

Exclusive Media Release

18 January 2019

Public confidence in Royal Commission is high

NobleOak Whitepaper 2019

In research commissioned by NobleOak Life Limited (NobleOak), more than seven in ten respondents are confident that the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industries will deliver positive change to the Life Insurance industry.

That is one of the main findings from the third annual whitepaper by NobleOak, which commissioned independent research¹ in December 2018 amongst 1,043 Australians from a range of demographics and geographies.

The research shows that eroding trust in advisers and direct selling is combining with the previous continued trend of consumers becoming more self reliant, resulting in increased usage of online digital tools and consumer reviews when purchasing life insurance. These trends highlight a transforming industry.

Asked if they were confident that the Royal Commission would bring positive changes to the Life Insurance Industry, a total of 72% say they have some level of confidence in the outcome. This comprises 5.9% who say they are “very confident,” 16.4% who are “confident”, 30.5% who are “somewhat confident” and 19.5% who say they are “slightly confident.”

The balance, or 27.8% of respondents, say they are “not confident at all” that the issues in the Life Insurance industry will be addressed.

The research also asked respondents if the insurance hearings before the Royal Commission would influence their behaviour in terms of sourcing and purchasing Life Insurance.

To this question, just over four in ten people said their behaviour would change.

This includes 23.9% who said they would “explore different insurers”, while 9.5% said they would now “not take out Life Insurance” as a result of what they had read and heard from the Royal Commission.

¹ Research conducted by Pureprofile in December 2018 with 1,043 Australian respondents.



An additional 5.1% said they would not renew their policies, while 4.0% said they would “switch providers.”

57.5% of respondents said the Royal Commission would change nothing for them.

Over three years the NobleOak research has identified continued momentum for consumers to research and purchase Life Insurance and Income Protection through online channels, and the Royal Commission has accelerated that by undermining trust in the adviser channel.

The research found that more than a third, or 35.1%, of respondents said their confidence in buying Life Insurance through advisers had been “undermined” by the Royal Commission.

To the same question, 32.5% said their confidence had not been undermined, while 32.4% said they were unsure.

Over the three years of the research, the percentage of people that would use an adviser to compare insurance products has fallen to 19.9% from 22.7% in 2016.

At the same time, the percentage using websites has increased from 62.9% to 68.6%, with the percentage comfortable with using “chat bots” has gone from 9.7% to 12.3%

Commenting on the research, NobleOak chief executive Anthony R Brown said it showed that the evolution of the Life Insurance industry was continuing rapidly.

“This is driven both by technology and the erosion of trust in traditional channels,” Brown said.

“Where once the purchase of Life Insurance was outsourced to financial advisers and banks, today’s consumer is accessing increasingly effective digital tools and customer reviews online, while taking control of this decision making.

“This environment presents providers with many challenges, with the issue of trust a critical differentiator.

“The Life Insurers who will thrive in this world will be those who win the trust and confidence of consumers, and whose online advocacy will become their greatest asset.”

ENDS

About NobleOak Life Limited

NobleOak Life Limited (NobleOak), is one of Australia’s most established life insurers, and has been in the Australian market for over 140 years. NobleOak provides Life, TPD, Trauma, Income Protection and Business Expenses insurance.

NobleOak keeps costs low by providing fully underwritten cover, passing any savings back to their clients through reduced premiums, supported by outstanding personal service.

NobleOak is an Australian public unlisted company regulated by APRA, with products backed by a leading global reinsurer, Hannover Life Re. For more information visit www.nobleoak.com.au

NobleOak has a client satisfaction rating of 95% (2018 client survey) and is the winner of the 2016, 2017 and 2018 Canstar 5 Star Award for Outstanding Value Premium Life Direct Life Insurance and Direct Income Protection Insurance.

NobleOak was the winner of the Life Insurance Company of the Year from the RFI Group Australian Insurance Awards 2018 and received the award for Life Insurance Product - Innovation of the Year for its online calculator.

In addition, NobleOak received the Strategic Insights Overall Direct Life Insurance Excellence Award for 2018 and was a finalist for the Term Life, Trauma – Rider and Trauma award. In 2018 NobleOak received the Gold Trusted Service Award from Feefo in 2018.





Media Enquiries

For further information or to arrange an interview with NobleOak CEO Anthony Brown please contact:

Tim Boys

Chief Digital and Marketing Officer
NobleOak Life Limited
M: 0412 329 635
E: timb@nobleoak.com.au

Margaret Rochford

Marketing Manager
NobleOak Life Limited
M: 0414 012 250
E: margaretr@nobleoak.com

NobleOak Life Limited
ABN 85 087 648 708, AFS Licence AFSL 247302
Level 7, 66 Clarence Street, Sydney, NSW, 2000