

29 September 2023

Mr Luke Spear
Superannuation Insurance and Governance Unit
Member Outcomes and Governance Branch
Retirement, Advice and Investment Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: superannuationobjective@treasury.gov.au

Dear Mr Spear,

Legislating the objective of superannuation

TAL Life Limited (TAL) welcomes the opportunity to provide a submission to the *Legislating the objective of superannuation - August 2023* consultation, and to review the legislative materials, including the draft bills and explanatory memo.

TAL endorses the objective of superannuation as set out in subsection 5(1) of the exposure draft of the *Superannuation (Objective) Bill 2023*. We believe this proposed objective simply and accurately captures and prioritises the primary purpose of superannuation.

In particular, TAL welcomes the Australian Government's recognition, through the bill explanatory materials, of the integral role insurance in superannuation plays within the superannuation system. Insurance in superannuation provides a safety net for millions of working Australians, helping them to meet the financial needs of superannuation members and their dependents when they are unable to work due to injury, illness or premature death.

Moreover, a world-class superannuation system must support the retirement objectives for all Australians, particularly the most vulnerable Australians. Not all Australians will live a full working life and accumulate adequate retirement savings. Some Australians will unfortunately not live a full working life and leave behind a family that needs support, while others may be disabled or in ill health temporarily or permanently, which will limit their ability to contribute fully to their superannuation account. In these circumstances, life insurance through superannuation provides a critical safety net for vulnerable Australians and their families, who may not live a full working life and accumulate sufficient retirement savings through superannuation. The explanatory materials identify these benefits in paragraphs 1.27 and 1.28.

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We also note that the explanatory materials link insurance in superannuation to the objective key concept of *deliver income*. We welcome this linkage through this concept, which also refers to the important roles that retirement income products and the retirement income covenant play in ensuring superannuation members receive the maximum benefit of their savings once in retirement.

As expressed in our submission to the previous round of objective of superannuation consultation, TAL also connects insurance in superannuation with other objective of superannuation key concepts, including *preservation, equity, and sustainability*. TAL would welcome consideration of these linkages also being explained in the explanatory materials, ahead of the legislation coming before the Parliament.

We also note the submission by the Council of Australian Life Insurers (CALI) and support the strengthening of recognition of life insurance as part of a world-class superannuation system that is there for all Australians.

About TAL

TAL is one of Australia's leading life insurers. Together with our partners, we protect over 5 million Australians against the financial risks of death, disability, and illness. In 2022-23 we paid more than \$3.5 billion in claims to 45,301 customers and their families. We provide life insurance cover in several different ways – through our partnerships with superannuation funds, via financial advisers, and directly to consumers through digital and other platforms.

TAL is a part of the Japan based Dai-ichi Life Group. Starting with the Dai-ichi Life Insurance Company, which was established in 1902 as Japan's first mutual insurance company, today the Dai-ichi Life Group is one of the world's largest life insurance groups. Dai-ichi Life Group is also one of the world's leading providers of retirement income products.

For further information

Should you have any questions regarding the information in this submission, or about TAL generally, we would be pleased to assist. Please contact in the first instance Mr James Connors, Head of Corporate and Government Affairs, on 0484 083 208, or by email at james.connors@tal.com.au.

Yours sincerely,



Brett Clark
Group CEO and Managing Director