**PRIME SUPER**

**Submission in Response to Exposure Draft** **Treasury Laws Amendment (Protecting Superannuation) Bill 2018**

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**BACKGROUND**

As part of the 2018 Federal Budget changes, the Government has released an exposure draft for the protection of member account balances in superannuation.

The Exposure Draft details changes proposed to the Superannuation Industry Supervision Act (1993) in respect of fees charged by Superannuation Funds and Insurance within superannuation.

The proposed changes:

1. Prevent trustees of superannuation funds from charging administration and investment fees exceeding 1.5 per cent of the balance of accounts with balances below $6,000 for the six month period immediately following the date on which the balance is calculated.
2. Prevent trustees from charging exit fees on all superannuation products, regardless of member’s account balance.
3. Prevent trustees of superannuation funds from providing opt out insurance to members:

• who are new members and under 25 years old;

• with an account balance below $6,000; or

• with an account that has been inactive for 13 months.

1. Require trustees of superannuation funds to transfer accounts with balances below $6,000 that have been inactive for 13 months to the Australian Taxation Office (ATO).

The Explanatory Memorandum explains the effect that these legislative provisions will have on superannuation funds, and the benefits to members. The Government has also included provisions for the timing by which the obligations under the Exposure Draft need to be actioned.

Prime Super is concerned that these legislative measures are not in the best interest of its members and has set out its concerns below.

Prime Super consents to all information contained in this submission being made available to the public.

**ABOUT PRIME SUPER**

Prime Super is a nationally operating industry fund styled superannuation fund with a large cohort of members located in regional and rural Australia. Prime Super is a not-for-profit industry fund, meaning that the Fund is run only to benefit members. Prime Super has approximately 115,000 members, more than 35,000 contributing employers and more than $3.7 billion in assets under management (as at 30 April 2018).

Prime Super offers members many benefits and services including:

* a choice of ten different investment options in the accumulation phase;
* a pension product that also offers ten different investment options;
* a range of competitive, flexible and cost-effective insurance options;
* low fees;
* website for members and employer services;
* free nationwide education seminars; and
* access to financial planning services.

Prime Super has a large number of members that are employed in rural and regional locations as well as through the health and aged care sectors. The membership profile of the Fund leans towards blue collar / manual workers. Death and TPD (total and permanent disability) insurance cover is provided based on the occupations of those lives that are insured, blue collar workers typically have more risky occupations and therefore the cost of insurance for those persons will be higher than for a white collar worker.

**INTRODUCTORY COMMENT**

We understand the intent of the proposed legislative change and agree with the basic aim of improving the retirement outcome for working Australians. A key driver in the view that superannuation accounts are being improperly eroded by fees is the insurance arrangements of Funds.

Any insurance policy that is not claimed on is seen with hindsight as being a waste of money, but insurance is in place to protect members in the event that something does happen, either death or total and permanent disability. It is only when something does occur that the real value of insurance is recognised.

There is a definite need for more Australians to have access to a default form of death and TPD insurance cover. Industry wide reports demonstrate there is a high degree of under insurance in Australia and superannuation funds provide a means to improve the net outcome for an individual during their working life in the event of death or disability.

We can demonstrate that all members of a superannuation fund that have cause to claim on their insurance arrangements have a better outcome through default insurance cover.

However, the provision of insurance cover takes away from the ability of a superannuation fund to deliver a low cost product that delivers the best outcome for an individual at the time of retirement. Death and TPD insurance should be removed from superannuation and provided to working Australians through other means.

**EXECUTIVE SUMMARY**

The Exposure Draft and Explanatory Memorandum (EM) for the *Treasury Laws Amendment (Protecting Superannuation) Bill 2018* seeks to:

1. Prevent trustees of superannuation funds from charging administration and investment fees exceeding 1.5 per cent of the balance of accounts with balances below $6,000 for the six month period immediately following the date on which the balance is calculated.
2. Prevent trustees from charging exit fees on all superannuation products, regardless of member’s account balance.
3. Prevent trustees of superannuation funds from providing opt out insurance to members:

• who are new members and under 25 years old;

• with an account balance below $6,000; or

• with an account that has been inactive for 13 months.

1. Require trustees of superannuation funds to transfer accounts with balances below $6,000 that have been inactive for 13 months to the Australian Taxation Office (ATO).

Prime Super submits that:

1. The proposed changes will adversely impact many of its members and/or their families.
2. The proposed changes introduce added complexity into the superannuation system that will result in members being either uncertain/unaware of their entitlements.
3. The proposed changes will have the result of increasing the overall cost of insurance for members who “opt in”.
4. The proposed changes have the potential to increase the cost of the administration of superannuation accounts resulting from increased complexity.
5. The proposed changes in some instances are clearly not in members best interests and would put the trustee at odds with its obligation to always act in members best interests.
6. The proposal requires additional input from and consultation with the industry to ensure that the risk of unintended consequences is reduced, the interests of all members are considered and the issues of account duplication, account consolidation and balance erosion are addressed satisfactorily.
7. **ADMINISTRATION AND INVESTMENT FEES CAP FOR ACCOUNTS UNDER $6,000**

The superannuation industry for some time applied “member protection” to small balance member accounts that were eroded as a result of fees. This protection was removed from legislation in July 2013 with the introduction of the MySuper products that are offered widely. The rationale used at the time was that the MySuper product was a “low cost” product and members in that product were less at risk. At the same time small account transfers to the ATO were implemented as a way of providing a layer of protection.

This proposal adds complexity into the product and its benefit is arguable. For example, a member with $4,000 would be paying a fee of $87.60 p.a. (excluding insurance premiums). This fee is equivalent to a return of 2.19% p.a., that is as long as Prime Super is earning more than 2.19% the member is better off. Five year returns for Prime Super to 30 June 2017 were 10.98%, investment returns will continue to allow these small accounts to grow strongly. Prime Super, as many industry funds do, charges low fees to members and it is considered that the proposed fee cap is unnecessary in respect of the level and methodology of fees levied.

Prime Super understands the systemic issue that the proposal is trying to address (account balance erosion, account duplication) and considers additional consultation with industry is required so that any changes implemented have no unintended consequences.

1. **NO EXIT FEES TO BE CHARGED**

Prime Super does not charge exit fees to members and supports this initiative.

1. **INSURANCE CHANGES**

The Chair of the Parliamentary Joint Committee Inquiry into life insurance noted that the industry ‘has a noble purpose in providing financial protection to policyholders in times of need and financial distress’. Insurers and superannuation funds are very conscious of this responsibility to superannuation fund members. APRA reports that group insurance benefits paid to Australians was $4.9 billion for the year ended 2015-16.

Rice Warner estimate that group Insurance in superannuation reduces the annual cost to social security by approximately $403 million per year. This can be attributed to people turning to welfare programmes if they do not receive life insurance benefits. Reducing life insurance take-up rates for younger members or those with low balances will improve the prospect of higher superannuation balances over time, but it is expected to lead to additional direct costs to taxpayers through additional claims through welfare programmes.

Essentially the savings made through a reduction in future pension payments will be more than offset by an increase in welfare payments to those that would currently receive a death or TPD benefit.

The proposed measures are to prevent Trustees of superannuation funds from providing opt out insurance to members:

• who are new members and under 25 years old;

• with an account balance below $6,000; or

• with an account that has been inactive for 13 months.

Addressing each of these groups in turn:

**A new account for a member who is under 25 years of age**

A superannuation fund’s primary responsibility is to enable individuals to save enough through their superannuation account to either fund their retirement, or provide a supplement to the age pension. Superannuation funds are also required by law to provide a level of death and TPD (Total and Permanent Disability) insurance cover to members. Trustees are aware that any insurance premium deducted from a member’s account will lead to a lower superannuation balance over time.

A Trustee is responsible for having an insurance management framework that reflects the risks associated with making available insured benefits that are appropriate to the size, business mix and complexity of the Fund’s business operations. In addition Trustees are responsible for ensuring that the insurance offering by the Fund is appropriate for the needs of the members of a Fund.

Prime Super has a large number of members that are based in rural and regional Australia. Those that live in rural and regional Australia are more likely to leave school, take up employment and have familial commitments at a younger age than those that live in the major urban areas.

Prime Super understands the need to match insurance needs with default offerings. However, we consider that the proposed change will leave many Australians who have financial commitments or family commitments with no insurance cover.

The Australian Government’s Australian Institute of Health and Welfare report “Australia’s mothers and babies 2015 – in brief” report notes that the average age of mothers is increasing. The number of babies born to those women under the age of 25 accounted for 15.3% of births in 2015 (19.0% in 2005), however the actual number of births to that age group has only decreased slightly with 46,553 births in 2015 (50,881 in 2005). This indicates there are a significant portion of the population with familial commitments under the age of 25, who will likely have no insurance cover as a result of these changes.

Whilst it is accepted that there is a view that superannuation funds should do more to engage with members under the age of 25, it is easier said than done. Superannuation is a complex financial product that is not understood by a large section of the workforce, the system has been in place for thirty plus years and it is clear that there is no easy way to engage a twenty one year old with their super, let alone the insurance aspects of that superannuation account. Default insurance was introduced to provide protection for those that don’t realise they need it. It is only at the time of making a claim that the majority of superannuates understand the benefit of the insurance aspect of their superannuation fund, this is particularly true for younger Australians.

The above is clearly demonstrated in the brief case studies that are set out at the end of this submission. The death benefit paid is the default benefit that the member received as a result of joining the Fund. If default cover was not in place it is highly likely that these individuals would have had no insurance cover at all, and their beneficiaries would have received nothing as a result of the death of that person.

If this measure were to be introduced there would potentially be 45,000 young families that do not have any death and TPD insurance protection.

The second aspect of insurance cover for young members relates to the need for TPD cover. Even if these young individuals do not have a familial commitment there does remain a need for TPD insurance cover. It can be argued that death cover is not required for young persons, but a young working person does need TPD cover. In the event of an incident that leaves an individual totally or permanently disabled without cover through a superannuation fund, the cost of this incident will fall solely on the welfare system. The cost of insurance through group insurance arrangements provided by superannuation funds leads to a lower cost of insurance for members, particularly where it is tailored for certain groups of members, and a better outcome for all Australians through a reduced burden on the welfare system. This system is a far more cost effective way of managing the insurance needs of working Australians.

Prime Super has reviewed claims data for the last two years, and notes that 2.2% of all claims relate to members under the age of 25. Of the total membership of the Fund around 5% are under the age of twenty five. Therefore insurance claims for those under the age of 25 are only marginally under represented in the claims data. A move to remove cover for younger members would not be in the best interests of the members of the Fund.

**An account that has been inactive for 13 months**

The provision of group insurance arrangements that were based on the receipt of contributions (that is cover was only in place whilst contributions were being made) was a common arrangement in place in the industry up until about the early 2000’s. This then gradually changed to a situation where insurance continued to be offered as long as there was money in the individuals superannuation account.

The move away from contribution based cover was driven by a number of issues that will remain as issues today should the industry return to this basis for providing its members with Death and TPD cover.

* + Members’ insurance cover may be cancelled as a result of employers failing to pay SG payments as required. Prime Super has approximately 35,000 contributing employers. Many Prime Super members work in temporary or casual jobs and do not review contributions being made, simply assuming that employers are meeting their obligations.
	+ The proposed legislation sets out the criteria for reminders to be sent to members that their insurance cover is about to cease. Whilst some members may take action a majority will not as the matter is either not understood or they see no value in insurance. This will lead to reduction in the number of persons with cover.
	+ Prime Super has a high exposure to individuals that work on a contract basis. Any individual that has such broken work patterns may in fact see a number of letters under the proposed legislation, and may pay attention to the first few letters, but over the years they will be ignored and insurance cover may then cease, even though there was never an intention to let it happen.
	+ If cover ceases as noted above it will not be possible to simply reinstate cover as those that are seeking to reinstate cover are more likely to be those that require cover, i.e. a higher insurance risk. It will therefore be necessary for each of these members to be individually underwritten. It is well established that a higher number of members will not proceed with applying for insurance if an underwriting process is required, even if it is a simple process. The loss of a default nature of insurance will reduce the number of members that have cover.
	+ As insurance will be provided based on contributions received into the Fund there is a greater likelihood that members believe they have insurance cover when in fact they do not. The most recent statement received by the member (effective at June and December each year), may state that cover is in place, but by the date of the incident members may have had their cover cancelled. This information is clearly available to members through websites. But lawyers will take up the matter and complaints around whether insurance is in place or not will increase and will be heard through the courts. This will have a further cost impact on insurance and superannuants.
	+ The requirement for all members to “opt in” is difficult to understand. There are a small number of members who have taken some action with their insurance, increasing it, moving from unitised to fixed cover or simply change occupational status. The vast majority of members do not read what is sent to them and do not engage with their superannuation fund. Even with increased notification to affected members, the vast majority of those that should opt-in will make no decision, and will therefore have no insurance cover.
	+ Those members that have taken some action with their insurance, increasing it, moving from unitised to fixed cover or simply change occupational status have made an active decision around their insurance and as such should not be impacted by these changes.
	+ The period of 13 months for establishing “inactivity” is too short. There are many reasons for members reaching this time line and not being “inactive”.
		- Members taking extended family leave
		- Members taking career breaks to travel
		- Members who work in seasonal occupations who miss a season (maternity/paternity or travel break)
		- Members taking an extended break as a result of injury or illness

It is recommended that this time frame if introduced be extended to a 24 month period.

**An account with a balance below $6,000**

The argument that an account with less than $6,000 should not have insurance premiums deducted from them is not reasonable.

A key aspect that is not considered in the determination of the $6,000 cut off level relates to an individual’s circumstances. For example, a 45 year old individual that has one superannuation account with $5,000 in it is best served through having insurance deducted from the account:

* The size of the account indicates that they are unlikely to be in a form of employment that would ever result in the account to accumulating a significant balance at the time of retirement;
* Any monies that were accumulated in superannuation up to the point of retirement would simply be spent at the time they could be claimed. Therefore this account has served no benefit in providing a retirement solution for this individual. The Government will bear the full cost of a pension for this individual;
* As the account balance is low, it is highly likely the individual has broken work patterns and is unlikely to have insurance in any form.

In this hypothetical instance if insurance cover were to be cancelled the Government would still be required to pay the full cost of pension entitlements, as well as being at risk for any welfare payments should an event that leads to total and permanent disability occur. By retaining insurance cover for this members the Government has a reduced exposure for any event that leads to total and permanent disability.

Additionally, members are encouraged to consolidate their super. In the event that this member does have another small superannuation account somewhere else, it is likely that that account will have insurance as well. This is actually a positive, as is reported by Rice Warner there is chronic under insurance within Australia, the fact that a member has two default insurance arrangements, that are both claimable leads to a better net outcome in the event of death or disability.

Other specific points of note

* Insurance is currently developed based on a lifetime membership basis. That is a member joins the Fund when they start work and has cover throughout their working life. Insurance costs are spread over the lifetime of membership. Yes the costs are higher in the first few years (as a percentage of the account balance), but significant benefits flow later in life. The cost of insurance will increase to cover the fact that the period that insurance is being taken out for is reduced. Very simply this means that if default cover is provided at $4 per week over a forty five year working period (i.e. age 20 to 65), then, if the working period is reduced to forty years (i.e. age 20 to 65) everything else being equal the cost per week will increase to around $4.5 per week.
* This change effectively removes insurance cover for all members joining the fund until their account balance reaches $6,000. This leads to a period of time where no insurance benefits are provided. Insurance cover will be required to commence on a default basis to ensure there is no selection against the insurer, (i.e. the majority of those individuals that will choose to take out insurance cover will be those that require death and TPD insurance will apply, that is terminally ill persons for example). Others will not apply.
* The recommencement of insurance at $6,000 will create the same problem that is being addressed, that is members do not want insurance and therefore make a complaint about the fact that insurance has started without their permission. All members are currently advised at the time of joining the fund that they have insurance cover and can cancel it if they wish.

Prime Super has reviewed its claims data for the last two years. The results show that 38% of Death, TPD or Terminal Illness claims paid were to members with account balances under $6,000. 41% of all members of Prime Super (both those making contributions and those inactive members) have an account balance of less than $4,000 therefore the number of claims made is representative of the total membership of the Fund.

These are members and or their families who would be severely disadvantaged by the implementation of these proposed changes. Without that insurance payment there is the heightened risk that those claimants would have had to seek welfare assistance from the Government. We strongly recommend that this proposal should be removed as it will severely disadvantage Australians and their families and lead to a greater welfare system cost to Government.

1. **TRANSFER OF INACTIVE ACCOUNTS TO THE ATO**

The proposed transfer to the Australian taxation Office (ATO) of all account balances of less than $6,000 that have been inactive for thirteen months, will result in the loss of insurance cover for a vast number of Australians and will lead to a worse superannuation outcome for those members.

* The transfer of an account balance to the ATO will automatically result in the loss of insurance cover. As discussed earlier in this submission the loss of insurance cover of smaller superannuation accounts is not necessarily in an individual’s best interest.
* An inactive account balance of $5,000 maintained in Prime Super will be a better outcome for a member than having this account transferred to the ATO. The total cost of administration fees for an account of $5,000 for one year is $92.60, and default insurance cover costs $196.04 per annum for a total costs of $288.64 per annum. The investment earnings on an account of $5,000 amount to $549 (based on an after tax and fees investment return of 10.98% per annum over five years for the Prime Super MySuper investment option). By retaining this account of $5,000 with Prime Super the member increases their account balance by $260.36 and has insurance cover. This is a better outcome for the member than if the monies were transferred to the ATO, which pays a low rate of interest, and where insurance cover is lost.
* There are situations where members will maintain a small superannuation account balance to take advantage of the benefits of group life insurance cover. Topping up balances occasionally. The exposure draft provides no option for members to exclude themselves from the inactive transfer to the ATO. There will be significant impact to members if these accounts are closed.
	+ The period of 13 months for establishing “inactivity” is too short. There are many reasons for members reaching this time line and not being “inactive”.
		- Members taking extended family leave
		- Members taking career breaks to travel
		- Members who work in seasonal occupations who miss a season (maternity/paternity or travel break)
		- Members taking an extended break as a result of injury or illness

It is recommended that this time frame if introduced be extended to a 24 month period.

1. **GENERAL COMMENTS**

There is a mistaken assumption that members with inactive accounts and small account balances should not bear the cost of the superannuation system. Every account balance, whether it be for an amount of $1 or $1 million has the same obligations around it, a superannuation fund is required to, amongst other things:

* Maintain all details of the account including any and all transactions;
* Formal annual statements are to be sent to, or available to, the member each year;
* Communications are to be sent to the member to inform them of the product and any changes that have been made;
* All accounts bear the cost associated with all levels of reporting through to all Regulators; and
* All members bear the cost associated with the payment of benefits to those members that leave the Fund (the proposal is that no exit fees be charged, therefore existing members must bear the transactional cost);

Included at the end of this submission are a number of specific case studies of members that have received a significant benefit from the insurance product offered through Prime Super if the Government’s proposed changes were enacted these members would likely have no insurance cover and therefore receive no insurance benefit.

**General Insurance Requirements**

Rice Warner has reported that in general Australians are under insured to the tune of approximately $1,811 billion. This is made up of under insurance in the main life insurance “categories”:

* $57 million per year for life insurance
* $1,258 million per year for total and permanent disability (TPD) cover
* $260 million per year for income protection

Those with small account balances are more than likely to have their only form of life insurance cover provided through their superannuation fund. Removal of insurance cover provided through superannuation funds will lead to an increase in the level of under insurance in Australia, and will lead to a higher cost to the welfare system for this increased pool of members with no insurance protection.

**Insurance Pool**

The proposal to remove insurance cover for those with less than $6,000 in their account will reduce the number of members in the overall pool of insured persons. Over time this will result in an increase in premiums for members who have opted in to insurance arrangements.

The matter is not one related to any specific fund, the matter needs to be considered in totality. A reduction in the total pool of insured members will result in an increase in the cost of premiums, because the number and value of claims will remain unchanged.

Given this, there will not be a savings of insurance premiums as the Government is suggesting.

If the Government is concerned about the level of duplicate insurance that is currently possible, this concern is misdirected. As noted above by Rice Warner there is a significant level of under insurance within Australia. Those individuals with small account balances that do have duplicate superannuation accounts are likely to also be the ones that do not have sufficient life insurance protection. Those individuals that are on top of their affairs will have one superannuation product and potentially the correct amount of insurance. Those that are not on top of their affairs benefit to a large degree through the additional level of default insurance cover they have.

**Ultimate Solution**

Whilst we do believe in the value that the insurance offering provides to the members of Prime Super, we do understand the intent of the changes, which is to improve the retirement outcome of Australians. To achieve this better retirement outcome, a radical change to the system, is required.

A superannuation fund is run to provide the best long term outcome to a pool of members of the Fund taking into account the risks associated with investing. Any deduction from a superannuation account will lead to a lower retirement benefit being available at the time of retirement. Insurance is occupationally based (that is higher risk occupations pay higher insurance premiums when compared to lower risk occupations), whereas superannuation is not. Superannuation is driven only by the contributions made to a superannuation account the fees charged and the earnings on that account.

The key thrust of the budget changes and of many other reviews into the superannuation system are that the deductions taken out of member accounts are eroding the potential retirement savings of ordinary Australians. A significant component (often the largest deduction from default superannuation accounts) relates to insurance products that are provided on a default basis to members of the Fund.

Superannuation Funds are required by law to offer a minimum level of insurance cover to members of the Fund. When selecting an insurance offering to be provide to members a Trustee is faced with balancing the long term retirement needs of individuals with insurance protection in the event that a members dies or is disabled prior to reaching retirement age. As noted above Rice Warner has reported on the chronic level of under insurance in terms of life insurance products for Australians. Superannuation funds have established insurance offerings that meet the needs of their individual membership based on the occupational nature of the membership of the Fund.

The most appropriate solution to the concern around the high level of fees deducted from superannuation accounts is to separate retirement and superannuation needs of individual Australians. The two objectives do not sit naturally within a superannuation fund. Superannuation is about accumulating an amount of money by retirement age that can provide an income stream in retirement, whilst insurance is about providing cover now in the event of death or disability. These two objectives are diametrically opposed.

Given the above, insurance should not be mandated in superannuation. That is, no superannuation fund should offer insurance of any form. As a result all superannuation funds would therefore be competing solely to deliver the best retirement outcomes they can. In so doing there will be better clarity over investment performance and the cost of delivering the product, without the complicating factor of the type of insurance offered.

The complexities associated with the development and management of insurance products and policies will be removed from the system, and all members will get a better retirement outcome as a result of the removal of insurance premiums and the cost of managing the insurance arrangements. The reduction in cost will therefore be a removal of the insurance premium itself and a reduction the other costs associated with insurance including the administration of the insurance arrangements.

By removing insurance from superannuation members will be better off because:

* Members will get a better retirement outcome through the removal of deductions for insurance premiums from their account;
* Communications with members will be clearer and more concise, as the product only relates to the investment and management of contributions made to a Fund and accumulated investment returns for the purposes of delivering a retirement outcome – so leading to lower costs in the system;
* Complex communications around insurance arrangements will not be required – so leading to lower costs in the system;
* The administration function around managing insurance arrangements will be removed – so leading to lower costs in the system;
* Complaints around inappropriate deduction of insurance premiums will be removed – so leading to lower costs in the system;
* Complaints around incorrect decision being made on insurance claims will be removed – so leading to lower costs in the system

If the Government is also concerned about the overall level of life insurance cover amongst Australians it would then be necessary to create a national life insurance pool that could be run in a similar way as superannuation. A basic insurance premium could be deducted from individuals’ salary, like the way the Superannuation Guarantee contributions are currently deducted, but the premiums are paid to a pool or other body to provide the overall insurance product.

**ATTACHMENT**

**DATA**

Prime Super has extracted claims data over the last 2 years that shows that 38% of Death, TPD or Terminal Illness claims are for members with account balances below $6,000.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Claim Type** | **Number of Members** | **Members under 25** | **%** | **Members under 6K account balances** | **%** |
| Death Claim | 398 | 14 | 3.5% | 141 | 35.4% |
| Terminal Illness | 51 | 0 | 0.0% | 13 | 25.5% |
| Total and Permanent Disablement Claim | 248 | 1 | 0.4% | 112 | 45.2% |
| **Total** | **697** | **15** | **2.2%** | **266** | **38.2%** |

**CASE STUDIES**

Prime Super has reviewed a number of Insurance claims it has received and provides details so that the impact on these members can be understood. Prime Super strongly believes that the proposed changes will be adverse to its membership and they need to be reassessed with additional input from the industry.

**DEATH:**

|  |  |
| --- | --- |
| **Under 25** | **Under $6k**  |
| Member 122 year old, lightning strike$13,291.81 Account balance$95,200 Insured componentDefacto spouse | Member 233 year old, suicide$4,100.68 Account balance$132,400 Insured componentDefacto spouse, 10 year daughter and 2 adult step children  |
| Member 321 year old, multiple injuries $8,155.68 Account balance$90,000 Insured component No dependants (estate) | Member 447 year old, multiple organ failure$1,712.19 Account balance$73,200 Insured component Spouse, 5 children from ages 6-16  |
| Member 519 year old, crushed by a bull$120.42 Account balance$95,200 Insured componentInterdependant mother | Member 640 year old, pending coronial inquest$722.64 Account balance$125,600 Insured componentNo dependants (estate) |

**TERMINAL ILLNESS:**

|  |  |
| --- | --- |
| **Under 25** | **Under $6k**  |
| NONE | Member 761 years old with breast cancer$4,240.16 Account balance$19,600.00 Insured component |
|  | Member 857 years old with cancer$1,113.91 Account balance$34,000 Insured component |
|  | Member 931 years old with oesophageal cancer $901.31 Account balance$132,400 Insured component |
|  | Member 1054 years old with cervical cancer$4,445.61 Account balance$44,800 Insured component |
|  | Member 1138 years old with a bowel tumour$5,023.91 Account balance$132,400 Insured component |

**TPD:**

|  |  |
| --- | --- |
| **Under 25** | **Under $6k**  |
| Member 1222 year old male with brain and spinal injury$8,139.97 Account balance$95,200 Insured component | Member 1329 year old male with lumbar spine condition$27.00 Account balance$117,600 Insured component |
|  | Member 1439 year old male with disc degeneration/sciatica$855 Account balance$125,000 Insured component IS |
|  | Member 1546 year old with crushed thigh and severe anxiety$4,062.61 Account balance$99,600 Insured component IS |