



AUSTRALIANS UNDER-INSURED AND UNINFORMED WHEN IT COMES TO THEIR LIVES, COMMINSURE SURVEY* REVEALS

25th October 2004: Less than one in three Australian adults aged 18-59 have a personal life insurance policy** and the rest of us are relying on insurance provided with our compulsory super, or nothing at all, a new survey by the Commonwealth Bank Group's insurance arm, CommInsure, has revealed.

The CommInsure Life Insurance Survey 2004* - conducted by Newspoll - has revealed that one third of Australian adults aged 18-59 have life insurance provided with their compulsory super policy only and a third (31 per cent) do not have any form of life insurance cover at all.

Of the two thirds of Australians with some life insurance, 80 per cent believe they are adequately or more than adequately covered, but CommInsure's Managing Director, Peter Beck, says it is likely they aren't.

"Many people think that their life insurance needs are covered under compulsory super but unfortunately very few insurance policies provided with compulsory superannuation provide adequate cover in the event of a serious accident or death," he said.

"The standard amount of insurance cover held by most people through their super fund is estimated to be between \$100,000-\$150,000 which is the equivalent to 2-3 times the average salary, when in fact the industry guideline is that most people need about 10 times their salary", Mr Beck said.

The CommInsure Survey reveals that women are much more likely to be under-insured when it comes to their lives; of the one third of Australian adults who reported to have no life insurance, 62 per cent are females compared with 38 per cent males.

For those who claim to have no personal life insurance**, one in two regard it as a waste of money and over half believe that they do not need it.

One in three Australians without personal life insurance** agree that a lack of understanding is a reason for not having it.

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Another key factor, Mr Beck said, is that people don't like to think about their own demise or disablement.

"Australians need to be aware of the huge role that life insurance can play in helping provide for family and loved ones in the event of death or disability."

"Personal risk insurance can assist in paying the mortgage and running the household, it can help ensure that your loved ones are not burdened with debt, and it can help replace the income that you would have otherwise earned," Mr Beck said.

The survey found that many Australians are likely to start thinking about getting life insurance when they are triggered by a friend's illness or injury, or a major life stage like having a baby, getting married or buying their first home.

"Realistically anyone with dependants who rely on their income, or anyone with significant debts or assets should be looking to protect themselves or their loved ones with a personal life insurance policy, outside of their compulsory super plan," Mr Beck said.

People interested in finding out more about life insurance can either contact their financial adviser, drop into a branch of the Commonwealth Bank or, to arrange an appointment, visit the website at www.comminsure.com.au/life or phone 13 10 56 from 8am to 8pm, Monday to Friday.

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* This Newspoll survey was conducted by telephone in September 2004. The survey was conducted nationally among 914 respondents aged 18-59.

** "Personal life insurance" is life insurance on the respondent's life, organised by the respondent or someone else on their behalf, which is **not** provided with the respondent's compulsory superannuation.

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