



## **MEDIA RELEASE**

Sydney, 5 May 2017

### **Call for submissions on third *Insurance in Superannuation Working Group (ISWG)* discussion paper**

The *Insurance in Superannuation Working Group (ISWG)* today released the third in a series of discussion papers as a further step towards developing a Life Insurance Code of Practice for superannuation trustees.

The paper, *Member communication and engagement*, outlines options to improve member engagement and understanding of their insurance arrangements within superannuation. Some practical options are proposed to help bring these aspirations to life including use of standardised consumer language and terms across the industry. Multiple terms and descriptions today are confusing.

When a member of a superannuation fund first enters a fund, it is important to provide them with simpler and clearer information. In addition, consideration is being given to using a Key Facts Sheet to convey the essence of the life insurance arrangements and help inform members' choices and decisions.

An Insurance Welcome Pack is being proposed to be used by all funds that provide insurances to fund members on an automatic basis.

Further discussion papers are due to be published in coming months. The ISWG is identifying changes to improve superannuation member value and protections. Work priorities include:

1. Reducing benefit erosion on superannuation account balances for members, including establishing the right level of automatic cover for young people and low income earners;
2. Reducing inappropriate, multiple insurance policies;
3. Providing better and more timely assistance to members during claims;
4. Improving superannuation fund member communications on insurance;
5. Improving data standards to improve service to members; and,
6. Undertaking independent research on the costs and benefits of group insurance within superannuation.

ISWG Chairman Jim Minto said: "We are considering proposals here that are absolutely unique for the superannuation industry and will help consumer understanding and engagement.

"These proposals will 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 ISWG is committed to improving consumer value and experience. The paper asks for submissions from stakeholders on member communication and engagement proposals. Industry and stakeholder feedback will help shape an enforceable Code of Practice and Good Practice Guidance for Trustees, to be published by the ISWG later this year.

**How to make a submission** - Submissions should be sent to [ISWG-PMO@kpmg.com.au](mailto:ISWG-PMO@kpmg.com.au) no later than **2 June 2017**.

For further information please contact the Insurance in Superannuation Working Group Chair, Jim Minto via [jrminto@bigpond.com](mailto:jrminto@bigpond.com)

#### **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), 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.