

ALUCA

Turks.

# ALUCA Turks Life Insurance Scholarship **2024**



Have your say on one of the issues facing the life industry and make your mark.

Prizes and overseas travel to the value of \$8,000 are on offer as well as the ongoing respect and admiration of your industry.

**Find your voice and enter ATLIS today!**

**2024 APPLICATIONS NOW OPEN!**

Applications close on Sunday 1 September 2024 at 11.59pm AEST.

Further information and application forms available at:

[www.turkslegal.com.au](http://www.turkslegal.com.au) or  
[www.aluca.com](http://www.aluca.com)

## ABOUT THE SCHOLARSHIP

Now in its 18th year, the ALUCA Turks Life Insurance Scholarship (**ATLIS**) is designed to support the professional growth of ALUCA and its members by providing a significant career development opportunity for professionals working in the life insurance industry.

## HOW TO ENTER

Entrants are asked to submit a paper (2,500 words max) addressing one of the 8 topical life insurance industry questions in this application form.

## WHO CAN ENTER

The Scholarship is open to all members of ALUCA regardless of country of residence. Each entrant must be a current financial member of ALUCA as of 23:59pm AEST on Friday, 16 August 2024 and work in the life insurance industry.

Lawyers, accountants or medico-legal professionals who meet the above criteria are eligible to enter provided they are **direct employees** of life insurance companies, life reinsurance companies, superannuation trustees or superannuation administrators.

## JUDGING CRITERIA

Submissions will be assessed on:

- Understanding of and insight into the chosen topic
- Conclusions supported by sound evidence and research
- Clarity of thought
- Commercial insight
- Presentation

## MAJOR PRIZE

The winner of the Scholarship receives a package valued at up to AU\$8,000 including return travel, accommodation, \$1,000 cash and registration to one of the following overseas conferences of their choice:

2025 Eastern Claims Conference

2025 Life Insurance Conference

2025 Supplemental Health, DI & LTC Conference

The winner is invited to sit on the judging panel alongside senior industry leaders for next year's Scholarship and receives automatic membership to ALUCA and Turks' scholarship alumni program, Life Insurance Future Thinking (**LIFT**).

Additionally, the winner will be invited to headline the Turks Life Matters seminar in early 2025.

The 1st runner-up will receive a AU\$1,000 Visa pre-paid gift card and the 2nd runner-up will receive a AU\$250 restaurant voucher.

## ANNOUNCEMENT OF WINNERS

The winners will be announced in October 2024 at the ALUCA MiniLuca Conference.

## APPLICATIONS CLOSE

Sunday, 1 September 2024 at 23:59pm AEST

## JUDGING PANEL

The judging panel comprises the following senior industry leaders



**JENNY OLIVER**  
Chief Claims Officer  
TAL



**GAVIN PEARCE**  
Chairman  
SCOR Global Life  
Australia



**ANDREW HOWARD**  
Strategy Consultant  
Insignia Financial



**CAROLA MOORE**  
Head of Group Claims  
AIA



**MALCOLM WEIR**  
Head of Life Protection  
Allianz Retire +



**LINDA WINTERBOTTOM**  
Claims Rehabilitation  
Consultant  
RGA Reinsurance



**MATTHEW GARRETT**  
Claims Technical Specialist  
Australian Retirement Trust  
(2023 Scholarship winner)



**JOANNE FAGLIONI**  
ALUCA Board Member &  
Chief Claims Officer,  
ClearView Wealth  
Limited



**ALPH EDWARDS**  
Partner  
Turks



**DARRYL PEREIRA**  
Partner  
Turks

## QUESTIONS

Answer ONE of the following 8 questions. The content of your submission must be no more than 2,500 words.

### Q1. LIFE INSURANCE AND FINANCIAL ABUSE

The Parliamentary Joint Committee on Corporations and Financial Services is currently inquiring into the financial services regulatory framework in relation to financial abuse. The committee is due to report to the Parliament by October 2024. Terms of reference include:

- The effectiveness of existing legislation, common law, and regulatory arrangements that govern the ability of financial institutions to prevent and respond to financial abuse, including the operation of the *Australian Securities and Investments Commission Act 2001*, the *Insurance Contracts Act 1984* and legislation and statutory instruments for superannuation; and
- Other potential areas for reform, such as prevention, protection, and proactive systems, including existing financial product design, emerging financial products, employee training, culturally appropriate responses and any other appropriate response, for example, mandatory reporting.

Super Consumers Australia has already told the Joint Committee that “On the whole, super funds are simply not prepared or incentivised to respond to financial abuse in line with best practice”.

Are life insurers’ faring any better?

Having regard to one or both of the above terms of reference, does the life insurance regulatory framework adequately address potential financial abuse? Identify any areas for improvement (for example with respect to ownership and contractual design of life products) and discuss your views on how such improvements can best be achieved/implemented.

### Q2. GENETIC TESTING

The 2023 Australian Genetics & Life Insurance Moratorium: Monitoring the Effectiveness & Response (A-GLIMMER) report found that the existing moratorium continues to discourage consumers from participating in both established clinical genetic testing, which may identify a need for potentially life-saving treatment, as well as and medical research involving genetic testing.

To address these concerns Treasury released a Consultation Paper ‘Use of Genetic Testing results in life insurance underwriting’ in November 2023 which provided four options for regulatory intervention. The likelihood is that there will be a total or partial prohibition on the use of adverse genetic testing results by life insurers. Which option from the Treasury Consultation Paper do you consider best achieves the right outcome and why?

### Q3. INNOVATION IN GROUP INSURANCE

The premise of group insurance in the Australian economy remains highly supported and valued. After all, it provides vital insurance to millions who would otherwise not likely seek cover. Last year, ASIC described it as “a built-in safety net for millions of Australians”. That said, it is fair to say that superannuation trustees remain under ongoing scrutiny by regulators in terms of value for money of their insurance offerings (see ASIC report 760, March 2023). Furthermore, the Association of Superannuation Funds of Australia (ASFA) reported in February of this year that its research identified a 36% decrease in the number of Australians insured for death and TPD benefits through superannuation.

Against these headwinds (and without disclosing any confidential commercial information), how can life insurers through innovation win these customers back and deliver better life insurance products for superannuation funds and their members? In your answer, please outline the core issues facing life insurers and trustees in delivering better products for superannuation funds and ways to improve the trustee/member insurance experience.



#### **Q4. COST OF LIVING: ACCESSIBILITY AND AFFORDABILITY**

In March 2024, APRA's Executive Director, Sean Carmody, delivered a speech in relation to the future of insurance in Australia. In that speech, Mr Carmody stated:

*"Our community is facing serious cost-of-living stress and we are seeing levels of hardship across mortgage borrowers. Insurance premiums are rising and the "protection gap" is widening as some lines of insurance become harder to obtain, especially for those who cannot afford higher premiums or are simply unable to access suitable cover...."*

*The future of the insurance industry hinges on its response to these challenges, which means facing some tough questions:*

*Will everyone who needs insurance protection still be able to afford and access it in a decade or two, or will this essential product become a luxury?..."*

How do you think the life insurance industry in Australia can respond to cost of living pressures and maintain its relevance in household budgets? If inflationary pressures remain in place long-term, what steps can the industry adopt to ensure that households continue to see value in their life insurance and not view it as a luxury product?

#### **Q5. BRINGING ADVICE BACK TO LIFE INSURANCE**

The Council of Australian Life Insurers (**CALI**) has recently welcomed the passage of the first tranche of the Federal Government's 'Delivering Better Financial Outcomes' reforms. The Bill aims to give Australians more choice when it comes to getting advice about their life insurance needs and reducing red tape. CALI CEO, Christine Cupitt, has highlighted that the Bill's passage is a positive step towards addressing the advice accessibility crisis in Australia.

Ms Cupitt has said "We want to see legislation that allows life insurers to provide simple advice on their own products, when customers ask them to".

What are the potential benefits and challenges of allowing life insurers to provide simple advice on their own products? Discuss the implications for improving access to advice, ensuring regulatory compliance, the impact on independent financial advisers, and maintaining consumer trust. Specifically, please also consider the impact such reforms will have on retail customers and what other changes can be made by the insurers to grow their base of retail customers.

#### **Q6. CYBER-CRIME AND LIFE INSURANCE – PROTECTING OUR CUSTOMERS**

As digital transformation rolls on, experts tell us that cyber threats and the prospect of being defrauded of significant sums of money increases significantly each year. Recently, the Federal Court of Australia delivered a widely publicised decision dealing with an AFCA Determination on scammers stealing a large superannuation balance, and there has also been increasing instances of highly sophisticated syndicates implementing fake death cover stings in foreign countries.

Generally it seems that banks spend a great deal of time and energy protecting their customers from cyber threats, but are life insurers doing enough to protect both themselves and their customers from cyber thieves? Discuss the nature and prevalence of fraudulent claims, trends emerging and the current state of the law. Please discuss how life insurers can best shield themselves and their customers from these ever growing cyber threats.

#### **Q7. MENTAL HEALTH AND ACCESS TO LIFE INSURANCE**

Despite advances over the last 20 years, there are mental health advocates who say unfair barriers still hinder persons with past histories of mental illness from obtaining life insurance cover. The counter view is that given the prevalence of working time lost in the community due to mental illness and the propensity for

such illness to re-emerge, insurers underwriting life risk need to be ever vigilant when dealing with a past history of mental illness. They also point out that the ability to discriminate on the basis of sound actuarial/medical data is enshrined in various anti-discrimination legislation.

These opposing views seem so entrenched at times it is difficult to see if we are making progress on this issue and outdated perceptions on mental illness still seem prevalent.

Having regard to both sides of the argument, do you believe life insurers' approach to underwriting those with a past history of mental health issues is fair? Please explain your answer and in doing so, consider whether life insurers need to be more nuanced in their decisions and whether the underwriting process can be refined to obtain more relevant information. Finally, when mental health exclusions must be used, are they too broad and is there merit in finding some middle ground?

## **Q8. INSURANCE CLAIMS HANDLING**

The duty of utmost good faith (**DOUGF**) is back in the spotlight after the recent decision by the Federal Court of Australia in *ASIC v Zurich*.

Despite ASIC's loss, ASIC Deputy Chair, Sarah Court, said it took on this case to *"to clarify the steps that an insurer must reasonably take before avoiding an insurance policy on the basis of fraudulent non-disclosure. We believe this was an important case to bring given our view that it was appropriate for procedural fairness to be provided before avoiding a customer's insurance policy. ASIC enforcement action plays an essential role in testing legislation to ensure it affords consumers with appropriate protection"*.

Quite apart from the watchful eye of the regulator, life insurers' *raison d'être* is to deliver for their customers in a time of need. Despite this and the significant cultural changes that took place within the life insurance industry post the Hayne Royal Commission, figures from AFCA suggest that complaints are increasing.

Against this background, what steps can be taken by life insurers to not only enhance their claims handling frameworks to ensure the DOUGF is not breached but go beyond it? Do you think the revised LICOP 2.0 standards go far enough or are there further steps in the claims handling process that can be improved? Finally will lifting standards even higher in this regard turn around the negative customer sentiment which seems to be driving increased AFCA complaints? Please discuss all of this.





## DEFINITIONS

- A.** Turks: means the legal practice partnership operating under that registered business name.
- B.** ALUCA: means Australasian Life Underwriting and Claims Association Inc.
- C.** Major Prize: means an overseas package valued at up to AUD\$8,000 (inclusive of GST). It includes registration to one of the following overseas conferences: 2025 Eastern Claims Conference, [dates/location TBC]; 2025 Life Insurance Conference, [dates/location TBC]; 2025 Supplemental Health, DI & LTC Conference, [dates and location TBC]; return economy airfares for one person to one of the above locations valued up to \$3,000; four nights accommodation valued up to \$2,000 for one person at a hotel to be confirmed by the organisers; and \$1,000 spending money. The package does not include: transfers to and from the airport, any insurances, taxes, additional spending money, charges, levies, hotel incidentals, tours and activities or meals not included in conference registration (except where specified). Dollars (\$) means Australian dollars.
- D.** 1st Runner-up: means the Scholarship's 1st runner-up who will be awarded a Visa pre-paid gift card to the value of AUD\$1,000 (inclusive of GST).
- E.** 2nd Runner-up: means the Scholarship's 2nd runner-up who will be awarded a AUD\$250 (inclusive of GST) restaurant voucher.
- F.** Term: means the entire period of the Scholarship commencing on 15 July 2024 and concluding on 1 September 2024 at 23:59pm AEST.
- G.** Judging Panel: means the Judging Panel constituted to judge the 2024 ALUCA Turks Life Insurance Scholarship.
- H.** Scholarship: means the ALUCA Turks Life Insurance Scholarship.

## RULES

- 1.** This Scholarship is open to all members of ALUCA regardless of country of residence. Each entrant must be a current financial member of ALUCA as at 23:59pm AEST on Friday, 16 August 2024. Entrants must work in the life insurance industry. Lawyers, accountants or medico-legal professionals who meet the above criteria are eligible to enter provided they are **direct employees** of life insurance companies, life reinsurance companies, superannuation trustees or superannuation administrators. Entry is not open to members of the ALUCA National Board.
- 2.** As a condition of entry, an entrant accepts these terms and conditions and any rules, policies or procedures that may be adopted by Turks or ALUCA from time to time. Turks or ALUCA may change, amend or vary these terms and conditions and may extend the period of, or cancel, the Scholarship without notice.
- 3.** Entry forms for the Scholarship can be found on the Turks and ALUCA websites. Members of ALUCA who wish to participate in the Scholarship must complete the official entry form and send it with a copy of their paper by email to the Marketing and Communications Advisor at [scholarships@turkslegal.com.au](mailto:scholarships@turkslegal.com.au) by 1 September 2024 at 23:59pm AEST. Only entries accompanied by an official application form will be accepted. Only one entry per ALUCA member will be accepted.
- 4.** Entrants in the Scholarship must submit a written paper (**not exceeding 2,500 words in length**) on one of 8 questions selected by the Judging Panel and notified to entrants. Each entrant must include the word count on the application form and at the bottom of their paper. The judges may nevertheless, at their absolute discretion, direct that over-length papers be returned to entrants prior to judging and subsequently accept those papers for judging if they are modified to comply with the word limit.
- 5.** The entrant must certify that they meet the conditions and that their employer has no objection to their paper being entered.
- 6.** At the conclusion of the Term all entries will have personal information removed so that entrants' papers are considered anonymously by the Judging Panel; the winner and the 1st and 2nd runners-up will be officially announced in October 2024.
- 7.** The entrant whose paper is determined by the Judging Panel to be the best response ("the winner") will be awarded the Major Prize. The entrant whose paper is determined by the Judging Panel to be the next best ("the 1st runner-up") will receive the 1st runner-up Prize. The entrant whose paper is determined by the Judging Panel to be the next best ("the 2nd runner-up") will receive the 2nd runner-up Prize.
- 8.** The Judging Panel will determine the winner, 1st and 2nd runner-up by simple majority. Where there is no clear majority in favour of any one entrant, the person elected by the Judging Panel as its Chairman must exercise a casting vote which will determine the winner and runners-up. In determining the winner and 1st and 2nd runners-up the Judging Panel will utilise the marking criteria that it has agreed to apply to all entries.
- 9.** Notification will be given to the winner, 1st and 2nd runners-up as soon as practicable after the conclusion of the judging. Notice may be given by ordinary post, electronic mail, courier or personally.
- 10.** The winning entry and 1st and 2nd runners-up papers will be published on the Turks and ALUCA websites, in the ALUCA e-newsletter, RiskeBusiness, and other potential media sources. By signing the application form the entrant accepts these conditions and gives permission for publishing of their name and/or photos. Under the conditions of entry the copyright in all entries will vest in Turks and ALUCA.
- 11.** Entrants are responsible for ensuring that their contact details with Turks and ALUCA are up to date.
- 12.** Prizes are not transferable or exchangeable and the runners-up prizes cannot be taken solely in cash. If international travel restrictions are in place when the chosen conference is scheduled, the major prize may be awarded as cash in the sum of AU\$8,000.
- 13.** If for any reason the winner, 1st or 2nd runner-up are unable to utilise their prize once booked (including flights, accommodation, conference, restaurant and pre-paid visa gift card) and the date cannot be changed without penalty (of any kind, including financial charges) the winner, 1st or 2nd runner-up will not receive an alternative prize.
- 14.** All entries are expected to be original work of the entrant, based on their own primary and secondary research. Reference to supplementary material must be clearly acknowledged in the paper. Turks and ALUCA reserve the right to make whatever enquiries each consider necessary to ensure the work attributed to an entrant is that person's own work. All claims for prizes are subject to Turks' and ALUCA's verification procedures as determined by Turks and ALUCA in their absolute discretion.
- 15.** Turks' and ALUCA's decision in relation to all aspects of the Scholarship, including but not limited to any dispute as to the identity of an entrant, eligibility to participate in the Scholarship and determination of an entrant's eligibility to receive a prize, is final and binding and no correspondence will be entered into. These terms and conditions may be changed, amended or varied at any time by Turks or ALUCA in their absolute discretion without notice and without assigning any reason therefore. Turks and ALUCA reserve the right to cancel or vary the Scholarship in whole or in part in their absolute discretion at any time without prior notice. Any such cancellation shall not effect any entrant's entitlement to any prize that has accrued at the time of the cancellation.
- 16.** Entrants accept these terms and conditions as amended from time to time and agree to be bound by them. Entry in the Scholarship is subject to these terms and conditions. In the case of any inconsistency between these terms and conditions and any promotional material, these terms and conditions prevail. Turks and ALUCA reserve the right to cancel an entrant's participation in the Scholarship without assigning any reason therefore where Turks and/or ALUCA, in their absolute discretion, consider that the entrant has not acted honestly, fairly, in good faith or in the spirit of the Scholarship.
- 17.** Liability for any tax on any benefits provided to entrants pursuant to the Scholarship is the sole responsibility of the entrant. It is recommended that entrants contact their own accountant or taxation advisor in this regard.
- 18.** Turks and ALUCA accept no liability for late, lost or misdirected entries.
- 19.** To the extent permitted by law, Turks and ALUCA are not liable for and shall be kept harmless from any loss or damage to property or person including but not limited to direct or consequential loss and including loss from personal injury as a result of any person participating in the Scholarship or making use of a prize.
- 20.** Turks and ALUCA collect entrants' personal information in order to conduct the Scholarship. If the information requested is not provided, the entrant may not be permitted to participate in the Scholarship. By entering the Scholarship, unless otherwise advised, each participant agrees that Turks and/or ALUCA may use this information in any media for future promotional, marketing and publicity purposes without any further reference, payment or other compensation to the entrant, including sending the entrant electronic messages. A request to access, update or correct any promotion should be directed to Turks and/or ALUCA.