

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 6

Submitted By: [REDACTED]

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

Do you agree to your full name being published: No

Your submission:

In 2006 I opened a superannuation account with [REDACTED] and was offered a life insurance policy as part of the package. The policy I chose was for \$200,000 with a premium of \$150.00 / month. The premiums for this policy were taken from my super account from then until 2013 when I retired from all gainful employment. I then had to arrange a direct debit on a monthly basis to keep the policy alive. This I did, and I have listed below the various sums that I have paid over the past five years.

August 2013 - May 2014	\$334.18 / month
June 2014 - Nov 2014	\$418.81 / month
Dec 2014 - May 2015	\$240.31 / month
June 2015 - May 2016	\$286.16 / month
June 2016 - Oct 2016	\$334.76 / month
Nov 2016 - Oct 2017	\$327.17 / month
Nov 2017 - Oct 2018	\$390.12 / month

However, since I turned 65 in 2016, the policy was changed from a Superannuation Life to a Life Cover Plus policy and the Total and Partial Disability component was removed. The premiums are now escalating at an alarming rate to the point where I felt compelled to ask [REDACTED] for a projection of probable premiums for the next ten years. The following is an extract from their quote:

Female, Non Smoker, Age 68 next birthday

Occupation : Other - professional and clerical (A, 1, STD, STD) Date of Birth : 1951

Life Insurance Rating : Standard

Please note that future benefits and premiums shown below are illustrative only. They are not a promise or a forecast. Premiums are not guaranteed and may be varied in the future.

Benefit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Life Cover Plus	\$335,816	\$352,606	\$370,236	\$388,747	\$408,184	\$428,593	\$450,022	\$472,523	\$496,149	\$520,956
Monthly Premium	\$451.37	\$537.65	\$639.82	\$754.91	\$884.55	\$1,050.80	\$1,228.06	\$1,465.56	\$1,755.18	\$2,013.57

Premium excludes Policy Fee. The policy fee will increase each year in line with the Consumer Price Index (CPI).

The illustrations are shown using an inflation rate of 5% for Life Cover, Total and Permanent Disability and Critical Illness benefits and 3% for Income Protection and Business Expenses where selected. The actual inflation rate applied to Income Protection and Business Expenses benefits will be in line with CPI. The actual inflation rate applies to Life Cover, Total and Permanent Disability

The end result of all this is that, should I choose to continue with this policy, in ten year's time I will be paying in excess of \$24,000 per year for a policy which rises only by an average over those ten years of \$21,000 per year in line with the CPI.

The following is a ten year projection should I choose to reduce my cover to \$200,000:

Female, Non Smoker, Age 68 next birthday

Occupation : Other - professional and clerical (A, 1, STD, STD) Date of Birth : 1951

Life Insurance Rating : Standard

Please note that future benefits and premiums shown below are illustrative only. They are not a promise or a forecast. Premiums are not guaranteed and may be varied in the future.

Benefit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Life Cover Plus	\$200,000	\$210,000	\$220,500	\$231,525	\$243,101	\$255,256	\$268,018	\$281,418	\$295,488	\$310,262

Monthly Premium	\$268.82	\$320.21	\$381.06	\$449.60	\$526.81	\$625.82	\$731.39	\$872.84	\$1,045.32	\$1,236.40
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Premium excludes Policy Fee. The policy fee will increase each year in line with the Consumer Price Index (CPI).

The illustrations are shown using an inflation rate of 5% for Life Cover, Total and Permanent Disability and Critical Illness benefits and 3% for Income Protection and Business Expenses where selected. The actual inflation rate applied to Income Protection and Business Expenses benefits will be in line with CPI. The actual inflation rate applies to Life Cover, Total and Permanent Disability and Critical Illness benefits will be 5% or the CPI, whichever is the greater. These amounts are not guaranteed.

Even with this reduction, I will be paying well over \$14,000 per year in ten years' time. The new premium of \$459.10, for the policy as it stands, would begin on the 20/11/2018 if I was to continue to hold this policy. This whole scenario is outrageous and it disgusts me that no indication was given to me at any time in the life of the policy that this untenable situation is where it was all headed. I really have no choice except to cancel the policy entirely and all that I have paid thus far is lost to me forever because there is not even a surrender value on the policy.

Please bring them to account. This must not go on.