am writing on behalf of a friend; [REDACTED] in relation to her late husband [REDACTED]'s life insurance policy.

1. On 27 July 2007, [REDACTED] entered into a credit contract and mortgage with [REDACTED] borrowing \$106,682.97.

2. [REDACTED] purchased [REDACTED] Credit Protection Agreement No [REDACTED] for \$3,662.38. This policy was related to the [REDACTED] credit contract and insured [REDACTED] for life, accident and sickness. The policy was financed through the [REDACTED] loan.

3. On or about 11 October 2007, [REDACTED] contacted [REDACTED] and requested that payment for the insurance policy be changed to periodic payments. [REDACTED] was given proportional probate for the policy [REDACTED] and [REDACTED] created a new policy [REDACTED] with the same terms and conditions but payable by periodic direct debits of \$61.00 per month.

4. In April 2008 [REDACTED] became seriously ill and by October 2008 he was too ill to continue working. He was diagnosed with advanced stomach cancer on 21 October 2008. On 21 November 2008 [REDACTED] was advised that his condition is terminal and commenced an aggressive chemotherapy treatment. At that stage, under the terms of Accident & Sickness Cover of his Credit Protection Agreement [REDACTED] was entitled to a monthly benefit of \$4,000. However, [REDACTED]'s did not make any such payments.

5. [REDACTED] applied to [REDACTED] for an early release of his superannuation entitlement due to terminal illness. Based on his treating doctor's assessment, [REDACTED] received a lump sum superannuation entitlement payment on 21 December 2009.

6. Due to his deteriorating health and to the aggressive Chemotherapy treatment, [REDACTED] was making irrational decisions without consulting his wife. This was manifested by, among other things, his making a lump sum loan repayment of \$40,000 to [REDACTED] on 14 January 2010. This indicates that his ability to make rational decisions was so impaired that he not only failed to claim the benefits he was entitled to under the Credit Protection Agreement, but he also elected to reduce the amount of loan by making a large payment from his superannuation entitlement. Meanwhile, [REDACTED] continued to make monthly debits for his life insurance policy.

7. According to [REDACTED]'s records, on or about 11 April 2011, [REDACTED], inexplicably and without the knowledge of his wife, called [REDACTED] Australia and requested the cancellation of Credit Protection Agreement [REDACTED]. On 3 May 2011, [REDACTED] cancelled the insurance policy. Neither [REDACTED], nor [REDACTED] made any effort to inform [REDACTED] that her terminally ill husband requested the cancellation of the Credit Protection insurance policy that forms part of [REDACTED] Home Loan Contract, which she signed with her husband on 23 August 2007.

8. On 16 July 2011, [REDACTED] died.

9. [REDACTED] contacted [REDACTED] to make a claim pursuant to the terms of the Life Cover benefits of Credit Protection Agreement [REDACTED]. [REDACTED] informed her that [REDACTED] had cancelled the insurance policy prior to his death.

10. On 10 August 2011, [REDACTED] daughter, [REDACTED] lodged a complaint with [REDACTED] about the cancellation of the policy. [REDACTED] responded on 8 September rejecting any allegation of wrongdoing or liability in relation to the policy.

11. On 1 March 2012 Legal Aid Western Australia, acting as agent for [REDACTED] filed a complaint with the Financial Ombudsman Service against [REDACTED] Australia. This action did not result in [REDACTED] receiving any compensation.

It is evident that by December 2009, ██████████ was terminally ill and eligible to receive his superannuation entitlement from ██████████. Accordingly, he was indisputably entitled, under ██████████ Credit Protection Agreement No. ██████████ to receive Accident & Sickness Cover benefits of \$4,000 per month for 36 months. I quote from a letter dated 14 September 2009 from his treating oncologist; ██████████ "My instinct tells me that this man has an advanced incurable malignancy and is consequently not likely to return to employment of any type. Generally in these situations I would support an application for a total and permanent incapacity by virtue of the illness." **Should ██████████s have commenced paying ██████████ sickness cover benefits in September 2009, ██████████ would have been receiving these benefits right up to the time of his death in July 2011, and there would have been no acceptable justification for the cancellation of the insurance policy in May 2011.**

Having established ██████████ indisputable entitlement to monthly benefits under the ██████████'s insurance policy, the question arises as to the reasons ██████████ did not claim these sickness benefits, while continuing to pay the policy's monthly premium right up to April 2011. The only plausible explanations are either his very confused state of mind or his lack of understanding of his entitlement to benefits. On the former, I quote from a letter dated 13/1/12 from his treating practitioner, ██████████ "He required treatment for malignant neoplasm of the stomach diagnosed in September 2008. Towards the end of his life his cognition and rational thought was impaired by his chemotherapy, narcotic pain medicine and the underlying carcinoma. I understand that he made several decisions and changes in regard to insurance policies and made unusual spending decisions and banking transfers. I consider these were made when his cognition was impaired by his illness and medications used in its treatment." and on his lack of understanding and his confused state of mind, I quote from a letter dated 8 September 2011 from ██████████ Customer Services Team Manager of ██████████ "The policy record holds that ██████████ called ██████████ on 11/04/11 to inquire about his policy ██████████. The notes indicate that ██████████ did not understand the policy. The notes state that the policy details were explained to ██████████. ██████████ believed he was trapped into the policy, and he asked for the Cancellation request papers to be sent. The cancellation request was sent per the request." Both of these statements clearly indicate ██████████ confused state of mind. Furthermore, we understand that the ██████████'s employee who spoke to ██████████ on 11 April 2011 freely admitted that ██████████ was confused. ██████████ claim that it does not have call audio recording capacity. Accordingly, we have only their word that ██████████s did not inform them of his terminal illness and that he did not understand the policy and that the policy details were explained to him. This is totally inconsistent with ██████████ behaviour, as people close to him attested to the manner he spoke about his illness to everyone who would listen **It is inconceivable that a person of sound mind would cancel a life insurance policy that they entered into willingly and paid instalments to keep it going for nearly 4 years, when they knew that they had only months to live. It is even less believable that they would do so after an employee of the insurer explained the terms of the policy and informed them that they are entitled to sickness benefits when they have been terminally ill for 3 years.**

██████████ successfully claimed on another ██████████ ██████████ that covered them for life, accident and sickness and involuntary unemployment in relation to a personal loan for \$14,607.98. Prior to paying the benefits on this policy ██████████ sent a letter to ██████████ treating practitioner, ██████████, requesting information on ██████████ condition that led to his death, including "details of initial diagnosis, presenting history, treatment and clinical notes of all subsequent consultations". After receiving these information, ██████████ paid the benefits to ██████████. **By paying the life insurance benefits on policy No. ██████████, ██████████ accepted that the cause of ██████████ death was the malignant neoplasm of the stomach diagnosed in September 2008. This in turn is as good as an admission by ██████████ that ██████████ was entitled to the sickness benefits he never received under policy No. ██████████ and that this policy should never have been cancelled if ██████████ was receiving his monthly sickness benefits.**

██████████ record of ██████████ call on 11 April 2011 states that: "The policy record holds that ██████████ called ██████████ on 11/04/11 to inquire about his policy ██████████, i.e. ██████████ did not call to cancel the policy. This together with all the above evidence, and in the absence of an audio recording of this conversation, clearly suggests that whoever discussed ██████████ inquiries, far from explaining the policy's benefits to him, had rather convinced the mentally confused man that cancelling the policy is in his best interest. This is clearly evident by the outcome of the call, being ██████████ request for the cancellation of the policy.

██████████ is not a financial position to pursue this matter in the courts. She is hopeful for a just outcome as a result of the Royal Commission's hearing and she agrees to the publication of her submission.