

31 March 2020

## Superstate Product Update - Changes to Default Insurance

As a member of Superstate you may be eligible for default insurance cover through your super. Insurance through super can be tax effective and potentially cheaper than insurance funded through after-tax salary or savings. However, premiums deducted for unnecessary, unwanted, or unsuitable insurance cover can inappropriately reduce your balance and the savings available for you upon retirement.

To prevent this from happening, changes were made to superannuation law, known as *Putting Members' Interests First*, to encourage members to review their insurance needs before taking out insurance through super, and where they are below 25 years of age, to consider the appropriateness of insurance.

From 1 April 2020, the Superstate can no longer provide default insurance cover to:

- new accounts for members below the age of 25; and
- members with an account whose balance has never reached \$6,000 since 1 November 2019

unless the member elects to receive, or continue to receive, insurance cover.

These new laws will take effect from 1 April 2020.

### What does this mean for you?

#### Eligibility for default insurance cover

Information on the default insurance cover available through Superstate is set out in the Superstate PDS and Insurance Guide. You should read these closely and determine whether you are eligible for default cover. Conditions such as pre-existing condition exclusions and work tests may apply. Contact us if you need help with this.

If you are eligible for default insurance cover, and:

- are below 25 years of age; or
- start an account with a balance of less than \$6,000; and
- join Superstate on or after 1 April 2020,

you won't automatically be given insurance upon receipt of a contribution or rollover into your account. Instead, default cover will commence when your account balance reaches \$6,000, and/or you turn 25 years of age, provided your account has received a contribution or rollover in the 120 days preceding this date and you meet the residency requirements set out in the Insurance Guide.

### Opting-In

If you want to obtain default insurance cover prior to you turning 25 years of age, or your account balance reaching \$6,000, you can make an election.

### Opting-Out

If you don't want default insurance cover, you can opt out at any time by contacting us at 1300 519 800.

### **What you need to do**

You should carefully read the Insurance Guide and consider whether the default insurance cover is right for you.

You should also consider any other insurance cover you might have, including with other super accounts. For information on how to keep track of your super, you can visit the ATO website at <https://www.ato.gov.au/Individuals/Super/Growing-your-super/Keeping-track-of-your-super/>.

To ensure the insurance cover will meet your needs, you may wish to speak to a licensed financial adviser, and/or other professional as appropriate.

You should take the time to review your insurance cover on a regular basis or if your circumstances change. You can vary or cancel your cover at any time.

To make an election please contact us on 1300 519 800.

### **We're here to help**

If you have any questions in relation to this update, the PDS, or any other documents in relation to Superstate, please feel free to get in touch at 1800 519 800.

If you took out insurance cover through Superstate after 1 November 2019 and prior to the application forms being updated on 31 March 2020, you will have received separate correspondence outlining the potential impact of these changes on you, and your options in relation to the same.

*The information provided in this letter is general information only and has been prepared without taking into account your own objectives, financial situation, and needs. Before making decisions based on the information provided, you should consider how appropriate they are given your individual circumstances and consider seeking independent professional advice. You should also consider the [Product Disclosure Statement](#) before making any decision. You should also consult the relevant Insurance Guide – if you cannot find it, please contact us and we will be happy to provide them to you free of charge.*

*Superstate is a division of the Tidswell Master Superannuation Plan. The Promoter of Superstate is Superstate Pty Ltd ABN 61 615 727 663, Authorised Representative (No. 001257096) of Sanlam Private Wealth Pty Ltd (ABN 18 136 960 775); AFSL 337927.*