

Benefits	Offer under the 1 October 2021 PDS update	Additional Comments
Replacement Ratio (RR)	<ul style="list-style-type: none"> • Standard Income Cover – <ul style="list-style-type: none"> - Up to 70% of the PDI - No tiering of RR • Extra Cost Option and Extras Cover – <ul style="list-style-type: none"> - Disability Extras (currently known as Professional Extras) – up to 90% of the PDI for the first six months and additional benefit will be <u>payable in only certain claim scenarios</u> – refer to comments for more details on when the additional benefit could be payable. - Booster Option (new to be introduced option) – up to 90% of the PDI for Total and Partial Disability the first six months and <u>payable in all claim scenarios</u>. - Customer could have either Disability Extras or Booster Option with their Standard Income Cover and not both. 	<p>‘Professional Extras’ will be repurposed with a new name ‘Disability Extras’, to only offer the below three benefits and paying an additional up to 90% of the PDI benefit for the first six months:</p> <ul style="list-style-type: none"> - Partial Disability Assessment Benefit - Total Disability Trauma Benefit; and - Home Help Expenses Benefit (reimbursement for certain expenses when Totally Disabled and confined to bed). <p>The additional benefit under Total Disability Trauma Benefit will only become payable where the Life Insured suffers from one of the listed 4 trauma conditions and we are pay them a Total Disability Benefit under the standard Income Cover.</p>
Total Disability	<ul style="list-style-type: none"> • Capability Clause – introducing capability clause from the onset of a claim. • Deductions – 100% of Post-Disability Income (new definition) and Offsets (updated further for business income) from the benefit payment. • Total Disability Definition update – holistic update to the definition and also change from ‘unable to perform one income producing activities to ‘Unable to perform ‘<i>Essential Income-Producing Duties</i>’ from their usual occupation • Defining Essential Income-Producing Duties – refer to the comments • Defining Pre-Disability Income • Defining Post-Disability Income • Claim assessment – continues under ‘Usual Occupation’ assessment throughout the life of the claim, except for claimants who are either unemployed or on leave. 	<p>Proposed Essential Income-Producing Duties definition –</p> <p>Means the essential duties required to be performed by the Life Insured in an occupation, profession, or Business to generate their Pre-Disability Income.</p> <p>The essential duties that the Life Insured had performed prior to their disability cannot be reasonably omitted, altered, or replaced by them or their employer.</p> <p>Total Disability Monthly Benefit calculation – same as current, but updated to include new defined Pre-Disability Income and is the:</p>

		<p>Lesser of –</p> <ol style="list-style-type: none"> 1. Monthly Cover Amount; and 2. 70% of the Life Insured’s Pre-Disability Income.
<p>Partial Disability</p>	<ul style="list-style-type: none"> • Capability Clause – introducing capability clause from the onset of a claim. • Deductions – 70% of Post-Disability Income (new definition) and Offsets (updated further for business income) from the benefit payment. • Working Hours - Partial working hours capped at 50 hours, beyond these hours, Life Insured will be considered as working in full capacity • Partial Disability Definition update - holistic update to the definition and also change from ‘unable to perform one income producing activities to ‘Unable to perform ‘<i>Essential Income-Producing Duties</i>’ from their usual occupation • Defining Essential Income-Producing Duties • Defining Pre-Disability Income • Defining Post-Disability Income • Claim assessment – continues under ‘Usual Occupation’ assessment throughout the life of the claim. 	<p>Partial Disability Monthly Benefit calculation – same as current, but updated to include new defined Pre-Disability Income and Post Disability Income, and is the:</p> <p>Greater of –</p> <ul style="list-style-type: none"> - Monthly Benefit less 70% Post-Disability Income; and - 70% of the Life Insured’s Pre-Disability Income less Post-Disability Income. <p>Capped at Monthly Cover Amount insured for and less 100% offsets.</p>
<p>Pre-Disability Income (PDI)</p>	<p>Defining Pre-Disability Income to cover both Variable and Stable income. Variable and Stable Income are defined terms.</p>	<p>Pre-Disability Income</p> <p>Means:</p> <ul style="list-style-type: none"> • where the Life Insured was receiving Stable Income, the average Monthly Income for the 12-month period immediately prior to the Date of Disability; or • where the Life Insured was receiving Variable Income, the greater of their: <ul style="list-style-type: none"> ○ average Monthly Income over the two years, and ○ the most recent financial year, <p>immediately prior to the Date of Disability.</p> <p>Monthly Income used for the calculation for Pre-Disability income does not include superannuation contributions.</p>

		<p>Stable Income defined as:</p> <p>Means income that was received on a regular basis over the 24 months prior to the Date of Disability and did not vary by more than 25% each time received.</p> <p>Variable Income defined as:</p> <p>Means income that is not a Stable Income.</p>
Offsets and Post-Disability Income	<ul style="list-style-type: none"> - 100% less offsets - from final benefit calculation for 70% and 90% benefit payments - Offsets definition - updated further for deemed income and sick leaves including entitlements - Post-Disability Income – introducing new Post-Disability Income definition which will be used in the calculation of Monthly Benefit calculations for Total and Partial Disability. This definition defines income received during disability from personal exertion and any ongoing business income. 	
Introducing three new options with Standard Income Cover	<ul style="list-style-type: none"> • Claim Indexation Option - currently inbuilt into standard income cover, will be offered as an optional benefit • Superannuation Contribution Option – option to insure 100% of super contributions • Booster Option - pays up to an additional 20/70 of the monthly benefit for the first six months of every new claim 	<p>Superannuation Contribution Option – option to insure 100% of super contributions and Monthly Cover Amount will be capped at lesser of:</p> <ul style="list-style-type: none"> - 15% of super contributions; and - \$5,000.
Additional benefits for the first six months of every new claim	<ul style="list-style-type: none"> • Additional 20/70 payable of Monthly Benefit for: <ol style="list-style-type: none"> 1. Booster Option (Total and Partial Disability) 2. Total Disability Trauma Benefit (offered with Disability Extras) 3. Home Help Expenses Benefit (offered with Disability Extras) • Partial Disability Assessment Benefit (offered with Disability Extras) If the claimant is Partially Disabled, working less than 10 hours per week and earning less than 20% of their PDI, we will not offset the Post-Disability Income that the Life Insured receives. 	<p>Maximum benefit will be capped at 90% of the Pre-Disability Income for the six months.</p>
Retraining and	<ul style="list-style-type: none"> • No change to the actual benefit payment 	<p>Professional Extras restructure</p>

Rehabilitation Benefit	<ul style="list-style-type: none"> • Will be moved from Professional Extras to be an in-built benefit under the Standard Income Cover 	
Cover Pause Feature	<ul style="list-style-type: none"> • Enhanced to include cover pause due to financial hardships • No change to the actual benefit payment • Will be moved from Professional Extras to be an in-built benefit under the Standard Income Cover 	Professional Extras restructure
Unemployed or on leave at date of disability	<ul style="list-style-type: none"> • Unemployed – assessment under ETE after being unemployed for more than 12 months and if date of disability is outside those 12 months • Parental/Sabbatical leave – <ul style="list-style-type: none"> - assessment under ETE after 12 months of being on leave and Date of Disability is outside those 12 months - if Date of Disability is within 12 months, assessment will be under usual occupation and benefit will be paid from the date of return to work. 	
Death Benefit	Update on the offer – The three times Monthly Benefit will be payable where the Life Insured is receiving or entitled to receive a Total or Partial Disability Benefit and dies while on claim.	
Removal of Extras cover from our offer	<p>The below three Extras Cover will be removed from our offer:</p> <ol style="list-style-type: none"> 1. Provide and Care Extras 2. Key Person Extras; and 3. Sole Traders Extras 	
Other changes	Excess Period will be renamed as Waiting Period.	
Premium Waiver while on claim	Enhancement to refund any premium collected during the Waiting Period.	
Life Events Increases Feature update	Updating the existing offer for increases requested for business events only.	<p>Changes are as:</p> <ol style="list-style-type: none"> 1. Each increase capped at 50% of the original cover amount and \$500,000

		<ol style="list-style-type: none"> 2. The maximum amount of all increases cannot exceed the lesser of: <ul style="list-style-type: none"> • the original Life and TPD Cover Amount; or • \$3,000,000. 3. Can be exercised six times over the life of the policy
Pricing Changes – High level, still to be confirmed	<ul style="list-style-type: none"> • Year 1 introductory discount change from 10% to 15% • Large sum insured discount change for Life and linked TPD • Per mille discount change for Life Cover • Life, linked TPD and linked Trauma rates plus own occ and TPD buyback rate changes • All IP base cover rate changes 	