



Media Release

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Life Insurance in Australia Consumer Behaviour Transformation NEW Whitepaper launched!

Introduction

The old adage that life insurance is “sold”, not bought, appears to have permanently changed and the trend for consumers to research and purchase financial services products online is spreading quickly to Life insurance – according to a new whitepaper just launched.

NobleOak has just released “Life Insurance in Australia – Consumer Behaviour Transformation” which includes the results from a comprehensive research study conducted in December 2016 by independent research firm Pureprofile, that asked over 1,000 Australian adults aged between 30 and 60 years old about their research and buying behaviour with respect to financial serviced products, including Life and Income Protection insurance.

Key Findings

This comprehensive whitepaper includes a number of interesting findings.

1. **Life insurance is now bought and sold.**

While many Australians still rely on financial advisers to “sell” them a Life insurance policy and ensure their family is adequately protected, more and more Australians recognise their own need for Life insurance and Income Protection cover and are sourcing online research and comparison tools to help them. This is consistent with a wider trend, with **61% of people now seeking to obtain advice about their overall financial needs using the Internet.**

2. **Life insurance advice is now predominantly sourced from the Internet.**

The Internet has become a predominant source of Life insurance advice by Australians, with advisers still playing a role for many. Of those who seek to obtain Life insurance advice, **32.2%**



prefer using the Internet, while 25.4% use a financial adviser and 20.4% rely on family members.

3. Online comparison tools have become a key driver of needs

Many Australians rely on online comparison tools to research Life insurance products. **66.4% of respondents use websites as a way of comparing Life Insurance and Income Protection policies**, compared with an adviser at 22.7%. 34% of people seeking Life insurance advice use online comparison tools.

4. Buying behaviour across financial services products varies considerably

The impact technology has had on how we use financial services products has varied significantly between products. 79% of respondents believe technology has changed their interaction with banks over the past 3 years, while **Life Insurance and Income Protection remain laggards at 37.3% and 33.6% respectively**. It is inevitable the use of technology for purchasing Life insurance will increase just like other financial services products.

5. There is a stark difference between purchasing behaviour and future intention

While a vast majority of Australians search for Life insurance or Income Protection insurance products online, very few purchase directly online - at this stage. Their intention to do so in the future however shows an imminent change in consumer behaviour. While only **6.5% of respondents have purchased Life insurance products online, 38.6% would purchase Life insurance online or through a mobile device if they needed it**.

6. Advice is undervalued with evolving digital resources

While many Australians still rely on financial advisers, they appear unwilling to spend a lot on this advice. More than **56% of respondents stated they were unwilling to pay anything for Life insurance advice**. This remains a fundamental problem for the industry. 72% of respondents would be confident in purchasing a Life insurance or Income Protection product online, without financial advice, if the right resources were available.

Based on these results, a major behavioural shift is taking place and further acceleration appears very likely.



NobleOak's CEO, Anthony R Brown said:

"Buying behaviour is quickly evolving. While a majority of customers previously outsourced their financial affairs, we are moving to a new state where people are taking more control and insourcing these decisions. The growth in SMSFs (self managed superfunds) illustrates this trend. The PureProfile results clearly support this change."

"The internet has quickly become the key tool Australians use to compare Life insurance and Income Protection policies - with over 66% of respondents using this channel."

"The finding that almost 40% of respondents would purchase Life insurance online if they needed it, compared with less than 10% that have actually purchased online, shows a real intent that can't be ignored. In reality we find many customers still like to talk to someone about Life insurance and help to them apply. While it may still be a while before this personal contact is replaced, there is no doubt we are in the middle of a significant shift in consumer behaviour."



APPENDICES

About NobleOak

NobleOak Life Limited (NobleOak), is one of Australia’s most established life insurers, and has been in the Australian market for over 138 years. NobleOak is an independent Australian insurer providing Life cover, TPD, Trauma, Income Protection and Business Expenses insurance.

NobleOak keeps costs low by avoiding mass marketing and large upfront commission payments to third parties. They are able to pass savings back to their customers and clients through reduced premiums, supported by outstanding personal service.

NobleOak has a client satisfaction rating of 98.5% (April 2016 client survey) and is the winner of the “2016 Direct Life Insurance Overall Excellence Award” issued by Strategic Insight and the 2016 Canstar 5 Star Awards for “Life” and “Income Protection” cover.



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