

AustralianSuper Transition Plan

(Insurance in Superannuation Voluntary Code of Practice)

We have adopted the Insurance in Superannuation Voluntary Code of Practice, which commenced on 1 July 2018.

This transition plan applies to the following plans:

- AustralianSuper Plan
- Public Sector Division
- Super Options
- GHD Plan
- AustralianSuper Select
- Personal Plan and Super Only^

^ These members don't receive automatic insurance cover, but we apply other aspects of the Code such as insurance changes, cancellation of cover, claims, queries and complaints to all our members.

The products that we offer that will be covered by the Code are:

- Income Protection
- Total & Permanent Disablement (TPD) cover
- Death cover
- Terminal Illness benefit

The tables below provide an overview of our transition dates for key items of the Code. A full copy of the *Insurance in Superannuation Voluntary Code of Practice* can be located on our website at australiansuper.com/InsuranceCode

Our Approach

Our implementation approach is a phased approach and we've been working with both our Administrator and our Insurer on the changes required to implement the Code.

Our intent is to have the Code fully implemented by 30 June 2020. We initially targeted November 2019, however we've since had the following legislation changes which have impacted our implementation timeframes:

- Protecting your Super (PYS) package – effective 1 July 2018; and
- Putting Member's Interests First (PMIF) package – due to be introduced from 1 April 2020

This transition plan provides an overview of how we're progressing with implementation.

Benefit design and premiums

Code Section	Included items	Status
Benefit design (4.2 to 4.9)	<ul style="list-style-type: none">• Design of insurance benefits• Publishing our insurance strategy• Membership characteristics when designing insurance benefits• Appropriateness of our benefit design• Affordable cover that doesn't inappropriately erode the retirement income of our members• Automatic insurance cover that does not exceed 1% of an estimated level of salary for our membership	implemented

Code Section	Included items	Status
Categories of Membership (4.10 to 4.13)	Insurance design considerations for: <ul style="list-style-type: none"> • Members under the age of 25. • Members with low or infrequent contributions • Members nearing retirement. Members not to be included in a division of our fund that is higher risk due to smoker status or occupation without relevant evidence.	implemented
Reviews and changes to benefit design (4.14 to 4.17)	<ul style="list-style-type: none"> • We will review and update the benefits we offer and policy details at each insurance contract renewal. • We will assess the premiums for our Automatic Insurance Members at each policy renewal (and no later than every 3 years). • If we change the benefits offered, we'll provided you with the details of changes. • If the impact on your cover or premiums is material, we'll let you know at least 30 days before the changes take effect. 	Implemented

Benefit Design & Categories of Membership

Our insurance strategy has been published and a copy can be located on the Code page of our website at australiansuper.com/InsuranceCode

This document includes some information on our cover design considerations as well as affordability.

Design considerations are incorporated into our *Insurance Management Framework* document and as part of our insurance strategy. Our *Insurance Management Framework* is an AustralianSuper Board reviewed internal document that outlines our insurance framework.

In October 2018 we implemented our new insurance design for new members under 25. We no longer provide an automatic level of insurance cover to new members under 25. Members still have the option for insurance cover, but it isn't provided automatically.

We don't currently add members into a division based on smoker status or occupation.

Reviews and Changes to Design

We have a close working relationship with our Insurer and we review our insurance arrangements and premium costs annually, so we don't wait for the insurance contract to expire for these activities to occur.

Where we have substantial insurance changes, these are communicated to our members within the timeframe required.

Automatic Cessation and Reinstatement of cover

Code Section	Included items	Status	Transition Date
End of cover (4.25 (e) & (f) and 4.27)	<ul style="list-style-type: none"> • Cessation of income protection cover 13 months from the date of the last eligible contribution. • Cessation of death and TPD cover if we determine the member is likely to have an 	Implemented in line with the PYS legislation	N/A

Code Section	Included items	Status	Transition Date
	account balance of less than \$6,000 13 months from the date of your last eligible contribution.		
Reinstatement of cover (4.27 to 4.29)	<ul style="list-style-type: none"> Ability for basic cover to be reinstated within 60 days if cover has ended due to lack of contributions (subject to eligibility) 	Not implemented	June 2020

All other Code items

Several Code items were either in place already or have been implemented (66% implemented). For the remaining Code items that aren't already in place, we'll implement these in a phased approach between now and 30 June 2020. An overview of our current implementation is included on the following page.

Please note the implementation overview refers to whether we've implemented the items only, it doesn't reflect compliance with the Code. Our compliance with the Code will be reported separately in our annual Code compliance once the Code has been fully implemented.

Implementation Overview

Section	Section Title	Implemented
3	Scope of the Code	
	Who is bound by the Code	Partially
	What products are covered by the Code?	✓
	When does the Code apply from?	✓
	Our relationship with Insurers	✓
	Legal status of the Code	✓
4	Appropriate and affordable cover	
	Benefit Design	✓
	Categories of our membership	✓
	Reviews and changes to benefit design	✓
	Cancelling your insurance cover	Partially
	Communicating to you about your lack of contributions	Partially
	Reinstatement of cover	Partially
	Duplicate insurance cover	Partially
5	Helping members to make informed decisions	
	How we will provide you with information	Partially
	Explaining our definitions	Partially
	Communicating during the term of your cover	Partially
	Lost members	✓
6	Supporting vulnerable consumers	
	Vulnerable consumers	Partially
	Providing information	✓
	Interpreting services	Partially
	Guardianship	✓
	Release of funds	✓
7	Handling claims	
	Principles of claims handling	Partially
	The claims process	✓
	Making a claim	Partially
	While a claim is being processed	Partially
	Review of insurers decision	✓
	Claim decision	✓
	Income Protection claims	Partially
8	Premium adjustments	✓
9	Promoting our insurance cover	Partially
10	Changes to cover	
	Changes to cover	Partially
	Transfer between divisions	Partially
11	Refunds	Not in place yet
12	Staff and Service Providers	Partially
13	Making enquiries and complaints	
	How to make an enquiry	Partially
	How to make a complaint	Partially
	External determination of complaints	✓
14	Promoting, monitoring and reporting on the Code	
	Our role	Partially