

Insurance in Super Voluntary Code of Practice – Transition Plan

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

From 1 July 2018 and at the time of publication, the provision of group insurance to VicSuper members was through MetLife. Prior to 1 July 2018, the provision of group insurance was through AMP.

This transition plan applies to the following funds:

- VicSuper FutureSaver

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

- VicSuper Group Life Policy
 - Policy number: 3684
- VicSuper Group Income Protection Policy
 - Policy number: 8906

We will transition to the particular standards of the Code on the following dates:

By 1 July 2020

- Section 4 (Appropriate and affordable cover, excluding the requirements noted below)
- Section 5 (Helping members make informed decisions)
- Section 6 (Supporting vulnerable members)
- Section 7 (Handling claims)
- Section 8 (Premium adjustments)
- Section 9 (Promoting our insurance cover)
- Section 10 (Changes to cover)
- Section 11 (Refunds)
- Section 12 (Staff and service providers)
- Section 13 (Making enquiries and complaints)
- Section 14 (Promoting, monitoring and reporting on the Code)

By 1 July 2020

Section 4 - Appropriate and affordable cover (Automatic cessation of cover and reinstatement standards)

The proposed Treasury Laws Amendment (Protecting Your Superannuation Package) Bill 2018 ('Protecting Your Super package') requires mandatory automatic cessation of cover, where a contribution is not received into the member's VicSuper account for a period of 13 months, regardless of the members' account balance. Our adoption of the automatic cessation requirements will align with the introduction date of the proposed Protecting Your Super package.

By 1 January 2021

Section 4 - Appropriate and affordable cover (Benefit design and premium standards)

We will test the affordability of our premiums using members' Superannuation Guarantee contributions to determine annual salary. Where Superannuation Guarantee contributions are unavailable, we will utilise Australian Bureau of Statistics data based on location and age.

We will test the affordability of our benefit design within three cohorts:

1. All VicSuper default cover members:
2. All VicSuper default cover members under the age of 25
3. All VicSuper default cover members who are at least 60 years of age.

Within each cohort, affordability is satisfied where premiums are less than 1% of the average salary.

These classifications may be reviewed as required taking into account changing member demographics.

The affordability measures will be considered with each change to the benefit design.

You can access the Insurance in Super Voluntary Code of Practice through the following link:
http://www.aist.asn.au/media/1099546/insurance_in_superannuation_voluntary_code.pdf