



### What is the CANSTAR Life Insurance Star Rating?





CANSTAR Life Insurance Star Ratings use a sophisticated and unique ratings methodology that compares both cost and features across life insurance products. CANSTAR star ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked. CANSTAR Life Insurance Star Ratings is a transparent analysis considering Standalone Term Life cover, Standalone TPD, Standalone Trauma, Standalone Income Protection Cover and Packaged Life Insurance Cover.

Ratings range from five to one star. Five-star rated products have been assessed as offering outstanding value to consumers.

### Profile Description

The 80 overall profiles for each individual cover are determined by four categories – Occupation, Age Group, Gender and Premium type.

The detail structure is shown below:

Occupation Category	 Professional	 White Collar	 Light Manual	 Blue Collar	
Age	Twenties (20-29)	Thirties (30-39)	Forties (40-49)	Fifties (50-59)	Sixties* (60-65)
Cover Details	Term Life	TPD	Trauma	Income Protection	Packaged Life
Premiums	Stepped Premium			Level Premium	
Gender	Male			Female	

\*Sixties age group is only considered within Term Life.

## Star Rating Methodology

The Life Insurance Star Rating consists of 5 separate insurance products (Term Life, TPD, Trauma, Income Protection and Packaged Life). The rating process for each product type uses a separate Star Rating Methodology consistent with the pricing and features model of the CANSTAR Star Ratings.

### TOTAL SCORE = PRICE + FEATURES



Life Insurance products are rated across four professional groups and four age groups (five for Term Life, as we consider 60s profile) so that consumers can identify their demographic and create a shortlist of five-star products that may be suitable for their needs.

### Pricing Score

The insurance premium for risk is used as the main point of cost comparison. Peer products are compared with each other, with the lowest cost product awarded the highest pricing score. All other peer products are awarded a score based on their relative cost against the lowest cost policy (i.e. if a product costs twice as much as the cheapest, it will earn the half the pricing score of the cheapest product).

Premiums are based on a non-smoker with stepped and level premiums. Five different occupations are used to represent premium score of a specified occupation group. More than 512,000 premiums are analysed in the CANSTAR Life Insurance Star Rating.

### Feature Score

The CANSTAR Life Insurance Star Ratings assessed more than 50,000 benefits and options across different products.

## Star Rating Component - Term Life

The breakdown between price and features for Term Life Insurance is as follows:

Product	Price Score	Features Score
Term Life	80%	20%

### Pricing Score

To calculate the pricing score we collect premium data and quote for:

- Five different age groups as listed in the table below – twenties, thirties, forties, fifties and sixties. Quotes are obtained for all ages varying from 20 to 69.
- Five different occupations within each Occupation category – professional, white collar, light manual and blue collar
- Sum Insured amount which is dependent upon the age group and the occupation type (i.e. Twenties – Professional - \$750,000)

Table below highlights the profiles considered for the pricing score calculation:

Age Group	Age	Occupation Category	Amount
Twenties	20-29	Professional	\$750,000
		White Collar	\$500,000
		Light Manual	\$500,000
		Blue Collar	\$500,000
Thirties	30-39	Professional	\$1,500,000
		White Collar	\$1,500,000
		Light Manual	\$1,000,000
		Blue Collar	\$1,000,000
Forties	40-49	Professional	\$1,500,000
		White Collar	\$1,500,000
		Light Manual	\$1,000,000
		Blue Collar	\$1,000,000
Fifties	50-59	Professional	\$1,000,000
		White Collar	\$1,000,000
		Light Manual	\$750,000
		Blue Collar	\$750,000
Sixties	60-69	Professional	\$1,000,000
		White Collar	\$1,000,000
		Light Manual	\$750,000
		Blue Collar	\$750,000

## Feature Score

Category	Twenties, Thirties & Forties	Fifties & Sixties	Comments
Policy Terms	10%	10%	
Coverage Terms	10%	10%	Captures coverage range, e.g. entry and expiry age
Other	10%	10%	Captures if the policy can be accident only
Premiums	65%	65%	Captures the premiums options, e.g. stepped, level, hybrid
Sum Insured	15%	15%	Captures if sum insured restriction applies
Standard Company Terms	30%	30%	
CPI	15%	15%	Captures the indexation benefits, e.g. dollar cap, max age
Exclusions	50%	50%	Captures what is excluded at time of claim e.g. suicide, pre-existing conditions
Interim Cover	15%	15%	Captures interim cover and period covered
Loyalty Bonus	5%	5%	Captures if the policy provides any loyalty bonus
Other	10%	10%	Captures additional features like supplementary life cover, guaranteed renewable
Product Upgrade	5%	5%	Captures the product upgrades applicable to existing and new customers
Policy Benefits and Options	60%	60%	
Terminal Illness	30%	40%	Captures terminal illness definition and max benefit age, etc.
Accommodation Benefit	5%	5%	Captures if the policy offers accommodation benefit
Financial Planning	5%	5%	Captures if the policy offers financial planning benefit
Funeral Benefit	5%	10%	Captures if the policy offers funeral and repatriation benefit
Future Underwriting	10%	10%	Captures if the policy offers personal future underwriting benefit
Guaranteed Future Insurability	30%	10%	Captures if the policy offers GFI benefit, e.g. no of events etc.
Accidental Death	5%	10%	Captures additional benefits like child cover, accidental death hardship booster, etc.
Other	10%	10%	Waiver of Premium, Needle Stick

## Star Rating Component – Standalone TPD

The breakdown between price and features for TPD Insurance is as follows:

Product	Price Score	Features Score
TPD	70%	30%

### Pricing Score

To calculate the pricing score we collect premium data and quote for:

- Five different age groups as listed in the table below – twenties, thirties, forties, fifties and sixties. Quotes are obtained for all ages varying from 20 to 59.
- Five different occupations within each Occupation category – professional, white collar, light manual and blue collar
- Sum Insured amount which is dependent upon the age group and the occupation type (i.e. Twenties – Professional - \$750,000)

Table below highlights the profiles considered for the pricing score calculation:

Age Group	Age	Occupation Category	Amount
Twenties	20-29	Professional	\$750,000
		White Collar	\$500,000
		Light Manual	\$500,000
		Blue Collar	\$500,000
Thirties	30-39	Professional	\$1,500,000
		White Collar	\$1,500,000
		Light Manual	\$1,000,000
		Blue Collar	\$1,000,000
Forties	40-49	Professional	\$1,500,000
		White Collar	\$1,500,000
		Light Manual	\$1,000,000
		Blue Collar	\$1,000,000
Fifties	50-59	Professional	\$1,000,000
		White Collar	\$1,000,000
		Light Manual	\$750,000
		Blue Collar	\$750,000

## Feature Score

Category	Professional/ White Collar	Light Manual/ Blue Collar	Comments
Policy Terms	10%	10%	
Coverage Terms	40%	40%	Captures coverage range, e.g. entry and expiry age
Premiums	60%	60%	Captures the premiums options, e.g. stepped, level, hybrid
Standard Company Terms	25%	20%	
Exclusions	40%	40%	Captures what is excluded at time of claim, e.g. attempted suicide, terrorism
Indexation	25%	25%	Captures the indexation benefits, e.g. dollar cap, max age
Interim Cover	15%	15%	Captures interim cover and period covered
Loyalty Bonus	5%	5%	Captures if the policy provides any loyalty bonus
Other	10%	10%	Captures additional features like supplementary live cover, guaranteed renewable
Product Upgrade	5%	5%	Captures the product upgrades applicable to existing and new customers
Policy Benefits and Options	25%	20%	
Accommodation Benefit	5%	5%	Captures if the policy offers accommodation benefit
Death Cover	10%	10%	Captures if the policy offers death cover benefit
Financial Planning	10%	10%	Captures if the policy offers financial planning benefit
Future Underwriting	20%	20%	Captures if the policy offers personal future underwriting benefit
Guaranteed Future Insurability	20%	20%	Captures if the policy offers GFI benefit, e.g. no of events, etc.
Life Cover Purchase	10%	10%	Captures if the policy offers life cover benefit after TPD claim without medical evidence
Other	15%	15%	Needle Stick, and additional benefit hardship booster
Waiver of premium	10%	10%	Captures waiver of premiums on disability
TPD Definitions	40%	40%	
TPD Any	15%	30%	Total and permanent disability based on any occupation
TPD AODL	10%	10%	Total and permanent disability based on activities of daily living
TPD Day 1	5%	5%	Total and permanent disability claim from day 1
TPD Survival Definition	5%	5%	Restrictions on total and permanent disability, e.g. survival period
TPD Home Duties	5%	10%	Total and permanent disability for home duties occupations
TPD Loss of Sight and Limbs	5%	5%	Total and permanent disability as a result of the loss of sight or limbs
TPD Own	55%	35%	Total and permanent disability based on own occupation
Own Occupation Quotes	-	10%	Availability of cover based on own occupations



## Star Rating Component – Standalone Trauma

Breakdown between price and features for Standalone Trauma Insurance is based on the age group. The weights assigned to each profile type are as follows:

Product	Price Score	Features Score
Trauma	50%	50%

### Pricing Score

To calculate the pricing score we collect premium data and quote for:

- Five different age groups as listed in the table below – twenties, thirties, forties, fifties and sixties. Quotes are obtained for all ages varying from 20 to 59.
- Five different occupations within each Occupation category – professional, white collar, light manual and blue collar
- Sum Insured amount which is dependent upon the age group and the occupation type (i.e. Twenties – Professional - \$200,000)

Table below highlights the profiles considered for the pricing score calculation:

Age Group	Age	Occupation Category	Amount
Twenties	20-29	Professional	\$200,000
		White Collar	\$150,000
		Light Manual	\$150,000
		Blue Collar	\$150,000
Thirties	30-39	Professional	\$250,000
		White Collar	\$250,000
		Light Manual	\$200,000
		Blue Collar	\$200,000
Forties	40-49	Professional	\$250,000
		White Collar	\$250,000
		Light Manual	\$200,000
		Blue Collar	\$200,000
Fifties	50-59	Professional	\$150,000
		White Collar	\$150,000
		Light Manual	\$100,000
		Blue Collar	\$100,000

## Feature Score

Category	Male profiles	Female profiles	Comments
Policy Terms	10%	10%	
Coverage Terms	40%	40%	Captures coverage range – max entry and expiry age
Premiums	60%	60%	Captures the premium options – stepped, level, hybrid
Standard Company Terms	10%	10%	
Exclusions	20%	20%	Captures what is excluded at a time of a claim – attempted suicide, congenital condition
Indexation	15%	15%	Captures the indexation benefits – dollar cap, max age
Interim Cover	15%	15%	Captures interim cover and period covered
Loyalty Bonus	15%	15%	Captures if the policy provides any loyalty bonus
Other	20%	20%	Captures additional features like supplementary live cover; guaranteed renewable
Product Upgrade	15%	15%	Captures the product upgrades applicable to existing and new customers
Policy Benefits and Options	10%	10%	
Trauma Reinstatement	50%	50%	Captures if the policy offers trauma reinstatement benefits etc.
Guaranteed Future Insurability	20%	20%	Captures if the policy offers GFI benefit – no. of events etc.
Future Underwriting	10%	10%	Captures if the policy offers personal future underwriting benefit
Life Cover Purchase	10%	10%	Captures if life cover can be purchased without medical evidence
Others	10%	10%	Accommodation benefit; waiver of premium; financial planning benefit
Standalone Trauma Events	70%	70%	
Cancer	30%	45%	Captures trauma definitions for cancer
Breast Cancer	5%	40%	Captures trauma definitions for breast cancer
Cancer Female	-	5%	Captures trauma definitions for female cancer – ovarian cancer
Cancer Male	10%	-	Captures trauma definitions for male cancer – prostate cancer
Skin Cancer	15%	15%	Captures trauma definitions for melanoma cancer
Others	70%	40%	Captures trauma definition for other cancer – benign tumours etc.
Heart	30%	20%	Captures trauma definitions for coronary related conditions
Coronary by-pass surgery	25%	25%	Captures trauma definitions for coronary by-pass surgery
Coronary artery angioplasty	15%	15%	Captures trauma definitions for Coronary artery angioplasty
Triple vessel angioplasty	15%	15%	Captures trauma definitions for Triple vessel angioplasty
Heart Attack	25%	25%	Captures trauma definitions for heart attack
Others	20%	20%	Captures trauma definitions for other coronary related conditions - cardiomyopathy
Stroke	15%	10%	Captures trauma definitions for stroke
Nervous System	10%	10%	Captures trauma definitions for nervous systems – Parkinson's disease
Others	15%	15%	Paralysis; Major Head trauma; Loss of limbs or sight; Motor Neurone Disease; Muscular Dystrophy; Major organ transplant; blindness; HIV; Chronic Liver Disease; Loss of hearing/deafness; Loss of speech etc.



## Star Rating Component – Income Protection

Breakdown between price and features for Income Protection Insurance is based on the age group. The weights assigned to each profile type are as follows:

Profile	Price Score	Features Score
Twenties	60%	40%
Thirties	60%	40%
Forties	50%	50%
Fifties	50%	50%

### Pricing Score

To calculate the pricing score we collect premium data and quote for:

- Five different age groups as listed in the table below – twenties, thirties, forties, fifties and sixties. Quotes are obtained for all ages varying from 20 to 59.
- Five different occupations within each Occupation category – professional, white collar, light manual and blue collar
- Monthly Income amount which is dependent upon the age group and the occupation type (i.e. Twenties – Professional - \$5,000)

Table below highlights the profiles considered for the pricing score calculation:

Age Group	Age	Age	Annual Income	Monthly Income
Twenties	20-29	Professional	\$80,000	\$5,000
		White Collar	\$50,000	\$3,125
		Light Manual	\$55,000	\$3,347
		Blue Collar	\$80,000	\$5,000
Thirties	30-39	Professional	\$100,000	\$6,250
		White Collar	\$70,000	\$4,375
		Light Manual	\$80,000	\$5,000
		Blue Collar	\$100,000	\$6,250
Forties	40-49	Professional	\$150,000	\$9,375
		White Collar	\$105,000	\$6,562
		Light Manual	\$80,000	\$5,000
		Blue Collar	\$100,000	\$6,250
Fifties	50-59	Professional	\$150,000	\$9,375
		White Collar	\$105,000	\$6,562
		Light Manual	\$80,000	\$5,000
		Blue Collar	\$100,000	\$6,250

## Feature Score

Category	All Occupation Types	Comments
Policy Terms	10%	
Benefit Periods	15%	Captures the various benefit periods offered by the policy
Benefit Type – Guaranteed Agreed Value	10%	Captures the ability to purchase agreed value cover
Benefit Type – Indemnity	10%	Captures the ability to purchase indemnity cover
Business Expenses	10%	Captures the ability to add business expense as a rider
Entry/Expiry Ages	10%	Captures the premium options – entry/expiry ages
Premium	10%	Captures the premium options- stepped, level or hybrid
Sum Insured	10%	Captures if sum insured restrictions applies
Superannuation	10%	Captures the availability under superannuation
Waiting Periods	15%	Captures the various waiting period offered by the policy
<b>Standard Company Terms</b>	<b>15%</b>	
Company Terms	10%	Captures the availability of 24hr worldwide cover
Cooling off period	15%	Captures the various cooling off period offered by the policy
Exclusions	25%	Captures what is excluded at time of claim – attempted suicide etc.
Guaranteed Renewable	5%	Captures the guaranteed renewable definition offered by the policy
Indexation	10%	Captures the indexation benefits – dollar cap, max age
Interim Cover	15%	Captures interim cover and period covered
Loyalty Bonus	5%	Captures if the policy provides any loyalty bonus
Product Upgrade	15%	Captures the product upgrades applicable to existing and new customers
<b>Claim Payment Terms</b>	<b>35%</b>	
Benefits Offsets	35%	Captures the benefit options offered across various occupations – sick leave, long service leave
Claim Payment	10%	Captures the period of claims payments made in arrears
Occupation Definition	15%	Captures the any/own occupation definition period - day 1
Pre-Disability Income	10%	Captures the definitions related to pre-disability income in agreed and indemnity
Waiting Period	30%	Captures the waiting period start and effective periods
<b>Policy Benefits and Options</b>	<b>40%</b>	
Claims Indexation	10%	Captures if the policy offers claims indexation
Disability Definitions – Partial	30%	Captures the benefits offered by policy at time of partial disability
Disability Definitions – Total	30%	Captures the benefits offered by the policy at time of total disability
Specified Injury	15%	Captures the benefits offered by the policy for specified injury
Specified Illness	10%	Captures the benefits offered by the policy for specified illness
Others	5%	Captures the other benefits offered by the policy – family care benefit, death, death benefit etc.

## Star Rating Component – Packaged Life

Breakdown between price and features for Packaged Life is based on the age group. The weights assigned to each profile type are as follows:

Profile	Price Score	Features Score
Twenties	60%	40%
Thirties	60%	40%
Forties	50%	50%
Fifties	50%	50%

### Pricing Score

For package products we consider the above combination of sum insured across Term, Trauma and TPD within the respective age and occupation groups.

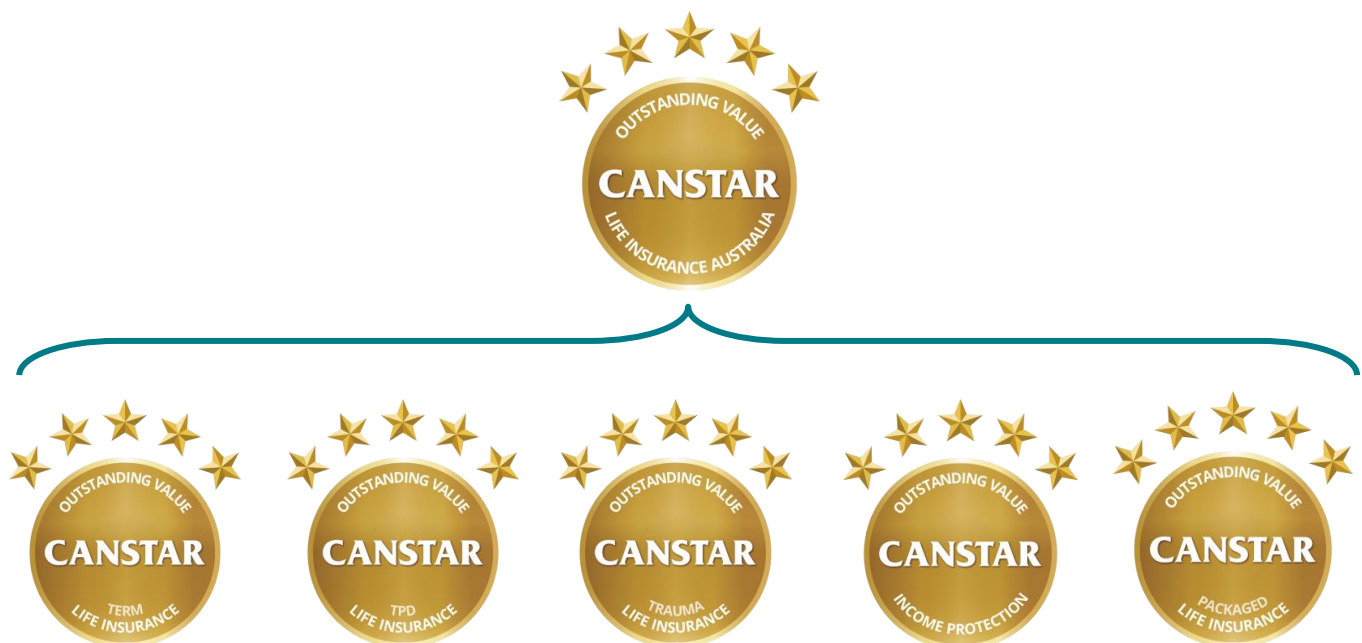
### Feature Score

Category	Twenties	Thirties	Forties	Fifties
Term Life	20%	20%	20%	20%
Total and Permanent Disability	25%	20%	15%	10%
Trauma	15%	20%	25%	30%
Income Protection	40%	40%	40%	40%

Within package life we consider the four components based on the weights shown above. We have replicated the individual product category weightings within package, but there are some differences in the categories based on the offering for a package product.

### Awards to insurers

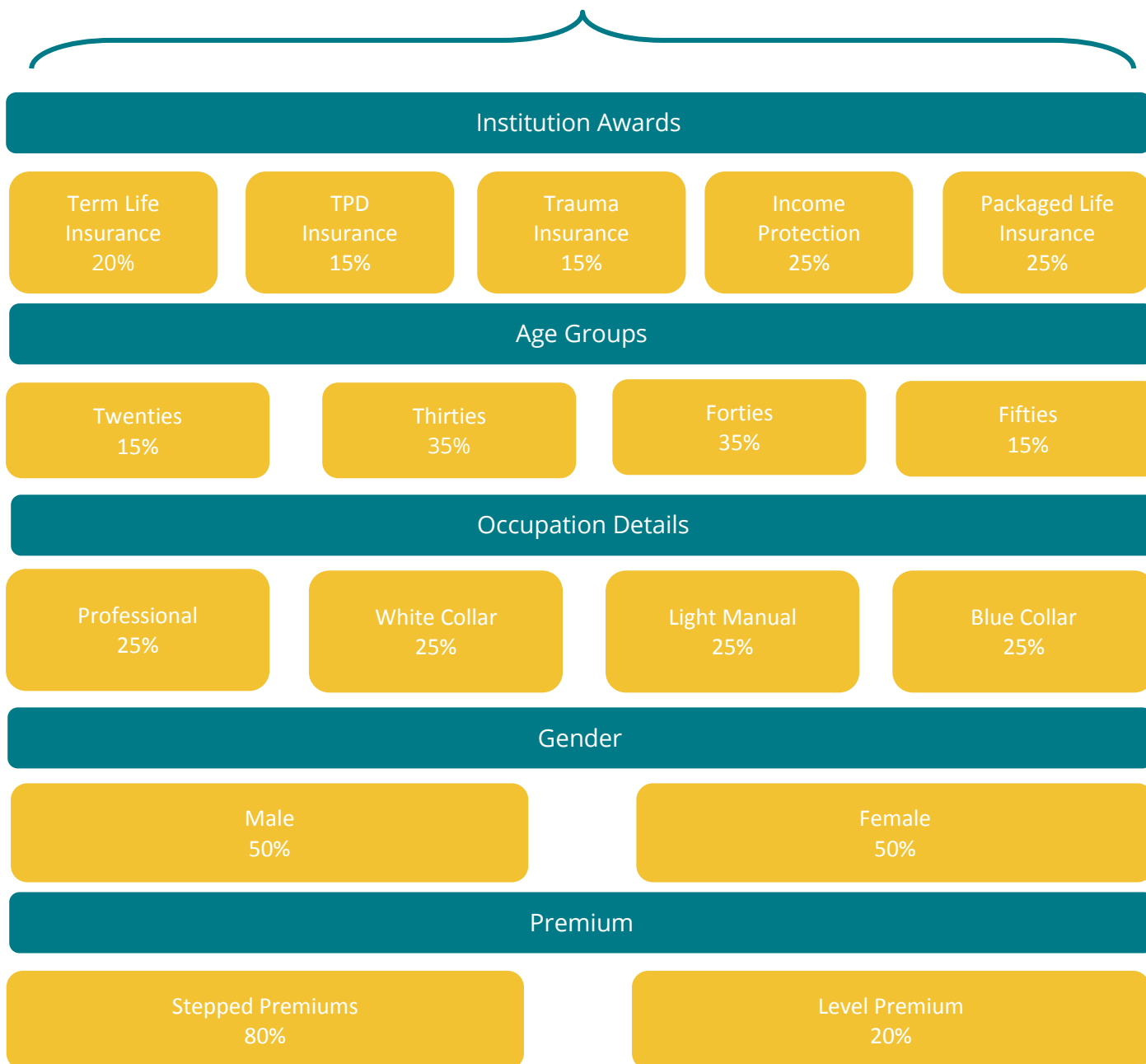
CANSTAR names the insurers who offer outstanding value for each individual cover based on their star ratings performance across the 64 life insurance profiles, which then forms the overall Life Insurance Award



## Award Methodology

Institution based awards are determined by product performance across the 64 star rated profiles.

The structure of the Award is as follows:



## How are the stars awarded?

CANSTAR ranks life insurance based on value-for-money measures and then awards a star rating according to rank. The number of products awarded each of the five- to one-star ratings will ultimately depend on the dispersion of final scores and the profile considered. Scores are awarded to each product on the basis of price (premiums) and features (benefits and options). The methodology is revised and parameters are updated on a regular basis to make sure that the products are analysed using the most up-to-date information capturing all industry developments.

## Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## How often are products reviewed for awards or star ratings purposes?

All ratings are fully recalculated every twelve months based on the latest features offered by each provider. CANSTAR also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites, etc.)

## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



- Account based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Package banking
- Reward programs
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
- Superannuation
- Travel money cards
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- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance
- Term deposits
- Youth banking

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