

Making insurance matter

How super funds can help their members build financial confidence





Helping Australians gain financial confidence

The purpose of superannuation is to help Australians grow their savings for a dignified retirement. Insurance in super plays a vital role in this by protecting those savings when life doesn't go to plan.

Australia's superannuation system provides life insurance as a key benefit to millions of members. **This protection serves a critical function** by safeguarding members' retirement savings when illness or injury threatens their ability to contribute to super. Around one in three members are likely to claim during their working lives, highlighting just how vital this safety net is.¹

The support insurance in super provides is substantial. In FY24-25, three-quarters of the claims TAL paid were 'living insurance' benefits – supporting members to recover and, where possible, return to work.² Beyond financial payments, members may also be able to access rehabilitation support, mental health assistance and return-to-work coaching.

But insurance in super isn't just valuable for those who claim. For all members, it can provide something equally important: **financial confidence**. When a member knows what they're covered for and how their insurance works, they have peace of mind to focus on building their retirement savings without worrying that a setback could derail their financial future.

This dual benefit – **protection for individual retirement savings and confidence for the broader membership** – makes insurance in super unique.

For most Australians, that protection starts with default insurance in super. This automatic cover gives members a meaningful safety net they might otherwise never have looked for – and for many, it's the right choice.

The goal of improving member engagement with insurance isn't to push them toward changing their cover; it's to ensure that whatever choice they make is deliberate and suitable for their needs.

Important information

This information has been prepared by TAL Life Limited ABN 70 050 109 450 AFSL 237848 ("TAL"), is current at 14 April 2026 and may be subject to change. The contents of these pages do not constitute legal or financial advice and should not be relied upon as such. Specific legal or financial advice about specific personal circumstances should always be sought separately before taking any action based on this publication. While all care has been taken to ensure that the information provided is accurate and complete at the date of publication, neither TAL nor its employees accept liability for any loss or damage caused as a result of reliance on the information.

“

*Around **one in three members** are likely to claim during their working lives, highlighting just how vital this safety net is.*

Our research – based on a quantitative survey of 2,000 working-age Australians – shows that **members who understand their default cover and choose to maintain it report feeling significantly more confident** than those who simply haven't thought about it.

TAL commissioned this research to learn how members perceive and engage with insurance in super. This paper presents our findings, which show a clear pathway from awareness to understanding to financial confidence.

When members understand their insurance, engage with their options and make informed choices, everyone can benefit. Members gain peace of mind, funds deliver on their purpose, and the retirement system becomes stronger for all Australians.

Dan Taylor

**General Manager
Group Partnerships
TAL**



About TAL

TAL is Australia's largest life insurer, **protecting more than 5 million Australians** and their families across direct, retail and group insurance. Through group insurance arrangements with our superannuation fund partners, we protect over a quarter of Australia's working population.³

In 2024-25, **TAL paid \$2.8 billion** in claims to 36,000 super fund members and their families.⁴

Contents

1	ABOUT THE RESEARCH	7
2	EXECUTIVE SUMMARY	8
3	MEMBER INSIGHTS	11
4	WHO'S MISSING OUT AND WHY	20
5	TURNING INSIGHTS INTO ACTION	26

The information provided in this report is general advice only and does not take into account your individual needs, objectives or financial situation. Before you decide to buy an insurance product, you should read the relevant Product Disclosure Statement (PDS) available from TAL Life Limited (TAL). The PDS contains important information which will help you understand the relevant insurance product, including what's covered and what's not covered and can help you decide whether the product is appropriate for you. The Target Market Determination (TMD) for the relevant product, where applicable, is also available.

TAL strongly recommends that you read the relevant PDS (available from TAL) and you seek professional advice based on your personal circumstances before deciding whether any of the products or services detailed in this report are suitable for you.

While insurance in super can offer important protection, it's essential to understand that cover is subject to terms, conditions, exclusions and eligibility criteria. For example, some policies may not cover pre-existing conditions, and premiums are deducted from your super balance, which may reduce your retirement savings over time. Members should review their policy documents and consider seeking advice to ensure their cover meets their needs.



Find out more

To learn more about the research, contact groupcommunications@tal.com.au



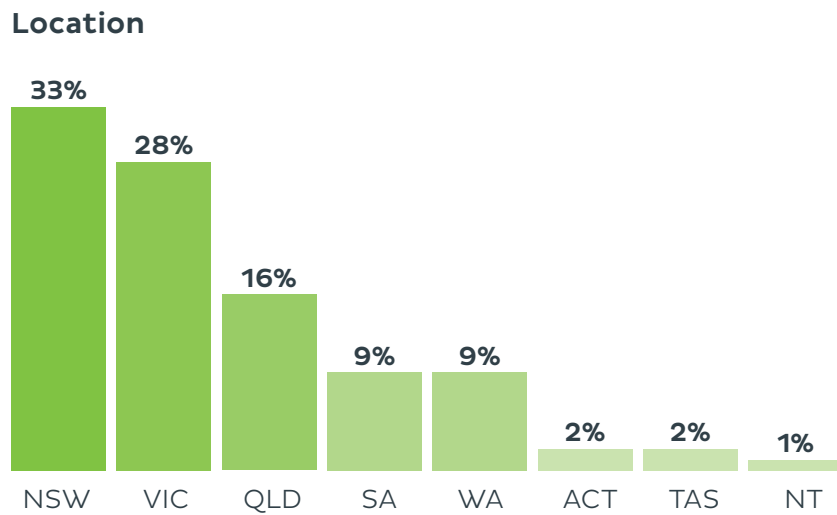
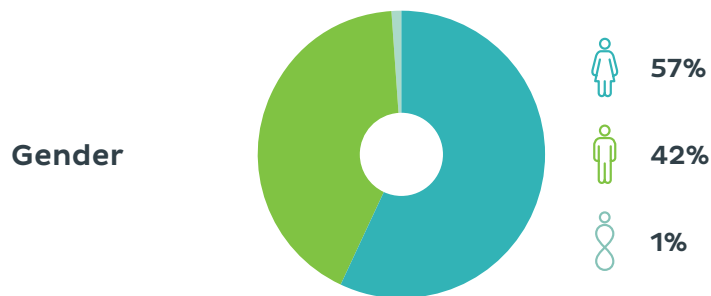


About the research

The research was an online quantitative study of 2,000 Australians between the ages of 25 and 64 who are currently members of a retail or industry super fund, who provided self-reported answers to survey questions.

It was conducted in April 2025 by our research partner Edentify. Unless otherwise stated, all results are from TAL's study and reflected in this report and charts.

Breakdown of survey participants



Executive summary

Our research indicates that Insurance in super can provide financial confidence – and this confidence can increase when members understand and engage with their cover.

Every member has unique protection needs that change throughout their lifetime: from their first job, through career changes, family milestones and health challenges. There's a significant opportunity to help members confidently navigate life's journey by firstly helping them understand their cover (including any risks and limitations) and supporting informed decisions about which level of cover is right for them.

When members understand their cover and take steps to ensure it meets their needs, their financial confidence grows.

Our research shows a clear progression, as seen in Chart 1. Among members who don't know whether or not they have insurance in super, only 18% of them feel financially confident. This confidence rises for members with default cover, and reaches 77% among those who have actively adjusted their cover to suit their personal circumstances.

It's important to acknowledge that default insurance plays a key role in providing baseline protection – and our research shows that many members feel that it's the right option for them. The results in Chart 1 show a marked increase in confidence among members who understand what default insurance covers them for, compared to those who don't.

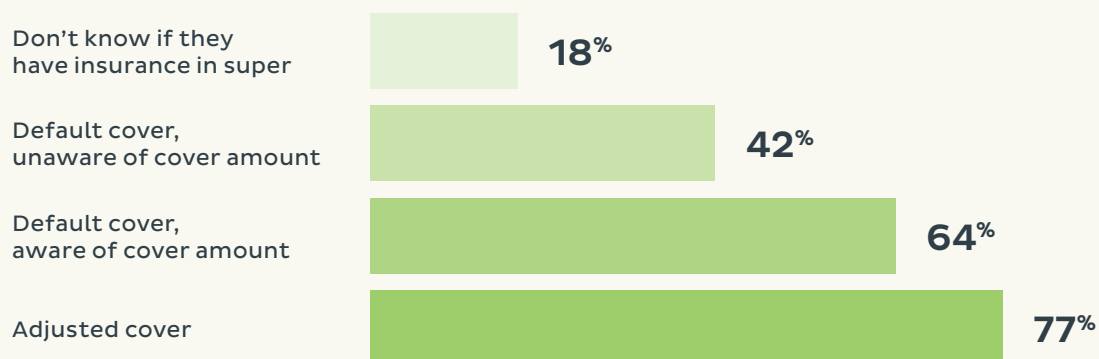
For others, understanding and engagement enables them to adjust their cover to best meets their specific needs, resulting in greater financial confidence. Super funds are uniquely positioned to support members with this.

“

*In this paper, **'financial confidence'** is a subjective measure whereby a member feels that they and their loved ones would have their financial needs met if the member couldn't work due to illness or injury, or if they passed away.*

CHART 1:

Financial confidence based on understanding and engagement



According to our research, members trust their funds to help them understand their insurance needs, and many believe it's their fund's responsibility to provide this guidance.

This creates a clear opportunity – and obligation – for funds to help members move from passive awareness to active understanding and informed decision-making.

But for many members, this journey isn't straightforward. Insurance can feel complex or irrelevant, particularly if they don't have a strong grasp of financial concepts. Funds that can help build financial literacy alongside insurance awareness – by explaining what cover a member has, what it costs, what the risk are, and why it may matter at their particular life stage – will be better positioned to guide their members.

“

This creates a clear opportunity – and obligation – for funds to help members move from passive awareness to active understanding and informed decision-making.



Key research findings

1

Most members are aware of their cover

74%

of members know their insurance status – whether they’ve chosen to hold cover inside super, outside super or not at all.

2

Cover provides financial confidence

60%

of members who have insurance in super said they rely on the financial protection it provides.

3

Confidence increases with understanding

64%

of default members who know their cover amount feel financially confident, but only 42% of those who don't know their cover amount feel the same way.

4

Members expect their fund to educate them

55%

of members believe it's their fund's responsibility to help them understand their insurance needs.

5

Cost and complexity perceptions are a barrier to engagement

44%

of members who adjusted their cover found the process easier than they expected, and only 5% found it more difficult.

6

Age and gender influence coverage and engagement

74%

of members aged 25-34 who say they don't have insurance aren't aware they may have default cover through super. Women are less likely to know their insurance status than men, and are less likely to adjust their cover or seek advice.

Member engagement opportunities



Raise awareness

Explain cover types and levels in clear language. Engage members at key life stage moments like first jobs, career changes and salary increases.



Build understanding

Help members understand what they're covered for and how much it costs. Offer calculators and tools that make insurance tangible.



Support decision-making

Guide members through their options. Address misconceptions about affordability and complexity through cost comparisons and streamlined processes.



Instil confidence

Share real member stories and transparent claims data to demonstrate value. Members who engage with their cover have a stronger appreciation for their fund.

Member insights

Members trust their super fund and value the advice their fund provides. But while member awareness of insurance is increasing, this doesn't necessarily translate into understanding and engagement.

MOST MEMBERS ARE AWARE OF THEIR COVER

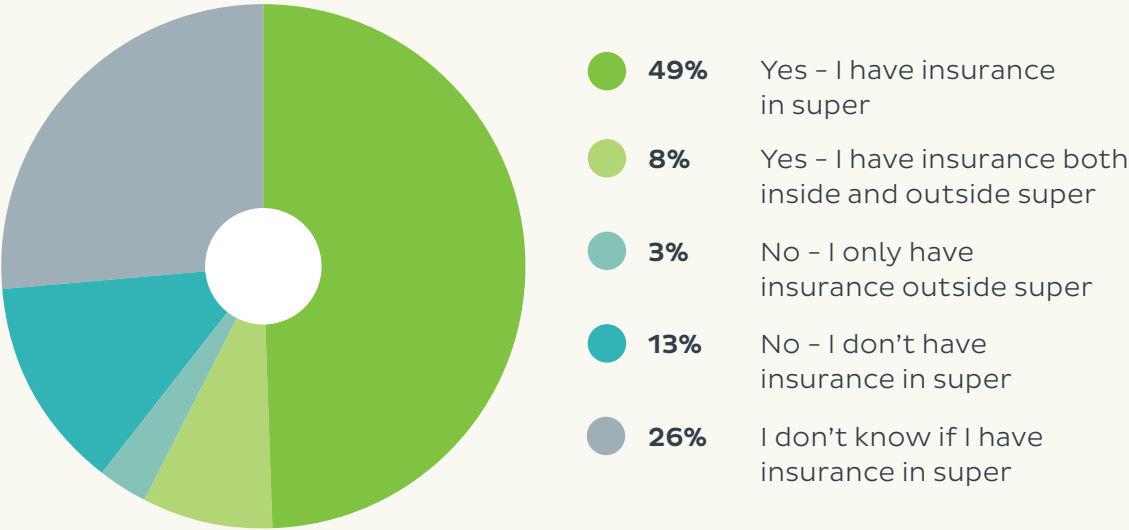
In our research, 57% of members said they have insurance in super (including 8% with a mix of cover inside and outside super). A further 3% report only having insurance outside super, while 13% say they don't have insurance in super. The remaining quarter of members (26%) aren't sure if they have insurance in super or not.

This means that **74% of members are aware of their insurance status** – whether they've chosen to hold cover inside super, outside super or not at all.

For some members with insurance in super, they first became aware of their cover through communications from their fund (26%), information from their employer (14%) or their own research (23%). For others, it was when they noticed premiums being deducted from their account (17%).

“
74% of members are aware of their insurance status
– whether they've chosen to hold cover inside super, outside super or not at all.
”

CHART 2:
Awareness of insurance in super





COVER PROVIDES FINANCIAL CONFIDENCE

The role life insurance can play in a member's life is two-fold.

Firstly, if the member needs to claim and the claim is accepted, it provides a financial safety net for themselves and their families. Secondly, even if they don't claim, it can offer members peace of mind.

In our study, **60% of members who have insurance in super said they rely on the financial protection it provides.** A further 33% recognise and appreciate its value, even if they feel they may not need it.

Depending on the member's circumstances, default cover may be the right choice for them. Among default cover holders who made an active decision about their default cover, 29% felt it best suited their needs, and 15% compared their options before deciding. For these members, default cover is doing exactly what it's designed to do.

Meanwhile, members who have adjusted their insurance in super report the highest levels of financial confidence, with three-quarters (77%) saying they feel adequately protected if they were unable to work due to illness or injury. This is a stark contrast to members who don't know if they're covered or not: fewer than 1 in 5 (18%) of these members share this confidence.

“

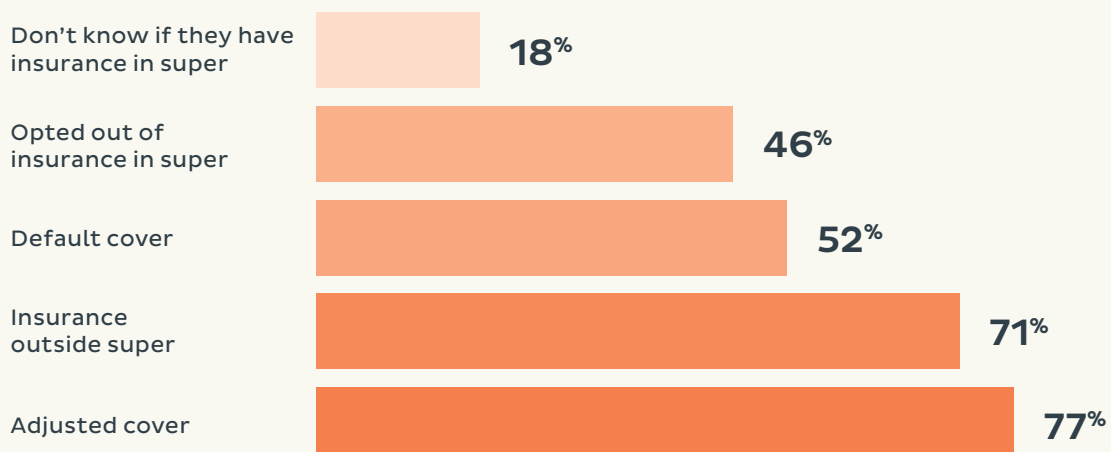
Members who have adjusted their insurance in super report the **highest** levels of financial confidence.



Among members who have adjusted their cover, half of these also have a **stronger appreciation for the value** their super fund provides.

CHART 3:

Financial confidence if unable to work





CONFIDENCE INCREASES WITH UNDERSTANDING

Being aware of insurance is one thing, but knowing how it works is another.

In Chart 3, we saw that 52% of members with default cover feel financially confident, but a slightly different picture emerges depending on what members understand about their cover.

In our study, those who have default cover (and are aware they have it) accounted for 29% of the total respondents. Within that cohort, 46% know their default cover amount and 54% don't. Among those who know their cover amount, 64% feel that they're adequately protected against illness, injury or death. But only 42% of those who don't know their cover amount feel the same way.

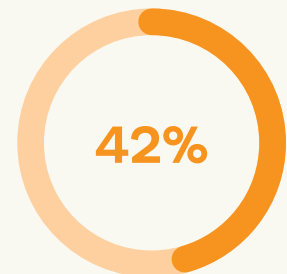
Even for members who haven't actively made changes to their insurance, **simply knowing how much cover they have can have a positive impact on their financial confidence.** This highlights the importance of making this information readily available to members.

The consequences of low understanding extend beyond a lack of financial confidence. Members who don't know what their cover includes – or excludes – are more likely to be surprised when a claim doesn't proceed as expected or is rejected. This can become a significant driver of complaints and media attention, as well as eroding trust.

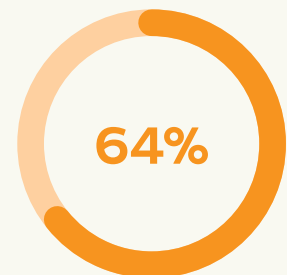


A member who understands their cover before they need it is **likely to be better placed to navigate the claims process** and know what to expect.

CHART 4:
Financial confidence levels among default cover holders



Unaware of cover amount
54% of default cover holders



Aware of cover amount
46% of default cover holders



MEMBERS EXPECT THEIR FUND TO EDUCATE THEM

The gap between insurance awareness and action represents a significant opportunity for funds to support members.

Understanding is the missing link – without knowing cover amounts or adjustment options, members can't take the steps that will help them gain financial confidence and improve their financial literacy.

Members want their super fund to guide them: **9 in 10 members trust their fund to help them understand their insurance needs**, and a similar proportion would be open to receiving financial advice from their fund. This presents a unique opportunity for funds to turn that trust into action.

What's more, Chart 5 shows that over half the members we surveyed (55%) believe insurance education is their fund's responsibility. This result held across all segments, including among members who chose to cancel their cover or get insurance elsewhere.

When super funds engage with their members, there's a good chance that members will pay attention. For members who recall seeing an insurance communication from their super fund, 37% say they were encouraged to get more information or take action. A further 33% were interested but didn't prioritise it.

And regardless of their cover status, Chart 6 shows that 80% of members would like to receive insurance-related communications from their fund at least once or twice a year.



When super funds engage with their members, there's a good chance that members will pay attention.



This suggests that if insurance communications or campaigns are relevant and easy to understand, many members will follow their fund's guidance. Self-service tools and calculators can also drive a positive member experience: **9 in 10 members who tried out an insurance calculator when looking into their cover found it useful.**

CHART 5:
Fund's role in insurance education

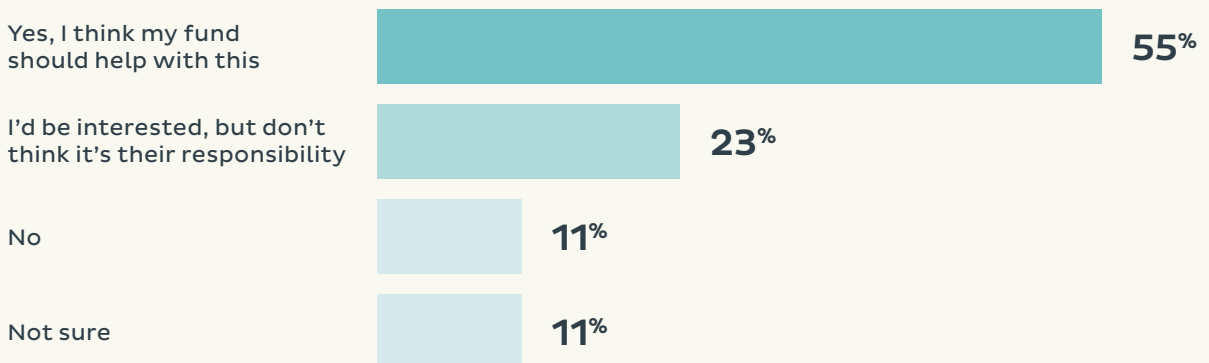
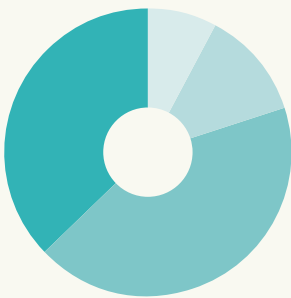




CHART 6:
Preferred frequency of fund insurance communications



- 8% Never
- 12% Less than once a year
- 43% At least once a year
- 37% At least every 6 mths



COST AND COMPLEXITY PERCEPTIONS ARE BARRIERS TO ENGAGEMENT

Many members are well served by their default cover. But for others, concerns about cost and complexity are discouraging them from reviewing their options.⁵

For some, the decision not to act isn't really a decision at all: a quarter of those with default cover (24%) don't know they can adjust it. Rather than making an informed choice, these members are **defaulting to inaction** – often driven by **assumptions about cost and complexity** that don't match reality.

Among members who have chosen to opt out of insurance in super, 20% say they can't afford it and 35% say it doesn't seem worth it, but many may not know what this cover actually costs.

Average default premiums are **less than \$5 a week** for a 30-year-old and **less than \$11 a week** for a 50-year-old.⁶

And while 18% of default cover holders assume that adjusting their cover would be complicated, 44% of those who've been through the process found it **easier than they expected**. A further 51% found it much as they expected, with only 5% finding it more difficult.



Rather than making an informed choice, these members are defaulting to inaction – often driven by assumptions about cost and complexity that don't match reality.



Members' needs vary by life stage, finances and family circumstances. **The goal isn't necessarily more cover**; it's an informed choice. When members make one, financial confidence follows.

CHART 7:

Reason for maintaining default cover (multiple responses allowed)

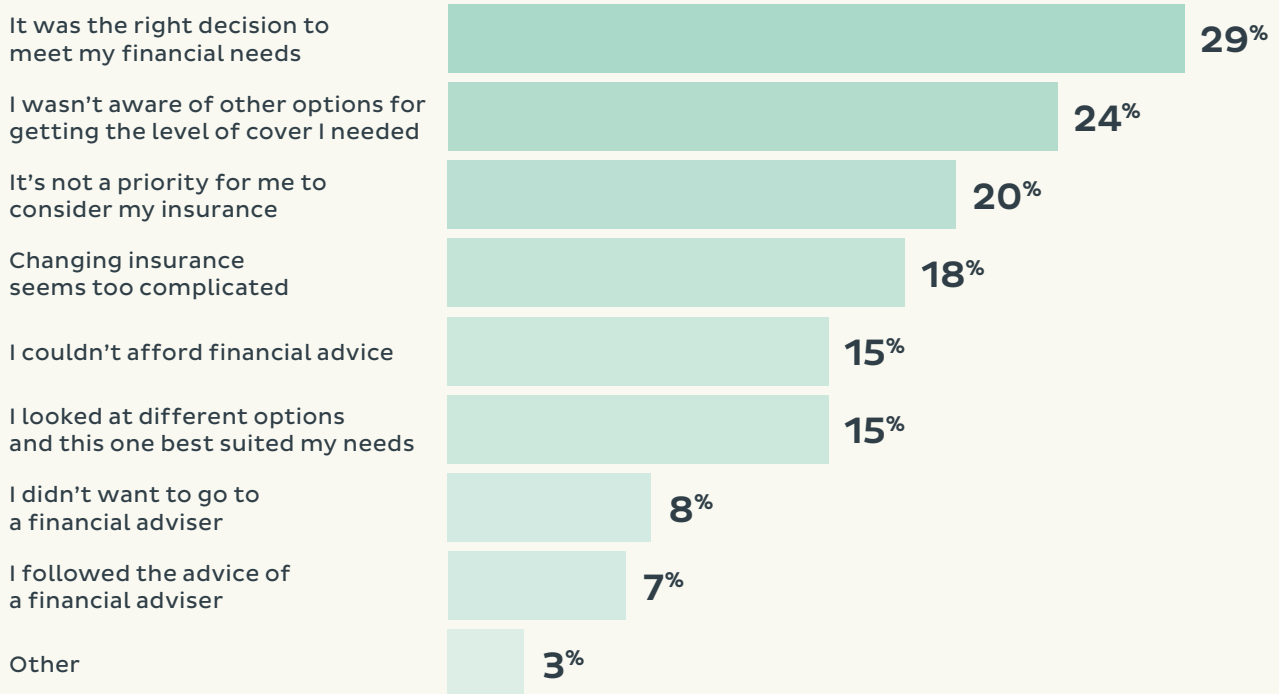
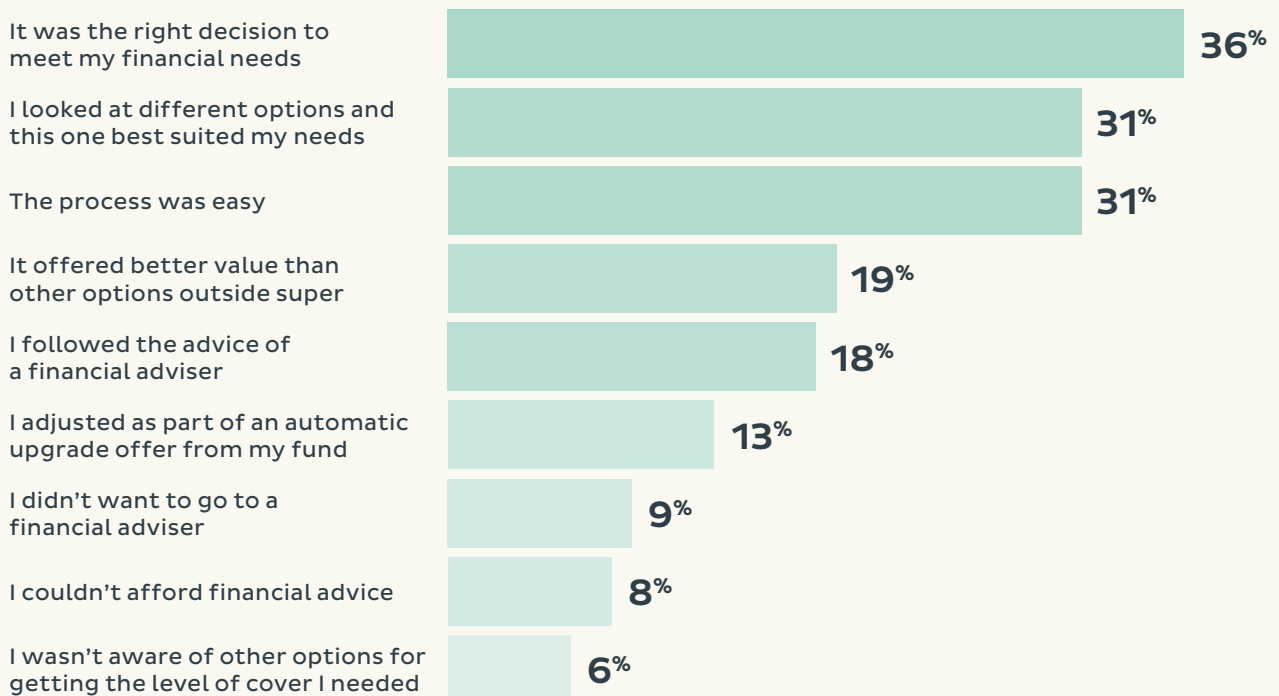


CHART 8:

Reason for adjusting cover (multiple responses allowed)





MEMBER PERCEPTIONS OF INSURANCE IN SUPER

How members feel about insurance in super varies based on their awareness, understanding and personal circumstances.

When we asked members how important it is to access life insurance through their super fund, the majority of responses were positive or neutral. But a minority have doubts that could be addressed through targeted engagement and effective communication strategies.

The neutral segment represents a particularly significant opportunity for funds. These members aren't opposed to insurance – they simply haven't been given a compelling reason to engage.

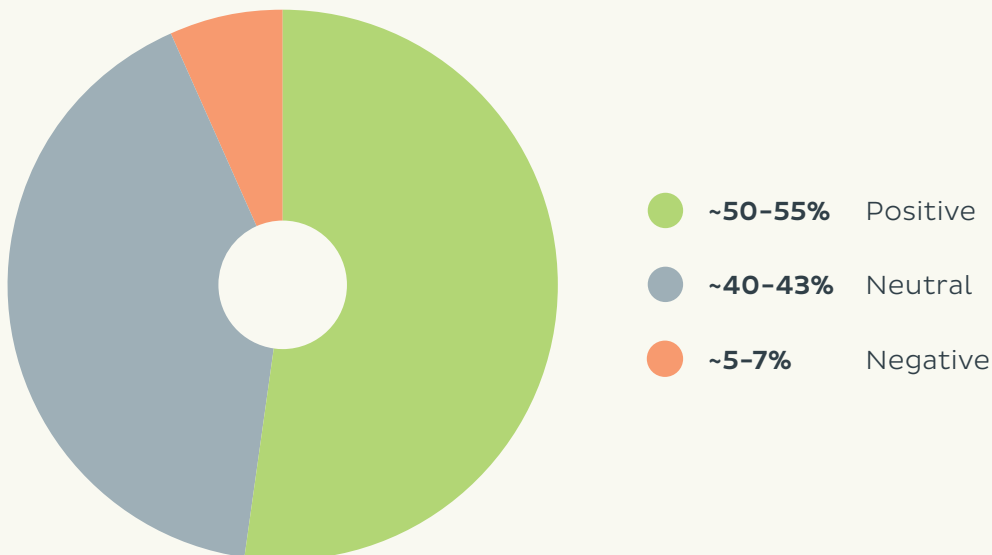
Targeted communications that make cover tangible and relevant to their circumstances could shift many of these members towards active understanding and, ultimately, greater financial confidence.



*... a minority have doubts that could be addressed through **targeted engagement and effective communication strategies.***

CHART 9:

“In your own words, how important is it for you to be able to access life insurance through your super fund?”⁷



Our research shows that **most members view insurance in super positively** or are open to engagement – a strong foundation for funds to build understanding and drive action.



Positive: ~50–55%

- **Peace of mind and financial protection.** Members consistently describe insurance as providing security and confidence that their family 'will be looked after' if something happens..
- **Convenience and cost-effectiveness.** The automatic 'set and forget' nature of insurance through super is highly valued. Members describe it as generally more affordable than retail alternatives, tax-efficient and keeps everything in one place.

Neutral: ~40–43%

- **Passive uncertainty.** Some potentially haven't actively engaged with their cover and only hold it because it's provided automatically. Common responses include 'not sure', 'haven't thought about it' and 'don't know enough'.
- **Conditional importance.** Others describe insurance as moderately important, or something they know they should look into but haven't prioritised. Some see it as 'nice to have' or a good backup.

Negative: ~5–7%

- **Relevance to circumstances.** Some feel that insurance in super isn't relevant because they don't have dependants, are debt-free, are financially secure or hold cover elsewhere. Others may only see it as death cover, without realising it can also support them through illness, injury or disability.
- **Cost concerns.** A minority describe premiums as 'too expensive' or 'not worth it', with some having cancelled cover due to cost.



Who's missing out – and why

The research reveals distinct gaps in awareness, understanding and engagement that prevent members from securing the right cover for their needs. Knowing what drives these gaps and how to address them can help improve member outcomes.



THE GENERATION GAP

Younger members trust their fund the most, but are the least aware of insurance in super.

74%

of members aged 25–34 who describe themselves as uninsured **don't know they may have insurance in super.**

91%

of members aged 25–34 **trust their fund**, the highest of any age group.

730%

increase in TPD claims among 30–40-year-olds in the decade to 2022.⁸

“

*These members may have the **most to lose** if they're unable to work: **without accumulated assets**, their ability to earn an income is their most important financial resource.*



Members aged 25–34 present a paradox: they report the highest trust in their super fund, but many don't know whether or not they're covered. Among the 44% of members in this age bracket who say they don't have insurance in super, three-quarters have never looked into it.

There's also potentially a relevance gap. Traditional messaging about dependants and mortgages may not connect with members who have neither. Many younger Australians are also **facing intense and competing financial pressures including rent, education debt and cost-of-living increases** that are outpacing wage growth. These demands are immediate, whereas insurance can seem like a low priority.

But these members may have the **most to lose** if they're unable to work: **without accumulated assets**, their ability to earn an income is their most important financial resource.

Assuming younger members will engage with their insurance when they're ready carries risk. Mental health conditions represent the fastest-growing category of TPD claims, with the sharpest increases among members aged 30–40.⁹ Accidents, injuries and illnesses, including cancer, also impact young people at high rates. By the time traditional life milestones prompt engagement, some members will have already experienced the health events that insurance was designed to support them through.

For many members, age 25 is when the Putting Members' Interests First (PMIF) exclusion is lifted and they first become eligible for default insurance. This moment is a natural opportunity for funds to **build early awareness** through proactive, plain-language communication explaining what cover has been activated, what it costs and why it matters now.



MEMBER PROFILE Liam, 28*

Liam works as a construction site supervisor. He's never looked into whether he has insurance through his super – it's not something he's thought about, and no one has ever pointed him in that direction. He assumes he'll sort out his insurance later when he has a mortgage and kids.

Liam is focused on saving for a house deposit and managing cost-of-living pressures. It hasn't occurred to him that his ability to earn an income is his most valuable asset right now, or that an injury on site could derail his savings goals.

Members like Liam represent the awareness gap: they may already have cover they don't know about, and they have the most to gain from learning about it sooner rather than later.

** Hypothetical member profile for illustrative purposes.*

Engagement opportunities

1

Frame messaging around protecting income and supporting recovery, rather than protecting their family.

2

Engage at moments like career or salary changes and health events, rather than waiting for marriage or children.

3

Pro-actively communicate when default insurance is first activated.

4

Create positive first experiences through entry points like cover checks or needs calculators.

5

Use peer testimonials from young members who experienced illness or injury and were supported by their cover.

6

Demonstrate simple processes and low-friction pathways to drive engagement.



THE GENDER GAP

Women are less likely to know their cover status than men, less likely to adjust their cover, and less likely to seek guidance – either from their fund or elsewhere. Several factors compound to create this pattern.

Women face compounding barriers that hinder them from feeling adequately protected.

- 71%** Among members who say they don't have insurance, **71% of women have never looked into it** compared to 59% of men.
- 48%** Women are less likely than men to feel that their **default cover is enough for their needs** (48% vs. 59%), but are also less likely to adjust it (38% vs. 52%).
- 32%** **Women are less likely to take action** on insurance guidance from their fund (32% vs. 42%) or seek external advice (17% vs. 25%).

“
 Industry research shows that women systematically **undervalue their contributions, both paid and unpaid**, and are more likely to prioritise their partner's protection over their own.

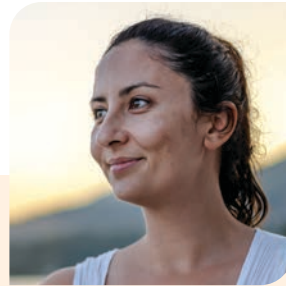


Women are more likely to work part time or take career breaks for caring responsibilities, resulting in lower lifetime earnings, smaller super balances and less engagement with their fund.

Industry research shows that **women systematically undervalue their contributions, both paid and unpaid**, and are more likely to prioritise their partner's protection over their own.¹⁰

This is reinforced by **a financial literacy gap**. Women consistently report lower financial confidence than men, and are less likely to recognise gaps in their own cover or get help to navigate complex financial products. For funds, this points to **an education-first approach** that involves building financial literacy alongside insurance awareness, rather than assuming members have the knowledge to engage on their own terms.

There's also a framing problem. Traditional insurance messaging **emphasises protecting the 'breadwinner'** and maintaining household income. Women who work part-time or have stepped back from paid work may not see this messaging as relevant. But the economic contribution of unpaid care work is substantial, and replacing it could be costly for their family.



MEMBER PROFILE Adani, 38*

Adani works three days a week while caring for her children and elderly mother. She has default cover but has never reviewed it. Her partner earns more, so she assumes his protection is the priority. She doesn't recognise that her contribution would be costly to replace if she became unable to work or care.

Adani knows she should probably look into her own cover, but the process feels overwhelming. Formal advice seems like overkill for her situation and is likely to cost more than she's willing to spend. She doesn't realise her fund could provide the guidance she needs, quickly and easily.

Members like Adani undervalue their contribution and deprioritise their own protection, and would benefit from targeted strategies to better understand their financial risks and insurance needs. They're not looking for comprehensive advice – they need an accessible starting point.

** Hypothetical member profile for illustrative purposes.*

Engagement opportunities

1

Use messaging that acknowledges women's circumstances including career breaks, part-time work and care roles.

2

Reframe insurance around protecting household contributions rather than just primary income.

3

Make costs tangible through weekly equivalents, comparisons to everyday spending and costs of recovery.

4

Consider how insurance communications address women's health needs in areas like pregnancy and menopause.

5

Offer simple education and guidance to help build broader financial literacy.

6

Use peer testimonials from female members who experienced illness or injury and were supported by their cover.



THE ADVICE GAP

Most members navigate insurance decisions without professional guidance – but what they actually need varies considerably.

Members are open to guidance to help them make informed insurance decisions.

73% of uninsured members have **never sought** insurance guidance.

87% of members are **receptive** to receiving advice from their super fund.

41% of members who adjusted their insurance in super did so **without guidance**, either from their fund or an external adviser.



*Intra-fund advice remains **significantly underused** and **largely unknown** to the members who would benefit most.*

CHART 10:

Advice actions based on insurance type (multiple responses allowed)

	No insurance	Insurance outside super	Default cover in super	Adjusted cover in super
No financial advice	73%	35%	33%	41%
Advice from a financial adviser	13%	36%	19%	26%
Received intra-fund advice	7%	15%	25%	29%
Attended an adviser's webinar	3%	19%	21%	10%
Attended a super fund webinar	4%	17%	21%	14%



Guidance needs range from basic information (“do I have cover, and what does it include?”) through to intra-fund advice and, for more complex situations, professional financial planning.

While many members may only need the first or second type, 73% of uninsured members have never sought guidance of any kind. Many are making consequential financial decisions – including the decision not to act – based on assumptions rather than information.

This reflects a broader advice gap. CALI research shows that while 35% of working Australians have considered seeking advice about life insurance, only 8% have received it.¹¹ **The advice gap also compounds the gender gap:** women are less likely than men to receive guidance from their fund, leaving them to navigate insurance decisions alone and often defaulting to inaction.

Advice-seeking patterns also differ by cover type. Members with adjusted cover in super are more likely to access intra-fund advice, while members with retail insurance are most likely to have sought professional external advice.

Our research shows that **87% of all members are open to guidance from their fund**. However, intra-fund advice remains significantly underused and largely unknown to the members who would benefit most. Many don’t know their fund can provide guidance, or what it involves.

Promoting these services more actively, and **integrating them into regular member communications**, could shift engagement without requiring members to seek out formal advice. Digital guidance pathways – including needs assessments, short explainers and self-service calculators – can provide an accessible entry point for members who just need basic information rather than comprehensive advice.



MEMBER PROFILE Georgia, 44*

Georgia is an office manager and single mother of two teenagers.

She opted out of insurance in super a few years ago and hasn’t revisited the decision since. She assumes cover would be too expensive to reinstate but hasn’t checked what it would actually cost. She didn’t know her fund could help her understand her options.

Members like Georgia aren’t opposed to taking action. They just need a simple pathway to guidance that meets them where they are.

** Hypothetical member profile for illustrative purposes.*

Engagement opportunities

1

Expand awareness of intra-fund advice by helping members understand how it works and what it costs.

3

Develop digital tools for members who prefer self-service or find one-on-one advice intimidating.

2

Design tiered guidance pathways that meet members where they are, with clear referral pathways for members with more complex needs.

4

Create adviser-facing materials that clearly articulate the value of insurance in super, to drive informed conversations about cover adequacy with members who are already engaged with the advice ecosystem.

Turning insights into action

The research shows that when funds engage members on their insurance, members respond.

Among those who recall receiving insurance communication from their fund, 37% reported that they were encouraged to find out more or take action, and a further 33% were interested but didn't prioritise it.

This suggests that simple and relevant information drives engagement. When communications connect to members' actual circumstances and make action feel achievable, most will either act or remain open to acting later.

Overcoming the barriers



Complexity

Members may think it's too complicated to engage with their cover



Affordability

Members may assume insurance is super costs more than it does



Value

Insurance can feel abstract until it's needed, making it seem less urgent



Guidance

Members want support but may not know their fund can provide it

Recommended engagement approaches

1

Proactive communication

- Personalised or segmented messaging by cover status (no insurance, default, adjusted)
- Trigger campaigns at key life moments
- Claim acceptance rates and average processing times

2

Guidance and support

- Educational content
- Interactive self-service tools and calculators
- Intra-fund advice options

3

Reframing insurance

- Costs and benefits described in relatable terms
- Member stories that demonstrate real outcomes
- Integration into broader conversations around investments and retirement planning



Principles for effective engagement



Meet members where they are, with messaging relevant to their life stage and circumstances.



Make it easy to take action by removing friction and demonstrating simplicity.



Use real stories to make value tangible and counter negative assumptions.



Measure engagement and iterate based on what achieves cut-through with different segments.

Glossary

TERM	DESCRIPTION
Life insurance	Provides a lump sum payment to a member's beneficiaries if the member dies, or to the member if they become terminally ill.
Living insurance	Cover options that support a member after a health setback, including: <ul style="list-style-type: none">Income Protection (IP) insurance, which provides income replacement payments if a member is temporarily unable to work due to an illness or injury.Total and Permanent Disability (TPD) insurance, which provides a lump sum payment if a member is permanently unable to work due to illness or injury.
Default cover	Default insurance in super is the automatic, standard cover provided to all eligible members over the age of 25 or with a super balance over \$6,000, unless they opt out. It's designed to give baseline protection without requiring medical underwriting, individual applications or active member engagement. Premiums are paid from the member's super account.
Adjusted cover	When a member actively changes their default insurance in super, whether increasing, decreasing or adding additional cover types, to better match their individual circumstances and protection needs.
Retail cover	Life insurance purchased outside of super, typically through a financial adviser. It's individually underwritten based on the insured person's health, occupation and lifestyle.

References

1 Actuaries Institute, Insurance in Super Sub-Committee, *The value of group insurance in superannuation: Utilisation*, 2025. Based on current rates of death and disability, approximately 30% of members are expected to experience at least one insured event during their working life, resulting in a claim being paid to them or their beneficiaries. **2** Claims statistics based on total number of accepted claims that were determined to be eligible for payment between 1 April 2024 and 31 March 2025. A claim is assessed in order to determine whether or not the claim is payable. **3** ABS, *Labour Force, Australia*, 2026. There are approximately 14.7 million working Australians, as at February 2026. TAL protects around 4.1 million super fund members, as at 31 March 2025. **4** Claims statistics based on total number of accepted claims that were determined to be eligible for payment between 1 April 2024 and 31 March 2025. **5** While premiums are generally affordable, it's important to note that they are deducted from members' super balances. **6** Azuria Partners, *Insurance in superannuation: Default insurance cost comparison*, February 2026. Industry average premium is \$246 p.a. for a 30-year-old member and \$564 p.a. for a 50-year-old member. Based on insurance guides of AustralianSuper, Hostplus, Australian Retirement Trust, Rest Super, HESTA, Aware Super, Cbus Super. **7** Sentiments are categorised based on 2,000 verbatim responses: **Positive:** expresses that insurance in super is important, valuable or reassuring – including references to peace of mind, family protection, convenience, affordability, or appreciation for the automatic/consolidated nature of the cover. **Neutral:** uncertain, hasn't thought about it, or says it's not important solely due to personal circumstances. **Negative:** actively dismisses or opposes insurance in super – including responses that describe it as a waste of money, too expensive, not worth it, eroding their super balance, or where the member has canceled cover out of dissatisfaction. **8** CALI & KPMG Life Insurance, *Australia's mental health check-up*, 2024 (based on 2013–22 data). **9** CALI & KPMG Life Insurance, *Australia's mental health check-up*. **10** CALI, *The gender gap in life insurance*, March 2025, **11** CALI, *The state of Australia's safety net*, 2025.

Find out more

To learn more about the research, contact groupcommunications@tal.com.au

