

Media Release

For immediate release

Australian-first insurance for people on low incomes

For the first time in Australia, accessible insurance cover will be available to people on low incomes, thanks to a partnership between not-for-profit organisation Good Shepherd Microfinance and Suncorp to create *Essentials by AAI*.

One in five adults in Australia does not have general insurance cover for their contents, car or home*. Many of these people are living on low incomes, and this is often a major problem, according to Good Shepherd Microfinance CEO, Adam Mooney.

“Without insurance, it’s not possible to use everyday essentials, such as a car, with the peace of mind that comes with knowing you are protected if bad luck strikes,” said Mr Mooney.

“Our experience with financial programs for people on low incomes shows just how easy it is to slip into hardship after a financial shock such as the loss of a family asset which can be expensive to replace.”

“Insurance is important in enabling our clients to build assets and some wealth, however small, to act as a buffer against financial hardship and to build resilience,” he said.

Good Shepherd Microfinance and Suncorp have worked with external advisors to build a relevant, affordable and simple insurance product from the ground up. The result is the new *Essentials by AAI* product that launches today.

For the first time in Australia an insurance product will allow people to ‘mix and match’ cover for contents and cars, with premiums starting as low as \$4.00 per week.

Mark Milliner, CEO of Suncorp Personal Insurance, said the people who don’t have insurance are often the ones who need it the most.

“Working with Good Shepherd Microfinance has helped us to better understand the needs of those doing it tough. We’ve found that traditional insurance is often too expensive for them, and in many cases the level of cover is simply too high,” Mr Milliner said.

“Our research shows that this market just wants cover for essentials like their second hand car and whitegoods. We have worked with financial counsellors, Legal Aid, the Financial Ombudsman Service, researchers and consumer representatives who have helped us to design a product to do just that.

“We’re really excited to be able to offer this first-of- its kind product which enables people on low incomes to accumulate and use assets with a much needed financial safety net.

“It’s a great example of working with others in the community to create something that addresses the issues of financial exclusion in this country.”

Mr Mooney added: “Insurance supports people to become economically mobile. We know that *Essentials by AAI* will have a positive impact on the lives of people who have previously been excluded from insurance products due to barriers like affordability or suitability.”

“We’ve enjoyed working alongside Suncorp through this partnership to co-create something very positive that will be sustainable for both the client, the program and the partners,” he said.

In an Australian first, *Essentials by AAI* will be unique in the flexibility of its payment options, including fortnightly direct debit and payment via Centrepay which aligns a person’s income with the payment of their premium.

About Essentials by AAI

The *Essentials by AAI* product is available through Suncorp’s dedicated call centre (Tel: 1800 429 598). Information about *Essentials by AAI* is also available through various community organisations across the country who offer Good Shepherd Microfinance’s award-winning No Interest Loan Scheme (NILS), and via the *Essentials* website www.essentialsbyaai.com.au

Key features of the new product include cover options for contents \$10,000/\$20,000, and up to two cars valued at \$3,000 and \$5,000. Unlike other products in the market, policyholders will also have access to standard two excess-free claims with a low \$100 or \$300 excess applying to subsequent claims.

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For further information or to arrange an interview:

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NOTE TO EDITORS:

*The Centre for Social Impact for NAB, *Measuring Financial Exclusion in Australia*, June 2013
Essentials is underwritten by AAI, which is part of the Suncorp Group.

About Partners

Good Shepherd Microfinance is Australia’s largest microfinance organisation. We offer a range of people-centred, affordable financial programs for people on low incomes at different financial stages of their lives.

Our aim, together with those of our community partners, is to enable clients to realise their own economic wellbeing, as they define it themselves, through appropriate financial services. As a result, people feel valued, accepted, included and in control of their own finances and lives.

Our Good Insurance program works with Australia’s biggest insurance companies to create affordable, simple and effective insurance policies for people on low incomes. We aim to reach the millions of people living on low incomes who are interested in and need insurance products, but are unable to access suitable and affordable cover.

Suncorp Group’s portfolio of Personal Insurance brands, which includes AAMI, GIO, Apia and Suncorp Insurance, has built a reputation for innovation and customer service. Suncorp is a leading responsible insurer that sees the shared value in offering sustainable products that meet the needs of people on low incomes. Suncorp is the first financial services company in Australia to design a set of products that are set to tackle insurance affordability.