

Response to comments made by Peter Koutsoukis, Maurice Blackburn in an [ABC News](#) story on Sunday 3 June

- Sunsuper strongly refutes that it is 'improperly' paying its member's TPD benefit support payments.
- We are deeply sorry that this is a difficult time for Ms Pizzini and her family. Sunsuper approved Ms Pizzini's claim in December 2017. However, unfortunately, Maurice Blackburn withheld payment instructions until last week and, to date, has also prohibited us from talking to Ms Pizzini about her rehabilitation options.
- It is extremely disappointing that Maurice Blackburn Lawyers are using individual cases to dispute the legality of Sunsuper's TPD Assist policy, while holding up members' benefit payments and rehabilitation support.
- We strongly refute Mr Koutsoukis' allegations that we seek to profit from the TPD policy and reiterate that Sunsuper receives NO financial gain by structuring benefit support payments in instalments.
- We reiterate that Sunsuper is a not-for-profit superannuation fund and our sole motivation is to act in the best interests of all our members when it comes to their retirement savings and in the case of insurance, pay legitimate insurance claims.
- Sunsuper's TPD Assist policy was designed to help members rehabilitate and return to work. Our job is to make sure all our members have access to affordable insurance as part of their superannuation in the case of accident or illness, while at the same time protecting the erosion of their retirement savings through high insurance premiums.
- Mr Koutsoukis is also incorrect when he says Sunsuper is the only fund to pay TPD claims in instalments.

Original statement sent to the ABC on Friday 1 June 2018**Executive summary**

- Sunsuper is a not for profit organisation whose sole purpose is to maximise profits for our members while providing a default level of death and, total and permanent disability insurance.
- Sunsuper is confident that TPD Assist complies with all relevant laws. The requirements of the Superannuation Industry (Supervision) Act 1993 (Cth) relevant to the provision of permanent incapacity benefits to members of Sunsuper were considered in the development of TPD Assist.

- Our only motivation is to act on behalf of our members to ensure that our insurance providers, including AIA pay all legitimate claims. Last financial year we facilitated payment of more than 90 per cent of claims lodged, totalling more than \$300 million.
- We have a multi-award winning customer service team that is passionate about helping our members make legitimate insurance claims as quickly as possible.
- Personal injury lawyers have greatly increased their participation in pursuing insurance claims since 2013 when changes in the work cover legislation in Queensland excluded their involvement in a large number of claims. This has led to them advertising a “no win no fee” campaign to encourage super fund members to use them to make claims. This has resulted in a large number of members with legitimate claims unnecessarily paying a large percentage of their benefit payments to their lawyers. We typically observe lawyers taking between 20-40% of benefit payments and have seen them as high as 60%.
- All super fund members who wish to claim should apply to their super fund directly to avoid paying large sums to lawyers unnecessarily.
- Insurance within superannuation provides a default level of TPD cover which is designed to provide support for members when they are total and permanently disabled.
- Sunsuper’s Total and Permanent Disability Assist product has been designed in our members’ best interests, and with their strong input and collaboration. Our members overwhelmingly told us that they wanted an insurance solution that helped them rehabilitate and return to work.
- Sunsuper is not the only fund to pay TPD claims in instalments.

Insurance claims with Sunsuper

Sunsuper’s only motivation with insurance is to act in the best interest of all its members and always pay legitimate claims as quickly as possible.

We pay more than 90% of claims lodged with us and in 2016/17 financial year that equated to more than \$300 million in payments.

Sunsuper’s contact centre and claims team passionately ensure legitimate claims for members are paid quickly - that extends to challenging insurers when we believe a legitimate claim should be paid.

TPD Assist

Sunsuper’s total permanent disability default insurance product, TPD Assist was launched in 2016 and was designed with our members’ best interests at heart.

TPD Assist is a unique policy that offers protection to members if they were to become ill or injured, but also ensures excessive insurance fees do not erode members' superannuation balances.

TPD Assist focusses on early intervention, occupational rehabilitation and, where possible, helps members return to work.

TPD Assist was developed after 18 months of research and consultation with hundreds of Sunsuper members who had previously been through the claims process.

These members told us that as part of their recovery process, they wanted help to get job-ready:

- almost 70% wanted assistance in vocational rehabilitation, retraining or up-skilling, and
- 66% wanted help finding a job. This is what the product offers free of charge. It focuses on members' capabilities, rather than their disabilities.

In an in-depth study of members who had previously been paid a TPD claim, Sunsuper also found that 36% were working or actively seeking employment within three years. This really highlights that total permanent disability, may not always be permanent, and that many of our members who have made a total permanent disability claim want to return to work.

Sunsuper is confident that TPD Assist complies with all relevant laws. The requirements of the Superannuation Industry (Supervision) Act 1993 (Cth) relevant to the provision of permanent incapacity benefits to members of Sunsuper were considered in the development of TPD Assist.

Insurance claims within superannuation

We strongly refute any statement made by Maurice Blackburn that hundreds of cases have been delayed by Sunsuper.

It is important to note that members making a claim through their superannuation should contact their super fund for help first, to process their claim.

Sunsuper's only motivation is to pay legitimate claims as quickly as possible and it is our recommendation that members only engage with plaintiff law firms if they really need to. This can avoid delays in the claims process and often hefty legal fees.

In recent years we have seen a spike in TPD claims as plaintiff lawyers have pursued life insurance within superannuation.

Members should be wary of no win, no fee legal fees. In one recent instance in particular we saw around 60% of a benefit being paid in legal fees after a member went through a plaintiff lawyer. That said, we recognise the role of personal injury lawyers where members' claims have been declined after reviews by their fund.

Rosemary Pizzini

We appreciate that this is a difficult time for Ms Pizzini and her family, and we are pleased that her claim was approved.

Ms Pizzini lodged the claim in August 2017 and Sunsuper approved it in December 2017. As such, the terms and conditions of the policy entitles her to benefits paid in six annual instalments over five years, rather than as a single lump sum, as well as free occupational rehabilitation.

Although Sunsuper approved the claim in December 2017, Maurice Blackburn Lawyers withheld payment instructions until just this week. To date, we have also been prohibited by Maurice Blackburn Lawyers from discussing rehabilitation options with Ms Pizzini.

Brett Maynard

Mr Maynard's claim was declined on the basis that he was not TPD when he ceased work in January 2014 - four and a half years ago. He has since commenced court proceedings. Unfortunately due to the matter being before the courts we are unable to comment further on the nature of Mr Maynard's claim.

Sunsuper

Sunsuper has been taking care of its members' superannuation and retirement savings since 1987 and today is one of Australia's largest and fastest growing super and retirement businesses managing more than \$55 billion in retirement savings for 1.3 million members.

Sunsuper was the first super fund to ever win Money magazine's Best Super Fund Manager 2018, and Conexus Financial, Chant West, Super Review and SuperRatings' Super Fund of the Year awards in a single year. These awards are given to the Australian superannuation fund that demonstrates excellence across a whole range of criteria including member services, fees, investment performance, insurance and administration.