



Tuesday, 17 March 2020

Australian Expatriate Superannuation Fund Product Update - Changes to Default Insurance

As a member of Australian Expatriate Superannuation Fund (AESF), you may be eligible for default insurance cover through your super. Insurance through super can be tax effective and potentially cheaper than insurance funded through after-tax salary or savings. However, premiums deducted for unnecessary, unwanted, or unsuitable insurance cover can inappropriately reduce your balance and the savings available for you upon retirement.

To prevent this from happening, changes were made to superannuation law, known as Putting Members' Interests First, to encourage members to review their insurance needs before taking out insurance through super, and where they are below 25 years of age, to consider the appropriateness of insurance.

From 1 April 2020, the AESF can no longer provide default insurance cover to:

- new accounts for members below the age of 25; and
- members with an account whose balance has never reached \$6,000 since 1 November 2019

unless the member elects to receive, or continue to receive, insurance cover.

What does this mean for you?

Eligibility for default insurance cover

Information on the default insurance cover available through AESF is set out in the AESF 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. Contact us if you need help with this.

If you are eligible for default insurance cover, and:

- are below 25 years of age; or
- start an account with a balance of less than \$6,000; and
- join AESF on or after 1 April 2020,

you won't automatically be given insurance upon receipt of a contribution or rollover into your account. Instead, default cover will commence when your account balance reaches \$6,000, and/or you turn 25 years of age.

Opting-In

If you want to obtain default insurance cover prior to you turning 25 years of age, or your account balance reaching \$6,000, you can make an election by advising us in writing at australia@ivcm.com

Opting-Out

If you don't want default insurance cover, you can opt out at any time by contacting us at australia@ivcm.com



What you need to do

You should carefully read the AESF Insurance Guide date 24 July 2019 and consider whether the default insurance cover is right for you.

You should also consider any other insurance cover you might have, including with other super accounts. For information on how to keep track of your super, you can visit the ATO website at <https://www.ato.gov.au/Individuals/Super/Growing-your-super/Keeping-track-of-your-super/>.

To ensure the insurance cover will meet your needs, you may wish to speak to a licensed financial adviser, and/or other professional as appropriate.

You should take the time to review your insurance cover on a regular basis or if your circumstances change. You can vary or cancel your cover at any time.

To make an election please advise the fund in writing via australia@ivcm.com

We're here to help

If you have any questions in relation to this update, the PDS, or any other documents in relation to AESF, please feel free to get in touch at 1300 323 489.

This update provides important information in relation to AESF and should be read in conjunction with the AESF PDS, available at <https://ivcm.com/products/aesf/>. 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 AESF, you should consider whether it is appropriate for you, and you may wish to consult with a licensed or authorised financial adviser.

Issued by Tidswell Financial Services Limited (ABN 55 010 810 607) as Trustee Tidswell Master Superannuation Plan – Australian Expatriate Superannuation Fund Division (ABN 34 300 938 877).