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ASTERON CONTINUES TO CHALLENGE FoFA LEGISLATION

[Asteron](#) was heartened to hear MPs Rob Oakeshott and Bob Katter acknowledge the grass roots financial adviser campaign spearheaded by Asteron as influencing their decision to challenge the Government's 'opt-in' proposal.

[Asteron's](#) campaign had armed 5000 independent financial advisers with a package to lobby their local MPs about the proposed Future of Financial Advice reforms.

Both MPs had said they were concerned about the opt-in proposal, and would seek to challenge its introduction into legislation.

[Asteron](#) head of National Sales Mark Vilo said: "Now that draft legislation is out, it is more important to speak out, particularly around opt-in. The MPs' position proves the value of people power, and the force that can be brought to bear by advisers in approaching their local members.

"We intend to keep up the pressure, especially where it's clearly making advisers jump through more red tape without actually helping the industry, or supporting more Australians to address the issue of under-insurance."

Mr Vilo said, while Asteron welcomed the flexibility of the proposed opt-in approach - including allowing opt-in arrangements to be made either face to face and/or electronically - advice practices would still have significant challenges in managing the cost and, more importantly, the timing of the communication process to their clients.

While Rice Warner had estimated the cost of administering opt-in at \$11 a client, Mr Vilo challenged that figure as unrealistic in practice. Other industry sources had put forward a range of \$50 to \$100, a massive impost on small businesses.

"There is a danger of underestimating the amount of time and effort that will now have to go into the preparation of yearly communications to clients, advising them specifically of fees, as well as the type of service they'll receive in the forthcoming period.

"Irrespective of the communication medium being used, there will always be the challenge of client apathy. As an insurer, we recognise that in a typical busy household, letters pile up and sometimes don't get looked at for weeks."

Regarding retail insurance, Mr Vilo said that the fact that there is no proposal to introduce a ban on commissions on retail insurance in super was a good outcome.

MEDIA CONTACT: To interview Mark Vilo from Asteron, please contact Helen Han on: 0457 535 639 or Amanda Crews on: 0401 144 877.

About Asteron: [Asteron](#) is a specialist provider of life insurance to financial advisers in Australia and New Zealand and is a part of the Suncorp Group. Asteron's broad range of life insurance products has been designed to protect customers, their families and businesses against the financial impacts of death, sickness or injury. For further information, visit: www.asteron.com.au