

Our contribution 2018/19

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TAL / Insuring
This Australian Life



Our contribution 2018/19 outlines the work we're doing to meet the needs of our customers, partners and stakeholders, and contribute as a life insurer, an employer and part of the Australian community

Contents

About us

Message from our CEO	2
Our Purpose, Ambition and Priorities	3
Who we are	4
Our business	5
Meeting community standards and expectations	6
Engaging our stakeholders	7

Our focus areas in 2018/19

Confidence in claims	8
Continuing our investment in health	10
Extending our health expertise	12
Investing for the future	13
Contributing to a better industry	14
Innovating for the future	16

Our community contributions in 2018/19

Our community contribution	18
A positive conversation	20
Sustainable insurance	22
Our people and culture	24



Our contribution 2018/19 covers the period from April 2018 to March 2019.

Principles for Sustainable Insurance

TAL is a signatory to the United Nations' Principles for Sustainable Insurance, a framework that encourages insurance companies worldwide to put social, governance and environment concerns at the heart of their decision making. By taking part, we're publicly confirming that our responsibility goes beyond our performance in the marketplace. It is a manifestation of our belief in the social good of what we do.

Message from our CEO

I'm proud that our commitment to our partners and customers remains resolute. We've been unwavering in our Purpose: to help Australians live a life filled with choices, options and freedoms, no matter what happens. We continue to support our customers and community when they need us most, paying almost \$1.62 billion in claims to more than 26,000 Australians and their families in 2018¹.

More than ever, the industry is cognisant of the community's expectations and the importance of actively demonstrating the value of an effective life insurance industry. I'm confident that our industry will be stronger as a result of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, which was a confronting but necessary examination of the industry. We unreservedly support a financial services sector that's vibrant, robust and accountable, and puts customers first.

At TAL, we're committed to getting it right for our customers and ensuring we're there when they need us the most. Our commitment to claims is central to TAL's strategy as we continually improve our processes, procedures and training to ensure every claim is assessed with care and sensitivity.

We have continued to be actively engaged in industry discussions, contributing to dialogue around the Protecting Your Super (PYS) legislation, proposed reforms to the Life Insurance Code of Practice and other regulatory and industry changes. They all help ensure better outcomes for the Australian community.

2018/19 was a year of resilience, opportunity and growth for TAL. While I may have said the same last year, this was really the year of utmost significance in the life insurance industry. The Australian market continues to experience considerable transformation, with a series of mergers and acquisitions, industry reform and increasing consumer and community expectations.

In August 2018, we announced the most significant acquisition in TAL's history: the purchase of Suncorp's Australian life insurance business, Asteron Life. Completed in February 2019, the acquisition means we can protect more Australians. As we integrate the Asteron Life business into TAL, we'll remain focused on delivering the best possible outcomes for all our existing partners and customers.

Our reputation score with our superannuation fund, adviser and alliance partners has increased by 1% this year, to 88/100². We're working with our superannuation fund partners to ensure we effectively engage and communicate with their members about the impact of the PYS changes, which take effect on 1 July 2019. We're also supporting financial advisers through our TAL Risk Academy, which is helping advisers meet the new education requirements set out by the Financial Adviser Standards and Ethics Authority (FASEA).

We have a strong focus on health. We want to be much more than a company that collects premiums and pays claims; we want to play a role in helping our customers live a healthier life. 62% of the claims we paid in 2018 were for living benefits, which support people recovering from illness or injury¹. It's why we're continually expanding the ways we support our customers' health.

I am really proud that our contribution to the community goes beyond our everyday business activities and customer support. TAL SpotChecker once again made its way to major state capitals in December and January, providing free professional skin checks. We reached even more Australians this year, through an app that allowed people to get a skin check on their smartphone.

Our industry needs to continue to invest in improved customer experiences. Change will continue to be a constant and we'll ensure we turn those changes into opportunities to provide unwavering support for our customers and the community.

Our Innovation team is working with our partners to understand the trends and challenges our industry faces and identify the capabilities we'll need to continue to deliver exceptional outcomes for our customers.

We will continue to listen to our customers, partners, people and community, and challenge ourselves to exceed their expectations. Our Ambition – that our customers understand and value the protection they have and are confident we'll be there when they need us most – reflects this intent.

I truly believe in our industry and the value it brings to the community. I remain committed to TAL continuing to be a leading life insurer for the people who matter to us most: our customers, our partners, our people and the wider Australian community that we are here to serve.

Brett Clark
TAL Group CEO and
Managing Director



¹ Claims statistics based on TAL total number of claims paid in 2018

² Based on the independently-verified RepTrak® survey

Our Purpose, Ambition and Priorities

Our Purpose

We have an important job to do in the Australian community. Our core Purpose is:

Helping Australians live a life filled with choices, options and freedoms, no matter what happens.

To deliver on our Purpose, we are acutely aware of the need to continually evolve our products and practices, keeping pace with ever changing community expectations.

Our Ambition

Our philosophy is reflected in our Ambition, which signals the business we want to be three to five years from now:

To ensure our customers understand and value the protection they have and are confident we will be there when they need us most.

Our Priorities

Our Priorities reflect our view on the material issues relevant to our long-term performance and sustainability. Prioritising these issues is an integral part of our strategic process, led by TAL's Executive Team and Board. Our Priorities represent the key areas we believe will help us meet the needs of all our stakeholders.



Customer and industry leadership

Leading the industry by getting it right for our customers and partners



People

Building a culture that is high performing, confident, and creates exciting opportunities for our people



Growth

Building on our existing business and finding new ways to help our customers and partners for the future



Strengthening the business

Strengthening and simplifying what we do to be a more resilient business



Integration

Bringing Asteron and TAL together to build a stronger and better business for the future



Financial performance

Delivering long-term sustainable financial performance so that we will be here to deliver on our Purpose and Ambition

Who we are

TAL is a leading Australian life insurance specialist. For 150 years, we have been protecting people, not things. Today, we protect around 4.5 million Australians and their families.

Life insurance has a special role in our community. It provides financial security for Australians when they need it most and gives them control and confidence when they might otherwise need government support. Everyone at TAL takes this responsibility very seriously. We consider our role to be a privileged one that is earned, not given.

Our business model embodies a fundamental principle: that Australians should have choice in how they access life insurance, reflecting their individual needs and preferences. That means we ensure our customers can access cover in the way they choose, on their terms.



From a
financial
adviser



From us,
over the phone
or online



From their
superannuation
fund



From one of
our alliance
partners

By your side, for life

TAL is owned by the Dai-ichi Life Insurance Company in Japan. Dai-ichi Life's mission is "By your side, for life", which has great cultural meaning and is a strong operating principle for Dai-ichi Life businesses around the world.

Dai-ichi Life Group companies aim to improve lives and communities, standing beside our customers and their loved ones for life.

Since Dai-ichi Life first invested in TAL in 2008, we've grown to become a leading Australian life insurance specialist.



Dai-ichi Life
Group



Our business

A leading life insurance specialist



Life Company of the Year

15th Annual Australian Insurance Industry Awards



#1 choice

for new customers¹



\$3.8 billion

in-force premiums as at 31 March 2019²

\$146 million

tax paid in Australia for year ended 31 March 2018

Paying claims is at the heart of what we do

Over 26,000

Australians and their families helped by TAL in 2018

+46

Net Promoter Score for claims³



Winner of Team of the Year

for Customer Service: TAL Direct Claims team. 2018 Australasian Life Underwriting and Claims Association Life Insurance Excellence Awards

Almost \$1.62 billion

paid in claims: a record for TAL (1 January – 31 December 2018)

62% of claims

paid in living benefits helping our customers recover from illness or injury (1 January – 31 December 2018)

Enduring partnerships to protect more Australians



88/100 "Best in class"

reputation with our partners⁴



#1 for our Group insurance

offering with AustralianSuper: 2019 Conexus Financial Superannuation Awards



Life Company of the Year

for two years running: Strategic Insights/AFA Overall Platinum Award (recognising excellence in the provision of products and services to advisers and their clients)

6,500+

financial advisers and support staff trained through the TAL Risk Academy

20 year strategic alliance

with Suncorp's distribution network, extending our experience to Suncorp's customers

We are a people business



Employer of Choice

for Gender Equality for seven years: Workplace Gender Equality Agency



Most Improved Employer

Australian Workplace Equality Index Awards 2018



Women's Employer of the Year

for two years running: 15th Annual Australian Insurance Industry Awards



99%

gender pay equity (as measured by TAL's analysis of pay for all roles at TAL in 2018)

Meeting community standards and expectations

The Royal Commission into Financial Services

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry examined conduct by financial services entities in Australia to determine where misconduct or conduct falling below community standards and expectations may have occurred.

The Royal Commission was an important milestone in re-establishing community expectations from financial services businesses. It played an important role in identifying the areas in which more work is needed within the financial services industry – including the life insurance sector.

The release of the final report, which outlined 76 different recommendations to strengthen the financial services industry and better support our customers and community, represented an important milestone.

It is clear that more needs to be done to ensure that, as an industry, we are meeting and exceeding the expectations of our customers and the community we exist to serve.



Understanding and exceeding community expectations

We are committed to meeting and exceeding the expectations of our customers and the broader community we exist to serve.

TAL's Customer Advocacy team works closely with the end-to-end business, our customers and stakeholders to research and understand what our customers and the community expect of us as an industry, and ensure we are delivering against those expectations across all aspects of our business.



We pride ourselves on the ongoing listening and dialogue we have with our customers and the wider community. We are also working to understand how we can better draw on these insights to ensure all that we do is designed to drive value for our customers and the community. This is an important part of how we operate.

Engaging our stakeholders

Ongoing, open dialogue with our stakeholders is an important part of how we operate. Through this engagement, we ensure we have a clear view of the most important issues affecting:



Our customers



Our people



Our partners



The wider community we exist to serve



Our customers



On average, **over 7,400 customers and advisers** give us feedback each month, across more than 30 touchpoints



3,480 customers gave us feedback about their claims experience in the 2018 calendar year



Our superannuation fund, adviser and alliance partners

324

key stakeholders took part in the independent RepTrak® survey to feed back on our business and reputation in 2018

11,843

advisers gave real-time feedback on our customer service levels in 2018

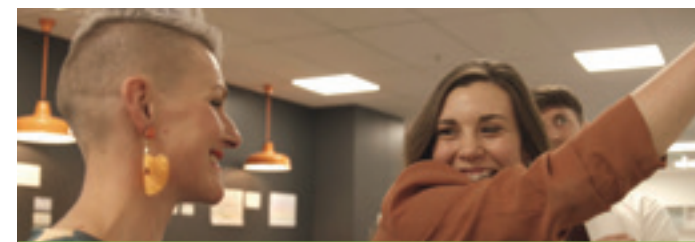
According to the 2018 independent RepTrak® survey, TAL has:

91/100
reputation score with our superannuation fund partners

94/100
leadership score with our superannuation fund partners

89/100
reputation score with our alliance partners

83/100
reputation score with our adviser partners



Our people

89%

of our people are proud of the work they do at TAL

37

of our people are involved in our employee Health and Wellbeing Committee



"TAL Together" sessions encourage open discussions between our people and the Executive Team

"It's always really positive to see the Exec Team taking time to communicate with the entire business. I think it's a fantastic initiative" – TAL employee



Our community stakeholders



2,200 volunteer hours contributed by our people to community partners in FY18



446 of our people participated in a volunteering or fundraising activity



Almost **\$1 million** contributed to the community in FY18 (cash and in-kind support)

Confidence in claims

We aim to lead the industry by providing an outstanding claims experience, which is where we make the biggest contribution to the people we protect.



From 1 January to 31 December 2018, we paid almost \$1.62 billion in claims, providing significant help to more than 26,000 Australians when they need us most.

Improving the claims experience

In the last year, we invested in continuing to improve the claims experience for our customers, including:



Improving claims lodgement

Simplifying claims requirements and expanding tele-assessments to make claim lodgement faster and more effective. This reduces effort for our customers and lets them focus on their health.



Faster decisions and payments

Expanding our team dedicated to advance payment of straight-forward claims. This is materially speeding up the time to decision and payment for our customers.

Beyond paying claims

We're committed to supporting our customers during their time of need and doing all that we can to get them to their best possible state of health. Every situation is unique, so we have a tailored recovery approach that means each customer receives the support that's right for them. Our support programs look at recovery during claim and post-claim.

In the last year, some of the ways we supported our customers included:

- **Career coaching services** like tailored job search support, retraining options and helping customers prepare for their return to work
- A dedicated, phone-based **grief support service** – provided through our partnership with Assure Programs – for family members of a customer who has become terminally ill or passed away
- **Visiting our customers** in hospital to help them complete paperwork about their claim.



Growing our skills

Building on the mental health and wellbeing training delivered in partnership with SuperFriend, we provide specialised coaching for our case managers. Spearheaded by our Head of Mental Health, the coaching ensures they have the skills to understand each customer's goals and tailor the claims experience to suit.

This coaching is a key part of our mission to enhance our mental health capability and empower our customers to live their best lives through good health.



2018 Claims paid

Last year we paid almost

\$1.62 billion

to more than 26,000 Australians and their families¹.
That's equivalent to around \$31 million a week.

Of the total volume of claims we paid

62%

helped our customers continue living their
lives while recovering from an illness or injury.

The most common reasons for making a claim²

Cancer

Including Breast and
Pancreatic Cancers



46% Life Insurance
7% TPD Insurance
5% Recovery Insurance
42% Income Protection

Musculoskeletal and Connective Tissue Conditions

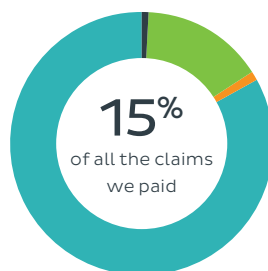
Including Back Pain
and Sciatica



1% Life Insurance
32% TPD Insurance
67% Income Protection

Injuries and Fractures

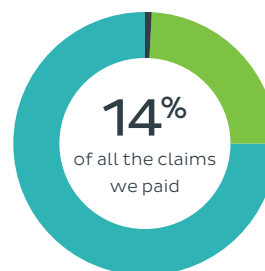
Including Joint Dislocation
and Bone Fractures



1% Life Insurance
15% TPD Insurance
1% Recovery Insurance
83% Income Protection

Mental Health Conditions

Including Post-Traumatic
Stress Disorder and
Depression



1% Life Insurance
24% TPD Insurance
75% Income Protection

Conditions of the Circulatory System

Including Heart
Attack and Stroke



42% Life Insurance
15% TPD Insurance
4% Recovery Insurance
39% Income Protection

Other reasons our customers claimed

5%
Conditions of the
nervous system

3%
Conditions of the
digestive system

2%
Conditions of the
respiratory system

16%
Other reasons

¹ Claims statistics based on TAL total number of claims paid in 2018

² Claims statistics based on total claims paid TAL products (excluding funeral insurance)

Continuing our investment in health

Our Purpose is to help Australians live a life filled with choices, options and freedoms, no matter what happens. That's why health is our top priority.

Health at the core of our business

We view health holistically, with the following pillars being key to overall health and wellbeing:



Physical health



Mental health



Financial health



Our Health Services team

TAL's Health Services team was created in 2016. The team is structured to support our three pillars of physical, mental and financial health, and manage our TAL Health Sense and TAL Health Connect programs.



As well as partnering with key stakeholders in the external health community, the team provides health practice, recovery and prevention expertise that supports our whole business: from product and underwriting to claims and innovation.



Our mission for health

We want to help our customers live their best lives through good health and we do that through two key areas.

Enhancing customer health through TAL Health Sense

TAL Health Sense gives our customers access to a range of preventative health initiatives. These are all aligned to global clinical standards and include:

Primary prevention

Reducing the risk of disease and health problems through programs like Health Sense: Fit for Life, which offers a premium discount to customers whose BMI falls within a healthy range



Secondary prevention

Early detection of conditions like skin cancer through screening tests such as those we provide through TAL SpotChecker



Tertiary prevention

Helping to prevent complications of known conditions. As Health Sense evolves, we'll look to reward good self management of conditions such as diabetes

Supporting customer health through TAL Health Connect

TAL Health Connect supports customers in times of need by doing whatever it takes to get them to their best possible state of health, during and after their claim.

During their claim, we support customers with a range of initiatives including:

- Mental health coaching through our partnership with Remedy Healthcare. This is a free, optional life coaching service for customers on Income Protection claims associated with depression or anxiety
- Information booklets to help customers understand and manage their condition. These are created by our Health Services team and organisations like the Stroke Foundation and Cancer Australia
- Investigating further enhancements to the claims process through technology



After their claim, we focus on strategies and programs that help our customers maintain their best health, including:

- Family support programs like our free grief support service for the immediate family members of customers who have become terminally ill or passed away
- Financial recovery support like our personalised career coaching for Income Protection customers who've been on claim and are ready to get back to work



Extending our health expertise

Over the last few years, we've focused on bringing our health expertise to our superannuation fund and adviser partners, helping them support the health and wellbeing of their members and customers.

Collaborating to help superannuation fund members return to health

From working with our superannuation fund partners, we know their members wait, on average, two years after becoming ill or suffering an injury before they notify us of their total and permanent disability claim. As well as delaying the financial aid of claim payments, that also means we're not able to provide timely support that can help members get back to health.

This issue spans health, government, insurance and superannuation, and we're contributing to industry-wide efforts to address it. Some of the initiatives we've been working on include:



A research study, launched in 2018, to investigate why some members wait so long to claim and what we can do to provide the help they need, sooner



Ways to make it easier for members to **access quality information** about insurance in superannuation, through initiatives undertaken in partnership with superannuation funds, employers and workers' compensation providers



Using data from superannuation funds and other organisations, we're looking at ways to help our partners understand whether a member is likely to make a claim on their insurance

Our over-riding aim is to make it as easy as possible to get the benefits of insurance to those who need it, as soon as they need it. In the coming months, we'll be working to finalise our research study and test some of these initiatives.



Better client solutions for our adviser partners

Advisers play a vital role in protecting their clients' financial future. They're also well placed to have conversations about health and health insurance with their clients. So, in 2018, we introduced TAL Health Insurance in partnership with nib, one of Australia's leading health insurers.

TAL Health Insurance means we can better support the health of more Australians, offer greater customer value and support our adviser partners with a new way to strengthen their client relationships.

Over time, we believe that connecting health insurance and life insurance will allow us to better support Australians in preventative health.





Expanding our market presence

In February 2019, we completed our acquisition of Suncorp's Australian life insurance business, which significantly expands our market presence and provides new opportunities for our people.

It's an important milestone in the history of TAL. We're united in our focus of protecting more Australians, our belief in the value of life insurance and our commitment to high-quality solutions.

With a stronger base for continued growth, this reflects our commitment to offering a range of life insurance options to meet the diverse needs of Australians. All of Suncorp's Australian life insurance products are now part of our offering and, through a 20-year strategic alliance agreement for the sale of products through Suncorp's distribution network, we also have a larger distribution footprint.

Investing for the future

We continue to make major investments in our digital capabilities as part of our commitment to improving the experience our customers and partners have whenever they interact with us.

Superannuation fund member services online

Claims Assist

Launched in 2018, the Claims Assist app complements the expertise of our claims team and makes the claims process as simple as possible. Created with one of our superannuation fund partners, Claims Assist lets customers manage and track their claim online or on their mobile in real time. Members can view their claim details, upload documents and receive notifications.

Based on ongoing feedback from our partners and their members, we'll continue to improve Claims Assist in the years ahead.



Thanks to Claims Assist, the claims assessment process has been reduced
from days to minutes

Insurance Online and Group HQ

Insurance Online lets members manage their insurance directly from their superannuation fund's website. They can view their cover and premium details, and top-up, transfer or cancel their cover at any time.

Each month, we receive around

3,400

applications from members to top-up their insurance through Insurance Online

The portal also includes a needs calculator so members can check the suitability of their cover.

Similarly, Group HQ gives our superannuation fund partners access to real-time updates on their members' underwriting applications and claims.

Both portals continue to evolve based on the feedback we receive from our superannuation fund partners and their members.

Contributing to a better industry

We have a responsibility to bring confidence and meaningful outcomes to our customers, and part of that means taking a stand on issues we believe will help us offer them the best possible value. We continue to make active contributions to raising industry standards and to lead by example when working with our partners, industry bodies and regulators.

Working for better outcomes

We continue to work on embedding the Life Insurance Code of Practice within our business. The Code sets out higher standards for our industry, reduces complexity for customers and makes us easier to do business with.

We're also actively involved in Financial Services Council working groups, which aim to create good outcomes for customers.

Protecting your super

We support the Government's intent to protect superannuation fund members from undue fee erosion. With our partners, we're communicating with members about the impact of the legislative changes, which take effect in July 2019.

A sustainable financial advice model

Providing access to quality financial advice is an important part in supporting the financial wellbeing of Australian families. TAL advocates for a financial advice model that offers choices and positive outcomes, now and into the future. We believe that the life insurance framework was an effort to balance these interests and create a sustainable, high quality advice industry.

The TAL Risk Academy also supports a quality advice sector by helping advisers to meet their new education requirements and fulfil their best interest duty to their clients.

Direct insurance

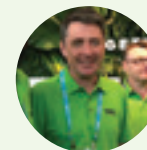
We believe in a sustainable direct insurance channel, which offers Australians choices when it comes to how they access life insurance. To continually improve our business for our customers, TAL has been making changes to our direct sales business model. These include moving away from outbound sales channels and reviewing all lead types together with our partners to make adjustments where required.



Our people leading the industry



Dr Sally Phillips, General Manager, Health Services, was recognised at the 2018 Financial Services Council (FSC) Summit for her outstanding contribution to our industry's future



Niall McConville, General Manager, Retail Distribution, was recognised at the Association of Financial Advisers (AFA) 2018 National Adviser Conference for his ongoing support of the AFA and the advice industry

Investing in professional development

We aim to ensure that every interaction customers have with our industry is a positive and informed one. That's why we're proud to take a leading role in life insurance education for financial advisers and our superannuation fund partners.

Industry-leading education for financial advisers

Launched in 2015, the TAL Risk Academy offers advisers access to over 60 product-agnostic, risk-focused courses, all of which are accredited by the Association of Financial Advisers (AFA) and the Financial Planning Association of Australia (FPA).

The Risk Academy's current focus is helping advisers meet the new education requirements set out by the Financial Adviser Standards and Ethics Authority (FASEA), which came into effect in 2019. A new FASEA Exam Masterclass and redesigned course structure are some of the key ways the Academy is supporting advisers through the changes. Students are also eligible for fee discounts and pathway options with TAL's university partners.

The majority of Risk Academy courses are available free of charge; Masterclasses attract a fee that's donated to charity. In 2018, over \$75,000 was raised for the Australian Business and Community Network Scholarship Foundation to help educate and mentor disadvantaged children.



6,500+
attendees
since launch



20,000+
course enrolments:
equivalent to over
1,000 years of
adviser education



4.5/5
satisfaction
rating from
advisers



\$255,500
raised for charity
via fees charged
for masterclasses

Supporting our superannuation fund partners

The TAL Insurance Academy offers our superannuation fund partners education tailored to their needs, with courses focused on key aspects of group insurance and the health issues commonly faced by members.

The Insurance Academy aims to increase knowledge of insurance among superannuation fund staff and help our partners make decisions based on their members' best interests.



Supporting women in financial advice

Since 2011, we've partnered with the AFA to support the Female Excellence in Advice Awards, which recognises the talent and contribution of women in financial advice. Entrants are assessed on their contributions to financial literacy within their community and the winner receives a \$15,000 tailored education package, donated by TAL.

We believe this award is an important influence in generating awareness of the need for greater diversity within the profession, as well as addressing the under-representation of women who seek financial advice.

Innovating for the future

We know we need to continually evolve our products and customer experience to meet – and exceed – the needs of the community. With our challenger spirit, we're tackling complexity and changing expectations through investments in digital solutions, data and innovation.

Annual Innovation Challenge

Approaching its fifth year, our annual Innovation Challenge is a chance for our people to step outside their usual roles, unleash their creativity and propose new and better ways we can serve our customers and partners.

In 2018, the Challenge focused on our strategic pillar of Simplification. Nearly half of our people got involved and the top ideas were part of a hackathon hosted at Sydney fintech incubator, Stone & Chalk. One of the winning ideas was a solution that allows multiple teams to quickly locate Product Disclosure Statements relating to our customers' policies.



721 staff involved
from Australia,
South Africa, India
and the Philippines



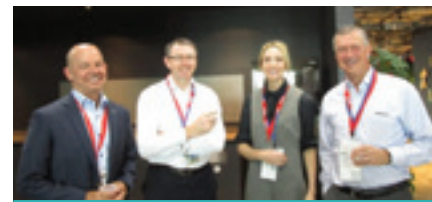
**930 ideas
submitted**



**72 team
workshops**



**3 winning
ideas selected**



Global collaboration

TAL's innovation leaders regularly meet with our Dai-ichi Life Group colleagues for workshops around innovation. It's empowering to learn from our international colleagues and share our own experiences in innovation.



Innovator of the Year

The TAL team were delighted to see our Chief Information and Innovation Officer, Fiona Macgregor, recognised for creating a new best practice in financial services innovation at the 2018 NAB and IFA Women in Finance Awards

Incubating new capabilities

Through our Innovation team, we're working with our partners to research and understand the current trends and challenges facing our industry and community. Our investigations are helping us identify the technologies and capabilities we'll need to keep delivering exceptional customer outcomes.



The Incubator: creating exceptional customer experiences with technology

We know we don't have all the answers, so we've built collaborative partnerships with universities and the start-up community to boost the capability of our in-house Incubator team.

The team are tasked with using data and emerging technology to streamline processes and develop better experiences for our customers.

Some of the key initiatives emerging from the Incubator include CORA, which was developed to enhance the experience of our customers.

CORA uses emerging technology like Artificial Intelligence (AI), which we see as a promising area for life insurance. AI has the potential to speed up our processes and help our people to better serve our customers.



CORA: a case study

Cora is a digital support service designed to help our customers during their return to health after a claim. It uses a messaging tool to share stories from people who've been on a similar journey, drawing on the collective lived experiences of previous claimants.

Cora regularly checks in to see how you're feeling and provides relevant tips, videos and encouragement.

Over time, we hope the Cora community will continue to grow. We're proud that, at present:

**5 of our
superannuation
fund partners** have
shared Cora with
their members

**All of our
eligible direct
customers** have
access to Cora



Our community contribution

As a proud Australian company – whose purpose goes beyond the products and services we provide – we have a strong desire to contribute to the Australian community. We're proud to help people live healthier lives through our support and funding of community initiatives around Australia.



TAL Community Foundation

Since 2015, the TAL Community Foundation has co-ordinated and amplified the ways TAL helps the community and makes a tangible difference through monetary donations and skills-based volunteering.

The Foundation focuses on three key areas: helping children from disadvantaged backgrounds, supporting Indigenous communities, and promoting positive mental health.

In FY18 (1 April 2018 – 31 March 2019):



446 TAL people
participated in a
TAL Community
Foundation activity



Almost \$1 million
contributed to
the community
(cash and in-kind
support)



191 of our people
used their community
leave days, contributing
nearly 200 days of
volunteering



39 charities
received donations
from TAL



125 of our people
participated in
mentoring programs

Our community partnerships

Helping children from disadvantaged backgrounds

The Australian Business and Community Network (ABCN) aims to help children from disadvantaged backgrounds understand the options they have, so they can make sound personal, educational and vocational decisions.

Through the ABCN, our people provide mentoring and make a significant contribution to the lives of disadvantaged children.

Through the TAL Risk Academy, we've also supported a record number of 17 scholarships at the ABCN Scholarship Foundation for truly exceptional students.



In 2018:



232 students received support from a mentor or volunteer from TAL



Our people contributed over **1,260 hours** to 24 ABCN programs



According to ABCN, in 2017 **93%** of students who participated in ABCN's flagship programs completed Year 12, compared to the national average of 61% of disadvantaged students

Promoting positive mental health

In 2018, we welcomed a new Community Foundation partner, Orygen: The National Centre of Excellence in Youth Mental Health.

Alongside Orygen and our other partners (including the Black Dog Institute, the University of Sydney and SuperFriend), TAL is working to raise awareness of mental health in the Australian community.

Orygen is dedicated to ensuring mental health treatments and care are continually improving and focused on the needs of young people. We're incredibly proud to be the first corporate life insurance partner to support an organisation that's making such a difference to youth mental health.

According to Orygen, the

#1

health issue facing young people worldwide is mental ill-health



Supporting Indigenous communities

In 2019, we began a partnership with the National Aboriginal Sporting Chance Academy (NASCA). The partnership provides opportunities for our people to volunteer and share their expertise and skills with Aboriginal students. We're looking forward to helping NASCA achieve their objective of unlocking potential in Aboriginal and Torres Strait Islander students through education, and sporting and cultural programs.



Proud partners of the Royal Flying Doctor Service

Since May 2017, TAL and the RFDS have worked together to provide vital primary health care services and education across regional Australia. We share with the RFDS a proud history of being there for Australians when they need us most and a focus on finding innovative ways to make a real difference.



For the second year, TAL people came together to raise funds and donate 46 defibrillators to help save lives in outback Queensland



Royal Flying Doctor Service

A positive conversation

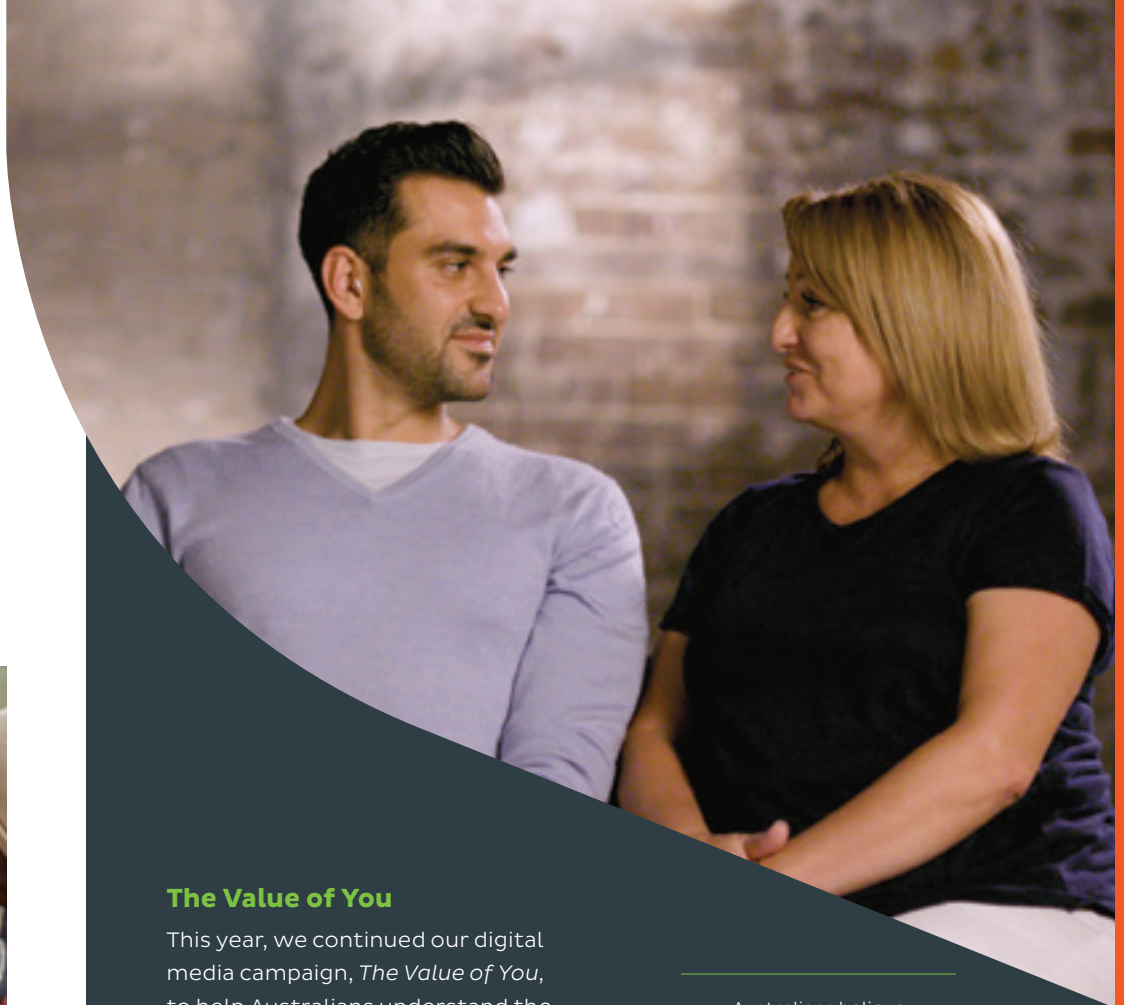
We truly believe in the value of life insurance for the Australian community. Through our support services, partnerships and brand campaigns, we're creating a more positive conversation and helping more Australians understand why life insurance could be important for them and their families.

Helping Australians maintain their insurance cover

In August 2018 and February 2019, we were proud to waive premiums for our customers in New South Wales, Queensland and Tasmania who were impacted by drought, floods and bush fires.

In a tough time, the waiver gave our customers some financial relief and helped them maintain the cover they need.

Almost
\$114,000
in premiums waived for
customers impacted by
drought, floods and bush
fires (as of March 2019)



The Value of You

This year, we continued our digital media campaign, *The Value of You*, to help Australians understand the intrinsic value of life insurance.

The campaign is based on a simple insight that we all tend to overlook: that the greatest asset you give your family is you.

To support the campaign, we worked with a psychologist to identify four distinct value profiles, which we used in an online tool that measured peoples' sense of their personal value. The tool and the campaign illustrated that people may well be under-valuing themselves, and encouraged them to rethink the role of life insurance.

Australians believe meaningful relationships and spending time with loved ones are the most valuable things in life, but we find it difficult to see our own value



In our research, **64%** of people said possessions, like a house or car, were their most valuable assets (research conducted by Lonergan research on behalf of TAL in November 2018)

TAL SpotChecker

Our skin-check initiative, TAL SpotChecker, travelled to five iconic Australian locations over the 2018/19 summer, offering free skin-checks and critical education about skin cancer.

Although it's Australia's most common cancer, skin cancer is one of the most easily detectable and preventable. Our research shows that:



Two in three Australians will be diagnosed with a form of skin cancer in their lifetime



And yet only **36%** of people have had a skin check in the past 12 months



And **29%** have never had a skin check at all

Research conducted by PureProfile on behalf of TAL in October 2018

TAL SpotChecker continues to encourage conversations about early detection, the importance of self-checking and getting regular, professional skin checks.

We're aiming to bridge the gap between awareness and action, because early detection can literally save lives.



This past summer, we formed a partnership with Firstcheck: an app that lets people get a skin check through their smartphone. Thanks to the partnership, we provided over 1,000 free Firstcheck skin check packages to TAL customers around Australia.



1,391

free skin checks performed over five weekends in the 2018/19 summer

46%

of those who visited TAL SpotChecker were having their first ever skin check

20%

of our visitors were referred for further testing



"This is a great initiative and the check was extremely thorough and informative. Genuine care is lovely."

– SpotChecker visitor

Taking TAL SpotChecker to our partners

In 2018, we ran a SpotChecker pilot with five of our superannuation fund partners to offer their members free skin checks. The program took us around Australia: to Singleton with Mine Super, the University of New South Wales with UniSuper, a retirement event with AustralianSuper, Telstra HQ, and Brisbane and Perth with Cbus.



Sustainable insurance

At the heart of sustainable insurance is ensuring our long-term financial performance, customer affordability, and value for customers are all aligned. We have a responsibility to deliver long-term sustainable financial performance, to inspire confidence in our stakeholders that we'll be here to deliver on our commitments.

Every day we challenge ourselves to innovate, evolve and ensure life insurance represents outstanding value to the Australian community.

Sustainable insurance for working Australians

The most common way for working Australians to have life insurance is through their superannuation, which is known as *group insurance*. According to a 2018 federal parliamentary report:



63% of life insurance policies in Australia are held through superannuation (Life Insurance Industry report, 27 March 2018)

Group insurance has been an important part of TAL's business for many years and we're proud to partner with many of Australia's leading superannuation funds. Together, we protect millions of Australians and their families.

We've been an active participant in on-going discussions about group insurance arrangements and how appropriate they are for certain groups of people, such as younger workers.

TAL is firmly of the view that any changes made to group insurance arrangements need to reflect the needs of the workers they exist to protect, which can vary significantly across industries.

We see an opportunity to provide group insurance in a more personalised way. With our superannuation fund partners and their members, we've been exploring alternative default insurance solutions that reflect members' situations at their time of need.



Collaborating across the system

To ensure we're delivering the best possible experience within group insurance, TAL partners with workers' compensation providers and employers.

In addition, we've been working with several of our superannuation fund partners to tackle health conditions experienced by their members. For example, through our Health Services team and external mental health partnerships, we work with the NSW Police Force to encourage best practice management of post-traumatic stress disorder.



TAL Health Sense

Insurance stability relies on encouraging and supporting the good health of our customers. One of the ways we do that is through our Health Sense: Fit for Life program, which offers a premium discount to customers whose Body Mass Index (BMI) falls within a healthy range.

This year, we're also launching Health Sense Plus, which rewards Australians who embrace preventative health by providing discounts on their life insurance premiums.

Through TAL Health Sense, we're helping advisers talk more holistically with their clients and highlight the links between financial, physical and mental health.

Keeping pace with changing community expectations

Customer research and development is key to ensuring our products continue to meet the needs of the customers they're designed to protect. We're a key player in the funeral insurance market through our brand, Insuranceline, and the first life insurer to offer only level premium products to new customers, while limiting future price rises for older customers.

Last year, Insuranceline launched Funeral Insurance Series 4 (FP4), introducing even better value for our customers. Some FP4 benefits include:



Bonus cover

giving customers 25% more funeral insurance cover at no extra cost after five years



Our Value Promise

which means funeral cover payouts won't be less than the premiums customers have paid



An early payout option

giving customers a choice after age 85 to cash in their cover for an immediate payout of 150% of the funeral benefit

+76

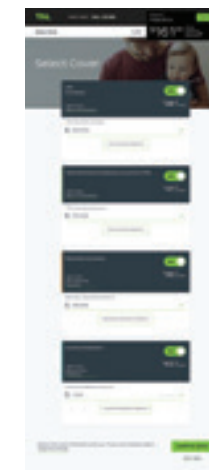
Customer Net Promoter Score for
the claims experience for funeral policies
(Annual Post Claim Email Survey 2018)

Insuranceline

Reaching customers on their terms

The lines between *retail insurance* (sold through independent financial advisers) and *direct insurance* continue to blur as customer behaviour changes. As the only life insurer in Australia with a strong presence in adviser and direct channels, we're uniquely placed to respond to those changes. TAL is working closely with the industry to ensure the long-term sustainability of insurance products for Australian consumers.

TAL CoverBuilder was launched in 2017 to meet the needs of self-directed customers who wanted access to the most comprehensive products available, without going through a financial adviser. TAL CoverBuilder lets them build their own comprehensive cover.



Our people and culture

Building a high-performing, confident culture that creates exciting opportunities for our people is one of our top priorities. We're committed to empowering our people to perform at their best: we don't just encourage them to shape our culture, we depend on it.

Our Spirit

Our Spirit captures how we will achieve our Purpose and Ambition.



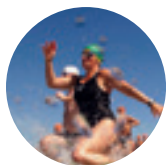
Aiming higher



Doing the right thing



Being straightforward



Getting it done

Our Employee Insights Survey

Three times a year, we ask for our peoples' feedback on what we're doing well and what we can do better through the Employee Insights Survey.

Last year, our people told us we were doing particularly well with:

- ✓ Providing clarity and direction via our Purpose, Ambition, Priorities and Spirit
- ✓ Doing the right thing by our customers and partners
- ✓ Our focus on risk and risk culture.



The experience and diversity of our leadership team adds to the strength of our business



Brett Clark
Group CEO and
Managing Director



Ceri Ittensohn
Chief People and
Culture Officer



Fiona Macgregor
Chief Information
and Innovation Officer



Andrew Howard
Chief Commercial
Officer



Tim Thorne
Chief Distribution Officer



Alex Homer
Chief Customer
and Brand Officer



Justin Delaney
Chief Operating Officer



Kent Griffin
Chief Financial Officer



Anne Clarke
Chief Risk Officer and
Chief General Counsel



Kenjiro Okazaki
Dai-ichi Life
Executive Liaison

Working at TAL

Our workplace needs to reflect the communities that we serve, which is why we welcome and encourage diversity. Our Diversity and Inclusion Council exists to ensure we continue to be a respectful, inclusive place to work and that our people can be themselves. The Council focuses on three key areas:

LGBTI+

Our TAL Pride network was created to increase workplace inclusion for people of diverse sexuality and gender identity.

We're proud to have a visibly inclusive environment that encourages our people to bring their whole selves to work. TAL Pride is for all our people who identify as LGBTI+, and their allies.



In 2018, we were proud to receive the **Australian Workplace Equality Index Award** for Most Improved Employer, recognising our equal employment policies and training for all TAL people



We partner with Out For Australia – a non-profit LGBTI+ youth mentoring organisation – to support the development of the next generation of LGBTI+ leaders

Gender equality

TAL has a long-standing commitment to gender equality in the workplace and we're proud to be recognised as a leader in this space.



Seven years as **Employer of Choice for Gender Equality**. Citation by the Workplace Gender Equality Agency

Women's Employer of the Year for the second year in a row at the 15th Annual Australian Insurance Industry Awards

Employer of the Year at the Money Management Women in Financial Services Awards



Gender pay equity within **1% variance**

Parental leave benefits for men and women, including continued paid superannuation and group insurance coverage for 12 months, and guaranteed flexible work options for six months after returning to work

Female Career Partnership Program focused on creating confidence, capability and opportunities for future female leaders to help them define a fulfilling career

Indigenous internships

With our partner CareerTrackers, we were delighted to sponsor four interns in 2018 and prepare them for the workforce.



According to CareerTrackers, their students complete university at higher rates than their non-Indigenous peers and **95% of alumni** are employed full-time in their chosen field within three months of graduating



Be Well at TAL

In 2018, our Employee Health and Wellbeing Committee hosted educational seminars, physical challenges and an expo, as well as celebrating national events like R U OK Day. The Committee's efforts are all focused on helping our people improve their mental, physical and financial wellbeing.



International Women's Day

Our 'balance for better' champions are working to create a more balanced, inclusive workplace and world for everyone.

Contact Us



GPO Box 5380, Sydney NSW 2001



1300 209 088, Monday to Friday, 8am – 7pm AEST



tal.com.au

Important information: Our contribution 2018/19 has been prepared by TAL Life Limited ABN 70 050 109 450 based on information current at 31 March 2019. Our contribution 2018/19 does not take into account your objectives, financial situation or needs and is not financial, legal, or tax advice. We recommend that you read the relevant Product Disclosure Statement and obtain independent advice specific to your circumstances before making a financial decision.

TAL