

Updates to the Duty of Disclosure

31 May 2016

Product Information Update

This Product Information Update (PIU) has been issued to update the Product Disclosure Statements (PDS) listed in the table below. This PIU should be read together with the relevant PDS and any Supplementary Product Disclosure (SPDS) Statement issued for the product.

Product and PDS Name	Date of PDS	Date of SPDS
Group Life Insurance Product Disclosure Statement	15 November 2010	25 April 2015
Group Salary Continuance Product Disclosure Statement	15 November 2010	25 April 2015

What is the reason for the changes?

The purpose of this PIU is to update the 'Duty of Disclosure' in the PDS.

As a result of the Insurance Contracts Amendment Act 2013 (Cth) ("ICAA"), new requirements have been introduced for insurers to comply with the Insurance Contracts Act 1984.

On 28 December 2015, a number of the ICAA amendments took effect. The amendments provide clarity regarding the duty of disclosure itself, and who the duty extends to. Terms used as part of the updated information this PIU have the same meaning as in the PDS.

The following information highlighted grey, that relate to the duty of disclosure and non-disclosure, will replace the paragraphs on:

- Page 18 of the Group Life Insurance PDS; and
- Page 25 of the Group Salary Continuance PDS.

What is the new 'Duty of Disclosure'?

Your duty of disclosure

Before you enter into a life insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you extend, vary or reinstate the contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If an eligible person or insured member does not tell us everything he or she should have, this may be treated as a failure by you to tell us something that you must tell us.

If you do not tell us something

In exercising the following rights, we may consider whether different types of cover can constitute separate contracts of life insurance. If they do, we may apply the following rights separately to each type of cover.

If you do not tell us anything you are required to, and we would not have insured you or entered into the same contract with you if you had told us, we may avoid the contract within 3 years of entering into it.

If we choose not to avoid the contract, we may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told us everything you should have. However, if the contract provides cover on death, we may only exercise this right within 3 years of entering into the contract.

If we choose not to avoid the contract or reduce the amount you have been insured for, we may, at any time vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have. However, this right does not apply if the contract provides cover on death.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.