

Protect Super Plan, Protect Super Plan 2

(formerly NEOS Super Plan and NEOS Super Plan 2, respectively)

Member Outcomes Assessment
For the year ended 30 June 2021

28 February 2022





Executive Summary

Introduction

The NEOS Protection products (being Protect Super Plan and Protect Super Plan 2*, collectively 'NEOS') provide members with access to death and disablement insurance cover inside superannuation. NEOS doesn't provide accumulation style superannuation account balances or investment returns to members.

This Member Outcomes Assessment focuses on an assessment of product appropriateness against key factors that can affect superannuation, specifically consideration of NEOS' insurance strategy and insurance fees. Unlike a typical superannuation fund's Member Outcomes Assessment, this report does not contain comparative analysis relating to fees and costs, investment returns or investment risk as these elements are not relevant for NEOS given its structure as an insurance-only fund.

Ultimately a determination (contained on the following page) is made for NEOS as to whether the products are serving the financial interests of the members. This assessment was undertaken in February 2022, and is relevant for the financial year ended 30 June 2021.

*formerly known as NEOS Super Plan and NEOS Super Plan 2, respectively

Product Determination

The Trustee has determined that it is promoting the financial interests of the beneficiaries of its product on the basis that:

- Insurance Premiums when compared against peers for different types of risk and levels of cover across various age groups are generally inline or lower cost than peers for white collar professionals.
- There were improvements made to the way in which income protection claims were paid to members from the fund, which resulted in 100% of benefit payments being paid within 2 business days of approval by the insurer.
- Strong net promotor scores and industry recognition for service levels. NEOS has been voted number 1 by advisers in terms of ease of underwriting, platform functionality, insurer competitiveness, comprehensiveness of modules, adviser support and claims handling.
- NEOS has strong claims approvals across all types of cover, with declines all due to member disclosure issues.

The Trustee does note however that current cost of premiums could be more competitive for blue collar skilled professionals.



Product Appropriateness Assessment

INSURANCE STRATEGY & FEES

NEOS provides members with access to retail insurance offering death, total and permanent disability and disability income insurance benefits. It does not provide members with access to an accumulation account. All rollovers are for the purpose of paying premiums for cover selected.

NEOS does not provide default level of cover, risk and level of cover is determined with the consultation of an advisor by the insured.

As this is a financial adviser product only, financial advisers determine the appropriateness of the insurance and the cost of the cover, as such, the Trustee does not look to measure the impact of insurance eroding members' retirement income for members. Based on the above we have determined that there is no inappropriate erosion of members' retirements income due to the impact of insurance premiums.

However, pages 7- 10 contain analysis of insurance premiums against alongside 8 peers* based 4 different risks and levels of cover across 4 age groups (35, 40, 45 & 50). The 4 risk types and levels of cover include:

- Life Cover \$1m– White Collar Professional
- Life Cover \$1m + TPD Cover \$1m – White Collar Professional
- Life Cover \$1m + TPD Cover \$1m + IP \$7.5k (30 day wait, To Age 65) – White Collar Professional
- Life Cover \$500k + TPD Cover \$500k + IP \$4.5k (30 day wait, To Age 65) – Blue Collar Skilled

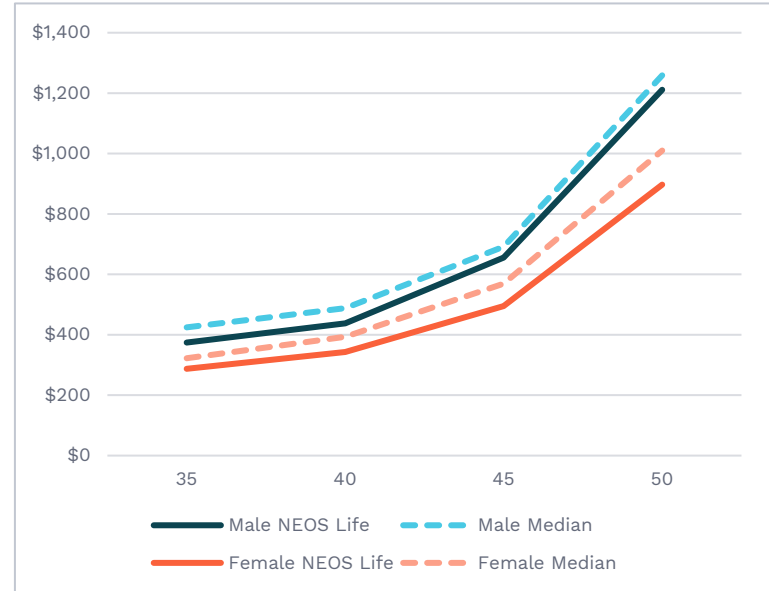
The Trustee has determined that NEOS insurance premiums are generally competitive against peers. The Trustee does note however that current cost of premiums could be more competitive for blue collar skilled professionals.

Costs Comparison \$1M Life Cover standalone

The following table and graph compare NEOS' insurance premiums for \$1m life cover standalone for a white collar professional for both male and female against 8 other peers* across 4 different age groups (35, 40, 45 & 50).

NEOS' premiums are competitive at all age levels for both male and females for \$1M Life Cover standalone at white collar professional rates. NEOS' premiums are lower cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
NEOS Life	\$ 374	\$ 438	\$ 655	\$ 1,211	\$ 287	\$ 343	\$ 495	\$ 897
Median	\$ 424	\$ 488	\$ 691	\$ 1,259	\$ 322	\$ 393	\$ 569	\$ 1,010
High	\$ 546	\$ 588	\$ 856	\$ 1,556	\$ 464	\$ 479	\$ 634	\$ 1,113
Low	\$ 356	\$ 435	\$ 560	\$ 969	\$ 287	\$ 343	\$ 476	\$ 764
Rank	2	2	3	3	1	1	3	3



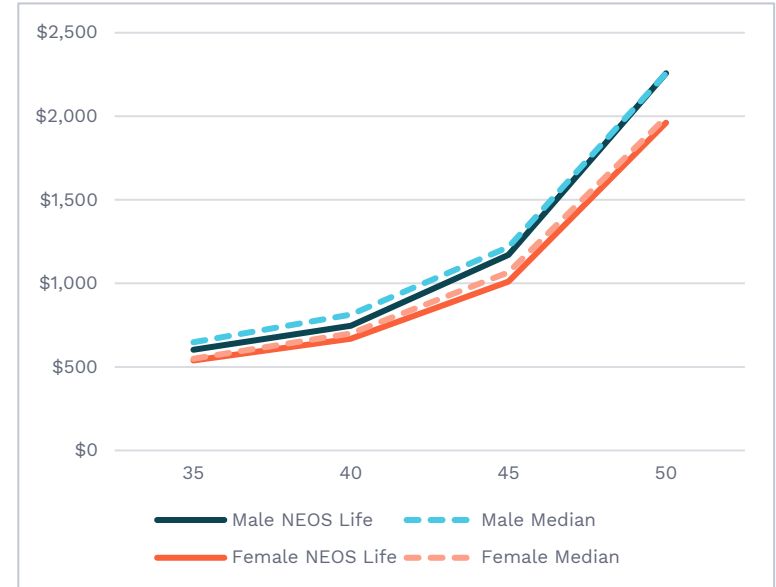
*Peer group includes AIA, BT, Clearview, MLC, OnePath, TAL, Zurich and Integrity. Medians, High and Low is inclusive of NEOS in Peer group analysis.

Costs Comparison Life Cover \$1m + TPD Cover \$1m

The following table and graph compare NEOS' insurance premiums for \$1m life cover + \$1m TPD Cover for a white collar professional for both male and female against 8 other peers* across 4 different age groups (35, 40, 45 & 50).

NEOS' premiums are competitive at all age levels for both male and females for \$1m life cover + \$1m TPD cover at white collar professional rates. NEOS' premiums are inline with or lower cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
NEOS Life	\$ 603	\$ 746	\$ 1,170	\$ 2,258	\$ 538	\$ 668	\$ 1,010	\$ 1,961
Median	\$ 648	\$ 813	\$ 1,218	\$ 2,258	\$ 549	\$ 700	\$ 1,066	\$ 1,994
High	\$ 834	\$ 1,058	\$ 1,598	\$ 2,959	\$ 731	\$ 917	\$ 1,377	\$ 2,554
Low	\$ 592	\$ 724	\$ 990	\$ 1,803	\$ 513	\$ 622	\$ 897	\$ 1,615
Rank	2	2	4	5	4	3	3	3



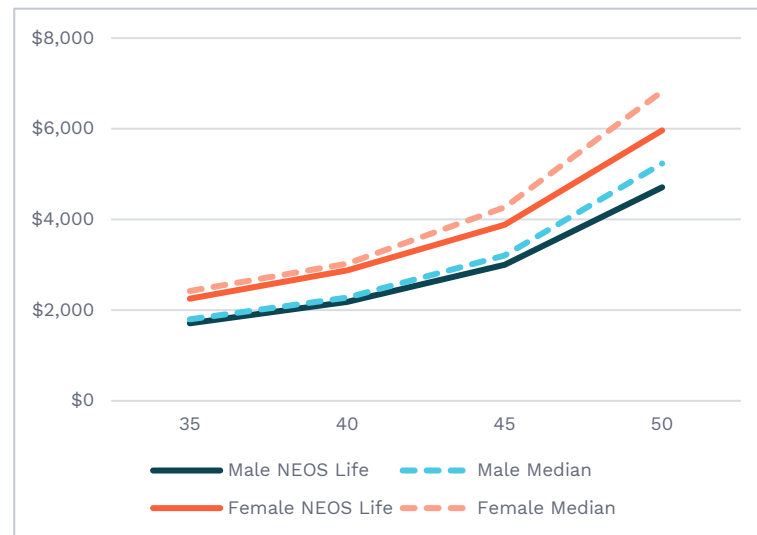
*Peer group includes AIA, BT, Clearview, MLC, OnePath, TAL, Zurich and Integrity. Medians, High and Low is inclusive of NEOS in Peer group analysis.

Costs Comparison Life Cover \$1m + TPD Cover \$1m + IP \$7.5k (30 day wait, To Age 65) – White Collar Professional

The following table and graph compare NEOS' insurance premiums for \$1m life cover + \$1m TPD Cover + \$7.5k Income protection till age 65 with 30 day wait period for a white collar professional for both male and female against 8 other peers* across 4 different age groups (35, 40, 45 & 50).

NEOS' premiums are competitive at all age levels for both male and females \$1m life cover + \$1m TPD Cover + \$7.5k Income protection till age 65 with 30 day wait period at white collar professional rates. NEOS' premiums are lower cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
NEOS Life	\$ 1,709	\$ 2,183	\$ 3,001	\$ 4,708	\$ 2,251	\$ 2,878	\$ 3,883	\$ 5,963
Median	\$ 1,798	\$ 2,276	\$ 3,206	\$ 5,232	\$ 2,420	\$ 3,024	\$ 4,268	\$ 6,821
High	\$ 2,442	\$ 2,876	\$ 4,186	\$ 6,647	\$ 3,484	\$ 3,994	\$ 5,584	\$ 8,572
Low	\$ 1,709	\$ 1,900	\$ 2,565	\$ 4,210	\$ 2,251	\$ 2,465	\$ 3,208	\$ 4,987
Rank	1	2	2	2	1	2	2	3

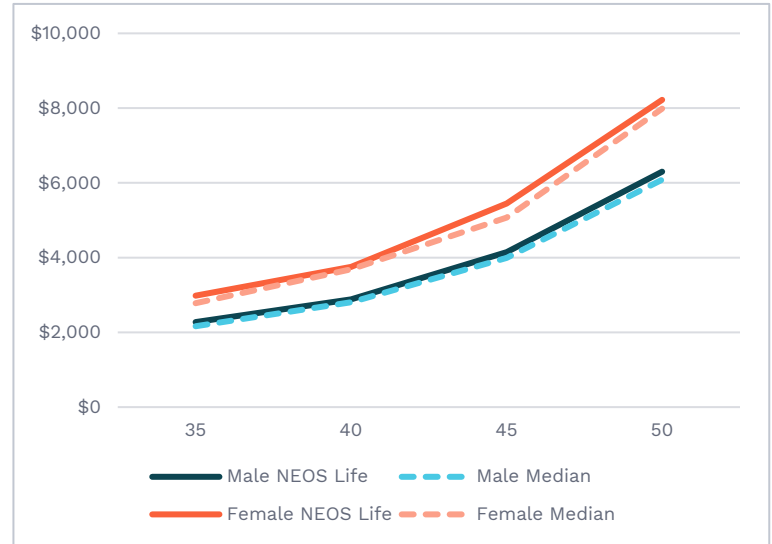


Costs Comparison Life Cover \$500k + TPD Cover \$500k + IP \$4.5k (30 day wait, To Age 65) – Blue Collar Skilled

The following table and graph compare NEOS' insurance premiums for \$500K life cover + \$500K TPD Cover + \$4.5k Income protection till age 65 with 30 day wait period for a Blue collar professional for both male and female against 8 other peers* across 4 different age groups (35, 40, 45 & 50).

NEOS' premiums are less competitive at all age levels for both male and females \$500K life cover + \$500K TPD Cover + \$4.5k Income protection till age 65 with 30 day wait period at blue collar professional rates. NEOS' premiums are higher cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
NEOS Life	\$ 2,275	\$ 2,883	\$ 4,145	\$ 6,299	\$ 2,981	\$ 3,751	\$ 5,448	\$ 8,220
Median	\$ 2,162	\$ 2,807	\$ 3,990	\$ 6,084	\$ 2,782	\$ 3,689	\$ 5,071	\$ 7,986
High	\$ 2,675	\$ 3,181	\$ 4,244	\$ 6,647	\$ 4,941	\$ 5,391	\$ 6,440	\$ 8,787
Low	\$ 1,906	\$ 2,452	\$ 3,523	\$ 5,595	\$ 2,371	\$ 3,032	\$ 4,309	\$ 6,719
Rank	6	6	8	7	7	7	7	7



Insurance Claims

NEOS focuses on providing the best life insurance solutions for the advised channel. NEOS looks to provide fast and excellent support to members in particular during the most difficult times in their life when making a claim. Changes have been made to the way in which income protection claims were paid to members from the fund, which resulted in 100% of benefit payments being paid within 2 business days of approval by the insurer.

NEOS Priority is a claims service, designed to ensure members received the best possible service.

- All claims managers have a minimum of 10 years' relevant experience.
- Our claims managers are empowered to make decisions to ensure every claim is processed as efficiently as possible.
- Claims managers are trained and empowered to make common-sense decisions to ensure every claim is processed as sensitively and efficiently as possible.
- Capability to pay members' disability income claim benefits on the same day they are approved by the Insurer.

NEOS	Accepted	Declined	Acceptance Ratio
Death	1	0	100%
TPD	0	0	No claims to Consider
Terminal illness	0	0	No claims to Consider
Income Protection	11	3*	78.6%*
Total	12	3	80.0%

OPTIONS, FACILITIES & BENEFITS

A net promoter score of 55 was achieved in 2020 calendar year for NEOS, this compares to an average NPS score of -10.4 across the superannuation industry*. This puts NEOS at first place across all life insurers in the Australian market for the second year running (according to Adviser Ratings).

NEOS has been voted number 1 by advisers in terms of ease of underwriting, platform functionality, insurer competitiveness, comprehensiveness of modules, adviser support and claims handling.

NEOS also won Underwriting Team of the Year, BDM/Support Team of the Year and the award for Risk Product Innovation for our market-leading underwriting rules engine at the 2020 AFA Life Company of the Year Awards.

The Trustee has determined that the options, benefits and facilities offered under the product are appropriate to members.



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