

**SUBMISSION ON POLICY ISSUES RAISED IN ROUND 6**

Submitted By: Roula Vlassis

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: Yes

Your submission:

The practice of selling life insurance via a captive audience/marketplace of industry super and personal super is flawed, for the following reasons as experienced first hand in my dealings with trying to rollover [REDACTED] insurance through [REDACTED]: \* ESD (Early Service Date) is forfeited if capacity is given by either the related insurance company or related super fund to roll over the group life insurance cover to personal insurance cover at the instance of roll over to another super fund (including SMSF). \* Further to the above - it is assumed that the practice of forfeiting your insurance cover when rolling over to another fund (including SMSF) is acceptable - it is not, given the lack of transparency given at the instance of onboarding to your super fund as to the particulars of rolling over your life insurance cover (for whatever reason). In my own example, when I rolled over from [REDACTED], I was only given information in the on-boarding collateral that I could roll-over insurance from somewhere else into my [REDACTED]. By that same token, I assumed (rightly so) the same principle applied should I subsequently roll over from [REDACTED] to another super fund. It does not, and was only made clear to me when, in fact, I created my own SMSF in early October of this year. \* [REDACTED] has (to date) refused to roll over my life insurance. This is unacceptable, given it was never made clear to me the terms and conditions from the "get-go" and nor was it made clear in the quarterly statements I received from [REDACTED]. Moreover, to be aware of this material fact (of not being able to export/roll over your [REDACTED] life insurance) you have to actually be at the point of wanting to do so, to be made aware. \* [REDACTED] both equally benefit from this arrangement to the detriment of the customer - meaning, it is a market collusion that provides tax benefits to [REDACTED] (in purchasing life insurance in bulk for all its retail members) then claiming it back as a tax offset cost. Similarly, [REDACTED] benefits by having a captive marketplace that is neither made aware or savvy enough to understand how limiting the group life insurance cover (when added to their super) really is. Finally, the costs outlaid to pay for life insurance (as part of your super) is redundant from an investment perspective for the customer. Quite simply, this means that the costs I bore for the life insurance (which I cannot roll over and hence lose my "accumulated" life insurance value of over 60K) would be far better had it been part of my normal super investment portfolio. Again, the benefits are for [REDACTED] - not the end customer. This is unacceptable, and must change. Further, I receive NO tax concessions at the point of retiring/claiming my life insurance, as I do not have any dependants. This (again) demonstrates why life insurance is not a good fit to be added to super, as is the pervasive false assumption.