

1 December 2016

Dear Member

Important changes to insurance premiums

In the past few years, the Australian life insurance market has experienced significant issues that have had an upward impact on premiums. While some of these issues are now resolved, the rise in the number and dollar value of claims being paid out continues to have an effect on premiums. As a result, many superannuation funds have seen premium increases averaging 30% to 50% across the board in recent years.*

What are the changes?

VISSF members have not experienced an increase in premiums since 2005. In fact, only two years ago members received a 5% reduction on their income protection rates. With this in mind, we have been working closely with our partner TAL Life Limited (TAL) to ensure any premium increases are kept to a minimum, while maintaining the product features and benefits our members need.

From 1 February 2017, the increase in premiums that will apply to Death, Death and Total & Permanent Disablement (DTPD) and Income Protection (IP) are as follows:

	Death	DTPD	IP
Average rate increase	15%	15%	5%

While default cover amounts remain the same, we have provided a summary table below to illustrate how the changes affect the cost of unit cover.

Cover type	Current		From 1 February 2017	
	Cost for 1 unit of cover per week	Cost for 3 units of cover per week	Cost for 1 unit of cover per week	Cost for 3 units of cover per week
Death	\$0.56	\$1.68	\$0.64	\$1.92
DTPD	\$1.00	\$3.00	\$1.15	\$3.45
IP				
5 year benefit	\$1.30	\$3.90	\$1.37	\$4.11
2 year benefit	\$0.95	\$2.85	\$1.00	\$3.00
To age 65	\$2.48	\$7.44	\$2.60	\$7.80

Premiums for Voluntary Cover will also change from 1 February 2017, with rates for each cover type, gender and age next birthday shown in our updated premium tables available at www.vissf.com.au/pds-documents.

VISSF The Victorian Independent Schools Superannuation Fund
GPO Box 4974 Melbourne VIC 3001

T 1300 660 027 | E super@vissf.com.au | W www.vissf.com.au
Fund ABN: 37 024 873 660 | MySuper Authorisation: 37024873660599 | RSE Registration: R1000436
Trustee: VIS Nominees Pty Ltd | ABN: 11 006 586 367 | AFS Licence: 235097 | RSE Licence: L0000321

How can I see the changes?

You can find out how the increases affect weekly insurance costs by accessing the new premium tables at www.vissf.com.au/pds-documents. If you would like to check your existing level and type of cover, simply log into your Member Online account and click on the Insurance Details tab.

How we work with TAL to get the best outcome for members

As part of our regular review process, we engaged an external consultant to undertake an independent assessment of TAL's proposed rate increases, which were based on VISSF's claims experience over the past five years. After a thorough tender process, involving several other leading insurance providers, we were able to renegotiate the insurance arrangements we have with our current partner TAL and ensure the premium increases were kept to a minimum.

Therefore, VISSF has reappointed TAL with a two year guarantee period on premium rates, while all other product terms and conditions will remain the same.

Our commitment to you

Throughout the review process, our key goal was to keep the premium increases as low as possible while retaining product definitions that are relevant to our members. Given recent market conditions in the insurance industry, we believe the Trustee has achieved a positive outcome for members.

Should you have any questions about the changes to insurance premiums or want to find out your current level of cover, please contact our Client Services Team on 1300 660 027 between 8am and 5pm AEST.

Kind Regards



Peter Sharples
Chairman

*Superfunds magazine "The rising tide" April 2016

You should read the information about insurance, including optional insurance cover and costs, eligibility conditions, exclusions and other significant matters, before deciding whether the insurance is appropriate. Go to the Insurance Guide and the Updated Premium Tables effective from 1 February 2017, that are available at www.vissf.com.au/pds-documents. The material relating to insurance may change between the time you read this statement and the day when you acquire the product or change your insurance. The information contained in this notice is general information only and does not take into account your personal financial situation or needs. You should consider obtaining advice that is tailored to suit your personal circumstances.