

# Product Update – OneAnswer Insurance Changes

1 July 2014

Please read the content of this product update carefully as it contains updated information about the insurance that is available to you through any OneAnswer Frontier Personal Super, OneAnswer Personal Super, OptiMix Superannuation PDS's dated prior to 1 July 2014.

The information relating to insurance contained in this document is provided for summary purposes only. Please refer to the PDS for details of insurance. To the extent of any inconsistency with the relevant insurance policies the terms and conditions of the policies will prevail.

## Which products are affected by the changes?

- OneAnswer Frontier Personal Super
- OneAnswer Personal Super
- OptiMix Superannuation

## What is the reason for the changes?

From 1 July 2014, changes to the Superannuation Industry (Supervision) Act 1993 (SIS Act) mean that a trustee of a superannuation fund can only provide new insurance cover to members where the insured event is consistent with a relevant SIS Act Condition of Release. These changes mean that the Trustee has updated the insurance policy for your product so that all Total and Permanent Disability (TPD) and Terminal Illness payments are only allowable in the event that the claiming member also satisfies a condition of release. The implication of this is that certain definitions have changed and are shown below.

## When do the changes apply and who do they apply to?

These insurance definition changes apply to all new cover provided to new and existing members from 1 July 2014. In general, for an existing member who has continuously held a type of cover (ie: TPD ) which was established before 1 July 2014, that cover will not be affected by these changes and the member will continue to be covered by and be able to claim under the previous policy terms. Increases to existing cover held at 30 June 2014 are also not impacted by these changes. Where a member applies for new TPD cover from 1 July 2014, the new Terminal Illness definition will now apply to them.

## What are the new definitions?

### Terminal Illness definition

"**Terminal illness**" or "**terminally ill**" means all of the following (i) to (iv) have been satisfied in respect of an insured member:

- (i) the insured member suffers from an illness or injury;

- (ii) two medical practitioners (at least one of whom is a specialist practising in an area related to the illness or injury suffered by the insured member), have certified in writing (the 'written certification'), either jointly or separately, that the illness or injury will, despite medical treatment, be likely to lead to the death of the insured member within 12 months from the date of such written certification (the 'certification period');
- (iii) for each of the written certifications, the certification period has not ended;
- (iv) the written certification by both medical practitioners must be dated during the period the insured member is insured for death cover under the policy.

**For a Total and Permanent Disablement Benefit to be paid, the following conditions will apply:**

**'totally and permanently disabled' (TPD) definition 1 means:**

(a) *Unlikely to return to work*

If the insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she is:

- totally unable to engage in any occupation, business, profession or employment for a period of six consecutive months; and
- determined by the Insurer at the end of that six month period (or such later time agreed between the Insurer and the Trustee), to be permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

OR

(b) *Permanent impairment*

If the insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she:

- 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 the Insurer; and
- is disabled to such an extent, as a result of this impairment, that they are unlikely ever again to be able to engage in any gainful occupation, business, profession or employment for which they are reasonably suited by their education, training or experience.

OR

(b) *Specific loss*

As a result of illness or injury, the insured member suffers the total and permanent loss of the use of:

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

AND

the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience

OR

(d) *Loss of independent existence*

As a result of illness or injury, the insured member suffers loss of independent existence, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she

is reasonably suited by education, training or experience

'Loss of independent existence' means the Insurer has determined the insured 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

(e) Cognitive loss

As a result of illness or injury, the insured member suffers cognitive loss, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

'Cognitive loss' means the Insurer has determined a total and permanent deterioration or loss of intellectual capacity has required the insured 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 permanent ongoing continuous care and supervision by another adult person.

**'totally and permanently disabled' (TPD) definition 2** means:

(a) Specific loss

As a result of illness or injury, the insured member suffers the total and permanent loss of the use of:

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

AND

the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience

OR

(b) Permanent impairment (not applicable for OptiMix Superannuation)

If the insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she:

- 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 the Insurer; and
- is disabled to such an extent, as a result of this impairment, that they are unlikely ever again to be able to engage in any gainful occupation, business, profession or employment for which they are reasonably suited by their education, training or experience.

OR

(c) Loss of independent existence

As a result of illness or injury, the insured member suffers loss of independent existence, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience

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'Loss of independent existence' means the Insurer has determined the insured 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

(d) Cognitive loss

As a result of illness or injury, the insured member suffers cognitive loss, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

'Cognitive loss' means the Insurer has determined a total and permanent deterioration or loss of intellectual capacity has required the insured 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 permanent ongoing continuous care and supervision by another adult person.

## What do I need to do?

There is nothing that you need to do, however should you have any questions, or require further information, please:

- Speak to your financial adviser
- Call Customer Services on 133 665, weekdays between 8.30am and 6.30pm (AEST)
- Email [customer@onepath.com.au](mailto:customer@onepath.com.au)

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