

Insurance in Superannuation Voluntary Code of Practice Transition Plan

From the 22nd October 2019, the Trustee of the Fund commenced offering Group Insurance through Hannover Life Re of Australasia to members of particular Sub Plans in the Aracon Superannuation Fund. and adopted all provisions of the Code of Practice.

The products offered by the Trustee and covered by the code are:

- Death Cover;
- Total & Permanent Disablement (TPD) cover; and
- Terminal Illness benefit
- Income Protection

The table below provide an overview of our transition dates for key items of the Code. A full copy of the *Insurance in Superannuation Voluntary Code of Practice* can be located on our website at www.araconsuper.com.au/Insurance

The Retail Insurance Products, requested by a member, and offered through Life Insurers who are members of the Financial Services Council (FSC), will also be covered by the Code. Any insurer that the Trustee contracts with must be members of the FSC and bound by the FSC Life Insurance Code of Practice.

Our approach

Our intent is to have the Code fully implemented no later than 30 June 2021.

This transition plan provides an overview of our implementation as described in Section 3.6 of the Code.

Benefit design and premiums

Code Section	Included items	Status	Transition Date
Benefit design (4.2 to 4.9)	<ul style="list-style-type: none"> • Design of insurance benefits • Publishing our insurance strategy • Membership characteristics when designing insurance benefits • Appropriateness of our benefit design • Affordable cover that doesn't inappropriately erode the retirement income of our members • Automatic insurance cover that does not exceed 1% of an estimated level of salary for our membership 	Implemented	N/A
Categories of Membership (4.10 to 4.13)	Insurance design considerations for: <ul style="list-style-type: none"> • Members under the age of 25. • Members with low or infrequent contributions 	Implemented	N/A

Reviews and changes to benefit design (4.14 to 4.17)	<ul style="list-style-type: none"> We will review and update the benefits we offer at each insurance contract renewal which is due 14.9.2022. We will assess the premiums for our default members at each policy renewal date or no later than every 3 years. If we change the benefits offered, you will be provided with the details of changes. If the impact on your cover or premiums is material, we'll let you know at least 30 days before the changes take effect in writing. 	Implemented	N/A
--	--	-------------	-----

Automatic cessation and Reinstatement of cover

Code Section	Included items	Status	Transition Date
End of cover (4.25 (e) & (f) and 4.27)	<ul style="list-style-type: none"> Cessation of income protection cover if the account balance is insufficient to meet the next premium payment Cessation of death and TPD cover if at the end of the period for which premiums have been paid immediately after the date their account becomes Inactive, except where they are an Exempt Member. 	Implemented	N/A
Reinstatement of cover (4.27 to 4.29)	<ul style="list-style-type: none"> Ability for basic cover to be reinstated within 60 days if cover has ended due to lack of contributions (subject to eligibility). 	Implemented	N/A

All other Code items

A number of Code items were either in place already or have been implemented. For the remaining Code items that aren't already in place, the Trustee will implement them in a phased approach no later than 30 June 2021.

An overview of our current implementation is included below.

Section	Section Title of Code	Implementation Status
3.	Scope of the Code	
	Who is bound by the Code	Yes
	What products are covered by the Code?	Yes
	When does the Code apply from?	Yes
	Our relationship with Insurers	Yes
	Legal status of the Code	Yes

4.	Appropriate and Affordable Cover	
	Benefit Design	Yes
	Categories of our membership	Yes
	Reviews and changes to benefit design	Yes
	Cancelling your insurance cover	Yes
	Communicating to you about your lack of contributions	Yes
	Reinstatement of cover	Yes
	Duplicate insurance cover	Yes
5.	Helping Make Members to make informed decisions	
	How we will provide you with information	Yes
	Explaining our definitions	Yes
	Communicating during the term of your cover	Yes
	Lost members	Yes
6.	Supporting Vulnerable Consumers	
	Vulnerable Consumers	Yes
	Providing information	Yes
	Interpreting services	Partially
	Guardianship	Yes
	Release of funds	Partially
7.	Handling Claims	
	Principles of claims handling	Yes
	The claims process	Yes
	Making a claim	Yes
	While a claim is being processed	Yes
	Review of insurers decision	Yes
	Claim decision	Yes
	Income Protection claims	Yes
8.	Premium Adjustments	Partially
9.	Promoting our Insurance Cover	Yes
10.	Changes to Cover	
	Changes to cover	Partially
	Transfer between divisions	Partially
11.	Refunds	Yes
12.	Staff and Service Providers	Yes
13.	Making enquiries and Complaints	
	How to make an enquiry	Yes
	How to make a complaint	Yes
	External determination of complaints	Yes

14.	Promoting, Monitoring and Reporting on the Code	
	Our role	Yes

We commenced Code monitoring in December 2020.

There has been no insurance claims made by members of the Fund and therefore no complaints have been made since the Code commenced on 1 July 2018.

All initial communications are between the Promoters of each Sub Plan and the member prior to any correspondence with the Trustee.

As at 31 December 2020 as there has been no claims or complaints, we have determined that there has been no breach of the Code and nothing has come to our attention that we are not complying with the Code or acting in the best interests of members