

IMPORTANT INSURANCE CHANGES FROM 7 December 2022

Effective 7 December 2022, there will be changes to the insurance that is available and the insurance costs payable for eligible sworn New South Wales (NSW) Police Officers under the Police Category (Part 1) of *Police Blue Ribbon Super* at Aware Super.

Not all members' insurance will be impacted in the same way. In the following pages, we explain how the changes may affect you and the insurance costs payable.

If you don't currently have insurance through Aware Super, you should also understand what the changes mean in case you wish to get insurance in the future.

Eligible sworn NSW Police Officers currently have access to two separate types of insurance through Aware Super:

- death and total and permanent disablement (TPD) Police Category insurance (Part 1); and
- death, TPD, and income protection *Police Blue Ribbon Insurance* (Part 2).

The changes described in this document apply to both automatic and additional Police Category insurance under **Part 1 only**. This notice does not apply to insurance provided under the *Police Blue Ribbon Insurance* (Part 2). You can find out more in the section 'Part 1: death only cover' of your *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* from 7 December 2022. Further, the *Member Booklet (Product Disclosure Statement)* available at aware.com.au/pds will be updated on 7 December 2022 to include the changes explained in this notice.

You may want to review your insurance to ensure it's still appropriate for your needs. You can find out more about your existing cover by logging in to your account online or via the Aware Super mobile app. If you don't have an online account, you can register for one by visiting aware.com.au/register, or give us a call on 1300 650 873 and we can help you set it up.

If you'd like to reduce or cancel your insurance at any time, please complete the 'Application to reduce, cancel or change insurance cover' form available at aware.com.au/forms. Alternatively, we have created a temporary webpage to take your request to reduce or cancel your insurance, which can be accessed here: tal.com.au/group/policereducerorcancecover.html. Any application to reduce or cancel cover received after 30 November 2022 will not be processed until after 7 December 2022.

If you reduce or cancel your cover, you can only re-apply for death only cover. Any application will be subject to eligibility conditions and acceptance by the insurer. You may be required to submit detailed information about your health and medical history, occupation, pursuits and pastimes, and lifestyle as required by the insurer. The insurer may accept (with or without conditions) or decline your application. You may wish to speak to a financial adviser before making any changes.

Total and permanent disablement (TPD) cover will no longer be available under the Police Category (Part 1) insurance arrangements

If you currently hold automatic or additional Police Category TPD cover immediately before 7 December 2022, this cover will no longer be available and will be cancelled on 7 December 2022.

If you have lodged, or intend to lodge, a TPD insurance claim, any claim for an insured event will continue to be assessed against the types and levels of cover, as well as the terms and conditions of the insurance policy

relevant to that cover, which were in place at the relevant date of your claimed event. This means that if your date of insured event is on or after 7 December 2022, your TPD insurance claim may be denied due to your cover being cancelled on 7 December 2022.

This change does not affect the compulsory death, TPD, and income protection cover provided to eligible sworn NSW Police Officers under Part 2 of *Police Blue Ribbon Super*.

The cost of death only cover is changing under the Police Category (Part 1) insurance arrangements

Insurance costs for automatic and additional Police Category death only insurance will change from 7 December 2022 onwards.

The *New cost of cover* section below shows the new insurance premium rate tables and instructions on how to calculate the new cost of your death only cover.

You may have, or be eligible to apply for, additional units of death only cover. Please refer to the *Additional Cover* section in the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* available at aware.com.au/pds for more information.

There are no changes to the existing level of cover and benefits provided by your death only insurance.

You should take some time to review the information in the *New cost of cover* section and consider whether the insurance is still appropriate for you.

This change does not affect the compulsory death, TPD, and income protection insurance provided to eligible sworn NSW Police Officers under Part 2 of *Police Blue Ribbon Super*.

Why are Police Category (Part 1) insurance arrangements changing?

We regularly review our insurance arrangements provided to eligible sworn New South Wales (NSW) Police Officers who have their super savings with us. Claims against this policy for TPD cover have continued to increase significantly, and as a result our insurer has advised that premiums for TPD insurance need to increase again to appropriately cover these costs.

In addition, up until now NSW Police has effectively subsidised the cost of Part 1 TPD insurance by making an additional contribution to your superannuation. From 7 December 2022, NSW Police will no longer continue to make these additional contributions.

The increases to premiums for TPD cover, coupled with the removal of the additional contributions, means continuing this insurance is no longer affordable and sustainable. As a result, Part 1 TPD cover will no longer be available from 7 December 2022. Part 1 death only cover will continue and premiums will change from 7 December 2022.

As a result, we have changed our Police Category insurance arrangements with the best financial interests of our members in mind to ensure our current and future members can have affordable and sustainable insurance arrangements which do not inappropriately erode their retirement balances.

Can you apply for TPD cover again?

You cannot apply for Part 1 TPD cover unless you cease to be employed as a sworn NSW Police Officer. If you are in the Police Category and we are advised that you have ceased to be a sworn NSW Police Officer, then we will write to you to confirm your insurance category will be changed to the Emergency Services/Manual category. Your existing Police Category (Part 1) death only cover will continue under the Emergency Services/Manual category.

Once under the Emergency Services/Manual category, you can apply for TPD (and/or income protection) cover by completing the 'Apply for or increase insurance' form available on our website at aware.com.au/forms, or contact us for a copy. Your application must contain the information required by the insurer to assess your application, including information about your health, income, occupation and lifestyle. Your application may be accepted or declined by the insurer, or special conditions may be imposed on your cover. If your application is accepted by the insurer, you will be notified of your insurance arrangements in writing. Please refer to the *Member Booklet: Employer Sponsored Insurance* available at aware.com.au/pds for more information.

New cost of cover

From 7 December 2022 the cost for death only cover under the Police Category (Part 1) of *Police Blue Ribbon Super* is changing.

Unit-based insurance

The cost of unit-based death only cover is increasing. Where you have unit-based cover, the cost per unit is changing from 7 December 2022 as set out in Table 1 below.

Most members have 3 units of death only cover, which is the automatic amount of cover provided to new eligible officers.

Eligible new members can apply for 3 additional units of cover on top of your automatic cover.

Table 1: Change in costs for unit-based death only cover

Police Category	Cost per month ¹	
	(total deducted from your account)	
	Death only	
	Current (up to 6 December 2022)	New (from 7 December 2022)
1 unit of cover	\$2.33	\$4.22
2 units of cover	\$4.66	\$8.44
3 units of cover	\$6.99	\$12.66

¹The cost of cover includes any applicable state government stamp duty, and the insurance administration fee of \$0.05 per unit per month for death only cover.

Important Note:

- The example in Table 1 shows the amount of insurance costs for death only cover deducted from your super account immediately prior to, and from, 7 December 2022.

Fixed amount insurance

The cost of additional fixed death only cover is decreasing. Where you have additional fixed cover, the cost per \$1,000 of cover is changing from 7 December 2022 as set out in Table 2 below.

Example: Calculating the cost of additional fixed death only cover

For an additional \$250,000 death only cover for Samantha, a 39-year-old sworn NSW Police Officer, the premium is calculated as below. In this example, we have used the new annual premium rate of \$0.82 per \$1,000 of death only cover for a member aged 39, which we've highlighted in Table 2.

Level of fixed additional cover	\$1,000s of cover (divide \$250,000 by 1,000)	Multiply by the annual premium per \$1,000 of cover	Annual/monthly premium
\$250,000	250	x \$0.82	= \$ 205.00 (or \$ 17.08 per month)

Important Notes:

1. The example above is illustrative only and is based on the factors stated. It should not be taken to contain nor provide an estimate of the insurance costs payable by you individually.

Calculating the cost of fixed death only cover

Using Table 2 below:

1. Identify your annual premium per \$1,000 of cover for your current age.
2. Multiply by the number of \$1,000s of cover you wish to calculate (i.e. your fixed cover amount divided by \$1,000)
3. Divide your total annual premium by 12 for your monthly premium.

Fixed amount insurance costs for death only

Where you have additional fixed death only cover, the cost is decreasing from 7 December 2022 as set out in Table 2.

Table 2: Annual premium rate¹ per \$1,000 of death only cover

Age of Member (years)	Police (up to 6 December 2022)	Police (from 7 December 2022)	Age of Member (years)	Police (up to 6 December 2022)	Police (from 7 December 2022)
15	\$2.79	\$0.73	43	\$4.34	\$1.13
16	\$2.79	\$0.73	44	\$4.88	\$1.26
17	\$2.79	\$0.73	45	\$5.59	\$1.45
18	\$2.79	\$0.73	46	\$6.38	\$1.65
19	\$2.79	\$0.73	47	\$7.45	\$1.94
20	\$2.79	\$0.73	48	\$8.71	\$2.27
21	\$2.79	\$0.73	49	\$9.89	\$2.57
22	\$2.79	\$0.73	50	\$11.49	\$2.98
23	\$2.79	\$0.73	51	\$11.62	\$3.01
24	\$2.79	\$0.73	52	\$13.58	\$3.53
25	\$2.79	\$0.73	53	\$15.81	\$4.11
26	\$2.79	\$0.73	54	\$17.84	\$4.64
27	\$2.79	\$0.73	55	\$20.15	\$5.24
28	\$2.79	\$0.73	56	\$22.92	\$5.96
29	\$2.79	\$0.73	57	\$26.87	\$6.98
30	\$2.79	\$0.73	58	\$32.03	\$8.33
31	\$2.79	\$0.73	59	\$40.96	\$10.65
32	\$2.79	\$0.73	60	\$45.43	\$11.80
33	\$2.79	\$0.73	61	\$53.16	\$13.82
34	\$2.79	\$0.73	62	\$59.49	\$15.46
35	\$2.79	\$0.73	63	\$65.74	\$17.09
36	\$2.86	\$0.75	64	\$78.07	\$20.29
37	\$2.93	\$0.76	65	\$78.07	\$20.29
38	\$2.97	\$0.77	66	\$78.07	\$20.29
39	\$3.18	\$0.82	67	\$78.07	\$20.29
40	\$3.49	\$0.91	68	\$78.07	\$20.29
41	\$3.53	\$0.92	69	\$78.07	\$20.29
42	\$3.90	\$1.01			

¹The cost of cover includes any applicable state government stamp duty.

This information is of a general nature which means it doesn't take into account your specific objectives, financial situation or needs. We recommend you contact us for up-to-date information before you access your benefit, or if you need confirmation of your insurance. You should read the Member Booklet (Product Disclosure Statement) and Target Market Determination for the product before making any decisions. Just call Customer Service on 1300 650 873 for a free copy or visit aware.com.au/pds.

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You should also read our product disclosure statement before making a decision about Aware Super. Call us or visit our website for a copy.

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