



AIA Australia wins Sunsuper insurance mandate

Melbourne, 9 December 2010 - AIA Australia today announced that it has won a mandate to provide death, disablement and income protection insurance cover to more than one million members of Sunsuper, one of the nation's biggest super funds.

The new arrangements, effective for Sunsuper members from July 1 next year, are expected to generate annual insurance premiums of around A\$160 million per year.

AIA Australia CEO Damien Green said Sunsuper's decision to award the tender to AIA was extremely pleasing.

"Sunsuper has conducted a very comprehensive tender process and we are delighted to have been chosen as their new insurance partner.

"The Fund has been working on a new insurance service model and a raft of product changes that we'll be able to easily accommodate with our strong customer service focus and technological capability – all of which will ultimately benefit Sunsuper's members," Mr Green said.

Sunsuper CEO Tony Lally said the Fund had significantly redesigned its default insurance products to better align with members' needs.

"Our member research clearly highlighted that our members want the flexibility to tailor insurance cover over the course of their lives and we'll now be able to meet these needs with a range of new life stage and aged-based insurance options," Mr Lally said.

"What's more, as part of the new arrangements, we'll also introduce new premium rates that will offer better value for members, with each dollar of premium buying an average 38 per cent extra death and disability cover.

"Our new premium structure will also reflect our members differing insurance needs," Mr Lally said.

"Our younger members, for example, will be offered cost-effective insurance that does not deplete their savings at the start of their working career. And women, who generally have a lower risk profile, will now receive premium discounts. In fact, we'll offer women some of the most competitive insurance premiums of any super fund in the country."

Mr Lally said that an important aspect of Sunsuper's new service model would be that representatives from AIA Australia would be based in the Fund's head office. He said this would provide for faster decision-making and claims resolution.

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“This is a major new initiative that will enable us to more rapidly resolve member enquiries and claims at a time that can be potentially traumatic for members and their families,” Mr Lally said.

Sunsuper has more than one million members and around A\$17 billion in funds under management.

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