

Important changes to insurance

FirstChoice Employer Super

New Insurance Booklet:
Issue No. 2025/1 dated 1 February 2025

Old Insurance Booklet:
Issue No. 2024/1 dated 16 November 2024

This brochure highlights the changes we have made to the FirstChoice Employer Super Insurance Booklet dated 16 November 2024 (Old Insurance Booklet). This booklet forms part of the Product Disclosure Statement (PDS) for FirstChoice Employer Super.

You should read this document to understand the changes to insurance within FirstChoice Employer Super.

The changes in this brochure are included in the new Insurance Booklet dated 1 February 2025 (New Insurance Booklet), which forms part of the PDS. You can obtain a copy of the most up-to-date PDS on our website at cfs.com.au, or call us on 13 13 36.

Insurance changes

We have negotiated premium reductions and changes to some terms with the insurer.

The following outlines the changes applied to the FirstChoice Employer Super Insurance Booklet issued on 1 February 2025. The changes set out in this document only apply if you have insurance cover.

If you have insurance cover in FirstChoice Employer Super, view your insurance details online at any time by logging in to FirstNet (our secure online account access) on cfs.com.au. You can also view your account anytime in the Colonial First State app on cfs.com.au/app

Reduced premium rates

On 1 February 2025, the standard insurance premium rates for Death, Total Permanent and Disablement (TPD) and Salary Continuance Insurance (SCI) with a benefit period of two years were reduced.

The new standard premium rates are set out in the new FirstChoice Employer Super Insurance Booklet, available from 1 February 2025. If you are an insured member, the actual premium rate changes will be communicated in a separate document.

Prior to 1 February 2025, retained benefit members are charged a 20% loading on the standard premium rates. From 1 February 2025, the retained benefit loading was reduced to 10%.

Your SCI cover may end if you become a retained benefit member – but you can choose to keep it

Generally, you are classified as a retained benefit member if:

- your employer tells us that you are no longer an employee;
- we have not received an employer contribution in your account for two years; or
- your employer plan has terminated.

We will notify you when you become a retained benefit member.

Any employer selected cover that you held immediately before becoming a retained benefit member will be converted to a fixed amount of investor selected cover when you become a retained benefit member. Employer selected cover is automatic cover available to most eligible employee members.

If you first become a retained benefit member on or after 1 February 2025, generally any SCI cover that was employer selected cover immediately before you became a retained benefit member (and was converted to investor selected cover on becoming a retained benefit member) will end on the premium due date 90 days after you become a retained benefit member.

Within 90 days of becoming a retained benefit member, you can elect to keep your SCI cover.

However, any SCI cover that was employer selected cover immediately before you became a retained benefit member (and was converted to investor selected cover on becoming a retained benefit member) will not end if:

- you applied (and were accepted) for employer selected cover above the automatic acceptance limit;
- you also had SCI cover that was investor selected cover immediately before becoming a retained benefit member;
- you have lodged a claim for SCI cover (and are receiving a benefit) under your FirstChoice Employer Super account; or
- you have lodged a claim for any type of cover under your FirstChoice Employer Super account (and the claim is still being assessed).

Salary increase life events option for retained benefit members with SCI cover

If you are a retained benefit member, from 1 February 2025 you can request that your SCI cover monthly benefit be increased if your monthly income increases (called salary increase life events option).

Under the salary increase life events option, you can increase your monthly benefit by the lesser of:

- the increase in your monthly income multiplied by your insured percentage¹;
- 15% of your monthly benefit; and
- \$2,000,

up to a maximum of \$25,000.

You must provide us with evidence showing your previous income and new income. The request (and evidence of the increase) needs to be received by us within 120 days of the increase in your income.

You can only make one request in any 12 month period (and any subsequent request under the salary increase life events option must be at least 12 months after any previous request).

You will not be eligible to exercise a life events option (including this new salary increase life events option) in some circumstances, as set out in the Insurance Booklet.

For the purposes of this option, 'monthly income' excludes bonuses, allowances, regular overtime and shift allowances.

Changes to Limited Cover

In some cases, 'Limited Cover' may apply. 'Limited Cover' generally means that you won't be covered for death, terminal illness, or a disability resulting from an illness or injury that relates to a pre-existing medical condition.

From 1 February 2025, 'Limited Cover' will be applied for a shorter period of time in some circumstances, as follows:

Event	How long limited cover applies
If your cover increases due to a change in category or plan redesign, and you were not in active employment on the date of the change in category or plan redesign	Until you're in active employment ² for 30 consecutive days (previously, two consecutive months).
If your cover was cancelled due to inactivity (ie your account does not receive a contribution or rollover for 16 consecutive months) and subsequently restarts	At least two years and ends when you're in active employment ² for 30 consecutive days (previously two consecutive months) following the end of that two year period.

1 Insured percentage means the percentage of your monthly income which the insurer agrees to insure, subject to a maximum of 90% (which includes an allowance of up to 15% for super contributions).

2 Active employment is as defined in the FirstChoice Employer Super Insurance Booklet.

Changes to reinstatement terms due to terms applying on change in category or insurance design

Employer selected cover is based on an insurance design selected by your employer. Your employer may have more than one category with a different insurance design for each category. The employer can change your insurance design or your category from time to time.

Prior to 1 February 2025:

- if your employer selected cover is reduced or cancelled due to a change in category or employer plan insurance design, you can request to have your previous employer selected cover reinstated as investor selected cover within 90 days of the change taking effect; and
- limited cover will apply if you are not in active employment on the day you notify us and will continue to apply until you are in active employment for 30 consecutive days.

From 1 February 2025:

- you will have the option (within 90 days of the change taking effect) to request either:
 - (full reinstatement) that your previous employer selected cover be reinstated as investor selected cover; or
 - (partial reinstatement) that your previous employer selected cover be reinstated as investor selected cover (but only to the extent that it is greater than your new employer selected cover) while retaining your new employer selected cover; and
- limited cover will only apply to the portion of your reinstated cover which is greater than the cover that would have applied under the new employer selected cover.

Premiums will be deducted to cover the period from the date your cover is changed (to ensure there is no gap in cover).

These reinstatement options do not apply if you are in a 'Heavy blue collar (death only)' occupation group.

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