

23 May 2016

Mr John Smith  
123 Pitt St  
Sydney NSW 2001

**Perpetual MySuper**  
**Client number:** 3603xxxxx  
**Account number:** AC8000xxxx

Dear Mr Smith

### Changes to your insurance from 1 July 2016

As you are a member of Perpetual MySuper, we are writing to inform you that in conjunction with AIA Australia Limited (the insurer), we are making changes to the insurance premium rates and some of the insurance policy terms and conditions from 1 July 2016.

### Changes to insurance premium rates

The rise in the number of insurance claims over the last few years together with the increased cost of meeting and managing these claims has resulted in insurance premium increases for:

- death only cover
- total and permanent disablement (TPD) only cover
- combined death and TPD cover.

The approximate changes to premium rates are show in the table below.

Type of insurance cover	Death only	TPD only	Combined death and TPD
Premium change	+59.5%	+22.8%	+34% to +51%*

\*The **increase** to the combined death and TPD cover varies with age. Please refer to the enclosed flyer for the new premium rate tables.

Premium rates are also changing for salary continuance insurance (SCI) cover from 1 July 2016.

If you hold **SCI cover**, your premium rate may increase or decrease depending on your gender, age, waiting period and/or benefit period.

For illustrative purposes only, the maximum **increase** will be approximately +70% for a 20 year old male with a waiting period of 90 days and benefit period to age 65. For a 60 year old female with a waiting period of 30 days and 2 year benefit period, the premium rate will **decrease** by approximately - 68%.

To check if your premium rate will increase or decrease, please ensure you refer to the premium rate tables in the enclosed flyer.

## **Changes to insurance policy terms and conditions**

There will be minor changes to the insurance policy terms and conditions, including the removal of the continuation option. An important improvement is that the terminal illness benefit under the insurance policy will be aligned to the 'terminal medical condition' condition of release under superannuation law to the extent that the life expectancy period will be extended from 12 to 24 months. This means that members with death cover who are diagnosed with a terminal illness may be able to receive their insured death benefit up to 12 months earlier than was previously the case.

An updated insurance policy document which contains the amended terms and conditions will be available from 1 July 2016 and can be obtained free of charge by contacting us. The terms and conditions and insurance premium rate tables are guaranteed for two years.

## **How these changes may apply to you**

Your insurance cover will continue with the updated insurance policy terms and conditions from 1 July 2016. The revised insurance premium rates which will apply to the insurance premiums deducted from your account from 1 July 2016 may also be impacted by other factors, including your current age and any changes applying to the amount of your cover (such as indexation, if applicable). Your new annual premium rates will be shown in your Annual Statement for the year ended 30 June 2016, which will be sent to you from July.

You are able to reduce, cancel or apply to increase your current insurance cover at any time.

Please note that if you are currently in the process of claiming insurance benefits, the terms and conditions applicable to you will be those in place at the date of your claimable event.

## **Further information**

Please ensure you refer to the enclosed flyer for detail of the changes and insurance premium rate tables. An updated 'Insurance in your super' document which forms part of the current Product Disclosure Statement will be available on our website from 1 July 2016 or by contacting us.

If you are not sure about your current insurance benefits and/or would like further information, please contact your adviser, email [selectfunds@perpetual.com.au](mailto:selectfunds@perpetual.com.au) or phone us on 1800 003 001 during business hours (Sydney time).

Yours sincerely



Jason Komadina  
**General Manager, Product and Investments**