



■ **ASIC's Report 806: Death benefit claims
An EML perspective**

Findings from ASIC's Report 806

ASIC's findings are about more than best practice; they represent an urgent call for comprehensive cultural and operational change within the superannuation industry.

The ASIC Report 806 outlines ASIC's observations from the first phase of their member services project, examining a range of industry practices and compliance with laws relating to trustee administration and contact centres.

It provides detailed observations of both good and poor practices from ASIC's review of death benefit claims of 10 trustees (reviewed trustees) over the two-year period ending 31 March 2024 (review period). The reviewed trustees are responsible for 38% of all member benefits in superannuation funds regulated by the Australian Prudential Regulation Authority (APRA).

ASIC identified that none of the reviewed trustees monitored or reported on their end-to-end claims handling processes or performance. Systemic failures by some trustees also exposed grieving Australians to additional emotional and financial distress.

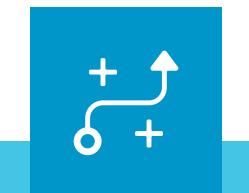
Key findings



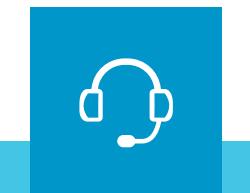
Excessive delays and poor service



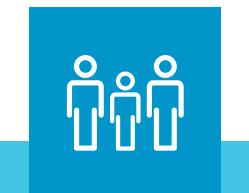
Gaps in trustee data, reporting and metrics



Unclear and inconsistent processes and procedures



Ineffective and insensitive communication and engagement



Inadequate support for First Nations members

Australian superannuation funds manage more than \$4 trillion in assets across more than 22 million accounts and the industry now faces intense regulatory scrutiny over poor death benefit claims handling.

The landmark review highlights opportunities for the superannuation industry, exposing significant gaps that impact grieving Australians at their most vulnerable moments.

Findings highlight delays are caused by internal inefficiencies, communication practices, inconsistent and rigid claims processes which negatively impacted the member experience.

Key call outs from ASIC's review

ASIC's review into death benefit claims handling has revealed significant opportunities to enhance the member experience within the superannuation industry. The key themes and findings from ASIC's review are described below.

Delays and service opportunities

Internal inefficiencies were impacting the Super Fund's ability to pay out death benefits, resulting in lengthy delays for members. Of the files reviewed by ASIC, 78% were found to have had delays caused by processing issues within the trustee's control.

Gaps in data monitoring and oversight

There is limited monitoring and reporting by trustees on their end-to-end death claim handling times. Without tracking performance data, boards and executives lacked visibility of aging claims or process bottlenecks. ASIC found that no (or inadequately robust) reporting was reaching trustee boards, hampering their ability to drive accountability on claims timelines.

Unclear and inconsistent processes

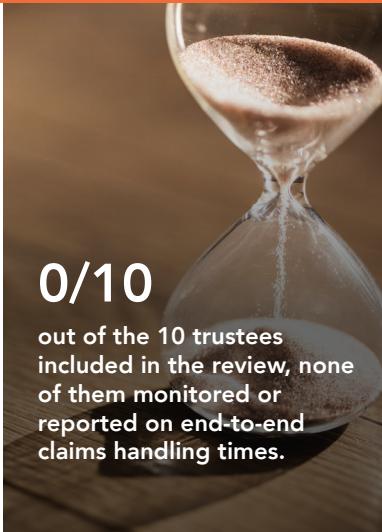
Several trustees had poorly documented or inconsistent claims procedures. Requirements for members varied or were unclear, leading to confusion and delays. ASIC observed a risk-averse culture where staff strictly followed checklists without flexibility, even when it slowed down straightforward cases.

Ineffective communication and engagement

Communication with beneficiaries was often ineffective or infrequent. ASIC noted instances where letters were impersonal and failed to acknowledge the member's loss, or where members received no updates for long periods.

Additional support is needed for vulnerable members

More can be done to support those with vulnerable circumstances, especially First Nations members and others facing hardship. ASIC found that members in remote First Nations communities experienced longer delays on average. Cultural insensitivity was also an issue – communications often failed to account for cultural context or language needs.



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out of the 10 trustees included in the review, none of them monitored or reported on end-to-end claims handling times.



27%

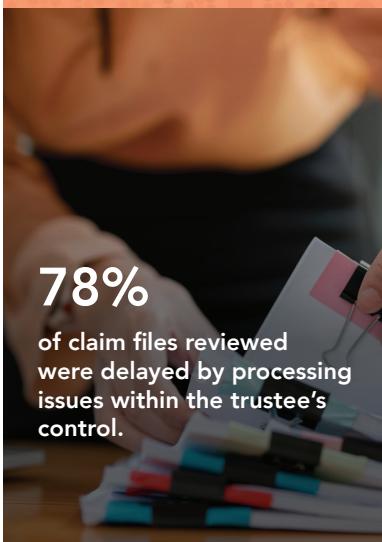
of claim files reviewed involved poor customer service - e.g., calls were not returned, queries were dismissed.



8% vs 48%

was the difference in claims closed in 90 days between the slowest and the fastest trustee.

Members living in First Nations postcodes generally experienced greater delays than other members



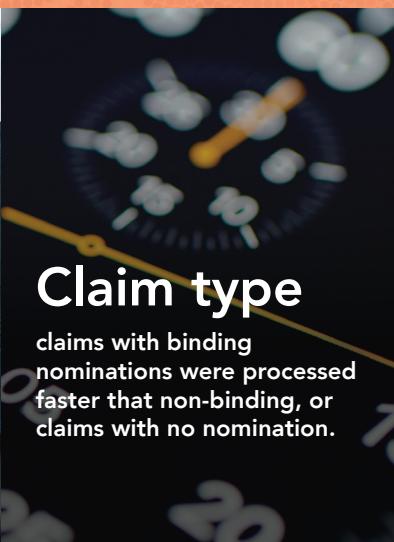
78%

of claim files reviewed were delayed by processing issues within the trustee's control.



17%

of claim files reviewed had members who were experiencing vulnerability - about 30% of those were handled poorly.



Claim type

claims with binding nominations were processed faster than non-binding, or claims with no nomination.

Improving claims handling practices: Actions for the industry

To address these opportunity areas, ASIC's Report 806 sets out 34 actions that trustees should take immediately. ASIC's report is a comprehensive roadmap for reform. It demands that trustees measure performance, streamline processes, communicate with compassion, and actively support vulnerable members. The regulator has made it clear that 2025 must be a turning point: trustees who fail to improve will face consequences, while those who step up will deliver the service that members deserve. Some notable recommendations include:



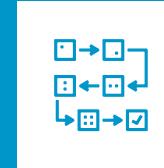
Supporting vulnerable members

ASIC insists trustees embed vulnerability considerations throughout their processes. Every member may be vulnerable after a bereavement and should be treated with care. Trustees should review their hardship policies to ensure urgent cases are escalated and to avoid imposing needless burdens.



First Nations members

ASIC urges funds to use data to identify First Nations members, remove barriers these communities face, and provide staff with cultural competency training (including using AUSTRAC's alternative ID guidance). The goal is to make the process equitable and accessible for all Australians, regardless of background or disadvantage.



Strengthening processes and resources

Trustees should fully document their claims process, so staff have clear, consistent guidance on what documents are needed and when exceptions are allowed. Staffing and training must also be "urgently" bolstered to ensure there are enough skilled people to handle claims promptly.



Better communication

ASIC noted all member communications, written or verbal, should acknowledge the personal loss and be thoughtful in tone. Communication should emphasise plain language and tailoring messages to each member's circumstances. Trustees should set clear expectations by explaining the claims process and likely timelines upfront, and provide proactive and regular updates.



Leadership accountability

Senior executives and boards must actively oversee claims handling. Executives are urged to periodically read verbatim complaint letters to truly understand members' experiences. ASIC calls for regular board reporting on claims performance, with meaningful metrics and frequent updates to track emerging issues.



Data tracking and speed

ASIC directs trustees to track end-to-end processing times for both insured and uninsured claims, using granular metrics to spot delays. Funds should know exactly how long claims take and where the process holdups are. ASIC also recommends reviewing risk controls and escalation procedures to remove unnecessary steps that slow things down.

Superannuation claims handling capability

For over 115 years, EML Group (EML) has been a trusted partner of governments and insurers across Australia. Our high-performance culture is supported by an agile and efficient operating model, and we foster strategic partnerships through collaborative case management and co-designed service innovation programs. As a Claims Service Provider experienced in managing complex superannuation claims, we are dedicated to delivering claims management service that aligns with the strategic objectives of our partners and expectations of community. By leveraging advanced data analytics, continuous process improvements, and a commitment to operational excellence, we focus on processing claims quickly, mitigating financial risks, and enhancing members and their families satisfaction.

90,000+

Claims

active personal injury, illness and death claims being managed

>3,600

People

employed across every state in Australia, with offices in every mainland state

>\$4B

Scale

premiums under administration

3

AFSL's

in addition to licenses issued by APRA and SIRA

>100,000

Customers

relationships with employers, customers and partners



We help people get their lives back

Our human-centred approach balances customer service excellence with commercial acumen, enabling us to achieve significant liability savings for insurers in a human-centred, socially responsible manner. Everything we do, from designing service models, systems, and processes to our performance management and governance frameworks, is dedicated to improving member satisfaction. Our focus on operational efficiency will ensure financial sustainability while providing a seamless and transparent claims experience for members and their families.

How EML can help Super Fund Trustees and Administrators meet the challenge

ASIC's findings illuminate exactly what needs to change and provides a comprehensive roadmap for reform. EML offers proven solutions to help superannuation trustees act on these recommendations quickly and effectively.

Our Superannuation Claims Handling model covers:

01

Tackling delays with processing optimisation

Through Claims Process Audit & Optimisation services, we address delays caused from cumbersome workflows and procedures. We conduct in-depth audits of a trustee's current death benefit claims process, mapping each step to pinpoint inefficiencies, bottlenecks, and pain points. EML's experts analyse these workflows and recommend practical streamlining measures, such as waiving immaterial requirements for low-value claims or fast-tracking some approvals on straightforward cases. We can also provide Boards and Executive teams with remediation services to address any pain points or inefficiencies discovered.

02

Data driven monitoring and transparency

EML brings a suite of Technology Integration and Data Analytics solutions to give trustees the visibility they urgently need. We implement modern claims management systems (or complement existing ones) to track each claim from notification to payment in real-time. Dashboards and reports show end-to-end handling times, pending tasks, and aging cases, sliced by relevant categories. By unifying data from various sources, we eliminate the blind spots that plague many funds – especially those that have gone through mergers and struggle with fragmented data.

03

Training, quality assurance and compassionate communication

EML provides comprehensive training modules for claims teams, covering technical knowledge, regulatory compliance, and best-practice customer service. We train staff in compassionate communication – how to convey information clearly yet sensitively. Additionally, our training emphasises recognising signs of vulnerability and how to adapt support accordingly. We perform regular file audits and call monitoring to ensure standards are met (aligning with ASIC Action 14, which suggests reviewing sample claim files for quality). Feedback from these QA checks is looped back into coaching and performance reviews.

04

Communication strategy and materials

EML helps trustees and administrators overhaul their member communications to be clear, concise, and caring. We apply plain-language drafting to all templates – claim forms, letters, emails – so that they provide complete information without using jargon or legalese. But beyond plain language, we infuse every communication with context and compassion. We integrate multi-channel support – combining letters with phone follow-ups, SMS updates, or even face to face visits in certain cases.

05

Support for vulnerable members and First Nations communities

EML's Vulnerable Member Support Programs are designed to ensure no member is left behind. We help trustees develop and implement policies that treat every death claim using a 'vulnerability lens'. Practically, this means from the first notice of a death claim, our team checks if the beneficiary might need extra support. EML has developed cultural competency training programs (with input from First Nations consultants) so that our staff approach First Nations members with understanding and respect to ensure First Nations members are not disadvantaged by processes that don't fit their context.

06

Complaints management and feedback loop

EML helps trustees and administrators harness the power of complaints as a driver of improvement. Our Complaints Management service closes the loop between frontline issues and executive action. We capture and categorise all complaints related to claims handling, perform root cause analysis, and provide "spotlight" reports to trustees highlighting recurring pain points. We also assist in drafting complaint responses that meet ASIC's guidelines – addressing each issue, apologising sincerely for service lapses, and explaining what is being done to fix the issue.

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