



Melbourne
Casselden Place
Level 39, 2 Lonsdale St,
Melbourne, VIC 3000
P: (03) 9657 4321

Canberra
Dialogue
GF, 4 National Circuit
Barton, ACT 2600
P: (02) 6269 5710

Natasha Nguyen
Lawyer
Financial Advisers
Australian Securities and Investments Commission
Email: natasha.nguyen@asic.gov.au

4 August 2017

Dear Ms Nguyen,

RE: ASIC's proposals for updating Regulatory Guide 90 *Example Statement of Advice: Scaled advice for a new client* (RG 90).

Industry Super Australia appreciates the opportunity to provide feedback to ASIC's consultation on the proposed replacement of the example Statement of Advice (SOA) in the current RG 90. A revised SOA could lessen the harm being caused to consumers by the continuation of commissions in the life insurance sector, inadequate disclosures and poor advice practices.

Industry Super Australia:

1. Remains concerned with the unacceptable levels of poor quality advice, and the strong correlation between high upfront commissions and poor customer outcomes as detailed in ASIC's Report 413 Review of retail life insurance advice (REP 413);
2. Supports disclosure that is clear, concise and effective in an effort to assist consumers to understand advice being received and costs and commissions associated with that advice;
3. Supports a ban on commissions in life insurance;
4. Supports a disclosure structure which gives adequate prominence to matters that effect consumers, i.e. commissions should prominently be included on the front cover of the advice and at the point where the client signs;
5. Supports review cycles that are meaningful, including additional bases for review – such as when there is a change in employment, or family circumstances, etc.

Industry Super Australia endorses Industry Fund Services submission in relation to this consultation.

Should you have any questions please feel free to contact me on 9923 71 72 or email

tsitsis@industrysuperaustralia.com

Kind regards,

Litsa Tsitsis

General Counsel and Senior Policy Manager