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Via Electronic Transfer

23 February 2018

The Honourable Kenneth Hayne AC QC
Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry
FSRCSolicitor@royalcommission.gov.au

Dear Commissioner,

Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

I refer to our submission to the Royal Commission dated 29 January 2018. In our response, Sunsuper identified three business activities that it has engaged in since 1 January 2008 which it considers may have fallen below community standards and expectations.

On 19 January 2018, Sunsuper commenced review of an insurance claim referred to us for conciliation by the Superannuation Complaints Tribunal. At the end of this review, in February 2018, Sunsuper formed the view that this individual claim did not meet community standards or expectations, nor did it reflect the improvements made in the claims handling practices as set out in our response of 29 January 2018.

Accordingly, mindful of our duty and desire to assist the Commission, Sunsuper wishes to provide further details to supplement our original response.

Sunsuper believes the issues that have occurred in relation to this claim are isolated and not indicative of a wider systemic issue. The complexity and often unique nature of claims that include individual circumstances such as multiple conditions, along with the increase of third-party participants and claim volumes will continue to present as a risk.

Claim Overview

The claim was received by Sunsuper in June 2016 and referred to Sunsuper's insurer, AIA. Sunsuper was notified of the claim being declined by AIA in September 2017. A combination of human error on Sunsuper's part and AIA's actions in regards to this claim, contributed to a poor and unnecessarily lengthy experience for our member.

On Sunsuper's part, human error had caused the delay in commencing the review of AIA's decision to decline the claim in September 2017. In January 2018, Sunsuper commenced a review as part of planned Superannuation Complaints Tribunal conciliation. During review of this claim, Sunsuper found that it disagreed with the insurer's decision and requested the decision be reviewed. Ultimately, AIA accepted the claim on 16 February 2018 and agreed to paying our member's claim in full and compensating our member with lost interest in accordance with the relevant statutory provisions.

To uplift Sunsuper's claims process with regards to Trustee review, our current program of work will implement data integration with AIA and enable improved process automation from July 2018. Immediate actions to prevent recurrence of this process breakdown includes increased staff training, daily monitoring of workflow and the status review of all current claims.

We regret that our handling of this matter fell short of both our member's expectations and have apologised to our member. The member has accepted an invitation to meet with Sunsuper and our insurer to contribute feedback on her experience.

As we noted in our original submission we have invested significantly in the last 18 months with increasing resources and training in this area after an end-to-end process review. In this respect, it is notable that customer satisfaction for the last three years has increased and member complaints have declined year on year with the current volume of complaints 44% lower than 2015.

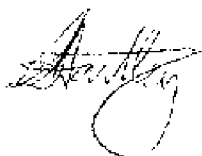
In closing, Sunsuper believes the steps it has taken to improve systems (including through automation) and uplift in claims capability will greatly mitigate the risk of human error contributing to the delay of claims in instances such as this.

Additional Information

Sunsuper acknowledges and accepts its duty to assist the Commission and trusts that this additional information meets the requirements of the Commission's original request for information.

Should you require further details in relation to the information provided in this letter, please contact Lachlan East, Chief Risk Officer on [REDACTED] or by e-mail at [REDACTED]

Yours sincerely,



Scott Hartley
Chief Executive Officer