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Media Release

Deadline fast approaching for Australians to elect to keep default insurance cover

AIA Australia, CSC and Mercer launch national awareness campaign

Protecting Your Superannuation laws commence on July 1, 2019

Melbourne, 3 June 2019 – AIA Australia and its superannuation partners Commonwealth Superannuation Corporation (CSC) and Mercer today launched a nationwide campaign to educate Australians about the potential to lose access to valuable life insurance cover when major changes to superannuation laws come into effect from July.

Each year, more than \$500 million in life insurance claims is estimated to be paid to Australians with an ‘inactive’ superannuation account.

From 1 July 2019, the Government’s ‘Protecting Your Superannuation’ laws will remove automatic life insurance cover from members with an account that is inactive for 16 months or more. While the new laws represent good progress to address the issue of inappropriate balance erosion in superannuation, the changes could leave Australians who want or require life insurance uninsured at their time of greatest need, following a serious incident or event.

To ensure all Australians are able to make informed decisions about their life insurance, AIA with its partners has today commenced a national campaign to raise awareness of the changes, and to inform individuals of the steps they can take to review their personal circumstances and decide whether or not to opt-in to maintain life cover.

The national awareness campaign encourages members to ‘*Click, Check and Protect*’, and includes an information hub at www.checkmycover.com.au to provide Australians with the necessary tools and information they need to better understand their cover, and to determine their needs.

This will be supported by national advertising commencing today, including billboards in major cities, radio and online ads.

AIA Australia CEO Damien Mu said it was important to build national awareness of the changes to ensure Australians and their families aren’t unknowingly left without valuable life insurance protections at their time of greatest need.

“We understand that members can sometimes be less engaged with life insurance based on over optimism about their risk, or apathy, which is why default insurance in superannuation is by far the most sustainable system for mass consumer protections, benefitting everyone in society by providing cover to all,” Mr Mu said.

“From July, many Australians who previously benefitted from the default system will lose access to their life insurance cover if they don’t take action to consider their needs and actively choose to maintain cover.

“We support the intent of the legislation, but it’s simply not the case that all members with an inactive account are without insurance needs – it is estimated that more than \$500m is paid in claims to inactive members each year.

“Our concern is that a large majority of impacted members won’t be aware of these changes until it’s too late, only discovering that they are uninsured at their time of greatest vulnerability after a serious event has occurred.

“This campaign seeks to raise awareness of the changes to limit the potential significant consequences many Australians may face in the future.

“We want all Australians to be informed of the changes and able to make the right decision based on their own individual circumstances. By creating further awareness and empowering members to make their own decision, we help to ensure that insurance is only removed for those individuals when it's not wanted or required.”

CSC's Chief Customer Officer, Peter Jamieson said: “CSC supports the changes that the “Protecting Your Super” legislation will bring about. Reducing account erosion by fees, consolidating accounts, and abolishing exit fees are all in the interests of customers and will mean more people have more money in their super accounts when they retire.

“But we also want as many customers as possible to be aware of their level of insurance through super, and we certainly don't want any customer to discover they are uninsured when it is too late.

“That is why CSC is partnering with AIA and Mercer to encourage customers to ‘click, check and protect’ – we want every customer who needs insurance to have insurance.

Mercer Australia's CEO, Ben Walsh, said: “The changes are a step forward in protecting members from unnecessary balance erosion. They address the duplication of insurance fees resulting from multiple accounts, protect small balances and save young people from paying insurance coverage that they may not need.

“Insurance in super, however, can also be a valuable benefit for many members and there are some who may be negatively impacted as a result of unintended consequences brought about by the changes, such as members who have intentionally left their super savings in an ‘inactive’ account to retain access to a specific insurance coverage.

“While all members should review their insurance benefits on an ongoing basis, those who will lose their default insurance cover as a result of the changes in particular should review their needs,” he said.

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About AIA Australia

AIA Australia is a leading independent life insurance specialist with over 45 years' experience. With a unique customer value proposition focused on life, health and wellbeing, our purpose is to make a difference in people's lives.

AIA Australia offers a range of products that protect and enhance the lives of more than 3.5 million Australians. Our vision is to embrace shared value in championing Australia and New Zealand to be the healthiest and most protected nations in the world. With AIA Vitality – the world's leading scientifically-backed health and wellbeing program – we help members to live healthier, longer, better lives.

AIA Australia has been recognised with multiple awards, including being named ANZLIF Life Insurance Company of the Year (2017, 2015, 2013, 2012).

Further information at www.aia.com.au.

About Commonwealth Superannuation Corporation

Commonwealth Superannuation Corporation looks after super funds designed specifically for Australian Government and Defence Force employees. With decades of experience, you'll be understood, guided and supported.

About Mercer

[Mercer](#) delivers advice and technology-driven solutions that help organizations meet the health, wealth and career needs of a changing workforce.

Mercer's more than 23,000 employees are based in 44 countries and the firm operates in over 130 countries. Mercer is a wholly owned subsidiary of [Marsh & McLennan Companies](#) (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people. With 75,000 colleagues and annualized revenue approaching \$17 billion, through its market-leading companies including [Marsh](#), [Guy Carpenter](#) and [Oliver Wyman](#), Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment. For more information, visit www.mercer.com.hk.