



AIA Group Risk Super Plan

Year in Review 2020

Summary

Thank you for reading the AIA Group Risk Super Plan product summary which includes the product determination, a summary of our annual member outcomes assessment and comparison for the 2019-2020 financial year.

Members of the AIA Group Risk Super Plan were transferred as part of the larger LESF Super transfer into OneSuper¹ on 30 June 2020. At the time of the transfer, there were 18,313 members in the Plan.

The AIA Group Risk Super Plan is designed to provide insurance benefits to employees of Participating Employers within a superannuation environment. We offer Death cover (including Terminal Illness) and if chosen by your employer, Death and Total and Permanent Disablement (TPD) cover.

There is no investment component in the Plan, and your employer makes employer contributions into the Plan to cover the insurance premiums payable.

The 2019-2020 financial year was an unprecedented year with challenges arising from prolonged drought conditions, the worst bushfire season on record, and the onset of COVID in February 2020 which impacted business and communities on a global scale.

Our insurer is AIA Australia Limited (AIA). AIA subscribes to, and is bound by, the Life Insurance Code of Practice. This year, when the World Health Organisation (WHO) declared the coronavirus outbreak to be a global pandemic, our insurer committed to the following:

- Life cover taken out before 11 March 2020 would have no exclusions preventing the payout of a death claim related to coronavirus if the member followed the Government travel advice.
- Members who lost their job, were stood down or had reduced working hours due to COVID-19 would not have their TPD claims impacted – this initiative was extended to 1 January 2021 for claims lodged by 31 March 2021.
- Our members who are frontline health workers could still obtain cover even though they may be exposed to coronavirus – this initiative was extended until 1 January 2021.

These commitments provided comfort to both our existing and new members through this uncertain and challenging time.

¹ Members were transferred into OneSuper ABN 43 905 581 638 (formerly known as Smartsave 'Member's Choice' Superannuation Master Plan) by way of Successor Fund Transfer (SFT).



Based on the assessment of the outcomes achieved and evidence contained in this summary, we have determined that:

- members' interests are being promoted;
- the basis for the setting of fees is appropriate for members;
- the Plan members are not disadvantaged or inappropriately financially affected due to the scale or costs of our business operations;
- the options, benefits and facilities offered under the product are appropriate to our members; and
- the insurance strategy for the product is appropriate to members.

As members do not accrue an account balance, and therefore there are no funds invested, we have determined that the investment strategy for the Plan, including the level of investment risk and the return target, is appropriate to members.

Insurance, member services, product options

The Plan provides Death (including Terminal Illness) or Death and TPD cover up to a set level decided between the employer and insurer, without the need for any evidence of insurability, such as health or other personal information from members.

As your employer pays for the cost of the insurance premiums, the Trustee does not look to measure the impact of insurance eroding members retirement income.

The Plan offer the following options, if selected by your employer:

- Voluntary cover – that is you can apply for an increase to your Death and/or TPD cover
- Life Stages Flexibility – this option allows you to apply for increases to your Death and/or TPD cover when one of the following Life Stage events occurs without the usual requirement of providing evidence of insurability:
 - Marriage or divorce;
 - Birth or adoption of a child;
 - Your child turns 12 years of age;
 - You turn age 30; or
 - You take on a mortgage to buy a house or increase your existing mortgage to build or renovate your existing home.
- Continuation Option – you can apply to keep your current cover without the need to provide medical evidence when you leave your employer for reasons other than injury or sickness.



Our members can nominate a non-lapsing binding, or non-binding death benefit nomination. During the year, 11 claims were submitted, of which only 1 was declined, due to the member's cover ceasing almost 2 years prior to their death.

In total:

- 6 TPD claims were paid to the value of \$2,654,999
- 2 Terminal Illness claims were paid to the value of \$904,150
- 2 Death claims were paid to the value of \$749,793.66

Member services provided by our administrator were generally within accepted timeframes.

Based on the above, the Trustee has determined that the insurance strategy, member services, and product options for the AIA Group Risk Super Plan is appropriate to our members. Since all insurance premiums are paid for by the participating employer, there is no inappropriate erosion of members' retirement income due to the impact of insurance premiums.

Fees, investment returns and risk

The AIA Group Risk Super Plan provides insurance benefits within a superannuation environment. It has no investment component, therefore investment return and investment risk is not applicable, since members do not accrue an account balance. The contributions made by your employer are not invested on your behalf and will not earn investment returns.

All costs, including insurance premiums and administration costs, are paid for by the employer, with no impact to members. The scale and costs of our business operations therefore do not impact our members.

Based on the above, the Trustee has determined that the basis for the setting of fees is appropriate for members, and the scale or cost of our business operations, are not inappropriately affecting the financial interests of members.