



Law Council
OF AUSTRALIA

Legal Practice Section

5 March 2020

Manager
Financial Services Reform Taskforce
Treasury
Langton Crescent
PARKES ACT 2600

By email: FSRCconsultations@treasury.gov.au

Dear Sir/Madam

Supplementary Submission - Financial Services Royal Commission Additional Commitment in Response to Recommendation 4.2 – Restricting Use of the Term ‘Insurance’ And ‘Insurer’

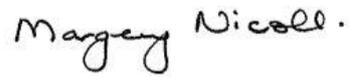
1. The Superannuation Committee (**the Committee**)¹ of the Law Council of Australia’s Legal Practice Section welcomes the opportunity to make a submission to Treasury in relation to the Financial Services Royal Commission Recommendation Additional commitment in response to Recommendation 4.2 – Restricted use of the term ‘Insurance’ and ‘Insurer’. Please note this is a supplementary submission from the Australian Consumer Law Committee submission sent on the 28 February 2020.
2. The Committee notes that the proposed measures to restrict the use of the terms “insurance” and “insurer” were not necessarily directed to Registrable Superannuation Entity (**RSE**) licensees and superannuation funds. However, superannuation funds typically provide for death and disablement benefits that are funded, in part, by policies of insurance issued to the RSE licensees/trustees for the benefit of members. As such, superannuation funds will often communicate to members and to the public more generally in terms which suggest insurance cover is provided by the fund.
3. The Committee notes that while the provision of death and disablement benefits as part of a superannuation interest issued by an RSE licensee/trustee of a superannuation fund to a member is not ‘insurance’ per se, those benefits are commonly understood to be in the nature of ‘insurance’. The Committee suggests there is no misrepresentation or harm to the community in superannuation funds continuing to use such language.
4. As such, the proposed new measures should be cast so as to not apply to restrict RSE licensees/trustees (including trustees of exempt public sector superannuation schemes who may not be RSE licensees or Australian Financial Services (**AFS**))

¹ The Law Council of Australia is a peak national representative body of the Australian legal profession. It represents the Australian legal profession on national and international issues, on federal law and the operation of federal courts and tribunals. The Law Council represents 60,000 Australian lawyers through state and territory bar associations and law societies, as well as Law Firms Australia.

licensees) from continuing to use the term 'insurance' in connection with benefits provided from their funds.

5. The Committee would welcome the opportunity to discuss this submission with the Department. In the first instance, please contact Superannuation Committee Chair, Dr Lisa Butler Beatty on BeattyLi@cba.com.au.

Yours sincerely

A handwritten signature in black ink that reads "Margery Nicoll." The signature is written in a cursive, slightly slanted style.

Margery Nicoll
Acting Chief Executive Officer