

Mr Alan Raine  
Committee Secretary  
Senate Standing Committees on Economics  
Parliament House  
Canberra ACT 2600

26 April 2024

Dear Mr Raine,

**Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Bill 2024**

The Council of Australian Life Insurers (CALI) is the trusted voice of life insurance in Australia. We support Australians to make informed choices about their future and help them live in a healthy, confident, and secure way on their best and worst days. This includes advocating for national policy settings that expand their access to the life insurance protection that suits them when they need it most over their lifetime.

Our mission is to ensure Australians view life insurance and the industry as accessible, understandable, and trusted. We do this by supporting our members to deliver the protection and certainty Australians need on their worst day.

CALI welcomes the financial advice reforms included in this legislation. In particular, we support the introduction of standardised informed consent for Australians about how their financial adviser is remunerated for providing personal advice about life insurance products. This implements the recommendations of the Quality of Advice Review that an adviser who provides personal advice must obtain the client's informed consent before accepting a commission related to the sale of insurance products.

However, as currently drafted the Bill would also make it unlawful to pay or receive commissions for the distribution of life insurance products under general advice. Under s 963B of the Corporations Act 2001, commissions for the distribution of life insurance through both personal and general advice are subject to an exemption from the definition of conflicted remuneration. The effect of the proposed s 963BB in the Bill, in its current form, is that the exemption in 963B would not apply unless a licensee provides, or intends to provide, personal advice. As a result, commissions paid for the distribution of insurance products through general advice would fall within the definition of conflicted remuneration and would therefore be prohibited.

We note the Assistant Treasurer and Minister for Financial Services has said this is not the Government's intent and the legislation will be amended to ensure general advice commissions are not affected. With this amendment, CALI supports the passage of the Bill.

Thank you for the opportunity to contribute to this inquiry. If you would like any further information, please contact Michael Johnston at [michael.johnston@cali.org.au](mailto:michael.johnston@cali.org.au).

Kind regards,



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Christine Cupitt  
Chief Executive Officer  
Council of Australian Life Insurers