



OneCare Super Upgrade Announcement

Life Cover | TPD Cover | Income Secure Cover

1 May 2008

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Upgrade announcement

Thank you for continuing to insure with OnePath Life Limited (OnePath Life). Your policy provides important protection which we are pleased to announce has been upgraded. Your OneCare Super policy includes a guarantee of upgrade which means that when we improve the terms and conditions of OneCare Super we pass the enhancements onto our existing OneCare Super customers. Best of all, these improvements come at no extra cost to you.

Your policy will not be worse off as a result of the guaranteed upgrade. If you are inadvertently disadvantaged in any way, then previous benefit wording will stand.

This upgrade announcement includes a summary of the improvements we have made, as well as the new policy wording that updates your OneCare Super Policy Terms.

What do I need to do?

You do not need to do anything to take advantage of this automatic upgrade. However, we do recommend that you keep this document in a safe place, perhaps with your policy terms or other insurance records.

How do I read this upgrade announcement?

The improvements which apply to your policy will depend on the types of cover and options you have selected. Your latest OneCare Super Policy Schedule sets out the covers and options that apply to your policy, and will help you to understand which of the improvements are relevant to you. An improvement to a particular cover type or option only applies to you if the cover type or option being improved is already included in your policy.

When do these improvements apply from?

The improvements presented in this upgrade announcement are effective from 5 May 2008.

They apply only to claims for events or conditions which first occur, are first diagnosed, or for which symptoms first became reasonably apparent, on or after 5 May 2008. They do not apply to past or current claims, or any claims arising from conditions which first occurred, or were first diagnosed, or for which symptoms first became reasonably apparent, before 5 May 2008.

Also, if an exclusion is noted on your Policy Schedule, you are not eligible to claim on any new or upgraded benefit where the claim relates to the same or related illness or injury for which your exclusion applies.

Any questions?

If you have any questions about the improvements outlined in this upgrade announcement, or require more information about your policy, please contact your financial adviser or call Customer Services on 133 667.

Improved Total and Permanent Disability Cover

The following improvements have been made to Total and Permanent Disability Cover:

- a change in definition wording to provide clarity
- a reduction of the qualifying period to three months
- a change in the treatment of periods of unemployment under the Own Occupation definition
- the date of disablement has been defined.

Changes to TPD definition wording

As a result, **section 3.1** 'TPD Cover built-in benefits' of your Policy Terms now reads as follows:

3.1 TPD Cover built-in benefits

3.1.1 TPD Benefit

If the member suffers total and permanent disability while their TPD Cover is in force and satisfies the conditions of the TPD definition which applies (as shown on the Policy Schedule and defined in section 3.1.1.2), we will pay the full TPD Cover amount insured to the Trustee.

If stand alone TPD Cover applies and Life Cover for the member is also in force under this policy, the member must also satisfy the survival period stated for the relevant TPD definition for a TPD Benefit to be paid (see section 3.1.1.2).

3.1.1.1 Maximum amounts

The maximum amount we will pay for TPD Cover for the member depends on the TPD definition(s) that applies, as follows:

- Any Occupation and/or the Own Occupation TPD definition – \$3,000,000
- Home-maker TPD definition – \$1,500,000
- Non-working TPD definition – \$2,000,000
- Home-maker and the Non-working TPD definitions – \$2,000,000
- Any Occupation and/or the Own Occupation, and the Non-working TPD definition – \$5,000,000.

If the member is aged 65 or over, the maximum amount we will pay for TPD Cover across all policies is \$1,000,000.

The above maximum amounts include any indexation increases.

If the member is covered for TPD under more than one policy issued by us, we will reduce the amount payable for TPD under this policy so that the total amount we pay for TPD under all such policies will not exceed the applicable maximum amount for TPD Cover.

In addition, the following changes have been made in **section 3.1.1.2** 'TPD definitions':

Any Occupation TPD definition

Any Occupation TPD means that, as a result of **illness or injury**, the member:

- (1) a) has been absent from and unable to work for three consecutive months and
- b) is disabled at the end of the period of three consecutive months, to such an extent that they are unlikely ever again to be able to engage in any occupation for which they are reasonably suited by their education, training or experience

or

- (2) a) suffers a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication "Guides to the Evaluation of Permanent Impairment" 4th edition, or an equivalent guide to impairment approved by us and
- b) is disabled to such an extent that, as a result of the impairment they are unlikely ever again to be able to engage in any occupation for which they are reasonably suited by their education, training or experience

or

- (3) suffers the total and permanent loss of the use of:
 - two 'limbs' (where 'limb' is defined as the whole hand or the whole foot)
 - the sight in both eyes or
 - one 'limb' and the sight in one eye

or

- (4) suffers 'loss of independent existence'.

'Loss of independent existence' means the member is totally and irreversibly unable to perform at least two of the following five 'activities of daily living' without the assistance of another adult person:

- bathing and/or showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene
- getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid

or

- (5) suffers 'cognitive loss'.

'Cognitive loss' means a total and permanent deterioration or loss of intellectual capacity that has required the member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, they are likely to require ongoing continuous care and supervision by another adult person.

Own Occupation TPD definition

'Own Occupation' means the occupation in which the member was engaged immediately prior to the date of disability.

If the member has been **unemployed** for less than 12 months immediately prior to the date of disability, the Own Occupation definition will apply and 'Own Occupation' means that occupation in which the member was engaged immediately prior to ceasing work.

If the member has been **unemployed** for more than 12 months prior to the date of disability, then the 'Any Occupation' definition will replace the 'Own Occupation' definition.

Own Occupation TPD means that, as a result of **illness or injury**, the member:

- (1) a) has been absent from work and unable to engage in their 'Own Occupation' for three consecutive months and
- b) is disabled at the end of the period of three consecutive months, to such an extent that they are unlikely ever again to be able to engage in their 'Own Occupation'

or

- (2) a) suffers a permanent impairment of at least 25% of whole person function (as defined in the American Medical Association publication "Guides to the Evaluation of Permanent Impairment", 4th edition, or an equivalent guide to impairment approved by us) and

b) is disabled to such an extent that, as a result, they are unlikely ever again to be able to engage in their 'Own Occupation'

or

(3) suffers the total and permanent loss of the use of:

- two 'limbs' (where 'limb' is defined as the whole hand or the whole foot)
- the sight in both eyes or
- one 'limb' and the sight in one eye.

or

(4) suffers 'loss of independent existence'.

'Loss of independent existence' means the member is totally and irreversibly unable to perform at least two of the following five 'activities of daily living' without the assistance of another adult person:

- bathing and/or showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene
- getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid.

or

(5) suffers 'cognitive loss'.

'Cognitive loss' means a total and permanent deterioration or loss of intellectual capacity that has required the member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, they are likely to require ongoing continuous care and supervision by another adult person.

Home-maker TPD definition

'Normal domestic duties' means the tasks performed by a person whose sole occupation is to maintain their family home. These tasks include unassisted cleaning of the home, cooking of meals for their family, doing their family's laundry, shopping for their family's food and taking care of dependent children (where applicable). 'Normal domestic duties' does not include duties performed outside the person's home for salary, reward or profit.

Home-maker TPD means that, as a result of **illness** or **injury**, the member:

(1) a) is under the regular care of a **medical practitioner** and is unable, for a period of three consecutive months, to perform 'normal domestic duties', leave **home** unaided, or be engaged in any occupation and

b) at the end of the period of three months, is disabled to such an extent that they require ongoing medical care and are unlikely ever again to be able to perform any 'normal domestic duties' or be engaged in any occupation for which they are reasonably suited by their education, training or experience

or

(2) a) suffers a permanent impairment of at least 25% of whole person function (as defined in the American Medical Association publication "Guides to the (Evaluation of Permanent Impairment", 4th edition, or an equivalent guide to impairment approved by us) and

b) is disabled to such an extent that, as a result they are unlikely ever again to be able to perform any 'normal domestic duties' or be engaged in any occupation for which they are reasonably suited by their education, training or experience

or

(3) suffers the total and permanent loss of the use of:

- two 'limbs' (where 'limb' is defined as the whole hand or the whole foot)
- the sight in both eyes or
- one 'limb' and the sight in one eye

or

(4) suffers 'loss of independent existence'

'Loss of independent existence' means the member is totally and irreversibly unable to perform at least two of the following five 'activities of daily living' without the assistance of another adult person:

- bathing and/or showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene
- getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid

or

(5) suffers 'cognitive loss'

'Cognitive loss' means a total and permanent deterioration or loss of intellectual capacity that has required the member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, they are likely to require ongoing continuous care and supervision by another adult person.

Date of disablement

A new section has been added to the Policy Terms outlining the definition of date of disablement. It has been called **section 3.1.1.3**.

3.1.1.3 Date of disablement

To determine the benefit payable for cover with an Any/Own Occupation TPD definition under part 1, the date of disablement will be the date three months after the insured permanently ceases work.

To determine the benefit payable for cover with all other TPD definitions, the date of disablement is the date that all of the elements of the definition of TPD are satisfied.

The benefit payable will be the relevant TPD benefit that applied at the date of disablement.

Improved general benefits, features and options for Life Cover and TPD Cover

Improved Future Insurability feature

We have made a number of improvements to the Future Insurability feature under Life and TPD Cover. These enhancements include:

- changing the limits that apply to increases for TPD Cover
- broadening the allowable timeframe for increases
- adding new personal events for which increases can be applied for under this feature
- improving the terms that apply to increases for existing events.

Increase limits

In the first paragraph of **section 4.1**, the fourth bullet point changes to:

For each cover type, the total of the increases made under Future Insurability across all policies issued by us in respect of the member cannot exceed the lesser of:

- an amount of \$1,000,000
- the amount insured for each cover type at the cover start date.

Allowable timeframe for increases

In the first paragraph of **section 4.1**, the fifth bullet point changes to:

For personal events (as defined in section 4.1.1), the application to increase the Life Cover, TPD Cover or Extra Care Cover amount insured is made either:

- 30 days before or after the occurrence of the personal event or
- 30 days before or after the policy anniversary following the personal event.

In **section 4.1**, the second paragraph changes to:

Future Insurability increases are not available:

- after the policy anniversary when the member is age 55 or
- if the original cover was issued by us with a medical loading shown on the Policy Schedule.

In **section 4.1**, the third and fourth paragraphs change to:

During the first six months after we increase the Life Cover, TPD Cover or Extra Care Cover amount insured for the member under Future Insurability in respect of:

- their mortgage
- their marriage
- their dependent child starting secondary school
- their salary package increase
- them obtaining an undergraduate degree
- the death of their **spouse**
- their divorce or
- them becoming a carer,

we will pay:

- the portion of the Life Cover or Extra Care Accidental Death amount insured increased under Future Insurability, only in the event of the member's **accidental death**
- the portion of the TPD Cover amount insured increased under Future Insurability, only in the event of the member's **accidental total and permanent disablement**.

During the first six months after we increase the TPD Cover amount insured for the member under Future Insurability in respect of the birth or adoption of their child, we will pay a portion of the TPD Cover amount insured increased under Future Insurability which exceeds \$50,000 only in the event of the member's **accidental total and permanent disablement**.

Additional personal events

Future Insurability for TPD Cover was under **section 4.1.2**, however these benefits are now located under **section 4.1.1**.

All TPD Cover amounts insured will now be able to be increased by up to the lesser of 25% of the amount insured at the cover start date or \$200,000 for each personal event.

Section 4.1.1 also now has:

- included three new personal events:
 - the member's **spouse** dies
 - the member's divorce
 - the member becomes a carer

- upgraded two existing events:
 - the member’s marriage
 - the member’s annual salary package increases.

The changes to the affected events are as shown in the table below.

Personal events (occurring after the cover start date)	Evidence required	Benefit
The member’s marriage.	<ul style="list-style-type: none"> • A completed Future Insurability Increase Application Form. • A copy of the marriage certificate in respect of a marriage recognised under the <i>Marriage Act 1961</i>. 	<p>The Life/TPD/ Extra Care Cover amount insured may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> • 25% of the Life/TPD/ Extra Care Cover amount insured (as applicable) at the cover start date • \$200,000.
The member’s spouse dies.	<ul style="list-style-type: none"> • A completed Future Insurability Increase Application Form. • A copy of the death certificate of the spouse and either: <ul style="list-style-type: none"> – a copy of the marriage certificate of the member and their spouse or – a statutory declaration attesting the existence of the relationship on a permanent and bona fide domestic basis which has lasted at least six months, plus a personal document that indicates the relationship as acceptable to us. 	<p>The Life/TPD/ Extra Care Cover amount insured may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> • 25% of the Life/TPD/ Extra Care Cover amount insured (as applicable) at the cover start date • \$200,000.
The member’s divorce.	<ul style="list-style-type: none"> • A completed Future Insurability Increase Application Form. • A copy of the divorce certificate. 	<p>The Life/TPD/Extra Care Cover amount insured may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> • 25% of the Life/TPD/ Extra Care Cover amount insured (as applicable) at the cover start date • \$200,000.
The member becomes a carer for the first time and is financially and/or physically responsible for provision of such care.	<ul style="list-style-type: none"> • A completed Future Insurability Increase Application Form. • A signed and dated letter from a medical practitioner confirming: <ul style="list-style-type: none"> – that the care is both necessary for medical reasons and likely to be required for a continuous period of at least six months – that the care was previously not required and – the nature of the member’s relationship with the person requiring care is that of an immediate family member. 	<p>The Life/TPD/ Extra Care Cover amount insured may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> • 25% of the Life/TPD/ Extra Care Cover amount insured (as applicable) at the cover start date • \$200,000.
The member’s annual salary package increases by 15% or more.	<ul style="list-style-type: none"> • A completed Future Insurability Increase Application Form. • Written confirmation from the member’s employer of their salary package before and after the increase. 	<p>The Life/TPD/ Extra Care Cover amount insured may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> • 25% of the Life/TPD/ Extra Care Cover amount insured (as applicable) at the cover start date • 10 times the amount of the salary package increase • \$200,000. <p>An increase in the Life/TPD/ Extra Care Cover amount insured under Future Insurability for the member in respect of an annual salary package increase cannot occur if the member is:</p> <ul style="list-style-type: none"> • self-employed • a controlling director of the employer or a holding company of the employer or • able to decide or control a decision on the amount of their own salary package. <p>For the purposes of this benefit, the member’s salary package does not include any irregular payments such as bonuses that may not continue to be made in the future.</p>

Improved Business Guarantee Option

In line with the increase in our maximum amount insured for TPD Cover, in **section 4.2** of the Policy Terms, the third bullet point of the first paragraph has been changed to:

The total to which the amount insured may be increased under this option is the lesser of:

- three times the original amount insured
- the following amounts:
 - Life Cover – \$10,000,000
 - TPD Cover – \$3,000,000.

Improved Premium Waiver Disability Option

In **section 4.3**, a new paragraph has been inserted as follows:

If we waive a premium under this option we will also waive the premium that relates to:

- the waiting period under Income Secure Cover or
- the first six consecutive months of the member's disability.

Improved Income Secure Cover

A number of improvements have been made to Income Secure Cover. These changes include:

- the introduction of a new Terminal Illness Benefit
- improved terms of Waiver of Premium
- an improved Increasing Claim Option
- an improved benefit reduction formula
- an improved definition of pre-claim earnings.

Introduction of Terminal Illness Benefit

As part of this upgrade, a Terminal Illness Benefit is being introduced to the Death Benefit under Income Secure Standard Cover, which means that **section 5.5.3** now reads as follows:

We will pay three times the monthly amount insured as a lump sum if the member dies or is diagnosed with a **terminal illness** whilst the cover is in force.

We will pay this benefit once only. If we pay the Death Benefit for **terminal illness** we will not also pay it upon the death of the member.

We pay this benefit for **terminal illness** in addition to any other benefits payable while the member is **on claim** under this cover.

The maximum amount payable under this benefit for death or **terminal illness** from all Income Secure Cover Standard under all policies with us is \$60,000.

Improved Waiver of Premium

The Waiver of premium built-in feature has been improved such that premiums may be waived from the beginning of the waiting period. **Section 5.6.1** has been changed to:

We will waive premiums for this cover while the member is **on claim**, or **disabled** beyond the end of the waiting period and otherwise eligible for the payment of a benefit under this cover before benefit reductions are applied (see section 5.9).

If we waive a premium for this cover we will also waive the premium that relates to the waiting period.

If we are waiving premiums for all covers on a policy for a member, we will also waive the Policy Fee for that member.

Updated Increasing Claim Option

This option applies to Income Secure Cover for the member if it is shown on the Policy Schedule.

The Increasing Claim Option has been improved by removing the existing 10% limit. Therefore, the first paragraph of **section 5.7.2** has been changed to:

This option is available for an additional premium and applies if shown on the Policy Schedule. While **on claim**, the monthly amount insured will increase every three months by a quarter of the indexation factor.

Improved benefit reduction formula

The benefit reductions formula has been improved and is reflected in the following wording changes. In **section 5.9**, the formula in the second bullet point of the second paragraph changes to:

- $(75\% + \{25\% \times M\}) \times A$

In **section 5.9**, the following paragraph has been added after the second bullet point of the second paragraph:

We will reduce the Partial Disability Benefit we pay in a month so that the combined total of the amount we pay and the 'other payments' is no more than the greater of:

- the benefit otherwise payable and
- $(A - B)$

where:

M = selected percentage of **monthly earnings** used for mortgage maintenance (MM) at application as shown on the Policy Schedule

A = **pre-claim earnings**

B = **monthly earnings** for the month in which the member was **partially disabled** (as defined in Partial Disability Benefit in section 5.5.2).

Improved pre-claim earnings definition

The definition of pre-claims earnings has been improved for indemnity benefit payment. In **section 5.12**, the pre-claims earnings definition is replaced by:

For indemnity benefit payment type, pre-claim earnings means the highest average of **monthly earnings** for any period of 12 consecutive months in the two years immediately prior to the member becoming **totally disabled**.

If the member is on maternity, paternity or sabbatical leave and becomes **disabled**, the pre-claim earnings will be the highest average of **monthly earnings** for any period of 12 consecutive months in the two years immediately before the leave commenced.

Pre-claim earnings will be adjusted by the indexation factor after each 12 month period the member remains **on claim**.

General improvements

Improved Waiver of Premium payments

In **section 8.8**, Waiver of premium payments is now defined as follows:

We will waive premiums under the Premium Waiver Disability Option (see section 4.3) or the Income Secure Cover Waiver of Premium (see section 5.6.1), we will release any premium waived to the Trustee.

The release of this premium by the Trustee to the member will be subject to the Trust Deed of the OnePath MasterFund and relevant superannuation laws. Where the premium waived can not be released by Trustee to the member, the Trustee will roll over any refund of premium into an Eligible Rollover Fund (ERF) nominated by the member or the Trustee. The Trustee's nomination ERF is the Australian Eligible Rollover Fund, Locked Bag 5429, Parramatta, NSW, 2124.

Improvement to Indexation

The section entitled 'Changing the amount insured' previously known as **section 5** will now be referred to as **section 7**.

In **section 7.1** which deals with Indexation (formerly 5.1), the paragraph titled 'When indexation ends' changes to:

We will cease to offer indexation in respect of a cover under this policy on the earlier of:

- the cover expiry date
- the 'indexation expiry date' for each type of cover to which it applies (as set out below)
- for Life Cover and TPD Cover, when the Premium Freeze is exercised (see section 7.2)
- for TPD Cover Home-maker TPD definition, when the total amount insured for TPD in respect of the member under all policies issued by us reaches \$1,500,000
- for TPD Cover Non-working TPD definition, when the total amount insured for TPD in respect of the member under all policies issued by us reaches \$2,000,000
- for TPD Cover Home-maker and Non-working TPD definitions, when the total amount insured for TPD in respect of the member under all policies issued by us reaches \$2,000,000
- for all TPD Covers, when the total amount insured for TPD in respect of the member under all policies issued by us reaches \$3,000,000.

The 'indexation expiry date' is:

- the policy anniversary when the member is age 70 for Life Cover
- the policy anniversary when the member is age 65 for TPD Cover
- the cover expiry date for Income Secure Cover, age 65 if the age 70 benefit period applies
- the policy anniversary when the member is age 65 for Extra Care Cover.

New covers and benefits

The following covers and benefits are now also available as part of the OneCare Super product range at an extra cost. Please contact your financial adviser who can provide you with the appropriate advice, information and illustration.

Extra Care Cover

You may wish to consider purchasing one or a combination of benefits available as part of this new cover. Extra Care Cover is an additional feature of the OneCare Super range which may be taken in addition to any existing OneCare Super cover that you may already have.

There are two optional benefits that may be selected under this option:

- Extra Care Accidental Death Benefit
- Extra Care Terminal Illness Benefit.

Extra Care Accidental Death Benefit

This benefit will pay up to \$1,000,000 in the event of the member's accidental death.

Extra Care Terminal Illness Benefit

This benefit will pay up to \$1,000,000 in the event of the member being diagnosed with a terminal illness.

Income Secure Special Risk

Income Secure Special Risk is a new level of Income Secure Cover for over 140 special occupations that were previously unable to purchase Income Secure Cover through OnePath Life.

Income Secure Cover benefit period

As part of the Income Secure Standard you may now apply for benefits through to age 70.

Customer Services

Phone 133 667 weekdays between 8.30am and 6.00pm (Sydney time)

Email customer.risk@onepath.com.au

Postal address

OnePath Life
GPO Box 4148
Sydney NSW 2001

OnePath Custodians Pty Limited (OnePath Custodians)

ABN 12 008 508 496 AFSL 238436 RSE L0000673 is the issuer of OneCare Super.

OnePath Life Limited (OnePath Life)

ABN 33 009 657 176 AFSL 238341 is the issuer of OneCare.

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