

February 5, 2020

Tidswell Superannuation Fund Product Disclosure Statement (PDS) Update - Changes to Default Insurance

This update provides important information in relation to Tidswell Superannuation Fund and should be read in conjunction with the Tidswell Superannuation Fund PDS, available [here](#). The information and/or advice in this update is general only, and does not take into account your personal objectives, financial situation or needs. Before making any decision in relation to Tidswell Superannuation Fund, you should consider whether it is appropriate for you, and you may wish to consult with a licensed or authorised financial adviser.

This notice relates to the default insurance offering within Tidswell Superannuation Fund and recent changes to its application as a result of the *Treasury Laws Amendment (Putting Members' Interests First) Act 2019*.

Members of Tidswell Superannuation Fund are, subject to the terms and conditions as outlined in the PDS, eligible for default group Death Only / TPD / Income Protection insurance cover. Prior to 1 April 2020, this cover would automatically commence for eligible members upon receipt of a rollover or contribution into their account, unless the member opted out of receiving insurance.

Insurance through superannuation can be tax effective and potentially cheaper than insurance funded through after-tax salary or savings. However, premiums incurred from unnecessary, unwanted, or unsuitable insurance cover can inappropriately erode member balances and, as a result, the savings available for members at retirement.

Parliament has therefore passed new laws to the effect that trustees of regulated superannuation funds with 5 or more members, including Tidswell Superannuation Fund, can no longer provide insurance cover in relation to member accounts which:

1. have an account balance which has never reached \$6,000 since 1 November 2019; and/or
 2. are new accounts in relation to a member below the age of 25;
- unless the member elects to receive, or continue to receive, insurance cover.

These new laws will take effect from 1 April 2020.

What does this mean for you?

Eligibility for default cover

The terms of the default insurance cover available through Tidswell Superannuation Fund are set out in the Tidswell Superannuation Fund PDS and Insurance Guide. You should read these closely and determine whether you are eligible for default cover. Conditions such as pre-existing condition exclusions and work tests may apply.

If you are 25 years old or older:

If you are eligible for default cover and join Tidswell Superannuation Fund on or after 1 April 2020, you will no longer be automatically extended insurance upon receipt of a contribution or rollover into your account. Instead, default cover will commence when your Tidswell Superannuation Fund account balance meets or exceeds \$6,000. The terms of this default cover, including the coverage and premiums, are set out in the Tidswell Superannuation Fund PDS and Insurance Guide.

If you wish to obtain default cover prior to your Tidswell Superannuation Fund account balance reaching \$6,000, you can make an election to take out insurance by filling out the **enclosed** form and returning it to tidswell@ddhgraham.com.au.

If you do not want default cover, you may opt out at any time by contacting us at tidswell@ddhgraham.com.au or on 1300 796 079.

If you joined Tidswell Superannuation Fund before between November 2019 and March 2020, or if you joined prior to November 2019 and your balance was under \$6,000 at 1 November 2019, you will have received separate correspondence outlining the potential impact of these changes on you, and your options in relation to the same.

If you are under 25 years old

If you are under the age of 25 and join Tidswell Superannuation Fund on or after 1 April 2020, you will not be automatically extended default group Death Only / TPD / Income Protection insurance cover until you have reached the age of 25 **and** your Tidswell Superannuation Fund account balance has reached \$6,000, at which point cover will commence provided you are eligible. The terms of this default cover, including the coverage and premiums, are set out in the Tidswell Superannuation Fund PDS and Insurance Guide.

If you wish to obtain default cover prior to turning 25 and/or your Tidswell Superannuation Fund account balance reaching \$6,000, you can make an election to take out insurance by filling out the **enclosed** form and returning it to tidswell@ddhgraham.com.au.

If you do not want default cover, you may opt out at any time by contacting us at tidswell@ddhgraham.com.au or on 1300 796 079.

Note for members who hold, or wish to take out, individually underwritten cover through Tidswell Superannuation Fund

In addition, or as an alternative to Tidswell Superannuation Fund's default insurance offering, Members of Tidswell Superannuation Fund may apply for individually underwritten, or 'retail' Death Only / TPD / Income Protection insurance cover, provided by MetLife, through their Tidswell Superannuation Fund account. The *Putting Members' Interests First* reforms apply equally to retail cover. If you are thinking about taking out retail insurance and are under the age of 25 or your account balance is below \$6,000, consult the applicable retail insurance application documentation for information on how to make an election to take out and maintain insurance in respect of retail insurance cover.

If you took out retail cover through Tidswell Superannuation Fund before between November 2019 and March 2020, or if you did so prior to November 2019 and your balance was under \$6,000 at 1 November 2019, you will have received separate correspondence outlining the potential impact of these changes on you, and your options in relation to the same.

Important notice:

It's important to note that you may have multiple superannuation accounts and may therefore be paying duplicate sets of premiums. For information on how to keep track of your super, you can visit the ATO website [by clicking here](#).

Prior to making any decision in relation to insurance through Tidswell Superannuation Fund, you should determine whether the cover is right for you. Among other things, you should:

- check if you have any other insurance cover;
- check if the terms of cover, including the premiums, level of cover and any applicable restrictions or exclusions, are appropriate for your needs and circumstances; and
- consider speaking to a licensed or authorised financial adviser.

We're here to help

If you have any questions in relation to this update, the PDS, or any other documents in relation to Tidswell Superannuation Fund please feel free to get in touch at tidswell@ddhgraham.com.au or on 1300 796 079.

Election to Maintain Insurance pursuant to ss 68AAB(2) & 68AAC(2) of the Superannuation Industry (Supervision) Act 1993 (Cth).

If you wish to take out and maintain insurance cover associated with your Tidswell Superannuation Fund account 1 April 2020¹, please complete and sign the below declaration, and send it to us at the following tidswell@ddhgraham.com.au, or via post at;

PO Box 3528
Tingalpa DC QLD 4173

I, _____ [full name] elect to take out and retain the following insurances* associated with my Tidswell Superannuation Fund account _____ [member number]:

- Death Only
- TPD
- Income Protection

Check the boxes relating to the cover you wish to take out and maintain.

*Refer to the Insurance Guide for details on the cover available

I do so irrespective of:

1. whether or not my account balance is below \$6,000 on or after 1 April 2019; and
2. whether or not I am below 25 years of age.

I acknowledge that by making this election I will continue to be subject to the terms of cover, and premiums will be deducted from my Tidswell Superannuation Fund account accordingly. I am aware that I may cancel cover at any time by contacting at Tidswell Superannuation Fund at tidswell@ddhgraham.com.au or on 1300 796 079.

Signature: _____

Date: _____

¹ Subject to meeting the terms of cover, including but not limited to having an adequate account balance to meet the insurance premiums. Refer to the PDS/Insurance Guide/Member Guide for details.