

CommInsure Corporate Insurance Superannuation Trust

Annual Report 2019

Fund

CommInsure Corporate
Insurance Superannuation
Trust
ABN 49 968 181 565
R1072457

PO Box 1282
ALBURY NSW 2640
Phone: 1300 767 400

Trustee and Issuer

Diversa Trustees Limited
ABN 49 006 421 638
AFS Licence No 235153
RSE Licence No L0000635

Registered Office

Level 20, 357 Collins Street
Melbourne Vic 3000

Administrator

OneVue Super Services
ABN 74 006 877 872
AFS Licence No 246883

Insurer

The Colonial Mutual Life
Assurance Society Limited
ABN 12 004 021 809
AFS Licence No 235035

This Annual Report should be read in conjunction with the annual member statement recently provided to you, which shows your member entitlements at 30 June 2019.

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Features

- Insurance protection for members within a superannuation environment
- Death cover and total and permanent disablement cover if selected by employer
- Insurance premiums paid by participating employer not the member
- Binding and non-binding beneficiary nominations

For detailed information about these features see the CommInsure Corporate Insurance Superannuation Trust's (CCIST) Product Disclosure Statement (PDS). For a copy of the PDS contact the CCIST Administrator using the contact details in the Directory at the back of this report.

Membership

At 1 July 2018	7,483
New members	4,350
Members who left the CCIST	4,797
At 30 June 2019	7,036

FROM THE TRUSTEE

We are pleased to present our Annual Report for the year ended 30 June 2019.

This report is issued by Diversa Trustees Limited (the Trustee), ABN 49 006 421 638, RSE Licence No. L0000635, AFS Licence No. 235153. The information provided in this report is in accordance with the requirements of the Corporations Act and Corporations Regulations 2001. The information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any decisions in relation to the CCIST you should consider obtaining professional financial advice from a Licenced or authorised financial advisor.

The trustee of the Fund is Diversa Trustees Limited (Diversa Trustees, Trustee) and is responsible for the ongoing management of the Fund. As trustee, Diversa Trustees employ specialist providers to help look after the Fund and its investments which are outlined in the 'Directory' section at the end of this annual report.

As trustee, Diversa Trustees aims to ensure that all legal and compliance obligations are properly met. It is responsible for compliance with the Trust Deed of the Fund, including ongoing satisfaction of legislative requirements, and monitoring of risk controls as specified in its' risk management framework. In summary, the trustee's role generally incorporates:

- fund registration;
- issue of disclosure documents;
- compliance monitoring against legislative and regulatory requirements; and
- risk management.

The names of the directors of the Trustee as of 30 June 2019 are as follows:

- Vin Plant (Chair);
- Murray Jones;
- Robyn Fitzroy;
- Andrew Peterson; and
- Fiona McNabb.

Notes:

- Garry Wayling ceased to act as a Director (Diversa Trustees Limited only) on 28 June 2019
- Andrew Peterson and Fiona McNabb commenced as Directors of the Trustee on 28 June 2019

Remuneration

The directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Any Directors fees are paid by Diversa Trustees Limited.

Board committees

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes. The following committees assist the Board, which in some cases involves engagement of external experts:

- Investment Committee; and
- Audit, Compliance and Risk Committee.

No penalties were imposed this year on any responsible person under Section 38A of the Superannuation Industry (Supervision) Act 1993.

Professional Indemnity Insurance

Diversa Trustees has professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant policy and complies with the requirements of Section 912B of the Corporations Act 2001.

ABOUT THE CCIST

CCIST is designed to provide insurance benefits to employees of participating employers in a superannuation environment. The participating employer pays the cost and in doing so, may provide members with financial protection against adverse future events such as death or total and permanent disablement.

For employers, CCIST can be a convenient way of arranging tax effective life insurance for employees. Contributions paid into the CCIST by employers will generally be tax deductible to the employer.

CCIST is a flexible, cost-effective superannuation fund designed to meet the superannuation needs of members by providing death benefits to dependants and, in some cases, total and permanent disablement (TPD) benefits to members.

CCIST has no investment component, and as such members will not accrue an account balance. The contributions paid to the CCIST by employers for each member are held until insurance premiums are paid, or insurance proceeds are paid to a member. The investment objective is to maintain the capital value of the funds and this is done solely by holding money in the CCIST bank account. The CCIST does not invest in derivatives.

Employer's Contributions

As benefits within the CCIST relate to insurance only, members are not able to make any contributions or rollovers for accumulation purposes within the CCIST.

The participating employer will make employer contributions on behalf of members. These contributions will be equal to the Insurance Premium payable for the insurance cover as detailed in the applicable PDS Part B: Employee Insurance Guide.

2019/20 Superannuation Thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for the 2019/2020 financial year are as follows:

Superannuation Threshold	
Low rate cap:	\$210,000
Concessional contributions cap:	\$25,000
Non-concessional contributions cap:	\$100,000 ¹
Non-concessional contributions cap 3 year bring forward*	\$300,000 ¹

¹ if you were under age 65 on 1 July 2018 and have a balance less than \$1,400,000 you may be able to make up to \$300,000 of non-concessional contributions over three financial years.

Details of the cap for later years will be available by calling the Client Service Line on 1300 926 299. The contributions paid by participating employers for the cover provided under the CCIST are classified as concessional contributions and are included in the concessional contribution cap.

For further information, contact the Australian Taxation Office on 13 10 20 or visit www.ato.gov.au/super.

WHAT'S NEW IN SUPERANNUATION 2019

This update was compiled as at November 2019 and is subject to change. For up to date information relating to taxation of superannuation, go to ato.gov.au or contact the Fund.

Over the past financial year, there have been several changes to laws surrounding superannuation, some of which may apply to you.

Protecting Your Superannuation Package Legislation

Changes to your insurance cover

From 1 July 2019, with the implementation of the Protecting Your Superannuation Package legislation, if your account is considered “inactive” – that is, the account hasn’t received a contribution or rollover for 16 months (regardless of your account balance), your insurance cover will be terminated if you are a member of a Super Fund.

The Fund regularly communicates with members to provide notifications of the possible cancellation of their insurance at 9 months, 12 months and at 16 months after the account has last received a contribution. Where members wish to retain their insurance cover, they may ‘Opt In’ by completing and forwarding or emailing to the Fund the Opt In to maintain or reinstate insurance cover form, and/or completing and forwarding or emailing to the ATO notification of not being an Inactive member.

Caps on certain fees

From 1 July 2019, a cap will be applied on administration fees, investment fees and certain costs charged to your account if your account has a balance of \$6,000 or less on the last day of the financial year (or when the account is closed).

That cap is 3% of your account balance. If you’re charged more than that during the financial year, you’ll be refunded the excess within three months from the end of the financial year, or at the time you close your account.

In addition to the above, exit fees have been banned on all super accounts.

Unclaimed Super Monies Act (Amendment)

Treatment of inactive low-balance super accounts

From 31 October 2019, if you have an inactive low-balance account, the ATO will try to match said account with your active one. This also applies to accounts identified as being low-balance and inactive from 30 June 2019, which must be transferred to the ATO by 31 October 2019.

An inactive low-balance account is generally defined as:

- having a balance lower than \$6,000; and
- for the past 16 months the member:
 - hasn’t received any rollovers or contributions;
 - hasn’t received a request to change investment options;
 - doesn’t have a binding beneficiary nomination, or no amendment to an existing nomination has been made;
 - the account holder hasn’t given notice to the Commissioner of Taxation that the account is not an inactive low balance account; and
 - the superannuation provider was not owed money.

Further information can be found on the ATO website at <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Inactive-low-balance-super-accounts/>.

Changes to the Work Test

From 1 July 2019, an exemption from the Work Test for voluntary contributions will apply if you're between 65 and 74 and have an account balance below \$300,000. The new exemption means you will be able to make voluntary contributions for one more year after you stop working. The Work test exemption allows an individual's super fund to accept voluntary contributions made by individuals aged between 65 to 74 for an additional 12 months.

This exemption applies for a further 12 months from the end of the financial year in which you last met the Work Test. It doesn't apply if you've used the Work Test exemption previously.

Coming Soon

Putting Members Interests First Act 2019 (being implemented in the 2019/2020 financial year)

This Bill was passed by Federal Parliament in September 2019, and will be implemented on 1 April 2020.

It is designed to protect low balance accounts and the superannuation savings of members aged under 25 from balance erosion due to insurance coverage they may not need.

From 1 April 2020, insurance cover must now be offered on an opt-in basis – meaning you'll have to choose to participate in insurance cover, rather than having it applied by default – if you're under 25 or have a balance less than \$6,000.

There is one exception to this, and that's if you work in what's determined to be a "dangerous occupation" such as the police force, truck driving, farming or concreting.

Further information can be found on the Federal Government website treasury.gov.au.

THE CCIST'S ACCOUNTS

This is an abridged summary of the CCIST's audited accounts for the year ended 30 June 2019. The full audited accounts, including the audit report are now available. If you would like a copy please contact the CCIST Administrator (see contact details in the Directory on the back cover).

CommInsure Corporate Insurance Superannuation Trust	2018	2019
Statement of Financial Position as at 30 June	\$	\$
ASSETS		
Cash and cash equivalents	587,785	2,251,595
Other assets		
Prepaid insurance premiums	156,993	251,354
Total assets	744,778	2,502,949
LIABILITIES		
Unearned premium / contributions revenue	156,993	252,841
Contributions to be returned		
Current tax liability	282	1,415
PAYG tax provision		8,274
Insurance premiums payable		510,856
Benefits payable	553,103	1,717,110
Total liabilities (excluding net assets available to pay benefits)	735,342	2,490,496
NET ASSETS AVAILABLE TO PAY BENEFITS	9,436	12,453
Represented by:		
Liability for accrued benefits		
Allocated to members' accounts	-	
Operational Risk Reserve	9,000	9,000
Not yet allocated	436	3,453
	9,436	12,453

CommInsure Corporate Insurance Superannuation Trust Statement of changes of member benefits for the year ended 30 June	2018 \$	2019 \$
Opening balance of member benefits	-	-
Contributions		
Taxable contributions - employer	3,878,485	4,163,759
Net contributions	3,878,485	4,163,759
Group life insurance proceeds	3,913,472	(5,606,991)
Insurance premiums paid	(3,878,485)	(4,163,759)
Death and disability benefits credited to member accounts	(3,913,472)	5,606,991
Closing balance of member benefits	-	-

OPERATION OF CCIST'S RESERVE

The CCIST operates a Reserve Account.

Operation Risk Reserve

The Federal Government as part of its Stronger Super reforms has imposed a requirement for funds to establish and maintain an Operational Risk Reserve (ORR) to specifically cover potential losses arising from operational risks that may affect the CCIST's business operations. An operational risk is the risk of a loss resulting from inadequate or failed internal processes, people and systems, or from external events. The ORR may be drawn upon to assist in compensating members or the CCIST in the event of an operational risk having materialised. The ORR will be invested in line with the Fund's investment strategy, as determined by the Trustee from time to time.

The Trustee has met the ORFR requirement for the Fund. If the ORR falls below the target amount, the Trustee will seek to top up the ORR if required. The amount of the ORR reserve as at 30 June for the following periods are:

30 June	ORR value \$
2016	9,000
2017	9,000
2018	9,000
2019	9,000

MANAGING THE CCIST

The Trustee

The CCIST is set up as a trust and is governed by a legal document called a Trust Deed. The Trustee responsible for running the CCIST in accordance with the Trust Deed, Diversa Trustees Limited (ABN 49 006 421 638, RSE Licence No. L0000635, AFS Licence No 235153, is a professional independent trustee. No penalties were imposed on the Trustee and/or any of its directors during the reporting period.

PRIVACY POLICY

We are committed to ensuring the confidentiality and security of your personal information. We will only collect, use and disclose this information for the purposes of processing and administering your accounts and providing services to you, unless otherwise required by law. We are bound by the Privacy Act and the National Privacy Principles, as regulated by the Federal Privacy Commissioner, to protect such information from misuse and loss, unauthorised access, modification and disclosure.

You can obtain a copy of the Trustee's Privacy Policy from the Privacy Officer by contacting the Fund on the details found at the back of this report.

MORE INFORMATION

Your benefit statement and the CCIST's PDS contain important information about your personal benefits and the CCIST. You are also entitled to request further information including the Trust Deed and rules, the latest audited accounts and auditor's report and the Trustee's Privacy Policy.

The Trustee is required to disclose certain information and documentation on a website. Accordingly, the Trustee's website (www.diversa.com.au/trustee/Comminsure) contains the required CCIST information and documentation. The CCIST information and documentation includes, but is not limited to, the following: the Trust Deed, the most recent Product Disclosure Statement, the Annual Report, and the names of the outsourced service providers to the CCIST.

For copies of these documents, or if you want more information about your benefits, the CCIST Administrator will be pleased to help. You can contact the CCIST Administrator by phone; send an email, fax or writing. See the Directory on the back cover for details.

Enquiries and Complaints

The CCIST has an established procedure for dealing with member enquiries and complaints about the operation and management of the CCIST. Enquiries and complaints should be made to the Administrator. For the cost of a local call, you can call our Client Services Team on 1300 926 299 (the cost may be higher if calling from a mobile), or email us at CCIST@smasuper.com.au.

We aim to resolve all complaints quickly and fairly. If you are not satisfied with the final decision, or we have not responded within 90 days from the date that your complaint is received, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA), our external dispute resolution (EDR) scheme.

Strict time limits apply for lodging certain complaints with AFCA; otherwise AFCA may not be able to deal with your complaint.

To find out if AFCA can handle your complaint and determine the type of information you need to provide, AFCA contact details are as follows:

Phone	1800 931 678
Email	info@afca.org.au
Write to	Australian Financial Complaints Authority (AFCA) GPO Box 3 Melbourne VIC 3001

DIRECTORY

CCIST Administrator

OneVue Super Services
ABN 74 006 877 872
AFS Licence No 246883
Level 1, 540 Swift St
PO Box 1282
ALBURY NSW 2640
1300 926 299
Fax: (02) 6041 9355

Insurer

The Colonial Mutual Life Assurance Society Limited
ABN 12 004 021 809
AFS Licence No 235035
Level 12, 52 Martin Place
Sydney NSW 2000

Trustee

Diversa Trustees Limited
ABN 49 006 421 638
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