

Insurance in Superannuation Voluntary Code of Practice Transition Plan

The Insurance in Superannuation Voluntary Code of Practice (Code) commenced on 1 July 2018 with the aim of improving insurance arrangements offered to superannuation fund members, and the processes by which super funds provide insurance benefits. The APSS Trustee (PostSuper Pty Ltd ABN 85 064 225 841) has adopted the Code and will implement its requirements for those members entitled to APSS insurance benefits (i.e. Employee, Spouse and Rollover members) where it is in members' best interests to do so.

What's covered by the Code?

The Code is relevant to insurance 'products' provided to members by their super funds. In the APSS, that includes:

- Total & Permanent Disablement (TPD) and Death cover provided to eligible members entitled to an APSS Defined Benefit.
- Death, TPD and Terminal Illness cover provided to eligible members who have APSS Spouse and Rollover accounts and have not chosen to opt out of having insurance cover.

The APSS Trustee has a legal requirement to perform its duties and exercise its powers in the best interests of members. It will therefore comply with the Code to the extent that the Code's provisions are in the best interests of members, and consistent with the Trustee's other legal obligations. The Trustee intends to comply, on this basis, with all relevant standards of the Code by 30 June 2021.

How does the Trustee determine which elements of the Code are in members' best interests? It takes into account who our members are, the benefits and services currently provided, the cost of making changes required to comply with the Code, and the added benefit to members if those changes are implemented. If a requirement is found to be not in the best interests of members, it will be published in an annual Code compliance report prepared by APSS.

Go to https://www.superannuation.asn.au/ArticleDocuments/498/Insurance_in_Superannuation_Voluntary_Code.pdf.aspx?Embed=Y to download the full *Insurance in Superannuation Voluntary Code of Practice*.

Transitioning to the Code

Transitioning to the particular standards of the Code will involve addressing the following issues:

- Appropriateness and affordability of the cover.
- Enabling members to make informed decisions and protecting members who may be vulnerable to having a poor insurance outcome.
- Handling claims, inquiries and complaints.
- Adjustments, changes, promotions and refunds.
- Code management.

APSS intends to transition to the particular standards of the Code (to the extent that they are relevant to members, and in their best interests), when practicable and no later than the following dates:

- benefit design and premium standards (sections 4.1 to 4.17) by 30 June 2021;
- automatic cessation of cover and reinstatement standards (sections 4.25(e) and (f), 4.27 to 4.29) by 30 June 2021; and
- the rest of the Code by 30 June 2021.

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Appropriateness and affordability

Benefit design and premiums

The TPD and Death cover you get as an eligible member entitled to an APSS Defined Benefit is paid for by your employer, not you. In that sense, it's free as far as you're concerned.

The insurance premium for the Death, TPD and Terminal Illness cover provided to you if you are an eligible Spouse or Rollover member is deducted from your APSS account, assuming you have not already chosen to opt out (or been defaulted out of cover).

The details of APSS compliance with the Benefit design and premium aspects of the Code are set out in the APSS *Insurance Strategy*, which is available on apss.com.au.

Automatic cessation of cover and reinstatement

This is not relevant to the TPD and Death cover you get as an eligible member entitled to an APSS Defined Benefit. It is, however, relevant to Spouse and Rollover members.

Under certain circumstances cover will cease automatically for Spouse and Rollover members. Refer to the *Spouse and Rollover Members: Guide to your Member Savings* on apss.com.au for more information.

The Trustee does not currently intend to allow members to opt out of insurance over the phone or using an e-form online. However, Spouse and Rollover members may opt out of insurance at any time by using a form that can be printed for this purpose. That form is available on apss.com.au or by calling **1300 360 373**.

Informed decision making and protecting the vulnerable

Informed decision making

You will be able to get information to help you make informed decisions as you do now – by reading your Product Disclosure Statement (PDS), relevant fact sheets like this one and other relevant information such as that published on our website.

Such communication material will continue to be updated as required on an ongoing basis to comply with Code requirements. All updates will be completed by 30 June 2021. However, the Trustee will not change any existing communication material it considers to be sufficient or superior to that required by the Code.

All APSS members can also access free general advice by calling *SuperPhone* on **1300 360 373**, but our service representatives are not licensed to provide personalised financial advice. For such advice, you can choose any licensed financial planner and may wish to consider the information on 'choosing a financial adviser' available on the moneysmart.gov.au consumer website of the Australian Securities & Investments Commission (ASIC), which has guidance on finding an adviser that suits you and your goals.

If you need help from someone who can speak a language other than English, the APSS will try to help but please note that we will be unable to cater to everyone. We will refer you to the Translating and Interpreting Service (TIS National), an interpreting service provided by the Australian Government's Department of Home Affairs. See tisnational.gov.au for details.

Protecting the vulnerable

We will do our best to provide services to vulnerable customers, but there will always be some situations that cannot be anticipated and, therefore, cannot be catered for.

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Handling claims, inquiries and complaints

The APSS already has good claims handling processes in place that meet many of the Code requirements. For example, the APSS already has reasonable turnaround times (e.g. two business days to acknowledge enquiries), and members are provided with these details once a claim is made.

The Code imposes some specific timeframes for responding to and communicating with members that are similar to current APSS timeframes and that will be adopted. These changes are expected to be implemented by 1 July 2021.

However, some Code timeframes and requirements for information won't be adopted because they are impractical.

Adjustments, changes, promotions and refunds

The APSS already complies with much of the Code requirements in respect of:

- Premium Adjustments
- Promoting Cover
- Changes to Cover
- Refunds

There are clear instructions on how to change cover, advising the consequences of changing cover and so on included in the PDSs and relevant insurance factsheets. As mentioned previously, communications material will be updated to meet Code information requirements as they are upgraded.

Importantly, the APSS doesn't receive any payments from the insurer/reinsurer (other than claims) as a result of the insurance arrangement.

The APSS won't use targeted promotion to encourage you to apply for additional cover, but will continue to let you know about your insurance options as part of general fund information, and encourage you to seek appropriate financial advice.

In general, no premiums will apply from the date cover ceases. Sometimes, delays in getting information mean we aren't aware that cover has ceased or that you are not eligible for cover in the first place. We refund premiums where this is appropriate in the circumstances. In particular, premiums of members who die will be refunded from the date of the member's death.

Code management

Staff and Service Providers

The Head of APSS Member Services oversees Code management with much of the day-to-day management delegated to the APSS Administration Manager and three key service providers; the:

- **Benefits Administrator** – Australian Administration Services Pty Limited (AAS).
- **Insurer** – MetLife Insurance Limited (MetLife)
- Specialists from Towers Watson Australia Pty Ltd (trading as 'Willis Towers Watson').

AAS already provides claimants with a contact person for their insurance claims and complaints. AAS and the insurer work together with the APSS Administration Manager to ensure all relevant staff and service providers are properly trained and kept up-to-date with their training knowledge and continuing professional development. We comply with the Code's training requirements.

APSS Management's training won't extend to how to deal with members with mental health conditions, but the AAS contact person will, if possible, seek to offer access to someone suitably trained in this area.

Promoting, Monitoring and Reporting on the Code

The APSS will comply with all the Code requirements regarding promoting, monitoring and reporting under the Code.

Our first Code compliance report has been issued for the year ended 31 December 2019.

How to contact us

If you need any help understanding this fact sheet or any details about your super in the APSS, please contact us:



SuperPhone **1300 360 373** to speak to an APSS Service Representative, Monday to Friday, 9.00am - 5.30pm (Sydney time).



apss.com.au
apss.com.au/MemberAccess



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