

Netwealth Superannuation Master Fund

Personal Insurance

Applying for or varying group insurance

July 2021

**Netwealth
Superannuation
Services Pty Ltd
(Trustee)**

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AFSL 528032

PO Box 336
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**Netwealth
Superannuation Master
Fund (Fund)**

ABN 94 573 747 704

Netwealth Group Insurance

You may apply for Life Insurance (including Death, Total & Permanent Disability (“**TPD**”) and Income Protection insurance) under the group policy taken out by Netwealth for members of the Netwealth Superannuation Master Fund (“**the Fund**”), which includes Super Accelerator, Super Wrap and the Russell Investments Super Series. This enables you to access the features and benefits of the Group Policy as described in the Insurance Guide and in the PDS for the relevant product.

Insurance in Superannuation

Life insurance should form an integral part of any financial plan. By providing yourself with adequate protection, you can help minimise the financial strain on family members in the event that you die or become permanently or temporarily disabled.

Purchasing life insurance through your superannuation account may be tax effective, with most premium payments considered allowable deductions to the Fund. These deductions are then passed on to your account.

The ideal amount of life insurance cover can vary significantly from person to person. Factors such as age, living expenses and your family situation can determine the appropriate level of cover.

It is important to understand that if you take out insurance within superannuation the premiums will come out of your superannuation account. This will reduce the amount of benefits you would otherwise have when you retire.

In order to find the level of cover that is right for you, we recommend that you discuss your situation with your financial adviser. You should read the Insurance Guide before you acquire insurance in the Fund.

Underwriting

When you apply for Life Insurance under the Group Policy you will be required to provide personal, medical and financial information to the insurer. The information required will depend on your age, the type of insurance you require and the level of cover you apply for.

In some cases, the personal statement you complete will include all the information you need to provide, however, based on this information, you may be requested to complete further questionnaires. If you apply for a level of cover above certain limits, further medical tests or evidence will also be required.

More details of the underwriting requirements are available on our website or by contacting Netwealth or your adviser.

Duty of disclosure

Your duty of disclosure – Before you enter into a contract with or become insured by the insurer you have a duty under the Insurance Contracts Act 1984 to disclose to the insurer every matter that is known, or could reasonably be expected to be known, that is relevant to their decision whether to accept the risk of insurance, and if so, on what terms. This duty of disclosure applies until Netwealth has confirmed in writing that the insurer has accepted the risk and you have an active Netwealth Superannuation Master Fund account. The same duty of disclosure to disclose these matters to the insurer applies before you extend, vary or reinstate your life insurance contract. Your duty does not, however, require you to disclose a matter:

- that diminishes the risk to be undertaken; or
- that is common knowledge; or
- that the insurer knows or should know; or
- if your duty to disclose is waived by the insurer.

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

Identifying non-disclosure – Should you realise after applying for insurance that you failed to disclose all relevant information, or the information provided was incorrect or incomplete, please let us know as soon as possible.

Once aware, we will ask the insurer to consider the new information together with prior disclosure to determine whether your insurance can remain in place, and whether the terms of any prior offer need to be amended.

The insurer will review disclosures at the start of any insurance claim.

Consequences of non-disclosure – The insurer has a number of rights in the event of non-disclosure. In exercising these 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. The rights are as follows:

- If you do not tell the insurer anything you are required to, and the insurer would not have provided the insurance if you 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 you had told the insurer everything you should have. However, if the contract 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, the insurer may, at any time vary the contract in a way that places the insurer in the same position they would have been in if you had told the insurer everything you should have. However, this right does not apply if the contract 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.

Transferring insurance

You may be able to transfer your existing insurance cover to Netwealth to consolidate your superannuation benefits and insurances in one place.

Risks of replacing cover. Depending on the cover held, replacing it can result in the loss of any accrued benefits and waiting periods, (if applicable) may start again. The disclosure requirements for insurance transfers, on a like for like basis, are less than those required for a new application however you should ensure you answer all questions accurately and completely as the risk of non-disclosure still applies.

Acceptance isn't guaranteed. The insurer may choose not to accept your application for insurance or may only accept the insurance on special terms which may result in either reduced cover or cover at a higher cost than you may be willing to accept. If you have existing cover, you may wish to wait until your new insurance is accepted before you cancel your existing insurance, to reduce the risk of you being left without cover.

Cancelling existing cover. When you transfer insurance, you agree in your application to cancel any existing cover that was transferred. Once your new insurance is accepted, it is important that you do follow through with cancelling this cover or you may be paying more premiums than you need to, and you may not be able to claim on all insurance held.

Duplicate cover and offsets. Income Protection (also known as Salary Continuance) insurance usually limits the total amount of income and claim payments to a percentage of your salary prior to disablement. This means the insurer will consider and offset any income and/or claim payments (other than a TPD benefit paid by the insurer) received within the benefit period, prior to determining how much they will pay to you. This means that a claim of payment from one insurance policy may offset the amount payable under another policy, thus reducing the value of the duplicate cover.

Unnecessary or duplicate cover does not offer value and erodes retirement benefits. It is important that you carefully consider the amount of insurance held, across all sources, and make sure that any cover held is appropriate for your personal circumstances.

Non-standard underwriting decisions

Our insurer follows industry standard practice with regard to underwriting decisions. Where the insurer classifies the application as non-standard, they may:

- apply a premium loading (e.g. + 50%);
- apply an exclusion/s (e.g. spine, mental disorders, aviation);
- decline the risk; or
- apply a combination of premium loadings and exclusions.

Trustee review of underwriting decisions

Where the insurer is not willing to offer you cover or only willing to offer insurance on non-standard terms, we will assess their decision to ensure that their decision is reasonable prior to communicating their decision.

To assist your understanding of the insurer's decision, you can request copies of the documents and information relied upon for this decision.

If you disagree with the decision or believe the information relied on to make the decision is incorrect or out of date, please let us know of your concerns and we will review the decision. If you are then not satisfied with the review, we will let you know how you can make a complaint.

Varying or cancelling your insurance cover

You can cancel or reduce your cover at any time by using our 'Insurance reduction/cancellation form'.

You can apply for an annual increase (CPI or %) in cover when applying for insurance or at the time certain Life Stages Events occur (see our 'Life Stage Cover form' and 'Insurance Guide' for further information) without the need for additional underwriting. Any other requests to increase cover will require a new 'Application and personal statement' and underwriting.

All forms required to cancel or vary your insurance are available on our website (www.netwealth.com.au) or by calling Investor Services on free call 1800 888 223.

Privacy

The privacy of your personal information is important to Netwealth. We will only collect personal information about you where it is necessary to:

- properly assess your application for insurance; and
- administer and manage your policy; and

- consider any claims you make

We will only disclose your personal information to third parties for the purpose for which it was collected. If you wish to access the personal information, we have collected about you, please contact us in writing.

For more information about privacy and your personal information please refer to the Insurance Guide available on our website.

We're here to help!

We have a team of insurance specialists here to support you through the application and underwriting process, so please feel free to contact us at any time, should you require clarification.

Our insurance specialist can be contacted on free call [1800 888 223](tel:1800888223) or by emailing insurance@netwealth.com.au.

This document may contain general advice, which does not take into account your individual objectives, financial situation or needs. You should assess whether the advice is appropriate for you having regard to your objectives, financial situation and needs, and consult a financial adviser before making a decision about insurance in the Fund or whether to invest in any product of the Fund.