

# 2017 ALUCA TURKSLEGAL SCHOLARSHIP

APPLICATIONS OPEN  
12 JULY 2017

APPLICATIONS CLOSE  
10 SEPTEMBER 2017



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## 2017 ALUCA TURKSLEGAL SCHOLARSHIP

Supporting the professional growth of ALUCA and its members by providing a significant career development opportunity for professionals working in the life insurance industry

FIND OUT MORE:

[www.turkslegal.com.au/community/scholarships/aluca-turkslegal-scholarship](http://www.turkslegal.com.au/community/scholarships/aluca-turkslegal-scholarship) or  
[www.aluca.com](http://www.aluca.com)

## Major prize is an overseas conference package valued at up to AU\$8,000



### ABOUT THE SCHOLARSHIP

The ALUCA TurksLegal Scholarship is designed to support the professional growth of ALUCA and its members by providing a significant career development opportunity for professionals working in the life insurance industry.

### HOW TO ENTER

Entrants are asked to submit a paper (2,500 words max) addressing one of the 10 topical life insurance industry questions in this application form.

### WHO CAN ENTER

The Scholarship is open to all members of ALUCA regardless of country of residence. Each entrant must be a current financial member of ALUCA as at 23.59 AEST on Thursday, 31 August 2017 and work in the life insurance industry.

Lawyers, accountants or medico-legal consultants who meet the above criteria are eligible to enter provided they are direct employees of life insurance companies, life reinsurance companies, superannuation trustees or superannuation administrators.

### MAJOR PRIZE

The winner of the Scholarship receives a package valued at up to AU\$8,000 including return travel, accommodation, \$1,000 cash and registration to one of the following overseas conferences of their choice:

- 2018 Eastern Claims Conference: [date and location TBC]
- 2018 LOMA Life Insurance Conference: [date and location TBC]
- 2018 DI & LTC Insurers Forum: [date and location TBC]

In addition to the major prize, the winner is invited to sit on the judging panel alongside senior industry leaders for next year's scholarship and receives automatic membership to ALUCA and TurksLegal's scholarship alumni program, Life Insurance Future Thinking (LIFT).

### RUNNERS-UP PRIZES

Winner of the 1st runner-up prize will receive a AU\$1,000 Visa pre-paid gift card and the winner of the 2nd runner-up prize will receive a AU\$250 restaurant voucher.

### 2017 SCHOLARSHIP JUDGING PANEL

The judging panel comprises the following senior industry leaders:

- Damien Mu, CEO, AIA
- Devi Uka, Deputy Chairperson, ALUCA
- Gavin Pearce, Managing Director, Insurance, ANZ Wealth Australia
- Malcolm Weir, General Manager, Customer Services, Commsure
- Linda Winterbottom, Claims Rehabilitation Consultant, RGA Reinsurance
- Brett Clark, Group Chief Executive Officer & Managing Director, TAL
- Nick Wendon, Product Manager, Macquarie Group (2016 Scholarship winner)
- Alph Edwards, Partner, TurksLegal
- John Myatt, Partner, TurksLegal
- Darryl Pereira, Partner, TurksLegal

### JUDGING CRITERIA

Your submission (word limit of 2,500 words) will be assessed on:

- understanding and insight of the chosen topic
- conclusions supported by sound evidence and research
- clarity of thought
- commercial insight
- presentation

### ANNOUNCEMENT OF WINNERS

The winners will be announced at the ALUCA NSW Professional Day in Sydney on Tuesday, 17 October 2017.

### APPLICATIONS

**OPEN:** Wednesday, 12 July 2017

**CLOSE:** 5.00pm AEST on Sunday, 10 September 2017

### FIND OUT MORE

[www.turkslegal.com.au/community/scholarships/aluca-turkslegal-scholarship](http://www.turkslegal.com.au/community/scholarships/aluca-turkslegal-scholarship) or [www.aluca.com](http://www.aluca.com)

# Questions

ANSWER ONE OF THE FOLLOWING 10 QUESTIONS. THE CONTENT OF YOUR SUBMISSION MUST BE **NO MORE THAN 2,500 WORDS**.

## **TECHNICAL QUESTIONS FOR CLAIMS PEOPLE AND UNDERWRITERS**

### **Q1. "GENETIC TESTING LEAVES SOME EXCLUDED FROM LIFE INSURANCE" ... OR DOES IT?**

On 2 June 2017, an article was published in The Sydney Morning Herald under this headline bringing into question what the writer saw as the Australian life insurance industry's unhelpful position on the disclosure of genetic testing results.

In particular, the author pointed to recent changes introduced in the UK loosening the obligation to give disclosure of genetic testing results and some remarks by local genetic testing expert Associate Professor Kristine Barlow-Stewart, who has asked the industry not to require disclosure of genetic tests conducted for the purpose of scientific research.

With what appears to be a tidal wave of genetic information becoming increasingly available, please outline the strengths and weaknesses of the Australian industry's current approach. What do you think of the critic's arguments? How can we address their concerns while maintaining the viability of the industry?

The judges will be particularly impressed by evidence of research showing how other comparable countries are choosing to handle this issue.

Question link: [www.smh.com.au/money/genetic-testing-leaves-some-excluded-from-life-insurance-20170601-gwi059.html](http://www.smh.com.au/money/genetic-testing-leaves-some-excluded-from-life-insurance-20170601-gwi059.html)

### **Q2. WHAT'S THE REPORT CARD ON INCOME PROTECTION?**

While there has been a lot of industry concern about the sustainability of the TPD product, in the meantime, what's happening with income protection (IP)?

How is IP claims' data holding up? Are there emerging problems? Is the product sustainable on current rates and with current benefit designs? How is the nature of the product changing? Is there more room for IP product innovation in the industry?

With reference to recent APRA data on IP, write a report card on the product and the ways you think it is changing and may need to change further over time.

## **INDUSTRY QUESTIONS (FUTURE OF THE INDUSTRY, PRODUCT DESIGN, GENERATIONAL CHANGE)**

### **Q3. FINDING NEW PLATFORMS FOR CUSTOMER ENGAGEMENT**

The life insurance industry has begun to engage with customers so that companies have more meaningful long term engagement with customers both inside and outside the claims process.

Looking at the non-claims part of the customer relationship, describe some of the new ways the Australian life insurance industry is seeking to develop products and marketing programs that mean more to

customers than a one-off interaction around the payment of a benefit.

Describe the central features of the engagement and why it works for companies and for customers.

What is there still to be done and how can the industry improve further? Is the industry overseas doing other things that we could learn from in this space?

### **Q4. LEGACY, OPERATIONAL RISK AND THE CHANGING CONSUMER**

APRA head Geoff Summerhayes recently spoke about 'Legacy, operational risk and the changing consumer' at the annual Actuaries Summit in Melbourne.

In the speech, Mr Summerhayes focused on the need to address the problem of legacy constraints, outdated products, systems and business practices and the challenge this created in adapting to changing needs of consumers.

What sorts of changes are needed in a market where consumers are expecting more and markets are being transformed by non-traditional products and new entrants?

Do you agree with the key observations that legacy issues translate into operational risk? Has the insurance sector suffered reputational damage due in part to the legacies of the past products and systems that support them?

The issue is a complex one as long term security is one of the needs the industry must meet. Explain the legacy issues that exist in the industry and the means by which they can result in operational risk. How can the industry manage these risks better?

### **Q5. THE LIFE INSURANCE CODE OF PRACTICE: A NEW FOUNDATION FOR BUILDING TRUST?**

The Code sets out the life insurance industry's key commitments and obligations to customers on standards of practice, disclosure and principles of conduct for their life insurance services, such as being open, fair and honest.\*

It also tells consumers "We will be honest, fair, respectful, transparent, timely, and where possible we will use plain language in our communications with you".

Please outline, with reference to specific sections of the Code, how companies will be able to rebuild relationships of greater trust and engagement with customers as they apply the Code to their day-to-day dealings.

What will be the most difficult aspects of the Code for companies to achieve full compliance with, and how do you suggest they overcome these difficulties?

Do you agree with the comments in ASIC Report 498 into the Life Insurance industry that the Code will support ASIC's objectives? If so, how?

\*Life Insurance Code of Practice Page 1

\*Key Code Promise Number 1

# Questions cont.

## **Q6. TAPPING INTO THE POWER OF DATA**

Big data is out there in many forms and is potentially able to be used by the industry to design products better, underwrite or in claims. For instance, some companies are looking at charting portfolio wide claims data as a means of achieving a better understanding of their claims and identifying better ways to manage them.

Examine this use of new forms of data analysis from a product, underwriting or claims perspective, or if you feel you can develop your arguments in enough detail, from all three.

Do you think portfolio wide data analytics has something to offer the Australian life insurance industry? Describe any successful or unsuccessful projects in the life industry you are aware of. What are the areas it can help us? What are the benefits and the limitations?

The judges will be looking for broad research that cites both local and also overseas examples of relevant data analysis in the insurance industry, including in other sectors such as general insurance and worker's compensation.

## **Q7. WINNING THE BATTLE AGAINST BENEFIT EROSION**

Various enquiries have failed to finally resolve the extent to which insurance should play a part in the superannuation system.

The impact that insurance premiums have on both retail superannuation products, and in the group context, has and remains, of concern to regulators.

In an effort to balance the drain upon retirement benefits that comes with paying the cost of the premium, various strategies have been found for limiting the erosion of member accounts unnecessarily.

Please examine the various strategies that are being put in place in both group and retail spaces to limit benefit erosion and how effective you believe they are.

Do you consider the approach some trustees have taken to amend traditional benefit design has been a useful weapon in the battle against erosion?

Evidence of broad research coupled with well-reasoned and informed conclusions will be highly regarded by the judges.

## **CLAIMS ASSESSMENT, MEDICAL AND REHAB**

### **Q8. UNDERWRITING DECISIONS UNDER THE CODE**

Section 5.17 and 5.18 of the Life Insurance Code of Practice make very clear promises to consumers about the way companies will underwrite. One is that underwriting decisions must be evidence-based, involving relevant sources of information where this is available, and where no data is available, will have regard to any other relevant factors.

Companies also promise they will not rely on out of date or irrelevant sources of information and will comply with the requirements of antidiscrimination law. Companies are also making similar promises about their electronic underwriting systems.

What does it mean to be committed to "evidence based" underwriting?

How will the industry support it, and specifically what will companies and their re-insurers need to do to make this a reality? How will the whole industry be better able to demonstrate to customers their processes decisions are ultimately evidence-based?

Precisely what needs to change and what investments need to be made in order to achieve this?

### **Q9. BRINGING THE BENEFITS OF THE RETURN TO WORK PHILOSOPHY TO SUPERANNUATION?**

Total permanent disablement benefits ("TPD") were originally intended to compensate members for the superannuation contributions they could no longer make because they had become unable to remain part of the workforce. The traditional benefit design reflected this.

Changes in both product design and the way education, training and experience are being looked at in the context of TPD are moving in a direction that will enable insurers and trustees to help members return to work, sometimes through newly acquired skills and in new roles.

Discuss the role of new TPD benefit designs that provide for members to undergo rehabilitation and how they are different from traditional notions of TPD. How are the new aspects of TPD being implemented in the claims assessment process within claims departments?

What are the benefits of these new designs and what are the problems and pitfalls for both claimants and claims managers? What are the respective roles of rehabilitation and claims professionals working on a claim? What is the ideal dynamic for companies to achieve between them as they work together?

So far there has been little in the way of public debate about how the notion of returning people to work fits, if at all, with the objectives of the superannuation system as a whole. Conclude your answer with some comments about whether this change helps these objectives.

## **TRAINING & PROFESSIONAL GROWTH**

### **Q10. GETTING THE CAPABILITIES RIGHT**

The Life Insurance Code of Practice makes some very significant promises about how customers will be treated. Companies will need their staff to explain products to clients and guide them through processes and exhibit empathy.

What essentials are companies going to need in the underwriting and claims professionals of the future? If these are skills that can be taught like any other, how is the industry going to do this?

Have companies already started on this journey? Share (with the permission of your supervisor) the story of how these skills are being honed in your organisation.

What did you find to be the most valuable part of this learning and what were the most difficult knowledge and insights to acquire?

# Terms & Conditions

## DEFINITIONS

- A.** TurksLegal: means the legal practice partnership operating under that registered business name.
- B.** ALUCA: means Australasian Life Underwriting and Claims Association Inc.
- C.** Major Prize: means an overseas package valued at up to \$8,000 (inclusive of GST). It includes registration to one of the following overseas conferences: 2018 Eastern Claims Conference, [dates and location TBC]; 2018 LOMA Life Insurance Conference, [dates and location TBC]; DI & LTC Insurers' Forum 2018, [dates and location TBC]; return economy airfares for one person to one of the above locations valued up to \$3,000; four nights accommodation valued up to \$2,000 for one person at a hotel to be confirmed by the organisers; and \$1,000 spending money. The package does not include: transfers to and from the airport, any insurances, taxes, additional spending money, charges, levies, hotel incidentals, tours and activities or meals not included in conference registration (except where specified). Dollars (\$) means Australian dollars.
- D.** 1st Runner-up Prize: means the Scholarship 1st runner-up will be awarded a Visa pre-paid gift card to the value of \$1,000AU (inclusive of GST).
- E.** 2nd Runner-up Prize: means the Scholarship 2nd runner-up will be awarded a \$250AU (inclusive of GST) restaurant voucher.
- F.** Term: means the entire period of the Scholarship commencing on 12 July 2017 and concluding on Sunday, 10 September 2017 at 5.00pm AEST.
- G.** Judging Panel: means the Judging Panel constituted to judge the 2017 ALUCA TurksLegal Scholarship.
- H.** Scholarship: means the ALUCA TurksLegal Scholarship.

## RULES

- 1.** This Scholarship is open to all members of ALUCA regardless of country of residence. Each entrant must be a current financial member of ALUCA as at 23.59 AEST on Thursday, 31 August 2017. Entrants must work in the life insurance industry. Lawyers, accountants or medico-legal consultants who meet the above criteria are eligible to enter provided they are direct employees of life insurance companies, life reinsurance companies, superannuation trustees or superannuation administrators. Entry is not open to members of the ALUCA National Board.
- 2.** As a condition of entry, an entrant accepts these terms and conditions and any rules, policies or procedures that may be adopted by TurksLegal or ALUCA from time to time. TurksLegal or ALUCA may change, amend or vary these terms and conditions and may extend the period of, or cancel, the Scholarship without notice.
- 3.** Entry forms for the Scholarship can be found on the TurksLegal and ALUCA websites. Members of ALUCA who wish to participate in the Scholarship must complete the official entry form and send it with a copy of their paper by email to the Marketing & Business Development Manager at [scholarships@turkslegal.com.au](mailto:scholarships@turkslegal.com.au) by 10 September 2017 at 5.00pm AEST. Only entries accompanied by an official application form will be accepted. Only one entry per ALUCA member will be accepted.
- 4.** Entrants in the Scholarship must submit a written paper (**not exceeding 2,500 words in length**) on one of 10 questions selected by the Judging Panel and notified to entrants. Each entrant must include the word count on the application form and at the bottom of their paper. The judges may nevertheless, at their absolute discretion, direct that over-length papers be returned to entrants prior to judging and subsequently accept those papers for judging if they are modified to comply with the word limit.
- 5.** The entrant must certify that they meet the conditions and that their employer has no objection to their paper being entered.
- 6.** At the conclusion of the Term all entries will have personal information removed so that entrants' papers are considered anonymously by the Judging Panel; the winner and the 1st and 2nd runners-up will be officially announced at the ALUCA NSW Professional Day in Sydney on Tuesday 17 October 2017.
- 7.** The entrant whose paper is determined by the Judging Panel to be the best response ("the winner") will be awarded the Major Prize. The entrant whose paper is determined by the Judging Panel to be the next best ("the 1st runner-up") will receive the 1st runner-up Prize. The entrant whose paper is determined by the Judging Panel to be the next best ("the 2nd runner-up") will receive the 2nd runner-up Prize.
- 8.** The Judging Panel will determine the winner, 1st and 2nd runner-up by simple majority. Where there is no clear majority in favour of any one entrant, the person elected by the Judging Panel as its Chairman must exercise a casting vote which will determine the winner and runners-up. In determining the winner and 1st and 2nd runners-up the Judging Panel will utilise the marking criteria that it has agreed to apply to all entries.
- 9.** Notification will be given to the winner, 1st and 2nd runners-up as soon as practicable after the conclusion of the judging. Notice may be given by ordinary post, electronic mail, courier or personally.
- 10.** The winning entry and 1st and 2nd runners-up papers will be published on the TurksLegal and ALUCA websites, in the ALUCA e-newsletter, RiskeBusiness, and other potential media sources. By signing the application form the entrant accepts these conditions and gives permission for publishing of their name and/or photos. Under the conditions of entry the copyright in all entries will vest in TurksLegal and ALUCA.
- 11.** Entrants are responsible for ensuring that their contact details with TurksLegal and ALUCA are up to date.
- 12.** Prizes are not transferable or exchangeable and no prize can be taken solely in cash.
- 13.** If for any reason the winner, 1st or 2nd runner-up are unable to utilise their prize once booked (including flights, accommodation, conference, restaurant and pre-paid visa gift card) and the date cannot be changed without penalty (of any kind, including financial charges) the winner, 1st or 2nd runner-up will not receive an alternative prize.
- 14.** All entries are expected to be original work of the entrant, based on their own research. Reference to supplementary material must be clearly acknowledged in the paper. TurksLegal and ALUCA reserve the right to make whatever enquiries each consider necessary to ensure the work attributed to an entrant is that person's own work. All claims for prizes are subject to TurksLegal's and ALUCA's verification procedures as determined by TurksLegal and ALUCA in their absolute discretion.
- 15.** TurksLegal's and ALUCA's decision in relation to all aspects of the Scholarship, including but not limited to any dispute as to the identity of an entrant, eligibility to participate in the Scholarship and determination of an entrant's eligibility to receive a prize, is final and binding and no correspondence will be entered into. These terms and conditions may be changed, amended or varied at any time by TurksLegal or ALUCA in their absolute discretion without notice and without assigning any reason therefore. TurksLegal and ALUCA reserve the right to cancel or vary the Scholarship in whole or in part in their absolute discretion at any time without prior notice. Any such cancellation shall not effect any entrant's entitlement to any prize that has accrued at the time of the cancellation.
- 16.** Entrants accept these terms and conditions as amended from time to time and agree to be bound by them. Entry in the Scholarship is subject to these terms and conditions. In the case of any inconsistency between these terms and conditions and any promotional material, these terms and conditions prevail. TurksLegal and ALUCA reserve the right to cancel an entrant's participation in the Scholarship without assigning any reason therefore where TurksLegal and/or ALUCA, in their absolute discretion, consider that the entrant has not acted honestly, fairly, in good faith or in the spirit of the Scholarship.
- 17.** Liability for any tax on any benefits provided to entrants pursuant to the Scholarship is the sole responsibility of the entrant. It is recommended that entrants contact their own accountant or taxation advisor in this regard.
- 18.** TurksLegal and ALUCA accept no liability for late, lost or misdirected entries.
- 19.** To the extent permitted by law, TurksLegal and ALUCA are not liable for and shall be kept harmless from any loss or damage to property or person including but not limited to direct or consequential loss and including loss from personal injury as a result of any person participating in the Scholarship or making use of a prize.
- 20.** TurksLegal and ALUCA collect entrants' personal information in order to conduct the Scholarship. If the information requested is not provided, the entrant may not be permitted to participate in the Scholarship. By entering the Scholarship, unless otherwise advised, each participant agrees that TurksLegal and/or ALUCA may use this information in any media for future promotional, marketing and publicity purposes without any further reference, payment or other compensation to the entrant, including sending the entrant electronic messages. A request to access, update or correct any promotion should be directed to TurksLegal and/or ALUCA.

