

Group Insurance policy changes

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from 1 February 2017

Group Insurance policy changes

Some words in this document have special meanings which can be obtained from the Policy Document. For further details, contact your adviser or Netwealth on 1800 888 223. Where there is any discrepancy between the terms set out in this document, and the Policy document, the Policy Document will prevail.

From 1 February 2017, the Netwealth Group Life Insurance policy will be updated in the following areas:

- Terminal Illness benefit
- Partial Disability benefit
- At Work provisions (Employer Sponsored Super only)
- Transfer Terms
- Active service exclusion

Please see below for more detail.

Changes to the Group Life (Death & Total and Permanent Disablement) Insurance Policy

Terminal Illness benefit

There has been an update to the Terminal Illness definition to ensure consistency with the *Superannuation Industry (Supervision) Regulations 1994*. If you are making a Terminal Illness claim, one of the medical practitioners certifying your illness is required to be a specialist in the particular medical field related to the illness or injury suffered. Previously, one of the practitioners was only required to be a specialist practicing in an area related to the illness or injury suffered. From 1 February 2017, the Terminal Illness definition will be:

Terminal Illness means that:

- (a) 2 registered Medical Practitioners with 1 being a specialist in that particular medical field (related to the illness or injury suffered by the Insured Member) have certified, jointly or separately and approved by AIA Australia, on or after the Effective Date resulting in the Insured Member ceasing work as a result of the diagnosed illness whilst insured under this Policy that the Insured Member suffers from an illness, or has incurred an injury, that is likely to result in their death within a period (the certification period) that ends no more than 12 months after the date of the certification; and
- (b) for each of the certificates, the certification period has not ended.

There has also been an additional cessation provision included for Terminal Illness cover:

- (iv) the date a Terminal Illness Benefit is paid under this Policy in respect of the Insured Member. Where the Terminal Illness Benefit is less than Death Cover or Death and TPD cover, any remaining Death cover will continue until another cessation event occurs.

Changes to the Supplementary Income Protection Insurance Policy

Partial Disability benefit

There has been an upgrade to the Partial Disability definition. If you are making a Partial Disability claim, the number of consecutive days that are required to qualify has reduced from fourteen (14) consecutive days to seven (7) out of twelve (12) consecutive days. From 1 February 2017, the Partial Disability or Partially Disabled definition will be:

Partial Disability or **Partially Disabled** means immediately following a period of Total Disability for at least 7 out of 12 consecutive days and solely because of the Injury or Sickness which directly caused the Total Disability, the Insured Member is:

- (a) able to perform 1 or more duties of his/her usual occupation but is unable to perform all of the duties of his/her usual occupation; and
- (b) remains under the regular care and attendance of, and is following the advice of a registered Medical Practitioner in relation to the Injury or Sickness; and
- (c) solely due to that Injury or Sickness is earning an Income at a monthly rate of less than his/her Pre-Disability Income.

Changes to both policies

At work provisions (Employer Sponsored Super only)

If you are a new Employer Sponsored Super member joining the Netwealth Superannuation Master Fund, and eligible for Automatic insurance cover, the At Work provisions that you must meet to obtain cover have changed.

Where a Member joins the Fund within 60 days of commencing employment with the Registered Employer, and is not At Work on the Commencement of Cover date, New Events Cover will apply until the Insured Member is At Work for thirty consecutive days.

Where a Member joins the Fund outside of 60 days of commencing employment with the Registered Employer, New Events Cover will apply until the Insured Member is At Work for 24 months and continue until the Insured Member is At Work for 30 consecutive days, at which time full cover will be provided.

Where an Insured Member applies for Life Stages Cover and is not At Work on the date AIA Australia accepts the Insured Members application for Life Stages Cover, New Events Cover will apply to the increased amount until the Insured Member is At Work for 30 consecutive days.

Transfer terms

If you are transferring your existing insurance cover to the Netwealth Superannuation Master Fund, the terms relating to the transfer have been simplified. Previously, there were Standard Transfer and Non Standard Transfer Terms. From 1 February 2017, only one transfer type is applicable, called Individual Transfer Terms. From 1 February 2017, the Individual Transfer Terms will be:

A member who is insured under another fund or policy for Death only, TPD only, Death and TPD or Income Protection cover may become an Insured Member of this Policy or increase their cover under this Policy subject to the following:

- (a) The Member must be under age 55 next birthday at the date of transfer;
- (b) Cover under the other fund / policy must be cancelled on acceptance of the transferred cover by AIA Australia into this Fund;
- (c) The Member does not continue the cover under another insurance arrangement;
- (d) The Member has not been paid/lodged or is eligible to be paid/lodge a claim for a Income Protection, Terminal Illness or TPD benefit from AIA Australia or any other fund or insurance company at the date of transfer;
- (e) The Member is not Terminally Ill with a life expectancy of less than 12 months at the date of transfer;
- (f) The Member is Gainfully Employed and physically capable of undertaking gainful employment for at least 30 hours per week at the time of request for transfer;
- (g) The Member meeting the Eligibility Conditions of the Policy;
- (h) The amount of cover provided in respect of the Member will be at the same amount and under the same conditions of cover held under the former insurance policy or fund and only where the previous insurer's acceptance terms were less than or equal to +50% extra mortality and/or up to 1 exclusion were applied;
- (i) if the Member's cover under the other fund or insurance policy was accepted on non-standard terms, all loadings, restrictions or exclusions applicable under the other fund or insurance policy will be transferred to the Member's cover under the Policy;
- (j) The Member providing to AIA Australia a copy of:
 - (i) an annual statement from the superannuation fund that was issued within 12 months of the date the transfer is requested, or
 - (ii) a certificate of currency from an insurance company that was issued within 60 days of the date the transfer is requested, as confirmation of cover currently held with the other fund or insurer;
- (k) The Member satisfactorily completing individual insurance transfer questionnaire which is accepted by AIA Australia;
- (l) Cover will be provided based on the terms, conditions, premiums and occupation categories provided under the Policy;
- (m) The Member's transferred cover will not commence in this Fund until the later of:
 - (i) AIA Australia accepting the Member's application; and
 - (ii) The transferred insurance cover under the other fund / policy being subsequently cancelled;
- (n) the Member is not currently absent from work or restricted due to Injury or illness from carrying out all of the usual duties of their current and normal occupation on a full-time basis, for at least 30 hours per week, (even if they are not currently working on a full-time basis) at the transfer date;
- (o) the Member has not been absent from work due to injury or illness for more than 10 days in the last 12 months at the date of transfer; and
- (p) the Member has not been declined Death only or Death & TPD cover or Income Protection cover under the Policy or with any insurer or fund at the date of transfer.

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A Member who meets the above criteria will have the transferring level of cover transferred to the Fund subject to a Maximum Amount Insured of \$1,000,000 for Death only, TPD only or Death and TPD and \$10,000 per month for Income Protection cover, for all transfers.

The Member's total Amount Insured under the Policy is subject to the Maximum Benefit limits as outlined in the Policy Schedule.

In addition to the above, for Income Protection the following also applies:

- (a) cover will be indemnity only and provided based on the terms, conditions, premiums, Waiting Period, Benefit Period and occupation categories provided under the Policy. Where the Waiting Period offered under the other fund / policy is different to the available Waiting Periods under the Policy, the Member's Waiting Period will be rounded up to the next longest Waiting Period available under the Policy. Where the Benefit Period offered under the other fund / policy is different to the available Benefit Period offered under the Policy, the Member's Benefit Period will be rounded down to the nearest Benefit Period available under the Policy.

Active service exclusion

There has been an update to the Exclusions wording for Death & TPD cover and Income Protection relating to active service. The wording defining where a benefit will not be paid due to circumstances arising from active service has been expanded to include peacekeeping forces and participation in a combat or fighting force for any country, territory, foreign or international organisation. From 1 February 2017, the Exclusions will be:

No Death benefit will be payable by AIA Australia to any Insured Member arising from the following:

- (a) active service in the armed forces of any country, territory, foreign or international organisation; or
- (b) participation in a combat or fighting force of any country, territory or foreign organisation; or
- (c) engagement in (including planning or preparing for) any terrorism act in Australia or any foreign country; or
- (d) any intentional, self-inflicted act, whether sane or insane for death arising within 13 months from commencement, reinstatement or increase of Voluntary Cover.

No TPD benefit will be payable by AIA Australia to any Insured Member arising from the following:

- (a) active service in the armed forces of any country, territory, foreign or international organisation; or
- (b) participation in a combat or fighting force of any country, territory or foreign organisation; or
- (c) engagement in (including planning or preparing for) any terrorism act in Australia or any foreign country; or
- (d) any intentional, self-inflicted act, attempted suicide or self destruction while either sane or insane.

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An update has also been made for Income Protection:

The Policy does not cover any Injury or Sickness resulting from:

- (a) any intentional self inflicted injury or attempted suicide or self destruction while sane or insane;
- (b) an uncomplicated pregnancy, childbirth or miscarriage;
- (c) War; or
- (d) active service in the armed forces of any country, territory, foreign or international organisation; or
- (e) participation in a combat or fighting force of any country or territory or foreign or international organisation; or
- (f) engagement in (including planning or preparing for) any terrorism act in Australian or any foreign country.

War includes but is not limited to war (declared or undeclared) or war related activities, revolution, invasion or rebellion or civil unrest.

European Sanction

A further exclusion applies to the Policy in that AIA Australia is not obliged to make any payments or to provide any services or benefits if:

- (a) such cover, payments, services or benefits; or
- (b) cover, payments, services or benefits provided by a third party in relation to or arising from the Policy (including by a reinsurer of AIA Australia to AIA Australia);

would contravene any United Nations resolutions, prohibitions or restrictions relating to trade or economic sanctions including **orders** made by the United States' Office of Foreign Assets Control, or **would** contravene any laws, regulations, government policy, regulatory guidance or regulator requests (including in relation to trade or economic sanctions) in Australia, the European Union or in any other jurisdiction applicable to the cover, payments, services or benefits by AIA Australia or the third party.

Insured's duty of disclosure

A person who enters into a life insurance contract in respect of your life has a duty, before entering into the contract, to tell the insurer anything that he or she knows, or could reasonably be expected to know, may affect their decision to provide the insurance and on what terms.

The person entering into the contract has this duty until the insurer agrees to provide the insurance.

The person entering into the contract has the same duty before he or she extends, varies or reinstates the contract.

The person entering into the contract does not need to tell the insurer anything that:

- reduces the risk the insurers insures you for; or
- is common knowledge; or
- the insurer knows or should know as an insurer; or
- the insurer waives your duty to tell us about.

If you do not tell the insurer something that you know, or could reasonably be expected to know, this may affect the insurer's decision to provide the insurance and on what terms, and may be treated as a failure by the person entering into the contract to tell the insurer something that he or she must tell the insurer.

If the person entering the contract does not tell the insurer something

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

If the person entering into the contract does not tell the insurer anything he or she is required to, and the insurer would not have provided the insurance if he or she had told them, the insurer may avoid the contract within 3 years of entering into it.

If the insurer chooses not to avoid the contract, the insurer may, at any time, reduce the amount of insurance provided. This would be worked out using a formula that takes into account the premium that would have been payable if he or she had told the insurer everything he or she should have. However, if the contract has a surrender value, or provides cover on death, the insurer may only exercise this right within 3 years of entering into the contract.

If the insurer chooses not to avoid the contract or reduce the amount of insurance provided, we may, at any time vary the contract in a way that places us in the same position we would have been in if he or she had told the insurer everything he or she should have. However, this right does not apply if the contract has a surrender value or provides cover on death.

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

AIA Australia's Privacy Statement

This section summarises key information in the AIA Australia Privacy Policy, which may be updated from time to time. For further information, please review the most up to date full version of the AIA Australia Privacy Policy on AIA Australia's website at www.aia.com.au.

AIA Australia Limited is part of the AIA Group. Your privacy is important to us and AIA Australia and we are both bound by the privacy principles which apply to private sector organisations under the Privacy Act, and other laws which protect your privacy. AIA Australia Limited, AIA Financial Services Limited, AIA Group and their related bodies corporate and joint venture partners (together referred to as "AIA Australia", "we", "us" and "our" in this statement), provide you the following notification and information about AIA Australia's Privacy Policy and your rights.

Why AIA Australia collects Personal Information

AIA Australia collects, uses and discloses personal and sensitive information (**'Personal Information'**) for purposes set out in the AIA Australia Privacy Policy, including to process your applications, enquiries and requests in relation to insurance, AIA Vitality and other products, for underwriting and reinsurance purposes, to administer, assess and manage your insurance and other products, including claims, the provision of rehabilitation and return to work services and to provide, manage and improve our products and services. AIA Australia may not be able to do these things without your Personal Information. AIA Australia may also collect, use and disclose Personal Information to understand your needs, interests and behaviour, personalise our dealings with you, to verify your identity, authority to

act on behalf of a customer, maintain and update their records, manage our relationship with you, comply with local and foreign laws and regulatory requests, detect, manage and deal with improper conduct and commercial risks and for reporting, research and marketing purposes. Where you agree or AIA Australia is otherwise permitted by law, AIA Australia may contact you on an ongoing basis by email, phone and otherwise, with offers and other promotional information about products or services AIA Australia think may interest you. If you do not wish to receive these direct marketing communications you may indicate this where prompted or by contacting AIA Australia as set out in AIA Australia's Privacy Policy.

How AIA Australia collects, uses and discloses Personal Information

AIA Australia may collect your Personal Information from various sources including forms you submit and AIA Australia's records about your use of AIA Australia's products and services and dealings with AIA Australia, including any telephone, email and online interactions. AIA Australia may also collect your information from public sources, social media and from the parties described in AIA Australia's Privacy Policy. AIA Australia is required or authorised to collect Personal Information under various laws including the Life Insurance Act, Insurance Contracts Act, Corporations Act and other laws set out in AIA Australia's Privacy Policy. Where you provide AIA Australia with Personal Information about someone else, you must have their consent to provide their Personal Information to AIA Australia in the manner described in AIA Australia's Privacy Policy.

AIA Australia may collect your Personal Information from, and exchange your Personal Information with, AIA Australia's related bodies corporate including without limitation, joint venture entities ('**Affiliates**') and third parties, including the life insured, policy owner or beneficiaries of your insurance policy, AIA Australia service providers or contractors or service providers or contractors of AIA Australia's Affiliates, your representatives (including without limitation, your financial adviser and the Australian Financial Service Licensee they represent, the distributor of your insurance policy, the trustee or administrator of your superannuation fund, your current and former employer, unions of current and former staff members of AIA Australia (including contactors) medical professionals or anyone acting on your behalf including any other representative or intermediary) ('**Representatives**'), your employer or bank, health providers, partners used in AIA Australia's activities or business initiatives, reinsurers, insurance brokers and intermediaries, our distributors and clients, regulatory and law enforcement agencies, and other parties as described in AIA Australia's Privacy Policy. Parties to whom AIA Australia disclose Personal Information may be located in Australia, South Africa, the US, the United Kingdom, Europe, Asia and other countries including those set out in AIA Australia's Privacy Policy and you acknowledge that Australian Privacy Principle 8.1 (which relates to cross-border disclosure) will not apply to the disclosure, AIA Australia will not be accountable for those overseas parties under the Privacy Act and you may not be able to seek redress under the Privacy Act.

Where AIA Australia provides your Personal Information to a third party, the third party may collect, use and disclose your Personal Information in accordance with their own privacy policy and procedures. These may be different to those of AIA Australia.

Other important information

By providing information to AIA Australia or your Representatives, the trustee or administrator of a superannuation fund, submitting or continuing with a form or claim, or otherwise interacting or continuing your relationship with AIA Australia directly or via an intermediary, you confirm that you agree and consent to the collection, use (including holding and storage), disclosure and handling of Personal Information in the manner described in AIA Australia's Privacy Policy on AIA Australia's website as updated from time to time, and that you have been notified of the matters set out in the

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AIA Australia Privacy Policy before providing Personal Information to AIA Australia. You agree that AIA Australia may not issue a separate notice each time Personal Information is collected.

You must obtain and read the most up to date version of the AIA Australia Privacy Policy from AIA Australia's website at www.aia.com.au or by contacting AIA Australia on 1800 333 613 to obtain a copy. You have the right to access the Personal Information AIA Australia holds about you, and can request the correction of your Personal Information if it is inaccurate, incomplete or out of date. Requests for access or correction can be directed to AIA Australia using the details in the 'Contact AIA Australia' section below. AIA Australia's Privacy Policy provides more detail about AIA Australia's collection, use (including handling and storage), disclosure of Personal Information and how you can access and correct your Personal Information, make a privacy related complaint and how AIA Australia will deal with that complaint, and your opt-out rights.

For the avoidance of doubt, the AIA Australia Privacy Policy applicable to the management and handling of Personal Information will be the most current version published at www.aia.com.au, which shall supersede and replace all previous AIA Australia Privacy Policies and/or Privacy Statements and privacy summaries that you may receive or access, including but not limited to those contained in or referred to in any telephone recordings and calls, websites and applications, underwriting, claim and other forms, Product Disclosure Statements and other insurance and disclosure statements and documentation.

Contact AIA Australia

If you have any questions or concerns about your Personal Information, please contact AIA Australia as set out below:

The Compliance Manager
AIA Australia Limited
PO Box 6111
Melbourne, VIC 3004
Phone 1800 333 613