



Product Enhancements



Overview to changes

At OnePath, looking after you and your clients both today, and in the future is paramount to us. We always value your feedback and strive to deliver the benefits you and your clients want.

In this product release we have introduced some new covers and made some enhancements to our Personal Assurance and Business covers. Competitive, comprehensive, sustainable - these are the three key themes that underlie our product enhancements.

We've also refined our policy wordings providing consistency across benefits, improved clarity and greater certainty at claim time. We hope the product changes outlined in this brochure will give you even more confidence in recommending OnePath to your clients.

If you have any questions or feedback regarding any of the changes outlined in this brochure please contact your Regional Sales Manager.

Product Snapshot

Three new Covers:

NEW Income Cover
- Loss of Earnings

NEW Income Cover
- Loss of Earnings Ultra

NEW Redundancy Cover

Two new options:

NEW Mortgage Deluxe under
Mortgage Repayment Cover

NEW Reduction in Waiting Period on
Assurance Extra Income and
Mortgage Repayment Covers

A range of enhancements that include better features and competitive pricing:

✓ Income Cover

✓ Life Cover

✓ Complete Disablement Cover

✓ Mortgage Repayment Cover

✓ Trauma Cover

✓ Major Medical Cover

Policy Enhancement Benefit – our guarantee to your clients

Don't forget - whenever we enhance the built-in benefits under our policy wording we pass the enhancements on to your clients.* This means that if they ever need to make a claim, they can have comfort in knowing that they will be assessed using the best of either the most recent policy wordings, or the policy wording provided to them when the policy commenced.

Key timings

- Product changes are effective from 8 December 2014
- Pricing changes for new clients are effective from 8 December 2014
- Pricing changes for in-force clients will be applied on policies renewing from 1 January 2015

*The relevant enhancements apply to OnePath Life Assurance Extra and Business Assurance policies issued on or after 1 May 2004 under the terms of the Policy Enhancement Benefit. Important - the Policy Enhancement Benefit does not include any claim where the condition occurred prior to the effective date of the enhancement.

Product enhancements

Assurance Extra Income Covers

Positioning

- The primary purpose of these covers is for clients to have the comfort that their income level will remain in line with their lifestyle and commitments
- Our objective is to provide a range of Income Cover options that will meet the key primary purpose and are priced competitively
- This includes differing offset provisions to meet different needs.

Enhancements

✓ Increasing Agreed Value replacement ratio up to 62.5%	NEW New option - Reduction in waiting period	NEW New Return to Work Benefit	✓ Removing the current offsets for sick leave and welfare payments
✓ Change to Vocational Retraining and Rehabilitation Benefit	✓ Change in definition if unemployed greater than 12 months at the time of claim	✓ Removal of clause restricting customers who have been self-employed for less than three years at policy commencement date to a one year benefit period for anxiety and depression	NEW New to the optional 'Extra' cover - a Severe Illness Benefit. Severe Illness Conditions are Aortic Surgery, Cancer, Chronic Kidney/Liver Failure, Coronary Artery Surgery, Heart Attack, Heart Valve Replacement, Major Burns, Major Head Trauma, Multiple Sclerosis, Organ Transplant, Paraplegia, Quadriplegia, Diplegia, Tetraplegia, Hemiplegia, Stroke and Triple Vessel Angioplasty.

NEW Income Cover - Loss of Earnings (LOE) and Loss of Earnings Ultra

Key features:

Two new income covers for those wanting more certainty that their cover will replace their lost earnings:

- An alternative (LOE) calculation for determining the monthly claim amount
- The LOE calculation is triggered when there are offsets to be applied e.g. on-going income or ACC
- The criteria for assessing total disability is broader than the standard Income Cover:
 - Important duty as per Income Cover
 - 10 hour definition as per Income Cover Extra
- Benefits/features of the standard Income Cover will be included in the new Loss of Earnings and Loss of Earnings Ultra, including the new enhancements.

Income Cover - Loss of Earnings:

Will be based on 75% of the actual loss of income and is suited to customers with a stable income e.g. salaried customer.

Income Cover - Loss of Earnings Ultra:

Gives the best of both worlds i.e. the greater of the monthly benefit less offsets or 75% of the actual loss at time of claim. It is useful for fluctuating incomes.

Assurance Extra Mortgage Repayment Cover

Positioning

- The primary purpose of this cover is for clients to meet their mortgage repayment commitments at an affordable premium
- It is important to be very competitively priced to ensure the cover can meet customer's budgets and affordability issues. In fact, for basic cover we will be hard to beat on price
- When more breadth of cover is important, additional add-on benefits are available.

Enhancements

✓ Cover up to 115% of mortgage repayments	✓ Pays the claim to the policy owner/s	✓ Cover concurrent claims on both lives	NEW New wait period options – 26, 52, 104 weeks
✓ Able to increase cover under the Life Events Benefit due to an increase in interest rates without any further evidence of health.	NEW Up-grade options by way of new optional add-ons <ul style="list-style-type: none"> • Optional Mortgage Deluxe • Redundancy Cover • Optional Reduction in Waiting Period 		

NEW Optional Mortgage Deluxe

Key features

✓ Severe Illness Benefit	✓ Alternative Total Disability Definition	✓ Partial Payment Bonus Benefit	✓ Bereavement Support Benefit	✓ Bed Confinement Benefit	✓ Vocational Retraining and Rehabilitation Benefit	✓ Recovery Support Benefit
✓ Return to Work Benefit	✓ Return to Home Benefit	✓ Total and Permanent Disability Benefit	✓ Special Care Benefit	✓ Child Care Assistance Benefit	✓ Emergency Transportation Benefit	

NEW Optional Reduction in Waiting Period

- Provides the ability to reduce the waiting period in the future if the insured's circumstances change, without any further evidence of health.
- Two main situations where this option can be useful:
 - The insured has extensive sick leave
 - The insured has a OnePath business cover.

NEW Assurance Extra Redundancy Cover

Key features:

- A new cover for those wanting to cover their income in the event of redundancy:
- Available when Income Cover or Mortgage Cover is selected
 - Can match the Income or Mortgage Cover for up to \$4,000 per month
 - 6 month stand down from Policy Commencement Date
 - 4 week wait period
 - 6 month payment term
 - Yearly stepped premium rates
 - Commission – rates will be the same as medical commission

Lump Sum Covers

Enhancements to Assurance Extra Life & Life Income Cover

NEW New Funeral Transfer Benefit

NEW New Children's Funeral Support Benefit

Enhancements to Complete Disablement Cover (CDC)

✓ Removing the alcohol and drug abuse exclusion

✓ Waiver of 3 month Wait Period where as a result of one of the followings conditions you are unlikely to return to work:

Alzheimer's Disease

Blindness

Cardiomyopathy

Chronic Lung Failure

Dementia

Major Head Trauma

Motor Neurone Disease

Multiple Sclerosis

Muscular Dystrophy

Parkinson's Disease

Paraplegia, Quadriplegia, Diplegia, Tetraplegia and Hemiplegia

Primary Pulmonary Hypertension

Severe Rheumatoid Arthritis

Systemic Lupus Erythematosus (SLE) with Lupus Nephritis

Enhancements to Trauma Cover

✓ Business Extra and Agribusiness Extra - Trauma definitions to be consistent with Assurance Extra and Business Assurance

✓ Change to Occupationally acquired HIV criteria

Enhancements to Life & Life Income Cover, CDC Cover and Trauma Cover

✓ Adding Legal advice to the current Financial Advice Benefit for Assurance Extra and Business Assurance.

✓ Adding the ability to increase cover on increase of salary under Life Events Benefit for Assurance Extra.

Major Medical Cover changes

Stand-alone sales

✓ Stand-alone sales will be able to be made from 8 December 2014.

Wisdom teeth stand-down

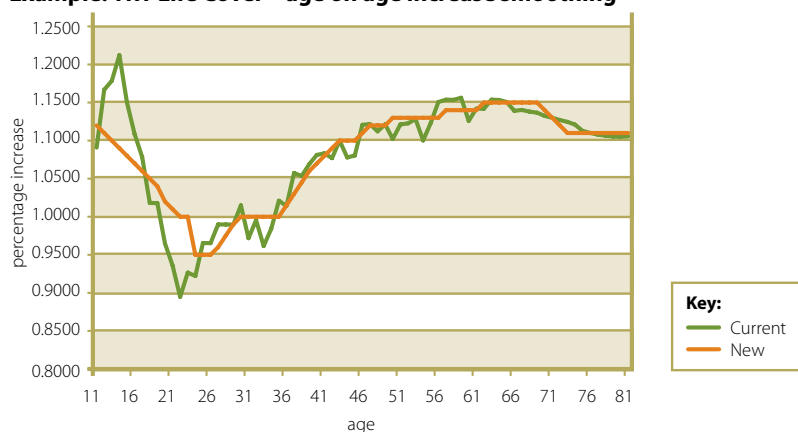
For new sales there will be a 2 year stand-down on wisdom teeth extraction and this will be included as part of the Loyalty Benefits.

Pricing

Life Cover and Trauma Cover – pricing approach

- These products have significant variation in the year on year price increases that a customer experiences
- We are smoothing the pricing curve for Yearly Renewable Term (YRT) premium rates so that annual price increases are more consistent and predictable
- This will have a positive impact on lapses as customers will have fewer surprises at anniversary time
- This smoothing initiative is a one-off adjustment and will impact each customer differently
- For Life Cover 5 and 10 year level premium rates, a 3% increase will apply
- For Trauma Cover 5 and 10 year level premium rates, a 1% increase will apply.

Example: YRT Life Cover – age on age increase smoothing



Income Cover – pricing approach

- These product enhancements will impact upon price however increases will be moderated to ensure competitiveness
- Most premiums are expected to increase by between 2% and 3%, including MRC
- Loss of Earnings will be priced at 10% above Indemnity premiums
- Loss of Earnings Ultra will be priced at 20% above Indemnity premiums
- Optional Mortgage Deluxe will be 30% of base premiums
- Optional Reduction In Waiting Period will be 5% of base cover premiums.

Business – pricing approach

Business Extra

- For Life Cover and Trauma Cover, price smoothing will apply
- For 12 month Life Cover, a 3% increase will apply
- For 9 and 12 month Trauma Cover, a 1% increase will apply
- For Disability Cover, a 5% increase will apply.

Other business and agri-products

- For Life Cover and Trauma Covers, price smoothing will apply
- For Disability Covers, a 4% increase will apply.

Major Medical Cover – pricing approach

- Annual medical inflation related increases:

Age	Male	Female
0 - 14	9.00%	9.00%
15 - 21	11.00%	12.00%
21 plus	9.75%	10.75%

Effective sales and marketing support material

We are launching refreshed product brochures and support material, to make it easier for you and your clients. We have created a series of streamlined collateral, combining existing fact sheets and overview brochures into one handy brochure for each of our covers. Our new look brochures also provide simple and consistent messaging across our product ranges.

Features

- A standalone overview brochure for Assurance Extra and Business Assurance
- Each cover has a dedicated brochure which incorporates general information, outlines key benefits and product detail information
- We have provided handy facts in the brochures to support each of the individual covers
- Updated quick guides illustrating our product ranges and their key benefits and details
- Developed one main application form for when applying for any Personal or Business covers.



New material will be available to download on our website and the adviser hub from the 8th December 2014. You can order the new material from BlueStar at www.bspg.co.nz/OnePath from the 8th December 2014.

Commission changes

Income Cover

- Increasing the renewal and reducing the upfront
- Assists sustainability
- Assists in building stronger value and improving retention in the long-term

Large API cases and older ages

- For large cases and those 70 years and older
- Moving towards the level commission options.



More reasons why your clients can have confidence in their OnePath policy

- ✓ We've been paying claims for over 11 years and throughout this time we have remained committed to our philosophy to do what's right for our customers every time. That means we look for ways to pay claims – not how to get out of paying them.
- ✓ OnePath Life (NZ) Limited has an AA- (very strong) current insurer financial strength rating from Standard & Poor's (Australia) Pty Limited. This means that OnePath Life is considered to have a very strong ability to pay out eligible claims.*
- ✓ Client Membership Benefit. Our unique service offers free additional support when it's needed.

* A summary of the rating scale can be viewed on our website at onepath.co.nz or at our office. Alternatively the full rating scale is published by Standard & Poor's on its website at www.standardandpoors.com.

Important information

This brochure a summary for adviser use only. Please refer to the policy wordings for our full details of terms, conditions and exclusions of covers. This brochure is based on information current as at December 2014 and is subject to change.

OnePath Life (NZ) Limited