

## Insurance in Superannuation Code of Practice (Draft)

### WIP Response and Comments

WIP as the only general insurer working within the Australian Superannuation market welcomes the opportunity to help mould the Insurance Superannuation Code. In general, the initial paper outlines a firm framework regarding key parameters that will build the pillars of what is required to build a solid platform for Trustee's, Insurers and members of the Superannuation Industry.

Whilst it is something that WIP have learned to live with it would be appreciative if these papers could use the general term of Insurers rather than Life Insurers, we understand that the market is dominated by the Life Insurance market but with WIP as a provider of Income Protection services to multiple Superannuation Funds via the General Insurance market, it would be remiss of the regulatory and governing bodies to continue to ignore our existence within these landmark documents.

Currently WIP is the provider of the Best Insurance Product within Superannuation (for the last 5 years). As a service and claims provider WIP's protocols and processes clearly exceed those set out within this paper and have the proud distinction of not having any of its 6,000 claims overturned by the SCT or FOS. On the aforementioned basis alone it's imperative that the word, definition and or Terminology (General Insurer) is included within what will soon become the final working paper, **Insurance in Superannuation Code of Practice**.

#### **Helping members to make informed decisions**

WIP feel all member touch points including the Key Fact Sheet and Welcome Packs should be included in consumer testing. In regards to the Key Fact Sheet template while the overall layout is informative and easy to follow, to aid in transparency the addition of the Superfund's Default IP cover benefit amount would be beneficial to the member at that point of comparison to provide the whole picture.

#### **Claims Handling**

WIP's understanding of the introduction of the **Insurance in Superannuation Code of Practice**, is to protect the member's best interests and provide an improved service platform.

As aforementioned it's WIP's belief that our claims servicing model far exceeds that as set out in the code, WIP has worked under multiple service models with Trustee's to provide their members with a seamless, caring and streamline working model. However after reviewing the service models after 6 months of operation it is clear that the sooner an Insurer (claims) has the claims in their hands the quicker and more decisive, decisions can be made.

The Claims Handling timetable (page p17) leads too many pitfalls, the Trustee whilst having high-level knowledge of the policy and agreed service levels with the appointed insurer is **not a subject matter expert**. Whilst not divulging our Intellectual Property within servicing of claims, WIP clearly sees the first 24 hours of receiving a claim as critical to the process of both expediency, exceeding service levels of both the fund and claimant and outlining what information may be missing.

WIP believe there can be a process of information sharing that will keep the Trustee aware of all such services without having a hands on and therefore negative impact on the claims process.

WIP clearly sees flaws, roadblocks and poor service emanating if the Claims Handling Timetable is agreed to, whilst each Superfund has its own service level agreement with its appointed insurer, it's imperative that transparency is the key and that each party perform the task they excel at, rather than set up a hybrid service platform which adds layers of non-functional tasks.

Section 6.28 refers to the supply of all information relating to decisions where an insurer has decided not to pay a claim. While WIP support this request, as it already forms part of their current processes, the Trustee's independent review of approved claims listed in section 6.31 is of some concern. WIP believe this could cause unnecessary delays due to "double handling" and limited experience of Trustee's staff in this field, which may over complicate the process as a lot of claims are straightforward. WIP do not believe it is appropriate for the Trustee to review claims that are approved as this might create extra costs for the Trustees as they could require additional staffing which may ultimately be member's expense (industry funds are non for profit), for a result that is already in the best interest of the member.

Under the terms and conditions in Income Protection policies there are a certain number of main reasons why payments on a claim may stop. While the causes listed in section 6.35 make up a good majority, WIP feel that the words "medically certified to return to work" should also be included in the reasons that the insurer can stop payments without the need for a review by the Superfund in the first instance.

WIP welcome further conversation and input into this discussion paper.



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