EDR Response Guide

Superannuation insurance claim delays

This guide assists financial firms to prepare a quality external dispute resolution (EDR) response for complaints about superannuation insurance claim delays. This is a **guide only** and may change over time to reflect feedback.

It is important to note the following:

* All issues raised in a complaint should be addressed. If there are multiple issues, please refer to the additional EDR response guides available or consider addressing them in a separate section.
* This is your EDR response. As such, it is to be sent to AFCA and the other parties. It benefits all parties for the complainant to understand the reason for your position.
* AFCA will generally seek more information if a complaint does not resolve at Registration & Referral. AFCA still expects a response to any subsequent requests for information.

To ensure a comprehensive response for delay complaints, an EDR response should include the sections outlined below.

## Complaint summary

|  |  |
| --- | --- |
| Complaint details | |
| Trustee name |  |
| Superannuation fund name |  |
| Insurer name |  |
| Financial firm reference |  |
| Complainant name |  |
| AFCA reference |  |

## Policy Summary

|  |  |
| --- | --- |
| Policy Details | |
| Life insured |  |
| Policy number |  |
| Policy type |  |
| Cover type |  |
| Category# |  |
| Sum insured |  |
| Policy commencement date |  |
| Policy end date |  |

# Detail the policy category applicable to the complainant e.g. employer category and any schedules or parts of the policy that apply.

## Complainant’s position

Outline your understanding of the complainant’s position.

Include necessary background information including (but not limited to):

* claim amount
* any payments made to the insured
* any clear points of delays in the claim.

## Financial firm’s position

Briefly outline your position on each of the complainant’s issues.

If you have taken steps to attempt to resolve, include details e.g. the financial firm provided a response to the complainant, offering to [ ]. The complainant rejected the offer and said [ ].

## Financial firm’s reasons for position

Outline how you have considered all the issues raised in the complaint and set out your reasons for your position, noting what information you have considered to reach this view. It is important you consider your obligations and whether you have met them.

In relation to complaints about delay, AFCA will consider if the financial firms have delayed unreasonably in the assessment and progress of a claim.

If there was a period of delay, detail:

* why the delay occurred
* the relevant dates of the delay
* who you consider to be responsible for the delay(s)
* what steps you have taken to overcome the issues (including any attempts to obtain alternative evidence), and
* why the claim cannot continue.

If you say that information is required before you can make a decision, please specify:

* the nature of that information
* why that information is relevant and necessary? Be specific by indicating what aspect of the insurance policy is sought to be addressed by this information
* when the information was requested and what steps have been taken since to obtain it
* whether the aspects of the insurance policy can be addressed by a different piece of information/evidence and what steps, if any, you have taken to obtain this
* when you expect the claim assessment will be finalised.

## Jurisdictional issues

Include the details of any jurisdictional issues you wish to raise. Ensure you refer to the AFCA Operational Guidelines and the Transitional Superannuation Guide and any relevant Approach documents.

Full details of the section of the AFCA Rules must be included to ensure that AFCA and the other parties understand the jurisdictional issue(s) being raised.

## Proposals to resolve the complaint

Set out any action you are willing to take to resolve the complaint, including whether you are open to any offers from the complainant.

If you require further information before you can offer a resolution, please provide details of what information is required.

## Supporting information relevant to a trustee

Include a list of all the supporting information provided. In relation to a complaint about delay, the following information is usually required from trustees:

* your IDR response
* the date the complainant joined the fund
* a copy of the membership application form completed by the complainant
* a copy of any application for insurance made by the complainant
* the complainant’s category of fund membership, including whether the complainant is a MySuper member
* a copy of the welcome letter sent to the complainant upon joining the fund
* a copy of the PDS given to the complainant, including applicable Incorporated By Reference documents
* copies of any SENs given to the complainant since joining the fund
* an executed copy of the executed Trust Deed in force at the date of disablement. Specify the provisions relevant to the decision (this should include provisions in Parts/Schedules of the deed applicable to the complainant’s membership category)
* details of legislation relied upon by the trustee when considering this claim
* a chronology of events from time claim was first lodged with trustee, highlighting any delays throughout claim process and identifying which party caused delay
* the amount of the benefit. Provide copies of annual statements or system screenshots to evidence this
* minutes from any trustee or committee meetings at which the claim was considered. Provide any documentation e.g. a claims report prepared for the trustee for the purpose of making its decision
* a copy of any correspondence between the trustee and insurer relevant to the claim
* a copy of any correspondence with the complainant in relation to this claim.

Further information regarding AFCA’s expectation of the correct Trust Deed can be found [here](https://www.afca.org.au/media/1219/download).

Additionally, if a complainant disputes receiving a copy of relevant evidence relied on by the trustee, AFCA will expect the trustee to prove despatch of that document. Further guidance in relation to proving despatch can be found [here](https://www.afca.org.au/media/930/download).

## Supporting information relevant to an insurer

Provide a list of all the supporting information provided. In relation to a complaint about delay, the following information is usually required from insurers:

* your IDR response
* a chronology of events from time the insurer was first notified of the claim, highlighting any delays throughout the claim process and identifying which party caused delay
* copies of progress letters and information request letters to the insured
* a copy of the entire executed policy (including endorsements) as applicable at the claimed date of disablement. Please advise the effective policy date
* clearly outline the provisions or clauses you are relying upon (and reasons why), including any specific to the complainant’s policy category
* initial and progress claim forms including initial supporting evidence
* all medical information obtained for the assessment of the claim (including letters of instruction from you to any consultant specialists)
* reports (factual report, occupational/rehab reports, and financial) and any other evidence relied on in support of your decision
* copies of any ‘exceptional circumstances’ letters outlining the nature of the delays
* details of any legislative provisions considered in the course of the claim
* other relevant information you think AFCA should know, including whether you are investigating whether the policy should be avoided.

If other issues are raised, we offer a range of resources in the member resources section of the Member Portal. These include other EDR response guides, specific complaint topic guides and the Complaint Information Documentation guide.

Further information regarding AFCA’s approach to delayed superannuation complaints can be found [here](https://www.afca.org.au/media/996/download).