



Can't get life insurance? Technology may be partly to blame

SYDNEY: 30 November, 2015 – Data collected over a three-year period by lifeinsurancedirect.com.au suggests that it's now harder to get all forms of life insurance – life, income protection, trauma and total and permanent disability (TPD) - than it has been in the past.

LifeInsuranceDirect observed that in the period July-December 2012, the overall success rate for people applying for life insurance (insurability) was around 80 (80.04) per cent. In the January-June 2015 period, insurability had dropped to almost 76 (75.85) per cent.

“What the numbers tell us is that people are less insurable now than they used to be,” says LifeInsuranceDirect.com.au CEO Russell Cain. “But the real question is – why?”

The answer, he says, may lie in technology. “We are not underwriters, but what we have noticed is that, over time, life insurers have embraced the use of electronic applications and electronic applications make it quick and easy for insurers to detect certain risk factors and reject people on the basis of those risks. If, for example, the person applying for insurance has a certain pre-existing condition the computer can automatically reject the application. It's just a simple matter of programming.”

Increasing claims may also be a factor. “We have observed that more people are being paid claims on insurance policies than in the past and we assume that's been affecting the insurers' bottom line. We therefore believe insurers and reinsurers have been tightening their guidelines around who they will and will not insure and technology makes this decision easier for them,” Mr Cain said. “What all this means in plain English is that we believe insurers are looking more closely at your health, occupation and pastimes before they agree to insure you.”

The disappointing reality of this Mr Cain said, “Is that while most industries are using technology and data to deliver more value to customers, life insurers and banks seem to be using it to grow their own profits.”

However, there is some good news and that is that insurability overall is reasonably high. “The overall success rate is around 78 (78.22) per cent, which suggests that most of us can get life insurance if we want it,” Mr Cain said.

[Lifeinsurancedirect.com.au](https://www.lifeinsurancedirect.com.au) has written a white paper on insurability – *Will you be accepted?: Three years of statistics* which is available at the following link <https://www.lifeinsurancedirect.com.au/insurability-2015-11-30/#overTime>

Ends

About [lifeinsurancedirect.com.au](https://www.lifeinsurancedirect.com.au)

Life Insurance Direct Australia (<https://www.lifeinsurancedirect.com.au/>) is one of Australia's leading life insurance comparison websites. Although we don't compare all insurers or all insurance products we do compare a range of major life insurance companies and offer clients comparison reports, education and assistance.

Life Insurance Direct Australia Pty Ltd AFSL 473135

Media Contacts

Julie Bennett
64 Media
1300 077 036
0407 071 121
Julie@64media.com.au

Russell Cain
CEO Life Insurance Direct
02 9929 7355
info@lifeinsurancedirect.com.au