



Arresting the 3D's in claims, whilst balancing the member expectations, trustees obligations & regulator outlook



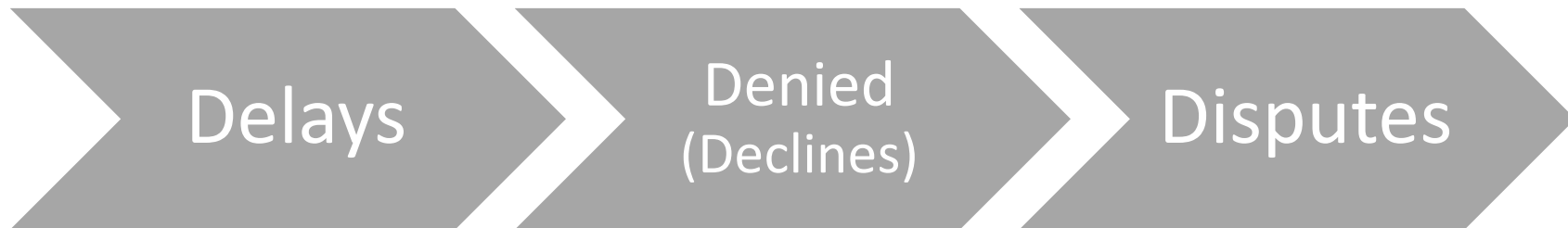


Overview

1. Personal Claim Observations / Trends
 - Industry
 - Regulator
2. Trustee desired outcomes in managing claims
3. Member Centricity vs. Digitalisation
4. Trustees Supporting Vulnerable Members



Whilst over 90% of claims are paid, sometimes claims experience



- Information, Education, & Advocacy
- Member Centricity *supported by Process;*
- Demonstrate Trust



Plaintiff Lawyers identify that the most complaints / disputes arise from the following models..

External Administrator

Where the Trustee engages an Administrator to support the claim process

Insurer Support

Where the Trustee engages the Insurer to support the claim process

Internal Admin

Where the Trustee engages their internal administrator to support the claim process

Emergence of Claim Advocacy Specialists with stronger claim capability & capacity than administrators

Regulator Observations / Trends

APRA [Life Insurance Claims and Disputes Statistics](#) data (June 2019), highlights “**the contractual definition not being met is the dominant cause for claims being declined.**”

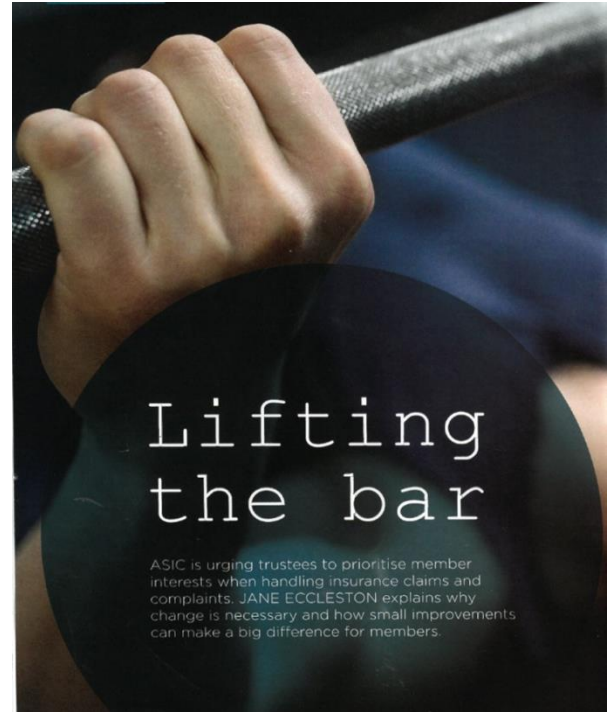
Group Super	Death		TPD		DII (IP)	
	Count	%	Count	%	Count	%
Contractual definition not met (including eligibility criteria)	173	63.4%	1,520	83.9%	631	80.7%
Exclusion clause	91	33.3%	151	8.3%	89	11.4%
Unintentional non-disclosure or misrepresentation	1	0.4%	7	0.4%	28	3.6%
Fraudulent claim (including fraudulent non-disclosure or misrepresentation)	0	0.0%	1	0.1%	6	0.8%
Other reasons for being declined	8	2.9%	132	7.3%	28	3.6%
Total	273	100.0%	1,811	100.0%	782	100.0%

New Trend or History Repeating?

- **ASIC's REP 498 Life Insurance Claims: An Industry Review**

"...the largest proportion of disputes about claims related to evidence that the policyholder was required to provide to the insurer to assess their claim (25% of all disputes about claims)."

- **ASIC's Senior Executive Leader, Superannuation, Jane Eccleston, June 2019, SF Magazine – Lifting the Bar: asserted the practice of "triaging claims can reduce complaints."**





Indicators of an effective pre-assessment process

- **Member claim enquiries vs. number of claims lodged**
- **Claims lodged that include all relevant and correct paperwork for insurer to efficiently assess (minimising delays and denials)**
- **Trends** in claims acceptance and decline rates
- **Formal complaints** about the claim process
- **Member satisfaction** with lodgement process



Introduction of E-Claims

Balancing Member Centricity with Business Efficiencies

- Improvements in lodgments
- Assessments begin earlier
- Member satisfaction?

Self Service vs Assisted

- ASIC: “unreasonable for trustees to expect members to be able to navigate the unfamiliar and confusing process of lodging a claim without assistance”.
- Option for Assistance – balances member centricity & business efficiencies





Member Visibility of Claim Assessment..

- Introduction of ASIC *MoneySmart* – Life Insurance Comparison Tool
- TPD claim could take up to 5 months
- Manage members expectations throughout the claim process
- Engagement obligation (SPG 250) vs contact demonstrating care?

Compare claims and claims related disputes performance

Choose a cover type: ? Choose a sales channel: ?

Total and permanent disability insurance ▼ Through a superannuation fund ▼

This table shows claims and related dispute information for total and permanent disability insurance bought through a superannuation fund. The data covers 1 January 2018 to 31 December 2018.

Insurer ▲▼	Claims accepted rate ? ▲▼	Average claim time (months) ? ▲▼	Disputes per 100,000 lives insured ? ▲▼
Industry Average	88.0%	5.1	14.5
AIA	83.8%	6.5	21.6
AMP	86.0%	9.0	41.9
CommInsure	88.3%	4.2	7.6
Hannover Re	89.4%	4.6	60.2
MLC	84.5%	3.9	15.5
MetLife	90.6%	4.8	12.3
OnePath	84.8%	6.0	21.4 ₉

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Leveraging Technology to Manage Member Expectations

Robert Smith CASE ASSESSOR Insurer Engaged CURRENT STATUS

CLAIM OVERVIEW MESSAGES 4 ELIGIBILITY CLAIM INFORMATION DOCUMENTS NEW ACTIVITY LOG

Ethan Taylor GF564654 WS3213212 Nov 28, 2017
NAME POLICY NUMBER CLAIM NUMBER STARTED ON

- 1 **CLAIMS INITIATED** NOV 28, 2017
Helping you achieve both a financial and health outcome.
- 2 **AWAITING ON COMPLETED FORMS** NOV 28, 2017
(check spelling of forms) Please ask ACA for help in completing your claim forms.
- 3 **FORMS RECEIVED** NOV 28, 2017
Claims forms have been received.
- 4 **INSURER ENGAGED**
ACA has engaged your insurer with your claim.
- 5 **RETURN TO WELLNESS**
Ongoing discussing around your health plans.
- 6 **CHECKING ELEGIBILITY**
Insurer reviewing your documentation - ACA liaising with insurer.
- 7 **ONGOING ASSESSMENT**
Further information may be required to assess your claim - ACA will help.
- 8 **CLAIM OUTCOME**
A final decision has been made on your claim.



The Real Cost Investment in Supporting Vulnerable Members

Brand Risk

Insurance

6.6: Help with claim process eg. Help at enquiry; during & post claim. Trustee committed to a solution.

Declined claims

Litigation & brand risk.
Retention Risk

Superannuation Leakage

Early Access of Superannuation

6.11 : Release of Funds

Based on severe hardship or compassionate grounds

6.12: Release of Funds

If member is terminally ill

Arresting Delays, Declines & Disputes



Balancing Regulator Expectations, Trustee Obligations & Member Expectations

- Regulator – Members **won't have a better experience if trustees don't change** their approach.
- Trustees continue to drive **member centricity and are demanding service providers who are keeping pace** with industry expectations
- Trustees **demanding the balance of human touch and digital technology** to help members lodge claims and keep up to date with claim progress
- Members – **Sense of purpose and contribution**



Thank you

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