

Tuesday, 27 March 2018

AIST welcomes focus on consumer outcomes for insurance in super

The Australian Institute of Superannuation Trustees (AIST) today welcomed the release of the Parliamentary Joint Committee report on life insurance which contains key recommendations to improve consumer outcomes for insurance in superannuation.

Congratulating the PJC on a very comprehensive report, **AIST CEO Eva Scheerlinck** said recommendations to enhance consumer protections around life insurance in super - which included closing legal loopholes and standardising consumer disclosure - were welcome.

“When a significant life event occurs, the process of making an insurance claim must work for super fund members or their beneficiaries. Introducing greater protection for consumers should be a priority,” Ms Scheerlinck said.

Noting that the report had recommended a co-regulatory code for insurance in super, Ms Scheerlinck said AIST was confident that the industry’s voluntary code of practice had strong industry support and would deliver improved outcomes for consumers.

“Importantly, the Code addresses key recommendations in the PJC’s report, including those aimed at reducing duplicate accounts, improving claims handling and protecting consumers from account erosion,” Ms Scheerlinck said.

Ms Scheerlinck said while AIST supported strong regulatory oversight of insurance offerings in super, the report’s recommendations for four additional and very comprehensive reviews of insurance would require significant resourcing by regulators and needed careful assessment.

“There are already a number of reviews of insurance currently underway which means the recommendations in this report will need to be carefully considered and prioritised in that broader landscape.”

Ms Scheerlinck said AIST looked forward to consulting with its members and other stakeholders on the report.

Media contact: Janet de Silva 0448 000 499

AIST is the peak body for the \$1.2 trillion profit-to-member superannuation sector which includes industry, corporate and public sector funds.