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## AustralianSuper annual insurance review

Almost half of AustralianSuper members with insurance will see a decrease in cost following the Fund's annual review of insurance pricing.

Each year the Fund reviews its insurance products, cost, claims experience and future forecasts. The review ensures insurance costs are in Members' best financial interests, that the insurance offer is appropriate, costs are competitive and do not erode Members' retirement savings and are less than 1% of salary on average.

In year to June 2020, \$470 million in over 9,800 claims was paid to Members and their families, with the Fund's claims acceptance rate at an industry leading 96.5%.

Since the Fund's inception in 2006, AustralianSuper has paid over 71,000 claims to members totalling over \$4.1 billion to 30 June 2020. More than 5,700 AustralianSuper members have also been able to access a rehabilitation support plan as part of the claim process.

AustralianSuper's insurer, TAL, has among the highest claims admittance rates, the quickest approval times and the lowest dispute rates in the industry for the year to June 2020, based on the ASIC Moneysmart claims comparison tool.

AustralianSuper makes no profit from providing insurance to members and insurance through super is still one of the most cost-effective ways for members to access the benefits of insurance.

As a result of this year's review and despite challenging economic circumstances, almost half of AustralianSuper members will see their insurance costs decrease. For members who will see an increase, 12% of this group will see an increase of less than one dollar a day.

From 29 May, the average cost for Industry division members will rise by 3.2% and for Public Sector members by 0.4%.

AustralianSuper has also renamed work ratings to make them easier for Members to understand so they can access the insurance that's best for them. From 29 May, the 'Standard' work rating will become 'Blue Collar' and 'Low Risk' will become 'White Collar'. There is no change to the 'Professional' work rating. Work ratings have also been repriced.

AustralianSuper Group Executive, Strategy, Brand and Reputation, Sarah Adams, said that the result was on balance a good outcome for members.

'In uncertain times, insurance plays a very important role in many people's lives. AustralianSuper provides insurance to members at cost and despite the uncertainty related to COVID-19 premiums are remaining fairly stable' Ms Adams said.

'For many members insurance through AustralianSuper is still better value than buying directly from an insurer and it's easier to pay through super rather than their take home pay. As a result of this year's review AustralianSuper continues to meet its aim of keeping insurance costs to less than 1% of salary on average.'

## AustralianSuper insurance key facts

- AustralianSuper members with active cover are covered for death, TPD and income protection claims resulting from COVID-19. There are no pandemic-related exclusions. Normal terms and conditions and waiting periods apply.
- Almost 4,300 have undertaken a rehabilitation support plan and returned to either part time or full time work.
- Grief Support Service is offered to all insured members and their immediate family members on referral from their case manager. Eligible members and their families will have access to three, 1-hour grief support sessions with a leading mental health organisation. This will be free for the members or family.

## What type of insurance AustralianSuper members have at 31 December 2020

	Death	TPD	IP	Total
<b>Insured Members</b>	1,084,296	1,035,635	841,984	1,107,512
<b>Insured Members Total (%)</b>	45.1%	43.1%	35.0%	46.0%

## Types of claims in 2020 financial year

- \$470 million paid to members and their families in the 2020 financial year.

Insurance Type	Number of claims	Paid: (\$)
<b>Death</b>	1,510	\$155 million
<b>TPD</b>	2,187	\$180 million
<b>IP</b>	6,116	\$135 million
<b>TOTAL</b>	<b>9,813</b>	<b>\$470 Million</b>

## Cost of default cover and \$ increase per week – Standard Work rating

Age Attained	Default Sum Insured			Weekly cost - Standard Work Rating from 29 May 2021				Average Increase (\$ per week)
	Death	TPD	IP	Death	TPD	IP	Total	
<b>25</b>	116,000	48,000	1,900	1.15	0.45	0.67	2.27	-0.03
<b>35</b>	180,000	53,000	3,000	2.61	1.18	2.73	6.52	-0.01
<b>45</b>	124,000	29,000	3,100	3.45	1.85	5.65	10.95	+0.09
<b>55</b>	37,000	9,000	2,800	2.59	1.73	9.97	14.29	+0.32
<b>65</b>	9,000	NA	2,400	1.66	NA	16.18	17.84	+0.47

## Media Enquiries:

Stephen McMahon  
 Head of External Relations  
 Mobile: 0407 507 415  
 smcmahon@australiansuper.com

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