

# FUTURE SUPER

5 October 2021

## Significant event notice

This notice sets out changes to the insurance arrangements currently described in the Future Super Product Disclosure Statement, Additional information Booklet and Insurance guide (PDS) available here: <https://futuresuper.com/documents-and-forms/>

### Background to the changes

The Insurance Contracts Act 1984 (Act) has been amended following the Hayne Royal Commission. One of the changes to the Act included replacing the “duty of disclosure” with a “duty to take reasonable care not to make a misrepresentation” for certain ‘consumer insurance contracts’ (this term is defined in the Act) from 5 October 2021 for Death, TPD and Income Protection cover offered via Future Super.

Please read these changes carefully as they may impact you.

### What has changed?

Prior to 5 October 2021, a different duty applied when you were answering the insurer’s questions in an application for Death Only Death and Total and Permanent Disablement (‘TPD’) or Income Protection for temporary disablement. If you completed an application for cover prior and we received it prior to 5 October 2021 the “duty of disclosure” applied to you. Under the “duty of disclosure”, you were required, before entering into the contract, to tell the insurer anything that you know, or could reasonably be expected to know, that may affect the insurer’s decision to provide the insurance and on what terms.

Effective 5 October 2021, the “duty of disclosure” will be replaced with the “duty to take reasonable care not to make a misrepresentation”. For insurance applications completed or received on or after 5 October 2021, there is a “duty to take reasonable care not to make a misrepresentation” which is explained in more detail below.

**The duty to take reasonable care not to make a misrepresentation will come into effect from 5 October 2021.**

**NOTE:** the information in the boxed below applies from 5 October 2021 and the terms: ‘we’, ‘our’ and ‘us’ in this section refer to AIA Australia Limited ABN 79 004 837 861 AFSL 230043 as the insurer responsible for providing Death Only, Death and Total and Permanent Disablement (‘TPD’) and Income Protection for temporary disablement in Future Super.

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## **The duty to take reasonable care**

Before you enter into a life insurance contract, you have a legal duty to take reasonable care not to make a misrepresentation to the insurer before the contract of insurance is entered into.

A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth.

This duty applies to a new contract of insurance and also applies when extending or making changes to existing insurance, and reinstating insurance.

When you apply for life insurance, we conduct a process called underwriting. It's how we decide whether we can cover you, and if so, on what terms and at what cost.

We will ask questions we need to know the answers to. These will be about your personal circumstances, such as your health and medical history, occupation, income, lifestyle, pastimes, and current and past insurance. The information you give us in response to our questions is vital to our decision.

## **If you do not meet your duty**

If you do not meet your legal duty, this can have serious impacts on your insurance. There are different remedies that may be available to us. These are set out in the Insurance Contracts Act 1984 (Cth). These are intended to put us in the position we would have been in if the duty had been met.

Your cover could be avoided (treated as if it never existed), or its terms may be varied. This may also result in a claim being declined or a benefit being reduced.

Please note that there may be circumstances where we later investigate whether the information given to us was true. For example, we may do this when a claim is made.

Before we exercise any of these remedies, we will explain our reasons and what you can do if you disagree.

## **Guidance for answering our questions**

You are responsible for the information provided to us. When answering our questions, please:

- Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us before you respond.
- Answer every question.
- Answer truthfully, accurately and completely. If you are unsure about whether you should include information, please include it.
- Review your application carefully before it is submitted. If someone else helped prepare your application (for example, your adviser),

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please check every answer (and if necessary, make any corrections) before the application is submitted.

## **Changes before your cover starts**

Before your cover starts, we may ask about any changes that mean you would now answer our questions differently. As any changes might require further assessment or investigation, it could save time if you let us know about any changes when they happen.

## **If you need help**

It's important that you understand this information and the questions we ask. Ask us or a person you trust, such as your adviser for help if you have difficulty understanding the process of buying insurance or answering our questions.

If you're having difficulty due to a disability, understanding English or for any other reason, we're here to help. If you want, you can have a support person you trust with you.

## **Notifying the insurer**

If, after the cover starts, you think you may not have met your duty, please contact us immediately and we'll let you know whether it has any *impact on the cover*.

It's important that you understand this information and the questions we ask, so if you have any queries please contact Future Super on 1300 658 422 between 9:30 am - 4:30 pm Monday to Friday (AEST/AEDT).

## **When could the duty to take reasonable care not to make a misrepresentation apply to me?**

The duty to take reasonable care not to make a misrepresentation will apply to you if, on or after 5 October 2021, you:

- Start or submit a new application for either Death Only, Death and Total and Permanent Disablement ('TPD') and Income Protection for temporary disablement in the fund;
- apply to extend or make changes to existing cover (where the changes involve an increase in the sum insured or an application for an additional type of cover); or
- you apply to reinstate insurance.

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## **Transfer of insurance cover**

If you have insurance cover that was previously underwritten with another superannuation fund and wish to transfer it over to Future Super on or after 5 October 2021, the transfer will be based on the assumption that the information you provided to your previous insurer was accurate and complete and that you complied with the duty to take reasonable care not to make a misrepresentation under the Insurance Contracts Act 1984 (Cth).

The transferred cover will be treated as not having started if you have breached the duty or misrepresented information to your previous insurer.

## **Ongoing applications as of 5 October 2021**

For any members that have made an application for cover prior to 5 October 2021 to which the duty of disclosure would apply, but have not had their application finalised by the insurer by 5 October 2021 (when an application is finalised, the Fund will contact you to confirm whether your application was successful or unsuccessful), the “duty to take reasonable care not to make a misrepresentation” will apply even if the relevant “duty of disclosure” wording was set out on your application at the time.

It's important that you understand your obligations when applying for cover, so if you have any queries, please read the relevant Product Disclosure Statement and Insurance Guide or contact us on 1300 658 422 between 9:30 am – 4:30 pm Monday to Friday (AEST/AEDT).

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