

CommInsure: Government must consider royal commission into 'disgraceful' practices, Labor says

By political reporter [Eliza Borrello](#)

Dated: 8 Mar 2016



Photo: [Jim Chalmers says millions of](#)

[Australians could potentially be impacted. \(AFP: William West, file photo\)](#)

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The Federal Opposition has said the Government must consider a royal commission into what it has labelled the "disgraceful" practices of the Commonwealth Bank's insurance arm, CommInsure.

KEY POINTS:

- Dying patients say CommInsure is rejecting payout claims
 - Labor's Jim Chalmers wants royal commission
 - Asst. Treasurer says Government supports Senate inquiry, ASIC investigation
- Last night a joint Four Corners-Fairfax investigation aired the stories of [sick and dying CommInsure policy holders](#), including Evan Pashalis, 37.

Mr Pashalis, who was diagnosed with leukaemia and given 12 months to live, is one of 4 million CommInsure policy holders.

His super fund CARE subcontracted his life insurance policy to CommInsure, which repeatedly rejected his payout claim.

"They figured, well, there might be a slight chance he survives, so why pay him?" Mr Pashalis said.

After the reporters behind the story contacted the bank — a week before it aired — he was offered a settlement.

Shadow financial services minister Jim Chalmers said the Government must consider a royal commission.

"There are millions of Australians who are potentially impacted," he said.

"No Australian should be treated in the despicable, appalling, inhumane way like those people in that program.

"Your heart goes out to these victims of such shabby and disgusting practices.

"This is a very interesting test for [Assistant Treasurer] Kelly O'Dwyer and the Turnbull Government.

"This is a Government very quick to pull the trigger on royal commissions when it relates to the union movement, this will be a test of whether they're prepared to take that kind of action when it comes to the disgraceful practices highlighted on Four Corners."

Mr Chalmers also wanted the bank's chief executive Ian Narev to front a Senate committee.

ALLEGATIONS DEEPLY SHOCKING: ASSISTANT TREASURER

Federal Assistant Treasurer Kelly O'Dwyer said the stories in the Four Corners report were "very, very, very troubling and shocking".

Ms O'Dwyer told AM the Government supported a Senate inquiry into the CommInsure scandal, to be conducted by a committee already investigating the financial advice scandal.

COMMINSURE SCANDAL: WHO'S WHO?



[Meet some of the key players involved in the scandal engulfing one of Australia's biggest life insurers, Commlnsure.](#)

She said the corporate watchdog, the Australian Securities and Investments Commission (ASIC), would also investigate whether there was wrongdoing elsewhere in the industry.

"We are absolutely shocked by the allegations that have been raised overnight, they are deeply shocking, they are deeply concerning and they need to be properly investigated," she told AM.

She said it was completely unjust for people's rightful claims to be denied at a time of deep stress.

"ASIC have advised the Government they are looking into the cases that have been raised and we have asked ASIC for an urgent report to look at whether the practices that have been raised in the story overnight are more systemic than simply just related to Commlnsure," Ms O'Dwyer said.

"We are very keen to get to the bottom of the facts in relation to this particular matter."

COMMONWEALTH BANK CHIEF URGES STAFF TO SPEAK UP

Nationals senator John Williams predicted there would be further inquiries.

"I think what this will lead to is another Senate inquiry, this time into the insurance industry ... I think eventually we will get a royal commission," he said.

MORE STORIES ON COMMINSURE SCANDAL:

- [Commlnsure pressured doctors to help avoid payouts to sick and dying, whistleblower says](#)
- [BeyondBlue's Jeff Kennett lashes Commonwealth Bank for treatment of depressed employee](#)
- [Commlnsure denies heart attack claims by relying on outdated medical definition](#)

Four Corners also aired claims from Commlnsure's former chief medical officer — who only wanted to be referred to as Dr Koh — that it [pressured doctors to rewrite medical opinions so the company could avoid payouts](#) to sick and dying people.

"They were quite blatant about it, 'Can you please change it or delete it so that we can go to someone else to provide another opinion that's more favourable?'," Dr Koh said.

Dr Koh was sacked in 2015 after being accused of sending internal documents to his personal email, which he said he did because files were going missing.

Mr Narev said he could not comment on Dr Koh's accusations, citing legal restrictions, but said he encouraged staff to speak up if they saw something wrong.

Commonwealth Bank "are an institution that wants to hold ourselves to the highest standard," he told Radio National this morning.

"That doesn't mean we can be perfect, but we want to hold ourselves to those standards and the cases those clients have had are just not good enough and we have let them down."

In 2014, Mr Narev was forced to [apologise unreservedly to customers who lost money](#) in the bank's multi-million-dollar financial planning scandal.

Links submitted by: Toulia Varvarigos - eAssure