

The State of Australia's *Safety Net*

Report insights



What is the *State of Australia's Safety Net* report?

The *State of Australia's Safety Net* report looks into the lives and protection needs of Australian workers, from their personal wellbeing and mental health to their financial resilience, and the safety nets they rely on every day.

It investigates the correlation with life insurance and how Australians interact with this safety net based on their age, gender and where they live. It reveals insights into why some people choose to have life insurance and why others don't, and how these decisions impact their overall wellbeing.

What do the numbers *tell us?*



92%

of Australians are satisfied with services received from their life insurer directly



23%

would consider cancelling their life insurance cover if affordability was to become an issue



75%

of Australians are unaware that life insurance can include mental health cover



45%

choose life insurance for financial protection and a sense of security for their loved ones



28%

have considered seeking financial advice in relation to life insurance in the past three months



68%

are concerned that cost of living pressures will impact their ability to afford or continue paying for life insurance



88%

think it's important that life insurers can provide financial assistance in the event of mental health challenges



62%

agree that life insurance through superannuation provides a suitable level of cover that meets their individual needs



Financial *resilience*

- Last year, 91,658 Australians or their loved ones received \$12.2 billion in financial support from life insurers.
- More than half of working Australians own a life insurance product.
- Women disproportionately feel that cost of living has impacted their ability to pay for life insurance, compared to men.



Safety *net*

- Mid-career Australians are most likely to get life insurance because they want a financial safety net if they're unable to work.
- Young women commonly feel that life insurance isn't relevant to them until they decide to have children.

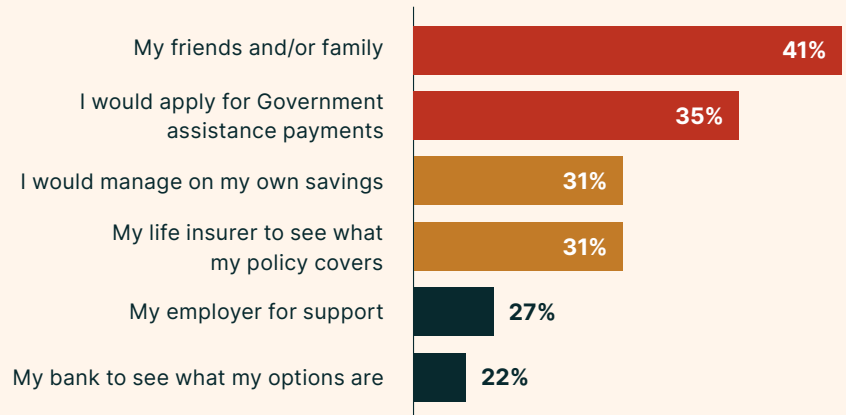




Mental health and *wellbeing*

- Life insurers are the largest private sector provider of financial support for people experiencing mental health concerns, second only to the Federal Government.
- Despite this, only a third of Australians would turn to their life insurance provider for financial assistance in the event they were unable to work due to a mental health challenge.
- Mid-career men and those approaching retirement are most concerned about unforeseen impacts to their health.

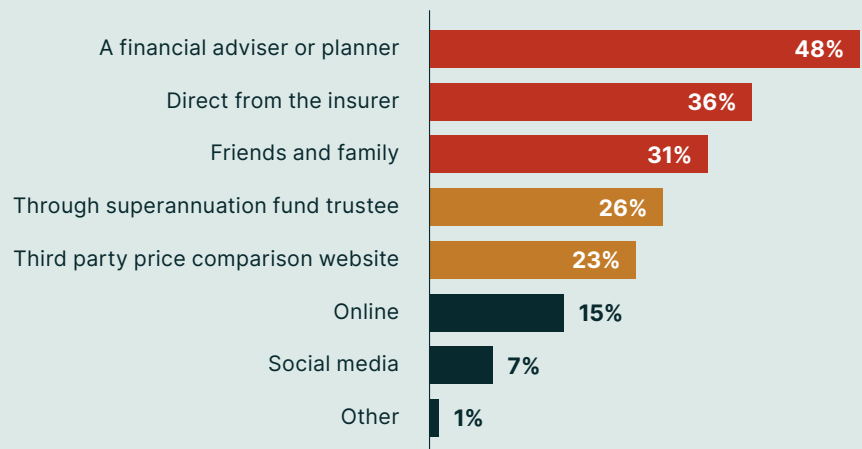
Who would Australians turn to for financial help if mental health challenges left them unable to work?



Advice and *planning*

- Australians are concerned about being underinsured but in some age cohorts are more likely to ask friends and family for help rather than turning to a professional financial adviser or their life insurer directly.
- Younger workers are most likely to turn to free online tools while those in the mid-career stage more commonly seek advice from their superannuation fund.
- The majority of workers approaching retirement show a strong preference for consulting a financial adviser or planner about their life insurance.

Who do Australian workers turn to for information and advice on life insurance?



The report reveals that the financial advice needs of Australians are not currently being met, particularly for those who can't afford to pay for a financial adviser in a cost of living crisis. This underpins the critical need for the passage of tranche two of the Federal Government's *Delivering Better Financial Outcomes* legislation, which would allow life insurers to provide simple advice on their own products when customers ask them to.

About this *report*

The *State of Australia's Safety Net* report was commissioned by the Council of Australian Life Insurers. The research was conducted by 89 Degrees East and led by prominent Australian social researcher Dr Rebecca Huntley.

The data incorporates both quantitative (sample size=5013) and qualitative research including focus groups with career starters (18-34 years), people in their midlife career (35-54 years) and those approaching retirement (55-64 years).