



Life Insurers Profits Up But You Still Pay More

SYDNEY: 07 October, 2015 – The recent reporting season has revealed that, despite crying poor, life insurers' profits are still increasing, according to lifeinsurancedirect.com.au.

LifeInsuranceDirect.com.au CEO Russell Cain said, "AMP reported one of the highest increases in profit – a 33% rise in statutory net profits, as at 20 August – and they're not alone."

The reported profits of some of the top life insurers appear below.

- **AMP** - posted a 12 per cent rise in first-half underlying profit to \$570 million. Reported a 33 per cent rise in statutory net profits to \$507 million from \$382 million in the year-earlier period. As at **20 August, 2015**.
- **TAL** - Financial results released by TAL's Japanese parent, Dai-ichi Life, reflect that TAL's premium income was up 21% to \$2,234.9 million and underlying profit after tax rose 12% to \$146.6 million. TAL's embedded value grew by 32% to \$2,584 million over the financial year. **As at 19 May, 2015**.
- **ClearView** - Posted a 4 per cent rise in underlying profits to \$20.5 million for fiscal 2015. Although it reported a 10 per cent drop in reported net profit to \$12.5 million due to amortisation of intangibles and integration costs associated with financial advice group Matrix's merger into the company. As at **26 August 2015**
- **ANZ** - Statutory profit after tax of \$3.5 billion up 3%. Cash profit of \$3.7 billion up 5%. Profit before provisions (PBP) up 4%. As at **5 May 2015**

"Consumers should rightfully be asking how life insurers can say they are increasing life insurance premiums because their businesses are not sustainable, when their own evidence clearly shows they continue to make substantial profits," Mr Cain said.

If sustainability is of such serious concern to life insurers, Mr Cain argues there is much more they could be doing to maintain, or further increase, profits than increasing premiums and pushing for commissions paid to financial advisers to be slashed.

"If life insurers do have a sustainability problem, then the onus should be on them to solve that problem," he said. "Amongst other things, they could be innovating on product design and lobbying the government to ensure that things like stamp duty are removed from life insurance to make it more affordable," he said.

LifeInsuranceDirect.com.au has produced a paper, Why do your life insurance premiums keep going up? The paper is available at the following link.

Ends

About lifeinsurancedirect.com.au

Life Insurance Direct Australia (<https://www.lifeinsurancedirect.com.au/>) is one of Australia's leading life insurance comparison websites. We compare a range of major life insurance companies to 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