

## RE: Terms of reference - consumer remediation program review (Treat as In Confidence) [DLM=Sensitive]

From: [REDACTED]  
 To: Peter Keller <[REDACTED]>, [REDACTED], Russell Howden <[REDACTED]>  
 Cc: Hannah Mills <[REDACTED]>, [REDACTED]  
 Date: Tue, 9 Jan 2018 14:06:15 +1100

Hi Peter and Cecilia,

Apologies for the delay in responding to KPMG's draft terms of reference provided below. There are several reasons that have delayed our response, most notably due to information received from the project team who have been reviewing more recent Select AFSL calls for the Direct Life insurance Review Project.

I have been advised that the team reviewing these calls (which were from this financial year) have identified concerns not dissimilar to the concerns identified for the period January to September 2015. Specifically, the review team have identified concerns including::

- pressure to close sales even where the consumer raises a concern
- use of the cooling off period/delayed payment to close sales
- indexation/stepped cover not explained


Noting the ongoing concerns over the practices of Select AFSL in its direct sale of life insurance ASIC is not able to settle its concerns based on a backwards looking review by KPMG as previously discussed. We would like to meet with Select and KPMG to discuss ASIC's concerns that Select may not have the necessary policies and procedures and oversight to ensure compliance with the financial services law.

Can you please advise your availability for the week of the 22nd January.

Much Appreciated

*Melanie Spong*

S [REDACTED]akers Credit and Insurers | ASIC | ☎ + [REDACTED] | 6 [REDACTED] ✉

 Peter Keller ---15/11/2017 02:36:27 PM---Dear Hannah, Please find attached the updated engagement letter from KPMG. The review of the referra

From: Peter Keller <[REDACTED]>  
 To: Hannah Mills <[REDACTED]>  
 Cc: Melanie Spong <[REDACTED]>, Russell Howden <[REDACTED]>

Date: 15/11/2017 02:36 PM

Subject: RE: Terms of reference - consumer remediation program review (Treat as In Confidence) [DLM=Sensitive]

Dear Hannah,

Please find attached the updated engagement letter from KPMG. The review of the referral process has been added to the *Sales Review Stream*.

We will sign the engagement letter upon receipt of your approval to allow KPMG to start their independent review as soon as possible.

Kind regards,

Peter

**From:** Hannah Mills [mailto: [REDACTED]]  
**Sent:** Thursday, 9 November 2017 11:25 AM  
**To:** Peter Keller < [REDACTED] >  
**Cc:** Melanie Spong < [REDACTED] >; Russell Howden < [REDACTED] >;  
**Subject:** Fw: Terms of reference - consumer remediation program review (Treat as In Confidence) [DLM Sensitive]

Hi Peter,

Apologies for the delay in getting back to you. Thank you for the Letter of Engagement from KPMG.

The Letter of Engagement should require KPMG to review the referral process used during this time (potentially within the sales review stream). As we have discussed previously, reviewing the referral process in this way will assist in understanding the spike in sales and preventing instances such as this occurring in the future.

Please update the Letter of Engagement to reflect this and we are then happy to approve.

Please contact us if you wish to discuss this further.

Kind regards,

**Hannah Mills | Indigenous Outreach Program | Deposit Takers, Credit & Insurers | ASIC | Melbourne | T + [REDACTED] F [REDACTED]**

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----- Forwarded by Hannah Mills/Mebourne/VIC/ASIC on 09/11/2017 11:21 AM -----

**From:** Peter Keller < [REDACTED] >  
**To:** "Melanie Spong" < [REDACTED] >,  
**Cc:** " [REDACTED] " < [REDACTED] >, Russell Howden < [REDACTED] >  
**Date:** 07/11/2017 09:11 AM  
**Subject:** RE: Terms of reference - consumer remediation program review (Treat as In Confidence) [DLM Sensitive]

Dear Melanie,

In the light of our year-end planning I'm reaching out to inquire about the status of ASIC's review of the Engagement Letter between Select AFLS and KPMG.

Can you please let me know whether ASIC is in a position to provide an update?

Thank you.

Kind regards,

**peter keller**  
 Chief Risk Officer | Blueinc Group  
 Level 11, 1 - 5 Railway St North Tower  
 Chatswood NSW 2067  
 T + [REDACTED]  
 M + [REDACTED]

[blueinc.com.au](http://blueinc.com.au)



*Let's Insure – winner of the 2017 Canstar Outstanding Value Award for Funeral Insurance for 50s and over.*

**From:** Russell Howden  
**Sent:** Friday, 13 October 2017 1:54 PM  
**To:** 'Melanie Spong' <[REDACTED]>  
**Cc:** [REDACTED]; Eugeniu Jalba <[REDACTED]>; Hannah Mills <[REDACTED]>; Peter Keller <[REDACTED]>; Emma Curtis <[REDACTED]>  
**Subject:** RE: Terms of reference - consumer remediation program review (Treat as In Confidence) [DLM Sensitive]

Hi Melanie,

Attached please find the Letter of Engagement provided to Select AFSL.

Please let us know if this meets your expectations.

Kind regards

—  
**russell howden**  
 Managing Director | BlueInc Group  
 Level 11, 1 - 5 Railway St North Tower  
 Chatswood NSW 2067  
 T + [REDACTED]  
 M + [REDACTED]  
 O + [REDACTED]

**blueinc.com.au**



*Let's Insure – winner of the 2017 Canstar Outstanding Value Award for Funeral Insurance for 50s and over.*

**From:** Melanie Spong [mailto:[REDACTED]]  
**Sent:** Wednesday, 11 October 2017 10:04 AM  
**To:** Russell Howden  
**Cc:** [REDACTED]; Eugeniu Jalba; Hannah Mills; Peter Keller; Emma Curtis  
**Subject:** RE: Terms of reference - consumer remediation program review (Treat as In Confidence) [DLM Sensitive]

Hi Russell,

Thank you for your call this morning. ASIC agrees to an extension in time till **3pm Friday 13th October** for the submission of the KPMG terms of reference/statement of work to enable further discussion with KPMG on your business and how the call reviews can be undertaken. As discussed, the review must be independent so ASIC is unlikely to approve an arrangement where the staff undertaking call reviews are in any way paid and/or hired by Select.

Regards

*Melanie Spong*

Send or Specify | Deposit Takers Credit and Insurers | ASIC |  + [REDACTED] 6 [REDACTED] 

From: Jaymee West/Mebourne/VIC/ASIC  
 To: Russe Howden <[REDACTED]>  
 Cc: "[REDACTED]" <[REDACTED]>, "Eugene Jabara" <[REDACTED]>, Hannah Mills <[REDACTED]>, Melanie Spong <[REDACTED]>, Peter Ker <[REDACTED]>  
 Date: 06/10/2017 03:54 PM  
 Subject: RE: Terms of reference - consumer remediation program review (Treat as In Confidence:Legal) [DLM Sensitive]

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Hi Russell

Thank you for the confirmation.

Warm regards

Jaymee West | Indigenous Outreach Program | Deposit Takers, Credit & Insurers | Mebourne | Australian Securities & Investments Commission | T: +[REDACTED] | E: [REDACTED] | x: [REDACTED]



From: Russe Howden <[REDACTED]>  
 To: "Jaymee West" <[REDACTED]>  
 Cc: Melanie Spong <[REDACTED]>, Hannah Mills <[REDACTED]>, "[REDACTED]" <[REDACTED]>, Peter Ker <[REDACTED]>, "Eugene Jabara" <[REDACTED]>  
 Date: 06/10/2017 03:49 PM  
 Subject: RE: Terms of reference - consumer remediation program review (Treat as In Confidence:Legal) [DLM Sensitive]

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Hi Jaymee,

Thanks for your email.

Cecilia is currently on leave and will be returning to work on Monday.

She has informed us that her team has prepared the terms of reference for KPMG's review and she will review it immediately on her return.

We do not see any reason why we won't be able to meet the 11 October deadline.

Kind regards

—  
 russell howden

**Managing Director | BlueInc Group**Level 11, 1 - 5 Railway St North Tower  
Chatswood NSW 2067T + [REDACTED]  
M + [REDACTED]  
O + [REDACTED]**blueinc.com.au****Let's Insure – winner of the 2017 Canstar Outstanding Value Award for Funeral Insurance for 50s and over.**

**From:** Jaymee West [mailto:[REDACTED]]  
**Sent:** Friday, 6 October 2017 1:45 PM  
**To:** Russell Howden  
**Cc:** Melanie Spong; Hannah Mills  
**Subject:** Terms of reference - consumer remediation program review (Treat as In Confidence:Legal)  
[DLM Sensitive]

Good afternoon Russell

I note that Select AFSL and KPMG met with ASIC on 20 September and undertook to provide a copy of terms of reference for KPMG's review of the proposed consumer remediation program and related calls.

I have been asked to follow up with you and request they be provided by COB 11 October. If you are unable to meet this time frame, please advise accordingly.

Warm regards

Jaymee West | Ind genous Outreach Program | Deposit Takers, Credit & Insurers | Melbourne | Australian Securities & Investments Commission | T: + [REDACTED] | E: [REDACTED] | X: [REDACTED]

**MONEYSMART**

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