



OneCare Super Upgrade Announcement

Life Cover | TPD Cover | Income Secure Cover | Extra Care Cover

25 May 2009

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Upgrade announcement

We are continually improving the benefits and features within your insurance policy and are pleased to notify you of the most recent improvements effective 25 May 2009.

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 on to our existing OneCare Super customers at no extra cost.

The OneCare Product Disclosure Statement (PDS) and OneCare Super Policy Terms dated 25 May 2009 contain the policy update in its entirety. This upgrade notice summarises the improvements for existing policy holders.

The owner of this policy is OnePath Custodians Pty Limited, as Trustee for the OnePath MasterFund.

In the interests of clarity, any reference to 'you' or 'your' or 'the member' in this upgrade announcement refers to the life insured, who is the member of the OnePath MasterFund.

Which improvements apply?

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 understand which of the improvements are relevant to you.

Should a situation arise where you are inadvertently disadvantaged in any way, then the previous benefit wording will stand.

What do I need to do?

You do not need to do anything to take advantage of the automatic upgrade. The revised policy wording contained in this upgrade announcement replaces the policy wording contained within your existing Policy Terms. This document should be accordingly kept with your Policy Terms and Policy Schedule.

When do these improvements apply from?

The improvements presented in this upgrade announcement are effective from 25 May 2009.

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 25 May 2009.

They do not apply to past or current claims, or any claims arising from events or conditions which first occurred or were first diagnosed, or for which symptoms first became **reasonably apparent**, before 25 May 2009.

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.

General provisions and conditions

We have improved the way your cover keeps up with inflation and the needs of a growing business by enhancing:

- built-in features – Indexation
- options – Business Guarantee Option.

Indexation

(Applicable if it is shown on the Policy Schedule).

The changes relate to Life Cover, TPD Cover and Extra Care Cover.

Indexation increases will continue to apply each policy anniversary, and will not cease due to cover exceeding the new business maximum amounts insured.

The amount insured will increase automatically unless you notify us in writing within 30 days of the policy anniversary that you wish the amount insured to remain at the existing level. This will not have any effect on any further offers we make for indexation.

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
- for Life Cover and TPD Cover, when the Premium Freeze is exercised.

The 'indexation expiry date' is the policy anniversary:

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

Business Guarantee Option

(Applicable if it is shown on the Policy Schedule).

Where a cover for a member is selected for a 'business insurance purpose' of which we approve, this option allows the member to increase the amount insured for that cover without supplying medical evidence, when the value associated with the business insurance purpose increases and if the following conditions are met:

- Each proposed increase under this option must relate to the business insurance purpose that we originally approved.
- Each individual increase under this option can be for an amount no greater than the increase in the value associated with the business insurance purpose (where the value associated with the business insurance purpose at the time the member applies for the increase is calculated using the same methodology as was used to calculate the value associated with the business insurance purpose upon which the original application for this option was based).
- The total to which the amount insured can be increased under this option is the lesser of:
 - three times the original amount insured or
 - the following lump sum amounts:
 - Life Cover – \$15,000,000
 - TPD Cover – \$5,000,000 (any amount above \$3,000,000 must be purchased as Non-working TPD).

If more than three years have passed since the commencement of this option and an increase in cover under this option has not occurred in the previous three years, the maximum individual increase under this option is the lesser of:

- three times the original amount insured or
- the following lump sum amounts:
 - Life Cover – \$2,000,000
 - TPD Cover – \$2,000,000.
- We will not increase the amount insured for any cover under this option above the maximum amount of cover available for that cover type.
- If the amount insured at the cover start date is less than 100% of the value associated with the business insurance purpose, then we will limit any future increase made under this option. The amount insured, as a proportion of the value associated with the business insurance purpose, can not increase above that which applied at the cover start date.
- The application for the increase must be accompanied by:
 - for 'buy/sell', share purchase or business succession purposes:
 - a current valuation of the business provided by a qualified accountant or business valuer (who is the same person or firm who provided us with financial evidence of the value associated with the business insurance purpose for the purposes of our assessment of the original application for this option or such other person or firm agreed to by us, using the same methodology).
 - for loan guarantee insurance purposes:
 - a current loan statement or agreement detailing the loan balance and terms of the loan at the time of the increase application

- for key person insurance purposes:
 - current business financial statements and income tax returns for the most recent financial years and a calculation of how key person cover need has been determined

as well as:

- a confirmation that the member is actively at work in their usual occupation at the time you apply for the increase.
- any other information, other than medical evidence, we may request to assess the application.
- The member has not applied for an increase under Future Insurability for the same event(s).
- At the time of applying for the increase, neither the member nor anyone else has made or is entitled to make a claim in relation to the member under this policy or any other policy issued by us providing cover for death, terminal illness or total and permanent disability.

The member may only apply for one increase under this option in any 12 month period.

The member may only remove this option from a cover if an increase has not been made under the option since the cover start date.

Life Cover

OneCare Life Cover has been enhanced with improved terms on the amount payable in the event of terminal illness.

Terminal Illness Benefit

If the member is diagnosed with a terminal illness while their Life Cover is in force, we will pay the Life Cover amount insured to the Trustee.

TPD Cover

The limits on the amount of TPD cover that auto converts to non-working TPD at age 65 have been increased.

Auto Conversion

On the policy anniversary when the member is age 65, the TPD definition for the policy will automatically convert to the Non-working TPD definition. The TPD Cover amount insured will be the same unless the total of all cover for total and permanent disability for the member under all policies issued by us is more than \$3,000,000. In this case, we only convert such an amount of TPD Cover that the total of all cover for total and permanent disability for the member under all policies issued by us is \$3,000,000. The balance of any TPD Cover not converted under this policy will end at the date of the conversion.

Income Secure Cover

There have been several improvements to Income Secure Cover that make it easier to increase or decrease the monthly amount insured according to changes in personal circumstances.

The Rehabilitation and Retraining Expenses Benefit has also been introduced for OneCare Super to reimburse rehabilitation or retraining costs if applicable.

Increasing Income Benefit

(Applicable to Income Secure Standard).

This is now expressed as a built-in policy feature 'Increasing Income', with improvements in the amounts that may be increased.

This feature allows you to increase the monthly amount insured in line with changes in the member's average **monthly earnings** without having to undergo medical underwriting. Each year within 30 days of the policy anniversary, you may increase the monthly amount insured, in addition to any indexation increase, by up to 15% of the monthly amount insured after the indexation increase applicable on that policy anniversary is applied.

If more than three years pass since the commencement of this policy and an increase in cover under this feature has not occurred in the previous three years, the maximum individual increase available under this feature is \$1,000.

You will be required to complete the relevant form and provide:

- financial evidence supporting the increase in cover and
- confirmation that the member is actively at work and expects their income to continue at or above the current level.

The application to increase the monthly amount insured must be made within 30 days of the policy anniversary.

This feature cannot be exercised if the member is **on claim**, or eligible to make a claim.

This feature is only available if the member is less than age 50 at the cover start date. To increase cover under this feature, the member must be less than age 55, and the monthly amount insured across all Income Secure Covers for the member, including this increase, does not exceed \$30,000.

This feature is only available for cover that has been issued without medical loadings.

The total of all increases in the monthly amount insured under Increasing Income cannot exceed the original monthly amount insured at the cover start date.

Rehabilitation and Retraining Expenses Benefit

If the member is receiving Total or Partial Disability Benefits under this policy, we will reimburse the expenses associated with rehabilitation or retraining in respect of the member. The maximum amount we will reimburse in total over the life of the cover is 12 times the monthly amount insured payable.

We must agree in writing before the member commences the rehabilitation or retraining program. We will not approve any rehabilitation or retraining expenses which:

- we are not permitted by law to reimburse
- are regulated by the *National Health Act 1953* or the *Private Health Insurance Act, 2007*, or
- are expenses that the member is entitled to have reimbursed from another person or another policy.

Any benefit payable under the Rehabilitation and Retraining Expenses Benefit is in addition to the Total Disability Benefit and Partial Disability Benefit paid.

This benefit is not payable during the waiting period.

Family Cover Pause

If the member's average **monthly earnings** reduce while pregnant or after they or their **spouse** have children, they can request to reduce their monthly amount insured by up to 75% (subject to the minimum monthly amount insured of \$1,250) to reflect the member's new average monthly earnings if:

- the member has paid premiums for the previous 24 consecutive months
- there is no premium amount outstanding at the time of activating the Family Cover Pause.

The member will have the option to reinstate their monthly amount insured when their monthly earnings increase without having to undergo medical underwriting. The member can reinstate all or part of the monthly amount insured at any time prior to their youngest child turning age six.

To reinstate all or part of the original monthly amount insured the member will be required to complete the relevant form and to provide:

- financial evidence supporting the reinstated cover
- a copy of the youngest child's birth certificate or adoption certificate.

There is no cover and no benefits are payable in relation to this feature in respect of **illness** or **injury** that becomes **reasonably apparent** while cover is being paused (in respect of the amount of cover that is paused only) or in the first 90 days after each increase of cover from Family Cover Pause (in respect of the increased portion only).

Indexation of the reduced monthly amount insured will apply whilst cover is paused.

Definitions

For the purposes of this upgrade document, the following definitions and other key terms referred to in **bold** are defined as follows.

Illness definition unchanged. Refer to your OneCare Super Policy Terms.

Injury definition unchanged. Refer to your OneCare Super Policy Terms.

Monthly earnings means:

- if the member is self-employed or a working director, the gross monthly income generated by the business as a result of their personal exertion after allowing for the costs and expenses incurred in deriving that income or
- if the member is independently employed, their monthly income earned from personal exertion by way of total remuneration package, including fringe benefits and any other type of remuneration, calculated on a monthly basis.

On claim means the dates for which you are eligible to receive a benefit with respect to a member under the policy.

Reasonably apparent means a reasonable person in the circumstances could be expected to have been aware of the symptoms.

Spouse means a spouse, de facto spouse or person living in a bona fide domestic arrangement, irrespective of their gender, where one or each of them provides the other with financial support, domestic support and personal care.

Terminal illness means an illness that, in the opinion of an appropriate specialist physician approved by us, is likely to lead to the death of the member within 12 months from the date that the opinion is provided to us.

Customer Services

Phone 133 667 8.30am to 6.00pm (Sydney time)
Email customer.risk@onepath.com.au

Postal address

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Risk Adviser Services

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