

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5

Submitted By: Rita St Clair

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

Do you agree to your full name being published: Yes

Your submission:

Hi, I am 63 years old and a full time housewife. I initially had my super with [REDACTED] from 2010 until they were taken over by [REDACTED] in [REDACTED]. I took out life insurance with [REDACTED] for \$125,000 and in around 2014 I amended the cover to \$130,000. My member number is [REDACTED]. I recently became aware that my premiums were increasing significantly and I wrote to [REDACTED] as premiums continue until age 70. Premiums have increased approximately 50% across all ages in the last two years even though their Insurance Manager states in their material that premiums are actually decreasing! Their insurance cover is an automatic opt in, unless you opt out. The automatic/default premium level is Standard (their highest premium). The other premium options are Low Risk or Professional. Low Risk premiums are around 50% lower than Standard and Professional are around 60% lower than Standard. It appears that I am paying the Standard premium, even though I am a full time housewife. Their work rating test determines your premiums. The work test on their website has four simple questions that require a yes/no answer. They are - do you spend 80% of your job in administrative or clerical activities in an office based environment; do you earn more than \$100,000 a year; do you have university qualifications; do you have a management role in your company. If you answer no to the first question, you are standard risk. I wrote to them advising that I wanted to be rated as low risk and that the work test wasn't applicable to me because I wasn't working. They wrote back requesting that I complete a "Change your Individual Work Rating" form. This was submitted, stating that it wasn't applicable because I wasn't employed, had no income and was a full time housewife. Their two line response stated "Your application to change your Income Protection (this should read Life Insurance) work rating has been assessed, but, according to your responses, you're not eligible for a different Income Protection (this should read Life Insurance) work rating. Your insurance will continue based on a work rating of Standard" Dated 31 August, 2018. It's totally unreasonable that the work test bundles me and all other retirees in with tradespeople and contractors, many who are doing high risk activities, etc. Effectively, Standard cover is for anyone who doesn't spend at least 80% of their time in a clerical or administrative role in an office based environment. I'm concerned that all retirees up to the age of 70 with insurance cover with AS are being gouged by paying the Standard (highest) premium, because there is no category for retirees and the default premium applies. They close their correspondence by stating "Thanks for being a member" Cheers, Rita St Clair