

26 May 2020



Member number: 

Dear 

## **The cost of insurance in smartMonday PRIME is increasing**

Here at smartMonday, we understand the impact that changes in prices can have on households across Australia. We work closely with our insurance partner to ensure any price increases for the insurance members have built into their super are as reasonable and transparent as possible.

On 1 July 2020 the cost of insurance in smartMonday PRIME is increasing. And while there is never a good time to increase prices, we recognise this is particularly difficult news in the current environment.

### ***Why is the cost of insurance is increasing?***

We have reached the end of our rate guarantee period, and following a review by our insurance partner, our insurance rates will be going up due to (a) an increase in the value of claims being paid to members and (b) the impact of legislative changes on insurance pricing.

The growth in the number of claims being paid to members means the cost of insurance needs to increase to cover these claims. Furthermore, recent legislation introduced by the Australian Government, including 'Protecting Your Super' and 'Putting Members Interest First' means the way we provide access to cover has changed, and this ultimately impacts the cost of insurance.

### ***How much will the cost of insurance increase by?***

On 1 July 2020, the underlying rates for insurance cover will be increasing by 43.1% and will apply to Death, Total and Permanent Disablement (TPD), and Income Protection cover. The new rates will be guaranteed until 30 June 2021 which means the cost of cover for every age will remain unchanged, even if there is an increase in the number of claims paid to members.

It's important to remember that premiums do rise as you get older. Insurers in general consider that the older you are, the more likely you will be to claim. This is factored into their pricing, and



therefore you should expect to pay more for cover each year. More broadly, we have seen the cost of insurance increase across the Australian market.

The new premium rates that apply from 1 July 2020 will be available in the “smartMonday PRIME– Insurance rates” fact sheet. It forms part of, and should be read in conjunction with, this notice. It will be available from 1 June 2020 at <https://smartmonday.com.au/Resources-Landing/PDS.aspx> or can be provided to you on request by phoning us on **1300 614 644**.

### ***What does the premium increase mean to me?***

If you hold insurance cover in smartMonday, the premiums will increase from 1 July 2020. The increase in premiums does not impact the level and type of insurance cover for any insured member. Please note, however, that the deduction of insurance premiums from superannuation accounts can have an impact on your balance at retirement.

This increase in premiums does not require any action. However if you are concerned about the increased premiums, or level and type of cover; the level and type of cover can be varied, or you can cancel your cover by submitting your request to us by email or post.

At smartMonday, we encourage members to regularly review their insurance cover to ensure it suits their situation.

### ***How can smartCoaches help me with my insurance questions?***

You have access to smartCoaches who can provide intra-fund advice (at no additional cost) about insurance, investment mix and contributions within the Fund. The smartCoach team can be contacted on **1300 262 241**, Mon – Fri 9.00am to 5.00pm AEST. Any intra-fund advice is provided by or on behalf of Aon.

### ***What kind of insurance cover is available in smartMonday?***

- Death cover - Payable if you die, or earlier in the event of terminal illness.
- TPD cover - Payable if an injury or illness prevents you ever being able to work again and you satisfy one of the definitions of total and permanent disability.
- Income protection insurance cover - Payable as monthly income for a set period if an injury or illness prevents you from working temporarily.

For more information on smartMonday insurance terms and conditions, including coverage, definitions and circumstances where there are exclusions or limitations to benefits, please refer to the *Insurance* guide provided to you when you joined smartMonday.

The *Insurance* guide can help members understand the insurance benefits available as well as their current costs. However, please note that the new premium rates will be updated in the relevant *Insurance* guide for your employer plan with effect on 1 July 2020.

### ***What are some of the benefits of having insurance through smartMonday?***

- The cost of insurance is deducted from a member's super unless the member's employer is meeting some or all the cost.
- Eligible members, in many circumstances, may be automatically accepted for cover without requiring a health check.
- Insurance costs paid out of superannuation account provide you and your family with protection, without impacting your weekly or monthly budget.

A possible disadvantage with insurance in super is that costs deducted from your superannuation account balance may reduce the benefit you have in retirement.

### ***Questions about insurance or varying insurance within super***

If you would like to talk about insurance generally or the impacts of these premium rate increases, please call one of our smartCoaches on **1300 262 241** or email us on [smartcoach@smartmonday.com.au](mailto:smartcoach@smartmonday.com.au)

### ***How can I check the insurance cover I have in smartMonday?***

To find out what your current insurance cover is in your account, you can:

- Access the smartMonday Member Portal, or
- Call smartMonday Member Services on **1300 614 644**.

**Yours sincerely,**

**For and on behalf of the Trustee**

**Equity Trustees Superannuation Limited**

The information in this notice is general information only and does not take into account your particular objectives, financial circumstances or needs. You should consider obtaining personal financial advice that takes into account your particular circumstances before making any financial decisions based on the information in this notice.

