

MEDIA RELEASE 21 April 2022

AustralianSuper members to pay less for insurance

Almost all AustralianSuper members with insurance (over 1.1 million) will see a decrease in insurance cost over the next year, saving them almost \$90 million collectively.

AustralianSuper Group Executive, Member Experience, Shawn Blackmore, said from 28 May the average cost for default insurance will decrease by 11%.

'This is a fantastic result for members that will lower the cost for 99% of insured members,' Mr Blackmore said.

'AustralianSuper recognises how important affordable insurance cover is for members and, for many members, insurance through AustralianSuper is better value than buying directly from an insurer,' he said.

'It's also easier for members to pay for insurance through their super rather than their take home pay.'

Mr Blackmore said AustralianSuper's insurance offer reflects the Fund's members first focus and profit-for-member approach.

'AustralianSuper uses its size and scale to provide the best possible insurance cover for members that is affordable and competitive.'

Over the past year, AustralianSuper had fewer claims for Death, Total and Permanent Disablement (TPD) and Income Protection with a benefit payment period up to two years, so was able to decrease the cost of these cover types.

However, the number of claims for Income Protection with a benefit payment period up to five years or up to age 65 has increased. This means for the 17,000 members with these types of cover the cost will go up.

'AustralianSuper provides insurance to members at cost, we make absolutely no profit from insurance – any reduction is passed on directly to members through lower premiums,' Mr Blackmore said.

'Insurance is an important part of members' financial safety net and AustralianSuper uses its size to negotiate discounted bulk insurance rates to offer affordable cover,' he said.

'AustralianSuper continues to meet its aim of keeping insurance costs to less than 1% of salary on average.'

AustralianSuper reviews its insurance offer every year. The review includes the products on offer, what they cost and the claims made and paid during the previous year.

The claims acceptance rate for insurance through AustralianSuper was 94% for the 2021 financial year with \$443 million paid to members and their families.

Over the past 10 years to December 2021, the Fund has paid over \$3 billion across 61,800 claims to help members and their families.

Our insurer, TAL, has among the highest claims admittance rates, the quickest approval times and the lowest dispute rates in the industry.¹

More than 8,600 AustralianSuper members have also been able to access a rehabilitation support plan as part of the claim process.

AustralianSuper insurance key facts

- Over 1.2 million members have insurance through AustralianSuper.
- 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.
- Over 8,600 members have undertaken a rehabilitation support plan and returned to either part time or full time work.
- A 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, one hour grief support sessions with a leading mental health organisation. This is free for the members or family.

What type of insurance AustralianSuper members have at 31 December 2021

	Death	TPD	IP	Total
Insured Members	1,178,047	1,121,567	954,643	1,205,655
Insured Members Total (%)	44.7%	42.5%	36.2%	45.7%

Types of claims in 2021 financial year

- \$443 million paid to members and their families in the 2021 financial year.

Insurance Type	Number of claims	Paid:(\$)
Death	1,395	\$145 million
TPD	1,970	\$167million
IP	6,027	\$131 million
TOTAL	9,392	\$443 Million

¹ MoneySmart website <https://moneysmart.gov.au/how-life-insurance-works/life-insurance-claims-comparison-tool>

Media Enquiries:

Stephen McMahon

Senior Manager Media Relations

Mobile: 0407 507 415

smcmahon@australiansuper.com

About AustralianSuper

AustralianSuper manages more than A\$260 billion in members' retirement savings on behalf of more than 2.6 million members from more than 370,000 businesses (as at 31 December 2021). One in 10 working Australians is a member of AustralianSuper, the nation's largest superannuation fund. AustralianSuper's balanced option has generated a 10-year rolling return of 10.65% per annum to 31 December 2021, making it one of the top three performing funds in Australia over the long-term.¹

¹ AustralianSuper Balanced investment option as compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) to 31 December 2021. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

This information may be general financial advice which does not take into account your personal objectives, situation or needs. Before making a decision about AustralianSuper, you should think about your financial requirements and refer to the relevant Product Disclosure Statement available at australiansuper.com/pds and Insurance in your super guide at australiansuper.com/InsuranceGuide. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd. AustralianSuper Pty Ltd, ABN 94 006 457 987, AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898