



10 September 2008
FOR IMMEDIATE RELEASE

PAY LESS FOR MORE LIFE INSURANCE COVER

CANNEX life insurance star ratings reveals number of surprises.

General wisdom would suggest that the greater the value life insurance you purchase the higher the premium you would have to pay but this is not necessarily the case. In fact, you could actually end up paying less for more cover. This may seem to defy logic initially but financial services research firm CANNEX has investigated and confirmed this phenomenon is widespread across the life insurance industry to help you get more bang for your buck.

“Life insurance companies charge a base premium for each \$1,000 of insurance cover sold. Individual factors such as smoking and age add to this base premium while other factors such as the total amount being insured may actually decrease the base premium,” Head of CANNEX Adviser Services, Stephen Mitchell, said.

According to CANNEX, most life insurance companies have special discounts which are applied to the base premium at different cover levels (eg \$250,000, \$500,000 & \$1,000,000). Each company has different discounts (ranging from 0% - 43% in some cases) which are triggered at different threshold amounts. Whenever a new discount threshold has been reached, the new discount applied to base premium can be enough to offset the increased cost of the higher level of cover being purchased.

Table 1 highlights this phenomenon. CANNEX used life insurance quotes for 7 different cover levels from 14 major life insurance companies. The premiums were then averaged to provide the results shown below. This exercise highlighted 2 major thresholds, the first at \$250,000 and the other at \$1,000,000 cover where the discount applied results in cheaper premiums for consumers buying the insurance.

TABLE 1

LIFE COVER AMOUNT			
\$249,999	\$265,000	\$999,999	\$1,050,000
AVERAGE PREMIUMS FOR 30 YEAR OLD NON-SMOKER			
\$245.18	\$245.07	\$645.47	\$633.77

Source: CANNEX September 2008

So what does this mean for the average consumer?

“Buying life insurance involves talking with your financial adviser and deciding the amount of cover you need to maintain the lifestyle you would like your loved ones to have, should something happen to you,” Mr Mitchell said.

“If your needs analysis comes up with a value that is just shy of one of these thresholds it may be worth rounding up that number to the next \$100,000 and asking how much that would affect your premiums. Even if the premiums aren’t less, the increase may be so small that you’ll be getting a much better deal all round.”

CANNEX today released its first *life insurance star ratings* report which compared the major life insurance products – Term Life insurance, Trauma insurance, TPD (Total & Permanent Disablement), Packaged Life insurance and Income Protection.

No less than 300,000 quotes were generated by CANNEX across the complete product range offered by 15 insurers. The results determined five-star products.

CANNEX rated all product premiums according to gender and across four common occupation categories – Professional, White Collar, Light Manual and Blue Collar. Three age groups were looked at – Young 20-35, Mature 35-50 and Empty Nester 51-65 – to give a comprehensive overview of product differences.

After collating the results, ING Life stood out for consistency across Australia in all five categories – Term Life, Trauma, TPD, Packaged Life insurance and Income Protection insurance.

ING Life was awarded CANNEX National 5 Stars for Overall Best Value Life Insurer after the company figured prominently among the top insurers in each individual product and occupation categories. This strong performance across the board resulted in overall top honours.

Drilling down at an individual product level ING Life was joined by Tower Life Australia, Macquarie Life, CommInsure and AMP Life as offering 5-star superior products in what was often a very close contest. In fact, two insurers, ING Life and CommInsure could not be separated in the highly competitive category of Income Protection.

In the occupation categories of Professional, Light Manual, White and Blue Collar workers, ING Life triumphed in three out of four 5 star awards. ING Life also won the Best Value for the Professional, White and Blue Collar sectors. Macquarie Life took out the award for the Light Manual section which also includes retail and hospitality.



Best Value Life Insurer

National 5 Star Overall Award
Best Value Life Insurer
ING Life

National 5 Star Category Awards

Best Value Insurer Term Life	-	Tower Life Australia
Best Value Insurer Trauma	-	Macquarie Life
Best Value Insurer TPD	-	AMP Life
Best Value Insurer Packaged Life	-	Macquarie Life
Best Value Insurer Income Protection	-	CommInsure & ING Life

National 5 Star Occupation Awards

Best Value Life Insurer - Professional-	ING Life
Best Value Life Insurer – White Collar -	ING Life
Best Value Life Insurer – Light Manual-	Macquarie Life
Best Value Life Insurer – Blue Collar -	ING Life

“These insurers demonstrated broad and deep value offered to consumers through a network of financial planners and deserve our congratulations for the consistent service they provide to the Australian population,” Head of CANNEX Research, Steve Mickenbecker said.

“We should stress, though, that no matter how much we demystify life insurance products, these are not, and may never be, products you should buy without seeking individual, professional advice from a licensed financial planner,” Mr Mickenbecker said.

“The risk of getting it wrong means the involvement of a licensed financial planner is essential in the mix. However, the depth of research CANNEX has done and the insights we can provide will give the consumer much more information and knowledge which will be useful when taking that next step and talking it over with a planner.”

Full results can be found on www.cannex.com.au The star-rated products shown provide a great short list of products worth further investigation with your financial planner.

The CANNEX website also provides useful information for consumers wanting to know all about life insurance products, plus a comprehensive section on the methodology used to compile the life insurance star ratings.

For further information:

Stephen Mitchell
Head of Adviser Services
(07) 3837 4116
stephen.mitchell@cannex.com.au

Steve Mickenbecker
Head of Research
(07) 3837 4169
stephen.mickenbecker@cannex.com.au

Christine Thelander
Head of Communications
(07) 3837 4151
christine.thelander@cannex.com.au

About CANNEX:

CANNEX provides Australia's only fully interactive online research service in retail and business finance.

Founded in 1992, CANNEX (Aust) Pty Limited is Australia's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. CANNEX also distributes this information to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

Does CANNEX rate other product areas?

YES, CANNEX also rates the suite of banking and insurance products listed below. These star ratings use similar methodologies. This guarantees the quality and transparency of all our star ratings. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANNEX website at www.cannex.com.au if you would like to view the latest CANNEX star ratings reports of interest.

Business banking
Car insurance
Credit cards
Deposit accounts
Health Insurance
Home & Contents
Life Insurance
Low-doc home loans
Margin lending
Mortgages
Package banking
Personal loans
Reward programs



IMPORTANT NOTICES

- To the extent that any CANNEX data, ratings or commentary constitutes general advice, this advice has been prepared by CANNEX (Aust) Pty Ltd ABN 21 053 646 165 AFSL 312804 and does not take into account individual investment objectives, financial circumstances or needs. Information provided by us does not constitute financial, taxation or other professional advice and should not be relied upon as such. CANNEX recommends that, before you make any financial decision, you seek professional advice from a suitably qualified adviser.
- Although great care has been taken to ensure the reliability of any statements of opinion or general rating information provided by CANNEX, the company gives no warranties (except those that are implied by law and cannot be excluded) in relation to the statements and information contained in its ratings, reports and analyses and disclaims all liability to the fullest extent possible arising from any persons acting on the information and statements contained therein. CANNEX assumes no responsibility or obligation to provide updates on any published statement or report. Any reference by CANNEX to past performance of a financial institution is not a prediction of its future performance. Please visit www.cannex.com.au for further information.