



MEDIA RELEASE

Sydney, 18 December 2017

Release of Insurance in Superannuation Voluntary Code of Practice

The *Insurance in Superannuation Working Group* (ISWG) today released the Insurance in Superannuation Voluntary Code of Practice for superannuation trustees.

The Code, which will come into effect from 1 July 2018, is a first for the industry and sets standards that will provide greater understanding, clearer accountability and consistency of delivery across the superannuation industry.

The Code is voluntary and ISWG expects there will be strong support for trustees to sign up to it.

It is a strong step towards enhancing member interests and helping build confidence in and understanding of life insurance through superannuation.

The Code improves superannuation member value and protections.

Included are:

1. A framework that sets expectations about the maximum amount of superannuation contributions that should be used for automatically provided life insurance premiums
2. Simpler and clearer processes for members to opt out of automatic life insurance
3. Simplified disclosure and improved superannuation fund member communications about insurance
4. Requirements to reduce multiple insurance policies by cancellation of some insurance cover, after funds contact members, in cases where member accounts are inactive and insurance exists
5. Provision of better and more timely assistance to members during claims
6. Standards for handling of premium adjustment amounts between insurers and trustees
7. Requirements for trustees to publish plans for the Code implementation and when various aspects of it will be implemented.

ISWG Chairman Jim Minto said life Insurance through superannuation and in particular, automatic life insurance, was extremely valuable for Australians.

“It delivers enormous benefits without underwriting and must be preserved as a unique aspect of our superannuation system,” he said.

“Coupled with this, it is very efficient in terms of the value of claims paid, relative to premiums paid.

“This Code helps automatic insurance function even better for members, as well as providing enhanced protections where members have decided to acquire ‘opt in’ life insurance cover through superannuation.

“Our system is absolutely unique and of enormous value to the community.”

Mr Minto said the Code would help very valuable life insurance cover to be better understood by members, who can in turn make better choices and decisions about their life insurance and superannuation.

The Associations that are the owners of the Code look forward to working with the superannuation industry to implement the Code next year.

The Associations also intend to work with the Australian Competition and Consumer Commission (ACCC) to determine whether the Code requires ACCC authorisation.

For further information please contact:

AIST media – 0448 000 499

ASFA media – 0451 949 300

FSC media – 0434 566 764

About the Insurance in Superannuation Working Group

The Insurance in Superannuation Working Group (ISWG) is comprised of Australia's superannuation bodies, the Australian Institute of Superannuation Trustees (AIST), the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC), who share the common belief that group insurance in superannuation is fundamentally the right policy setting for millions of Australians. This group also includes representative life insurers, superannuation funds and consumer advocates.