



# news release

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## **Most Australians are still significantly under-insured**

Under-insurance remains a significant problem in Australia, according to a new AXA under-insurance report.

Adrian Emery, General Manager Sales and Marketing at AXA said, “only 22% of Australians have life insurance, with the average Australian having only 30% of the life insurance required – a gap of nearly half a million dollars per individual.”

“Only 6% of Australians have income insurance, with only 24% of insurable income insured. The average Australian will receive an income insurance benefit that is \$29,000 per annum less than they need,” said Mr Emery.

“With national savings in Australia at an all-time low and household debt passing a staggering \$750 billion at the end of last year, there has never been a more important time for financial protection” said Mr Emery.

This is the third consecutive year that AXA has produced the under-insurance report.

This year’s report includes new consumer research, which indicates that consumer attitudes toward insurance and financial advice are contributing to the problem.

“Consumers are feeling ‘bullet-proof’, and as a consequence, tend to see insurance as ‘not important’. This is an attitude that has arisen in tandem with the recent housing boom, strong economy and low levels of unemployment,” said Mr Emery.

“We also found a widespread misunderstanding about what insurance provides and how it works, which means consumers don’t see the need for insurance. Even a vague knowledge can be a problem – it can put insurance in the too hard basket and it can lead people to falsely dismiss its value.

“We also found that there is a general lack of confidence in insurance and financial advice. But when it comes to gaining their trust, men and women develop trust in different ways.

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“This gender difference is important: it means financial advisers need to engage with men and women differently if they are to gain their trust,” Mr Emery said.

“Women put more emphasis on their personal manner and style, while men put more emphasis on results.

“Obviously women are seeking results from an adviser – but they put a high value on their relationship with the adviser.

“Some of the traits female subjects identified as important in a financial adviser were: approachability, a people person, supportive, a listener and tactful.

“Men on the other hand, have a narrower focus on an adviser’s ability to get financial outcomes.

“Men identified different traits: licensed, certified, proven, knowledgeable and experienced,” said Mr Emery.

AXA is unveiling the research as part of their new insurance offer, which is being launched around Australia from 25 July to 11 August.

As part of the launch, AXA is introducing new tools and new insurance products, which are designed to help advisers deal with the attitudinal issues they have identified.

For launch event information, please go to [www.axaweb.com.au](http://www.axaweb.com.au).

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