Good Shepherd Microfinance

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INSURANCE FOR LOW-INCOME AUSTRALIANS: TAKING INNOVATIVE ACTION

MARCH 2013

DISCUSSION PAPER

NATIONAL AUSTRALIA BANK

National Australia Bank (NAB) has been working with Good Shepherd Microfinance since 2003 to help low income Australians to find a pathway to financial inclusion and independence.

Together we have developed microfinance programs to help those who have been financially excluded from mainstream banking to avoid the pitfalls of fringe lending. Our work with the Federal Government and local community organisations across Australia has helped more than 100,000 people get access to loans and matched savings programs.

As part of our ongoing commitment to financial inclusion, NAB supports the broader discussion on the insurance needs of low-income Australians as it is an important issue that needs further investigation.

With rising premium costs and a common problem of under-insurance in Australia, it's important to understand the industry and consumer dynamics and the issues facing low income Australians in protecting their assets and livelihood in particular.

We're pleased to see Good Shepherd Microfinance take the lead, and look forward to being involved in the discussion.

Paula Benson

General Manager Corporate Responsibility
National Australia Bank

GOOD SHEPHERD MICROFINANCE

It is generally understood that insurance is vital for protecting assets and improving resilience. Insurance is an essential product for ensuring Australians, even those with modest assets and incomes are able to recover from shocks and are resilient in the event of losses.

Yet, for all the benefits, access, understanding and uptake of insurance is low among people on low incomes, and significant contributing factor in financial exclusion.

We believe this situation can be addressed, but are aware we are unable to do so alone. Our partnership with NAB is now in its tenth year, and the success of the No Interest Loan Scheme (NILS), Step UP and Adds UP programs shows that the community sector, industry and governments can work together to address financial exclusion and improve lives.

We look forward to increasing insurance access, affordability, understanding and uptake, invite all stakeholders to collaborate with us, and encourage you to respond to this discussion paper.

Adam Mooney

Chief Executive Officer
Good Shepherd Microfinance

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1. OVERVIEW

Good Shepherd Microfinance and Insurance

Good Shepherd Microfinance plays a significant role in promoting and maintaining the economic wellbeing of Australians through ensuring appropriate, affordable financial products are readily accessible to all, advocacy and research. This goes beyond social justice and dignity. The security and flexibility offered by savings, credit and insurance is essential to asset building, financial stability and economic inclusion for all Australians.

Limited availability, access to, and understanding of, insurance are significant contributing factors in financial exclusion for many Australians. It is generally understood that insurance is vital for protecting assets and securing a resilient future. Without insurance, it is not possible to accumulate assets safely and confidently or use everyday essentials such as a motor vehicle. Non-insurance also places huge burdens on society.

Good Shepherd Microfinance believes it is possible to insure sustainably a large number of Australians who are currently excluded from insurance or are unsure why or how the product could be of benefit to them.

Good Shepherd Microfinance intends to take action to meet the market and ensure all Australians have access to appropriate and affordable personal insurance products so that they can realise the benefits of insurance.

As with our other products and services, we are unable to do this alone; we need the input, advice and expertise of partners in the community, industry and government to achieve these goals. The economic case for increased financial inclusion is compelling, and would be of benefit to all stakeholders. The economic benefits of increased economic inclusion and financial mobility have been estimated to be $75 billion, and insurance is a vital aspect of this, to protect and replace assets and increase resilience to losses.

Before products and services can be delivered, however, a number of important questions need to be asked, discussed and answered about the best way to provide targeted insurance to those least able to absorb or recover from losses. The questions include:

1. What is the size of the non-insured low-income target market?
2. What is the pricing appetite of the target market for different products?
3. What products is the market interested in and would find the most beneficial?
4. What barriers keep people from having insurance, and how can they be overcome?
5. What barriers prevent the industry providing microinsurance products?
6. How can we best improve understanding of insurance and trust in the industry?
7. How can we increase insurance access and uptake among low-income Australians?
8. What are the specific needs of different groups, including Indigenous, recently arrived migrants and people with low literacy?
9. Who else is interested in this issue, and how can we collaborate?

This discussion paper has been produced in a bid to address these questions and to find ways to work with stakeholders in order to inform our program development and increase insurance access for all people on low or limited incomes.

Good Shepherd Microfinance acknowledges the financial and technical support provided by NAB without which this project would not have been possible. We are grateful to NAB for their commitment to increasing the economic inclusion of all Australians, especially through our existing partnership and while we pursue insurance access.

Good Shepherd Microfinance invites stakeholders and interested parties to provide feedback, advice and support, as well as consider ways of collaborating with Good Shepherd Microfinance in order to increase insurance understanding, access and uptake for all Australians.

If you are interested in more information or being involved, please contact Dominic Collins, at microinsurance@gsmicrofinance.org.au, or on (03) 9495 9634. Responses to the questions posed in this discussion paper are requested by Friday 19 April, 2013.

Date	Action
Mid-March 2013	Release insurance for low-income Australians discussion paper
April 2013	Consult with stakeholders.
Late April/early May 2013	Produce a document summarising the aggregated and de-identified feed-back received in response to this discussion paper.
May-late 2013	Collaborate with stakeholders in order to develop an insurance product for low-income Australians, with a view to a pilot in late 2013.
Late 2013	Pilot an insurance product designed for low-income Australians.

Microinsurance in Australia

The approach Governments and insurers take to chronic under-insurance among people and households who are on low incomes and are especially vulnerable... should always be markedly different to the approach we take to the under-insured across the more general, and more financially secure, Australian community.

As long as the insurance products on offer are fair and reasonable, if people can afford insurance but choose not to take it out – the bottom line is that's their problem.

If people can't afford insurance and therefore don't take it out – that's our problem.

Bill Shorten, 9 June 2011

2. INTRODUCTION

Until relatively recently, microinsurance had received little attention in Australia. Microfinance efforts have focussed on savings, debt, credit and financial literacy, while insurers have been largely unable, or unwilling, to enter the microfinance space. With growing academic, corporate, government and community sector interest in targeted insurance products for low-income consumers, this is beginning to change.

While a range of issues have been addressed through regulatory and legislative reform in recent years, the apparent need for microinsurance has become clearer as evidence of a demand grows and concerns about affordability in general are more widely acknowledged (Collins 2011; insurancenews 2012; Shorten 2011; Suncorp 2012; Wilkins 2012; Solomons 2013).While there is agreement that a large portion of Australians' property goes uninsured, the scale of the "problem" of insurance for low-income Australians remains uncertain, and disagreement exists as to the most pressing issues.

The major issues can be broadly grouped under the following headings:

- **Affordability**; being able to afford a premium and excess, in absolute terms, and being able to pay the premium in a convenient way.
- **Accessibility**; being able to access the product and information on the product easily, through targeted distribution and promotion.
- **Suitability**; the product covers the risks faced by the policyholder and provides appropriate cover for their goods in an affordable and accessible manner.
- **Understanding**; the policyholder understands their insurance, knows what is covered and what is not, knows how much it costs and how to manage their insurance.
- **Supply**; there are insurers willing to insure comparatively modest assets in an appropriate fashion, distribution networks established, and the regulatory system provides flexibility where this is necessary, safe and beneficial.
- **Product design**; how the product functions, what it covers, how it is distributed, claims lodgement and management.
- **Risks**; hazards or potential hazards for the industry, policyholder, and community sector

Building on previous research and the current Australian context, this paper details the issues raised above, revealing the complexity of offering microinsurance in Australia, and outlines possible solutions.

3. WHAT IS INSURANCE?

At its most basic level, insurance is a way to pay a little bit now in order to avoid the risk of having to pay a large amount later. Insurance allows many people to contribute a relatively small sum (the premium) into a pool of funds which is then used to compensate members of the pool (policyholders) that suffer an unexpected loss. In essence, many people pay for the loss of a few, so that no one policyholder faces an extreme loss alone.

Insurance companies exist to manage these pools on behalf of the contributors (policyholders) in order to ensure a fair and financially sustainable pool is maintained. The four key functions of an insurance company are:

1. **Administration** – keeping a record of who is covered by the pool and on what terms. Insurers also administer investment of the pool of funds and purchase re-insurance (insurance for insurance pools) to protect against extreme disaster events that might bankrupt the pool.
2. **Underwriting** – the process of determining the level of risk an individual is exposed to and then accepting, or declining, that risk into the pool. Underwriting is used to ensure the pool only takes on acceptable levels of risk. A policyholder is said to have to be 'underwritten' when a premium has been paid and their policy issued. The term is sometimes more broadly used to include the pricing of risk.
3. **Pricing** – calculating the premium that each policyholder must pay in order to ensure that the pool has sufficient funds to pay future losses. Pricing includes estimating how likely it is a policyholder may suffer a loss and how much compensation will be required to recover from that loss. Premiums can be 'community rated' or 'risk rated' and these terms are explained in the Key Terms section.

   Insurance pricing is a complicated, but, at its simplest, reflects the risks to the asset the policyholder is seeking to insure. Insurance premiums are a reflection of the risk a particular asset may suffer a loss and become a drain on the pool. Insurers use a range of information to calculate a premium, including historical claims data, personal claims history and exposure to known risks, such as theft, fire or flood. The level of cover offered by an insurance policy also influences the pricing as greater cover commands a higher price. In Australia, insurers are becoming more sophisticated with their pricing, with many now rating individual properties rather than entire postcodes. While this is good for those with lower risks, it may be less so for those who live near watercourses prone to flooding or in areas with high bushfire attack levels. Other factors may affect pricing between locations, including taxes and levies.
4. **Claims management** – ensuring claims for compensation are legitimate by detecting fraud, checking the loss arose from an underwritten risk and paying claims under the agreed policy terms. In more recent times, claims management has expanded to include repair or replacement rather than financial compensation; this allows insurers to leverage the volume of claims to reduce costs.

4. BENEFITS OF INSURANCE

Insurance has many benefits, and there are significant benefits for policyholders, governments, industry and the community sector in pursuing increased insurance access, understanding and uptake.

4.1. Policyholder benefits

- The ability to accumulate assets knowing they are protected against loss should it occur;
- The freedom to use a motor vehicle confidently knowing that is it insured should it be involved in an accident;
- Reduced stress following a loss as they will be insured, provided it is a covered loss;
- Reduced chance of falling down the economic ladder should they suffer a loss as insurance will repair them to their former position;
- Peace of mind and greater resilience to loss.

4.2. Government benefits

- More resilient population, especially in times of disaster;
- Reduced disaster recover costs;
- Reduction in impoverishment due to the market providing a "safety net";
- Reduced welfare burden.

4.3. Industry benefits

- Increased income and profit for shareholders;
- Increased market share;
- Improved industry understanding and recognition;
- Improved corporate social responsibility and sustainability measures;
- Potential to own and self-regulate moves to increase access;
- Increased insurance uptake simplifies more recoveries after a loss;
- Fewer uninsured people causing losses to the insurance industry through a reduction in unrecoverable debut;
- Greater brand recognition.

4.4. Community sector benefits

- Reduced drain on relief agencies;
- Greater community resilience;
- Improved confidence in client's ability to absorb or recover form setbacks;
- Possible increased role in promoting financial inclusion;
- Provides a way to ensure asset building through community finance is protected.

QUESTIONS

What other benefits does insurance offer various stakeholders?

What are the insurable events that cause people to either a) become impoverished, or b) suffer significant setbacks in their economic wellbeing?

Are there possible disadvantages for low-income Australians being insured?

5. THE PROBLEM

There have been few large studies into the insurance habits of Australians, especially low-income Australians. However analysis from a variety of sources makes it possible to build a picture of who is and is not insured, why they make the insurance decisions they do, and what insurance they hold. Since 2001, there have been a number of reports that provide insights into the issues of underinsurance and noninsurance.

The reports show a number of trends, including:

- Australian houses are often underinsured, with estimates as high as 81 per cent of insured homes being underinsured by 10 per cent or more (ASIC 2005).
- Between 2 and 15 per cent of home buildings are not insured (ASIC 2005).
- Between 60 and 75 per cent of renters do not insure their contents (NRMA 2001; ICA 2002, Collins 2011).
- While levels of noninsurance and underinsurance appear to have fallen since 1994, many people still do not insure their homes and/or contents (NRMA 2001; ICA 2002; ASIC 2005).
- Renters, singles, people younger than 35, and those in “share houses” are likely to be non-insured (NRMA 2001; ICA 2002; Sheehan & Renouf 2006; Tooth & Barker 2007; Collins 2011).
- Up to 40 per cent of low-income motor vehicle owners may be driving uninsured (Collins 2011).
- Of those who access community finance, the best indicator is that roughly two thirds of the items purchased are not insured (Collins 2011).[1]
- Up to 80 per cent of the low-income population would like to hold more or some insurance (Collins 2011).
- For those who do hold insurance, or do not hold all the insurance whey would like, price/affordability is the main barrier (Sheehan & Renouf 2006; Collins 2011).
- Insurance uptake appears higher in regional areas than metropolitan areas (Connolly, Georgouras, Hems 2012).
- The average combined cost of basic home contents and comprehensive vehicle insurance is $898 per annum (Connolly, Georgouras, Hems 2012).

It is concerning that many people do not have insurance for their home or contents, especially among the low-income population. While all insurance products will not be appropriate for all people, higher insurance uptake has benefits for many stakeholders as it increases resilience, protects assets, reduces the burden on welfare and relief agencies, and provides peace of mind for the insured that they can confidently accrue assets or use a motor vehicle.

5.1. Community sector perspective

The community sector is particularly interested in the rates of noninsurance among those who access community finance or microfinance loans given that these loans are typically unsecured and can assist to build assets and capabilities for the borrower. Asset building is only part of the financial inclusion puzzle, with asset protection equally or more important.

There is some dissonance knowing that the assets are often not protected while they are being paid off. A further concern is that many loans are for vehicles or vehicle repairs, and that loans are potentially facilitating the use of an uninsured motor vehicle. There is also a social justice issue for insurers, community sector and governments to tackle in relation to insurance exclusion, as outlined by Bill Shorten and the Centre for Social Impact (CSI), among others (Shorten 2011; Connolly, Georgouras & Hems 2012). Recent flooding in Queensland and New South Wales, and Bushfires throughout the eastern states has reinforced the need for insurance, and placed more awareness on the issue of increasing unaffordability for the wider population, not just low-income households.

QUESTIONS:

How can we better understand the issues of noninsurance, underinsurance and exclusion in Australia more generally, but especially among low-income Australians?

1 Not all loans are for an insurable item, but the question accounted for this.

6. MICROINSURANCE: A SOLUTION TO THE PROBLEM?

Differences exist in the coping and risk management strategies between developed and developing countries (Brown & Churchill 1999), but what is constant across countries is that the disadvantaged or poor usually have the greatest exposure to risks, the least ability to absorb losses, the most trouble building a "nest egg" for use in times of need, and difficulties accessing and maintaining insurance.

In this sense, microinsurance in the developed world can provide a safety net to prevent impoverishment should an insured loss occur. Demand for insurance among the most vulnerable Australians is high, as illustrated by the table below (taken from Collins 2011).

Types of insurance wanted by respondents who would like more cover

	Microfinance client sample (n=80)	Low-income population sample (n=56)
Home contents	48	16
Home building	6	12
Comprehensive vehicle	21	9
Third party vehicle	5	5
Private health	21	24
Life	30	31
Other	6	10
Not sure / don't know	5	4

*N.B: respondents could nominate several types of insurance

Creating an appropriate product for low-income policyholders requires consideration of many factors including distribution, payment mechanism, claims processing, marketing, disclosure and product design. Product design is the most challenging of all considerations as providing cover that is inappropriate or misunderstood would compromise the process.

Given the target market for microinsurance products – low-income renters with modest assets and the working poor – are inherently vulnerable, experiencing a loss to find it was not insured would undermine the product. It is likely that such policyholders may desire at least limited alternative accommodation cover, the ability to cash settle their claim or have goods replaced, a policy without an excess and a sum insured that does not exceed to their needs.

7. THE CASE: ETHICS/RATIONALE

KEY POINTS

Insurance enables policyholders to protect their assets against loss, in exchange for a small sum known in advance. Those with modest assets and low incomes are particularly exposed as they have the least capacity to quickly recover and struggle to afford insurance. In this situation, the most vulnerable are without even the most basic protection. Good Shepherd Microfinance seeks to address this situation.

While microfinance loans may build resilience and improve people's lives, and savings can provide a buffer to absorb shocks or other unexpected expenditure (vehicle repairs, fines or medical bills) and expected expenses (costs associated with education), low-income Australians are often uninsured against larger losses and many have paid little attention to risk reduction.

Although insurance will not reduce exposure to risk, it may be a catalyst for doing so in order to keep premiums at the lowest possible level. For the insured, there is peace of mind and ability to recover should they experience a covered loss. For the microfinance provider there is the assurance that the items purchased with the loan, as well as the borrower's other possessions, are insured. The insurer also benefits from a diversified book. Governments should also experience a reduced draw on welfare and relief services as the industry addresses people's loss and recovery.

While increased insurance uptake is beneficial to all stakeholders, insurance is part of a suite of financial products that complement each other. Many risks and shocks could be appropriately addressed by savings and risk management. Some risks may not be insurable at a price affordable to both the insurer and the policyholder. As Brown and Churchill (1999) point out, "if clients can save enough money to protect themselves from economic shocks, then this is usually the most cost-effective approach. Insurance is most appropriate for uncertain and expensive losses". The problem in Australia is that many of the most vulnerable are not insured.

8. PREVIOUS MICROINSURANCE PRODUCTS IN AUSTRALIA

Good Shepherd Microfinance, in conjunction with NAB and Allianz, has previously offered an insurance product designed for and targeted at low-income Australians. In 2006, NAB began distributing StepUP Insurance through a call centre, offering home contents, comprehensive motor vehicle and third party motor vehicle cover.

The products were white labelled Allianz policies, offering basic cover as well as alternative accommodation, new for old replacement regardless of age on most goods, a hire car for up to 14 days in the event of the policyholder's vehicle being unusable, and up to $350 dollars reimbursement for emergency vehicle repairs.

The products were initially only available to StepUP microfinance loan clients, but this requirement was later removed and the product went to market for all healthcare cardholders. To minimise costs to the policyholder, NAB agreed to sell the policies commission-free, through specially trained call centre staff with a dedicated Step UP Insurance number.

While this product appears to meet the needs of low-income policyholders, StepUP Insurance was not a market success and the products were withdrawn. A range of factors have been identified as contributing to low sales and limited interest, including poor marketing, the limited role a community finance worker could play in informing their clients and promoting the product without tacitly or actually endorsing it and the product not being financially viable.

The financial viability of insurance products that are designed for low-income is a concern for many in the industry, and has been a barrier historically to both development and sustainability of products. With these issues and the market are better understood, it may be easier to offer a sustainable product in future.

9. CURRENT AUSTRALIAN CONTEXT

KEY POINTS

Concerns about access to insurance for low-income Australians, especially community finance borrowers and social housing tenants, are not new. While there has been success increasing cover for specific perils (e.g. flood), Australian governments, community organisations and insurers have not collaborated on increasing access, uptake and understanding of insurance.

While concerns about access to appropriate insurance is not a new phenomenon, the Australian general insurance industry has been subject to intense media, political and regulatory attention since the so called 'Summer of Disasters', which saw numerous catastrophic events between December 2010 and May 2011 (Suncorp 2012).

These events, particularly the Queensland and Victorian floods, refocused attention on a number of long standing issues for personal insurance in Australia. These included the definition of "flood", underinsurance, noninsurance, affordability, disclosure and policyholder understanding.

The Australian and Queensland Governments ordered a series of inquiries into various aspects of the disasters which all focussed on insurance to some degree. The three inquiries initiated by the Australian Government focussed specifically on natural disasters and insurance (Treasury 2011), industry performance during disasters, and pricing of strata title insurance in the tropical north.

For the Australian Government, the issue was that the insurance product had not performed as many had expected, not that many were or are uninsured. There has still not been a clear shift in focus to increasing access and uptake by the Government.

Developing a flood pool or utilising the Australian Reinsurance Pool Corporation to increase affordability has received some support (Trowbridge 2011). However it has failed to gain favour in Canberra or with the insurance industry (Solomons 2013).

Soon after the last of the disasters, the Brotherhood of St Laurence released a report[2] reiterating and further exploring known difficulties low-income Australians face in accessing appropriate and affordable insurance. These include affordability, distrust of insurers, inappropriate products, a belief they may not be insurable, limited product understanding, and modest assets not considered to be worth insuring. Of these, affordability was the key factor.

January and February 2013 saw flooding again affect large parts of Queensland and northern New South Wales in what has been called the 'Angry Summer' (insurance news 2013). While flood insurance uptake and cover has increased since the start of 2011, there are severe affordability issues in some parts of Australia, with many of the most exposed unable to afford flood cover due to the high cost associated with risk based pricing. Better understanding of flood risk and recent losses have combined to make flood cover more readily available. For many, however the cover is now unaffordable due to better understanding about exposure to flood risk. For low-income households, particularly in flood prone areas, insurance is now less accessible than before, and financial exclusion is increasing.

It is nearly two years since the release of the Brotherhood of St Laurence report, but the report's 16 broad recommendations have not been acted upon. Indeed, while some were endorsed by the inquiry reports, or have been the subject of further discussion, negotiations and investigation, implementation or adoption has not occurred. Competing and conflicting priorities in both the industry and the advocacy sectors have limited capacity to progress on some issues.

2 The report, *Reducing the risks: Improving access to home contents and vehicle insurance for low-income Australians*, had commenced in August 2011, and was not issued in response to the flooding.

CASE STUDY

A No Interest Loan Scheme (NILS) client in North Bundaberg awoke during recent floods with water through her rented house, which eventually peaked at waist depth. Her fridge, which had been bought with a previous NILS loan, washing machine, clothes and other personal belongings were lost to flood damage. On the positive side, her recently purchased bed was saved with the help of neighbours. She was living in the unlined or sealed carport section of her house and insurance assessors for the landlord have told her that repairs will be at least two to three months away.

As she was not insured, the lost assets will need to be replaced by taking on debt, through donations, purchasing used goods, or possibly forgone. Another complication is the need to find and alternative accommodation, and the costs associated with this, which insurance could at least partially cover.

While the media and political focus has been on home contents and home building policies, especially concerning cover for flood, there are also concerns surrounding motor vehicle and funeral insurance. The latter is increasingly becoming a concern for regulators and advocates, with selling practices and product suitability being major concerns, especially among the Indigenous community. The Insurance Reform Advisory Group (IRAG)[3], community sector, and an access to insurance working group acting under the auspices of the Actuaries Institute are also investigating these products.

The Government's reform agenda should focus its attention to issues such as accessibility and affordability of sustainable, appropriate insurance products for all, no matter how modest their assets.

QUESTIONS:

What roles can various stakeholders play to increase access to insurance for low-income Australians and how can they work together?

10. INDUSTRY BARRIERS TO PROVIDING MICROINSURANCE

The insurance industry faces many barriers in offering products developed for low-income customers and increasing access to affordable and appropriate insurance for this market. A number of reports (for example Collins 2011 and Trowbridge 2011) have examined these supply-side issues previously, and a brief summary is provided below. The insurance industry is naturally risk averse and conservative; the complications and uncertainties facing the industry combine to make expansion into this target market a low priority or unattractive.

10.1. Low value clients

There is a perception that low-income policyholders with low value policies will yield low returns, making the development of such policies unattractive and fuelling a suspicion that if such policies were introduced they would be unsustainable. Low income clients may also offer limited opportunities for cross selling or bundling of products. For some (but by no means all) in the industry there is also a perception that low income = high risk.

10.2. Distrust and misunderstanding

There is a degree of distrust and misunderstanding of insurance that impacts some people's desire to purchase the product. While the impact of this is difficult to quantify with confidence, there is little doubt that engagement or uptake of insurance may be improved if the product was more accurately and thoroughly understood.

3 Established by the Minister for Financial services and Superannuation, IRAG serves to provide a forum in which consumers, insurers and other stakeholders can be heard by Government and can contribute to the fair, efficient and effective regulation of the industry.

10.3. Unknown market size and demand

The size of the proposed market is debatable, and the boundaries of what constitutes a "low-income" customer are blurry at best. Some measures are commonly accepted, such as being in receipt of a government pension or allowance, possessing a healthcare card, and having an income below a certain amount. This has prevented the industry from developing products for this group as it is sceptical if there is a critical mass of potential policyholders.

10.4. Regulation and advice

Australia enjoys world-leading regulation for financial services, but while this affords protection and confidence for consumers, it can also be perceived as a barrier to innovative products. Training requirements and restrictions on the provision of advice and concerns about conflicted remuneration are examples that could potentially dissuade or prevent some from pursuing more accessible products. While regulatory relief is available in some circumstances, regulatory barriers are a concern to insurers.

10.5. Distribution and working with intermediaries

Insurance is often distributed through intermediaries, and it may be possible to distribute insurance to the low-income market through this channel, such as through housing providers or community finance or other authorised representatives. There are regulatory hurdles involved with this approach, and the industry does not have a lot of experience working with some of these groups. Similarly, many of these groups may not possess the required insurance qualifications and knowledge to readily assume a distribution role. None of this means an intermediated product is not possible, indeed it may be favoured by the insurers in order to limit their overheads.

10.6. Financial difficulty and payment

Individuals in financial difficulty are a problem for insurers in a number of ways. Financial difficulty can impact sales as people may forgo insurance completely, not renew or cancel their policies, and be unable to pay their excess.[4]

Financial difficulty is also an industry problem when an uninsured person causes a loss to an insured person, and the insurance company is unable to recover the loss. Payment of premiums is problematic for some low-income customers as insurance premium due dates often do not align with the days or intervals in which people receive their income; for example, most policies are due annually or monthly, yet most people receive income fortnightly. An affordable product could address these issues and help reduce unrecoverable losses.

QUESTIONS:

How can these barriers above be overcome? And what roles can various stakeholders in overcoming these barriers?

What other barriers exist that are not considered above? And how can they be overcome?

With regard to legislation and regulation, how could current arrangements obstruct or assist product development for and delivery to low-income policyholders?

Are there any international experiences that could be replicated in Australia to overcome these barriers?

If the industry is unable to provide affordable and appropriate cover for the low-income market due to cost or profit reasons, could the Australian Reinsurance Pool Corporation provide reinsurance or additional capital to guarantee such products are viable?

4 See footnote 6 for more on this issue.

11. THE MARKET

There is some conjecture about the size of the uninsured market in Australia, and whether people who are uninsured either desire or can afford individual products or a more comprehensive suite of insurance products.

The table below shows estimated insurance ownership of selected products by the Australian adult population (Connolly 2013). While it does not account for those who may be ineligible for certain products (i.e. someone who does not own a vehicle is considered uninsured), this table is an indication of the size of the uninsured market as a whole. Good Shepherd Microfinance considers the low contents insurance ownership is a particular concern.

Table showing estimated insurance ownership

Product	Insured (%)	Uninsured Market (%)	Uninsured Market (Individuals 18+)
Vehicle insurance (third party)	45.4%	54.6%	9,635,000
Vehicle insurance (comprehensive)	64.4%	33.6%	5,929,000
Building insurance	52.8%	47.2%	8,329,000
Contents insurance	59.7%	40.3%	7,112,000
Valuable items	4.0%	96.0%	16,941,000
Private Health insurance	46.4%	53.6%	9,459,000
Life insurance	18.9%	81.1%	14,312,000
Risk (trauma, accident, income protection)	12.4%	87.6%	15,459,000

In order to better understand the potential clientele for insurance products distributed through community finance, the table below outlines the housing situation of No Interest Loan Scheme (NILS) clients near the end of 2012. This market is clearly skewed to renters, with many living in social housing.

Table showing the housing situation of No Interest Loan Scheme (NILS) clients, late 2012

Year	Private Rent	Public Rent	Own House	Relatives	Transitional Housing	Caravan Park Mobile Home	Housing Other	Total
2012	7,524	9,109	1,300	1,144	312	155	555	**20,099**
%	37.4%	45.3%	6.5%	5.7%	1.6%	0.8%	2.8%	**100%**

QUESTIONS

Do the estimates we have made appear justified? If not, why not? And what would be a more realistic number?

Do you believe this potential market is able to support targeted insurance products? If not, why not?

12. CURRENT PRODUCTS

KEY POINTS

Australians have a mature insurance market, with competition between insurers on price and product design. Despite this, there are still many Australians who are without insurance. For some, the available products do not offer the protection they need, for others the products are unaffordable, or people are still unable or unsure about the cover they need or how to buy it. We can change that.

12.1. Renters Policies (Home Contents Insurance)

There are a range of renters insurance policies in Australia, targeted at university students and those in share housing. These policies generally offer a sum insured of up to $25,000 for contents, protection against fire and theft, and $10 million public liability cover. Some may offer cover for goods lost to storm and flood. Renters policies have been criticised for not meeting the needs of renters as they often do not cover alternative accommodation, even for emergency relief, in the event that the insured's dwelling becomes uninhabitable.

In terms of cost, one renters policy (theft and fire contents insurance), provides up to $25,000 cover, for a maximum premium of $5 per week ($260 per annum) another insurer advertises renters insurance from $20 per month.

QUESTIONS:

Is it possible that an existing renters policy could be appropriate for the target market, or that one could be appropriate with minor changes? In the event that this is the case, could the policy be labelled as a specific policy for low-income Australians?

Is a premium such as those outlined above affordable for the target market? If not, what would be an affordable premium?

12.2. Motor Vehicle Insurance

In the motor vehicle market, there are few insurers offering a stripped out or discount policy. There is at least one widely advertised 'essential cover' product offering cover without the "costly extras" and a range of insurers promising cheaper car insurance, depending on "you and how you use your car" or the insurer the policyholder may be switching from. Some other insurers have a low risk appetite, and target drivers in areas perceived to be low risk.

Good Shepherd Microfinance knows many low-income drivers do not insure their vehicles but would like to, were they able to afford it. An appropriately marketed product for low-income drivers could increase interest and uptake, provided it was affordable and could be paid for conveniently.

QUESTIONS:

What can be done to increase the access and uptake of both comprehensive and third party property motor vehicle insurance?

Are there any extant products that could be marketed to the low-income market?

Is third party property motor vehicle insurance appropriate for low income Australians?

12.3. Home Building Insurance

Evidence shows that below 10 per cent of microfinance clients are homeowners (Collins 2011; internal data). Given this comparatively small market as a subset of low income Australians, it may be easier to focus initial efforts on home contents products and motor vehicle insurance, but this market must be addressed. The potential homelessness through the loss of a dwelling, given the limited capacity for people with low incomes to repair and rebuild, demands attention. There are currently no "discount" home insurance policies available in Australia, and such a product could risk limiting essential cover or underinsurance.

QUESTIONS:

How could home building insurance be made more affordable for low income households who own their homes?

12.4. Funeral Insurance

Funeral insurance has been criticised by many parties as being unnecessary, unaffordable and inappropriate. Critics contend that paying to insure a certain event (death) is counter intuitive to the purpose of insurance. The chance of death increases with age, and premiums rise as people's earning power decreases, to the point where the premium becomes unaffordable. Alternatives, such as a funeral fund or plan, prepaid funerals (for those who can afford them) and using the insurance benefits often contained in superannuation are promoted as more sustainable and sensible options.

Indigenous Australians in particular have been targeted by some funeral insurance companies, with one prominent supplier amending its offering – after a reprimand from Australian Securities and Competition Commission (ASIC) about selling practices – to ensure it now falls outside the Corporations Act definition of a financial product. There is growing consensus that current consumer protection laws are unable to address the issues, and a growing unease among groups such as the Indigenous Financial Services Network (IFSN) and regulators.

For all the concerns about funeral insurance, it enjoys high demand, driven in no small part through guilt about leaving one's family to arrange or finance a funeral, and fears of not having an adequate funeral, or not having one at all. With people understandably concerned about these issues, it is unsurprising there is a market for funeral insurance policies, especially among communities with high mortality rates.

QUESTIONS:

What alternatives to funeral insurance are available or possible?

12.5. 'Gadget' Insurance

Insurance for small, high-value devices such as smartphones, laptop computers, tablets and cameras is popular among some consumers, especially those who consider these items to be their largest or most important asset. Gadget insurance, similar to portable valuables cover, is usually sold as an add-on to an existing policy or a consumer contract. It is readily available through mobile phone service providers and premiums can be added the monthly bill.

12.6. Life Insurance

Previous research shows life insurance is sought after by many people, but there is also a question about whether this would be a beneficial form of insurance for some people on low incomes, depending on the cover that was available. Ultimately, life insurance may be a lower priority than other insurances, but if there is an interest from the market it may be worthwhile to pursue.

12.7. Private Health Insurance

In developed countries, heath needs are generally the domain of government-funded hospitals or clinics, and while Australia has a highly developed private health insurance market, it may not be a high priority for many low income Australians given high standard healthcare is generally available. For others, particularly those with certain illnesses or the elderly, private health insurance may be more of a priority.

QUESTIONS:

Which of the above products would be the most essential for low-income Australians?

How could different products be combined or bundled to reduce costs?

What other insurance products could benefit low-income Australians?

13. AFFORDABILITY

Key points

Affordability refers to being able to afford a premium and excess, and being able to pay the premium in a convenient way. Affordability requires appropriate payment options and distribution mechanisms to enable to policyholder to maintain their cover. Options include Centrepay, direct debit, insurance with rent, payment at post office, BPay and credit card.

Affordability of insurance has two components; 1) the overall price and whether the policyholder can meet the cost, and 2) ensuring an appropriate payment mechanism is available.

While affordability and ensuring the wider Australian population is able to purchase appropriate insurance cover were common concerns for recent enquiries, only the Natural Disaster Insurance Review (NDIR) specifically mentioned the insurance needs of low-income Australians. The NDIR panel recommended that alternative payment structures be implemented, calling on the relevant governments to facilitate the payment of insurance premiums through Centrepay and the introduction of "insurance with rent" schemes (Trowbridge 2011). This was the first time an enquiry or government agency had explicitly recommended low-income Australians be assisted with access to insurance, with previous reports (such as ASIC Report 54) focussing on underinsurance rather than noninsurance.

QUESTIONS:

How can premiums be reduced to improve affordability for low-income Australians?

What payment options and mechanisms could be used to make paying premiums easier for low-income policyholders?

14. CENTREPAY

In its response to the NDIR report, the Australian Government commented that Centrepay was available for insurance premiums, but noted a range of barriers for insurers in accepting fortnightly payments, including legacy system incompatibility and uncertainty of demand should these barriers be addressed (Australian Government 2011). These issues remain the subject of ongoing consultation. It should be noted that the Territory Insurance Office (TIO) is already a Centrepay subscriber and may be able to inform future attempts at increasing insurance accessibility through its experience with Centrepay.

Upon a *prima facie* analysis, the Government may appear to be avoiding this; however, both Centrepay and insurance with rent pose a range of technical, legal and practical issues, making mandating these products to be universally available virtually impossible. This has to be a consideration in the current Centrepay review. Many insurers harbour concerns about the target market's desire to purchase general insurance products, a suspicion that the much sighted "interest" in using Centrepay for general insurance (Collins 2011) would not translate into action, and concerns around the stability or reliability of payments.

A further sticking point for some in the industry has been the $0.99 fee associated with Centrepay transactions, which is designed to cover Centrepay's costs, and cannot be passed on to the client.

The fee has sometimes been used as a talisman to illustrate the unaffordability of the service for insurers, but some claims about the fee's impact raise questions about how well Centrepay is understood, and why products with such small premiums are not currently publicised. An ironic conundrum of applying insurance to Centrepay is that, should premiums under $10.00 per fortnight be available, the minimum $10.00 per fortnight deduction could become another sticking point. This arises as insurers do not use a Bill Pay system, and therefore do not accommodate over- or under-payment.

The insurance industry has highlighted the incompatibility of many insurers' systems with receiving fortnightly payments, as they are built to accept monthly or annual remittances. The cost of changing insurers' systems for an unknown return and uptake rate has stifled progress on this issue.

To circumvent this, Centrepay could develop a holding mechanism for funds so they could be deducted fortnightly but remitted when insurers desire. To date this has been thought too difficult and expensive to comply with Australia's trust and deposit taking laws.

Other relatively unexplored options include the potential for a bank and insurer to develop an arrangement whereby Centrepay deductions are deposited into a subsidiary account fortnightly, and the premium deducted monthly by the insurer as it would currently. A similar arrangement could be established with a different intermediary, perhaps a community finance provider; such a product could investigate combining savings and insurance into one product.

QUESTIONS:

How can all stakeholders collaborate to make Centrepay accessible for insurance premiums?

Are there better options than Centrepay for facilitating easy periodic payments of insurance premiums?

15. ACCESSIBILITY

KEY POINTS

Accessibility, being able to locate and obtain insurance and information on the product, is essential to increasing understanding and uptake. This can be done through targeted distribution and promotion, product innovation, borrowing from overseas experience and collaboration between the community sector, government and insurance industry.

Access to insurance is essential for protecting assets and rebuilding lives in the event of a loss. While it is possible to self-insure, this is not an option for those on a low income, as they often find it difficult to establish a substantial cash buffer and lack easy access to even $3000 in the event of an emergency.

Methods for increasing access include ensuring the distribution and the payment mechanisms align with the needs of the customer. Australia may be able to borrow from overseas experience or expand its current microfinance framework. Nevertheless, in a country as large as Australia, there are specific geographic challenges which may require creative solutions.

In May 2012, the *Measuring Financial Exclusion In Australia* report by the Centre for Social Impact found, reported that 17.2 per cent of the adult population—that is 2.995 million Australians—are either fully or severely financially excluded (Connolly, Georgouras & Hems 2012). This was an increase from the previous year (Connolly, Georgouras, Hems & Wolfson 2011), and this trend of growing exclusion is expected to continue.

15.1. Insurance with Rent

Australia has a diverse social housing population, and may be well suited to the development of insurance with rent schemes, which have been successful in the United Kingdom, Ireland and parts of Canada. On including insurance premiums with public housing rent, the Government stated "it would be up to the individual community housing provider or State and Territory housing authority to enable insurance premiums to be incorporated as part of rental payments" (Australian Government 2011).

Such a product could function in two ways. The first is as a group insurance scheme, whereby all tenants of a housing provider have some level of basic contents insurance provided, and the costs are included in their rent. This is similar to rental arrangements that include other utilities, such as electricity, water, gas or pay TV, and should fall outside third line forcing legislation. The second model, which is based on overseas examples, is an opt-in scheme where tenants are offered insurance intermediated by their housing provider, and are able to choose varying levels of cover, but know the price in advance as it is outlined in a fixed schedule that is reviewed annually.

The gradual devolution of public (or "commission") housing to community housing providers may well limit some state housing authorities' interest in and commitment to pursuing insurance with rent schemes. The international evidence shows these arrangements can be successful and sustainable for insurers and policyholders (Hood, Stein & McCann 2005; Hood, Stein & McCann 2009; Whyley, McCormick & Kempson 1998). Hood, Stein & McCann (2009) found variable uptake rates among Scottish schemes, between four and 23 per cent, and identified inertia among tenants, apathy about promotion and marketing, and some insuring outside the scheme to be reasons for the variability and occasional low uptake. Similar conclusions for relatively low uptake of a competitively priced and appropriate product were drawn by the same authors in 2005.

The introduction of an insurance product specifically designed for Australian social housing tenants has been discussed intermittently for some years. Broadly speaking, housing providers are unsure of how to pursue or implement such a product, and have indicated that if a central role could be maintained by one community sector organisation, the process would be simplified. This would reduce the impact on housing providers in terms of management and associated administration, leaving them to endorse and publicise a product.

QUESTIONS:

Could insurance with rent schemes be implemented in Australia?
If so, how? If not, why?

16. COMMUNITY FINANCE

It may be possible to distribute insurance products through shop fronts, such as Good Money or other community finance partners. While this option may likely be dependent on being able to use Centrepay to meet premiums, it is worth exploring.

Another advantage of distributing insurance through community finance hubs is the opportunity to increase the number of conversations had about insurance with clients, thereby increasing awareness, interest and understanding about the product and associated costs. Even if community finance clients do not proceed with taking out a loan or other service, these conversations are beneficial to increasing their capabilities and financial literacy.

Tables showing size of the Good Shepherd Microfinance network at time of publication

Financial Year	Number of StepUP partner organisations	Number of StepUP sites	Number of StepUP Loans written
2012	28	38	1991

Financial Year	Number of NILS partner organisations	Number of NILS sites	Number of NILS Loans written
2012	250	602	21,585

The Good Shepherd Microfinance network allows customers to access a range of products and services through approximately 250 partners and over 600 sites nationally. In the last 12 months, through our community partners, the organisation has written roughly 23,500 NILS and Step Up loans, and had many more financial conversations. The five-year Count Me In strategic direction outlines the goal of reaching one million people by 2018 (Good Shepherd Microfinance 2012).

Community finance is a proven distribution channel and could be used for insurance, possibly by blending with the authorised representative model or other innovations.

QUESTIONS:

**Could community finance provide a viable distribution channel for general insurance products in Australia?
If so, how? If not, what are the barriers?**

Are there other non-traditional distribution methods that could work in Australia?

How could community organisations refer people to a distribution channel?

17. POTENTIAL REGULATORY BARRIERS

KEY POINTS

Discussions about microinsurance in Australia often focus on regulatory barriers, and the real or assumed difficulty involved with overcoming them. While Australia has stringent financial services regulation, ASIC is open to assisting where possible should a sustainable and safe solution be proposed, and APRA would be unlikely to take issue with a viable product.

Were insurers and the community sector to reach an in-principle agreement on the provision of insurance to low-income Australians and develop a tentative model, there are a range of barriers that may need addressing. Australia has world-leading insurance regulation and strong consumer protections relating to financial products. While this ensures strong prudential regulation for market stability and consumer confidence, it can potentially inhibit product development and financial inclusion initiatives.

In reality, Australian regulators and policymakers are attuned to the benefits of inclusive financial services and are generally willing to consider crafting legislation that allows safe alternatives to the mainstream or predatory products. Alternatively, they can grant regulatory relief. The National Credit code is an example of regulation that has been developed to enable interest free credit products. The Australian Securities and Investments Commission (ASIC) has been and remains receptive and proactive in facilitating a competitive and inclusive financial services market (Collins 2011).

Some stakeholders, mainly insurers, have expressed concerns about the sustainability of insuring the low-income and low-asset market, especially given the regulatory burden attributable to prudential regulation, and have suggested APRA may appreciate some oversight of products developed to serve this market. It is doubtful that APRA would be highly concerned by a targeted product were it appropriately priced and well managed; however, this concern should be noted and addressed during product development.

A final regulatory concern relates to developing an insurance product with an opt-out rather than opt-in design, or withdrawing the option at all and making cover included with rent. Using an opt-out design may increase uptake, while including insurance with rent mandatorily could raise concerns from the ACCC.

QUESTIONS:

What other potential regulatory barriers exist?

How could the barriers identified above and other potential barriers be addressed?

18. UNDERSTANDING INSURANCE

KEY POINTS

Insurance understanding is poor across the Australian population, but many stakeholders are embracing financial literacy to improve understanding and engrained misconceptions. We commend and welcome these moves, but believe product innovation is also required - to increase financial inclusion among those who are not insured - especially for low-income groups.

Insurance, for such a ubiquitous product, is poorly understood by many people, and it is certainly not confined to the uninsured with policyholders often disengaged and cynical (Hutchens 2013). This does not help improve trust in the product or the industry as a whole, and many myths (insurers never pay) and misconceptions (acts of God being uninsurable; the need for bars on windows in certain suburbs) are commonly offered as matters of fact. Even for those convinced of the need for insurance, knowing what cover is available, how to find out more about insurance and which policy to buy is often a confusing and exasperating exercise. The complexity of insurance policies, bland disclosure documents and the aforementioned misunderstandings all add to the reticence some have towards insurance.

Insurance is often not included in financial literacy courses and online resources. This is due to a previous focus on debt, credit and savings, limited resources and difficulties in engaging insurance professionals to work on the course materials.

Developing this material has new impetus among some insurers, and the Insurance Council of Australia (ICA) and ASIC have expressed support for such moves. There is therefore an opportunity for the development of financial literacy material for the community sector and individuals, as well as pursuing product innovation.

Developing financial literacy materials without a product would be pointless, and limited insurance understanding is certainly not confined to the uninsured (Hutchens 2013). Marketing and distribution materials could also increase trust and understanding of insurance among the target market.

The recent formation of an industry Financial Inclusion Committee, the development of a general insurance literacy program and including financial literacy on the agenda for the ICA's annual Regulatory Update are all positive steps by the industry.

QUESTIONS:

What role can various stakeholders, including governments, industry and community organisations play in increasing insurance understanding?

19. SUMMARY

Good Shepherd Microfinance believes there are a number of widely acknowledged issues, including affordability, understanding, enduring misconceptions and disengagement, hampering insurance uptake by low-income Australians.

While recent steps by the insurance industry to increase awareness, broaden cover and promote understanding are commended, for those currently without insurance or excluded from insurance, there will be little benefit without innovation.

The industry cannot do this alone. The community sector must be a partner and take a role in promoting insurance, providing assistance where it can. There has also to be a role for governments and their agencies in enabling and promoting insurance.

Good Shepherd Microfinance will consult widely on this issue to gauge interest among stakeholders and identify opportunities.

Between now and the end of April 2013, Good Shepherd Microfinance will consult with a variety of stakeholders in roundtable forums to further understand the issues and opportunities for increasing insurance access, understanding and uptake.

After this, consultations will begin with those organisations that have expressed an interest in collaboration to explore possibilities for implementing a pilot insurance access program by the end of 2013, ahead of introducing a permanent, sustainable product.

If you are interested in more information or being involved, please contact Dominic Collins, at microinsurance@gsmicrofinance.org.au, or on (03) 9495 9634. Responses to the questions posed in this discussion paper are requested' by Friday 19 April, 2013.

Over the coming months, good Shepherd Microfinance aims to undertake the following actions.

Date	Action
Mid-March 2013	Release insurance for low-income Australians discussion paper
April 2013	Consult with stakeholders.
Late April/early May 2013	Produce a document summarising the aggregated and de-identified feed-back received in response to this discussion paper.
May-late 2013	Collaborate with stakeholders in order to develop an insurance product for low-income Australians, with a view to a pilot in late 2013.
Late 2013	Pilot an insurance product designed for low-income Australians.

20. KEY TERMS

Premium: The amount paid by the policyholder to the insurer in order to become covered by an insurance policy. This amount varies according to the risk of claiming posed by the policyholder.

Policy: An insurance product, and also refers to the associated documents.

Policyholder: A person who has an active insurance policy protecting an asset or assets. Policyholders are also referred to as an "insured".

Insured: Has multiple meanings in relation to insurance:

An asset that is covered by an insurance policy;

A policyholder.

Product Disclosure Statement (PDS): A document that outlines the features, cover, terms and conditions of an insurance policy.

Premium, Excess and Discount Guide (PED): A document that explains the premiums, excesses and discounts applicable to the type policy being issued. PED's include worked dollar examples which are particularly useful for young drivers who often have additional age excesses applied to their car insurance.

Insurance: As described above, insurance is the hedging of a small certain amount for the promise of indemnification if a specified loss occurs.

Excess: The amount of loss the insured must first bear, or the insured's contribution toward indemnification by the insurer, usually paid by the policyholder to "activate" their policy when they make a claim. This is often flexible, with higher excesses correlating with lower premiums.

Claim: A request by a policyholder for indemnification by their insurer after they have suffered a loss.

Loss: damage to or destruction of an asset.

Risk: Has multiple meanings in insurance;

A policy that is still afoot is regarded as a risk by the insurer (also called a risk in force);

The policyholder's exposure to loss or the likelihood of loss occurring;

A specific threat that could cause a loss (also called a "peril"), such as flood, theft, bushfire, or accident;

The exposure to specific event or peril, e.g. flood risk.

Distribution: How a product is sold to the policyholder, such as online, through a call centre, via a broker or authorised representative, or in a branch.

Underwriting: Has multiple meanings in relation to insurance:

The acceptance of risk in return for payment;

The pricing of insurance based on the risk exposure of the applicant;

The process an insurer completes in deciding how much of a risk they are able or willing to bear.

Underinsurance: a situation that occurs when an insured suffers a greater loss than the cover afforded under their policy.

Noninsurance: When an asset is not covered by insurance, the asset is considered uninsured or non-insured. Noninsurance may be the result of a considered decision, but it also results from unaffordability or other access issues. Noninsurance differs from self-insurance.

Self-insurance: The process of deliberately not insuring through an insurer, but reserving capital to cover unexpected losses. This differs from noninsurance as there is a contingency to manage or pay losses as they arise.

Community rating: The premium is set so that all policyholders pay an equal amount into the insurance pool. Community pricing is used primarily in health insurance and in products where all policyholders have a comparable level of risk.

Risk pricing: Premiums are calculated to reflect the relative risk of each policyholder. For example, if policyholder A is twice as likely to suffer a loss as policyholder B, then policyholder A will pay twice the premium. Risk pricing is seen as a fairness mechanism and also provides a financial incentive to manage risks and avoid losses where possible.

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For more information on NAB's commitment to financial inclusion, please visit
http://www.nab.com.au/wps/wcm/connect/nab/nab/home/About_Us/7/4/3/

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ABOUT GOOD SHEPHERD MICROFINANCE

The Sisters of Good Shepherd initiated Australia's first microfinance program over 30 years ago.

Today, Good Shepherd Microfinance runs Australia's largest community microfinance program, and has reached over 100,000 people and families in partnership with 258 accredited community agencies, National Australia Bank and the Federal Department of Families, Housing, Community Services and Indigenous Affairs.

The organisation launched Count Me In, its five year Strategic Direction in late 2012, setting out five goals including reaching one million people on low incomes with the right products and services at the right time and to influence financial system reform to ensure equity, access and economic inclusion for all people on low incomes.

"Be absolutely fair in your dealings."

- St. Mary Euphrasia

Good Shepherd Microfinance
192 – 198 High Street, Northcote, Vic 3070
T: +61 3 9495 9600
E: info@gsmicrofinance.org.au
www.goodshepherdmicrofinance.org.au

DISCUSSION PAPER

Good Shepherd Microfinance

Ground Floor, 192 – 198 High Street
Northcote VIC 3070

T: +61 3 9495 9600
F: +61 3 9495 9699
info@gsmicrofinance.org.au
www.goodshepherdmicrofinance.org.au

ABN 36 151 124 408

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