

Annual Code Compliance Report

As part of our commitment to the *Insurance in Superannuation Voluntary Code of Practice*, we're publishing our first Annual Code Compliance Report.

1. Executive Summary

This Report has been prepared by NULIS Nominees (Australia) Limited (NULIS) to meet the requirement under section 14.2(b) of the *Insurance in Superannuation Voluntary Code of Practice* (Code).

We adopted the Code, and currently, we're already meeting a number of standards identified in the Code and we're on track to meet the remaining items by 30 June 2021. We have followed our published Transition Plan, which can be found on our Insurance in Super hub at plum.com.au/superinsurance. We are pleased to report that we are now operating in compliance with many of the obligations of the Code. There are sub-sections of the Code where we are fully compliant, however we are not currently fully compliant with any complete sections of the Code. We've committed to be fully compliant as set out in our **Transition Plan**.

The Annual Code Compliance Report includes:

- i) instances where we have failed to comply with the Code
- ii) where we have determined that complying with the Code is not in the best interests of our members
- iii) any steps we are taking to improve our Code compliance.

We are committed to working towards full compliance by 30 June 2021. As a result, this Report provides an update on key achievements in terms of progressing our Code compliance and key areas of focus for the coming year, against the Code requirements that we've implemented.

It's noted that over the year, there's been significant focus on a number of key regulatory changes, most notably the Protecting Your Super Package (PYSP) changes, which became effective 1 July 2019 and the Putting Members' Interests First (PMIF) which will become effective on 1 April 2020.

These significant regulatory changes are focussed on reducing unnecessary erosion of member balances and have accelerated some of the Code requirements relating to appropriate and affordable cover. In particular, PYSP ensured inactive super accounts were not being eroded by the cost of insurance. PMIF will cancel cover on 1 April 2020 for members with low balances (under \$6,000) who have not elected to maintain their insurance cover. From 1 April 2020, PMIF will prohibit cover being provided to new young members (under age 25) and those with a super balance less than \$6,000.

2. Application of the Code

We have appropriate systems and processes in place to enable compliance with the Code including monitoring and analysing data on policies, our communications to members, claim data, and internal and external complaints.

There are no aspects of the Code where we feel it is not in the best interests of members to adopt the Code but we will advise if further analysis changes this view.

We're not aware of any breaches based on what we've completed.

Below is the list of super products and Funds for which NULIS is the Trustee:

Products (planning full Code compliance)	Older and other style super products with insurance (where some aspects of the Code will be applied)	List of Funds
MLC MasterKey Business Super	MLC Whole of Life Superannuation	MLC Super Fund
MLC MasterKey Personal Super	MLC Endowment Superannuation	MLC Superannuation Fund
MLC MasterKey Super Fundamentals	MLC Pure Endowment Superannuation	PremiumChoice Retirement Fund
MLC Protectionfirst	MLC Maturity Growth Superannuation Plan	DPM Retirement Service
Plum Super	Whole of Life	
Plum Personal Plan	Endowment	
MLC Life Cover Super	Blueprint Insurance (Super)	
MLC Insurance (Super)	Blueprint Protection Life and IP	
	MLC Protection Life and IP	
	MLC Executive Life Cover	

Product list as outlined in our **Transition Plan** – page 7.

3. Code Transition

In addition to the heavy focus on the key regulatory initiatives already mentioned, we've set out below some of the other key activities completed during 2019 as we track towards full Code compliance.

We have developed key communications as required by the Code. These include: Annual Code Compliance Report, Key Facts Sheets, Insurance Strategy and Claims Philosophy. They're all published on our website: plum.com.au/superinsurance

We have developed member communications to support and educate them about their insurance in super, undertaking customer and employer testing for some of these member communications. Some of our communications include: the Insurance Hub, PYSP Podcast, PYSP and PMIF member letters and information flyers, three warning letters to members ahead of their PYSP cancellation, updated Plan Welcome Kits and member SMSs and emails. For some member cohorts, we undertook an outbound call campaign for PYSP.

In addition, we make these comments on the following key areas:

Insurance 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 Trustee's **Insurance Strategy**.

In 2019, we undertook a review of the insurance we offer to make sure appropriate levels of cover, terms and pricing were made available to our MLC MasterKey and Plum Personal members in the MLC Super Fund. This review included an update to the Total and Permanent Disablement (TPD) definition to remove the Activities of Daily Living definition for members in these products so that the 'any occupation' definition will apply instead when making a TPD claim for all paid working members for disabilities that occur on or after 1 July 2019, regardless of work type or hours of work per week.

We continue to assess the changes resulting from PMIF and PYSP on our membership and we're working with insurers to improve our processes including uplifting our service levels, and any required changes to our product design.

Claims Management

We aim to make sure our claims management is fair and reasonable to all our members. We're committed to delivering a consistent and customer-centric approach to claims management. We've adopted 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.

We've identified that we partially comply with some sub-sections of the Code relating to handling claims, however we need to make improvements such as documenting processes more clearly in our internal procedures and agreements with our service providers.

We've reviewed the claims philosophy for each insurer we use to assess alignment to our Claims Philosophy. We're currently satisfied that all insurer's claims philosophies align to our own.

Vulnerable Members

The Code requires us to identify and support people who may have a particular vulnerability that may impact on their ability to access insurance, make a claim, make an enquiry, or complaint or communicate with us.

We have support services in place for the special needs of our vulnerable members. We can assist with tele-services, translation and interpretative services. Our staff are also available to support with completing forms or lodging a claim.

We're currently establishing a policy that outlines various avenues available to support identified vulnerable members.

We have established an internal working group to identify further opportunities to support services which cater to our members with special needs.

4. Compliance progress – the technical part

The table below provides further detail on the specific elements of the Code and our progress to date.

Transition requirement	Compliance status in 2019 for all our relevant products
Section 4: Benefit design and insurance products – <i>to be appropriate and affordable</i>	Compliant in Code sections: 4.2, 4.4, 4.5(a), 4.5(b), 4.5(f), 4.5(h), 4.8, 4.10(a), 4.10(d), 4.12, 4.13, 4.14, 4.15, 4.18(b), 4.24, 4.25, 4.26, 4.27, 4.28, 4.29, 4.30
Section 4.3: Insurance Strategy & Claims Philosophy – <i>documented in an appropriate and easy to understand language</i>	Compliant Our Insurance Strategy has been published on our website, as required under section 4.3. This included our claims philosophy as required under section 7.6 Published here .
Section 5.5 & 5.6: Key Facts Sheets – <i>with ongoing clear and timely communications</i>	Compliant Our Key Facts Sheets have been published on our websites for MLC MasterKey Business Super and Plum Personal Plan Published here .
Section 5: Helping members make informed decisions – <i>with ongoing clear and timely communications</i>	Compliant in Code sections: 5.1, 5.3, 5.5, 5.6, 5.7, 5.8, 5.9(b), 5.9(c), 5.9(d), 5.10(a), 5.10(b), 5.10(d), 5.10(f), 5.15, 5.17(a), 5.17(b), 5.18(b), 5.19, 5.21
Section 6: Vulnerable members – <i>identify and provide support</i>	Compliant in Code sections: 6.2, 6.3, 6.4, 6.7, 6.11
Section 7: Handling claims – <i>improve claims management processes and publish a claims philosophy</i>	Compliant in Code sections: 7.1, 7.2, 7.3, 7.5, 7.6, 7.9, 7.13(c), 7.13(e), 7.21, 7.23, 7.24(a), 7.24(b), 7.25, 7.26, 7.30, 7.31(a), 7.31 (c)
Section 8: Premium Adjustments	Not applicable. NULIS does not currently participate in Premium Adjustment Mechanisms, such as profit sharing schemes with the insurers we use as noted under section 8 of the Code
Section 9: Promoting our insurance cover	Compliant in Code sections: 9.1(a), 9.1(d), 9.1(e), 9.1(g), 9.1(h)
Section 10: Changes to cover	Compliant in Code sections: 10.9, 10.12, 10.13(a), 10.16
Section 11: Refunds	Compliant in Code section: 11.3
Section 12: Staff and Service Providers	Compliant in Code sections: 12.1, 12.6, 12.8, 12.9
Section 13: How to make an enquiry – <i>enquiries and complaints framework</i>	Compliant in Code sections: 13.1, 13.2(a), 13.2(c), 13.2(d), 13.7, 13.8, 13.9, 13.10, 13.17(a), 13.17(c), 13.17(d), 13.19, 13.20
Section 14: Promoting, Monitoring and Reporting on the Code	Compliant in Code sections: 5.5 & 5.6: Key Facts Sheet promotions, 4.3: Insurance Strategy & 7.6: Claims Philosophy

If a requirement is found not to be in the best interests of members, we will publish it in our Annual Code Compliance Report.

Based on our work to date we are on track to comply with the requirements of the Code by 30 June 2021.

Important Information

Issued by NULIS Nominees (Australia) Limited ABN 80 008 515 633. AFSL 236465

Issue No 1.

This Report is current as at Friday 29 November 2019, and is based on the Code as at the date of this Report. It may be necessary to update our Transition plan and Compliance plan, due to various factors including uncertainty surrounding any potential legislation changes impacting superannuation, and/or insurance provided through superannuation; the complexity and volume of changes required; and to the extent that it's in the best interests of members and consistent with law. This Report is Issued by NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL and is general information only.