



## Insurance in Superannuation – Default Insurance Cost Comparison

Damian Thornley | Managing Partner | February-2026

Since 2021, Azuria Partners has been researching the competitiveness of the default insurance offerings by seven large public offer superannuation funds. This study is unique in the Australian market for its focus on the member default insurance packages.

In this report, we assess the following aspects of default insurance arrangements and their changes over time:

- **Sum insured:** Coverage for Death and Total and Permanent Disablement (TPD) benefits
- **Annual premium:** Cost of the default insurance cover, and
- **“Value for customer”:** Competitiveness of the premium rate per \$1,000, highlighting improvements or declines in value.

To evaluate the market positioning of default insurance offerings, we reviewed the insurance guides of the following superannuation funds as at January 2026. Collectively, these funds account for over half of all superannuation fund members across Australia’s 100+ funds, underscoring their industry dominance and significance.

- AustralianSuper
- Hostplus
- Australian Retirement Trust (ART)
- Rest Super
- HESTA
- Aware Super
- Cbus Super

### Key Themes / January 2026 Default Insurance Outcomes

- The analysis of this report is conducted based on the Age-Based Premium Rates utilised within the pricing of each individual superannuation fund.
  - Age-Based Premium Rates over the past 12 months have seen a small improvement, with an average 2% rate decrease, following the observed 5% rate improvement in 2024.
- Across calendar year 2025, no further superannuation funds have transitioned towards Male / Female rating factors for default insurance premiums. As such, currently only Australian Retirement Trust (ART) and Hostplus utilise gender in their premium rate basis.
  - As noted in the 2025 edition of this report, any move towards Female / Male insurance premium structure is a positive market development for fairness.
- Cover levels have remained stable, with virtually unchanged levels of cover from what we examined 1-year prior.

## Key Themes in Superannuation Insurance

Our research has uncovered several critical insights into the default insurance offerings across major Australian Superannuation funds.

<p><b>Cover Levels</b></p>	<p>The Weighted Average Death Cover for the funds surveyed ranges from \$95k (Host-plus) to \$273k (Rest), with 5 of the 7 funds existing in a comparable range of \$110k to \$185k</p> <p>Rest remains an outlier with higher levels of Death Cover, providing an age weighted average \$273k Sum Insured to members.</p> <p>The Average Weighted TPD Cover exhibits more variation, with levels of cover ranging from \$27k to \$165k, with the exclusion of HESTA which does not offer default TPD cover.</p>
<p><b>Annual Premiums</b></p>	<p>The annual Premiums charged by the surveyed funds for Default Insurance package (Death, TPD and Income Protection) varies greatly by age and fund. On average, members:</p> <ul style="list-style-type: none"> <li>• Age 30: \$246 per annum,</li> <li>• Age 40: \$429 per annum,</li> <li>• Age 50: \$564 per annum.</li> </ul> <p>A 2-Year snapshot highlights a reduction of ~19% in annual premiums for members aged 30 (-\$57 per annum), counteracted by a ~7% increase in annual premiums for members aged 50 (+\$35 per annum), whilst premiums for members aged 40 have remained comparable.</p> <p>These premiums maintain their position well below the industry guideline of 1% of salary, as highlighted in ASIC report 760 (2023), to prevent the erosion of superannuation balances due to insurance costs.</p>
<p><b>Competitiveness of Death &amp; TPD rates per \$1,000 Sum Insured</b></p>	<p>Cbus Super remains the highest premium rate per \$1,000 sum insured, thing reflecting the default risk factors such as Blue-Collar Occupational Classification and Unisex rates.</p> <p>Hostplus members have again benefited from the 2024 transition to gendered rates, allowing for greater recognition of differing experiences between male and female members.</p> <p>Following the 2024 reduction of Average weighted premiums per \$1,000 sum insured of 26% and 2% for Female and Male members respectively, 2025 sees a further 7.9% reduction across the fund.</p> <p>Five out of the seven funds surveyed continue to maintain unisex rates, therefore allowing for risk ratings to bleed across differing experiences for members.</p>

## Age-weighted Sum Insured | February-2026 results

Default Cover Levels have remained largely unchanged since 2024, with the median Age-Weighted<sup>1</sup> cover level across the surveyed funds being ~\$135k for Death and ~\$129k<sup>2</sup> for TPD.

The stability of these cover levels gives key insight into the performance of the existing insurance arrangements. From a member's perspective, this provides certainty, ensuring the avoidance of reductions in benefits, as well as indication of sustainable management. Similarly, from the fund's perspective, stable cover levels may indicate sustainable claims experience in addition to accurate pricing.

Figure 1 – Age-Weighted Cover Levels by Superfund for Death Cover

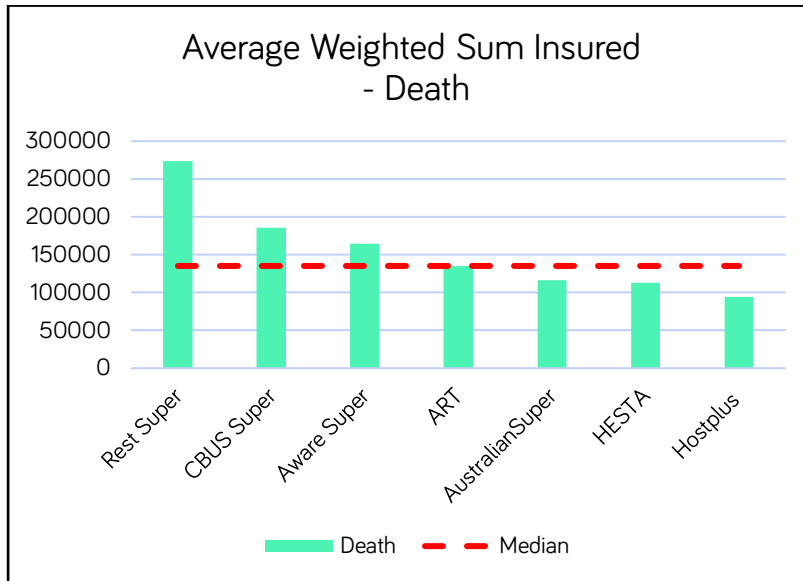


Figure 1:

Rest Super and Cbus super offer the highest level of average weighted sum insured death cover.

This decision is likely a reflection of the risk profile of the selected demographic of the default cover pricing.

A greater proportion of high-risk professions requires an equally higher level of cover to adequately meet the needs of their respective memberships.

Figure 2 – Age-Weighted Cover Levels by Superfund for TPD Cover

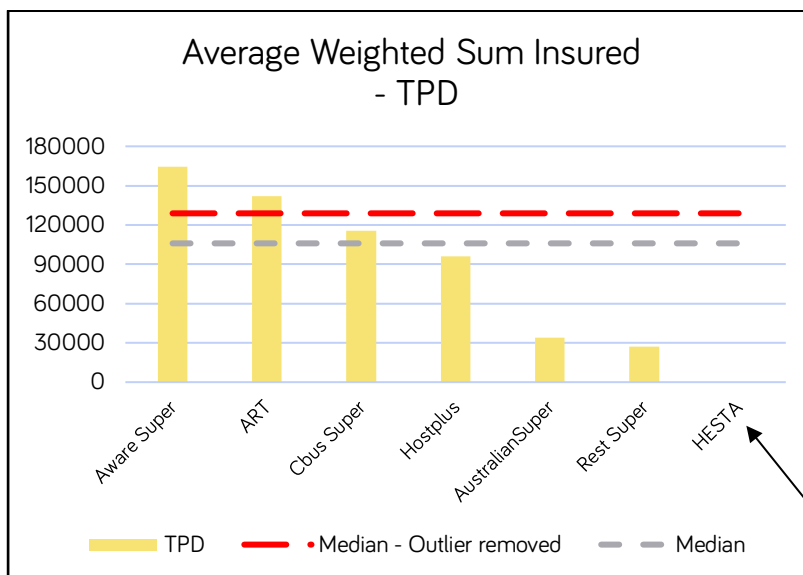


Figure 2:

Aware Super and ART remain the current highest offering for TPD coverage.

AustralianSuper, Rest Super, and HESTA additionally offer Income Protection, explaining the reduced lower TPD Sums Insured.

HESTA does not provide default insurance for TPD.

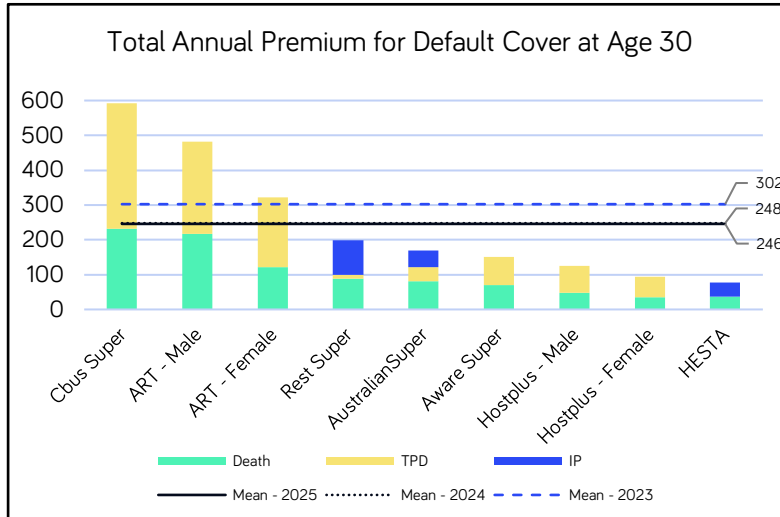
<sup>1</sup> See Appendix: Methodology for details on the Age-Weighted Method

<sup>2</sup> Median TPD Cover has been calculated using only the four largest funds to eliminate outlier effects.

## Total Annual Premium | February-2026 results

The survey revealed some changes to the total annual premium of multiple funds. Cbus Super, Aware Super, HESTA and Hostplus all saw a change in total annual premiums in 2025, with Rest Super and ART being the only two unchanged. As the total default cover levels across all seven funds remained constant, these changes are strictly driven by changes in base premium rates.

Figure 3: Total Annual Premiums for Ages 30, 40 and 50

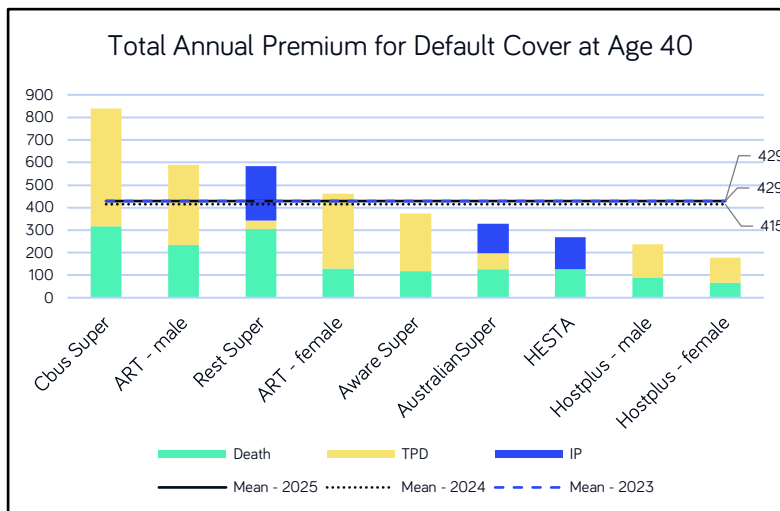


### Within the 30-40 age bands:

Cbus Super remains the most expensive in total annual premiums.

This is likely due to the occupational & gender balance of the membership.

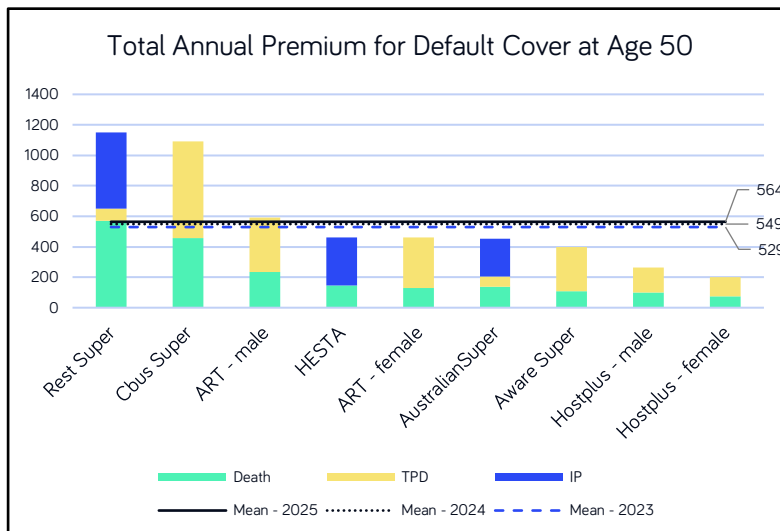
Due to the general membership mix of Cbus Super, default premiums are set based on expected experience of Blue-Collar Occupations.



### At Age band 40:

Average annual premium at age 40 has remained at just over \$400 p.a.

The average total annual premium remains relatively stable compared to 2023 and 2024 report. Premiums saw a slight decrease in 2024 before returning to aligning more closely with 2023 rates.



### Overall trend:

Over the two-year period presented, the mean premium has decreased by 19% at Age 30, remained stable with 0% change at Age 40, and increases by 7% at Age 50.

This may be an effort to reduce cross-subsidisation, making premiums fairer by lowering costs for younger members, further encouraging younger member participation.

**Average weighted premiums per \$1000 of cover – value to the customers | February-2025 results**

Figure 4: Weighted Average Underlying Premiums for Death Coverage

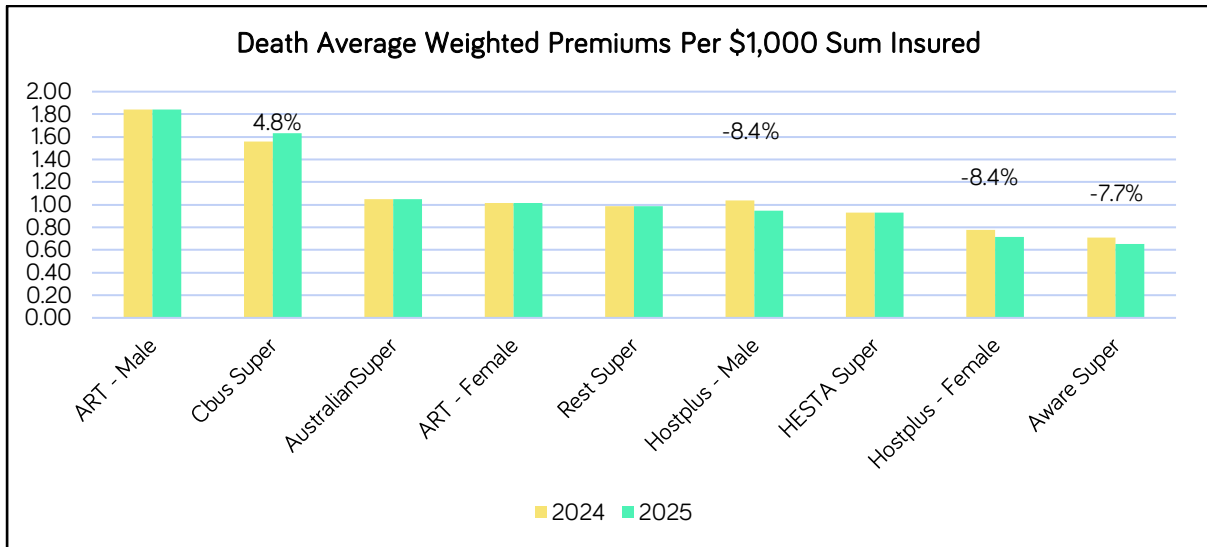
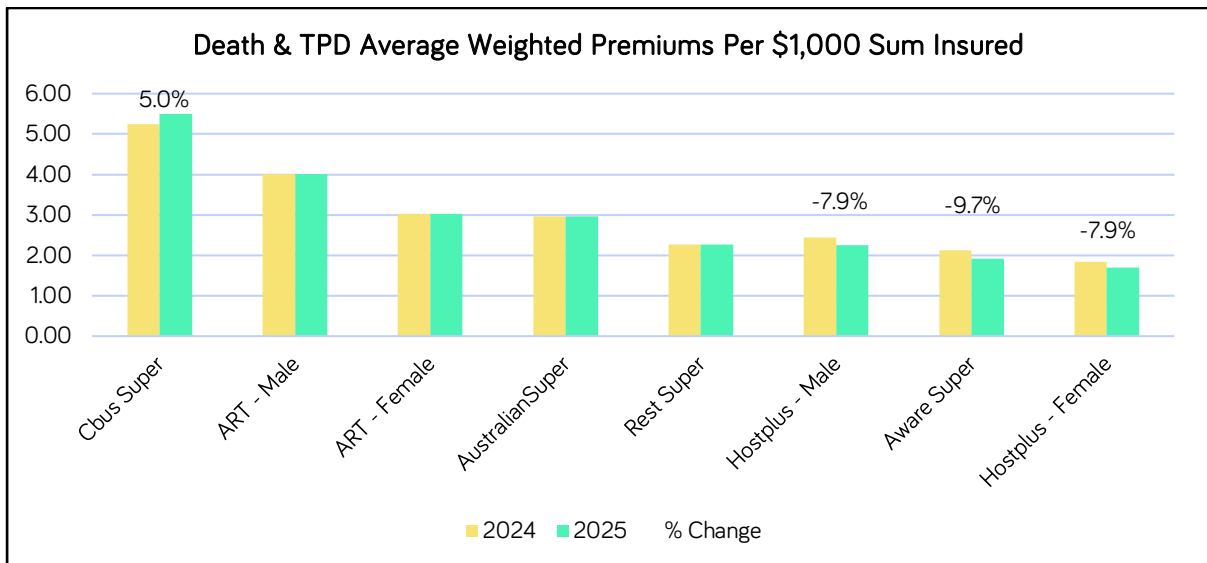


Figure 5: Weighted average underlying premiums for Death and TPD coverage



- Overall, across the surveyed funds, a net average 2.3% decrease was observed in comparison to those set in 2024. There have been no observed policy changes in the surveyed funds that result in changes to the existing pricing structure.
- Figure 5 illustrates that Hostplus, both Male and Female, and Rest Super have become more competitive since 2024, with respective decreases in premium of 7.9%, 7.9% and 9.7%. Conversely, Cbus Super has observed a 5.0% increase in average weighted premiums per \$1,000 sum insured. This change occurs after the 5.0% decrease seen in the 2024 rates.
- Figure 4 highlights Death cover as the main driving force for the observed changes in premium levels. The decrease observed through both Hostplus Female and Male is likely due to a flow-on effect of the transition to gender-based pricing in 2024, whilst the reversion of premium rates with Cbus Super may indicate a strategic revision of the previous rate changes implemented in 2024.

## Conclusion

Our 2026 research shows that there have been minimal changes to Insurance in Superannuation arrangements for members over the last 12 months.

Some minor premium rate improvements continued to flow through for Hostplus and Rest Super.

I expect to see premium rates starting to drift upwards in future surveys as the transmission mechanism from higher industry wide TPD claims experience becomes allowed for in the pricing systems of these large funds.

## Appendix

### Methodology

In the analysis, we surveyed each superannuation funds Insurance Guide to collect detailed data on default insurance premiums and cover levels.

To ensure comparability of our analysis across funds, we applied a weighted average approach. This approach involves weighting cover levels and sums insured according to age distribution within the labour force. This method allowed us to compare better across Fund offerings, thereby providing a comprehensive view of the insurance landscape.