

significant event notice

HESTA

6 February 2020

This notice explains the changes that will be made to the current insurance arrangements described in the HESTA and HESTA Personal Super Product Disclosure Statements and the Insurance options booklet. The changes will be incorporated into future versions of the PDS available at hesta.com.au/pds on 1 April 2020.

Insurance fee changes from 1 April 2020

The way that super funds provide insurance cover to members and when their insurance cover must be cancelled has changed as a result of Federal Government legislation introduced in 2019. These changes mean that the HESTA insurer has had to review the insurance fee that members pay.

If you have insurance cover through HESTA from 1 April 2020, these are the fee changes that will affect you:

- if you have Death Cover, your insurance fees will decrease.
- if you have Income Protection (IP) Cover, your insurance fees will increase.

There are no changes to insurance fees for Lump-sum Total and Permanent Disablement (TPD) Cover.

These changes may impact you differently depending on the amount of cover you have and your age. Please read more below.

See how the insurance fee changes work

Jane is aged 42 and has standard cover of two units of Death and IP Cover on the standard occupational classification. Standard cover is the cover eligible members automatically receive if they don't make an alternative insurance choice when they first join HESTA. Her total weekly insurance fees from 1 April 2020 will change as follows:

Type of cover	Cost per week for two units			
	Current gross insurance fee	Current estimated net insurance fee	From 1 April gross insurance fee	From 1 April net insurance fee
Death Cover	\$2.36	\$2.01	\$2.14	\$1.82
IP Cover ¹	\$3.30	\$2.81	\$4.08	\$3.47
Total insurance fee per week	\$5.66	\$4.82	\$6.22	\$5.29

¹Standard IP Cover received automatically on joining provides cover and benefits to age 67 with a 90-day waiting period.

The following table sets out the change in weekly fees for members who have two units of standard Death and IP Cover. Fees shown are for the standard occupational classification. IP Cover provides cover and benefits to age 67 after a 90 day waiting period.

Age last birthday	Cost per week for two units			
	Current gross insurance fee	Current estimated net insurance fee	From 1 April gross insurance fee	From 1 April net insurance fee
15-24	0.76	0.65	0.82	0.70
25-34	2.08	1.77	2.26	1.92
35-44	5.66	4.81	6.22	5.29
45-54	8.06	6.85	9.06	7.70
55-64	9.02	7.67	10.24	8.70
65-66	2.14	1.82	2.18	1.85
67-74	1.36	1.16	1.22	1.04

Explaining insurance fees

What is the difference between gross and net insurance fees?

Although we are legally required to show the gross cost of each insurance fee, the good news is members typically pay the net fee, which is up to 15% less than the gross fee. This is because HESTA can claim a tax deduction for the cost of providing insurance, which we pass on to members, resulting in a lower net insurance fee.

What is the difference between Standard Cover and Management Cover?

The occupational fee scale, the cover is exactly the same. Members are provided with cover at the standard occupational fee scale when their insurance cover starts. Members who satisfy certain occupational criteria can apply for management cover which has a lower insurance fee better reflecting their occupational duties. For full details of the criteria, please refer to Insurance options at hesta.com.au/pds

What do insurance fees include?

All the fees we show in the tables include stamp duty and taxes. Part of the insurance fee is used to pay insurance administration costs.

Death Cover insurance fees

Age last birthday	Gross fee per unit \$ per week		Estimated net fee per unit \$ per week	
	Standard Cover	Management Cover	Standard Cover	Management Cover
15-24	0.14	0.10	0.12	0.09
25-34	0.43	0.30	0.37	0.26
35-44	1.07	0.75	0.91	0.64
45-54	1.21	0.85	1.03	0.72
55-64	1.17	0.82	0.99	0.70
65-74	0.61	0.43	0.52	0.37

Income Protection (IP) Cover insurance fees

Weekly gross and estimated net insurance fee for one unit of IP Cover for the relevant age band and occupational insurance fee scale providing a maximum benefit of \$475 per month. Please note 'Std' refers to Standard Cover and 'Mgmt' refers to Management Cover.

To age 67 benefit payment period

Age last birthday	Gross fee per unit \$ per week						Estimated net fee per unit \$ per week					
	90 day waiting period		60 day waiting period		30 day waiting period		90 day waiting period		60 day waiting period		30 day waiting period	
	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt
15-24	0.27	0.19	0.35	0.24	0.59	0.41	0.23	0.16	0.30	0.20	0.50	0.35
25-34	0.70	0.49	0.89	0.62	1.50	1.05	0.60	0.42	0.76	0.53	1.28	0.89
35-44	2.04	1.43	2.58	1.81	4.35	3.05	1.73	1.22	2.19	1.54	3.70	2.59
45-54	3.32	2.32	4.14	2.90	6.97	4.88	2.82	1.97	3.52	2.47	5.92	4.15
55-64	3.95	2.77	4.82	3.38	8.10	5.67	3.36	2.35	4.10	2.87	6.89	4.82
65-66	0.48	0.34	0.63	0.44	1.07	0.75	0.41	0.29	0.54	0.37	0.91	0.64

To age 60 benefit payment period

Age last birthday	Gross fee per unit \$ per week						Estimated net fee per unit \$ per week					
	90 day waiting period		60 day waiting period		30 day waiting period		90 day waiting period		60 day waiting period		30 day waiting period	
	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt
15-24	0.19	0.14	0.26	0.18	0.43	0.30	0.16	0.12	0.22	0.15	0.37	0.26
25-34	0.49	0.35	0.66	0.46	1.10	0.77	0.42	0.30	0.56	0.39	0.94	0.65
35-44	1.43	1.00	1.90	1.33	3.18	2.23	1.22	0.85	1.62	1.13	2.70	1.90
45-54	2.30	1.61	3.05	2.14	5.10	3.57	1.96	1.37	2.59	1.82	4.34	3.03
55-59	2.70	1.89	3.56	2.49	5.93	4.15	2.30	1.61	3.03	2.12	5.04	3.53

Income Protection (IP) Cover insurance fees

Two year benefit payment period (cover expiry age 67)

Age last birthday	Gross fee per unit \$ per week						Estimated net fee per unit \$ per week					
	90 day waiting period		60 day waiting period		30 day waiting period		90 day waiting period		60 day waiting period		30 day waiting period	
	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt
15-24	0.08	0.06	0.11	0.08	0.20	0.14	0.07	0.05	0.09	0.07	0.17	0.12
25-34	0.21	0.14	0.28	0.20	0.51	0.35	0.18	0.12	0.24	0.17	0.43	0.30
35-44	0.60	0.42	0.82	0.57	1.47	1.03	0.51	0.36	0.70	0.48	1.25	0.88
45-54	0.97	0.68	1.32	0.92	2.36	1.65	0.82	0.58	1.12	0.78	2.01	1.40
55-64	1.15	0.80	1.56	1.09	2.77	1.94	0.98	0.68	1.33	0.93	2.35	1.65
65-66	0.14	0.10	0.20	0.14	0.36	0.25	0.12	0.09	0.17	0.12	0.31	0.21

Two year benefit payment period (cover expiry age 60)

Age last birthday	Gross fee per unit \$ per week						Estimated net fee per unit \$ per week					
	90 day waiting period		60 day waiting period		30 day waiting period		90 day waiting period		60 day waiting period		30 day waiting period	
	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt	Std	Mgmt
15-24	0.06	0.04	0.10	0.07	0.18	0.13	0.05	0.03	0.09	0.06	0.15	0.11
25-34	0.14	0.10	0.26	0.18	0.46	0.32	0.12	0.09	0.22	0.15	0.39	0.27
35-44	0.42	0.29	0.74	0.52	1.34	0.94	0.36	0.25	0.63	0.44	1.14	0.80
45-54	0.68	0.48	1.21	0.84	2.15	1.51	0.58	0.41	1.03	0.71	1.83	1.28
55-59	0.82	0.57	1.43	1.00	2.52	1.77	0.70	0.48	1.22	0.85	2.14	1.50

Fixed Death Cover insurance fees

Insurance fee per week per \$1,000 sum insured.

Age last birthday	Gross Death Cover \$		Estimated net Death Cover \$	
	Standard Cover	Management Cover	Standard Cover	Management Cover
15	0.0120	0.0084	0.0102	0.0071
16	0.0120	0.0084	0.0102	0.0071
17	0.0120	0.0084	0.0102	0.0071
18	0.0120	0.0084	0.0102	0.0071
19	0.0120	0.0084	0.0102	0.0071
20	0.0115	0.0081	0.0098	0.0069
21	0.0110	0.0077	0.0094	0.0065
22	0.0101	0.0072	0.0086	0.0061
23	0.0095	0.0067	0.0081	0.0057
24	0.0089	0.0062	0.0076	0.0053
25	0.0081	0.0057	0.0069	0.0048
26	0.0078	0.0055	0.0066	0.0047
27	0.0076	0.0053	0.0065	0.0045
28	0.0075	0.0053	0.0064	0.0045
29	0.0075	0.0053	0.0064	0.0045
30	0.0076	0.0053	0.0065	0.0045
31	0.0078	0.0055	0.0066	0.0047
32	0.0080	0.0056	0.0068	0.0048
33	0.0087	0.0060	0.0074	0.0051
34	0.0092	0.0064	0.0078	0.0054
35	0.0098	0.0069	0.0083	0.0059
36	0.0107	0.0074	0.0091	0.0063
37	0.0112	0.0079	0.0095	0.0067
38	0.0121	0.0086	0.0103	0.0073
39	0.0132	0.0092	0.0112	0.0078
40	0.0145	0.0100	0.0123	0.0085
41	0.0157	0.0110	0.0133	0.0094
42	0.0168	0.0118	0.0143	0.0100
43	0.0176	0.0124	0.0150	0.0105
44	0.0187	0.0131	0.0159	0.0111
45	0.0196	0.0138	0.0167	0.0117
46	0.0207	0.0146	0.0176	0.0124
47	0.0222	0.0155	0.0189	0.0132
48	0.0237	0.0166	0.0201	0.0141
49	0.0256	0.0180	0.0218	0.0153
50	0.0280	0.0195	0.0238	0.0166
51	0.0306	0.0214	0.0260	0.0182
52	0.0335	0.0233	0.0285	0.0198

53	0.0364	0.0254	0.0309	0.0216
54	0.0395	0.0276	0.0336	0.0235
55	0.0427	0.0299	0.0363	0.0254
56	0.0461	0.0322	0.0392	0.0274
57	0.0499	0.0348	0.0424	0.0296
58	0.0539	0.0377	0.0458	0.0320
59	0.0582	0.0407	0.0495	0.0346
60	0.0628	0.0440	0.0534	0.0374
61	0.0683	0.0478	0.0581	0.0406
62	0.0749	0.0524	0.0637	0.0445
63	0.0825	0.0578	0.0701	0.0491
64	0.0910	0.0638	0.0774	0.0542
65	0.1320	0.0924	0.1122	0.0785
66	0.1517	0.1062	0.1289	0.0903
67	0.1747	0.1223	0.1485	0.1040
68	0.2001	0.1400	0.1701	0.1190
69	0.2277	0.1593	0.1935	0.1354
70	0.2277	0.1593	0.1935	0.1354
71	0.2277	0.1593	0.1935	0.1354
72	0.2277	0.1593	0.1935	0.1354
73	0.2277	0.1593	0.1935	0.1354
74	0.2277	0.1593	0.1935	0.1354

What do I need to do now?

The new insurance fees will apply automatically from 1 April 2020 so there is nothing you need to do, but now might be a good time to:

- log in to your online account at hesta.com.au/login to see your current cover (or check your last printed statement if haven't set up your online account yet)
- think about whether your current cover is right for you. Consider seeking financial advice before making any changes to your cover.

What's so great about getting my insurance through HESTA?

A big part of our support for members is ensuring you're protected: as people in health and community services and as loved and needed parents, grandparents or children. We want to know you'll be supported if you become too injured or unwell to work. And we know you'll want your family to be cared for if you could no longer do that yourself.

Your insurance is a central part of your membership

We provide your cover as part of a group life (bulk) policy, which generally means a lower cost per person than buying cover as an individual. We can then pass those savings back to you through lower insurance fees.

As a bonus, you're paying for your cover out of your super account. So, you don't have to worry about budgeting for it, or remembering to renew your policy.

Need help?

We're right here for you.

contact us

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