

Emma Pimblett

Royal Commission – Insurance Submission

In 2014, I was 18 years old and entering into the workforce where superannuation was compulsory, for the very first time. My mum had found me a superannuation fund which she believed would be a good place to start off my super savings, this fund was called [REDACTED]. I had never filled in any formal documents or application forms before, besides a drivers licence and bank account application so a lot of the jargon that was used in these forms were very confusing to someone like me.

There was one question in particular that I didn't understand and it had to do with the insurance products they were offering. It was filled with double negatives and the question was not straight forward. As I had already started working with my new employer and this hadn't been arranged prior, I panicked, as this needed to be sorted out before the first pay. So I left the question blank. I was scared that they would cover me for insurance when I didn't want it and I needed it over and done with.

No one had contacted me regarding the questions that were left blank, and I didn't think anything of it at the time. The only correspondence that I had was email confirmation that the account was set up and my new account numbers that I would need to give my employers moving forward.

In mid May 2016, I received a letter in the mail stating that my super balance was low due to my disability and or death insurance coverage. This was the first that I had heard about the insurance, approximately a year and a half after I had initially joined [REDACTED]. When I called and asked about the insurance, I advised that I left the question blank because I didn't understand the wording of the question and didn't want the insurance cover. I asked if they could refund the premiums that were paid and they advised that they couldn't because I hadn't specifically requested to opt out of the insurance. I argued that I hadn't specifically opted in either which fell on deaf ears.

As I was going to University, I was only working casual, I wasn't receiving a lot of income. [REDACTED] had covered me for \$170,000 life insurance policy and I was paying \$221 per annum for income protection which would give me \$850 per month if I was unable to work. For the most part, I wasn't even earning \$850 per month take home, so in hindsight, insuring myself to get more money than I would a normal work week for income protection is unnecessary. I have attached in my supporting documents an end of financial year statement showing that my yearly super contribution was only \$393. These insurances and fees involved totalled that exact amount of money that was contributed, leaving me a balance of \$0. The exactly same place as I had started a year ago.

I know that this isn't a lot of money, however I am thankful that this happened to me early in my working career and found this out sooner rather than later as this could have severely impacted my future. I can only imagine how many other people weren't as fortunate as I, and are now suffering because of this.

I have attached the following documents for your reference:

- Member exit statement showing my balance, insurance coverage and what costs were involved which gave me a \$0 balance for a years' worth of work and the transactions for the insurance charges (please note that they are all for different amounts and do not differentiate between the insurances)
- My initial application to [REDACTED] showing the questions that were left blank.
- Letter stating that my account balance was low.