

31 July 2026

The Hon Tanya Plibersek MP
Minister for Social Services
Parliament House
CANBERRA ACT 2600

By email: [REDACTED]

Dear Minister,

Consultation on the Second Action Plan (National Plan to End Violence against Women and Children 2022–2032)

The Council of Australian Life Insurers (**CALI**) welcomes the opportunity to contribute to the consultation on the Second Action Plan under the National Plan to End Violence against Women and Children 2022–2032 (**Second Action Plan**).

CALI would like the Second Action Plan to consider strengthening the recognition of financial abuse as a significant form of family and domestic violence (**FDV**) and coercive control, and therefore an area of focus that is built into the Second Action Plan in detail.

Financial abuse can undermine a victim-survivor's safety, financial independence and ability to leave an abusive relationship. It can also continue long after physical separation has occurred, restricting a person's ability to recover and rebuild financial security.¹ While financial abuse is increasingly recognised across Government and community sectors, there remains an opportunity to explicitly recognise its impacts, prevalence and interaction with other forms of FDV within the Second Action Plan.

Financial abuse may involve a range of behaviours, including incurring debts in a victim-survivor's name, misappropriating or restricting access to funds, interfering with employment, or otherwise limiting a person's financial autonomy.² It is commonly experienced alongside other forms of family and domestic violence, with research indicating that a significant proportion of people seeking support for family and domestic violence have also experienced financial abuse.³

¹ Zaneta Mascarenhas, 'Financial abuse is a touchpoint in the fight against domestic violence' (Women's Agenda, 23 August 2024) <<https://womensagenda.com.au/latest/soapbox/financial-abuse-is-a-touchpoint-in-the-fight-against-domestic-violence/>>.

² Ibid.

³ Kay Harrison, 'Tackling Economic and Financial Abuse Linked to Domestic and Family Violence' (UNSW Sydney Newsroom, 11 January 2023) <<https://www.unsw.edu.au/news/2023/01/tackling-economic-and-financial-abuse-linked-to-domestic-and-fam>>.

Submissions to the *Parliamentary Joint Committee on Corporations and Financial Services in Relation to Financial Abuse* (**The Parliamentary Committee on Financial Abuse**) have also highlighted similarities between financial abuse, fraud and scams, particularly where a person's financial resources or identity are misused without genuine consent. The direct costs to victim-survivors of financial abuse have been estimated at \$5.7 billion annually,⁴ which is higher than reported scam losses of \$2.74 billion in recent years.⁵

While substantial policy, regulatory and industry attention has been directed towards scams and fraud, there remains an opportunity to develop a more coordinated and systemic response to financial abuse. This includes improving prevention, disrupting perpetrator behaviour, and strengthening support pathways for victim-survivors.

Financial service institutions' responses can also differ depending on how the conduct is categorised. Scam and fraud cases are often referred to specialist financial crime teams, which may investigate the conduct, block transactions, seek to recover funds and secure customer accounts. By contrast, customers experiencing financial abuse may be referred to hardship or vulnerability teams, which can provide important support to assist with account safety, separation of finances and financial recovery. However, in some cases, victim-survivors may remain liable for debts or obligations incurred in circumstances involving coercion or abuse.⁶

Life insurers are increasingly seeing circumstances where life insurance products are connected to experiences of financial abuse and coercive control. Through its work with members, victim-survivors and family and domestic violence specialists, CALI has identified examples where life insurance has been used to facilitate abuse, maintain control or create fear.

As outlined in CALI's previous submission to the [*Parliamentary Joint Committee on Corporations and Financial Services in Relation to Financial Abuse \(Attachment D\)*](#), (**CALI's Financial Abuse Submission**), perpetrators have used life insurance products with the intent of exercising financial abuse, coercive control and physical threats. In some extreme cases, perpetrators have used the existence of life insurance to threaten a person's safety or life on the basis that they believe they may benefit from a policy.

CALI is also aware of circumstances where perpetrators have committed murder and subsequently sought to claim on a life insurance policy on the victim's life. While the common law forfeiture rule prevents a person who is criminally responsible for a death from receiving a benefit from that death, the existence of these circumstances highlights the intersection between financial abuse, coercive control and life insurance arrangements.

The Second Action Plan should recognise financial abuse not only as a standalone form of abuse, but as a mechanism through which coercive control can be exercised across a range of financial products and services. Doing so would better reflect the lived experiences of victim-survivors

⁴ Deloitte Access Economics, *The Cost of Financial Abuse in Australia* (Report, Commonwealth Bank of Australia, 2022) <<https://www.commbank.com.au/articles/newsroom/2022/02/next-chapter-commitment.html>>.

⁵ Ibid.

⁶ Flequity Ventures, Submission No 88 to Parliamentary Joint Committee on Corporations and Financial Services, *Inquiry into Financial Services Regulatory Framework in Relation to Financial Abuse*, June 2024.

and support greater collaboration between governments, regulators, financial service institutions and specialist services.

The life insurance industry has undertaken significant work to strengthen support for customers experiencing family and domestic violence, financial abuse and related vulnerability. The Life Insurance Code of Practice (**Life Code**) sets enforceable standards for subscribers, including commitments to take extra care with vulnerable customers and to maintain publicly available policies on how they support people affected by family violence and financial abuse.

CALI is currently undertaking an independent review of the Life Code, including careful consideration of family and domestic violence, financial abuse and customer vulnerability. As part of this process, CALI is considering all recommendations made by independent reviewer Peter Kell in his final report and expects to provide an initial public response by 30 September 2026. This review is an important opportunity to ensure the Life Code continues to support safe, consistent and appropriate industry responses.

CALI has also developed the Family and Domestic Violence Policies Best Practice Guidance (**The Best Practice Guide**) to help life insurers engage with victim-survivors in ways that are safe, respectful and responsive. Informed by lived experience and specialist financial safety by design expertise from Flequity Ventures, the guidance supports life insurers to identify and respond to family and domestic violence and financial abuse, including through enhanced confidentiality, flexible policy and claims processes, trained specialist staff, safer communications, support with policy separation, consideration of coercive control and access to counselling, safety and crisis support services. CALI members have also implemented practical measures such as mandatory frontline training, specialist escalation pathways and external counselling support.

We look forward to further engagement on this important matter. Please contact [REDACTED] (Associate Director, Policy) at [REDACTED] for further information.

This submission is made on a non-confidential basis.

Yours sincerely

[REDACTED]

[REDACTED]

Chief Executive Officer
Council of Australian Life Insurers

About the Council of Australian Life Insurers (CALI)

CALI is the leading voice of life insurance in Australia. We support Australians to make informed choices about their future and help them live in a healthy, confident and secure way over their lifetime.

Our members' products and services give people peace of mind when making important decisions and provide a financial safety net during life's biggest challenges.

We advocate for national policy settings that expand Australians' access to the life insurance protection that suits them when they need it most.

CALI represents all life insurers and reinsurers in Australia. The Australian life insurance industry is today a \$26.4 billion industry, employing thousands of Australians and paying billions of dollars of benefits each year.

For more information, visit [\[REDACTED\]](#)

Attachment A: CALI Recommendations

Recommendations

CALI recommends:

1. The Second Action Plan explicitly recognise financial abuse as a form of family and domestic violence and coercive control.
2. The Second Action Plan should recognise financial abuse as a safety issue, including where financial products are used to control, threaten or harm victim-survivors.
3. The Second Action Plan to commit to a targeted Government–industry pilot with CALI. The pilot should test practical legislative, regulatory and industry reforms to remove legal barriers that prevent life insurers from acting safely in family and domestic violence and financial abuse circumstances. The pilot should focus on the following Government asks:
 1. Allow victim-survivors to safely separate from life insurance arrangements, including at the point of claim, without requiring the consent or cooperation of an alleged abuser.
 2. Strengthen verification and consent safeguards at application, policy change, cancellation and claim stages to reduce impersonation, coercion and misuse.
 3. Address notification obligations that may create safety risks, including by testing safe alternatives to statutory notices that could expose a victim-survivor’s location, contact details or safety planning.
 4. Prevent perpetrators from benefiting from harm caused to victim-survivors by clarifying the circumstances in which benefits may be withheld, delayed, redirected or paid into Court.
 5. Consider broader legal responses to family and domestic violence-related suicide, including where coercive control, financial abuse or FDV may have contributed to death.
 6. Support safe disclosure through adviser and customer engagement processes, including separate engagement where needed for joint or cross-owned policies.

Attachment B: Detailed Submission

Proposed Government-Industry Pilot: Reform Areas for Testing

Noting the various areas and examples throughout this submission, CALI recommends that the Second Action Plan commits the Australian Government to establish a targeted Government-industry pilot with CALI and the life insurance sector. The pilot's purpose would test and implement practical reforms that reduce the misuse of life insurance in financial abuse, family and domestic violence and coercive control.

It would test targeted reforms in defined family and domestic violence circumstances, with appropriate safeguards for procedural fairness, privacy, consumer protection, insurer good faith decision-making and victim-survivor safety. All pilot areas should be co-designed with victim-survivors, specialist family and domestic violence experts and services, and other relevant stakeholders.

CALI is seeking a structured pathway for existing laws to be amended, clarified or supported by regulatory changes so life insurers can act safely when detecting products and services are being used to facilitate abuse or coercive control.

As outlined in Attachment A, the pilot should focus on six priority areas:

1. Allowing victim-survivors to safely separate from life insurance arrangements, including at the point of claim.
2. Strengthening verification and consent safeguards at application and policy change.
3. Addressing notification obligations that may create safety risks.
4. Prevent perpetrators from benefiting from harm caused to victim-survivors.
5. Considering broader legal responses to family and domestic violence-related suicide.
6. Supporting safe disclosure through adviser and customer engagement processes.

Recommendation 3.1: Allowing victim-survivors to safely separate from life insurance arrangements, including at the point of claim

CALI supports changes that would allow a victim-survivor to safely separate from, cancel, transfer, assign or otherwise alter a life insurance arrangement in circumstances involving FDV, without needing to obtain the consent or cooperation of an alleged perpetrator.

The purpose of this change would allow a victim-survivor to safely remove themselves from a life insurance arrangement without needing the alleged abuser's consent or cooperation. For example, the pilot could test whether the law should allow a person whose life is insured to cancel cover over their own life, transfer ownership of cover over their life into their own name, or split a joint or cross-owned policy into separate policies in family and domestic violence circumstances.

This change aligns to recommendation eight from the Parliamentary Committee on Financial Abuse.

As previously stated in [Parliamentary Joint Committee on Corporations and Financial Services in Relation to Financial Abuse \(Attachment D\)](#):

“In these cases, one party (generally the victim-survivor) wishes to be removed as a life insured or policy owner, or for the policy to be cancelled, or transferred to be held solely in one party’s name, but cannot do this without the consent and cooperation of the other policy owner (generally the alleged abuser).”

This may occur because, to remove a life insured or cancel a policy, the relevant policy owner, other joint policy owner, or all trustees or directors of a corporate trustee may need to agree to and authorise the cancellation. To change ownership of a policy, section 200 of the *Life Insurance Act 1995* requires ownership to be assigned at law by the outgoing and incoming policy owner or owners signing a memorandum of transfer.

This creates a direct barrier to victim-survivor safety and autonomy. It may require a victim-survivor to contact an alleged abuser, commence legal proceedings, or remain connected to an insurance arrangement that is causing fear or distress.

This section could be amended so that s 200(2)(c) reads, with potential amendments for consideration in **bold**:

*(c) the memorandum must be signed by the transferor and the transferee; or in a case where the life insured is the transferee and there is **or was a family or domestic relationship between the transferor and transferee, by the transferee only.***

Note: this wording does not require proof of family and domestic violence; but could disadvantage a victim-survivor where they hold cover over the perpetrator’s life. This can occur in valid circumstances where, for example, the victim-survivor wants to protect their children financially in the event that the perpetrator loses their capacity to work and can no longer pay child support.

Alternatively:

*(c) the memorandum must be signed by the transferor and the transferee; **or in a case where the transferor has perpetrated family or domestic violence against the life insured, by the transferee only.***

Note: this allows a transfer of cover over a victim-survivor’s life to the victim-survivor; but would require evidence of family and domestic violence.

‘Misidentification’ of victim-survivors as perpetrators is a known phenomenon, with Victoria Police estimating that this affects 12% of female respondents on family violence reports. It is possible that perpetrators could weaponise this section to have cover the victim-survivor has paid for assigned to themselves. It is hoped that, with adequate training, life insurers could detect misidentification. However, where a perpetrator has cover over their own life assigned to them, that may nonetheless be preferable to the current situation where a perpetrator can retain cover over the victim-survivor’s life.

Alternatively and/or additionally:

1. The Australian Prudential Regulation Authority (**APRA**) could be consulted regarding its sustainability measures for individual disability income insurance so that, in cases

where a life insured wishes to cancel cover over their life and replace the policy with a policy held solely in their own name, life insurers can offer them the same terms previously held. While issues with legacy systems may persist, life insurers could identify workarounds within their systems by issuing terms 'as if' a Memorandum of Transfer had been signed.

2. Consultation could focus on how the anti-hawking, personal advice and product disclosure regimes could be amended to allow express carve-outs so that life insurers can more freely discuss options with customers seeking to cancel and replace or assign cover in situations of family and domestic violence, with relaxation of strict PDS requirements where the same cover is sought.

Recommendation 3.2: Strengthening verification and consent safeguards at application and policy change

CALI believes testing additional verification, consent or positive friction points are needed in life insurance application, claim, cancellation and amendment processes. Positive friction points could reduce impersonation, coercion or lack of free and informed consent where there is a risk of financial abuse.

This could involve life insurers taking specific steps to verify identity at the point of sale, aligning to the Parliamentary Committee on Financial Abuse recommendations sixteen and forty-three relating to increased positive friction points in online application processes and electronic transactions to better protect against financial abuse.

CALI's previous Financial Abuse Submission identified that the accessibility of life insurance products, including online applications, can create opportunities for misuse. As previously stated:

"Over the last two decades, life insurance has become much more accessible to consumers. For example, rather than needing to sit down before a financial adviser and complete a paper application form, consumers can now apply quickly and simply online, directly with many life insurers."

However:

"This accessibility is also open to the potential for abuse. An abuser can impersonate a victim-survivor by entering their details and completing the purchase process in their name."

Example:

CALI's Financial Abuse Submission identifies where an abuser appeared to have impersonated an ex-partner and completed an online quote for a funeral insurance policy in their name, causing the victim-survivor to receive a funeral insurance policy quote, which they perceived as a threat.

In other cases involving complaints which arise regularly, perpetrators pose as a victim-survivor and/or forge their signatures on forms to cancel their cover or remove them as a life insured from a jointly held policy; or to appropriate benefits under a policy for themselves.

Example — Colleen Rebelo

André Rebelo killed his mother, Colleen, in 2020 and was sentenced in 2025. André took out three life insurance policies in her name for a total of \$1 million and forged her will. Colleen's death was not considered suspicious until a life insurer's claims fraud detection was reported to police.⁷

Colleen's case demonstrates the risk created when life insurance can be obtained without sufficient safeguards to confirm the knowledge, identity and free consent of the person whose life is insured. Secondly, it highlights the key role life insurers can play at claim stage in identifying suspicious circumstances.

Legislative amendments to address this could include:

Amendment of the *Online Safety Act 2021* (Cth) to expand and apply obligations therein to life insurers, or indeed all corporates.

This would require careful consideration, but could be done by creating a new division with basic safety standards for all Corporations, with clauses based on s44 of the Act as follows:

*'The Minister may determine basic online safety expectations for social media services, relevant electronic services, designated internet services **and Corporations.**' (our amendment to s44 bolded)*

Section 46 could also be amended to include:

'(1)(aa) the expectation that the provider of the service will take reasonable steps to prevent people being exposed to the risk of foreseeable harm if end – users misuse the service to perpetrate family and domestic violence'

- and/or
- Potentially, amendment of the definition of 'life policy' under s 5 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* so that all life insurance products are subject to specific 'Know Your Customer' requirements, rather than only savings and investment-style policies which are a rarity in the market.

Any of these suggested changes above would create stronger front-end safeguards, such as verification and consent and clearer back-end powers for life insurers to investigate, delay, escalate or refuse payment where the policy may have been created or used as part of a pattern of financial abuse or serious harm.

Recommendation 3.3: Addressing notification obligations that may create safety risks

CALI considers that legislative notification obligations should be reviewed to ensure that, where a report of FDV or financial abuse is received, life insurers can respond appropriately without

⁷ Grace Burmas, 'Andre Rebelo Jailed for Murdering Mother Colleen to Maintain Social Influencer Lifestyle' (ABC News, 31 March 2025, updated 1 April 2025) <<https://www.abc.net.au/news/2025-04-01/andre-rebelo-sentenced-for-murder-of-mother-colleen-rebelo-perth/105122858>>.

being required to provide notices that may compromise a victim-survivor's safety or facilitate further abuse. Recommendation eighteen from the Parliamentary Committee on Financial Abuse supports this reform regarding safe reporting pathways for suspected financial abuse.

CALI's previous Financial Abuse Submission identified that life insurers are required under various Commonwealth legislative provisions to provide notices to policy owners, including under the *Corporations Act 2001*, *Insurance Contracts Act 1984* and *Life Insurance Act 1995*. These obligations are important consumer protections, but they can create risks in circumstances involving family and domestic violence.

CALI also previously noted that where a victim-survivor and alleged abuser are joint policy owners and both are required to be notified of matters arising under the policy, this can result in abusers receiving the address and other personal details of a victim-survivor, or learning of other changes or updates to the financial product that have been made by the victim-survivor.

Life insurers can improve communication preferences and internal safeguards which CALI has tried to address through our Best Practice Guide, but statutory notification obligations still require life insurers to communicate with policy owners in ways that are unsafe. A pilot could test whether alternative notification processes, exemptions, regulator guidance or approved protocols are needed where there is family and domestic violence risk.

The Australian Securities and Investments Commission (**ASIC**) has helpfully provided relief from the requirement to provide a transaction confirmation under s 1017F to the policy owner through ASIC Corporations (Cash Settlement Fact Sheet and Confirming Transactions) Instrument 2022/809, where a life insurer reasonably believes the provision of the confirmation would pose an 'unacceptable risk' of a person experiencing family violence, provided certain other conditions are met.

However, this relief is limited, set to expire on 20 September 2027, and the prospect of fines currently up to \$910 million, or 2.5 million penalty units, for breaching these sections makes the decision not to provide the confirmation fraught for a life insurer. A pilot would enable the Government to consider extending this relief, along with consultation to explore a permanent legislative instrument and equivalent treatment for relevant notice obligations under the *Insurance Contracts Act 1984* and *Life Insurance Act 1995*.

Recommendation 3.4: Prevent perpetrators from benefiting from harm

There is a need to uplift existing laws to deter and prevent perpetrators from financially benefiting from harm to victim-survivors, including in circumstances involving FDV.

This aligns with member suggestions relating to codifying the forfeiture rule for life insurance in line with Treasury's consultation on codification for superannuation funds and, considering whether a beneficiary who deliberately or recklessly causes or contributes to another person's illness, injury or death should be prevented from benefiting from that event when it is insured under a life policy. It also aligns with the Parliamentary Committee on Financial Abuse recommendation eleven:

“to ensure that a perpetrator cannot financially benefit from the death of victim-survivors, including in circumstances of domestic violence related suicide.”⁸

CAL’s Financial Abuse Submission states:

“In Australia life insurance products have been used by perpetrators with the intent of exercising financial abuse, coercive control and physical threats. In egregious cases, perpetrators have used the existence of life insurance to threaten someone’s personal safety or life on the basis that they will be able to claim on a policy.”

We also reiterate our awareness of instances where a perpetrator has committed murder and sought to claim on an insurance policy on their victim’s life.

The common law forfeiture rule prevents a person who is criminally responsible for a death from receiving a financial benefit from that death, including life insurance payments. CAL’s Best Practice Guide has included the consideration of the forfeiture rule. However, assuring a victim-survivor of the forfeiture rule does not necessarily alleviate their distress, prevent an abuser from using the existence of a policy as a tool of coercive control, or in some cases, killing the life insured or driving them to death by suicide.

The forfeiture rule prevents a person who has unlawfully caused the death of another from benefiting financially from that death. It has been applied even in cases such as *Cleaver v Mutual Reserve Fund Life Association*⁹ and *Troja v Troja* (1994) 33 NSWLR 269, 299, and *Edwards v State Trustees Limited* [2016] VSCA 28, where a wife who is a victim of years of family and domestic violence has killed their husband and been found guilty of manslaughter, or ‘defensive homicide’.

The extent to which the forfeiture rule applies beyond homicide to claims arising from other forms of violence and abuse is also not fully tested.

The following examples demonstrate that current safety mechanisms, including claims investigation, payment into Court and the common law forfeiture rule, are important but largely reactive. They often operate only after serious harm, suspicious death or a disputed claim has already arisen.

Example — Bruce Saunders

Mr Saunders died on 12 November 2017 in unusual circumstances. His death certificate, dated 6 December 2017, stated his cause of death as “not yet determined”. On 18 December 2017, Ms Graham submitted a claim to a life insurer for payment of the benefit amount. Around February 2018, the life insurer was issued with a search warrant authorising Queensland Police to search for documentation relating to Mr Saunders’ policy on the basis that it was connected to the offence of murder. Subsequently, police charged Ms Graham, along with others, with the murder of Mr Saunders.¹⁰

8 Parliamentary Joint Committee on Corporations and Financial Services, Parliament of Australia, Financial Services Regulatory Framework in Relation to Financial Abuse (Report, December 2024) rec 11.

9 *Cleaver v Mutual Reserve Fund Life Association* [1892] 1 QB 147; see also *Troja v Troja* (1994) 33 NSWLR 269, 299.

10 *NobleOak Life Limited v Graham* [2023] FCA 1127.

Life insurers may be asked to pay a benefit before police, coronial or criminal processes have determined whether the death involved homicide or other serious misconduct. The proposed pilot would give life insurers a clearer and safer pathway to pause, investigate, request information, refer concerns to law enforcement, to avoid the benefit being paid prematurely to a person who may later be found to have caused or contributed to the death.

Example — Jacqueline Davidson

Jacqueline was allegedly murdered by Graeme Davidson in 2020, who was charged in 2025 with murder and attempting to claim more than \$1 million in life insurance.¹¹

The proposed reform would make clear that a person cannot receive, directly or indirectly, a benefit under a life policy where they intentionally or recklessly caused or contributed to the death giving rise to the claim. The practical impact would be to give insurers a clearer statutory basis to stop, delay, investigate or redirect payment where the claimant is also suspected of causing the insured event.

Example — Laine Coldwell¹²

Laine was murdered by Louis Mahony in 2009, who was charged in 2015 and sentenced in 2017. The perpetrator was only charged after a life insurer undertook investigations.

It was the life insurer's own investigation that helped to identify conduct that had not otherwise resulted in criminal charges. A clearer reform pathway would recognise life insurers as part of the broader detection and disruption system, and would give insurers confidence to investigate, delay payment, escalate concerns and refer matters to law enforcement where a claim raises indicators of family and domestic violence, coercive control, financial abuse or suspicious death. Without that pathway, life insurers may identify risk but remain constrained by uncertainty about when and how they can act.

Consistent with the Second Action Plan's focus on prevention, early intervention and system integration, CALI is asking Government to consult with life insurers on a clear legal and regulatory pathway for earlier intervention. This should be tested through a targeted Government–industry pilot, with safeguards for victim-survivor safety, procedural fairness, privacy and insurer good faith decision-making.

Currently, the forfeiture rule remains a common law doctrine in a number of jurisdictions; but has been codified in the ACT, and in NSW in the *Forfeiture Act 1995* (NSW).

Consideration could be given to legislation codifying the forfeiture rule across jurisdictions. Such legislation might be modelled on the NSW Forfeiture Act; which has modified the absolute application of the common law doctrine and contains helpful guidance as to cases not amounting to murder. Section 3 of the NSW Forfeiture Act defines 'unlawful killing' as follows:

11 Online Reporter, 'Hua Hin Expat Charged with Wife's Murder and Alleged \$1m Insurance Fraud' (Hua Hin Today, 5 May 2025) <<https://huahintoday.com/hua-hin-news/hua-hin-expat-charged-with-wifes-murder-and-alleged-1m-insurance-fraud/>>.

12 'Convicted Murderer Loses Claim to Wife's Insurance Payout' (Insurance News, 12 March 2020) <<https://www.insurancenews.com.au/daily/convicted-murderer-loses-claim-to-wifes-insurance-payout>>.

"unlawful killing" means--

- (a) any homicide committed in the State that is an offence, and*
 - (b) any homicide that would be an offence if committed within the State,*
- and includes aiding, abetting, counselling or procuring such a homicide and **unlawfully aiding, abetting, counselling or procuring a suicide. (our emphasis)***

Section 5 also allows the Supreme Court to modify the effect of the forfeiture rule, taking into account certain factors:

5 Power of Supreme Court to modify effect of forfeiture rule

(1) If a person has unlawfully killed another person and is thereby precluded by the forfeiture rule from obtaining a benefit, any interested person may make an application to the Supreme Court for an order modifying the effect of the rule.

(2) On any such application, the Court may make an order modifying the effect of the forfeiture rule if it is satisfied that justice requires the effect of the rule to be modified.

(3) In determining whether justice requires the effect of the rule to be modified, the Court is to have regard to the following matters--

- (a) the conduct of the offender,*
- (b) the conduct of the deceased person,*
- (c) the effect of the application of the rule on the offender or any other person,*
- (d) such other matters as appear to the Court to be material.*

The Government could also consider whether an additional factor regarding family and domestic could be added to this legislation; such as:

(e) the need to end violence against women and children; taking into account evidence that:

- (i) family and domestic violence perpetrated by women often occurs in the context of resistance, retaliation and self-defence; and*
- (ii) the prevalence of misidentification of women who are in reality victim-survivors of family and domestic violence as perpetrators.*

In relation to (i), studies demonstrate that perpetration of family and domestic violence by women occurs in the context of resistance, retaliation and self-defence in 48% of cases.¹³

13 Hayley Boxall, Christopher Dowling and Anthony Morgan, 'Female Perpetrated Domestic Violence: Prevalence of Self-Defensive and Retaliatory Violence' (2020) 584 Trends and Issues in Crime and Criminal Justice <https://www.aic.gov.au/sites/default/files/2020-05/ti584_female_perpetrated_domestic_violence-v2.pdf>.

In relation to (ii), as noted elsewhere, evidence suggests that misidentification of women as perpetrators can occur in up to 12% of cases.¹⁴

Recommendation 3.5: Considering broader legal responses to family and domestic violence-related suicide

CALI recognises broader questions about family and domestic violence-related suicide. We believe death by suicide in the context of FDV should be investigated as potential homicides, and that Government should consider whether there should be an offence of coercive control leading to suicide which is recommendation eleven from the Parliamentary Committee on Financial Abuse.

These issues go beyond life insurance regulation alone, but they are relevant to the broader policy intent of ensuring perpetrators do not financially benefit from harm caused to victim-survivors. They also intersect with claims processes, beneficiary arrangements and the operation of the forfeiture rule.

Example - Molly Wilkes

From media reports, 22-year-old Molly died by suicide in July 2022, with her bags packed to leave, allegedly following years of relentless emotional, sexual, physical and financial abuse at her husband's hands.

Her mother described numerous messages encouraging her to commit suicide, and of financial abuse including requesting Molly to ask her mother for money, wanting to access her inheritance from her grandmother, messages indicating that her husband had all their finances in order whilst at the same time taking out a payday loan, and words to the effect of her being a financial liability.

Molly nominated her mother as her superannuation beneficiary, but her abuser was the only eligible superannuation dependent. Her insured death benefit was paid to her abuser via the superannuation release.

Under the current regime Molly's abuser was the only eligible superannuation dependent¹⁵ under regulations requiring interdependency, assessed against factors including cohabitation and financial support.¹⁶

Cases like this demonstrate the real and cruel irony when life insurers and superannuation trustees have to pay abusers who contribute to the death of their victims. These outcomes are

14 Victoria Police, External Agency Briefing: Misidentification of the Primary Aggressor: A 2021 Update (Unpublished Briefing, 2021), cited in Family Violence Reform Implementation Monitor, 'Misidentification Is a Significant Issue That Has Enormous Consequences for the Victim Survivor' (Web Page)

<<https://archive.fvrim.vic.gov.au/monitoring-victorias-family-violence-reforms-accurate-identification-predominant-aggressor/misidentification-significant-issue-enormous-consequences-victim-survivor>>.

15 Julie Adams, Submission No 104 to Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into Financial Services Regulatory Framework in Relation to Financial Abuse, 6 June 2024.

16 Superannuation Industry (Supervision) Regulations 1994 (Cth) reg 1.04AAAA.

contrary to societal expectations and measures need to be considered by the Government to avoid these outcomes and we commend the recent Treasury consultation and the advocacy of Molly's mother, Jules Adams, in this respect.

Example — Kerry Reinhardt

Kerry allegedly died by suicide in 2020. Craig Virtue was charged with negligent manslaughter in 2025, and Kerry's children brought proceedings concerning a life insurance benefit held over Kerry's life.¹⁷ This matter is included not as a straightforward forfeiture-rule example, but because it highlights an emerging gap: where family and domestic violence may have contributed to death by suicide, existing criminal law, coronial processes and life insurance benefit-payment rules may not provide a clear or timely pathway.

The United Kingdom has recently moved to charge perpetrators of family and domestic violence with manslaughter after their partners have taken their own lives. Noting research in the United Kingdom shows that the primary cause of death for female violence survivors is death by suicide,¹⁸ this supports CALI's recommendation that the Second Action Plan consider whether family and domestic violence-related death by suicide should be investigated and responded to as part of the broader system for preventing perpetrators from benefiting from harm to victim-survivors.

The Second Action Plan could consider whether the Istanbul Convention (The Council of Europe Convention on preventing and combating violence against women and domestic violence)¹⁹ requires such action, given Article 5 requires states take the necessary legislative and other measures to exercise due diligence to prevent, investigate, punish and provide reparation for acts of violence covered by the scope of the Convention.

Such legislative responses could include amendment of various Crimes Acts to create an offense of family and domestic violence which causes death by suicide; for example:

- a. The relevant wording could incorporate definitions in s3 of the NSW Forfeiture Act; and one option could be modelled on s3A of the *Crimes Act* (Vic) which provides that:

(1) A person who unintentionally causes the death of another person by an act of violence done in the course or furtherance of a crime the necessary elements of which include violence for which a person upon first conviction may, under or by virtue of any enactment, be sentenced to level 1 imprisonment (life) or to

17 Ben Quinn, 'UK Police to Charge More Abusers with Manslaughter after Suicide of Partner' (The Guardian, 24 March 2025) <<https://www.theguardian.com/society/2025/mar/25/uk-police-to-charge-more-abusers-with-manslaughter-after-suicide-of-partner>>.

18 Advance, 'Advance Releases the Intersection of Gender, Domestic Abuse, and Suicidality Report' (Web Page, 9 October 2025) <<https://www.advancecharity.org.uk/advance-releases-the-intersection-of-gender-domestic-abuse-and-suicidality-report/>>.

19 Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence, opened for signature 11 May 2011, CETS No 210 (entered into force 1 August 2014).

imprisonment for a term of 10 years or more shall be liable to be convicted of murder as though he had killed that person intentionally.

A similar approach could be taken with family and domestic violence, for example:

‘(1) A person who perpetrates family and domestic violence against another person, which results in the suicide of that person, may be sentenced to level 1 imprisonment (life) or to imprisonment for a term of 10 years or more shall be liable to be convicted of murder as though he had killed that person intentionally.’

Or:

(1) Murder [or manslaughter] includes aiding, abetting, counselling or procuring such a homicide and unlawfully aiding, abetting, counselling or procuring a suicide.

- b. Alternatively, family and domestic violence could be legislated as an act causing death by suicide, similar to s4A of the *Crimes Act* (Vic) which provides in s4A(2) that:

‘(2) A single punch or strike is to be taken to be a dangerous act for the purposes of the law relating to manslaughter by an unlawful and dangerous act.’ A similar approach could be taken with family and domestic violence, for example:

‘(2) The perpetration of family and domestic violence is taken to be a dangerous act for the purpose of the law relating to manslaughter by an unlawful and dangerous act’.

These options would require careful consideration and consultation with Crown Prosecutors, Departments of Public Prosecutions and family and domestic violence experts to ensure that victim survivors are not punished by perpetrators; noting the phenomenon of misidentification that threats to commit suicide are a known tactic of family and domestic violence perpetrators.

The current framework is not well adapted to circumstances where coercive control, financial abuse or family and domestic violence may have contributed to a person taking their own life. If one of the proposed reforms were adopted, the law could more clearly recognise that a person should not benefit from a life insurance policy where they intentionally or recklessly caused or contributed to the death giving rise to the claim, including through family and domestic violence, coercive control, financial abuse or conduct contributing to death by suicide. This would allow the Second Action Plan to address an emerging and serious category of harm, rather than treating these cases as ordinary claims disputes.

CALI does not propose that these broader criminal law issues be resolved through the life insurance pilot alone. However, the Second Action Plan provides an opportunity for a national policy framework led by Government to consider how family and domestic violence-related suicide is recognised, investigated and addressed across legal, financial and support systems.

Recommendation 3.6: Supporting safe disclosure through adviser and customer engagement processes

CALI recognises the important advocacy from the Financial Advice Association Australia (FAAA) which is seeking to reduce the impact of financial abuse, including its calls for consistent identification, reporting and escalation frameworks, clearer training and support for advisers, and appropriate privacy and whistleblower protections where financial abuse is suspected.

Financial advisers can have a unique relationship with clients and their families, and may be well placed to identify warning signs of financial abuse, coercion or lack of free and informed consent at the point a life insurance policy is established, varied or reviewed. This is particularly relevant for joint, cross-owned or more complex policy structures, where one person may not feel able to disclose fear, coercion or abuse in the presence of the other party.

CALI supports these asks from the FAAA and believes collaboration through the Government-industry pilot could consider how adviser engagement, life insurer processes and safe disclosure pathways can operate together in life insurance settings.

This could include testing whether separate engagement with each life insured or policy owner, disclosure prompts, clear referral pathways, and consistent escalation protocols would help identify financial abuse risks before policies are issued or changed. Any approach should align with FAAA's broader recommendations on adviser training, reporting frameworks, privacy settings and legal protections for professionals who identify suspected financial abuse.

Attachment C: Regulatory and Legislative Barriers

Regulatory and Legislative Barriers

Through the life insurance industry's commitment to combatting financial abuse, CALI has identified a range of existing legal impediments to life insurers' ability to prevent and respond to financial abuse and family and domestic violence. We have attached our previous submission as Attachment D for your detailed reference.

Policy ownership structures

Issues most commonly arise where policies are jointly owned, cross-owned, or owned through structures such as self-managed superannuation funds.

In these circumstances, one party (generally the victim-survivor) may seek to:

- be removed as a life insured or policy owner,
- have the policy cancelled, or
- have ownership transferred into one person's sole name.

However, they are generally unable to do so without the consent and cooperation of the other policy owner, who is often the alleged abuser.

As CALI noted in its previous submission:

"The victim-survivor may be unwilling to approach the alleged abuser to request this cooperation and authorisation, and indeed it may be unsafe to do so; and the alleged abuser may choose to withhold their consent, including as a means of abusing the victim-survivor as there is no legislative mechanism that triggers a reassessment of the policy."

This issue is compounded by section 200 of the *Life Insurance Act 1995*, which requires ownership assignments to be executed through a memorandum of transfer signed by both outgoing and incoming policy owners. In family and domestic violence circumstances, obtaining that cooperation may be impossible or unsafe.

Claim payments

A further area where disputes regularly arise is where joint policy owners separate and later, one party seeks to make a claim for a benefit but cannot obtain, or cannot safely seek the consent of, the other policy owner as they have separated acrimoniously.

It would be beneficial to consider legislation permitting life insurers (or insurers generally) to exercise discretion in good faith as to whom they pay the benefit to. As above, while life insurers can attempt to craft terms around this scenario going forward, legislation with retrospective effect would be beneficial for dealing with these scenarios arising under older policy wording.

Premium payments

Life insurance policies generally require ongoing premium payments for cover to continue.

As identified in CALI's previous submission, a person who controls the account from which premiums are funded may withdraw payment authority with the intention of causing the policy to lapse. For victim-survivors already experiencing financial stress following relationship breakdown, this may create additional hardship and distress.

Legislation or policy terms requiring life insurers to notify a life insured of an impending lapse could be beneficial in dealing with these scenarios.

Threats and coercive control

Life insurance products may also be used as a mechanism of coercive control.

Our previous submission outlines examples where perpetrators have used life insurance arrangements to create fear and distress. One example involved an individual allegedly impersonating an ex-partner and completing an online funeral insurance quote in their name, resulting in the victim-survivor receiving a funeral insurance quotation which was perceived as a threat.

CALI members have also heard from victim-survivors who are deeply distressed by the prospect that an abusive partner or former partner may seek to benefit from a policy on their life. Although legal safeguards such as the forfeiture rule exist, the extent to which the rule applies beyond murder to claims arising from other forms of violence and abuse is not fully tested and does not necessarily alleviate the fear or distress experienced by victim-survivors.

A review of publicly reported cases involving alleged murder or manslaughter of the life insured by the policy holder or beneficiary, or allegedly driving the life insured to suicide, confirms that the forfeiture rule does not deter all perpetrators; and some receive benefits as a result of their alleged abuse.

Notification requirements

Life insurers are required to provide notifications to policy owners under a range of Commonwealth laws, including the *Corporations Act 2001*, *Insurance Contracts Act 1984* and *Life Insurance Act 1995*.

While these obligations provide important consumer protections and transparency for the vast majority of financial product holders, they can create significant distress and risks where a policy is jointly or cross-owned and a victim-survivor's safety may be compromised by disclosure of personal and policy information.

CALI's previous submission noted that these requirements can result in alleged perpetrators receiving address details or other personal information about victim-survivors, outcomes that do not align with community expectations or the objective of protecting individuals experiencing family and domestic violence.

Personal advice

Much of the advice victim-survivors request about how to manage their financial products during family and domestic violence, is at risk of being personal financial product advice within the meaning of the *Corporations Act 2001*, because it would necessarily take the victim-survivor's financial situation, objectives and needs into account.

As life insurers are generally not equipped to provide personal advice to their customers, the assistance they can provide is significantly curtailed. Many victim-survivors are also experiencing financial hardship or financial abuse and are unable to afford or access advice from a financial adviser.

Allowing life insurers to provide limited personal advice, either generally, or specifically in cases of family and domestic violence, could assist to resolve these issues.

Evidence and procedural fairness

Life insurers take reports of family and domestic violence seriously and do not require victim-survivors to prove or evidence what they have experienced in order to access support.

However, certain types of support and policy changes requested by victim-survivors can result in financial detriment to the alleged perpetrator, and accordingly require due process and procedural fairness to be afforded. Life insurers may not be best equipped to balance competing claims or weigh evidence in respect of domestic and family violence situations, which should be a matter for a specialist, appropriately equipped body or at least consultation.

CALI has taken action through the Life Code, member practices and the Best Practice Guide. However, through that work and CALI's previous financial abuse submission, we have identified barriers that require Government involvement. CALI is therefore seeking a Government-supported pilot to test targeted reforms. A mechanism such as ASIC's Enhanced Regulatory Sandbox could provide a regulatory framework through which these initiatives could be piloted.

Attachment D: [CALI's Financial Abuse Submission \(Dated 14 June 2024\)](#)

The life insurance industry's approach to financial abuse

The industry has developed the Life Code which establishes enforceable standards that subscribers (the life insurers) agree to uphold. The Life Code binds subscribers to promote high standards of service to consumers, provides a benchmark of consistency within the industry and establishes a framework for industry behavior and responsibilities. Compliance with the Life Code is monitored by the independent Life Code Compliance Committee (LCCC).

The Life Code includes specific commitments for customers experiencing vulnerability or financial hardship, including due to financial abuse and family and domestic violence. Life Code subscribers are required to:

- take extra care to support vulnerable customers. Vulnerability is broadly defined and includes people affected by family and domestic violence and financial abuse; and
- have publicly available policies on their websites about how they will support people if they are affected by family violence and financial abuse.
- To support the Life Code requirement for subscribers to have a publicly available policy on family violence, the industry has also developed the Life Insurance and Family Violence Policy. This sets out areas that should be covered in subscribers' policies, including:
 - making sure that safety is paramount for customers affected by family and domestic violence through the protection of private and confidential information. These measures include taking the customer's reasonable communication preferences into account with mechanisms to ensure adherence to these and using technology to improve customer safety;
 - a commitment to the customer that their family and domestic violence situation will have no adverse effect on their claim if applicable; and
 - taking family and domestic violence into consideration when designing products.

Specific steps taken by CALI members in implementing the Code include:

- mandatory training for frontline staff
- specialised FDV training for team leaders
- escalation of issues to centralised specialist teams for review
- external counseling support in partnership with organisations with expertise in family and domestic violence.

Many CALI members are reviewing their policies and continuing to explore ways they can provide more support for people affected by family violence and financial abuse.

CALI is committed to continuing to review and improve the whole industry's approach to financial abuse. In February 2024, the CALI Board instructed CALI to review and update the

industry guidance on family and domestic violence. CALI members have agreed to enhance this guidance by providing more detail on the support that insurers will provide to victim-survivors, including revising definitions of financial abuse and coercive control, and expanding family and domestic violence commitments.

Key areas of focus in the guidance will include:

- Privacy: emphasising the protection of personal information for customers impacted by family and domestic violence and financial abuse;
- Training: ensuring continuous training for relevant staff to better respond to customers experiencing family and domestic violence and identify signs of abuse; and
- Support services: specifying employee assistance support and development programs to equip staff for handling sensitive situations.

Both the LCCC and the Financial Rights Legal Centre have recently undertaken reviews of Code subscribers' publicly available family violence policies. These reviews highlighted good practices as well as areas for improvement. CALI members are considering the findings of these reviews in relation to their own existing policies. CALI will also be considering the findings of these reviews as part of our guidance review.

In developing the industry's approach, we believe it is critical that we understand the lived experience of victim survivors of family and domestic violence and financial abuse. This will ensure we are aware of how life insurance products have been used by perpetrators of financial abuse, in particular ways that the industry does not currently know about. It will also enable us to identify any features of the design of life insurance products that present difficulties for people affected by financial abuse or are being exploited by perpetrators. CALI is engaging experts in family and domestic violence to undertake this research through surveys and focus groups with victim-survivors.

Examples of issues experienced by victim-survivors and life insurers

CALI has identified a range of existing legislation, common law, and regulatory arrangements that can impede the ability of life insurers to prevent and respond to financial abuse and family and domestic violence.

a. Policy ownership structures

Life insurance policies are most commonly held by individuals over their own lives, although they may choose the policy to be for the benefit of their family members such as children. Alternatively, the policy may be held by the trustee of a superannuation fund of which the life insured is a member, or a business of which they are an employee. In general, in the experience of our members these ownership structures do not tend to give rise to reported issues of abuse mainly because a single person has control over the policy and it only covers themselves.

However, to a lesser extent, policies may be jointly owned (for instance, two members of a couple are joint policy owners of a policy under which one or both of their lives are insured), or cross-owned (where one person owns a policy over the life of another person), or owned by the trustee of an SMSF over the lives of one or more of the SMSF's members. There are a number of reasons why such ownership structures may be selected.

Where the policy is to protect against a liability arising to the policy owner if the life insured dies, it may be appropriate for the policy owner to have all rights, title, and interest in the policy.	For example, a business owner who may become solely liable for their business's debts if their business partner dies, thus chooses to own and pay for a policy over their business partner's life for their own financial protection.
Joint ownership means that changes to or disposal of the policy cannot occur without the consent of both parties, which may give an additional degree of control and security by preventing unilateral decisions by one party which may be adverse to one party.	For example, joint mortgagors (or a mortgagor and a guarantor of the mortgagor) decide to jointly own a policy, so that any decisions to change or cancel the policy which could leave the other party exposed to a liability must be made together.
Where life insurance is structured through a self-managed superannuation fund (SMSF), the policy will be owned by the trustee(s) of the SMSF, who is/are the members of the fund (or in the case of a corporate trustee, the members are directors of the corporate trustee).	For example, a husband and wife are members of a SMSF. A life insurance policy may be taken out over their lives by the fund; the trustee(s) of the SMSF will be the policy owner. In this case both the husband and the wife as trustees of the fund, if they are authorised to act on the fund's behalf, would be equally treated as policy holders.

These arrangements will generally require the consent and cooperation of the policy owner(s) and life or lives insureds when the policy is first set up. All policy owners need to execute an application for the policy to be issued to them, and lives insured typically need to participate in underwriting questionnaires or assessments (or at least provide their personal information where no underwriting is necessary). Issues typically arise when the relationship between the parties breaks down, including in cases of domestic and family violence.

In these cases, one party (generally the victim-survivor) wishes to be removed as a life insured or policy owner, or for the policy to be cancelled, or transferred to be held solely in one party's name, but cannot do this without the consent and cooperation of the other policy owner (generally the alleged abuser). This may be because:

- to remove a life insurance or to cancel the policy, the policy owner (in the case of cross-ownership), or the other policy owner (in the case of joint ownership), or all trustees/directors of the corporate trustee (in the case of SMSF trustee ownership) must agree to and authorise the cancellation; or
- to change the ownership of the policy, section 200 of the Life Insurance Act 1995 (Cth) requires that ownership may only be assigned at law by the outgoing and incoming policy owner(s) signing a memorandum of transfer.

The victim-survivor may be unwilling to approach the alleged abuser to request this cooperation and authorisation, and indeed it may be unsafe to do so; and the alleged abuser

may choose to withhold their consent, including as a means of abusing the victim-survivor as there is no legislative mechanism that triggers a reassessment of the policy.

The victim-survivor can seek a negotiated resolution with the alleged abuser through intermediaries, or approach the Court for orders compelling a change to the policy for instance, the Court may make orders compelling one party to assign ownership of the policy to the other pursuant to the Family Law Act 1975 (Cth) s 79 for married couples, or s 90SM for de facto couples). However, these avenues can be costly, time-consuming and stressful.

Another complicating factor with this is that the exception to the hawking regime for offering replacement products (Corporations Regulations 2001 (Cth) reg 7.8.21A(1)(j)) applies only where the offeree was the original holder (i.e. policy owner) of the original product. This means an insurer can't rely on this to offer the victim-survivor a replacement product; rather, the victim-survivor must specifically request this, but may not know that they need to do this in order for the insurer to be able to offer another product to them.

b. Premium payments

Most life insurance policies in Australia require the ongoing payment of a premium for cover to continue. Failure to pay the premium will cause the policy to lapse and cover under it to cease.

A person with control over the account from which premiums are being funded can therefore withdraw the payment authority, with the intention of causing the policy to fall into arrears and be cancelled.

For example, if two people jointly own a life insurance policy, and the premium is being debited from a joint bank account that both parties may unilaterally give payments instructions for, one party can withdraw the payment authority without the prior consent of the other.

This may be done to cause distress to a victim-survivor and force them to find alternative payment methods to keep the policy on foot, which may also cause them financial difficulty. As victim-survivors are often already facing financial difficulties following the breakdown of a relationship, these acts can aggravate an already precarious financial situation and significantly exacerbate the victim-survivor's distress.

c. Threats

As life insurance primarily covers death and injury to the insured person, it may be used by perpetrators of abuse to threaten victims.

Over the last two decades, life insurance has become much more accessible to consumers. For example, rather than needing to sit down before a financial adviser and complete a paper application form, consumers can now apply quickly and simply online, directly with many insurers.

This accessibility is also open to the potential for abuse. An abuser can impersonate a victim-survivor by entering their details and completing the purchase process in their name. In one example, an abuser appeared to have impersonated their ex-partner and completed an online

quote for a funeral insurance policy in their name, causing the victim to be mailed a funeral insurance policy quote, which they perceived as a threat.

CALI members have also heard from victim-survivors who are deeply distressed by the prospect that an abusive partner or ex-partner might seek to kill or injure them, and then receive the benefit of a life insurance policy over their life.

The common law provides that a person who is criminally culpable for the death of the life insured shall not have the benefit of the policy (this is known as the forfeiture rule – recent Australian precedents include *Swiss Re Life & Health Australia Ltd v Public Trustee of Queensland* (No 3) [2018] FCA 1918 and *Westpac Life Insurance Services Limited v Mahoney* (No 3) [2020] FCA 285), and there are procedures in the Life Insurance Act for life insurers to pay the money into the Court and not to the criminally culpable party in such circumstances.

Nonetheless, in our members' experience assuring a victim of this rule does not alleviate their distress or desire to be removed from a policy, or prevent an abuser from seeking to wield control over a victim through the fact of having a policy over their life.

d. Notification requirements

As financial products and insurance policies, a raft of legislative provisions require notifications to be given to policy owners in respect of the policies that they hold. These include notifications under ss 1017B and 1017F of the Corporations Act 2001 (Cth), section 59 of the Insurance Contracts Act 1984 (Cth), and s 210 of the Life Insurance Act 1995 (Cth).

Life insurers face operational difficulties in reconciling these requirements with the need to protect a victim-survivor's location and other information – such as whether a monetary amount is being paid under the policy - from an alleged abuser, particularly in the case of joint and cross-policy ownership.

The Australian Securities and Investments Commission has acted to provide limited relief from the requirement to provide a transaction confirmation to the policy owner (ASIC (Cash Settlement Fact Sheet and Confirming Transactions) Instrument 2022/809). Insurers can rely on this relief where they reasonably believe the provision of the confirmation would pose an “unacceptable risk” of a person experiencing family violence, provided certain other conditions are met. However, in practice, measuring an unacceptable (as opposed to acceptable) risk of a person experiencing family violence is problematic and difficult to implement having regard to issues such as the necessary threshold of evidence, and the appropriate level of training for staff.

e. Other issues

Life insurers face other more general difficulties in assisting victim-survivors.

Because victim-survivors generally seek solutions to issues which are highly dependent on their financial situation, objectives and needs, any advice provided to them by the insurer may amount to personal financial product advice. The licensing, conduct and administrative obligations (such as the need to provide a Statement of Advice) often prevents insurers from

providing the most useful advice that would likely be in the best interests of the victim-survivor, because it would necessarily take their situation into account and this amount to personal advice.

Section 13 of the Insurance Contracts Act 1984 (Cth) implies a provision into each insurance contract requiring each party to it to act towards the other party, in respect of any matter arising under or in relation to a contract, with the utmost good faith. An insurer's breach of this condition is subject to a civil penalty of 5,000 penalty units. Where a victim-survivor alleges abuse or violence by a party to the policy, but that party cannot hear those allegations or respond to them (for example because to raise them may compromise the victim-survivor's safety), the insurer is placed in a difficult position. It is generally accepted that such allegations should be treated as true and arrangements made to accommodate whatever relief or assistance it is possible to provide to the victim-survivor; however, this sits uneasily with the insurer's duty of utmost good faith to the subject of those allegations.

Consultation on appropriate measures to address these issues

We believe that the current regulatory framework makes it too difficult for victim-survivors to obtain the outcomes they want, or for life insurers to provide the level of assistance that victim-survivors should receive. We are also cautious that inappropriate responses to the issues set out in this submission could inadvertently dilute consumer protections, and at worst could open new avenues for committing abuse through life insurance products.

CALI therefore believes it would be appropriate for the Government to consult on appropriate measures to address the issues discussed in this submission, and to seek input from a wide range of stakeholders, including victim-survivors with lived experience, their advisers and family members, community advocacy groups, life insurers, lawyers and legal bodies. We believe a consultative approach is necessary to ensure that any changes to policy settings and regulatory reforms are safe for victim-survivors, do not introduce new risks of harm, are fair and afford due process, and preserve the financial security that life insurance provides.

CALI would be pleased to contribute further to this important inquiry and to collaborate with all interested stakeholders in discussing solutions to these issues. Thank you for considering our submission.