

Encompass Protection product and pricing changes

Effective from 15 November 2024

We've made some product and pricing changes to Encompass Protection.

The changes are effective from 15 November 2024. They won't apply to past or existing claims, or claims arising from health conditions or events that started or took place before the effective date.

What changes are we making?

The key changes are outlined in the tables below.

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|---|---|---|---|
| All cover types | Premium types | <p>In response to consumer and regulator feedback, life insurers are adopting a new naming convention to describe the premium structures used in life insurance products.</p> <p>If you opted for a 'stepped' premium type, this structure will now be known as 'variable age-stepped' premiums. This will be reflected in all the future correspondence you receive about your policy.</p> <p>Please note, this is a name change only, all other aspects of the premium structure remain the same.</p> | |
| TPD Cover | Future Increase Benefit | <p>The policy wording has been improved to increase the total maximum you can increase your TPD Cover sum insured by under the Future Increase Benefit.</p> <p>The previous wording noted that the TPD Cover sum insured cannot exceed \$2 million after exercising the benefit. This limit has been increased to \$3 million.</p> | |
| Income Protection Cover | Superannuation Contribution Option | <p>The policy wording has been improved to allow a higher sum insured under the Superannuation Contribution Option.</p> <p>If this applies to you, you can increase your Superannuation Contribution Option sum insured to a higher amount. Please note any increases to your sum insured will require underwriting.</p> | |
| | | New calculation | Previous calculation |
| | | <p>A maximum of:</p> <ul style="list-style-type: none"> 11.5% of the insured person's earnings up until 30 June 2025, and 12% of the insured person's earnings from 1 July 2025. | <p>A maximum of 10% of the insured person's earnings.</p> |
| Income Protection Cover - inside super only | Total Disability Benefit and Partial Disability Benefit | <p>We've made changes to the <i>disability</i> definitions (<i>total disability</i> and <i>partial disability</i>), and 'When we'll pay' terms. We've removed the need to meet the <i>temporary incapacity</i> definition within the <i>disability</i> definitions. Instead, you'll now need to meet the <i>SIS definition of temporary incapacity</i> for the Total Disability Benefit and Partial Disability Benefit to be paid. These changes ensure that the requirement for <i>temporary incapacity</i> will not affect or delay the start of your waiting period. The following changes have been made to the policy wording;</p> | |



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- Removal of the below policy wording from both the *total disability* and *partial disability* definitions:
“...the insured person must also satisfy the definition of *temporary incapacity*...”
- Added the below policy wording under ‘**When we’ll pay**’ for both the Total Disability Benefit and Partial Disability Benefit:
For insurance inside super, you must also have satisfied the SIS definition of temporary incapacity before any benefits are payable.
- Added the below definition under ‘**General definitions**’:
SIS definition of temporary incapacity
means in relation to a member who has ceased to be gainfully employed (including a member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the member to be gainfully employed), means ill-health (whether physical or mental) that caused the member to cease to be gainfully employed but does not constitute permanent incapacity.

Supplementary Income Protection Insurance

We’ve also changed the terms of Supplementary Income Protection Insurance to be consistent with the changes to the Total Disability Benefit and the Partial Disability Benefit. To effect this change, reference to *temporary incapacity* has been removed and replaced with *SIS definition of temporary incapacity*, and the relevant paragraph now states:

If no benefit is payable under the Income Protection Cover in super because you have not satisfied the *SIS definition of temporary incapacity* solely because you are not *gainfully employed* at the time of the *disability*, we will assess if we can pay you a benefit under Supplementary Income Protection Insurance.

In addition to the above changes, following a recent review, we’ve updated some medical definitions to ensure they remain up to date with current medical treatments and diagnoses.

In the unlikely event that you’re disadvantaged by the change, we’ll apply the prior definition, provided it has not become obsolete (because it’s no longer in use or is incapable of being applied in Australian health practice).

The changes will only apply to you if you have Critical Illness Cover.

Critical Illness Event definition changes

Out of hospital cardiac arrest

We’ve updated the definition in line with current medical diagnostic techniques. The new definition is:

Cardiac arrest which is not associated with any medical procedure and is documented by an electrocardiogram (ECG), occurs out of hospital, and is due to cardiac asystole or ventricular fibrillation with or without ventricular tachycardia.

If an ECG is not available, we’ll reasonably consider other evidence which unequivocally confirms a cardiac arrest has occurred. Such evidence may include Automated External Defibrillator (AED) data, ambulance or hospital medical records, documented administration of cardiopulmonary resuscitation (CPR) by an attending ambulance officer or hospital clinical staff.

Adult onset insulin dependent diabetes mellitus

We’ve updated the definition in line with current medical diagnostic techniques. The new definition is:

The diagnosis after the age of 30 of Type 1 (autoimmune) diabetes, confirmed by development of diabetes associated islet autoantibodies and requiring insulin to manage the condition.

Deafness in one ear – permanent (previously named 'Deafness in one ear – total and irreparable')

We've changed the name of the event and updated the definition in line with current medical diagnostic techniques. The new definition is:

The irreversible and irreparable loss of hearing in one ear, where the ear has an auditory threshold or greater than 90 decibels from the frequencies of 500 hertz to 3,000 hertz, even with amplification.

You should refer to your policy schedule to see which types of cover apply to you.

For full terms and conditions that apply to the above changes, please refer to the Encompass Protection Product Disclosure Statement and Policy Document (PDS) dated 15 November 2024 available at encompassprotect.com.au/pds.

What do you need to do?

You don't need to do anything to receive the changes on your policy, where relevant. However, we recommend you read the information included in this email, so you understand the new terms and conditions. Please file this information with your policy documents.

Should you need to make a claim, our claims team will have details of all the policy conditions relevant to your cover.

Questions?

If you have any questions or need more information about your policy, please contact your financial adviser.

If you don't have an adviser, you can contact us directly at encompassprotect.com.au or on the below details:

Customer service

Phone: 1300 476 030

Email: customer@encompassprotect.com.au

Claims

Phone: 1300 476 030

Email: claims@encompassprotect.com.au