

## Netwealth Investments Limited Insurance in Super Code of Practice Transition Plan

### Insurance in Superannuation Voluntary Code of Practice

Netwealth fully supports the objectives of the Insurance in Superannuation Voluntary Code of Practice (Code), coming into effect from 1 July 2018. We are seeking to adopt the Code in all areas where it is in the best interests of members and beneficiaries. This includes aspects of the Code driving clearer communication for members, improved processes, and enhanced claims handling and complaint procedures.

Netwealth have adopted the Superannuation Voluntary Code of Practice in the areas that are in the best interests of members and adoption will be no later than 30 June 2021 to allow for Netwealth's contractual arrangements to be adjusted. You may find a copy of the Code [here](#).

Netwealth has two main insurance products which are covered by the Code:

#### Group Insurance:

Group Insurance is insurance for a group of individuals, most commonly groups of individuals with the same employer or in the same superannuation fund. Netwealth Group Insurance is available to all members of the Netwealth Superannuation Master Fund. All members are covered under the Group Policy. This policy only provides benefits that can be held within superannuation. A small number of Netwealth's Group Insurance members are Automatic Insurance Members (AIM's) whom were provided insurance automatically, generally through their employer superannuation fund.

#### Retail Insurance:

Retail Insurance is an insurance product that is provided on an individual basis. Each individual has their own personalised policy. Some Retail Insurance benefits may be held inside superannuation.

The Code is predominantly directed towards superannuation funds that currently offer Automatic Insurance to new members. Netwealth no longer offers Automatic Insurance.

## Transition Plan

Netwealth partially or fully complies with many subsections of the Code as highlighted below:

Section	Fully comply	Partially comply
4. Appropriate & affordable cover	4	3
5. Help informed decisions	4	5
6. Supporting vulnerable consumers	5	4
7. Claims Handling	13	1
10. Changes to cover	1	2
11. Refunds	2	1
13. Making enquiries and complaints	10	1
14. Promoting, monitoring & reporting	1	-

Netwealth will transition to the standards of the Code by the following dates, unless specifically noted:

Section Name	Comments	Group Insurance Date	Retail Insurance Date
6. Supporting vulnerable consumers	<ul style="list-style-type: none"> <li>Netwealth will update existing policies and procedures to reflect and align with the practices recommended by the Code</li> </ul>	01 November 2019*	01 November 2019*
7. Claims Handling		01 November 2019*	30 June 2021
9. Promoting our insurance cover	<ul style="list-style-type: none"> <li>Netwealth will implement additional training programs to assist Netwealth staff with understanding and implementing the Code</li> </ul>	01 November 2019*	01 November 2019*
11. Refunds		01 November 2019*	30 June 2021
12. Staff & service providers		01 November 2019*	30 June 2021
Excluding: Sections 12.05 to 12.11	<ul style="list-style-type: none"> <li>Communications produced by Netwealth and our Insurers will be reviewed to ensure they are consistent with the Code and updated where necessary</li> </ul>		
10. Changes to cover		31 December 2019	31 December 2019

Section Name	Comments	Group Insurance Date	Retail Insurance Date
13. Making enquiries & complaints	<ul style="list-style-type: none"> <li>Netwealth will consider and act in the Member's best interests when designing Insurance benefits</li> </ul>	30 June 2020	30 June 2020
4. Appropriate & affordable cover <sup>1</sup>		30 June 2021	30 June 2021
Excluding: Section 4.09	<ul style="list-style-type: none"> <li>Netwealth will engage with our Retail insurance providers and update any Service Level Agreements to facilitate the adoption of the Code</li> </ul>		
5. Help informed decisions		30 June 2021	30 June 2021
14. Monitoring and reporting		30 June 2021	30 June 2021
Excluding: Sections 14.05 to 14.09			

<sup>1</sup>Section 4 covers 'benefit design and premiums' & 'automatic cessation of cover and reinstatement'

#### Sections of the Code not applicable to Netwealth

Netwealth has identified that the below sections do not apply to Netwealth and therefore will not be adopted.

Section 8 'premium adjustments' relates to where money or material benefits are received directly or indirectly are received from an insurer or reinsurer, also known as 'premium adjustment mechanisms'. Netwealth does not receive any such deemed payments from our insurers therefore this section does not apply to Netwealth.

Sections 12.05 to 12.11 relate to where a Fund may use a third-party administrator to administer claims and other insurance related matters (other than our insurer). Netwealth currently do not engage with a third-party for the purposes of administering our insurance matters, therefore the noted sections do not apply to Netwealth.

Sections 14.05 to 14.09 relate to 'Super Code Owners' who are Australian Institute of Superannuation Trustees (AIST), the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (Financial Services Council). Netwealth are not 'Super Code Owners', therefore these sections do not apply to Netwealth.

#### **Material Changes:**

Any material changes Netwealth makes to its planning will be reflected in an updated transition plan on our website.

\* In March / April 2019 the *Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019* was introduced. This new Act requires all members to consider their insurance arrangements and engage with their provider to retain their insurance (if this is appropriate to their needs and circumstances). Netwealth has, as a result paused the work on some of the Code recommendations to ensure that members facing these decisions were appropriately supported. Work is now continuing in all areas; however, some delivery dates have been extended as detailed above.