



MEDIA RELEASE

14 March 2012

ASTERON LIFE URGES ADVISERS TO STEP UP THE FIGHT AGAINST FoFA WITH MORE MPs

[Asteron Life](#) is urging advisers to continue lobbying MPs about their concerns with the current draft FoFA legislation, and maintain its pressure on the Government, before the FoFA bills are debated in Parliament this month.

[Asteron Life](#) believes the Government will not agree with the Opposition's dissenting report made last week in response to the Parliamentary Joint Committee for Corporations and Financial Services (PJC) review into FoFA. Instead, the outcome of the draft legislation lies with the lobbying power at the grassroots, and advisers need to lobby local MPs – in particular the Independents - even harder for more pragmatic outcomes.

Jordan Hawke, Asteron Life's Executive General Manager for Adviser Distribution said: "We support the intent of some of the proposed FoFA reforms, such as improving the transparency of financial advice, and acting in the client's best interest. However, we believe the proposals are onerous and will have unintended consequences for the advice industry and Australian consumers.

"We'd hoped that common sense would prevail at the highest level of Government, however, the PJC Review into FoFA has not acknowledged the collective concerns of the advice industry. If FoFA is passed, it will hurt advisers' business. The industry estimates that opt-in would increase administrative cost for advisers by up to \$100 per client – a massive impost on small businesses.

"At the end of the day, someone has to pay for the increase in compliance costs for advisers, and that cost will end up being passed onto the manufacturer and consumer.

"Also, the implementation costs of FoFA will hurt the industry to the tune of more than \$1 billion¹.

"Overall, I believe FoFA will disadvantage our community by preventing more consumers from accessing affordable advice, and encourage a competitive advantage for one part of the industry over another.

"As a partner of the AFA, we fully support the AFA's letter to Parliament last week, outlining their [five key concerns](#) with the FoFA reforms – which the AFA hopes will influence the House of Representatives to recommend amendments are made to the FoFA legislation before it is passed.

"In line with the [lobbying campaign](#) Asteron Life launched in August 2011 – arming 5,000 IFAs with a pack to lobby MPs about the FoFA reforms and challenge the introduction of FoFA into legislation - we must act on what we *can* control. Advisers still have an opportunity, now, to continue lobbying their MPs about the adverse effects of numerous elements in FoFA if they are passed - particularly opt-in and the annual fee disclosure renewal.

"We will keenly monitor FoFA's progress through Parliament in the coming weeks, and continue fighting hard against FoFA in support of advisers."

-ENDS-

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To interview Jordan Hawke from Asteron Life, please contact Helen Han on: 02) 8275 3763 or 0457 535 639.

¹ Financial Services Council's estimated figure on implementation costs of FoFA



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About Asteron Life: [Asteron Life](http://www.Asteronlife.com.au) is a specialist provider of life insurance to financial advisers in Australia and New Zealand and is a part of the Suncorp Group. Asteron Life'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.Asteronlife.com.au