



Financial Security...for Life.

**Brad Smith**  
Chief International Officer

May 28th, 2018

Manager, Regulatory Framework Unit  
Retirement Income Policy Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600  
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Dear Sir/Madam

### Protecting Your Super Package Consultation

The American Council of Insurance Insurers (ACLI) is pleased to respond to the Treasury Consultation on consultation draft of the Treasury Laws Amendment (Protecting Superannuation) Bill 2018, as announced in the Federal Budget on 8 May 2018.

The American Council of Life Insurers (ACLI) represents approximately 290 member companies dedicated to providing products and services that contribute to consumers' financial and retirement security. ACLI members represent 95 percent of U.S. industry assets, offering life insurance, annuities, retirement plans, long term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. As our membership includes companies headquartered in Canada, Europe and Japan as well as the U.S. we believe that our members have a material presence in Australia which is why we wish to engage on this issue.

Australia is recognized internationally as having one of the world's most successful retirement savings systems. Key to the ongoing success of this system is confidence in the stability of the policy settings for the industry. Any significant regulatory changes should be carefully considered and subjected to wide consultation prior to implementation.

Frequent changes to regulatory and tax settings have the potential to undermine confidence in the system for Australian workers as well as international investment and trading partners.

Our members are concerned that the Protecting Your Superannuation proposal has the potential to cause major disruption in both the superannuation and life insurance industries in a short space of time. However, it was announced without any meaningful prior consultation and is now open for only a very short formal consultation period. The proposed commencement date of 1 July 2019 would constitute a contracted period for superannuation trustees and insurers to implement the changes.

We are concerned that the Protecting Your Super Package consultation process appears to represent a trend of increasingly abbreviated comment periods in the financial services industry. In last year's budget announcement, the Treasurer announced a new revenue tax on Australia's five major banks and also introduced a new banking executive accountability regime. The consultation periods for these changes were also relatively brief in duration.

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This is not consistent with the degree of stability that international partners generally expect from the Australian financial system nor a carefully considered approach to regulatory reforms.

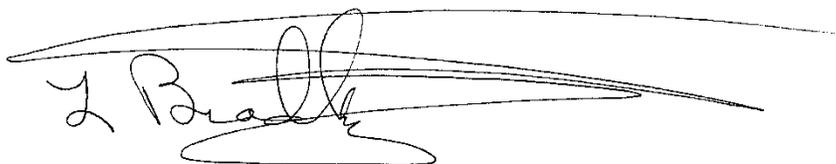
ACLI recommends that the Government extend the effective date for the commencement of the reforms and engage in deeper consultation with the industry and other stakeholders. U.S. and other Global companies have made a long term financial commitment to serve Australian consumers and provide employment and capital to the Australian economy. Thus, we would ask to be included in a necessary, more robust public consultation.

ACLI is an Observer to the OECD Insurance and Private Pension Committee and an Observer of the International Organization of Pension Supervisors. We will be represented at this week's OECD IPPC Meeting in Paris and will seek time with your representatives through the U.S. Delegation.

ACLI and our International Pension Foundation have engaged in international pension policy dialogues with OECD, and the World Bank for approaching thirty years. We value the origin and implementation of Australian Superannuation and recognise the need for ongoing modernisation. However, we respectfully request a more complete and multilateral discussion of this issue with the globally invested industry. From a global perspective Australia is largely in an enviable position regarding funded retirement savings, and we urge towards caution.

Our member are invested in the long term prosperity of Australia. We thus respectfully request your consideration of our request for an extension.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Smith", with a long, sweeping horizontal line extending to the right across the signature.

Brad Smith  
Chief International Officer  
American Council of Life Insurer