



MEDIA RELEASE

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RELEASE OF FSC STANDARD ON CLAIMS HANDLING FOR SUPERANNUATION FUNDS

The Financial Services Council (FSC) has released an enforceable standard for handling group life insurance claims in superannuation.

The new standard replaces existing voluntary guidance and sets out the minimum level of service consumers should expect to receive from their superannuation fund when making a claim on their life insurance.

The Standard applies to FSC superannuation members who are trustees holding a public offer or extended public offer license to operate a Registerable Superannuation Entity under the provisions of the Superannuation Industry (Supervision) Act 1993.

The Standard will commence operation on 1 January 2023 on a voluntary compliance basis, with full mandatory compliance to commence from 1 July 2023 in line with the mandatory commencement date of and to complement the protections in the new Life Insurance Code of Practice.

Compliance with FSC's Standards is compulsory for FSC Full Members. By adhering to FSC's Standards, member companies are required to operate with integrity, transparency and in the interests of customers.

The Standard includes consumer-focused commitments for trustees to help their members navigate through the claims process, including:

- to assist a member in making a claim by helping them to complete the form with any supporting information, carrying out an initial eligibility assessment and providing the member with a summary of the claims process;
- to ensure that life insurers only ask for the evidence that they reasonably need to assess a claim and, if asked by a member, to explain to the member the relevance of any information request;
- to ensure the claims assessment process is as timely, transparent and straightforward as possible by proactively overseeing the conduct of the life insurer and any service providers involved, and keeping the member regularly updated on the progress of their claim until a decision has been made;
- to abide by standard timeframes when pursuing a claim on behalf of a member, and in situations where exceptional circumstances apply to ensure that the trustee continues to provide regular updates to the member until a claim decision is made;
- to carry out a review of a life insurer's decision not to pay a claim to determine whether it agrees with the life insurer's decision and to advocate on the member's behalf if it believes the claim has a reasonable prospect of success;

- to ensure that accepted claims are paid promptly to the member once the trustee confirms that the member has met the relevant requirements for the claim proceeds to be released from their superannuation account; and
- to provide the member with details of the complaint process if the trustee informs the member they are not eligible to make a claim, the claims assessment falls into exceptional circumstances or if the claim is declined.

A copy of the new FSC Standard 28 *Claims Handling Standard for Superannuation Funds* can be accessed [here](#).

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange, and is the fourth largest pool of managed funds in the world.