

Rest's insurance strategy



We believe that affordable and appropriate insurance is an important part of super.

Our insurance objective

- provide death, total and permanent disability (TPD) and income protection (IP) insurance
- design insurance that meets the basic needs of our members at a reasonable cost
- allow members the flexibility to obtain additional insurance to meet their individual needs.

Five key principles

Our insurance strategy is based around five key principles. These guide us in all decisions around insurance within Rest, how we design the product, serve our members, and work with our service providers.

Principle	What it means for Rest, our members and our service providers
1. Simple cover that can be relied upon	<p>Members should find it easy to know if they have insurance and the existence of cover should be explained simply and upfront. Members should receive regular communication from us about their insurance.</p> <p>Statements made to members (for example in a letter or annual statement) should be able to be relied upon. Importantly, when cover starts and stops should be easy to understand.</p> <p>The supporting terms and conditions for insurance should be easy to understand and described in a way so that our members will value the insurance benefit being provided. As such, the product design and definitions do what they say they should.</p> <p>The supporting insurance processes should be simple, so claiming or changing cover is easy to do.</p>
2. Fair and sustainable cover	<p>We make decisions based on the likely needs of our current members, without compromising our ability to provide the same quality of cover in the future. Our insurance offerings, price, and terms and conditions can survive and outlast market volatility and movement.</p> <p>The pricing for a member within a product should be relevant to their likelihood to claim. Cross-subsidies should be minimised across ages, genders and occupations as well as cover types.</p> <p>A member's experience should be similar regardless of which Rest product they are in.</p>
3. Value for members' money	<p>The cost of default cover should be kept down to avoid inappropriately eroding a member's retirement savings. There is a trade-off between retirement savings and the need to protect a member's future income.</p> <p>Default cover is designed in line with the Voluntary Code of Practice.</p> <p>Decisions on cost should not be made in isolation to the other insurance principles. For example, a 2% reduction in cost may not outweigh increasing product complexity or reducing certainty of cover.</p>

4. Designing flexible cover

Default cover should:

- be designed based on different cohorts of members
- provide a basic level of cover to allow access to Death, TPD and IP in line with legislation
- include types and levels of cover that vary with age, lifestyle, ability to work and employment status (full time, part time, casual or seasonal)
- provide a reasonable amount of cover relative to a member's likely earnings
- be flexible so that a member can tailor cover to their circumstances, in or outside super.

Our insurance makes cover available to all of our members regardless of their age. However, cover, or certain types of cover may not be provided to certain cohorts of members by default.

When a member's employment ends, they should be able to retain cover if they wish to.

5. Wellness and rehabilitation

Insurance is designed in a way that helps our members out at a difficult time and replaces their income while they are off work.

Cover should enable members who are off work to return to work and support should be provided to enable that to occur.

The product and services provided should proactively support a member's return to wellness. However, rehabilitation shouldn't be made mandatory.

How we comply with the law

The Superannuation Industry (Supervision) (SIS) Act regulates how Australia's super system is managed. To meet this obligation, we have ongoing processes to ensure that each of the insurance covenants under section 52(7) of the SIS Act are adhered in order to:

- formulate, review regularly and give effect to an insurance strategy for the benefit of beneficiaries of the entity that includes provisions addressing each of the following matters:
 - the kinds of insurance that are to be offered to, or acquired for the benefit of, beneficiaries
 - the level, or levels, of insurance cover to be offered to, or acquired for the benefit of, beneficiaries
 - the basis for the decision to offer or acquire insurance of those kinds, with cover at that level or levels, having regard to the demographic composition of the beneficiaries of the entity
 - the method by which the insurer is, or the insurers are, to be determined.
- consider the cost to all beneficiaries of offering or acquiring insurance of a particular kind, or at a particular level

- only offer or acquire insurance of a particular kind, or at a particular level, if the cost of the insurance does not inappropriately erode the retirement income of beneficiaries
- do everything that is reasonable to pursue an insurance claim for the benefit of a beneficiary, if the claim has a reasonable prospect of success.

In addition to the above, we have further processes to:

- appoint, monitor and review our insurer to ensure they maintain their ability to pay eligible claims on time, and have contingency plans in case the insurer doesn't provide the service we've agreed
- ensure claims are managed efficiently and appropriately, that claims are assessed and managed through regular reporting to ensure the insurer complies with the Financial Services Council (FSC) Life Insurance Code of Practice and their agreement with us
- manage disagreements that may arise when claims are paid to members.

If there's anything we can do

 rest.com.au

 **Live Chat at rest.com.au**
Monday to Friday 8am - 10pm, Saturday 9am - 6pm
and Sunday 10am - 6 pm AEST

 **1300 300 778**
Monday to Friday 8am - 10pm AEST

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