

Transition Plan for Insurance in Superannuation Voluntary Code of Practice

What is the Code?

The Code sets standards that will provide greater understanding, clearer accountability and consistency of delivery for insurance benefits provided in superannuation across the industry.

The Association of Superannuation Funds of Australia (ASFA), the Australian Institute of Superannuation Trustees (AIST) and the Financial Services Council (FSC) are the owners of the Code, supporting the implementation and oversight of the Code.

The Code, which was first drafted on 1 July 2018, was updated on 1 March 2020, 3 July 2020 and 1 February 2021. These updates were to ensure it aligns with the Protecting your Super and Putting Members' Interests First legislative packages and to ensure it remains clear, relevant and focused on improving standards for insurance in super.

Name of trustee: Guild Trustee Services

We have adopted the Insurance in Superannuation Voluntary Code of Practice "the Code", which commenced on 1 July 2018. Further information about the Code can be found here: *Insurance in Superannuation Voluntary Code of Practice*

This transition plan applies to the following funds:

Guild Retirement Fund (which includes GuildSuper and Child Care Super)

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

- Death Cover (including Terminal Illness cover)
- Total and Permanent Disablement (TPD) Cover
- Income Protection (IP) Cover

We have developed a Transition Plan, (below) which outlines the details of what still needs to be done. We will provide updates as we make progress.

We will transition to the standards of the Code by 1 Jan 2022 or earlier at the Trustee's discretion.

The Insurance in Superannuation Code of Practice (Code) commenced on 1 July 2018, and requires superannuation trustees to comply with the standards contained in the Code no later than 1 Jan 2022. We adopted the Code, and currently, we're already meeting a number of the standards identified in the Code and we are committed to meet the remaining items by 1 Jan 2022.

In July 2019 the Protecting your Super legislation and in April 2020 the Putting Members' Interests First legislation packages became effective. The Code was updated as at 1 March 2020 to ensure it aligns with those legislative packages and to ensure it remains clear, relevant and focused on improving standards for insurance in super.

Section 4.1 to 4.17 (Benefit design and premiums)

We have an insurance strategy, as required under superannuation law. We'll publish our insurance strategy online.

Where our product provides insurance cover on an automatic basis, in assessing the level and type of automatic cover, we'll consider several factors including member demographics, salary (actual or estimated) and how insurance premiums from super may reduce the money a member has to live on when the time comes to retire, to ensure insurance is appropriate and affordable.

In terms of affordability, we'll review our insurance benefit design to endeavour to ensure premiums for default cover generally don't exceed 1% of average salaries.

Sections 4.20(E) & (F), 4.27, 4.28 And 4.29 - Automatic cessation of cover and reinstatement

In July 2019 the Protecting your Super (PYS) legislation and in April 2020 the Putting Members' Interests First (PMIF) legislation became effective. These pieces of legislation were designed to protect super savings where insurance premiums may erode super balances.

Under PYS, if you have stopped contributing to your super account for a continuous period of 16 months, we will ask you if you want to keep your insurance cover, otherwise it will cease. We will also enable you to reinstate your policy within 90 days of cover ending due to ceasing contributions.

Under PMIF, we were required to cancel insurance cover if your super balance stayed below \$6,000 between 1 November 2019 and 1 April 2020. And from 1 April 2020, a member can only get new automatic insurance cover if they are at least aged 25 and their account balance is at least \$6,000. If members want cover sooner, they can elect to get cover.

Section 15 (Definition of Automatic Insurance Members)

We have identified our members to whom we have provided automatic insurance cover, as required by the Code.

Sections 6, 7, 11, 13 and 14 (Supporting Vulnerable Consumers, Claims Handling, Enquiries & Complaints)

Our staff and Service Providers will be trained to provide assistance and support to you when required.

We will put in place appropriate governance arrangements for our Claims Process and ensure that the claims process is as straight-forward as possible for you.

When requested by you, we will provide information to you about your premiums, your cover or any decision that has been made to you regarding your cover.

We will monitor our compliance with the Code and report to you in the annual Code compliance report published on our website.

Section 10 (Changes to Cover)

We will provide clear instructions on how to change your cover.

Sections 4.18 – 4.31 (inclusive of 4.25(e), 4.25(f), 4.27, 4.28 and 4.29)

We will provide clear instructions on how to cancel, reduce or change your cover.

We will provide information to you about the impact of insurance premiums on your retirement savings when there are no longer contributions.

We will refund your premiums to your account if you advise within specific timeframes that you no longer wish to have cover in our fund.

We will seek your permission to help you determine whether you have any other insurance cover in a superannuation fund.

Section 5 (Communication)

We will publish our Key Facts Sheet on our website.

We will undertake a process of consumer-testing our communications to members with a sample of our membership.

Section 12 (Staff and Service Providers)

We will develop and roll out a staff and Service Provider training programme on the requirements of the Code.

Sections 8, 9 (Premium Adjustments, Promoting our insurance cover)

We will publish all details of our premium adjustment arrangements on our website.

We will promote insurance cover additional to our automatic insurance cover and will provide adequate information to targeted segments of our membership.

Note that Section 4.27, 4.28 and 4.29 have been replaced with 4.21, 4.22 and 4.23 in the published Code as at 1 March 2020.

Other Code requirements

We have made progress against several of the requirements of the Code. Several Code items have been implemented, and for the remaining Code items, we'll implement these in a phased approach between now and 1 Jan 2022.

Please note that we will report separately in our Annual Code Compliance Report once the Code has been fully implemented.