



# Member Outcomes Assessment

Year ended 30 June 2024

The information in this document relates to

MLC Retail Insurance Products

MLC Capital Guaranteed Products

MLC Traditional Products

MLC Annuities

[www.mlc.com.au](http://www.mlc.com.au)



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This document has been prepared on behalf of NULIS Nominees (Australia) Limited, ABN 80 008 515 633, AFSL 236465 (NULIS) as Trustee of MLC Super Fund, ABN 70 732 426 024. NULIS is part of the group of companies comprising Insignia Financial Ltd, ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group).

The information in this document is general in nature and does not consider your objectives, financial situation or individual needs. Before acting on any of this information, you should consider whether it is appropriate for you. It is

important that you read the relevant Product Disclosure Statement and other disclosure documents or consider obtaining financial advice before making any decisions based on this information.

References to 'we', 'us' or 'our' are references to the Trustee, unless otherwise stated.

Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and the relevant insurance policy, which governs your rights and obligations as a member.

Past performance is not a reliable indicator of future performance. Awards and ratings are only factors to consider when deciding to invest your super.

MLC Limited is part of the Nippon Life Insurance Group and is not part of the Insignia Financial Group. MLC Life Insurance products are not a deposit or liability of and are not guaranteed by Insignia Financial Group.

# About this document

Each year NULIS Nominees (Australia) Limited (**NULIS**) is required to assess whether we have promoted the best financial interests of members. The Member Outcomes Assessment (**MOA**) is a measure of our products' performance against key factors prescribed by legislation such as investment strategy, fees and costs, and scale.

As the Administrator and Insurer or Guarantor, MLC Limited or **MLCL** (a non-related party) has provided information and supporting documentation to assist NULIS in

conducting the assessment for all the product categories covered in this document.

In assessing the retail insurance products, we also utilised published reports from the Australian Prudential Regulation Authority (**APRA**), industry benchmarking, comparative data, and various in-house performance reports.

The products covered in this report do not have all the components that are usually evaluated in the MOA process. Each product category is discussed in detail in the next sections with a

determination summary based on the relevant assessment factors.

All information contained in this document cover the 12 months ending 30 June 2024.



As we measure our success by what we delivered for our members, we further consider the results of the MOA in our annual Business Performance Review and factor key recommendations to improve members' outcomes into our Business Plans.



# MLC Retail Insurance

The retail insurance products are offered to members through their advisers with the application process requiring underwriting directly with the insurer. The products covered in this section are:

- MLC Insurance Super,
- MLC Life Cover Super, and
- MLC Protectionfirst Super.

Product Snapshot (30 June 2024)	 Number of policies	 Annualised Premiums
MLC Insurance Super	62,736	\$275.9m
MLC Life Cover Super	26,997	\$149.2m
MLC Protectionfirst Super	3,621	\$20.7m

Each product provides a flexible solution that can be tailored to meet individual member’s insurance needs. All three are issued by NULIS as Trustee and Policyowner and MLCL as Insurer.

MLCL also acts as Administrator for these products. They manage member communications and transactional operations and offer health focussed services for the members and their immediate family (e.g., expert doctor panels, mental health navigator) at no extra cost. MLCL has specialised teams that provide all claim and post-claim support services to the members.

The retail insurance products are superannuation accounts with no funds under administration attached to them. They do not have investment components such as Investment Strategy and Risk or Net Investment Returns.

Only the factors Insurance Strategy and Insurance Fees & Costs are relevant and have been considered in this outcomes assessment.

## Overall determination

We have determined that overall, MLC Insurance Super, MLC Life Cover Super and MLC Protectionfirst Super are promoting members’ financial interests.

The retail insurance products offer flexibility to the members enabling them to tailor their insurance cover to their individual needs and budget. When reviewed against the Trustee’s Insurance Management Framework, all obligations encompassing the product and pricing

changes have been fully met for the year. Decline rates have also been assessed to be within the limits of the Trustee’s Risk Appetite Statement.

The average claim assessment duration for all the products is better than market average against comparable segments and the claim acceptance rates are within expectations.

We reviewed the performance of the Insurer/Administrator during the year and found the level of service standards acceptable and benefitting the members.

# MLC Capital Guaranteed

The MLC Capital Guaranteed products are legacy offerings which have been closed to new members for some time. All these products are issued by NULIS but administered and guaranteed by MLCL.

The products covered in this section are:

- MLC Capital Guaranteed Personal Savings Plan – Series 1 (ex-Capita),
- MLC Capital Guaranteed Personal Savings Plan – Series 2 (ex-Capita),
- MLC Capital Guaranteed Personal Super (Accumululus), and
- MLC Maturity Growth Superannuation Plan.

Product Snapshot (30 June 2024)	 Number of policies	 Surrender Value
	298	\$13.8m

As legacy products, the MLC Capital Guaranteed suite does not have the features available in contemporary products. For the outcomes assessment, only the factors Investment Strategy, Options, Benefits & Facilities, and Scale were taken into consideration.

The MLC Capital Guaranteed products are invested in the MLCL Statutory Fund 5 comprised by a diversified portfolio of growth and defensive assets. Separate asset pools are maintained within the investment portfolio for ordinary, superannuation and exempt business as required for tax purposes.

Due to the age and design of the products, member services are not offered on a digital portal. However, the options, benefits and facilities provided to the members are reasonably broad which include multiple channels for customer support, regular member communications, and educational information. Insurance on MLC Capital Guaranteed was optional and members

selected them on application with covers available for Life and Total Permanent Disability. Less than 50 members have insurance accounts in their MLC Capital Guaranteed product.

### Overall determination

**We have determined that overall MLC Capital Guaranteed Products are promoting members’ financial interests.**

The outcome assessment shows that the investment strategy, investment governance and profit-sharing arrangements for the products have been implemented appropriately by the Administrator.

We have evaluated the options, benefits and facilities and found the agreed service standards were fulfilled during the year with overall service performance exceeding the set target. All product obligations have been fulfilled with no significant reportable events occurring during the year.

Scale is sufficient to sustain the member outcomes into the future. MLCL is owned by Nippon Life Insurance, the seventh largest insurer on a global basis. Nippon Life’s financial strength is rated A+ by Standard & Poor’s with a stable credit outlook.

# MLC Traditional

We have included in this assessment legacy products that have been closed to new members since the 1990s. Known as MLC Traditional, these products are issued by NULIS and administered and guaranteed by MLCL. The MLC Traditional category includes the following products:

- MLC Whole of Life and Endowment,
- MLC Whole of Life Superannuation,
- MLC Endowment Superannuation,
- MLC Pure Endowment Superannuation,
- Whole of Life (formerly Aviva), and
- Endowment.

Product Snapshot (30 June 2024)	 Number of policies	 Surrender Value
	3,845	\$120.8m
MLC Traditional		

Based on their age and design, the MLC Traditional products do not have the features available in contemporary products. Only the following factors were considered relevant for the outcome assessment: Investment Strategy, Options, Benefits & Facilities, and Scale.

Members with accounts in MLC Traditional products are invested in either the MLCL Statutory Fund 1, a portfolio comprised predominantly by defensive assets, and the MLCL Statutory Fund 5, a diversified portfolio of growth and defensive assets. MLCL complies with APRA regulations and disclosures to members, the policyholders, on the sharing of profit between them and the shareholders earned by the participating pool. The policyholder profits are allocated to the members through guaranteed and non-guaranteed bonuses based on the advice of the Appointed Actuary and approved by the MLCL Board.

The options, benefits and facilities offered to members in MLC Traditional are similar to the ones offered to MLC Capital Guaranteed (please see the previous section). Insurance has also been made available to the members with the premiums fixed during the time of the member’s application and then bundled with their policy fees.

### Overall determination

**We have determined that overall MLC Traditional products are promoting members’ financial interests.**

The Administrator has appropriately implemented the investment strategy, investment governance and profit- sharing arrangements for the products which promote the members’ interests. Member servicing and options, benefits and facilities provided to the members have met the required service standards. All product obligations have been fulfilled with no significant



reportable events occurring during the year.

As previously discussed, MLCL has sufficient scale to sustain the member outcomes into the future given its size and the parent company, Nippon Life Insurance, is the seventh largest insurer in the world.

# MLC Annuities

NULIS has been offering retirement solutions through the years which include products that provide a fixed or fixed-term income for the member upon reaching retirement. The MLC Annuities cover the following products:

- MLC Fixed Term Pension,
- MLC Pension, and
- MLC Super Pension Plan.

Product Snapshot (30 June 2024)	 Number of policies	 Annualised Annuity Payment
MLC Annuities	40	\$196k p.a.

All three products are issued by NULIS with MLCL acting as Administrator and Guarantor.

Members with investments in an MLC Annuity product are provided with a fixed or indexed regular income for the life of the member or for a fixed-term. The calculation of the income payments is fixed at commencement and includes an allowance for the associated costs and expenses to MLCL.

The MLC Annuities have been closed to new members for some time and do not have all the features we review in contemporary pension products. MLCL guarantees the income payments to the members as such assessing the investment strategy and investment risk of the products is no longer relevant. Fees and costs have been factored into

the calculation of the income payments at the start of the annuity policy and there are no ongoing fees and costs.

For the outcomes assessment, only the factors Options, Benefits & Facilities, and Scale were taken into consideration.

### Overall determination

**We have determined that overall MLC Annuity products are promoting members’ financial interests.**

Members with accounts in MLC Annuities have access to the same options, benefits and facilities discussed in the previous sections. MLCL as Administrator and Guarantor has met the agreed service standard levels and fulfilled all product obligations.

Scale is sufficient to sustain the member outcomes into the future based on MLCL’s size. Its parent company, Nippon Life, is rated A+ by Standard & Poor’s with a stable credit outlook.



## We're here to help

If you have any questions or would like further information about your account, please contact us or your financial adviser.

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