

## SYNOPSIS

### **Group Insurance – Structures of the Future**

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**Key words:** group insurance, superannuation, stable, efficient

**Purpose of your paper:** Explore the structures of the future that will deliver a stable and efficient market for the delivery of death and disability benefits for superannuation fund members

#### **Synopsis:**

The group superannuation insurance sector of the Australian economy is gifted by the community with compulsion, both from the SG contribution which helps finance premiums and from the compulsory Opt Out provisions for members in relation to death and TPD cover.

The sector has seen a deterioration in both efficiency and stability since 2012. It has also suffered reputational damage resulting in calls from some sections of the community for the “compulsion” built into the system to be removed. The Productivity Commission is in the process of running the ruler over the industry.

Current structures in superannuation for providing death and disability benefits to superannuation fund members are arguably old, clunky and inefficient. The paper explores this proposition then explores the various structures of the future that may be able to better deliver death and disability benefits for fund members and restore the twin goals of stability and efficiency.