

15 April 2026

First Assistant Secretary
Superannuation and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA
via: superannuation@treasury.gov.au

Dear Sir/Madam,

Preventing perpetrators from accessing victims' superannuation death benefits

The Council of Australian Life Insurers (**CALI**) welcomes the opportunity to respond to Treasury's consultation paper *Preventing perpetrators from accessing victims' superannuation death benefits*. CALI acknowledges the Government's action in this complex and sensitive area and appreciate the priority it is being given.

Life insurance products are designed to give Australians peace of mind. This fundamental purpose of life insurance is at odds with any situation where a product can be used by an abuser to threaten, abuse or control a victim. Australia's life insurance industry recognises that some victim-survivors have experienced financial abuse through life insurance products, and we are committed to working with Government to better protect customers in all circumstances.

Key points

1. CALI supports Option 2b as the preferred reform approach. This court-based model provides clarity and certainty, and CALI considers this approach the most consistent for trustees, beneficiaries and affected families.
2. While Option 2b is the preferred model, CALI recognises that elements of Options 1 and 3 may have a limited supporting role in specific or complex circumstances, such as unresolved matters or where benefits must be paid into court, and could be adopted by the Government to enhance future reforms.
3. CALI has developed a Best Practice Guidance document to ensure life insurers respond to vulnerability in a way that prioritises safety, dignity and access to life insurance. CALI acknowledges that family and domestic violence (FDV) is an evolving issue and is

reviewing the Life Insurance Code of Practice to ensure it remains aligned with community expectations.

CALI supports the proposed changes that prevent perpetrators of FDV, including financial abuse, from benefiting from the death of their victim-survivors. The life insurance industry has first-hand experience responding to financial abuse and supporting individuals and families through periods of acute vulnerability and trauma, which informs CALI's strong understanding of the importance of measures that protect victim-survivors and prevent further harm. supports reforms that strengthen protections for victim-survivors while respecting the proper role of trustees and courts.

CALI recognises that the proposals in this consultation are directed to the role and obligations of superannuation fund trustees. Life insurers are key partners to superannuation fund trustees and their members, providing scalable, affordable and accessible life insurance cover to approximately 8 million Australians¹ paying more than \$6b in benefits across death, TPD and IP claims in 2024.²

This consultation is a critical and welcome step in equipping superannuation fund trustees with clearer legislative tools to navigate these difficult situations safely, consistently and in line with community expectations.

CALI and its members are committed to continuing engagement with Treasury on this issue. There is more work to be done across the financial system to address financial abuse and FDV, and the life insurance industry stands ready to contribute its experience and capability to support stronger, more coherent regulatory outcomes.

Kind regards,

Christine Cupitt



Chief Executive Officer
Council of Australian Life Insurers

About the Council of Australian Life Insurers (CALI)

CALI is the leading voice of life insurance in Australia. We support Australians to make informed choices about their future and help them live in a healthy, confident and secure way over their lifetime.

Our members' products and services give people peace of mind when making important decisions and provide a financial safety net during life's biggest challenges.

We advocate for national policy settings that expand Australians' access to the life insurance protection that suits them when they need it most. CALI represents all life insurers and reinsurers in Australia. The Australian life insurance industry is today a \$26.4 billion industry, employing thousands of Australians and paying billions of dollars of benefits each year.

For more information, visit www.cali.org.au

¹ [ASIC Report 760 Insurance in superannuation: Industry progress on delivering better outcomes for members, March 2023](#)

² [ASFA, The success of insurance in superannuation, March 2025](#)

Treasury's consultation paper: Preventing perpetrators from accessing victims' superannuation death benefits

Attachment A

Detailed response to consultation

Treasury Option preference - Option 2b

CALI supports a prescribed model where legislative amendments are made and considers Option 2b to provide the greatest clarity and certainty for fund trustees, victims and their families.

CALI considers that serious questions of culpability and discrediting conduct should be determined by courts and implemented by financial organisations. This approach will ensure procedural fairness and due process and contribute to the development of important legal doctrine. It also avoids requiring financial organisations to decide disputed allegations of violence, reduces the risk of unfair decisions, and leads to decisions that can be clearly justified if challenged.

CALI also recognises that each of the options outlined in the consultation paper contain constructive and practical elements that may be relevant in different circumstances and seeks for the Government to consider different aspects of the options may be useful for future reform design.

For example:

- Option 1 – broader discretion

This option reflects the importance of flexibility and trauma-informed decision making, particularly in circumstances where formal court findings may be absent but poses significant risks for all parties involved. CALI does not support this option as the primary framework but we do acknowledge the positive elements and spirit of this option. If the Government were contemplating for future reform, they would need to be embedded within clear safeguards and guidelines and consider the regulatory or legislative requirements to ensure some uniformity to its application across the industry.

CALI members have experienced cases where alleged perpetrators have sought to pressure life insurers into expedited payment before criminal charges have been laid, or while investigations remain ongoing. Such pressure tactics convey the need for life insurers and trustees to have clear frameworks in place to remove the risk of acting prematurely.

- Option 3 – payment to estate or court

CALI acknowledges that there are circumstances in which it may be neither appropriate nor practicable for a fund trustee to finalise a death benefit payment particularly where investigations are ongoing or where a claimant may be implicated, but no proceedings or determinations have been finalised. However, CALI does recognise that there is premise in option and acknowledge this could be explored as a fallback mechanism for individual cases in future reforms.

Life insurers are familiar with section 215 of the *Life Insurance Act 1995* (Cth), which provides a clear statutory pathway for insurers to pay benefits into court where discharge cannot be obtained, such as where an actual or suspected perpetrator of a crime is the beneficiary of a policy and would benefit as a result of that crime. This is referenced in CALI's Best Practice Guidance to ensure life insurers are aware of this avenue if it is appropriate to consider depending on each person's individual circumstances.

Some life insurers have observed situations involving fraud red flags, including forged documents, fabricated email addresses and AI-generated communications, as well as cases where surviving family members have expressed concerns that a claimant was under investigation in relation to the death. Life insurers have identified many cases since 2019 involving murder or manslaughter, or allegations of such conduct, where claimants attempted to pressure insurers into fast decisions despite charges not yet being laid. In each case, no claimant had yet been convicted at the time payment was sought.

Overall, CALI considers Option 2b to be the most appropriate for reform, while recognising that elements of Options 1 and 3 may, be considered overtime or in the future as they do both offer useful supporting mechanisms to address individual cases.

Further opportunities to strengthen protections for victim survivors

Life insurance products are designed to give Australians peace of mind. This fundamental purpose of life insurance is at odds with any situation where a product can be used by an abuser to threaten, abuse or control a victim. Australia's life insurance industry recognises that some victim-survivors have experienced financial abuse through life insurance products, and we are committed to working with Government to better protect customers in all circumstances.

CALI has previously identified that there are opportunities to improve practices across the industry in collaboration with Government. In our previous submission to the *Financial Services Regulatory Framework in Relation to Financial Abuse*, we highlighted it is clear that aspects of the current regulatory framework can, in some circumstances, limit insurers' ability to implement comprehensive protective measures. Life insurers want to work closely with Government, advocates and experts to identify these regulatory constraints and develop solutions that better protect victim-survivors while maintaining appropriate legal safeguards.

Examples of regulatory issues identified by CALI include:

- Life insurance is a guaranteed renewable product and cannot be cancelled as long as premiums continue to be paid. There is very limited ability for insurers to change terms and conditions once a policy is written, meaning life insurers are generally unable to withdraw products from suspected perpetrators of financial abuse.
- The law provides particular rights and protections to policy owners. Privity of contract means that only the policy owner can instruct changes to the contract, nominate beneficiaries, assign or terminate the policy. Where there are joint policy owners, agreement is required for any changes. An insured person who is not a policy owner has no power to take these actions, creating challenges in circumstances of financial abuse.
- Australian law does not require an insurable interest at policy inception, nor does it generally compel cancellation or assignment where an insurable interest has ceased. This can create

risks following separation or divorce, particularly where joint policies exist and consent cannot be obtained.

- Legislative notification requirements can conflict with the need to protect victim-survivors' safety and privacy, particularly in cases of joint or cross-policy ownership. In some circumstances, compliance with notification obligations can result in an alleged abuser receiving a victim-survivor's location or contact details, contrary to community expectations and the best interests of victim-survivors.

These regulatory settings provide important consumer protections. However, given their impact on people affected by financial abuse and family and domestic violence, CALI considers it imperative that industry and Government continue to work together to enable life insurers to provide stronger protection for victim-survivors while complying with the law.

CALI and the life insurance industry is currently underway to strengthen the Life Insurance Code of Practice, to set clear and consistent standards for insurers and uplift individual policies and practices across the industry. This review is being conducted by appointed independent reviewer Peter Kell with his final report to be delivered on 30 June 2026.

CALI's Best Practice Guidance

In February 2025, CALI developed and published our Best Practice Guidance on Family and Domestic Violence Policies (**Best Practice Guidance**) which sets the benchmarks for for compassionate and effective engagement with victim-survivors.

The Best Practice Guidance was developed in consultation with social enterprise Flequity Ventures and the Independent Collective of Survivors, who advised on lived experiences with life insurance and financial safety by design. It also involved CALI's member companies to better understand the challenges victim-survivors face with life insurance.

The Best Practice Guidance focuses on creating a framework and new processes that foster trust and avoid re-traumatisation including:

1. Addressing financial abuse and coercive control;
2. simplifying policy changes for victim survivors;
3. enhancing privacy and confidentiality;
4. simplifying the application process;
5. handling queries and claims sensitively;
6. considering the forfeiture rule;
7. providing access to designated trained staff; and
8. providing access to additional resources.

The Best practice Guidance helps Australian life insurers support victim-survivors with safe and secure practices when they need it most.