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Joint Media Release: Improving Life Insurance in Superannuation for consumers

Default group insurance in superannuation has resulted in better risk protection for Australians from all walks of life, but there is room for improvement, say members of a new industry working group.

The Insurance in Superannuation Working Group (ISWG), established in October 2016, is openly and proactively identifying current weaknesses within the system, in order to bring group insurance to a higher standard. Four clear priorities include:

1. Improving cost impacts on account balances for consumers, including the right cover for young people
2. Addressing multiple default insurance policies
3. Providing better assistance to consumers during claims
4. Improving superannuation fund member communications on insurance.

Group insurance in superannuation is vital in protecting those Australians who are unable to afford individual cover from unforeseen life time events.

Group Insurance in superannuation relieves pressure on the government purse, reducing the annual cost to social security by about \$403 million a year.¹

Through the ISWG, industry bodies, in consultation with consumer groups, are building a reform framework and implementation plan to ensure that group insurance in superannuation remains accessible to all Australians.

As part of the reforms, a Code of Practice will lift superannuation fund and RSE licensee obligations to meet consumer needs and expectations.

The ISWG has two tiers: a Governance Board which makes the decisions on a consensus basis, and a Technical WG which is responsible for developing the priorities determined by the Governance Board.

The ISWG Governance Board membership comprises: Jim Minto (Chair), Sandy Grant (Deputy Chair) (IFF), Tom Garcia (AIST), Catherine Bolger (AIST), Martin Fahy (ASFA), Glen McCrea (ASFA), Ken Whitton (ASFA), Sally Loane (FSC), Jesse Krncevic (FSC), David Whiteley (ISA), Richard Watts (ISA), Damien Mu (AIA), Deanne Stewart (MetLife), Melinda Howes (BT), Richard Weatherhead (AustralianSuper) and Xavier O'Halloran (Choice).

The ISWG Technical Working Group membership comprises: Richard Weatherhead (Chair) (AustralianSuper), Craig Harrison (CBA/CommInsure), Damian Hill (REST), Natalie Binns (REST), Caroline James (ANZ), Jenny Oliver (TAL), Jeremy Houghton (AIA), Therese Kenny (HostPlus), Colin Cassidy (HostPlus), Teifi Whatley (SunSuper), Melinda Howes (BT), Ian Lorimer (UniSuper), Chris Davies (Telstra Super), Kathryn Forrest (Telstra Super), Deanne Stewart (MetLife), James Carey (MetLife), Megan Beer (AMP), David Evans (AMP), Tim Jenkins (NAB) and Noel Lacey (Cbus).

ISWG will release discussion papers on how to improve consumer outcomes in group insurance in superannuation, in early 2017.

The Insurance in Superannuation Working Group (ISWG) is a group comprised of Australia's superannuation bodies, the Australian Institute of Superannuation Trustees (AIST), the Association of Superannuation Funds of Australia (ASFA), the Financial Services Council (FSC), Industry Funds Forum (IFF) and Industry Super Australia (ISA) 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.

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