



## Your super, your insurance and the way forward

We, the Trustee of all MLC super products, have adopted the *Insurance in Superannuation Voluntary Code of Practice* (Code) which commenced on 1 July 2018. **You can read our announcement and what opting into the Code means to us here.** Currently, a number of our products already meet the core standards identified in the Code and we're on track to meet the remaining items by **January 2021**.

To help us deliver on this commitment we've chosen an industry expert to help us identify our areas for improvement so that we can continue to provide you with market leading products and services. We've outlined in **Our Timeline** below some things we're doing already and key changes we're planning to make moving forward. This is followed by a more detailed **Transition Plan** which has a lot of the technical details about how we're tracking and our intentions. This will include the **List of products** the Transition Plan applies to.

### What this means for you

We want you to have the cover you need and make sure you don't pay for cover you don't need. It's also important that we continue to improve our services, such as the claims experience, and provide cover that reflects the changing nature of employment.

You're still in control of your insurance and we'll be in contact before making any changes that affect your insurance. Whether your employer has selected your insurance or you've picked your insurance with the help of an adviser, you'll still be able to choose the right level of cover for you.

### Our challenges

For those that are in an employer plan, we rely on your employer to provide us with up-to date information about you. This information is used to make sure that you have the correct type and level of cover. We're working with employers and improving our systems to capture and maintain correct information about you, even when it changes.

We also look after some older style products (legacy products) that haven't been available to new customers for some years and are a little less straightforward. We've listed these products in the detailed **Transition Plan** below. We're currently working through how the Code applies to those products and we'll update you with any changes.

### Want to know more?

#### Your insurance with us

##### Contact us

If you have any questions or you'd like to discuss your current insurance cover with **Plum** call us on **1300 55 7586** between 8am and 7pm AEST (8pm daylight saving time) Monday to Friday.

You can view your insurance cover when you log in to **plum.com.au**. This is also a good opportunity to check and update your contact details.

### Insurance in Super Voluntary Code of Practice

We reference specific sections of the Code throughout our Transition Plan which you can view in full **here**.

## Our Timeline

These are some of the key activities as we move towards meeting the components of the Code. Our detailed **Transition Plan** can be found below.

### Past accomplishments

- since 2016, we've been checking to make sure that, on average, the cost of any automatic insurance cover does not exceed 1% of salaries
- an independent external review is conducted, at least every 3 years, of the cover levels and benefit designs we provide. The last review was completed in 2017
- we review every declined claim to determine whether it should be challenged
- we send you quarterly eNewsletters to keep you informed and up to date about the changes happening with your super, including your insurance in super

### Engagement with members

- publish Key Fact sheets which will help you compare the insurance in super you have with us with the insurance provided by other funds
- automatically ceasing cover for members who haven't contributed for an extended period of time
- helping you find any other insurance cover you have with another superannuation fund
- making it easy to turn off or re-instate your insurance cover
- a full review to improve the claims and complaints processes to make them easier to understand and navigate
- training our staff to provide you the best service possible and to help our more vulnerable members when they need it most
- help promote the Code to encourage a better understanding of how we're all working towards improvements across the industry

30/06/2016

Cost of insurance cover

1/01/2021

Code compliance complete

1/01/2017

1/01/2018

1/01/2019

1/01/2020

1/01/2021

30/06/2021

Code compliance cut off

### Appropriate and affordable cover

- reviewing and refining our processes to further improve the products we offer to make sure they're appropriate and affordable
- we're working towards making sure that insurance premiums for automatic insurance cover don't inappropriately diminish your retirement balance
- during this period, we'll be working on how to better communicate to you if we believe the cost of automatic insurance cover is likely to diminish your retirement benefit
- we'll publish our insurance strategy and finalise our approach on benefit design. This will help make sure that you ultimately only get the cover you need based on the life stage you're in

### Finishing touches

- some aspects of the Code will need to be addressed later as we'll need to finalise our work with external service providers to ensure they can comply with the requirements of the Code
- we may also need some time to tie up any remaining items to ensure that we're fully meeting all aspects of the Code

# Transition plan - our intention

**Insurance within your super account can be an easy and tax-effective way to manage your insurance needs. It can give you peace of mind and provide you with protection for your loved ones when you need it most.**

The Code provides super funds with a framework to make sure cover is appropriate and affordable, reflect changing employment patterns and improve the claims experience. In the future, this may result in some changes such as turning off cover for members who have low balances or have been inactive for over 13 months.

## Our guiding principles

Our members are at the heart of everything we do so we're committed to being open, fair and honest about:

- the affordability of insurance in your super
- making sure that the Insurer operates in your best interest
- helping you understand what cover you have and when you can claim
- the choices you have across our products, allowing you to select the cover that meets your needs
- providing insurance at a cost that is competitive, and
- offering you improved services and insurance cover that is better suited to your needs

[List of products](#)

## Things we're already doing

### Automatic insurance that's right for you

Automatic insurance cover is generally provided to you if you're nominated by your employer to join their employer superannuation fund. It's also part of personal plans, such as the Plum Personal Plan or MasterKey Personal Super, which you can be automatically moved into after you've left your employer. For eligible members this means that you can receive insurance cover without having to fill in comprehensive forms or provide detailed medical history – also known as underwriting. You can find out more about our underwriting philosophy below.

Since 2016, where your employer doesn't pay your insurance premiums, we've been checking to make sure that, on average, the cost of automatic insurance cover does not exceed 1% of salaries. This means that your premiums won't unreasonably diminish the future value of your retirement benefits.

## Our underwriting philosophy

The automatic insurance we provide gives you access to a level of cover that is suitable for most members and their insurance needs. We encourage members to consider whether they need to increase or decrease their insurance to meet their own personal needs, including the ability to cancel or opt-out of cover.

A financial adviser can help you understand your insurance needs to select cover suited to your individual circumstances.

In instances where you want to apply for additional insurance on top of the automatic cover or if you purchase insurance outside of the employer plan (retail insurance) you'll need to be underwritten. This means that we'll have a series of questions and may require some medical information to help us understand your health and well-being so that we can identify if there'll be any effect on your insurance cover or premiums. We strive to make sure that the underwriting process is **easy** for you to follow and we clearly communicate the underwriting outcomes.

# Transition plan - our intention

## Our pricing principles

We aim to provide reasonable equity between members (over time and between different groups) by matching insurance costs to risk in a practical manner. At the point of designing a product or if the pricing of the insurance product needs to be reviewed, we consider the people within the plan and factors such as age, gender, occupation and the number of claims that have been made within the plan. We also check to make sure the premiums are market competitive.

## Our review process

To make sure we're providing you with the best possible cover, at a reasonable cost, we review our insurance benefit design and the performance of our Insurer's at least every three years.

Following our most recent review we're planning to improve the way we communicate with you by changing our language to be simpler, clearer and easier to understand. This will help you make informed decisions. We'll provide new ways of giving you information, such as Key Facts Sheets and a simple guide for how to make a claim. We're also working to make our existing documents and welcome packs more helpful, such as giving you clearer instructions on how to cancel or change your insurance cover.

## Making claims simpler

We know that each claim is unique and must be considered based on its specific circumstances. It's important to us that all claims are managed fairly and reasonably while being compassionate and maintaining exceptional levels of service. Our claims philosophy is to:

- be respectful and empathetic to you and/or your beneficiaries
- make prompt payments
- communicate the process clearly, and
- review every declined claim

Our Insurers are also expected to align to our philosophy and we closely monitor them to make sure that your claim is dealt with fairly and efficiently. Where we have disagreed with the Insurer's decision to decline a claim, we'll actively challenge and refer the claim back to the Insurer for further consideration.

As part of our commitment, we'll provide you with an update of our progress to meet all the standards of the Code by June 2019.



# Transition plan - the technical part

## Transition Plan

We've adopted the *Insurance in Superannuation Voluntary Code of Practice*, which commenced on 1 July 2018. Our intent is to comply with all aspects of the Code by no later than 1 January 2021, where it's in the best interests of members and is in accordance with superannuation law and the legal documents governing our fund.

You can see a list of the products the Transition Plan applies to [here](#).

We're actively working to comply with the obligations of the Code and we'll provide you with regular updates outlining where Code compliance has already been achieved. The following dates are when we expect to have fully transitioned to all the standards of the Code. The dates below are based on the current version of the Code (December 2018). If it changes, we will consider if this impacts our transition plan and let you know of any changes.

Completed by	Components of the Code and what it means for you	Specific sections of the Code
January 2020	We will focus on the components of the Code relating to appropriate and affordable cover specifically related to the levels of cover provided for automatic insurance and the cost of that cover. This will help to make sure insurance premiums do not inappropriately erode your retirement balance	4.1 to 4.17
	Since 2016, the Trustee has had in place a guideline to make sure premiums for default cover, on average, are below 1% of salaries. We are already largely compliant with these aspects of the Code but are taking this opportunity to review and refine our processes further	4.5 a-i, 4.8 and 4.9
	Through our communications with you we want to make it easier for you to understand if and how your policy has been changed and how the changes will impact you. We'll publish our insurance strategy and finalise our approach to benefit design. This will include consideration of our younger members, those who are approaching retirement and members who make infrequent contributions to their superannuation	4.10, 4.11 and 4.12

# Transition plan - the technical part

Completed by	Components of the Code and what it means for you	Specific sections of the Code
<p><b>July 2020</b></p>	<p>During this phase we'll focus on the major components of the Code. There'll be improvements to our current processes as well as developing new ones to make sure we meet the standards of the Code. These changes include, but are not limited to, the items below:</p> <p><b>Improvements</b></p> <ul style="list-style-type: none"> <li>• a full review of claims and complaints processes to ensure they're easier for you to understand</li> <li>• uplifting our disclosures, communications and promotional materials. This will include explanations of Total &amp; Permanent Disability and Income Protection definitions and how they matter when making a claim, what you need to know when you transfer between divisions and enhancements to your annual statements and Key Fact Sheets. This will help you make informed decisions about your insurance</li> <li>• whether we or you change your cover, we're strengthening our information to help you better understand the impact it will have to your insurance</li> <li>• training all our staff to provide you the best service possible and to help you when you need it most</li> <li>• enhancing our monitoring of Insurers and our service providers in line with the requirements of the Code</li> <li>• working with our Insurers on improving our communications to support our more vulnerable members, for example those with a disability or a mental health condition, our older or indigenous members and non-English speakers</li> </ul> <p><b>New</b></p> <ul style="list-style-type: none"> <li>• we're concerned where insurance premiums may erode superannuation balances. If you have stopped contributing to your superannuation account we'll ask if you wish to keep your insurance. At the same time we'll also make sure that our reinstatement process is easy for you if you wish to turn your cover back on</li> <li>• helping you find any other insurance cover you have with another superannuation fund</li> </ul> <p>We'll put in place a process to enable us to confirm and monitor that we are doing what we've said we would and we'll publish an annual Code compliance report on our website. If we find gaps we'll be transparent about areas where we need to do further work</p>	<p>7.1 to 7.21 and 13.8 to 13.20 5.5, 5.11 and 10.14 5.18 and 10 12 5.12, 7.4 and 12 6</p> <p>the remainder of section 4 of the Code and in particular sections 4.25 (e &amp; f) , 4.27, 4.28 and 4.29 4.31 14</p>
<p><b>January 2021</b></p>	<p>The items that we will address later in the transition period will require broader industry change where we'll work with external service providers to ensure their services are provided in a way that supports our compliance with the Code. This will require review and potential re-negotiation of arrangements and processes in place with Insurers, reinsurers and brokers/advisers</p> <p>We'll finalise our approach to all our individual retail and legacy insurance in super products. It is possible that there may be some products where it is not in the best interest of members to comply with all aspects of the Code</p>	<p>the rest of the Code</p>

# Transition plan - the technical part

## List of our products

List of products (planning full Code compliance)	Older style products (where some existing processes may better suit your needs)
MLC MasterKey Business Super	MLC Whole of Life Superannuation
MLC MasterKey Personal Super	MLC Endowment Superannuation
MLC MasterKey Super Fundamentals	MLC Pure Endowment Superannuation
MLC Protectionfirst	MLC Maturity Growth Superannuation Plan
Plum Super	Whole of Life
Plum Personal Plan	Endowment
MLC Life Cover Super	Blueprint Insurance (Super)
MLC Insurance (Super)	Blueprint Protection Life
	MLC Protection Life
	MLC Protection Executive Life (1-10)
	Solitaire (1-4)
	MLC Wrap Super
	MLC Life 1+2

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### Important information

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