

June 9, 2016

## **iSelect Rejects “Unsatisfactory” Claim By Graeme Samuel**

Private health insurance experts iSelect today rejected claims by government adviser Mr Graeme Samuel AC, who described private health insurance comparison sites “unsatisfactory” because they “omitted some large funds” and “received commissions”.

We agree with Mr Samuel’s personal views that the private health insurance industry is in need of reform but feel that his direct attack on iSelect is misguided given the benefits comparison sites provide to Australians customers.

### **Commissions do not influence our recommendations**

At iSelect, our recommendations to our customers are not influenced by the commissions or the fee arrangements with our private health insurance partners.

Our expert advice is provided free-of-charge to our customers. Instead, iSelect receives a commission from the company of whichever private health insurance policy the customer chooses to purchase.

As our partners operate in a highly competitive sector, we have agreed to keep our individual fee arrangements confidential – even from our health insurance advisers - but are very transparent with our customers that we are paid a fee for the service we provide.

Crucially, our health insurance experts are not paid more for recommending certain products or companies over others, giving our customers reassurance that our advice and recommendations are based only on their individual needs.

So that customers can be confident that iSelect's advice is unbiased, PricewaterhouseCoopers (‘PwC’) was engaged to conduct an independent reasonable assurance engagement on the design and operating effectiveness of internal controls (including within the Health business). PwC provided reasonable assurance that iSelect had suitably designed and operated internal controls to ensure that sales consultants acted in a manner that did not favour particular providers (in accordance with the criteria as at 4 February 2015).

### **Not just online comparison**

Mr Samuel’s claim that the government establish a comparator site to sort through the 20,000 health policies on the market is naïve at best, as a website cannot possibly deliver the most appropriate policy for a customer’s needs.

iSelect is much more than just an online comparison website, and comparing online is just the first step in our personalised comparison and expert advisory service.

The vast majority (more than 90 per cent) of private health insurance policies sold through iSelect are delivered following thorough a personalised telephone consultation with the customer and not solely through our website.

That most of our customers choose to speak with one of our 200 highly trained private health insurance experts demonstrates that comparing private health insurance is far too complex for online-only channels.

### **Market leaders**

iSelect's strong partnerships with health insurance providers means we're the most visited health insurance comparison site in Australia<sup>1</sup>.

Our low cost customer acquisition model delivers substantial cost savings and efficiencies for our private health insurance partners. We are also increasing industry competition by helping smaller health funds, which generally offer good coverage at a low price, reach new customers.

Currently, we have 13 of Australia's 33 private health insurance providers on their panel, including five of the seven biggest brands, and are always looking to add more. We are completely open with our customers that we do not have all insurers or policies available for purchase.

### **Same price, no mark-up**

iSelect does not mark up the prices of the products we sell. A customer will pay exactly the same for a policy purchased through us as they would pay through dealing directly with the insurer or via another comparison site.

### **100% independently-owned**

At iSelect, we are proud to be 100% independently-owned. Unlike other comparison services, we are not owned by an insurance company and we do not own any of the companies or brands whose products we sell, so our customers can be confident we only have their best interests at heart.

We are also member of the Private Health Insurance Intermediaries Association (PHIIA).

**ENDS**

### **For further information, please contact:**

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### **About iSelect**

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iSelect is Australia's leading destination for personalised comparison and expert advice across a wide range of insurance, utilities and personal finance products. iSelect's team of highly-trained advisers give customers the confidence to make the right choice when it comes to some of life's most important financial decisions. To see how we help our customers always get it right, visit [www.iselect.com.au](http://www.iselect.com.au)

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<sup>1</sup> Claim based on Hitwise data of total visits to health insurance comparison sites from 1 April 2013 - 31 December 2015.