

CHOOSING THE RIGHT ANNUITY PROVIDER

TAKE A HOLISTIC LONG-TERM VIEW.

Why CommInsure?

CommInsure is one of Australia's leading insurance and annuities providers with over four million customers. We have a history of financial strength, security and reliability dating back over 140 years. We are committed to ensuring Australians have adequate insurance, superannuation and retirement income, by making our wide range of award-winning products and services, from general and life insurance to guaranteed annuities, more accessible and easier to understand.

CommInsure Annuities

Guaranteed annuities. An income you can trust.



FOR

Customers looking for a secure guaranteed income in retirement.



WHO

Part of the CBA group, with a rich heritage dating back 140 years. We have a long history of financial strength and security.



GIVING YOU

A level of confidence and peace of mind in retirement by delivering a regular, reliable and secure income.

CommInsure



! IMPORTANT FACTORS TO CONSIDER

As a fiduciary and your clients' trusted adviser, there are a number of important factors you should consider when recommending an annuity provider.

Traditionally, a lot of attention has been placed on one or two factors such as a provider's brand or rate, which meant other critical details like the structure of the annuity contract **and the guarantees behind it**, the quality and management of an annuity provider's underlying investment portfolio and their ability to pay up for the long term were overlooked or glossed over.

To help your clients choose a quality annuity provider that can meet all their needs, deliver a competitive rate of return and make good on their promises, it's critical to weigh up all of the above factors.

For example, a provider that boasts a high rate may have a relatively aggressive investment approach whereby underlying portfolios have a higher allocation to risky securities.

On the other hand, another provider may offer a competitive but slightly lower rate because they take a more conservative, prudent approach to portfolio management, reflective of their objective to help secure and enhance the financial wellbeing of clients for the rest of their lives.

✓ WHAT REALLY MATTERS?

1. A well-diversified, professionally-managed investment portfolio
2. A strong balance sheet
3. Capital adequacy
4. The structure and guarantee behind the annuity
5. Innovative solutions

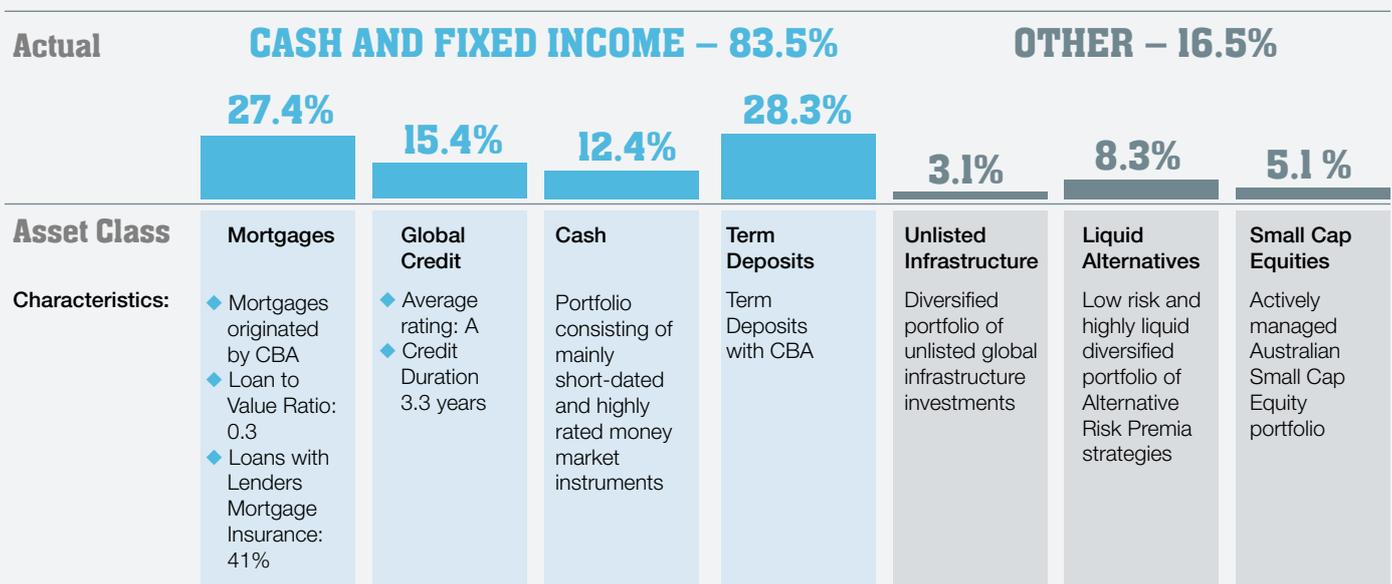
? WHAT TO LOOK FOR

1. Professional portfolio management

CommInsure delivers secure returns by investing in a diversified portfolio of high-quality securities including fixed income, mortgage-backed loans, term deposits and alternatives. Our portfolios are actively managed and closely monitored by a large, experienced team of professionals who collectively manage over \$12 billion.

Our robust, disciplined approach ensures that we can provide competitive rates and minimise investment risk to fulfil our commitment to policyholders.

Annuity Portfolio Asset Allocations¹



¹ Asset allocation as at 30 November 2016. Actual asset allocation may vary.

2. Security and strength

As part of the Commonwealth Bank Group, Commlnsure's history in the Australian insurance industry dates back 140 years.

Commlnsure's Guaranteed Annuities are issued by APRA-regulated life insurer The Colonial Mutual Life Assurance Society Limited (CMLA), one of Australia's largest life companies.

CMLA has \$1.8bn of in-force risk premiums (as at 31 December 2015) and \$13.2bn in total assets (as at 30 June 2016).

The size of the insurer relative to the proposed contract

CMLA	FY14	FY15	FY16
Net assets (\$m)	1,628	1,628	1,642

3. Capital adequacy

Part of the Australian Prudential Regulation Authority's (APRA) role is to ensure life companies maintain sufficient levels of capital in each of its Statutory Funds (SF) to meet obligations and guarantees to policyholders, but that doesn't mean APRA-regulated companies can't fail.

APRA has acknowledged that existing capital adequacy requirements do not guarantee the performance of life companies, especially in the event of a financial market shock.

In addition to CMLA holding capital reserves almost double APRA's requirements, Commlnsure is part of the Commonwealth Bank Group which means we're able to benefit from the size and diversity of the group's operations.

Capital position of CMLA businesses

	Capital Base (\$000) divided by	Prescribed Capital Amount (\$000)	Capital Adequacy Multiple
SF1	343,610	244,126	141%
SF1L	6,601	2,128	310%
SF2L	29,983	14,096	213%
SF3	119,347	59,318	201%
SF4	5,887	1,316	448%
SF5	256,275	137,208	187%

Notes: SF1 – Life insurance business
SF1L, SF2L, SF4 – Unit linked investments business
SF3 – Annuities
SF5 – Life insurance & investments business

Commlnsure has a suite of products that have been in the market for many years. Commlnsure is not dependent on any one product, and its suite acts much like a diversified portfolio, where the diversification reduces risk.

Furthermore, each business that sits within Commlnsure sets aside significant amounts of capital in excess of regulatory requirements to support each of the products offered.

4. The structure and guarantee behind the annuity

At Commlnsure we invest all annuity monies in a separate account called Statutory Fund 3 (SF3), to comply with regulatory obligations.

This structure provides you with extra security and protection because assets are insulated from any claims by insurance policyholders and creditors. SF3 currently holds twice the required capital reserves set by APRA.

Furthermore, CMLA also guarantees all regular payments and capital to policyholders and your clients can take comfort from the fact that it has been standing behind all of its obligations for more than 140 years.

5. Product innovation

Commlnsure has earned a reputation as an innovator. We are continuously looking for ways to improve our products and services to add greater value for customers. For example, our Lifetime Income Annuity offers even more comfort, protection and value with a Death Benefit Guarantee that allows retirees to provide for their loved ones in the event of an untimely death.



THE BENEFITS OF DIVERSIFYING BY PROVIDER

If your client has investments with other providers, in the prevailing uncertain economic environment, it may be prudent for your clients to invest with multiple annuity providers as diversification is an important risk management strategy.

By spreading the risk in their retirement income portfolio across providers with strong financial strength ratings, your clients can achieve further protection, security and peace of mind.

Commlnsure is an experienced, innovative annuity provider with a diversified suite of highly competitive investment and insurance solutions.

For more information please contact your Commlnsure Retirement BDM.

WANT MORE **INFORMATION?**

If you'd like to know about how a guaranteed annuity can help your clients speak to your local Retirement Business Development Manager.

NSW/WA/ NT/SA



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