



17 December 2020

Dear Member

### Important changes to insurance premiums

The Federal Government's Putting Members First (PMIF) reforms have affected how super funds can provide insurance. These new rules combined with the impact of the global pandemic have meant insurance premiums have generally risen across the superannuation industry.

#### What are the changes?

From 1 April 2020, we were required to switch off insurance cover in super accounts below \$6,000 unless members elected to keep their cover. The removal of insurance from these accounts means, like most super funds, we now have fewer insured members than before.

In addition to legislation changes, other factors that have put pressure on premiums include a rise in insurance claims across the industry, which has resulted in higher operating costs for insurers and more recently, the uncertainty posed by COVID-19.

As a result, many insurers have reviewed and subsequently increased premiums. VISSF has been working closely with our partner TAL Life Limited (TAL) to make sure any insurance fee increases are kept to a minimum, while continuing to offer the features and benefits you need.

From 1 February 2021, an increase in premiums will apply to Death, Total & Permanent Disablement (TPD) and Income Protection (IP) as set out below.

|                  | DEATH | TPD | IP  |
|------------------|-------|-----|-----|
| AVERAGE INCREASE | 12%   | 12% | 14% |

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Trustee: VIS Nominees Pty Ltd | ABN: 11 006 586 367 | AFS Licence: 235097 | RSE Licence: L0000321

While default cover amounts remain the same, the tables below show the changes to the cost of that cover.

#### Default Income Protection - Sum Insured and Cost

| Age Last Birthday | Current Weekly Cost of 1 unit of default cover | New Weekly Cost of 1 unit of default cover | Default Units | Default Cover per month | Current Weekly Cost of Default cover | New Weekly Cost of Default cover |
|-------------------|--|--|---------------|-------------------------|--------------------------------------|----------------------------------|
| 15 - 19           | \$0.000  | \$0.000                                    | 0             | \$0                     | \$0.000                              | \$0.000                          |
| 20 - 24           | \$0.140  | \$0.160                                    | 4             | \$2,000                 | \$0.560                              | \$0.640                          |
| 25 - 29           | \$0.149  | \$0.170                                    | 6             | \$3,000                 | \$0.894                              | \$1.020                          |
| 30 - 34           | \$0.184  | \$0.210                                    | 8             | \$4,000                 | \$1.472                              | \$1.680                          |
| 35 - 39           | \$0.254  | \$0.290                                    | 8             | \$4,000                 | \$2.032                              | \$2.320                          |
| 40 - 44           | \$0.410  | \$0.467                                    | 8             | \$4,000                 | \$3.280                              | \$3.736                          |
| 45 - 49           | \$0.691  | \$0.788                                    | 7             | \$3,500                 | \$4.837                              | \$5.516                          |
| 50 - 54           | \$1.154  | \$1.316                                    | 5             | \$2,500                 | \$5.770                              | \$6.580                          |
| 55 - 59           | \$1.853  | \$2.112                                    | 4             | \$2,000                 | \$7.412                              | \$8.448                          |
| 60 - 64           | \$1.809  | \$2.062                                    | 3             | \$1,500                 | \$5.427                              | \$6.180                          |

#### Default Death & TPD – Sum Insured & Cost

| Age Last Birthday | Default Units | Default Cover  | Current Weekly Cost of default cover | New Weekly Cost of default cover | Default Units | Default Cover  | Current Weekly Cost of default cover | New Weekly Cost of default cover |
|-------------------|---------------|--|--------------------------------------|----------------------------------|---------------|--|--------------------------------------|----------------------------------|
|                   | Death         | Death  | Death                                | Death                            | TPD           | TPD  | TPD                                  | TPD                              |
| 15 - 24           | 2             | \$125,400  | \$0.662                              | \$0.742                          | 4             | \$250,800  | \$1.520                              | \$1.704                          |
| 25 - 29           | 4             | \$250,800  | \$1.324                              | \$1.484                          | 4             | \$250,800  | \$1.520                              | \$1.704                          |
| 30 - 40           | 6             | \$376,200  | \$1.986                              | \$2.226                          | 4             | \$250,800  | \$1.520                              | \$1.704                          |
| 41                | 6             | \$323,100  | \$1.986                              | \$2.226                          | 4             | \$215,400  | \$1.520                              | \$1.704                          |
| 42                | 6             | \$270,300  | \$1.986                              | \$2.226                          | 4             | \$180,200  | \$1.520                              | \$1.704                          |
| 43                | 6             | \$217,200  | \$1.986                              | \$2.226                          | 5             | \$181,000  | \$1.900                              | \$2.130                          |
| 44                | 6             | \$164,400  | \$1.986                              | \$2.226                          | 6             | \$164,400  | \$2.280                              | \$2.556                          |
| 44 - 69           | 6             | \$164,400 at age 44 and reducing each year to \$23,700 at age 69 | \$1.986                              | \$2.226                          | 6             | \$164,400 at age 44 and reducing to \$23,700 at age 69 | \$2.280                              | \$2.556                          |

#### Where can I see the changes?

You can find out how the 1 February 2021 increases affect weekly costs of cover by accessing the new Default and Voluntary insurance premium tables at [www.vissf.com.au/pds-documents](http://www.vissf.com.au/pds-documents). If you would like to compare with your existing cover arrangements, simply log into your Member Online account and click on the Insurance Details tab.

**Better outcomes 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. A benchmarking comparison indicated that VISSF's premium rates are at the lower end of rates offered by similar funds.

**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. As always, you will only pay for what it costs us to provide your cover.

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 weekdays.

Kind Regards

A handwritten signature in black ink, appearing to read 'P. Sharples', with a stylized flourish at the end.

Peter Sharples  
**Chairman**

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 2021, that are available at [www.vissf.com.au/pds-documents](http://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.