

31 August 2019

Unsolicited Sales Unit  
Australian Securities and Investment Commission  
GPO Box 9827  
Brisbane QLD 4001

Submitted via email to [unsolicited.sales@asic.gov.au](mailto:unsolicited.sales@asic.gov.au)

Dear Sir/Madam,

**CP317 – Unsolicited telephone sales of direct life insurance and consumer credit insurance**

COTA Australia writes in response to the consultation on CP317 – *unsolicited telephone sales of direct life insurance and consumer credit insurance*. We welcome this important interim measure as part of broader law reform by the Australian Government.

COTA Australia is the national consumer peak body for older Australians. Through its own networks and those of the State and Territory COTAs (Councils on the Ageing) around Australia we represent more than 1,000 seniors' organisation members - which jointly represent over 500,000 older Australians - and around 40,000 individual members and supporters.

Throughout the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and throughout COTA's years of advocating for older people, we have heard harrowing stories of consumers being sold life insurance and consumer credit insurance products that are utterly unsuitable for them, often sold in high-pressure environments leading to poor consumer outcomes. We note in particular the prevalence of funeral insurance products with highly undesirable features, as identified by ASIC itself in its 2015 report.

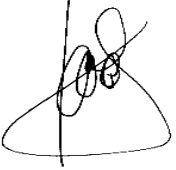
COTA Australia also strongly concurs with ASIC's view that disclosure requirements do not by themselves ensure that the consumer has had the opportunity to reflect on their personal circumstances, consider alternative products and make an informed decision.

We note that this proposal excludes funeral-expense-only policies, as they are excluded from the financial services licensing and conduct regime. Whilst it is outside of the scope of ASIC's modification power on this occasion, COTA notes that such services also pose unacceptable risks to consumers, and would like to see such the inclusion of these products in any broader law reform by the Australian Government.

Finally, we note that many of the concerns raised throughout the discussion on life insurance and consumer credit insurance play into wider issues around financial literacy. We further note that, despite significant funds allocated by ASIC to Financial Literacy Australia/Ecstra, to date little has been achieved to address the financial literacy gap for older Australians. Whilst improving financial literacy is not a substitute for an appropriate, agile and robust regulatory environment, it is nonetheless an important part consumer protection and therefore of ASIC's responsibility to the wider community, and we would welcome further discussions on this issue.

Thank you for the opportunity to contribute to this consultation. Should you wish to discuss this letter further please contact Jill Moran, Senior Policy and Research Officer, [REDACTED] via phone 02 6154 9746.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'I. Yates', written over a faint, large, light-colored watermark or background shape.

Ian Yates AM  
**Chief Executive**