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> SUPERANNUATION

OneCare

Supplementary Product Disclosure Statement

1 July 2007

This Supplementary Product Disclosure Statement (SPDS) supplements the OneCare Product Disclosure Statement (PDS) dated September 2005 and is to be read together with that PDS. Terms defined in the SPDS have the same meaning as in the PDS.

The issuer of this SPDS is ING Life Limited (ABN 33 009 657 176, AFSL 238341) (ING Life).

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

- changes to some product terms and conditions
- the Alternative Form of Remuneration Register
- changes to the tax deductibility of premiums for Income Secure Cover owned by superannuation funds
- changes to the tax treatment of employment termination payments
- the new simpler superannuation system.

Changes to some product terms and conditions

ING Life has changed some of the terms and conditions of OneCare.

Changes to the definition of selected Trauma conditions

For selected trauma conditions we have changed the definitions which we use to assess claims. The new definitions are provided below.

Replace the definition of **aplastic anaemia** on page 83 of the PDS with:

Aplastic anaemia means acquired bone marrow failure that:

- results in anaemia, neutropenia and thrombocytopenia and
- requires treatment with one or more of the following:
  – marrow stimulating agents
  – bone marrow transplantation
  – peripheral blood stem cell transplantation
  – blood product transfusions or
  – immunosuppressive agents.

Replace the definition of **cancer** on page 83 of the PDS with:

Cancer means the presence of one or more malignant tumours including leukaemia, lymphomas and Hodgkin's disease characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue. The following cancers are not covered:

- tumours showing the malignant changes of carcinoma in situ* (including cervical dysplasia CIN-1, CIN-2, and CIN-3), or which are histologically described as pre malignant

  * Carcinoma in situ of the breast is covered if it results directly in the removal of the entire breast. This procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment.
- melanomas of less than 1.5mm maximum Breslow thickness and which are also less than Clark Level 3 depth of invasion as determined by histological examination
- all hyperkeratoses or basal cell carcinomas of the skin
- all squamous cell carcinomas of the skin unless there has been a spread to other organs
- prostatic cancers which are histologically described as TNM Classification T1 or another equivalent or lesser classification (unless the entire prostate is removed and this is considered to be the appropriate and necessary treatment and is performed specifically to arrest the spread of malignancy) and
- chronic lymphocytic leukaemia less than Rai Stage 1.

Replace the definition of **triple vessel angioplasty** on page 87 of the PDS with:

> **Triple vessel angioplasty** means the undergoing of angioplasty (with or without an insertion of a stent or laser therapy) to three or more coronary arteries during a single surgical procedure that is considered necessary on the basis of angiographic evidence to correct the narrowing or blockage of three or more coronary arteries.

The following table shows the types of cover to which each new definition applies. It also explains where in the PDS you can find more information about each type of cover.

	Where in the PDS	Aplastic anaemia	Cancer	Triple vessel angio-plasty
Trauma Comprehensive	Page 21	✓	✓	✓
Trauma Premier	Page 21	✓	✓	✓
Income Secure Comprehensive*	Page 43		✓	
Income Secure Professional*	Page 43		✓	
Child Cover	Page 62	✓	✓	

* As part of the Trauma Recovery Benefit.

Change to the Trauma Cover Reinstatement Option

We have increased the amount of Trauma Cover that can be reinstated under this option from 75% to 100% of the Trauma Benefit paid.

This change applies if you select Trauma Cover and also select this option.

In the section headed Trauma Cover Reinstatement Option on page 27 of the PDS, replace the second paragraph with:

> If you choose this option and we pay the full Trauma Cover amount insured, 12 months later you can reinstate Trauma Cover up to 100% of the Trauma Benefit paid without having to supply further medical evidence. You need to take up this offer within 30 days of our letter of offer.

And replace the fourth paragraph with:

> You cannot exercise this option if:
>
> - a TPD Benefit or a benefit for terminal illness has been paid for the life insured
> - only a partial payment was made, for example for **angioplasty**. However, you can exercise this option when multiple payments total the full amount insured, and for 100% of the sum of the Trauma Benefits paid.

Alternative Form of Remuneration Register

Insert the following text within the section 'Financial adviser commission' on page 73 of the PDS:

> ING Australia Limited maintains an Alternative Form of Remuneration Register (Register) in accordance with IFSA Industry Code of Practice on Alternative Forms of Remuneration in the Wealth Management Industry. The Register outlines the alternative forms of remuneration which are paid and received from givers and receivers of such remuneration. If you would like to view the Register please contact Customer Services on 133 667.

Changes to the tax deductibility of Income Secure Cover premiums for superannuation funds

In the section 'Income Secure Cover' on page 79 of the PDS, replace the first paragraph under the heading 'Superannuation fund' with the following:

The ATO's Tax Determination 2007/3 generally allows the trustee of a superannuation fund to claim a tax deduction for premiums paid in relation to members of the fund regardless of the maximum benefit period that applies.

Changes to employment termination payments

The following wording is updated information on tax considerations as they relate to policies owned by employers over the lives of employees. It updates the section headed 'Employer (over the life of an employee)' under 'Life Cover' on page 77 of the PDS:

The tax treatment of benefits paid by an employer on the death of an employee change with effect from 1 July 2007. When paid to a dependant of the insured employee, the first $140,000 of any benefit will be tax free. When paid to a non-dependant, the first $140,000 will be taxed at up to 31.5%. In both cases, amounts above $140,000 will be taxed at the highest marginal rate plus Medicare levy.

The following wording is updated information on tax considerations as they relate to policies owned by employers over the lives of employees. It updates the sections headed 'Employer (over the life of an employee)' under 'TPD Cover and the Terminal Illness Benefit' and 'Trauma Cover' on page 78 of the PDS:

The tax treatment of benefits paid by an employer to an employee on the termination of their employment change with effect from 1 July 2007. In some circumstances part of the termination benefit may be classified as an invalidity amount in which case this portion will be received tax free. The first $140,000 of the taxable amount will be taxed at up to 16.5% (up to 31.5% for individuals less than their preservation age). Taxable amounts above $140,000 will be taxed at the highest marginal rate plus Medicare levy.

Transitional arrangements may apply to payments made prior to 1 July 2012 if an entitlement to such a payment was specified in the life insured's employment contract as at 9 May 2006, and the employment contract specifies a way of working out the amount to be paid. The first $140,000 of the taxable amount will be taxed at up to 16.5% (up to 31.5% for individuals less than their preservation age). Amounts up to $1,000,000 will be taxed at up to 31.5%, and amounts over $1,000,000 will be taxed at the highest marginal rate plus Medicare levy.

The new simpler superannuation system

The following text is updated information on taxation considerations as they relate to policies owned by trustees of superannuation funds and should be read in conjunction with the section 'What do I need to know about taxation?' on pages 77 to 79 of the PDS.

A new simpler superannuation system is in effect from 1 July 2007. The changes may have a significant impact upon a member's superannuation arrangements. We suggest a member seek advice from their financial adviser as to the implications of changes for their personal circumstances.

Changes to superannuation benefit payments (effective 1 July 2007)

- Reasonable Benefit Limits have been abolished, removing restrictions on how much can be withdrawn from superannuation with concessional tax treatment.
- All superannuation death benefit lump sum payments to dependants are tax free. Dependants include the member's spouse, ex-spouse, children under the age of 18, financial dependants and someone with whom the member had an interdependency relationship, as at the date of death.
- The tax treatment of lump sum benefits, such as benefits for total and permanent disability or terminal illness, paid to members as superannuation lump sums has changed:
  - payments to members aged 60 or over are tax free. Payments do not have to be included in a tax return, which may provide further tax and government benefits.
  - payments to members under age 60 have been simplified and will include only two components – tax free (e.g. invalidity amount) and taxable. Trustees should speak to their financial adviser if they require further information on the potential tax treatment of any benefit payments to members.

Important note: This is only a summary of some of the key superannuation changes effective 1 July 2007. For more information on the changes trustees should visit the government website at www.ato.gov.au/bettersuper or seek professional advice from their financial adviser that is specific to their circumstances and supports their objectives, financial situation and needs.

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OneCare Super

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The issuer of this SPDS is ING Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) (ING Custodians or Trustee). ING Custodians is the trustee of the ING Masterfund (ABN 53 789 980 697, RSE R1001525).

The purpose of this SPDS is to update the OneCare Super PDS to include information about:

- the Alternative Form of Remuneration Register
- providing your Tax File Number to the Trustee
- the new simpler superannuation system.

Alternative Form of Remuneration Register

Insert the following text within the section 'Financial adviser commission' on page 73 of the PDS:

ING Australia Limited maintains an Alternative Form of Remuneration Register (Register) in accordance with IFSA Industry Code of Practice on Alternative Forms of Remuneration in the Wealth Management Industry. The Register outlines the alternative forms of remuneration which are paid and received from givers and receivers of such remuneration. If you would like to view the Register please contact Customer Services on 133 667.

Providing your Tax File Number

Insert the following text within the section 'Tax File Number (TFN)' on page 69 of the PDS:

Changes to superannuation laws take effect from 1 July 2007 and include changes to the consequences of not providing your Tax File Number (TFN) to the trustee of a superannuation fund. Under the new laws, if you do not provide your TFN to the trustee, the trustee may not be able to accept your contributions or alternatively the contributions may be subject to tax at the top marginal rate plus Medicare levy.

You are not required by taxation or superannuation laws to provide your TFN to the Trustee, however if you apply for OneCare Super and you do not provide your TFN, unfortunately the Trustee will not be able to accept your application for membership of the ING MasterFund.

The new simpler superannuation system

The following text is updated taxation information and should be read in conjunction with 'What is OneCare Super?' on pages 64 to 69 of the PDS.

A new simpler superannuation system is in effect from 1 July 2007. The changes may have a significant impact upon a member's superannuation arrangements. We suggest a member seek advice from their financial adviser as to the implications of changes for their personal circumstances.

Changes to superannuation contributions (effective 1 July 2007)

- A $150,000 annual limit applies to post-tax (undeducted) contributions from 1 July 2007. Members should speak to their financial adviser if they require further information on this limit.
- Superannuation contributions made by employers and eligible persons (e.g. self-employed) are generally fully tax deductible up to age 75.
- Age-based contribution limits (for deductible superannuation contributions) have been replaced by a $50,000 concessional contributions limit. Amounts over that limit will be taxed at the highest marginal rate plus Medicare levy. A transitional $100,000 limit applies prior to 30 June 2012 for individuals who are 50 years or older.

Changes to superannuation benefit payments (effective 1 July 2007)

- Reasonable Benefit Limits have been abolished, removing restrictions on how much can be withdrawn from superannuation with concessional tax treatment.
- All superannuation death benefit lump sum payments to dependants are tax free. Dependants include the member's spouse, ex-spouse, children under the age of 18, financial dependants and someone with whom the member had an interdependency relationship, as at the date of death.
- The tax treatment of lump sum benefits, such as benefits for total and permanent disability or terminal illness, paid to members as superannuation lump sums has changed:
  - payments to members aged 60 or over are tax free. Payments do not have to be included in a tax return, which may provide further tax and government benefits.
  - payments to members under age 60 have been simplified and will only include two components – tax free (e.g. invalidity amount) and taxable. Members should speak to their financial adviser if they require further information on the potential tax treatment of any benefit payments.

Important note: This is only a summary of some of the key superannuation changes effective 1 July 2007. For more information on the changes members should visit the government website at www.ato.gov.au/bettersuper or seek professional advice from their financial adviser that is specific to their circumstances and supports their objectives, financial situation and needs.

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