

1 February 2022

**Private & Confidential**

## **SIGNIFICANT EVENT NOTICE**

### **Insurance changes from 1 March 2022 for members of max Super Fund**

#### **Insurance Policy MP9975 - The DKN Associated Practices Group Salary Continuance Insurance Plan**

We are writing to notify you that your Group Salary Continuance insurance premiums for insurance cover held in max Super Fund, a sub plan of OneSuper (Smartsave or the Fund), will increase from 1 March 2022. We are pleased to advise that your Group Life insurance premiums for insurance cover held will not increase and will remain the same as currently paid.

#### **Why is the cost of your salary continuance insurance cover increasing?**

For many years, we have been able to keep the costs of your group insurance cover at the same level. However, the cost of insurance cover continues to rise in Australia due to increased claims, and in recent times, insurance held by members has been impacted by legislative changes (Protecting Your Superannuation Package (PYSP) and Putting Members' Interests First (PMIF) to the *Superannuation Industry Supervision Act 1993*.

These changes have caused a decline in the numbers of members holding insurance, and in addition to this, there have been changed arrangements for members due to the impact of COVID-19.

A recent review was carried out by the insurance provider to the Fund, AIA Australia, and as a result of this review, we have been unable to delay increases in insurance premiums for salary continuance to members any longer.

#### **What is the increase?**

Effective 1 March 2022, the insurance premium cost of Salary Continuance cover for members holding Policy No: MP9975 within the Fund will increase by approximately 12% per annum. We confirm there is no change to insurance premiums where you hold Death, or Death and TPD insurance cover.

The level of your cover held, what you're covered for and your occupation rate adjustment loadings will not change. For further details on your insurance cover, please refer to your 2021 Annual Member Statement.

#### **Comparing the cost of salary continuance insurance cover in the Fund**

##### **Policy No: MP9975 – The DKN Associated Practices members**

The following provides an example for members holding Salary Continuance cover. The example shows what will be paid after 1 March 2022 compared to what is being paid now.

**Group Life insurance cover – Death & TPD (Category A - Employer division)**

- Jenny is an Accumulation member of the Fund, is aged 36 (age next birthday 37),
- Jenny works full time in a white collar role in an accounting office, and earns a salary of \$80,000; and
- Jenny has existing Salary Continuance insurance cover with an Insured amount of \$60,000 (75% of her salary amount).

**Jenny's Salary Continuance insurance premium is worked out taking the following into account:**

Policy No MP9975 DKN cover terms are based on:

- age next birthday at the annual review date, and on an annual basis per \$ 100 monthly benefit
- Rates are exclusive of stamp duty.
- Benefit wait period 30 days, and benefit period paid is to age 65
- Insurance cover: \$80,000 x 75% of salary = \$60,000

Insurance premium currently:

- Current insurance premium rate per \$100 Monthly Benefit at age next birthday (37) is 32.02 =  $(\$60,000/12 \times 32.02)/100 = \$1601.00$  per annum or \$133.42 paid monthly in arrears from her Account.

From 1 March 2022:

- this will increase to an insurance premium rate per \$100 Monthly Benefit at age next birthday (37) of 35.79  
=  $(\$60,000/12 \times 35.79)/100$  of monthly benefit = \$1789.5 per annum or \$149.13 paid monthly in arrears from her Account.

**Where do you obtain more information on the changed insurance premiums?**

Appendix A shows details of Policy No: MP9975 regarding the changed Salary Continuance insurance premium rate table, Eligibility and Benefit Design terms for members. Using the example explained above, the changed insurance premium can be calculated for your particular situation.

**Why continue to insure through max Super Fund?**

There are still great benefits for members to hold their insurance cover in their superannuation account. As a member, you have access to group insurance cover rates, which are generally cheaper than retail insurance cover rates.

Another benefit of group insurance cover is that many of you were able to be automatically provided with a level of cover when you joined (subject to eligibility and commencement of cover terms).

There may also be cash flow or tax advantages because any payments for insurance premiums can come straight from your super account, rather than your take home, after tax pay. It's still a convenient and easy way to manage your insurance.

## What do you need to do next?

The new salary continuance premium (where applicable) will automatically apply and be deducted from your account from the month commencing 1 March 2022, so you do not need to do anything.

However, you can organise changes to your insurance cover, (opt in to retain your cover) or cancel (opt out) or increase your insurance cover at any time by logging in to your member Account via the max Super Fund Secure Online Portal and Click on the FAQ/Forms tab to download:

- the max Super Fund Insurance Guide and find out more about your group insurance generally,
- the form 'Opt In to retain or reinstate your insurance', (refer to Appendix A: PMIF exempt member ), or
- a 'Variation of Insurance' form if you wish to change your insurance, or if applicable the relevant Insurer application form.

You can review your insurance cover type and amounts in your 2021 Annual Member Statement by Clicking on the Super tab and checking your mail in the Report InBox).

The max Super Fund Product Disclosure Statement, Additional Information Guide, Insurance Guide and Target Market Determinations are available at <https://www.onesuper.com/funds/max-super/>, or in the Secure Online Portal FAQ/Forms page of your member Account.

*You should take the time to review your insurance cover on a regular basis,  
confirm your occupation is correct to the insurance premiums you are paying, or  
confirm your insurance cover remains appropriate if your circumstances change.*

*You can vary or cancel your cover at any time.*

*To ensure the insurance cover will meet your needs you may wish to speak to your  
licensed financial adviser and/or other professional as appropriate.*

## Need more information?

If you require further insurance advice, consulting your licensed financial adviser will assist you.

If you have specific questions about your insurance cover in the Fund or the changes, please phone us on 02 8022 7405 or email us on [maxteam@onevue.com.au](mailto:maxteam@onevue.com.au) between 8.30 a.m. and 5.30 p.m. (Sydney time), Monday to Friday.

Yours sincerely,

**On behalf of the Trustee**

**Max Super Fund**

Max Super Fund is a superannuation product within OneSuper ABN 43 905 581 638 RSE R1001341 (the Fund). Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153 RSE Licence L0000635 (Trustee) is the Trustee of the Fund and the product issuer. The information in this document has been prepared by OneVue Wealth Services Ltd ABN 70 120 380 627 AFSL 308868 as the Fund Promoter. It is intended to provide you with general information only and does not take into account your personal objectives, financial situation or needs. Before making any financial decisions about max Super Fund, it is important that you read the current product disclosure statement (PDS) and Target Market Determination (TMD) and consider your particular circumstances and whether the particular financial product is right for you. The current PDS for the product is available on <https://onesuper.com/funds/max-super/>. You should consult a financial adviser if you require personal advice.

**Max Super Fund** is a sub plan of **OneSuper** ABN 43 905 581 638 RSE R100134

**Trustee:** Diversa Trustees Limited ABN 49 006 421 638 AFSL No. 235153, RSEL No. L0000635

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## Appendix A – AIA Australia Policy No MP9975

### The DKN Associated Practices Group Salary Continuance Insurance Plan

Premium table applicable from 1 March 2022

Rates are exclusive of stamp duty

Waiting Period	30 days	
Benefit Period	To age 65	
Claims Escalation	Lower of CPI and 5.0% pa	
ANB	Male	Female
16	11.19	15.77
17	11.19	15.77
18	11.19	15.77
19	11.19	15.77
20	11.19	15.77
21	11.19	15.77
22	11.18	16.31
23	11.19	16.86
24	11.24	17.41
25	11.32	17.96
26	11.43	18.51
27	11.74	19.33
28	12.14	20.32
29	12.63	21.46
30	13.20	22.75
31	13.87	24.21
32	14.62	25.81
33	15.46	27.55
34	16.39	29.43
35	17.40	31.43
36	18.51	33.55
37	19.69	35.79
38	20.96	38.11
39	22.31	40.53
40	23.75	43.03
41	25.27	45.59
42	26.88	48.19
43	28.58	50.84
44	30.36	53.51
45	32.23	56.19
46	34.17	58.86
47	36.21	61.50
48	38.32	64.10
49	40.51	66.63
50	42.76	69.07
51	45.07	71.39
52	47.43	73.56
53	49.82	75.56
54	52.22	77.34
55	54.60	78.87
56	56.93	80.07
57	59.01	80.75
58	60.67	80.72
59	61.70	79.77
60	61.78	77.64
61	60.52	74.00
62	57.32	68.30
63	51.09	59.55
64	39.15	45.18
65	17.10	19.80

#### Notes:

- Annual premium rates are per \$100 Monthly Benefit
- ANB – Age Next Birthday is the age on the birthday next following the date joined Fund
- Premiums are payable Monthly in arrears
- Rates are non-participating rates
- Rates are inclusive of 0% commission and 20% administration fee (plus GST relating to this commission and admin fees)

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## Eligibility

- Insured Member eligibility: As per existing eligibility of DKN policy MP9975 members
- Minimum age 15 and maximum entry age 64
- Cover expiry age 65
- Minimum hours per week: 15. For all categories of eligibility, casuals and contractors are not eligible for cover.

## Benefit Details:

- Annual Premium Rates per \$100 of Monthly Benefit, applicable to all occupations, by age next birthday at review date by gender type.
- Lesser of 75% of Insured Member's Pre-Disability income (plus Super Contribution Benefit if applicable), their Sum Insured and the Maximum Monthly Benefit. Any portion of the Monthly Benefit relating to Mandated superannuation contributions must be paid into the Insured Member's nominated Superannuation Account.
- Automatic Acceptance Limit (AAL): \$15,000 p.m. for existing Insured Members as at 31 December 2013. All cover for new employees is subject to underwriting from 1 January 2014.
- Claims Escalation – the lower of CPI rate of increase p.a. and 5.0% p.a.
- Waiting period: 30 days.
- Benefit period: to age 65.
- Continuation option: Yes.
- Death whilst on claim.

## Termination of Cover

**Salary Continuance Insurance Cover** of an **Insured Member** under this **Policy** shall terminate on the earliest of the date:

- an **Insured Member** reaches the **Cover Expiry Age**;
- an **Insured Member** dies;
- the **Policy** is terminated;
- 60 days after the **Insured Member** ceases membership in the **Fund**;
- 60 days after the **Insured Member** ceases to meet the **Insured Member Eligibility** criteria;
- 60 days after premium payments cease in respect of the **Insured Member**;
- the **Insured Member** no longer meets the conditions under clause 8.1 for continuation of cover during Leave Without Pay;
- the **Insured Member** no longer meets the conditions under clause 8.3 for continuation of cover during Overseas Cover;
- AIA Australia accepts or declines the **Insured Member's** Continuation Option application (where applicable);
- the **Insured Member** who is not an Australian permanent resident, is no longer permanently in Australia, or not eligible to work in Australia; and
- the **Insured Member** or the **Policy Owner** requests cancellation of **Cover** in writing.

In addition, where the **Policy Owner** is a superannuation fund:

at the end of the period for which premiums have been paid for an **Insured Member** whose account is inactive, meaning the **Policy Owner** has not received an amount in respect of the **Insured Member** for a continuous period of 16 months (as at or after 1 July 2019). This does not apply to an **Insured Member**:

- who has provided a written election to the **Policy Owner** after 8 May 2018 to maintain their **Cover**;
- who is a defined benefit member;
- who is an ADF Super member (within the meaning of the Australian Defence Force Superannuation Act 2015), or would have been an ADF Super member if they did not choose their own superannuation fund;
- whose **Employer** pays the full cost of the **Insured Member's** premiums to the **Policy Owner** each quarter. Quarter means a period of 3 months beginning on 1 January, 1 April, 1 July or 1 October.
- on the date the **Insured Member** is no longer a **PMIF Exempt Member** and either of the following apply:
- they are under 25 years of age; or
- they have an account balance within the **Fund** which has never reached \$6,000 since 1 November 2019.

## Reinstatement of Cover for Insured Members

(a) Where an **Insured Member's** cover ends because their account is inactive in accordance with Insurance Policy No MP 9975 Termination of Cover for an Insured Member clause 9.2 (xii):

**Cover** will be automatically reinstated if within 60 days of the **Cover** ceasing:

- (i) the **Insured Member** notifies the **Policy Owner** of their request to reinstate their **Cover**; or
- (ii) the **Policy Owner** receives an amount in respect of the **Insured Member**.

**Cover** for an **Insured Member** will be automatically reinstated from the date (i) or (ii) above applies, subject to all premiums and conditions attaching to **Cover** continuing.

(b) Where an **Insured Member's Cover** ends in accordance with Insurance Policy cessation clause 9.2(xiii) and within 60 days of **Cover** ceasing, the person notifies the **Policy Owner** of their request to reinstate cover despite their account balance in the **Fund** being below \$6,000, **Cover** will recommence from the date it ceased, subject to the backdated payment of premiums. The recommenced **Cover** will be for the same amount and will be subject to any previous loadings, exclusions or special conditions that applied to the person's **Cover** prior to **Cover** ceasing.

(c) Where an **Insured Member's Cover** ends in accordance with clause 9.2(xiii) and the person's account balance in the **Fund** subsequently reaches \$6,000 or more in circumstances where the person has not made an election of the kind referenced in b) above or d) below, then **Cover** will automatically recommence subject to the following conditions:

- (i) the person must be age 25 years or over;
- (ii) the person will be granted **Cover** up to the AAL
- (iii) **Cover** will start on the date that the person's account balance reaches \$6,000; and
- (iv) the **Cover** which starts will be **New Events Cover** until the **Insured Member** is **At Work** for 30 consecutive days

(d) Where an **Insured Member's Cover** ends due to the Employer Sponsor Contribution Exception ceasing to apply and within 120 days of **Cover** ceasing the person notifies the **Policy Owner** in writing of their election for their cover to recommence, the **Cover** will recommence from the date it ceased subject to backdated payment of premiums. The recommenced **Cover** will be for the same amount and will be subject to any previous loadings, exclusions or special conditions that applied to the **Insured Member's Cover** prior to **Cover** ceasing.

(e) Any other reinstatement of **Cover** (other than described in (a) to (d) above is subject to providing **Evidence of Insurability** and acceptance by the **Company**. **Cover** will commence from the date the **Company** accepts the **Insured Members** application in writing.

The following definitions will be added alphabetically to Section 14 General Definitions of the Product Information Booklet

## Definition

### PMIF Exempt Member

- Means a person the **Policy Owner** is permitted under the Superannuation Industry (Supervision) Act 1993 (Cth) to provide insurance cover to despite the person being under age 25 or having an account balance within the **Fund** of less than \$6,000(as applicable) due to any of the following:

- (i) the person has made a written election to take out or maintain cover despite their account balance being less than \$6,000 in accordance with section 68AAB(2) of the Superannuation Industry (Supervision) Act 1993 (Cth);
- (ii) the person has made a written election to take out or maintain cover despite being under the age of 25 years' in accordance with section 68AAC(2) of the Superannuation Industry (Supervision) Act 1993 (Cth);
- (iii) the person is a defined benefit member;
- (iv) the person qualifies for the dangerous occupation exception under section 68AAF of the Superannuation Industry (Supervision) Act 1993 (Cth);
- (v) the person is an ADF Super member (within the meaning of the Australian Defence Force Superannuation Act 2015 (Cth)) or would have been an ADF Super member if they did not choose their own superannuation fund; or
- (vi) the person's participating employer would pay all premiums payable if insurance cover of any kind under this **Policy** was provided in respect of that person in accordance with section 68AAE of the Superannuation Industry (Supervision) Act 1993 (Cth) (Employer-sponsor contribution exception).

### Employer Sponsor Contribution Exception

- Means the exception described in paragraph (vi) of the definition of PMIF Exempt Member.