

Important changes to the terms and conditions of your insurance that apply from 14 October 2020

Below is a summary of the key changes to the terms of the insurance offering through Australian Ethical Super for:

- Default Death and Total & Permanent Disablement (TPD) cover Insurance and
- Fixed Cover which includes Death, Death & TPD and Income Protection insurance.

Please refer to the [new Insurance Guide](#) for all the terms and conditions that apply effective 14 October 2020.

Default Death and TPD Cover

Prior to 14 October 2020, Default Death and TPD Cover is provided as 3 units of Death and TPD cover under the “unitised scale”. The value of each unit changes as you get older (typically it reduces after 40). The amount of cover also depends on your occupation. This is referred to in this notice as “**Current Default Cover**”.

Effective 14 October 2020, Current Default Cover has changed so that is provided as age-based Death and TPD cover under the new age-based cover scale. This is referred to in this notice as “**New Default Cover**”. Your cover will no longer be represented by 3 units of cover. See the New Default Cover scale to determine the amount of Death & TPD insurance cover that applies for your age. The New Default Cover is designed to provide a minimum amount of cover for changing needs as you get older (typically it reduces after 40).

We’ll now be looking at the following factors which will impact your premiums:

- **Your age** - this will be used to work out how much cover you receive and the premiums you pay, which will change each year.
- **Your sex at birth** – we need to collect information about the chromosomal sex at birth of our members because this affects the overall cost of default group insurance cover which is automatically available to all members of the Fund. We understand sex at birth is different to gender identity. Your sex at birth will be used to work out the premiums you pay.
- **Your occupation** – your occupation category will now be used to work out your premiums and will no longer impact the amount of cover you get. In addition to making some changes to the names we use to describe these occupation categories, we will be changing the default occupation category to ‘Light Manual’. This means if you have Current Default Cover only and no other insurances with Australian Ethical Super and you are in a ‘Manual’ (previously known as ‘Standard’) occupation, you will automatically be moved to ‘Light Manual’ on 14 October 2020, which has lower premium rates than ‘Manual’ (if all other characteristics remain the same).
- **Smoking status** – smoking status is used to work out premiums for Fixed Cover only.

Please note: If your insurance cover is higher as a result of the New Default Cover and you are not in *active employment* on 14 October 2020, *new events cover* limitations will apply to the increased portion of insurance cover until you are in *active employment* for 30 consecutive days.

Fixed Death and TPD cover and Income Protection (IP) Insurance

If you have Fixed Death and TPD or Income Protection Insurance, your amount of cover will remain the same. This Fixed Cover will then remain the same regardless of your age until you reach age 61 (subject to maximum insurable age restrictions). From age 61, your TPD will reduce each year until it reduces to zero at age 70. This hasn’t changed.

However, there will no longer be a distinction between Employer-Sponsored Members and Personal Members. Your premiums will change to the [new Fixed Cover Rates](#) and will be based on your level of cover, your age, sex at birth, occupation category and smoker status. You should also note that generally, insurance premiums increase annually on your birthday.

Transitional arrangements before 14 October 2020

Members with Current Default Cover

You can choose to:

- 1. Do nothing.** Your Current Default Cover will automatically move to the **New Default Cover** from 14 October 2020¹. The amount of New Default Cover you receive is determined by your age and could be more or less than what you currently have. The amount of insurance cover under the New Default Cover also changes over time, typically reducing after 40 years of age; or
- 2. Keep the amount of Current Default Cover you'll have as at 13 October 2020 by choosing to fix it², with no medical screening required.** You'll need to complete the form at australianethical.com.au/fix-insurance by **13 October 2020**. Premiums will change to the **new Fixed Cover Rates** and will be based on the new level of Fixed Cover you receive from 14 October 2020, as well as age, sex at birth, smoker status and occupation category. The premiums you pay may be more or less than what you pay now. Generally, insurance premiums increase annually on your birthday. You may wish to compare this against the New Default Cover to see which is more appropriate.

1. If your insurance cover is higher as a result of the New Default Cover and you are not in *active employment* on 14 October 2020, new events cover limitations will apply to the increased portion of insurance cover until you are in *active employment* for 30 consecutive days

2. The amount of Fixed Cover will remain the same regardless of age until age 61 (subject to maximum insurable age restrictions). From age 61, the TPD cover will reduce each year until it reaches zero at age 70.

Members who have previously elected to have a specific number of units of Death and TPD

You can choose to:

- 1. Do nothing.** This means your current cover as at 13 October will automatically be converted to **Fixed Cover**¹ from 14 October 2020. No medical screening is required.
- 2. If you don't want your insurance cover to become fixed, you can choose to replace your current insurance cover with our New Default Cover²** You'll need to complete the form at australianethical.com.au/choose-default by **13 October 2020**. The amount of New Default Cover you receive is determined by your age and could be more or less than what you currently have. The amount of insurance cover you have under the New Default Cover also changes over time, typically reducing after 40 years of age. The premium you pay is set out in the **New Default Cover Rates** and are based on your age, sex at birth and occupation category and may be more or less than what you currently pay. Your premiums will change annually on your birthday.

1. If you have Fixed Cover, the amount of cover will remain the same regardless of your age (subject to maximum insurable age restrictions). However, from age 61, your TPD cover will reduce each year until it reaches zero at the age of 70. This provision has not changed and is outlined in the Insurance Guide.

2. If your insurance cover is higher as a result of the New Default Cover and you are not in *active employment* on 14 October 2020, new events cover limitations will apply to the increased portion of insurance cover until you are in *active employment* for 30 consecutive days.

Please note: If you've previously been accepted for cover with exclusions or loadings, these will still apply to your current and new insurance. Please refer to your original acceptance letter for those details.

Important note for members with applications for insurance in progress

IMPORTANT: Please read and understand the transitional arrangements that apply to your current cover even if you have an application for insurance that is currently pending, as this may affect the cover that you have from 14 October 2020 if your pending application is later rejected or you decline the accepted offer of insurance during the cooling off period.

Accepted applications

If you have recently submitted an application for insurance that is currently being assessed, and your application is accepted later by the Insurer, your cover will be Fixed Cover from 14 October 2020. The **new** Fixed Cover rates will apply.

Declined applications

If you have recently submitted an application for insurance that is currently pending, and your application is declined later by the Insurer, you will retain your existing cover subject to the below:

- If your existing cover is the Current Default Cover, you will automatically receive the New Default Cover from 14 October 2020 and the **New** Default Cover rates will apply.
- If you have previously elected to have a specific number of units of Death and TPD cover or have Fixed Cover, your existing cover will automatically become Fixed Cover from 14 October 2020 and the **new** Fixed Cover rates will apply.

However, if you have opted-in to our **transition arrangements** before 14 October 2020, the transition arrangements that you have opted into will apply to your existing cover instead, and this will be in place from 14 October 2020.

Accepted application but you decline within the 90 days cooling off period

If you have recently submitted an application for insurance cover that is currently pending, and your application is accepted later by the Insurer but you decline the offer of insurance within the 90 day cooling off period, you will retain your existing cover, subject to the below:

- If your existing cover is the Current Default Cover, you will automatically receive the New Default Cover from 14 October 2020 and the New Default Cover rates will apply.
- If you have previously elected to have a specific number of units of Death and TPD cover or have Fixed Cover, your existing cover will automatically become Fixed Cover from 14 October 2020 and the **new** Fixed Cover rates will apply.

However, if you have opted-in to our **transition arrangements** before 14 October 2020, the transition arrangements that you have opted into will apply to your existing cover instead, and this will be effective from 14 October 2020.

Example 1:

John is a 40 year old male, non-smoker with an occupation category as 'Standard' and has \$162, 204 of Current Default Cover. John currently pays an annual premium of \$219.96.

On 15 September 2020 John has applied to increase his sum insured to \$500,000 Death and TPD. On 14 October, the application remains pending. John does not opt-in to the transitional arrangements before 14 October 2020.

On 14 October 2020, John's \$162, 204 of Current Default Cover is converted to the New Default Cover. John's sum insured under the New Default Cover is \$213,000. His occupation category is changed automatically from 'Standard' to 'Light Manual'.

On 20 October 2020, the Insurer has deemed that due to a pre-existing medical condition, they decline the requested additional amount.

As at 20 October 2020 John's New Default Cover remains as \$213,000. John will pay an annual premium (this year) of \$339.95.

Example 2:

John is a 40 year old male, non-smoker with an occupation category as 'Standard' and has 10 units of cover which equals a sum insured of \$540,800. John currently pays an annual premium of \$733.20.

On 15 September 2020 John has applied to increase his sum insured to \$1,000,000 Death and TPD. John does not opt-in to the transitional arrangements before 1 October 2020.

On 14 October 2020, the application remains pending.

On 14 October 2020, John's 10 units of Death and TPD is automatically converted to Fixed Cover and the **new** Fixed Cover Rates apply. His occupation category is renamed from 'Standard' to 'Manual'.

On 20 October 2020, the Insurer has deemed that due to a pre-existing medical condition, they decline the requested additional amount.

As at 20 October 2020 John's insurance remains as Fixed Cover for the amount of \$540,800 and the **new** Fixed Cover Rates apply. John will pay an annual premium (this year) of \$1,070.78.

Varying your New Default Cover

From 14 October 2020, you can vary your New Default Cover in the following ways:

1. Increase your cover by applying for an age-based cover multiplier* under the New Member Offer or Life Events, or
2. Increase or decrease your New Default Cover by applying for Fixed Cover.

*The age-based cover multiplier is used to increase the amount of cover that you have under the New Default Cover. What this means is that total amount of Death and TPD insurance you have at each age will be calculated by the level of the New Default Cover that applies to you, multiplied by your chosen age-based cover multiplier. The total amount of cover you have will still change as you get older.

You can apply for Fixed Cover at any time.-If you have the New Default Cover and your application for Fixed Cover is accepted, you will no longer have the New Default Cover and you won't be eligible for the New Default Cover through Australian Ethical Super in the future.

NOTE: If you have New Default Cover and your application results in one cover type being declined and the other cover type accepted, all your insurance will be converted to Fixed Cover. For example, you are a 30 year old who currently has \$214,000 New Default Cover and you wish to increase that to \$300,000 for Death and TPD. The Insurer has declined your application for higher TPD cover but has accepted your application for the higher Death cover. Your Fixed Cover will therefore be \$300,000 for Death cover and \$214,000 for TPD cover.

Other important changes to the Insurance Guide Terms & Conditions and Definitions

Below are the key changes to the terms and conditions of insurance which are effective from 14 October 2020. Please refer to the new Insurance Guide for all the terms and conditions that apply from 14 October 2020.

Capitalised and italicised terms below which are not otherwise defined take their meaning from the Insurance Guide.

Default and Fixed Death and TPD insurance

Product terms	Description of change												
Eligibility for cover	<p>Removal of Employer-Sponsored and Personal Members. All members to be reconciled as “Members” of the Fund.</p> <p>In order to be considered a “Member” of the Fund for the purpose of providing insurance, the person must have received a rollover and/or contribution to their account.</p>												
Sum Insured	<p>Benefits payable at claim time will no longer be adjusted according to an insured member's occupation. Benefits payable will depend on the sum insured that the insured member have at the relevant time (Death, Date of Disablement or the latest date of certification under the Terminal Illness definition). Refer to the New Default Cover tables or the acceptance letter (for Fixed Cover).</p> <p>Members who are under the age of 25 will receive less Death cover than TPD cover under the New Default Cover. Refer to the new age-based scale.</p> <p>Members can apply for Fixed Cover at any time, however their TPD cover cannot be higher than their Death cover if they hold Fixed Cover.</p> <p>Members who have Fixed Cover cannot apply for Default Cover again.</p>												
Occupation Categories	<p>If an existing member that does not hold insurance receives insurance on or after 14 October 2020 or any new member joining on or after 14 October 2020 does not nominate an occupation category, they will be placed into the “Light Manual” occupation category.</p> <p>Any existing member with the Current Default Cover that is in the “Manual” (previously “Standard”) occupation category before 14 October 2020 and who have never been accepted for additional insurance cover will be placed into “Light Manual” (previously “Standard Plus”).</p> <p>We have renamed our occupation categories as described below, for further information regarding which occupation category applies to the Insured Member, please review our Insurance Guide 14 October 2020:</p> <table border="1"> <thead> <tr> <th>Current</th> <th>New</th> </tr> </thead> <tbody> <tr> <td>Professional</td> <td>Professional</td> </tr> <tr> <td>White Collar</td> <td>White Collar</td> </tr> <tr> <td>Standard Plus</td> <td>Light Manual</td> </tr> <tr> <td>Standard</td> <td>Manual</td> </tr> <tr> <td>Basic</td> <td>Heavy Manual</td> </tr> </tbody> </table> <p>A member can change their occupation category at any time. Once a member changes their occupation category, their premiums will be calculated based on the new occupation category. The new occupation category will apply to all of their insurances held with Australian Ethical Super, including any Death and TPD insurance, or Income Protection insurance (if applicable).</p> <p>For Default Cover members, we will no longer be assessing the <i>Insured Member's</i> occupation at the time of claim.</p>	Current	New	Professional	Professional	White Collar	White Collar	Standard Plus	Light Manual	Standard	Manual	Basic	Heavy Manual
Current	New												
Professional	Professional												
White Collar	White Collar												
Standard Plus	Light Manual												
Standard	Manual												
Basic	Heavy Manual												

Fixed Cover	We have clarified that if the Insurer has accepted a person for Fixed Cover and there is insufficient money in the person's account to pay insurance fees for that cover for 90 days after the first premiums are due, the acceptance of Fixed Cover will be void from the date it was accepted.
New Member Offer	<p>Instead of an additional 1 or 2 units of cover, the eligible person can nominate a multiplier of either 1.30 or 1.60 to apply to their Default Cover.</p> <p>If the eligible person has been accepted for an increase in cover under the New Member Offer, the Death & TPD insurance amounts that they have is the level of Death & TPD cover that applies to them under the new Default Cover scale, multiplied by either 1.30 or 1.60 (as applicable).</p>
Interim accident cover	<p>We have updated when a benefit under interim accident cover is payable. Interim accident cover is the cover provided whilst the Insurer considers an application for Fixed cover.</p> <p>We have added an additional requirement that the date of disablement or date of death must occur within the interim accident cover period.</p> <p>We have also updated what happens if a benefit is paid under interim accident cover. This means that the person's application for Fixed Cover will be cancelled and they won't be able to apply for cover.</p>
Extended cover	Previously the Insurer would consider paying a benefit where the person dies or they suffer a TPD within 60 days of them ceasing to be a member of Australian Ethical Super. To ensure that premiums rates are sustainable for existing members of Australian Ethical Super, we have removed provisions to extend cover for 60 days after a person ceases to be a member. Cover will cease immediately in accordance with the cover cessation clause.
Life Events cover	<p>An Insured Member can apply for additional Death and TPD cover up to a certain limit if they experience a specific life event such as marriage, having a child (includes adoption), death of a spouse or taking out a mortgage. We have now added a new life event so that Life Events cover now includes divorce, evidenced by a certified copy of the Decree Nisi (divorce certificate) order.</p> <p>There is an additional eligibility criteria to receive Life Events cover:</p> <ul style="list-style-type: none"> the Insured Member has not received, nor entitled to receive, a death, terminal illness or TPD benefit from any source, or been diagnosed with a terminal illness the Insured Member has not been previously declined for additional insurance with us <p>If the Insured Member has Default Cover, the additional cover will be converted to a multiplier equivalent to the amount that the Insured Member has applied for, rounded down to the nearest 0.05. If the Insured Member is not in <i>active employment</i> at the time they increase their cover, the increased cover will be restricted by new events cover limitations until the Insured Member is in <i>active employment</i> for 30 consecutive days. Any limitation, restriction or loading that applies to their existing Death and TPD cover will also apply to the increased cover.</p>
Overseas cover	We have removed cover limitations for members overseas. Cover will now continue whilst the Insured Member is overseas as long as premiums are paid, and cover has not otherwise ceased under the Policy.
Benefit Payments	<p>We have included new rules for duplicate accounts. Where a person has more than one account with insurance cover under the Fund, the Insurer will only pay one benefit, and this is generally the account that results in the higher benefit.</p> <p>We have clarified that the Insurer will only pay each type of benefit once. For example, if an Insured Member is paid a Terminal Illness benefit and their Death Cover continues after the payment, they will not be eligible to claim for a Terminal Illness benefit a second time round even if they later suffer an unrelated terminal illness.</p> <p>For further clarification, the following also applies:</p> <p>If the Terminal Illness benefit paid is less than Death benefit, Death cover is reduced by the Terminal Illness benefit and the reduced Death cover continues without Terminal Illness benefit.</p> <p>If the Insured Member has TPD cover and Terminal Illness benefit is paid, the Insurer will consider that the TPD cover as having also ended on the date of the second certification under the Terminal Illness definition upon payment of a Terminal Illness benefit.</p> <p>If TPD benefit paid is less than Death cover, Death cover to be reduced by TPD benefit paid and continue.</p>

When Death and TPD insurance cover ends	<p>We have clarified what happens when the Insured Member have Death Cover that is higher than the Terminal Illness or TPD benefit that is paid. The Death Cover will be reduced by the benefit paid and will continue as long as the Insured Member continue to pay insurance premiums and cover doesn't otherwise for other reasons.</p> <p>Death and TPD cover will end on the earliest of:</p> <ul style="list-style-type: none"> the date the Insured Member is paid a Terminal Illness benefit. However, if their Death cover is greater than \$5 million, the Death cover will be reduced by the Terminal Illness benefit paid and will continue (without Terminal Illness) as Fixed Cover while the person remains a member and maintain a sufficient balance to meet their insurance premiums, unless cover ends for some other reason; the date the Insured Member is paid a TPD benefit. However, if their Death cover is greater than the TPD benefit paid, the Death cover will be reduced by the TPD benefit paid and will continue as Fixed Cover while the person remains a member and maintain a sufficient balance to meet their insurance premiums, unless cover ends for some other reason; 				
Definitions	<p>The date of disablement for TPD now includes a statement that the Insurer will consider the date of disablement to be an earlier date if the person ceases work within 7 days prior to them being examined and certified by a medical practitioner to be disabled. This is to account for real world circumstances where a person ceases work and may not be able to access a doctor until sometime later (i.e rural communities, sudden onset of illness/injury).</p> <p>Date of Disablement means:</p> <p>For Part A and B of the <i>total and permanent disablement</i> definition, the later of:</p> <ol style="list-style-type: none"> the date when a <i>medical practitioner</i> examines the <i>Insured Member</i> and certifies in writing that they are disabled from work due to the <i>illness or injury</i>, and the <i>injury or illness</i> is the principal cause of the <i>TPD</i> for which the claim is made, the date the <i>Insured Member</i> permanently ceases all work (whether or not for reward) due to <i>illness or injury</i>. <p>However, if the date when a <i>medical practitioner</i> examines and certifies the <i>Insured Member</i> under (i) is within seven days of the date the <i>Insured Member</i> permanently ceases all work under (ii), the Insurer will consider the <i>date of disablement</i> to be the earlier date under (ii).</p> <p>For Part C of the <i>total and permanent disablement</i> definition, the later of:</p> <ol style="list-style-type: none"> the date when a <i>medical practitioner</i> examines the <i>Insured Member</i> and certifies in writing that they are disabled from work and from performing <i>domestic duties</i> due to the <i>illness or injury</i>, and the <i>injury or illness</i> is the principal cause of the <i>TPD</i> for which the claim is made, and the date the <i>Insured Member</i>, as a result of <i>illness or injury</i> permanently ceases to perform their <i>domestic duties</i>. <p>However, if the date when a <i>medical practitioner</i> examines and certifies the <i>Insured Member</i> under (i) is within seven days of the date the <i>Insured Member</i> permanently ceases to perform their domestic duties under (ii), the Insurer will consider the <i>date of disablement</i> to be the earlier date under (ii).</p> <p>Insured Member means:</p> <p>A Member who has cover in force under the insurance policy, other than <i>interim accident cover</i>.</p>				
Transitional arrangements (relating to the level of cover)	<table border="1"> <thead> <tr> <th data-bbox="454 1659 842 1720">Current Insurance offering</th> <th data-bbox="850 1659 1482 1720">Transitional terms</th> </tr> </thead> <tbody> <tr> <td data-bbox="454 1731 842 1861">Default 3 units – members with “Standard” occupation category holding Current Default Cover only</td> <td data-bbox="850 1731 1482 1861">Will move to the New Default Cover or option to fix level of cover at pre 14 October 2020, Current Default Cover level. These members will move to Light Manual.</td> </tr> </tbody> </table>	Current Insurance offering	Transitional terms	Default 3 units – members with “Standard” occupation category holding Current Default Cover only	Will move to the New Default Cover or option to fix level of cover at pre 14 October 2020, Current Default Cover level. These members will move to Light Manual.
Current Insurance offering	Transitional terms				
Default 3 units – members with “Standard” occupation category holding Current Default Cover only	Will move to the New Default Cover or option to fix level of cover at pre 14 October 2020, Current Default Cover level. These members will move to Light Manual.				

	<p>Default 3 units – members with either “Basic”, “Standard Plus”, “White Collar”, or “Professional” occupation category, or members with “Standard” occupation category who have additional Income Protection insurance.</p> <p>Will move to the New Default Cover or option to fix level of cover at pre 14 October 2020, Current Default Cover level.</p> <p>Occupation category will be converted:</p> <ul style="list-style-type: none"> • “Basic” to Heavy Manual • “Standard” to Manual • “Standard Plus” to Light Manual • “White Collar” will remain the same • “Professional” will remain the same <p>Members that have less or more than 3 units of cover with either “Basic”, “Standard”, “Standard Plus”, “White Collar”, or “Professional” occupation category</p> <p>Existing level of cover in place will become fixed or option to use the 14 October 2020, New Default Cover.</p> <p>Occupation category will be converted:</p> <ul style="list-style-type: none"> • “Basic” to Heavy Manual • “Standard” to Manual • “Standard Plus” to Light Manual • “White Collar” will remain the same • “Professional” will remain the same <p>Fixed member Will remain as Fixed</p> <hr/> <p>If a member currently does not have insurance, they need to refer to the letter for ‘Members with no insurance’ on our website and consider the Transitional Terms available until 30 September 2020. Otherwise, members can see how insurance can commence for them from 14 October 2020 onwards in the Insurance Guide effective 14 October 2020.</p>
Protecting Your Super (PYS)	<p>An eligible person can now restart cover by applying to us within 60 days of cover ending due to having an inactive account.</p> <p>There are no changes to the current reinstatement rules if the eligible person apply to us within 30 days of cover ending. Cover will restart from the date it ended, so there are no gaps in cover.</p> <p>From 14 October 2020, if an eligible person apply to us within 31 to 60 days of cover ending, cover will restart from the date we receive their valid application (opt-in) to restart cover. There will be gaps in cover.</p> <p>New events cover limitations apply in the following scenarios:</p> <ul style="list-style-type: none"> • If the Insured Member is not in active employment on the date cover restarts and if we received an employer contribution for them, their cover will be subject to new events cover limitations until they are in active employment for 30 consecutive days; or • If the Insured Member did not receive an employer contribution within 60 days immediately before or after cover restarts, their cover will be subject to new events cover limitations for 24 months. <p>New events cover limitations means that the Insurer will not pay a benefit for an injury that first occurs, or illness which first becomes apparent, before cover restarts. Please refer to the Insurance Guide effective 14 October 2020 for full details.</p>
Cover recommencement –	<p>If a Member’s cover ended on 1 April 2020 (under the Government’s Putting Member’s Interest First reforms), they will receive the New Default Cover on or after 14 October 2020 with an occupation of Light Manual (previously Standard Plus) instead of ‘Standard’ when they:</p>

Default cover and Occupation Category	<ul style="list-style-type: none"> i. reach age 25 (but are under 65), ii. have had an account balance of \$6,000 or more, and iii. do not have an <i>inactive account</i>, <p>as long as they have not previously requested to cancel their Death & TPD insurance. New events cover limitations apply.</p>
Cover Commencement (Fixed Cover) – 90 days to pay premiums	We have clarified that Fixed Cover commences on the date the Insurer accepts the application for cover. However, if the person has had an insufficient account balance to pay premiums for 90 days after premiums are due, or declines the application for Fixed Cover, acceptance of the Fixed Cover will be void from the date it was accepted and Fixed Cover will be deemed to have never commenced for the person.
Sanctions	No benefit will be payable where the payment would expose our Insurer, Australian Ethical Super, or a member to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia or United States of America.

Income Protection

Product term	Description of change
Eligibility for cover	<p>Removal of Employer-Sponsored and Personal Members. All members to be reconciled as “Members” of the Fund. A Member’s occupation category will no longer determine the premiums paid.</p> <p>Members must be working at least 15 hours per week and is either:</p> <ul style="list-style-type: none"> ○ Permanently Employed; or ○ Self-Employed <p>In order to be considered a “Member” of the Fund for the purpose of providing insurance, the person needs to be a member of the fund for whom the Fund is receiving rollovers and/or contributions.</p>
Interim accident cover	<p>Interim cover is the cover provided whilst the Insurer considers an application for Income Protection cover. We have clarified the benefit period and waiting period payable under <i>interim accident cover</i>:</p> <p>The Benefit Period that applies is the benefit period that the member has on their existing cover. If they do not have existing cover upon application it is 2 years.</p> <p>The waiting period that applies for claims made within the interim accident cover period will be the existing waiting period, and if the person do not have an existing waiting period, it will be the waiting period which applies to the insurance cover that they are applying for.</p> <p>We have clarified that if a benefit is paid under interim accident cover, interim accident cover will end and the person’s application for Income Protection cover will be cancelled.</p>
Extended cover	We have removed provisions to extend cover for 60 days after the date cover ceases. Cover will cease immediately in accordance with the cover cessation clause.
New member offer	We have removed the provision to allow Members to apply for Income Protection cover with limited underwriting. All Income Protection cover must be applied for with full medical screening and subject to Insurer’s acceptance.
Overseas cover	Income Protection benefits will be paid for a maximum of 12 months from the waiting period whilst the Insured Member is living outside of Australia. The Insurer may request that the Insured Member return to Australia if they are overseas at any time whilst their claim is being assessed. If the Insured Member doesn’t return to Australia for assessment upon the Insurer’s request, then their benefits may cease.
Unpaid leave	We have removed the 24 month cover limitation for Members on leave without pay. If a Member goes on unpaid leave for reasons other than injury, cover will continue subject to premiums being paid and cover not otherwise ceasing under the policy of insurance. However, if you are on unpaid leave for more than 24 months and have TPD cover, different TPD definitions apply.

	<p>If the Member has been on unpaid leave for 12 months or less as at the Date of Disablement, the Pre-Disability Income will be calculated as at the date immediately before the unpaid leave commenced. Otherwise it will be calculated as at the Date of Disablement.</p>
Cover cessation	<p>Cover will continue even if the Insured Member is no longer in Permanent Employment or in Self-employment.</p> <p>However, the period that disability benefits is payable is restricted to 2 years if the person is not in Permanent Employment or Self-employment on the Date of Disablement.</p>
Benefit payable	<p>If a member has been accepted for a benefit period of “5 years” or “To Age 65” and it is found that they are not in either Permanent Employment or Self-employment on the Date of Disablement when a claim is made, the maximum period that we will pay disability benefits will be 2 years.</p> <p>The Member needs to ensure that they update the benefit period if their occupation changes.</p>
Multiple claimable conditions	<p>Multiple claimable conditions</p> <p>If the Insured Member suffer multiple claimable conditions or have a separate claimable condition arise while on claim, they are only able to claim all the conditions for the maximum benefit period only.</p> <p>Example: A person with a 2 year benefit period suffers from a back injury and a knee injury. They make a claim for the back injury and subsequently recovers from the back injury after benefits have been paid for 2 years. The person continues to be afflicted by the knee injury and has yet to return to work. No further benefits will be payable for the concurrent disability due to the knee injury after benefits have been paid for 2 years.</p>
Rehabilitation	<p>We have clarified what is excluded from rehabilitation expense benefit:</p> <p>The Insurer will not pay for any rehabilitation program to assist with return to work where that program provides ‘hospital treatment’ or ‘general treatment’ within the meaning of the Private Health Insurance Act 2007 or any other program which might cause the policy of insurance to cease to be exempt from the National Health Act 1953, Health Insurance Act 1973 or Private Health Insurance Act 2007, Private Health Insurance (Prudential Supervision) Act 2015 or any succeeding legislation in connection with health insurance.</p>
Reduced or nil benefits	<p>If the Insured Member is disabled but the amount of disability benefit payable for a period is reduced or becomes zero because the Insured Member’s current income exceeds their pre-disability income, or because of benefit offsets (such as Workers Compensation or paid sick leave), we will still consider that we have made a disability benefit payment for that period and count that period as part of the benefit period.</p>
Definitions	<p>This definition is previously known as “Disability Income” and is now appropriately renamed as “Current Income”. The definition is also updated to clarify how Income Protection benefits will be offset if the Insurer reasonably believes that the <i>Insured Member</i> is not working to the full extent of their reduced capacity.</p> <p>Current Income means:</p> <p>The monthly amount:</p> <ul style="list-style-type: none"> • earned by the <i>Insured Member</i> as a result of their own personal exertion whilst they are disabled; and • where the Insurer is calculating partial disability benefit, the amount of income that, in the Insurer’s opinion, the <i>Insured Member</i> could reasonably be expected to earn in their own occupation whilst disabled. <p>Where the Insurer assess the amount of income that the <i>Insured Member</i> could reasonably be expected to earn in their own occupation, the Insurer will consider any medical evidence and other factors related to the Insured Member’s injury or illness. We will also consider whether such work is reasonably available.</p> <p>This is a new definition that is used to describe the benefit that is payable if the <i>Insured Member</i> has Income Protection cover and they are suffering from total disability or partial disability.</p> <p>Disability benefit means:</p> <p>A benefit payable under this policy as a result of an Insured Member suffering <i>total disability</i> or <i>partial disability</i>.</p>

The Date of Disablement now includes a statement that the Insurer will consider the date of disablement to be an earlier date if the person ceases work within 7 days prior to them being examined and certified by a medical practitioner to be disabled. This is to account for real world circumstances where a person ceases work and may not be able to access a doctor until sometime later (for example, members living in rural communities or experiencing sudden onset of illness/injury).

Date of Disablement means:

The later of:

- i. the date when a *medical practitioner* examines the *Insured Member* and certifies in writing that they are *totally disabled* from work due to the *illness or injury*, and
- ii. the first date the *Insured Member* is unable to work due to *illness or injury*.

However, if the date when a *medical practitioner* examines and certifies the *insured member* under (i) is within seven days of the first date the *insured member* is unable to work under (ii), the Insurer will consider the *date of disablement* to be the earlier date under (ii).

We have clarified that the Insurer will not pay for any rehabilitation program that might be considered as treatment as described below.

Excluded rehabilitation program means:

Any program providing 'hospital treatment' or 'general treatment' within the meaning of the Private Health Insurance Act 2007 or any other program which might cause this policy to cease to be exempt from the National Health Act 1953, Health Insurance Act 1973 or Private Health Insurance Act 2007, Private Health Insurance (Prudential Supervision) Act 2015 or any succeeding legislation in connection with health insurance.

We have updated the definition so that the Insurer looks at the actual income received in the past 12 months as opposed to an 'agreed' salary and there is now an appropriate consideration for those who are unemployed.

Income means:

(a) For an Insured Member **who is not self-employed**:

The total wages or salary **received** by the Insured Member from their employer for personal exertion averaged over the most recent 12 months immediately prior to becoming disabled (including any overtime, commission, bonuses and shift allowances), provided that:

- if the Insured Member was not employed on the date 12 months prior to becoming disabled, then the total wages or salary will be averaged over the period commencing from the date the Insured Member was first employed within that 12 month period (subject to minimum of 6 months averaging if the Insured Member is not in permanent employment); and
- if the Insured Member is unemployed or not working in permanent employment immediately prior to becoming disabled, the total wages or salary will be averaged over the period since the most recent employment within 12 months immediately prior to becoming disabled, subject to a minimum averaging of 6 months.
- if the Insured Member is on employer approved leave for less than 12 months, the Insured Member's average monthly earnings will be calculated over the period commencing 12 months immediately before the member commenced that period of employer approved leave.

Income excludes mandated superannuation contributions, profit distributions (or any income that doesn't cease on disablement), and any other non-regular payments.

(b) For an Insured Member **who is self-employed** or owns part or all of the business providing their income:

- The average monthly share of earnings (being gross revenue generated by the business as a result of the Insured Member's personal exertion less business expenses) received by the

	<p>Insured Member in a month, calculated over the most recent 12 months immediately prior to becoming disabled.</p> <ul style="list-style-type: none"> Income excludes investment income, mandated superannuation contributions and any component of the Insured Member's income that does not cease upon the Insured Member ceasing work. <p>Multiple employment arrangements Where an Insured Member has multiple employment arrangements (including permanent employment, casual employment or self-employment) within the 12 month period immediately prior to the Insured Member becoming disabled, the salary, wages or share of earnings from the different employment arrangements within that 12-month period is combined to determine income.</p> <p>Insured Member means: A Member who has cover in force under the insurance policy, other than interim accident cover.</p> <p>We have updated this definition to consider overseas qualified practitioners.</p> <p>Medical practitioner means: A person, accepted by the Insurer, who is registered and practicing as a medical practitioner in Australia other than:</p> <ul style="list-style-type: none"> the Insured Member; or the Insured Member's parent, child or sibling; or the Insured Member's spouse or partner, as determined by us in our absolute discretion; or the Insured Member's business partner, associate or employee <p>The Insurer may accept a similarly qualified person who is registered and practising as a medical practitioner in another country, on the basis their credentials are recognised by the Australian Medical Board.</p> <p>The following definition has been updated because the Insurer has changed the way benefits are offset to better reflect the capacity an Insured Member has to work in their own occupation.</p> <p>Other disability income means: The amount of any income (other than benefits under this policy) and the commutation of income paid or payable in respect of the Insured Member as a result of their illness or injury, including any amounts payable:</p> <ol style="list-style-type: none"> through workers compensation or similar legislation; under statutory or government payments; sick leave (paid only); in respect of loss of income or loss of earning capacity under legislation or as an award or settlement under common law (whether received as capital or income); under any statutory accident compensation scheme; under any disability, injury or illness policy (other than lump sum total and permanent disablement). <p>Any amount which is in the form of a lump sum or is exchanged for a lump sum, has a monthly income equivalent of 1/60th of the lump sum over a period of 60 months.</p> <p>Please refer to the Insurance Guide effective 14 October 2020 for more information for more details on how the Insurer offset income protection benefit.</p> <p>We have updated the Partial Disability definition to clarify that if a person is certified capable of work in their own occupation but is not working to their capacity, the Insurer will calculate Income Protection benefits based on the certified partial capacity. We have also clarified that the Insurer must consider whether any reasonable work is available and other relevant medical evidence.</p> <p>Partial Disability means:</p>
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	<p>A person is partially disabled if solely because of illness or injury, they are:</p> <ul style="list-style-type: none"> • unable to work in their own occupation at full capacity but is: <ul style="list-style-type: none"> i. working in their own occupation in a reduced capacity, or ii. capable of working in their own occupation in a reduced capacity, or iii. working in another occupation; and • earning or reasonably capable of earning a current income which is less than their pre-disability income; and • under the regular care of, and following the advice of, a medical practitioner. <p>Where the Insurer consider the person to be capable of working in their own occupation in a reduced capacity, the Insurer will consider any medical evidence and other factors related to the Insured Member’s injury or illness. The Insurer will also consider whether such work is reasonably available.</p> <p>We have updated the Self-Employed definition to clarify that a person is considered to be self-employed if the income that they receive from self-employment is solely due to personal exertion.</p> <p>Self-Employed means: Self-Employed means a person who directly or indirectly owns part or all of the business or professional practice where the person carries out identifiable duties and from which the person earns income through their personal exertion.</p> <p>This definition is previously known as “Disability” and now it has been renamed as “Total Disability”. We have also clarified that a person is not considered by the Insurer to be Totally Disabled or to have Total Disability if they are certified capable of working in their own occupation in a reduced capacity.</p> <p>Total Disability means: A person is totally disabled if solely because of illness or injury, they have ceased to be gainfully employed and they are:</p> <ul style="list-style-type: none"> • unable to perform at least one income-producing duty of their own occupation, • under the regular care of, and following the advice of, a medical practitioner, and • not working, or not capable*, of working in their own occupation in a reduced capacity, and is not working in any other occupation whether paid or unpaid. <p>*A person will not be totally disabled or meet the total disability definition where the Insurer consider the person to be capable of working in their own occupation in a reduced capacity. In determining whether a person meets the definition of totally disabled/total disability, the Insurer will consider any medical evidence and other factors related to the Insured Member’s injury or illness. The Insurer will also consider whether such work is reasonably available.</p> <p>We have updated the superannuation contribution monthly benefit to clarify how the Insurer calculates this superannuation contribution monthly benefit.</p> <p>Superannuation contribution monthly benefit</p> <p>The lesser of:</p> <ul style="list-style-type: none"> • 10% of the Insured Member’s pre-disability income; and • the difference between: <ul style="list-style-type: none"> i. the monthly benefit, and ii. the amount of the Insured Member’s cover as accepted by the Insurer 				
Transitional arrangements	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Current insurance offering</th> <th style="text-align: left; padding: 5px;">Transitional terms</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Members that have Income Protection cover with an occupation category of either “Basic”, “Standard”, “Standard</td> <td style="padding: 5px;">Members will retain existing cover. Occupation category will be converted: <ul style="list-style-type: none"> • “Basic” to Heavy Manual </td> </tr> </tbody> </table>	Current insurance offering	Transitional terms	Members that have Income Protection cover with an occupation category of either “Basic”, “Standard”, “Standard	Members will retain existing cover. Occupation category will be converted: <ul style="list-style-type: none"> • “Basic” to Heavy Manual
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	<p>Plus”, “White Collar”, or “Professional”</p> <ul style="list-style-type: none"> • “Standard” to Manual • “Standard Plus” to Light Manual • “White Collar” will remain the same • “Professional” will remain the same
Protecting Your Super (PYS)	<p>An eligible person can now restart cover by applying to us within 60 days of cover ending due to having an inactive account.</p> <p>There are no changes to the current reinstatement rules if the eligible person apply to us within 30 days of cover ending. Cover will restart from the date it ended, so there are no gaps in cover.</p> <p>From 14 October 2020, if an eligible person apply to us within 31 to 60 days of cover ending, cover will restart from the date we receive their valid application (opt-in) to restart cover. There will be gaps in cover.</p> <p>New events cover apply in the following scenarios:</p> <ul style="list-style-type: none"> • If the Insured Member is not in active employment on the date cover restarts and if we received an employer contribution for them, their cover will be subject to new events cover conditions until they are in active employment for 30 consecutive days; or • If the Insured Member did not receive an employer contribution within 60 days immediately before or after cover restarts, their cover will be subject to new events cover conditions for 24 months. <p>New events cover means that the Insurer will not pay a benefit for an injury that first occurs, or illness which first becomes apparent, before cover restarts.</p>
Sanctions	<p>No benefit will be payable where the payment would expose our Insurer, Australian Ethical Super, or a member to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia or United States of America.</p>

This notice, together with the letter/email sent to you informing you of how the changes will impact you, form the Significant Event Notice.

This information is of a general nature and is not intended to provide you with financial advice or take into account your personal objectives, financial situation or needs. Before acting on the information, consider its appropriateness to your circumstances and read the product disclosure statement (PDS) and Insurance Guide available at australianethical.com.au/super/pds You may wish to seek independent financial advice from a licensed or authorised financial adviser before making an investment decision.

Interests in the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743, USI AET0100AU) are offered by arrangement by Australian Ethical Investment Limited (ABN 47 003 188 930, AFSL 229949) and issued by the Trustee of the Fund, Australian Ethical Superannuation Pty Limited (ABN 43 079 259 733).

Group insurance for Australian Ethical Super is provided by MetLife Insurance Ltd ABN 75 004 274 882, AFSL 238096.