

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5**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:**

Hello RE; Life insurance and Superannuation company Firstly, I understand that you wont be able to fix my issue, however I am hoping another family will not have to endure what I did after my sons death. I thank you for investigating the industry and hope this loop hole can be fixed to benefit others in the future and taking the time to read my submission. I truly believe the way this company acted was illegal, immoral and fails the average person test. I understand the average person test has the requirement for the contract or policy that it must be able to be understood, and normal for the average person to understand. Most people I think would agree that if insurance premiums are deducted up to and after your death you are therefore covered. To have an obscure line in the policy that prevents a payout to your love ones -even when insurance has been paid up to and after the event is I believe unethical. Here is a brief summary Re [REDACTED] My son died some time between Feb 20 and 28 2012 and I had a list of people to notify. One was his superannuation company [REDACTED] I contacted them and they sent me out a letter with a claim form for death benefits of \$ 73,500.00. Admittedly I was not in the right frame of mind in April 2012 to deal with it so it sat on the back burner. I received a statement in July 2012 that showed that death benefits had ceased and insurance payments deducted up to and including April 2012 (over 1 month after his death) were then re-credited back into his account after his death. They advised it was because that is when they were notified of his termination. I cannot understand why they can take payments for insurance up to and after someone has died but when notified he has passed away refund the insurance and say the cover has ceased. (I know with my car as long as I pay my monthly cover I am covered.) Here is an exact copy of the response to my question as to why it was deducted and than re-credited. "We continued to deduct insurance costs beyond the date cover ceased on 27 September 2011 as we were first noilled of [REDACTED] termination date on 2 April 2012. Upon receipt of this information the termination date was applied to Brian's account and insurance costs deducted after 27 September 2011 were re-credited to his account." I was concerned as to me it felt like they had contravened contract law. There are 3 main parts to a contract being an offer, an acceptance and a consideration (monetary). The common law requires that, for an agreement to be binding, the promisee (or promisees) must provide consideration (payment of some kind) for the promise they have received. 1) [REDACTED] offered the Life insurance, 2)my son agreed to the moneys being withdrawn from his super account and 3) Rest super withdrew those moneys thereby creating a binding agreement. I also note that Administration fees were still active on the account until well after July 2012 until at least 1 March 2013 and continued until I presume the money has run out as I have never accepted the small amount they told me I could claim. Here is their explanation for more fees after his death "Fees Further to your conversation with [REDACTED] on 1 March 2013 we confirm that both interest earnings and administration fees are applicable for the ongoing management of the account until it is closed via a benefit payment." [REDACTED] I feel were lying to me and tried -in this case successfully -to get out of paying the death benefit by refunding the insurance payments after his death and quoting an area of their policy that says they can do this. The whole thing showed unethical behaviour and a complete lack of understanding how the average man thinks. I believe that if you have paid insurance up to and after the event you should be covered and not have someone be able to refund the payments after the event and say you are not covered. As by their own admission in the letter they only refunded the insurance fees because he died. That means if he had not died they would have kept taking out the insurance payments for something that they believed didnt exist but the policy holder is made to believe does. How was the policy holder, in this case a 19 year old, meant to understand this clause when I am a 51 year old accountant and find it hard to fathom. Thank you for letting me share my experience and I really hope your investigation will make wording of life insurance policies fair for the policy holder and beneficiaries in the future , and importantly the re-crediting payments of insurance after someones death illegal. Thank you again for taking the time to read my letter. I still have all the letters and paperwork if you want it . Please stop this happening to some other family. Regards [REDACTED]