

Our Insurance Strategy



Our strategy is to offer our members default and tailored insurance options aimed to provide an appropriate level of financial protection at an affordable price. We believe having insurance cover is an important part of our members' financial wellness during their working life.

As part of our commitment to the Insurance in Superannuation Voluntary Code of Practice, we're publishing an Insurance Strategy, which incorporates another obligation, our Claims Philosophy.

This document is a summary of our Insurance Strategy, to help members decide if the automatic cover is appropriate for them and what they can expect when dealing with us.

Our Insurance Strategy

When we offer automatic and tailored insurance options, our Insurance Strategy is to:

- provide appropriate and affordable insurance cover
- allow members to flexibly select the level and type of cover that meets their personal needs

- deliver financial support to members in their times of need, helping to provide them with financial protection without inappropriately eroding their future retirement savings
- maintain strong equity and sustainable pricing, matching insurance costs to the risks, such as age, gender and the type of work members do (for example, members in riskier occupations) to determine the premium they pay
- present straight forward and transparent processes, which enable members to simply manage their insurance to meet their individual needs.

Insurance Guiding Principles

Our Insurance Strategy adopts the following guiding principles:

- providing flexible, sustainable and appropriate insurance cover to a wide range of members
- providing access to help, guidance and advice for all members to consider their insurance needs and help members make their own choices
- providing reasonable equity between members by matching insurance costs to risks in a practical manner

- working closely with the Insurers engaged for the provision of insurance to members, ensuring that the processes for the selection and ongoing review of the insurer operate in accordance to our Insurance Guiding Principles
- dealing with members in a manner consistent with our Claims and Underwriting Philosophies.

Insurance Benefit Design

Our insurance designs are:

- **Lifestages Cover** is designed to cater for members insurance needs through the member's different life stages
- **Employer Chosen Cover** is designed to be tailored (based on parameters set by the Trustee) by the employer to meet the particular profile of the employer's employees
- **Member Chosen Cover** is designed to allow members individually to tailor their insurance to meet their own personal needs and circumstances, including the ability to choose the type and level of their insurance cover and reduce or cancel their cover.

Our Insurance Strategy

Review of Insurance Benefit Design

We consider many factors in the design of our insurance cover including member ages, occupational categorisation and the cost of insurance premiums.

At least every three years, our insurance benefit design and terms are assessed to make sure they remain appropriate and market competitive, and meet the Trustees' Insurance Strategy.

Cost of Insurance Cover

The Trustee recognises the need to balance the potential benefits provided to members of having insurance, against the costs of providing this insurance cover. When providing members with automatic insurance, we aim to provide reasonable equity between members by matching insurance costs to risks in a practical manner and to ensure that premiums do not unreasonably diminish the future value of members' retirement benefits.

As a guideline, over the expected working lifetime of all members, our aim is that the cost to members of automatic insurance cover should not exceed 1% of members' salaries. We regularly check that our insurance design is appropriate and meets ongoing affordability requirements. We determine the premium pricing based on various factors, including age, gender and occupation, including the nature of employment conditions, as and where appropriate.

However, given these factors, it is understood and acceptable, that in certain circumstances or at various stages of membership, the cost to some individual members of automatic insurance cover might exceed 1% of salaries. We will let members know their insurance cover type, level and the cost so they are informed about their insurance and their options.

Our Insurance Strategy is current at 1 October 2019. The information in this document is general information only and doesn't take into account your objectives, financial situation or needs. Because of that, before acting on this information, you should consider its appropriateness, having regard to your objectives, financial situation and needs, plus consider the *Product Disclosure Statement and Insurance Guide*. We recommend you obtain financial advice tailored to your own personal circumstances.

From time to time, premiums may need to be adjusted where total claims payments are under or over what is expected or there are other industry or regulatory changes. That adjustment can result in premiums staying the same, increasing, or reducing. With any changes to premiums, we'll advise members, so they can make an informed decision about what insurance is appropriate for them.

Claims Philosophy

We aim to make sure our claims management is fair and reasonable to all members.

We're committed to delivering a consistent and customer centric approach to claims management.

Our claims philosophy is to:

- make prompt payments
- communicate the process clearly
- at all times treat our claimants, members and their beneficiaries with the utmost respect and empathy, and
- pursue claims on the member's behalf that we consider both reasonable and have reasonable prospect of success.

We adopt a professional, compassionate and positive approach to claims management and actively seek to keep members at the heart of everything we do. We acknowledge that each claim is unique and must be dealt with on its own merits and we're committed to being easy to deal with and providing outcomes to our members in a timely manner.

Underwriting Philosophy

Members who require Member Chosen Cover must undergo underwriting to be assessed and accepted for cover. We strive to make sure that the underwriting process is easy for our members and we'll clearly communicate the underwriting outcomes in a timely manner.