

Insurance in Superannuation Voluntary Code of Practice



Insurance is a key part of the superannuation offering for Prime Super members. Default insurance is provided to our members automatically when they join Prime Super, without the need for medical evidence or detailed forms. Many of our members do not hold insurance elsewhere, meaning that Prime Super provides security for those members when they need it most. A member can increase or decrease their cover to suit their needs, or cancel their cover at any time.

WHAT IS THE INSURANCE IN SUPERANNUATION VOLUNTARY CODE OF PRACTICE?

The above Code was developed by the superannuation industry and is the industry's (and also represents our) commitment to high standards when providing insurance to superannuation fund members.

The Code commenced on 1 July 2018 but compliance with the Code is voluntary until 30 June 2021. Prime Super is progressively adopting the Code (see below) in relation to all its default insurance arrangements.

Prime Super already meets many parts of the Code by offering group insurance tailored to the specific needs of our members. We also offer personalised communications and closely manage claims handling with various options allowing our members fast and straightforward claims processes which enables our member to get their benefits quickly and easily in their time of need.

The Code sets out a range of measures including:

- a superannuation fund should continue to provide cover that meets the needs of the members of the fund;
- there should be straightforward and simpler ways for members to opt out of insurance;
- there should be a reduction of multiple insurance policies held by a member as they may not need those policies and may be paying unnecessary fees; and
- there should be improved assistance for members making claims.

A copy of the Code can be located [here](#).

WHAT IS THE TIMEFRAME FOR PRIME SUPER TO IMPLEMENT THE CODE?

Prime Super has transitioned to the standards of the Code¹ as follows:

Code Section 5 – Helping members to make informed decisions

Code Section 6 – Supporting vulnerable consumers

Code Section 7 – Handling claims

Code Section 8 – Premium adjustments

Code Section 9 – Promoting our insurance cover

Code Section 10 – Changes to cover

Code Section 11 – Refunds

Code Section 12 – Staff and service providers

Code Section 13 – Making enquiries and complaints

Code Section 14 – Promoting, monitoring and reporting on the Code

We have available on our website, in an industry standard format, an Insurance in Superannuation Key Fact Sheet located [here](#) (please select the Key Fact sheet appropriate to your membership division)

From 1 July 2019: Benefit design and premiums standards

Code Section 4 - Appropriate and affordable cover

Prime Super has completed a full review of our insurance offering and benefit design in line with the Code and Prime Super members' best interests.

Affordability of our premiums has been assessed using the Australian Taxation Office's salary scale, calculated over a lifetime of membership and member data.

From 1 July 2019: Automatic cessation of cover and reinstatement standards

Code Section 4.25 Communication to you about lack of contributions

Prime Super will be communicating with members who have balances below \$6,000 at 9, 12 and 15 month intervals following the non-receipt of a contribution. If the account remains inactive it will be transferred to the ATO.

¹ Note: section 1-3 of the Code are administrative only and do not require action.