

ONECARE SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

18 March 2017

This Supplementary Product Disclosure Statement (SPDS) supplements the OneCare Product Disclosure Statement and Policy Terms dated 6 November 2016 (PDS) which includes OneCare and OneCare Super and is to be read together with the PDS. Terms defined in the PDS have the same meaning in this SPDS. The SPDS updates the terms and conditions of your policy.

OnePath Life Limited ABN 33 009 657 176 AFSL 238341 (OnePath Life) issues OneCare. (This includes, OneCare External Master Trust and OneCare SMSF).

OnePath Custodians Pty Limited ABN 12 008 508 496 AFSL 238346 RSE L0000673 (OnePath Custodians) issues OneCare Super. OnePath Custodians is the trustee of the MasterFund.

OnePath Life and OnePath Custodians are the issuers of this SPDS. Both OnePath Life and OnePath Custodians are responsible for the contents of this SPDS. However, an issuer is not responsible for the products issued by the other issuer.

Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ) is an authorised deposit taking institution (Bank) under the *Banking Act 1959* (Cth). OnePath Life and OnePath Custodians are owned by ANZ – they are the issuers of the products but are not Banks. Except as set out in the issuer's contract terms (including the PDS), the products are not a deposit or other liability of ANZ or its related group companies. None of them stands behind or guarantees the issuers or products.

The purpose of this SPDS is to update the PDS to include:

- **New SuperLink arrangement of Life Cover through super linked to TPD Cover held outside super**
- **New discount for platforms**
- **Correction to the eligibility conditions for Total Disability and Partial Disability Benefits**
- **Extended expiry age of Life Cover and TPD Cover through super**
- **Update to the Budget announcements**
- **Update to the commencement of Interim Cover**

New SuperLink arrangement of Life Cover through super linked to TPD Cover held outside super

We have introduced a new SuperLink arrangement. If you select this feature then you will hold Life Cover through super and TPD Cover held outside super.

We will issue each policy separately. This means that each year, two renewal notices and two Policy Schedules will be issued.

Because the policies are linked, a benefit payment under one Cover reduces the amount insured of every other linked Cover.

Both policies will be required to have the same life insured.

Delete all wording under 'We offer flexibility to structure your Cover' on page 8 and replace it with the following:

We offer flexibility to structure your Cover

You can structure your Cover in several ways. It is important to understand the options available.

- Individual or multiple Cover under the same policy – you can choose to have any Core or Specialist Cover under one stand-alone policy or have two or more Covers under the same policy. For example, you can have a policy with Life Cover only or a policy with both Life Cover and Business Expense Cover.
- Attaching Covers under the same policy – if you have multiple Covers under the one policy, you can attach those Covers.

For example, you might want to attach your Life, TPD and Trauma Covers. If your Covers are attached, a benefit paid under one Cover will reduce the amount insured under the other Covers.

- Linking Covers under different policies – you can link TPD Cover under a policy outside **super** with TPD Cover through **super**. This is a SuperLink TPD arrangement. Please see page 32 for details.

You can also link Trauma Cover under a policy held outside **super** with Life Cover and/or TPD Cover held through **super**, or link Trauma Cover and TPD Cover under a policy held outside **super** with Life Cover held through **super**. Please see page 45 for details, this is called SuperLink Trauma.

You can also link Income Secure Cover under a policy held outside **super** with Income Secure Cover held through **super**. This can be through an Income Secure SuperLinking arrangement (see page 81) or an Income Secure Basic SuperLink arrangement (see page 82).

Delete all wording under 'You can link Life Cover through super with Trauma Cover' on page 22 and replace it with the following:

You can link Life Cover through super with TPD Cover and/or Trauma Cover held outside super

You can link Life Cover held through **super** with Trauma Cover under a separate policy outside **super**. This is called a SuperLink Trauma arrangement. Please see page 45 for more details.

Under a SuperLink arrangement you can also link Life Cover held through **super** with TPD Cover under a separate policy held outside **super**. Please see page 33 for more details.

Delete all wording under 'Serious Disability Premium Waiver' on page 25 and replace it with the following:

Serious Disability Premium Waiver

We will waive the premiums for Life Cover if the life insured:

- suffers an **illness** or **injury** that results in their permanent inability to perform at least two of the **activities of daily living** without physical help from another adult; and
- suffered the relevant **illness** or **injury** before the policy anniversary when they are age 65.

We will waive two years' premiums, or less if the Life Cover ends earlier.

Where the Life Cover is reduced by the payment of a benefit under a SuperLink arrangement and you also met the above definition, the premium waiver will apply to the premium on the reduced Life Cover.

Indexation increases will continue to apply to the Life Cover for which we waive premiums.

However, we will not waive premiums under this feature for Life Cover provided under the Life Cover Buy Back feature or the Life Cover Purchase Option. Please see page 58 and 59 for details of Life Cover Buy Back and page 62 for details of Life Cover Purchase Option.

Delete all wording under 'Choosing the right Cover' on page 26 and replace it with the following:

Choosing the right Cover

This section explains the benefits, features and options of the TPD Cover we offer.

You can tailor your TPD Cover by choosing:

- the structure of your Cover, that is whether to:
 - hold TPD Cover within or outside **super**
 - attach TPD Cover to Life or Trauma Cover, or both in the same policy
 - link TPD Cover under a **super** policy to TPD Cover under a policy outside **super** through a SuperLink TPD arrangement
 - link TPD Cover under a **super** policy with Trauma Cover outside **super** through SuperLink Trauma
 - link TPD Cover outside **super** with Life Cover under a **super** policy through a SuperLink arrangement
- the TPD definition to apply
- the amount of your TPD Cover
- how your benefit will be paid
- any extra cost options you need.

Your premium will depend on your choices.

It's important to choose Cover and options that are right for you – considering your debts and assets, your requirements for quality care and your lifestyle goals.

Insert the following paragraph after 'You can link TPD Cover under a policy held through super with a policy outside of super' section on page 27:

You can link TPD Cover under a policy outside super with Life Cover through super

You can link TPD Cover under a policy outside **super** to Life Cover under a policy held through **super** under a SuperLink arrangement. Please see page 33.

Delete all wording under 'The Policy Schedule will show the Cover you have' on page 27 and replace it with the following:

The Policy Schedule will show the Cover you have

The Policy Schedule will show if TPD Cover applies to a life insured and if so:

- the TPD Cover structure, that is whether you have:
 - stand-alone TPD Cover
 - TPD Cover attached to Life Cover
 - TPD Cover attached to Trauma Cover
 - SuperLink TPD
 - SuperLink Trauma
 - SuperLink arrangement of Life through **super** linked to TPD Cover held outside **super**
- the TPD Cover amount insured
- the TPD Cover benefit payment type, and if the instalment benefit payment type applies, the instalment term
- the TPD definitions which apply before the policy anniversary when the life insured is age 65
- any extra cost options selected.

Delete the table under 'At age 65 your TPD definition may change' on page 29 and replace it with the following table:

Policy structure	TPD definition that applies to the life insured on and from the policy anniversary when age 65
Your policy is not part of a Superlink arrangement	The TPD definition will automatically convert to the Non-working TPD definition if Cover is held outside super or the Super Non-working TPD definition if Cover is held through super .
Your policy is part of a SuperLink TPD arrangement	The SuperLink arrangement will end on the policy anniversary when the life insured is age 65. TPD Cover under the linked policy held through super continues, but the SuperLink SIS Any Occupation TPD definition will automatically convert to the Super Non-working TPD definition. TPD Cover under the linked policy held outside super will end.
Your policy is part of a SuperLink Trauma arrangement	The TPD definition applicable to any portion of the TPD Cover amount insured that is greater than the SuperLink Trauma Cover amount insured will automatically convert to the Super Non-working TPD definition. Any TPD Cover amount insured equal to the SuperLink Trauma Cover amount insured will end.
Your policy is part of a SuperLink arrangement with Life Cover through super linked to TPD Cover held outside super	The TPD definition will automatically convert to the Non-working TPD definition.

Delete all wording under 'If you are a white collar worker you can apply for your TPD definition to continue' on page 29 and replace it with the following:

If we classify the life insured's occupation as white collar, you can apply for the TPD definition to continue

If we classify the life insured's occupation as white collar, you can ask us to continue to apply their Any Occupation, Super Any Occupation or Own Occupation TPD definition.

If we classify the life insured's occupation as white collar, and you have a SuperLink TPD arrangement, you can ask us to continue the Super Any Occupation TPD definition but all TPD Cover under the **linked policy** held outside **super** will cease.

We must receive the written application within 30 days of the policy anniversary when the life insured is age 65. The application must confirm the life insured's then current occupation.

If we accept the application, we will confirm it in writing. The relevant Any Occupation, Own Occupation or Super Any Occupation TPD definition will apply:

- until the policy anniversary when the life insured is age 70
- to the life insured's TPD Cover amount insured up to \$1 million, or if an instalment benefit applies, an **equivalent instalment amount**.

The Non-working TPD definition and the Super Non-working TPD definition, as applicable, will apply to TPD Cover amounts insured greater than \$1 million from the policy anniversary when the life insured is age 65.

Delete all wording under 'Partial TPD reduces the amount insured' on page 31 and replace it with the following:

Partial TPD reduces the amount insured

Your TPD Cover amount insured will decrease by the amount of any **Partial TPD Benefit** we pay.

The amount insured of any linked or attached Cover will also decrease by the amount of any **Partial TPD Benefit** we pay (and if this is part of a SuperLink arrangement, the amount insured under that **linked policy**).

Insert the following paragraphs after 'Cessation of Cover under one linked policy will end Cover under the other linked policy' section on page 33:

SuperLink arrangement of Life Cover through super linked to TPD Cover held outside super

You can 'link' a life insured's TPD Cover under a policy held outside **super** with Life Cover under a separate policy held through **super**.

We will issue each policy separately. This means that each year, two renewal notices and two Policy Schedules will be issued.

However, because the policies are linked, a benefit payment under TPD Cover under the policy held outside **super** reduces the Life Cover amount insured on the policy held through **super**.

A SuperLink arrangement of Life Cover through **super** linked to TPD Cover held outside **super** splits the Covers over two policies which allows the Life Cover premium to be funded through the **super** fund.

Certain features of both policies must be the same

Under a SuperLink arrangement of Life Cover through **super** linked to TPD Cover held outside **super**, the life insured must be the same under both policies.

However, each policy can have different:

- methods of payment
- payment frequency
- amounts insured, however TPD Cover amount insured cannot exceed the Life Cover amount insured
- increases in Cover, including indexation
- premium type, i.e. stepped or level
- extra cost options.

When a SuperLink arrangement of Life Cover through super linked to TPD Cover held outside super ends

A SuperLink arrangement of Life Cover through **super** linked to TPD Cover held outside **super** ends on the earlier of the date:

- of any circumstance set out under 'When TPD Cover ends' on page 38
- the **linked policy** is cancelled or avoided
- we receive written notification from the policy owner, or the life insured under OneCare Super, to cancel both or either of the Covers under the SuperLink arrangement.

Unless we agree otherwise, the TPD definition will automatically convert to the Non-working TPD definition on the policy anniversary when the life insured is age 65. However, if we classify the life insured's occupation as white collar, you can ask us to continue to apply their Any Occupation or Own Occupation TPD definition. Please see page 29 for more details.

Delete all wording under 'You can link Trauma Cover with Life or TPD Cover held through super' on page 40 and replace it with the following:

You can link Trauma Cover with Life and/or TPD Cover held through super or TPD Cover held outside super

You can link Trauma Cover that sits outside **super** to Life Cover and/or TPD Cover under a policy held through **super**. This is called a SuperLink Trauma arrangement. Please see page 45 for more details.

You can also link Trauma Cover with TPD Cover that sits outside **super** to Life Cover under a policy held through **super**. This is a SuperLink arrangement with Life Cover through **super** linked to TPD Cover held outside **super**. Please see page 33 for more details.

New discount for platforms

We have introduced a premium discount for policies that are issued to a trustee of an eligible platform from which premiums are funded.

Delete all wording under 'Combine insurance for discounts' on page 12 and replace it with the following:

Premium discounts

We reward you with premium discounts when you combine your insurance or fund your premiums from an eligible platform. We have four key discounts:

- size discount – based on your amount of Cover in dollar terms
- multiple Cover discounts – if you take out a combination of Cover types for each life insured
- multiple life discount – if you link your policy with an eligible family member, business partner or combination of family members and business partners. This is known as an 'extended business group'
- platform discount – if you take out a policy issued to the trustee of an eligible platform with an eligible payment method.

Correction to the eligibility conditions for Total Disability and Partial Disability Benefits

We have corrected the eligibility conditions for Total Disability and Partial Disability Benefits to rectify the omission from the table of Income Secure Standard.

Delete the table under 'Table: Eligibility conditions for Total Disability and Partial Disability Benefit' on page 75 and replace it with the following:

Life insured's Cover type and occupation category, shown on the Policy Schedule	Condition
<p>Basic and Income Secure SuperLink (Super) Occupation category: P, E, D, A, F, I, C, M, S, L or T</p>	<p>The life insured satisfies all the following:</p> <ul style="list-style-type: none"> • has been totally disabled for seven out of 12 consecutive days during the waiting period • has been disabled for the remainder of the waiting period • has ceased to be gainfully employed, or ceased for at least one day to receive gain or reward under a continuing arrangement to be gainfully employed, as a result of the illness or injury • has been continuously disabled since the end of the waiting period, unless claiming as a recurring claim. Please see page 76.
<p>Basic and Income Secure SuperLink (Super) Occupation category: H, HH or R (occupation R is not available for Income Secure SuperLink)</p>	<p>The life insured satisfies all the following:</p> <ul style="list-style-type: none"> • has been totally disabled for 30 consecutive days during the waiting period, or 14 consecutive days if the life insured has a 14 day waiting period • has been disabled for the remainder of the waiting period • has ceased to be gainfully employed, or ceased for at least one day to receive gain or reward under a continuing arrangement to be gainfully employed, as a result of the illness or injury • has been continuously disabled since the end of the waiting period, unless claiming as a recurring claim. Please see page 76.
<p>Special Risk, Basic SuperLink (non super), Standard, Income Secure SuperLink (non super) and Comprehensive Occupation category: H, HH or R (occupation R is not available for Standard, Basic SuperLink, Income Secure SuperLink or Comprehensive)</p>	<p>The life insured has been all the following:</p> <ul style="list-style-type: none"> • totally disabled for 30 consecutive days during the waiting period, or 14 consecutive days if you have a 14 day waiting period • disabled for the remainder of the waiting period • continuously disabled since the end of the waiting period, unless claiming as a recurring claim. Please see page 76.
<p>Basic SuperLink (non super), Standard, Income Secure SuperLink (non super) and Comprehensive Occupation category: P, E, D, A, F, I, C, M, S, L or T</p>	<p>The life insured has been all the following:</p> <ul style="list-style-type: none"> • totally disabled for seven out of 12 consecutive days during the waiting period • disabled for the remainder of the waiting period • continuously disabled since the end of the waiting period, unless claiming as a recurring claim. Please see page 76.
<p>Professional Occupation category A, C, D, E, F, I, P</p>	<p>The life insured has been both:</p> <ul style="list-style-type: none"> • disabled during the waiting period • continuously disabled since the end of the waiting period, unless claiming as a recurring claim. Please see page 76.

Extended expiry age of Life Cover and TPD Cover through super

We have extended the maximum expiry date for Life Cover through super to the policy anniversary when the life insured is age 130.

We have also extended the maximum expiry date for TPD Cover through super to the policy anniversary when the life insured is age 100.

Delete all wording under 'When Life Cover ends' on page 25 and replace it with the following:

When Life Cover ends

Life Cover for a life insured will end and our liability to pay any benefit under Life Cover will cease automatically on the earliest of the:

- policy anniversary when the life insured is age 130
- Cover expiry date shown on the Policy Schedule, if applicable
- date we pay or begin to pay the full Life Cover lump sum that reduces the Life Cover amount insured under this policy to zero
- date we pay or begin to pay the Life Cover instalment amount insured that reduces the Life Cover amount insured under this policy to zero
- date we receive written notification from the policy owner, or the life insured under OneCare Super, to cancel the Cover
- date we lawfully cancel and/or avoid the Cover
- date we cancel the policy because the premium has not been paid when due
- date we pay or begin to pay a benefit under TPD Cover under this policy or a **linked policy** that reduces the Life Cover amount insured under this policy to zero
- date we pay or begin to pay a benefit under Trauma Cover under this policy or a **linked policy** that reduces the Life Cover amount insured under this policy to zero
- date the Life Cover amount insured is reduced to zero
- date the life insured ceases to be a member of the external master trust – if the policy is held through an external master trust
- date the life insured ceases to be a member of the **MasterFund** – if the life insured has OneCare Super unless you opt to continue the Life Cover outside **super** (See 'You can continue Cover outside super' below)
- date the life insured is unable to roll over or transfer existing superannuation amounts from other OnePath superannuation products or external superannuation products, to their OneCare Super
- date the life insured dies.

Delete all wording under 'You can continue your Cover outside super' on page 25 and replace it with the following:

You can continue your Cover outside super

You can apply, without further underwriting, to continue Life Cover outside **super** if your Life Cover held through **super** ceases because either:

- you are unable to rollover or transfer existing **super** amounts to OneCare Super
- you cease to be a member of an external master trust, or OneCare Super.

You must exercise this option within 30 days after your Life Cover ends.

The new Life Cover will be on the same terms that apply under this policy.

Please note that you will not have any Life Cover under this policy from the date your Life Cover ends. If your new Life Cover starts after this date, you may be without cover for a period of time.

Delete all wording under 'When TPD Cover ends' on page 38 and replace it with the following:

When TPD Cover ends

TPD Cover for a life insured will end and our liability to pay any benefit under TPD Cover will cease automatically on the earliest of the:

- policy anniversary when the life insured is age 65 – if the policy is part of a SuperLink arrangement (unless the SuperLink arrangement is Life Cover through super linked to TPD Cover held outside super, in which case, cover expires at age 100)
- policy anniversary when the life insured is age 100 – if the policy is not part of a SuperLink arrangement
- cover expiry date shown on the Policy Schedule
- date we pay or begin to pay the full TPD Cover lump sum or instalment amount insured
- date we receive written notification from the policy owner, or the life insured under OneCare Super, to cancel the Cover
- date we lawfully cancel and/or avoid the Cover
- date we cancel the policy because the premium has not been paid when due
- date that Cover in respect of the life insured under a **linked policy** ends if the Cover is part of a TPD SuperLink arrangement. However, this only applies if this policy is outside **super**, or if this policy is held through **super** and Cover under the **linked policy** ends for any reason other than reaching the policy anniversary when the life insured is age 65
- date we pay or begin to pay a benefit under Life Cover under this policy or a **linked policy** that reduces the TPD Cover amount insured under this policy to zero
- date we pay or begin to pay a benefit under TPD Cover under this policy or a **linked policy** that reduces the TPD Cover amount insured under this policy to zero
- date we pay or begin to pay a benefit under Trauma Cover under this policy or a **linked policy** that reduces the TPD Cover amount insured under this policy to zero
- date the TPD Cover amount insured is reduced to zero
- date the life insured ceases to be a member of the external master trust – if the policy is held through an external master trust
- date the life insured ceases to be a member of the **MasterFund** – if the life insured has OneCare Super unless you opt to continue the TPD Cover outside **super** (See 'You can continue Cover outside super' below)
- date the life insured is unable to roll over or transfer existing **super** amounts from other OnePath **super** products or external **super** products, to their OneCare Super
- date the life insured dies.

Delete all wording under 'You can continue your Cover outside super' on page 38 and replace it with the following:

You can continue your Cover outside super

You can apply, without further underwriting, to continue TPD Cover outside **super** if your TPD Cover held through **super** ceases because either:

- you are unable to rollover or transfer existing **super** amounts into OneCare Super
- you cease to be a member of an external master trust, or OneCare Super.

You must exercise this option within 30 days after your TPD Cover ceases.

The new TPD Cover will be on the same terms that apply under this policy.

Update to the Budget announcements

The changes to superannuation and taxation laws outlined in the 2016-2017 Federal Budget and subsequent announcements have been legislated with most measures due to take effect from 1 July 2017.

Delete all wording under 'Changes to information in this PDS' on page 6 and replace it with the following:

Changes to information in this PDS

Certain information in this **PDS**, including taxation information, is based on present laws and how we interpret those laws.

Changes to superannuation and taxation laws were announced in the May 2016–17 Federal Budget – further information can be found on page 135. Legislation to effect these changes has been made, but the changes will not come into effect until 1 July 2017. The measure for individuals with a total superannuation balance under \$500,000 to make catch-up concessional contributions commences from 1 July 2018.

We will issue a supplementary or replacement **PDS** if there is a materially adverse change to, or omission of, information in this **PDS**. You can request a free paper copy of any updated information by contacting 133 667.

We also reserve the right to change matters which do not form part of the policy. This includes administrative matters, or fees and charges.

Delete all wording under 'Withholding tax rates for temporary residents' on page 134.

Delete all wording under 'Budget announcements' on page 135 and replace it with the following:

Budget announcements

Changes to superannuation and taxation laws were outlined in the 2016-2017 Federal Budget and subsequent announcements. Legislation to effect these changes has been made, but the changes will not come into effect until 1 July 2017. The measure for individuals with a total superannuation balance under \$500,000 to make catch-up concessional contributions commences from 1 July 2018.

Generally, the changes to superannuation and taxation laws include:

- the imposition of a \$1.6 million transfer balance cap on the total amount of accumulated superannuation an individual can transfer into the tax free retirement phase. Special rules apply for certain defined benefit and non-commutable income streams.
- a reduction in the annual non-concessional contributions cap from \$180,000 to \$100,000, with the bring forward rule for individuals aged 64 or less to reduce from \$540,000 to \$300,000.
- individuals with a total superannuation balance of \$1.6 million will no longer be eligible to make non-concessional contributions.
- a reduction in the annual concessional contributions cap to \$25,000.
- a reduction in the income threshold for high income earners incurring additional 15% contributions tax on concessional contributions to \$250,000 per annum.
- the ability for individuals with a total superannuation balance under \$500,000 to make catch-up concessional contributions up to the sum of their unused concessional cap amounts carried forward on a rolling basis for a period of 5 consecutive years.
- removal of the 10% employment income test for deductibility of personal superannuation contributions.
- removal of the anti-detriment provision for superannuation lump sum death benefits.
- earnings on assets supporting transition to retirement income streams to be taxed at 15%.
- eligible income threshold for low income spouse superannuation tax offset to increase to \$37,000.
- low income superannuation tax offset (LISTO) will replace the Low Income Superannuation Contribution (LISC).

For further information on the superannuation reforms please talk to your adviser or visit treasury.gov.au/Policy-Topics/SuperannuationAndRetirement/Superannuation-Reforms or ato.gov.au/Individuals/Super/Super-changes

Update to the commencement of Interim Cover

We have updated the commencement of Interim Cover if completing a Personal Statement via the 'Tele Interview' or 'Online Questionnaire' service to align with a fully completed application upon submission.

Delete all wording under 'Commencement of Interim Cover' on page 138 and replace it with the following:

Commencement of Interim Cover

Interim Cover will only commence when we or an authorised adviser receives a fully completed, signed and dated OneCare application. If applying using OneCare's electronic application, the application must be 'submitted' or 'pending submission'.

If using the 'Tele Interview' or 'Online Questionnaire' service, Interim Cover will commence once the electronic application has been submitted for you to complete the 'Tele-Interview' or 'Online Questionnaire'.

For Interim Cover to continue, we must receive one of the applicable payment options below within 14 days of the date we or an authorised adviser receive your fully completed, signed and dated application:

- a cheque, a valid Direct Debit Authority, an authority to charge your credit card or Internal Rollover Authority for paying the first premium
- enduring rollover authority to pay premiums via External Rollover (for OneCare Super only)
- a valid external superannuation fund or master trust member number (for OneCare External Superannuation policies).

For Interim Cover to continue for those applications using 'Tele-Interview' or the 'Online Questionnaire' service, the 'Tele-Interview' or 'Online Questionnaire' must be completed by you within 28 days of the date we receive your electronic application indicating your preference for you to complete 'Tele-Interview' or 'Online Questionnaire'.