

Death and TPD insurance changes from 2 March 2015

JANUARY 2015

Spouse Contribution Account (SCA) Section

One of the valuable features of the Scheme is the flexible death and Total and Permanent Disablement (TPD) insurance available to you through the Scheme.

To comply with recent legislative changes, we have taken out a group life insurance policy with OnePath Life Limited ("the policy") to insure the death and TPD cover provided to eligible members.

What this means for you

- **The dollar amount of your death cover and age-based TPD cover is staying the same**

When the policy becomes effective from 2 March 2015, there will be some changes to your death and TPD insurance, but the dollar amount of your insured cover will remain the same. The changes to the features and conditions of your death and TPD insurance are summarised below.

- **The cost of your death and TPD cover is changing and most members will pay less**

While we've negotiated competitive premiums, it's more expensive to insure externally so our gross premium rates will increase from 2 March 2015. However, the Trustee is also introducing a 30% rebate on death and TPD premiums from 2 March 2015 which means most members will actually pay less for their death and TPD cover.

Main changes at a glance

Here's a quick summary of the main changes to your death and TPD insurance from 2 March 2015. These changes only impact any insured component of your death and TPD benefits. They do not impact the payment of your account balance on death or TPD.

Changes to your death and TPD insurance

Appointment of an insurer	The Trustee has appointed OnePath Life Limited to insure the death and TPD benefits offered through the Scheme.	Page 2
New premium rates	With the appointment of OnePath Life Limited as the Scheme's insurer, the premiums charged for your death and TPD cover through the Scheme will change.	Page 2
New rebate on death and TPD premiums	The Trustee is introducing a 30% rebate on death and TPD premiums from 2 March 2015.	Page 3
New definition for TPD	You may need to satisfy a new definition if you make a claim for a TPD benefit.	Page 3
Other changes to insurance features and conditions	There will be a few other changes to the features and conditions of the death and TPD cover provided through the Scheme.	Page 4

What do you need to do?

Please read and keep this notice as it provides important information about changes to any death and TPD insured cover you hold through the Scheme.

These changes will apply automatically from 2 March 2015. You do not need to do anything unless you wish to apply to vary your insured cover through the Scheme. If you have any queries about your insured cover or about making a claim, contact ANZ Staff Super on **1800 000 086**.

More information

For more information about these changes, see the additional information about these changes (including Frequently Asked Questions) on the Scheme's website www.anzstaffsuper.com.

Changes to insurance

Flexible death cover and age-based Total and Permanent Disablement (TPD) cover may be available to you through the Scheme.

The following changes will apply to your insured death and TPD cover from 2 March 2015.

Appointment of an insurer

Currently when a death or TPD benefit is paid, the insured component is paid from the Death and Disablement Reserve, which forms part of the Scheme's assets. This is called "self insurance". Under changes to superannuation law, the Trustee will no longer be permitted to self insure these benefits.

To comply with this new law, the Trustee undertook a tender to appoint an insurer to insure the death and TPD benefits offered by the Scheme and has taken out a policy with OnePath Life Limited ABN 33 009 657 176 ("OnePath Life") to provide death and TPD cover to members.

From 2 March 2015:

- Your insured cover for death and TPD with the Scheme will be provided through a group life policy with OnePath Life held by the Trustee. Your eligibility for death and TPD insured cover and payment of claims will be subject to the terms and conditions of the policy.

As part of the tender, the Trustee negotiated with OnePath Life to achieve premium rates and policy terms that represent the best possible value for members. More information about the changes to premium rates, conditions and features is set out on pages 2 to 4.

- Specific rules apply to the transfer of your cover from the current self insurance arrangements to the new arrangements with OnePath Life. These rules are set out in the policy. When we transfer, you will become covered under the new arrangements for death, Total and Permanent Disablement or terminal illness that occurs on or after 2 March 2015. Generally, under these transfer rules:
 - The dollar amount of your death cover and age-based TPD cover under the existing arrangements will automatically carry across to the policy from 2 March 2015; and
 - If you are off work on 27 February 2015 because you are ill or injured, you'll be covered by OnePath Life for TPD claims that arise on or after 2 March 2015 if the illness or injury for which you are claiming did not cause you to be off work on 27 February 2015. If you return to work on or after 2 March 2015 and are capable of working the same hours and in the same capacity (without limitation) as you did prior to being off work, you'll generally be covered by OnePath Life for any TPD claim that arises on or after the date you return to work even if the claim is in respect of the illness or injury which caused you to be off work on 27 February 2015. If you do not return to work, you'll continue to be covered for TPD under the current self insurance arrangements for any injury or illness which caused you to be off work on 27 February 2015.

- For TPD or terminal illness claims which arise on or after 2 March 2015, OnePath Life will assess your claim and liaise with you directly if more information is needed to assess your claim. If you became totally and permanently disabled or were certified as terminally ill prior to 2 March 2015, the self insurance arrangements will still apply and your claim will continue to be managed by the Scheme Administrator on behalf of the Trustee. This includes claims which were in progress on 2 March 2015.

Regardless of when you became ill or were injured, you should contact ANZ Staff Super in the first instance if you are considering making a claim. If you submit a claim, you'll be allocated a claim manager who you can liaise with directly.

- Death claims will continue to be managed by the Scheme Administrator on behalf of the Trustee.

The Trustee may change insurer at any time.

The Trustee remains responsible for ensuring our members are provided with access to appropriate insured cover and for overseeing the performance of the insurer. To meet these obligations, the Trustee will regularly review the insured cover provided to members and its terms and conditions to ensure they remain competitive and the best possible value for members, and the performance of the insurer including the timely consideration of applications for increased cover and assessment of death and TPD claims to ensure members receive a high standard of service.

New death and TPD premium rates

As the death and TPD cover offered by the Scheme are currently self insured, the current premium rates have been set by the Trustee based on advice from the Scheme Actuary taking into account the death and TPD claims experience of the Scheme. These rates tend to be lower than the premiums charged by a life insurance company for a similar type of cover and insured amount because insurers need to cover operational expenses and margins and make a profit, while the Scheme only needs to cover expected claims and any associated expenses.

With the move to externally insured arrangements, future premium rates will be set by OnePath Life.

From 2 March 2015, premium rates for both death and TPD cover will increase by around 16%. Full details of the premium rates effective 2 March 2015 (separately for death and TPD) are set out on the back of this notice*. Stamp duty may be payable in addition to these premiums. This increase will be offset by the new 30% rebate on these premiums (see below).

Over the past couple of years, life insurance premiums in Australia have risen significantly and some superannuation funds have experienced increases in excess of 100%. The new premium rates for the Scheme represent a good result in this context and remain very competitive, particularly with the introduction of a premium rebate for members (see below).

These premiums may change in the future.

* To view the current premium rates that are effective until 1 March 2015, see the "SCA Section in detail" booklet available at www.anzstaffsuper.com under 'Product Disclosure Statements' on the 'Forms & Disclosure' tab.

New rebate on death and TPD premiums

As part of its management of the current self insurance arrangements, the Trustee maintains a Death and Disablement Reserve to cover the insured component of these death and TPD benefits. With the move to externally insured arrangements, the Trustee has reviewed the Scheme’s reserving levels and decided to draw on some of this reserve to fund a new 30% rebate on death and TPD insurance premiums.

The introduction of this rebate will significantly reduce the impact of the increased premium rates on members. With this rebate, most members will pay less for their death and TPD insured cover.

New definition for Total and Permanent Disablement

Under the new insurance policy, a new definition will apply for determining whether a member is eligible to receive his or her Total and Permanent Disablement (TPD) insured benefit.

Benefit	Old definition until 1 March 2015	New definition from 2 March 2015
<p>Total and Permanent Disablement (TPD)</p>	<p>You are eligible to receive your TPD insured benefit if the Trustee is satisfied that you meet the definition set out in the Trust Deed (i.e. for members working more than 15 hours per week – you have ceased employment as a result of injury or illness and you are incapacitated to such an extent that you are unlikely ever to be able to resume work or to attend to any gainful profession or occupation for which you are reasonably qualified by education, training or experience OR for members working less than 15 hours per week –you have suffered an illness or injury that means you are irreversibly unable to perform at least two activities of daily living (such as eating/drinking, dressing, toileting, bathing/showering, mobility) unassisted by another adult person or suitable aids).</p>	<p>You are eligible to receive your TPD insured benefit if the insurer is satisfied that you meet the definition set out in the insurance policy. This means that:</p> <ul style="list-style-type: none"> ● You satisfy all of the following: <ul style="list-style-type: none"> ● You are Gainfully Working¹ as a Permanent Employee¹ on the day immediately prior to the Event Date¹; and ● You are Gainfully Working¹ as a Permanent Employee¹ for at least the Minimum Average Hours¹ (generally 15 hours per week averaged over the six months prior to the Event Date¹); and ● In the insurer’s opinion based on medical or other evidence satisfactory to the insurer, solely because of injury or illness, you: <ul style="list-style-type: none"> - have not worked during the entire Waiting Period (183 consecutive days); and - as at the Date of Disablement¹ are unlikely ever to work in any Gainful Employment¹ for which you are reasonably suited by education, training or experience, or would be suited by Reasonable Retraining¹ <p>or</p> <ul style="list-style-type: none"> ● In the insurer’s opinion based on medical or other evidence satisfactory to the insurer, solely because of injury or illness, you: <ul style="list-style-type: none"> ● are totally and irreversibly unable to perform at least two of the Activities of Daily Living¹; and ● as at the Date of Disablement are unlikely ever to work in any Gainful Employment¹ for which you are reasonably suited by education, training or experience, or would be suited by Reasonable Retraining¹.

¹ These terms are defined in the insurance policy. The Trustee may change insurer or policy terms at any time.

The new TPD definition will apply to any claims which arise on or after 2 March 2015 except if you are not “at work” (as per the definition set out in the policy) on 27 February 2015 (i.e. the last normal business day before 2 March 2015), have not returned to being “at work”, and your claim is in respect of an illness or injury that directly or indirectly caused you to be not “at work”.

If the new definition does not apply to you, the old definition will continue to apply.

Summary of other changes to insurance features and conditions

Under the new insurance policy, other changes will apply to the features and conditions of your death and Total and Permanent Disablement (TPD) insured cover from 2 March 2015.

Feature or condition	Change from 2 March 2015
When cover ceases	<p>Your insured cover will cease on the occurrence of the earliest of the following events:</p> <ul style="list-style-type: none"> • for death, you reach age 66; • for TPD, you reach age 56; • you advise in writing that you wish to discontinue your cover; • you have been on paid or unpaid leave for longer than two years and the insurer has not agreed to provide cover beyond two years; • if you are not an Australian resident, you are no longer permanently in Australia, leave Australia for more than three months or are not eligible to work in Australia (whether that is because you no longer hold a visa or for any other reason); • premiums cease to be paid in respect of you; • the insurer cancels and/or avoids the policy or your cover in accordance with its legal rights; • you commence active service with the armed forces of any country (except where you are a member of the Australian Defence Force Reserves, in which case, cover for all benefits will cease only when the Reservist becomes the subject of a call out order under the Defence Act 1903 (Cth)); • you die; • you are paid a TPD benefit under the policy or the Scheme's former self insurance arrangements; • you are paid a Terminal Illness benefit under the policy or the Scheme's former self insurance arrangements; • you are employed overseas for more than five years and the insurer has not agreed to provide cover beyond five years; or • the policy is terminated except in certain circumstances where you were not at work due to illness or injury when the policy terminates.
Exclusions	<p>The insurer may not pay a claim:</p> <ul style="list-style-type: none"> • for anything that has been specifically excluded from your cover; • if the event giving rise to the claim is caused directly or indirectly, wholly or partially, by war; or • for TPD that is caused directly or indirectly, wholly or partially by a pre existing condition if a similar benefit could be claimed under another insurance policy or the Scheme's former self insurance arrangements at the time your cover commences under the policy.
Timing of premium deductions	<p>Currently the cost of your death cover and age-based TPD cover is deducted from your account at the end of each year or on leaving the Spouse Contribution Account Section.</p> <p>Premiums for the period from 1 January 2015 to 1 March 2015 will be debited on 27 February 2015. From 2 March 2015, premiums will be deducted from your account monthly on a pro rata basis. The rebate will also be applied monthly.</p>

More information

More information about these changes is set out in the Frequently Asked Questions at www.anzstaffsuper.com. You can also access a copy of the Product Disclosure Statement for Spouse Contribution Account Section members. An updated version incorporating these insurance changes will be available from 2 March 2015.

If you have other questions about the insurance changes, you can contact ANZ Staff Super by:

Phone:

1800 000 086 (8am to 6pm Eastern Standard Time) or call 61 3 8687 1829 if you are outside Australia

Email:

anzstaffsuper@superfacts.com

Mail:

ANZ Staff Super
GPO Box 4303
MELBOURNE VIC 3001

Important notice

This information provided in this notice is general in nature, is not intended to constitute financial product advice, and does not take into account your investment objectives, financial situation and particular needs. Before acting on any advice contained in this notice, you should assess whether the advice is appropriate in light of your own circumstances and consider contacting your financial adviser. Interests in the ANZ Australian Staff Superannuation Scheme ABN 83 810 127 567 RSE R1000863 (the "Scheme") are issued by ANZ Staff Superannuation (Australia) Pty Limited ABN 92 006 680 664 AFSL 238268 RSEL L0000543 (the Trustee of the Scheme). You should consider the relevant Product Disclosure Statement available at www.anzstaffsuper.com before making any decisions in relation to your superannuation.

Insurance cover is provided by OnePath Life Limited ABN 33 009 657 176 AFSL 238 341 and subject to the terms and conditions of the insurance policy issued to ANZ Staff Superannuation (Australia) Pty Limited ("the Trustee") by OnePath Life Limited ("the policy"). This notice provides a summary of certain terms and conditions of the policy. Where information is summarised in a brochure, information guide, or document other than the policy itself, it does not represent a complete description of the terms on which the insurance cover is provided.

The policy represents the concluded agreement between the Trustee and OnePath Life Limited and, in the event of an inconsistency with this notice the terms of the policy prevail. You can contact ANZ Staff Super on 1800 000 086 if you would like a copy of the policy.

Annual premium rates per \$1,000 sum insured effective 2 March 2015*

Death

Age next birthday	Annual cost per \$1,000 of cover [#]	Annual cost per \$1,000 of cover (after 30% rebate)	Age next birthday	Annual cost per \$1,000 of cover [#]	Annual cost per \$1,000 of cover (after 30% rebate)
16	\$0.70	\$0.490	43	\$1.51	\$1.057
17	\$0.70	\$0.490	44	\$1.61	\$1.127
18	\$0.70	\$0.490	45	\$1.75	\$1.225
19	\$0.70	\$0.490	46	\$1.88	\$1.316
20	\$0.70	\$0.490	47	\$2.03	\$1.421
21	\$0.70	\$0.490	48	\$2.19	\$1.533
22	\$0.70	\$0.490	49	\$2.38	\$1.666
23	\$0.70	\$0.490	50	\$2.59	\$1.813
24	\$0.70	\$0.490	51	\$2.82	\$1.974
25	\$0.70	\$0.490	52	\$3.09	\$2.163
26	\$0.72	\$0.504	53	\$3.39	\$2.373
27	\$0.74	\$0.518	54	\$3.73	\$2.611
28	\$0.75	\$0.525	55	\$4.11	\$2.877
29	\$0.77	\$0.539	56	\$4.53	\$3.171
30	\$0.79	\$0.553	57	\$5.00	\$3.500
31	\$0.80	\$0.560	58	\$5.52	\$3.864
32	\$0.82	\$0.574	59	\$6.12	\$4.284
33	\$0.85	\$0.595	60	\$6.75	\$4.725
34	\$0.88	\$0.616	61	\$7.46	\$5.222
35	\$0.93	\$0.651	62	\$8.23	\$5.761
36	\$0.96	\$0.672	63	\$9.08	\$6.356
37	\$1.01	\$0.707	64	\$9.99	\$6.993
38	\$1.08	\$0.756	65	\$11.01	\$7.707
39	\$1.15	\$0.805	66	\$12.13	\$8.491
40	\$1.22	\$0.854			
41	\$1.31	\$0.917			
42	\$1.39	\$0.973			

TPD

Age next birthday	Annual cost per \$1,000 of cover [#]	Annual cost per \$1,000 of cover (after 30% rebate)	Age next birthday	Annual cost per \$1,000 of cover [#]	Annual cost per \$1,000 of cover (after 30% rebate)
16	\$0.89	\$0.623	43	\$1.21	\$0.847
17	\$0.89	\$0.623	44	\$1.29	\$0.903
18	\$0.89	\$0.623	45	\$1.43	\$1.001
19	\$0.89	\$0.623	46	\$1.62	\$1.134
20	\$0.89	\$0.623	47	\$1.83	\$1.281
21	\$0.89	\$0.623	48	\$1.96	\$1.372
22	\$0.89	\$0.623	49	\$2.10	\$1.470
23	\$0.89	\$0.623	50	\$2.30	\$1.610
24	\$0.89	\$0.623	51	\$2.53	\$1.771
25	\$0.89	\$0.623	52	\$2.83	\$1.981
26	\$0.78	\$0.546	53	\$3.19	\$2.233
27	\$0.78	\$0.546	54	\$3.40	\$2.380
28	\$0.78	\$0.546	55	\$3.97	\$2.779
29	\$0.78	\$0.546	56	\$4.77	\$3.339
30	\$0.78	\$0.546	57	n/a	n/a
31	\$0.78	\$0.546	58	n/a	n/a
32	\$0.80	\$0.560	59	n/a	n/a
33	\$0.81	\$0.567	60	n/a	n/a
34	\$0.84	\$0.588	61	n/a	n/a
35	\$0.87	\$0.609	62	n/a	n/a
36	\$0.88	\$0.616	63	n/a	n/a
37	\$0.89	\$0.623	64	n/a	n/a
38	\$0.91	\$0.637	65	n/a	n/a
39	\$0.92	\$0.644	66	n/a	n/a
40	\$0.96	\$0.672			
41	\$1.03	\$0.721			
42	\$1.14	\$0.798			

[#] Before allowing for the new 30% rebate on these premiums.

^{*} These premium rates include stamp duty for all States except Victoria, South Australia and Western Australia. The stamp duty for the TPD component of the premiums for members residing in Victoria, South Australia and Western Australia is payable in addition to these premium rates.

www.anzstaffsuper.com

Issued by ANZ Staff Superannuation (Australia) Pty Limited ABN 92 006 680 664 AFSL 238268
as Trustee for the ANZ Australian Staff Superannuation Scheme ABN 83 810 127 567

