



OneCare Upgrade Announcement

Life Cover | TPD Cover | Trauma Cover | Income Secure Cover
Business Expense Cover | Living Expense Cover | Child Cover | Extra Care Cover

1 March 2010

Contents

Upgrade announcement	1
Life Cover	2
TPD Cover	2
Income Secure Cover	4
Business Expenses	4
General provisions and conditions	5

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.

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 1 March 2010.

Your OneCare policy includes a guarantee of upgrade which means that when we improve the terms and conditions of OneCare we pass the enhancements on to our existing OneCare customers at no extra cost.

The Amendments to the OneCare Policy Terms document dated 1 March 2010 details the policy changes. This upgrade notice summarises the improvements for existing policy holders. Terms defined in **bold** throughout this document have the same meaning as in your Policy Terms.

In the interest of clarity, any reference to 'you' or 'your' in this upgrade announcement refers to the policy owner.

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 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 under the relevant section headings of this upgrade announcement replaces the policy wording contained within your existing Policy Terms for the same section heading. This document should accordingly be kept with your Policy Terms and Policy Schedule.

When do these improvements apply from?

The improvements presented in this upgrade announcement are effective from 1 March 2010.

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 1 March 2010.

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 1 March 2010.

Life Cover

The 13 month exclusion relating to a deliberate act or omission now relates only to the Death Benefit of this cover. It no longer relates to the Terminal Illness Benefit of this cover.

Life Cover exclusions (updated)

We will not pay any benefits under Life Cover:

- for anything we have specifically excluded from this cover, as shown on the Policy Schedule or
- if, as a result of the life insured's intentional act or omission, the life insured dies during the first 13 months from:
 - the cover start date
 - the date we increase this cover at the request of the policy owner (not including any indexation increases). The exclusion applies only to the amount of the increase to the cover
 - the date we agree to reinstate the cover after it has been cancelled or
 - the date of the start of any cover bought back under Life Cover Buy Back or purchased under the Life Cover Purchase Option. The exclusion applies only to the amount of Life Cover bought back or purchased.

This exclusion will not apply to that part of the amount insured which replaces similar insurance under a policy issued by another insurer if:

- the insurance under the policy to be replaced has been in force for a minimum of 13 consecutive months immediately prior to the cover start date of this cover
- the policy to be replaced is cancelled immediately after the issue of this cover
- all similar exclusions have expired under the policy to be replaced (including exclusions which were applied to the policy after its commencement due to, for example, reinstatements or increases) and
- no claim is payable or pending under the policy to be replaced.

Where the Life Cover amount insured under this policy exceeds that of the policy to be replaced, this exclusion will apply to the excess.

TPD Cover

TPD Any Occupation

The TPD Any Occupation definition has been upgraded to set a minimum benchmark of earnings that the occupation, for which the life insured is reasonably suited, must meet.

Any Occupation TPD definition (updated)

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

- (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, and
 - which is likely to generate average **monthly earnings** of at least 25% of the life insured's average **monthly earnings** in the 12 months prior to claim.

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 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 life insured 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 life insured 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.

TPD Own Occupation

There is also an improvement within the Own Occupation TPD definition such that the TPD definition no longer reverts to an Any Occupation definition if the period of unemployment is greater than 12 months.

Own Occupation TPD definition (updated)

Own Occupation means the most recent occupation in which the life insured was engaged prior to the date of disability.

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

- (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 life insured 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 life insured 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.

TPD partial payments

The partial payments for TPD have been upgraded to increase the amounts payable from 20% to 25%; and increase the maximum amounts payable from \$100,000 to \$500,000.

Partial payment for specific loss (updated)

'Specific loss' means that, due to **illness** or **injury**, the life insured suffers the total and permanent loss of the use of:

- one limb (where 'limb' is defined as the whole hand or the whole foot) or
- the sight in one eye.

If the life insured suffers a 'specific loss' while TPD Cover for the life insured is in force, we will pay a partial amount of TPD Cover amount insured.

The partial payment for 'specific loss' is 25% of the TPD Cover amount insured at the time the 'specific loss' occurs, subject to a minimum of \$10,000 and a maximum of \$500,000, or if an instalment benefit payment type applies, an **equivalent instalment amount**.

The TPD Cover amount insured is reduced by the amount paid for 'specific loss'.

This benefit does not apply if the policy:

- is issued to the trustee of a superannuation fund
- is part of a transfer from another OnePath product, unless the TPD Cover has been fully underwritten
- is issued as part of a continuation option, unless the TPD Cover has been fully underwritten.

Income Secure Cover

There has been a change to the OneCare Policy Terms to clarify our approach to assessing Partial Disability when the life insured is partly or fully able to work, but not working to their full capacity.

Partial Disability Benefit

Calculating the Partial Disability Benefit (updated)

The Partial Disability Benefit is calculated as follows:

$$\frac{(A - B)}{A} \times C$$

where:

A = the life insured's **pre-claim earnings**.

B = the life insured's **monthly earnings** for the month in which they are **partially disabled**. If the life insured is partially disabled and is not working to their capability as a result of causes other than illness or injury and this situation continues for at least 3 months, then 'B' will be calculated on what the life insured could reasonably be expected to earn if they were working to the extent of their capability.

In determining what the life insured could reasonably be expected to earn if they were working to the extent of their capability, we will take into account available medical evidence (including the opinion of the life insured's medical practitioner) and any other relevant considerations directly related to the life insured's medical condition (including information provided by you).

If we are making monthly payments and intend to adjust future payments due to a change in how we calculate 'B', we will notify you 30 days prior to this taking place.

'B' must be less than the amount of 'A'. If 'B' is negative in a month, we will treat 'B' as zero.

C = the monthly amount insured payable.

Business Expenses

There has been an improvement to the definition of Business Expense Cover to allow the minimum monthly business loan repayments to include repayments of capital.

Business expenses (updated)

Business expenses means the normal day-to-day running expenses of the life insured's **business**. These include, but are not limited to:

- accounting and audit fees
- bank fees and charges
- office cleaning costs
- electricity, gas, water and property rates
- equipment hire and motor vehicle leases
- **business** related insurance premiums (not including premiums for this Business Expense Cover)
- minimum monthly loan repayments, as per the relevant loan agreement, on:
 - **business** loans (short term and long term bank debt that relates to the operations and capitalisation of the business) including mortgage repayments on the business premises.
 - finance lease payments relating to plant and equipment loans that commenced prior to the date of **disability**.
- office rent or leasing fees
- salaries and superannuation contributions for employees not directly involved in the generation of revenue
- payroll tax for the above salaries
- regular advertising costs
- telephone costs
- subscriptions/fees/dues to professional associations
- net cost of a locum (a person from outside the life insured's **business** who is a direct replacement for the life insured in their **business**), less any **business** earnings generated by the locum
- any other expenses agreed to by us.

The following business expenses cannot be included:

- the life insured's personal remuneration, salary, fees or drawings
- payments to related entities or businesses also owned or controlled by the life insured or an **immediate family member**
- cost of goods or merchandise, cost of implements to the life insured's profession
- premiums payable on this Business Expense Cover

- salaries and superannuation contributions for employees directly involved in the generation of income
- depreciation and the purchase cost of any assets, tools or other capital items.

General provisions and conditions

Future Insurability

The ability to exercise Future Insurability is now available to lives insured with a medical loading of up to 50%. Previously it was unavailable if there were any medical loadings on the policy.

This improvement alters the policy terms for Future Insurability as follows.

Future Insurability availability... (updated)

Future Insurability increases are not available:

- after the policy anniversary when the life insured is age 55
- if the original cover was issued by us with a medical loading greater than 50% as shown on the Policy Schedule
- for business events, if this policy is issued to the trustee of a superannuation fund.

There are also two new future insurability events:

- the life insured has a change in tax dependency status and their OneCare Life Cover or Accidental Death cover is under superannuation
- the policy is at its third year anniversary (or any subsequent third year) and there has not been a Future Insurability increase for the life insured in the previous three years.

Future Insurability for Life Cover, TPD Cover, Trauma Cover and Extra Care Cover (new items)

A new event has been added to the Future Insurability table for Personal events as follows.

Personal events (occurring after the cover start date)	Evidence required	Benefit
The life insured has a change in tax dependency status as a result of the life insured ceasing to have any tax dependants as defined by current law. ^{*#^}	<ul style="list-style-type: none"> • A completed Future Insurability Increase Application Form. • Statutory declaration that the life insured no longer has any tax dependants, and that this change in circumstance occurred within the previous 12 months. 	<p>The Life/Extra Care (Accidental Death) Cover amount may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> • 25% of the Life/Extra Care Cover amount insured (as applicable) at the cover start date • \$200,000, or if an equivalent instalment benefit payment type applies, an equivalent instalment amount.

A new paragraph with an additional Future Insurability event follows the table, prior to the footnotes:

If, during the first three years since the cover start date, and every three year period thereafter, you have not increased the Life/TPD/Trauma/Extra Care Cover amount insured under Future Insurability as a result of a business event or personal event, you may increase cover by 25% of the amount insured at the cover start date to a maximum of \$200,000 at that third policy anniversary.*

* within the first six months of an increase to Life, TPD, Trauma and/or Extra Care amounts insured for this event, the increased amount insured is only payable for death, total and permanent disability or trauma conditions (as applicable) which result from an accident.

only available if the cover is taken out under superannuation.

^ we will increase the amount insured under Future Insurability for this event only once during the period of the policy.

Customer Services

Phone 133 667 8.30am to 6.00pm (Sydney time)

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Postal address

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OnePath Life Limited (One Path Life)

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

OnePath Custodians Pty Limited (OnePath Custodians)

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

This information is current at March 2010 but is subject to change. Updated information will be available free of charge from onepath.com.au. The information must be read together with the disclosure documents you received on purchasing your policy and any subsequent communications provided by us in respect of your policy. The information provided is of a general nature and does not take into account your personal needs and financial circumstances. You should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should read the Product Disclosure Statement (PDS) available at onepath.com.au and consider whether to consult a financial adviser before making any decision regarding your policy. OnePath Life Limited (OnePath Life) ABN 33 009 657 176, AFSL 238341 and OnePath Custodians Pty Limited (OnePath Custodians) ABN 12 008 508 496, AFSL 238436, RSE L0000673 are wholly owned subsidiaries of Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522. ANZ is an authorised deposit taking institution (Bank) under the *Banking Act 1959* (Cth). OnePath Life and OnePath Custodians are owned by ANZ – they are the issuer of the product but are not Banks. Except as set out in the issuer's contract terms (including the PDS), this product is not a deposit or other liability of ANZ or its related group companies. None of them stands behind or guarantees the issuer.

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