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## Media Release

### **AIA Australia welcomes focus on insurance sustainability**

**Melbourne, 2 October 2020** – Leading life insurer AIA Australia has welcomed the release of the Actuaries Institute work on the sustainability of disability income insurance, calling it “important and necessary”.

This work has been followed by the release of APRA’s final sustainability measures and expectations of insurers, which AIA Australia supports and will be incorporating into its inflight project of work.

CEO and Managing Director Damien Mu said “We commend Ian Laughlin and the Actuaries Institute Taskforce members for the significant effort that has been made to address the challenges within the disability income insurance ecosystem, and the need for broad structural change. We were pleased that a number of AIA’s people took part in this work in their professional capacity.

“Life insurance is a community good, and we are committed to ensuring the sustainability of our products, in the best interests of our customers and the broader community,” said Mr Mu.

AIA Australia commenced a program of work in 2019 in response to APRA’s original regulatory intervention; this program is already addressing many of the actions recommended by the Taskforce, including active participation of the board in disability income insurance, and will now incorporate any changes to APRA’s expectations.

Mr Mu said that AIA Australia would be launching a new, sustainable disability income product in the coming months, alongside its existing product set: “We believe moving quickly is important and now that we have been given clarity on the end goal, it is the right thing to do.”

“There is a clear need for simpler products that continue to meet customer needs and deliver value. We echo the comments made yesterday by the Financial Services Council that a new generation of products will deliver ‘availability, affordability and assurance’.

“However, the Taskforce’s recommendations show that the issues inherent in disability income insurance are broader than simply product design, and we all have a role to play in seeking improvements. The detailed ecosystem highlights the important role of financial advice and advisers in helping their clients to get access to the appropriate cover to meet their needs.

“We acknowledge and support APRA’s views, and now it is up to the industry to step up, using the work of the Taskforce and APRA’s latest communication to insurers to move forward. While all organisations will take specific action, we want and need to work closely with advisers, industry bodies including the Financial Services Council, other insurers, and regulators to ensure we can continue to deliver affordable and sustainable disability income insurance to Australians into the future,” said Mr Mu.

**-ENDS-**

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#### **About AIA Australia**

AIA Australia is a leading life insurance specialist with over 47 years’ experience. With a unique customer value proposition focused on life, health and wellbeing, our purpose is to make a difference in people’s lives.

In November 2019, AIA Australia commenced a Joint Cooperation Agreement (JCA) with the Commonwealth Bank of Australia (CBA) for the joint operation of their Australian life insurance businesses, AIA Australia and CommInsure Life. The JCA enables AIA Australia to exercise a level of direct management control and oversight over CommInsure Life.

Together, AIA Australia and CommInsure Life offer a range of products that protect and enhance the lives of more than 3.8 million Australians. Our vision is to embrace shared value in championing Australia and New Zealand to be the healthiest and best protected nations in the world. With AIA Vitality – the world's leading science-based health and wellbeing program – we help members to live healthier, longer, better lives.

AIA Australia has been recognised with multiple awards, including the Women in Finance Employer of the Year Award (2018, 2019), Super Review's Best Insurer of the Year (2018, 2019), and iSelect Partner Awards Insurer of the Year (2019).

Further information at [www.aia.com.au](http://www.aia.com.au).