

Your super, your insurance and the way forward

Updated as at 30 June 2019

We are NULIS Nominees (Australia) Limited, and the superannuation trustee of **Superannuation Funds** through which we issue MLC **super products**. Through those **super products**, you can have access to insurance cover.

The Insurance in Superannuation Code of Practice (Code) commenced on 1 July 2018, and requires superannuation trustees to comply with the standards contained in the Code no later than 30 June 2021. We adopted the Code, and currently, we're already meeting a number of the standards identified in the Code and we're on track to meet the remaining items by **March 2021**.

Earlier this year, the Government's 'Protecting Your Superannuation Package' legislation was introduced and is effective from 1 July 2019. This reform is designed to protect super savings and to make sure that your super account isn't eroded by the cost of insurance. These Government changes have brought forward our need to deliver some requirements under the Code, resulting in the revision of our timeline.

We've made some changes to our initial transition plan that we created in late 2018. View our latest **Timeline**, **Transition Plan** and a **List of our super products** on the following pages.

To help us further provide you with market-leading super products and services, we've engaged with an external independent expert to help us identify our areas of improvement. We'll be publishing a status report at the end of 2019 to show you our progress on meeting the Code.

What this means for you

We want you to have the insurance that is appropriate for your needs. 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. To help you have a greater understanding of your insurance in super, we've created the Insurance in Super webpage. This is a great tool to help you stay informed, self-educate and gives you easy access to information and forms that you may need.

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 the most up to date information about you, even when it changes.

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

Like the 'Protecting Your Superannuation Package', regulatory changes will continue to play a key role in how we deliver on the Code. We're committed to our delivery and will let you know if any changes directly impact you.

Want to know more?

Your insurance with us

Contact us

If you'd like to learn more about your insurance or you have any questions, please go online plum.com.au/superinsurance or call us on **1300 55 7586** between 8am and 7pm AEST/AEDT, Monday to Friday.

You can log on to your super account via our website to check and update your details — like your mailing address — so you don't miss any important updates.

Insurance in Superannuation Code of Practice

We reference specific sections of the Code throughout our Transition Plan — you can view the Code in full **here**. You can read more about our announcement to adopt the Code and what it means for our members **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 doesn't exceed 1% of average 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 (and our next review is scheduled to be completed in 2020)
- 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

- publishing 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 other funds
- making it easy to turn off or reinstate your insurance cover
- reviewing and improving the claims and complaints processes to make them easier to understand and navigate
- training our staff to provide you the best service possible and helping our more vulnerable members when they need it most
- promoting 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

1/03/2021

Code compliance complete

1/01/2017

1/01/2018

1/01/2019

1/01/2020

1/3/2021

30/06/2021

Code compliance cut off

Appropriate and affordable cover – phase 1

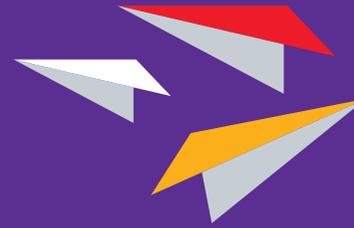
- reviewing and refining our processes to further improve the super products we offer to make sure they're appropriate and affordable
- we're working towards making sure that insurance premiums for automatic insurance cover don't inappropriately diminish your retirement balance
- during this period, we'll be working on how to better communicate to you if we believe the cost of automatic insurance cover is likely to erode your super savings
- 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

Appropriate and affordable cover – phase 2

- we'll update some aspects of our insurance benefit design to better meet insurance needs of particular members

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 can help you to provide protection for your loved ones when you need it most.

The Code provides the super industry with a framework to make sure insurance cover provided to super members is appropriate and affordable, reflects changing employment patterns and improving the claims experience. From 1 July 2019, this will result in some changes such as turning off cover for members who have been inactive for over 16 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:

- 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
- offering you improved services and insurance cover that is better suited to your needs
- the affordability of insurance in your super, and
- making sure that the insurer operates in your best interest

[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.

Since 2016, where you (and not your employer) pays your insurance premiums, we've been checking to make sure that, on average, the cost of automatic insurance cover doesn't exceed 1% of average salaries. This means that your premiums won't unreasonably diminish your super savings.

Our underwriting philosophy

The automatic insurance we provide gives you access to a level of cover that is appropriate 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 insurers 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 approved 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.

Transition plan - the technical part

Transition Plan

We've adopted the *Insurance in Superannuation Code of Practice*, which commenced on 1 July 2018. The Code requires that we comply with the standards no later than July 2021 and to comply with all aspects of the Code by this date.

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 adopted the various 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
July 2019	New laws were introduced to protect super savings where insurance premiums may erode super balances. If you've stopped contributing to your super account for a continuous period of 16 months, we'll ask you if you want to keep your insurance cover, otherwise it will cease. 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.	Sections 4.24 to 4.30 14
January 2020	We'll put in place a process to confirm and monitor that we're keeping to our commitments. We'll also be publishing an annual Code compliance report on our website. Our overall aim is to be transparent with you if we discover any areas that require further work.	14
	Since 2016, the Trustee has had in place a guideline to make sure premiums for default cover, doesn't exceed 1% of average 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>July 2020</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>Improvements</p> <ul style="list-style-type: none"> • a full review of our complaints processes to ensure they're easier for you to understand • uplifting our disclosures, communications and promotional materials. This will include explanations of Total & 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 • 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 • training all our staff to provide you the best service possible and to help you when you need it most • enhancing our monitoring of insurers and our service providers in line with the requirements of the Code • 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 <p>New</p> <ul style="list-style-type: none"> • helping you find any other insurance cover you have with another superannuation funds 	<p></p> <p>13.8 to 13.20</p> <p>5.5, 5.11 and 10.14</p> <p>5.18 and 10</p> <p>12</p> <p>5.12, 7.4 and 12</p> <p>6</p> <p>4.31</p>
<p>January 2021</p>	<p>Improvements</p> <ul style="list-style-type: none"> • a full review of our claims processes to ensure they're easy for you to understand • updates to our benefit design 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 erode your retirement balance 	<p>7.1 to 7.21</p> <p>4.1 to 4.17</p>
<p>March 2021</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. This will require a 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 super products where it is not in the best interests 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

Below is the list of our super products and as we work through the Transition Plan, we will determine how the Code applies to them:

List of products (planning full Code compliance)	Older and other super products with insurance (where some aspects of the Code will be applied)
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 and IP
	MLC Executive Life Cover
	MLC Solitaire Super
	MLC Wrap Super
	MLC Life Cover
	MLC Capital Guaranteed Personal Super Savings Plan
	MLC Term Insurance

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List of funds

- MLC Super Fund
- MLC Superannuation Fund
- PremiumChoice Retirement Fund
- DPM Retirement Service

Our transition plan and intention is current as at the date of this plan. Though it's our intention to comply with the sections of the Code by the dates set out in this transition plan, it may be necessary to update our transition 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 Issued by NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL 236465 Date: 30 June 2019/ Issue No 2