



## **MEDIA RELEASE**

Sydney, 9 March 2017

### **Call for submissions on Insurance in Superannuation Working Group (ISWG) discussion paper**

The Insurance in Superannuation Working Group (ISWG) today released the first of a [series of discussion papers](#) as a first step towards extending the Life Insurance Code of Practice to superannuation trustees.

The paper, *Account balance erosion due to insurance premiums*, examines how to address the issue of members paying for cover they don't need through having multiple super accounts. A further two discussion papers are due to be published in coming weeks.

The ISWG is identifying changes that can improve superannuation member value and protections. Work priorities include:

1. Reducing benefit erosion on superannuation account balances for members, including establishing the right level of automatic cover for young people and low income earners;
2. Reducing inappropriate multiple insurance policies;
3. Providing better and more timely assistance to members during claims;
4. Improving superannuation fund member communications on insurance;
5. Improving data standards to improve service to members; and,
6. Undertaking independent research on the costs and benefits of group insurance within superannuation.

ISWG Chairman Jim Minto said too many people have multiple superannuation accounts and while insurance benefits are valuable to members, there is more rapid erosion of retirement savings if a person has too many insurance benefits.

"Ideally people would consolidate their insurances and avoid this, but we must provide solutions now to address the reality of multiple, automatically provided life insurance arrangements," he said.

The ISWG is committed to improving consumer value and experience. The paper asks for submissions from stakeholders on the proposed solutions to balance superannuation contributions allocated to saving for retirement versus automatic insurance benefits.

Industry and stakeholder feedback will help shape an enforceable Code of Practice and Good Practice Guidance for Trustees, to be published by the ISWG later this year.

**How to make a submission** - Submissions should be sent to [ISWG-PMO@kpmg.com.au](mailto:ISWG-PMO@kpmg.com.au) no later than 7 April 2017.

For further information please contact the Insurance in Superannuation Working Group Chair, Jim Minto via [jrminto@bigpond.com](mailto:jrminto@bigpond.com)

#### **About the Insurance in Superannuation Working Group**

The Insurance in Superannuation Working Group (ISWG) is comprised of Australia's superannuation bodies, the Australian Institute of Superannuation Trustees (AIST), the Association of Superannuation Funds of Australia (ASFA), the Financial Services Council (FSC), Industry Funds Forum (IFF) and Industry Super Australia (ISA), who share the common belief that group insurance in superannuation is fundamentally the right policy setting for millions of Australians. This group also includes representative life insurers, superannuation funds and consumer advocates.