

AES MEMBERS

Significant Event Notice

Insurance and fee changes from 1 August 2025

This page provides additional information to a Significant Event Notice (SEN) detailing upcoming changes to insurance and fees. It's important to read the material below together with the notice to ensure understanding of all changes how they may affect you now and in the future.

How are insurance arrangements and fees changing?

From 1 August 2025 the following changes will apply to the insurance arrangements available to Australian Ethical Super members and the fees you pay:

- Some members will experience an increase in the amount of Death and Total & Permanent Disablement (TPD) insurance cover they receive, while Death and TPD cover for others will become or remain Fixed Cover;
- Premiums and fees in relation to all types of insurance cover will change;
- Some insurance policy terms and conditions will be updated; and
- There will be a reduction to the superannuation fund Administration Fee.

Why is your insurance changing?

We've worked with our insurer (MetLife) to minimise the cost and complexity of delivering insurance benefits to you. In working towards our new insurance offering, we have considered the evolving financial needs of our members, and we remain committed to providing appropriate levels of Default Cover along with the built-in flexibility you may need to tailor your own insurance arrangements, at a reasonable cost.

Things to know:

- Take a look at our [new Insurance fee tables](#) for the new Insurance fees, and also the [new levels of Standard Default cover](#) that will apply from 1 August 2025. Default Cover will become more cost-effective for most age groups. The cost of cover for some age groups will remain unchanged. Insurance fees will continue to be deducted from your account at the end of each month, and will generally increase annually on your birthday
- There are some amendments to the [Terms and Conditions](#) in the insurance policies we use to provide cover to you. These changes may impact you depending on your situation, so please read this SEN to understand the details of what the changes may mean for you. You should also read the updated [Insurance Guide](#) available on our website from 1 August 2025.
- The fees you pay are changing. You can read our new Product Disclosure Statement (PDS), Super Additional Information Booklet and Insurance Guide (available on our website from 1 August 2025) to understand the changes and how you may be affected.
- Australian Ethical does not take any commissions or have any profit-sharing arrangements with the Insurer. This means that any tax rebates received by the fund for Insurance and other fees you have paid are put back into your super account.

As always, you can check your fees and current levels and cost of insurance cover in your [member portal](#). If you're curious about an appropriate level of insurance cover for your circumstances, you might want to use the [Insurance needs calculator](#). If you'd like to understand more about the different types, levels, and cost of insurance cover we offer, the [Insurance cost calculator](#) on our website might also be of interest to you. Note these calculators will be updated from 1 August 2025 to reflect the changes we have outlined in this notice.

Important: Some insurance-related options in your member portal won't be available between 28 July and 6 August 2025 while we process the changes.

What are the changes?

Changes to Standard age-based Default Cover

If you currently have Standard age-based Default Cover with us i.e. you have not previously taken up the option to increase your cover levels via our New Member Offer and/or Life Events Cover, your default level of Death and TPD cover will automatically increase from 1 August 2025.

The insurance cover you receive from 1 August 2025 will continue to be based on your age, but it will be provided as unitised cover from 1 August 2025. This means that you will receive 4 units of Default Cover on 1 August 2025 that will be equivalent in value to your Death and TPD cover on 31 July 2025 multiplied by a factor of 1.8.

Example:

Age Next Birthday	31 July 2025 Death/TPD cover	1 August 2025 Death/TPD cover (31 July 2025 cover multiplied by 1.8)	Unit Value (1 August 2025 cover divided by 4)	Value of 4 Units
29	\$185,000	\$333,000	\$83,250	\$333,000

Please see your SEN for the actual change to your insured benefits.

We note that a potential advantage to this automatic increase in cover is that you will not need to undergo any medical screening (underwriting). If you don't want your automatic uplift in cover, you can keep your current level of Default Cover by choosing to fix it prior to 1 August 2025 (special rules apply if you are under the age of 25). See below in the 'What are your options?' section.

If you do nothing and receive the automatic increase in cover, [New Events cover](#) will apply to the value of your uplift in cover. In the above example, the uplift cover value is: $\$330,000 - \$185,000 = \$145,000$. New Events cover limitations may apply to claims (where the date of claim event falls on or after 1 August 2025) on the uplift value only for a limited time, unless on 1 August 2025 your existing cover is already subject to a longer period of New Events cover in which case the longer period will apply. During the New Events cover period your original level of cover (\$185,000 in the above example) is not subject to any new limitations. Please read our [Insurance Guide](#) (available on our website from 1 August 2025) if you would like to understand more about how you may be affected..

The cost per \$1,000 of age-based Default Cover is reducing. Please see the 'How are your insurance fees changing?' section below and our [new Insurance fee tables](#) for the costs that will apply from 1 August 2025. You can also refer to the SEN we sent you for a comparison of your before and after insurance cover levels and the costs of that cover.

You should consider the effect of insurance fees on your retirement savings and we recommend that you speak with a financial adviser about your insurance needs before making a decision in relation to your insurance.

Changes to Non-standard age-based Default Cover

If you currently have age-based Default Cover with us and you have taken up the option to increase your cover levels via our New Member Offer and/or Life Events Cover (referred to hereafter as 'Non-standard age-based Default Cover'), your Death and TPD cover at 31 July 2025 will become Fixed Cover from 1 August 2025. This means that your cover levels from 1 August 2025 will not change automatically over time in accordance with our age-based Default Cover tables.

Examples:

Age-based Default Cover plus New Member Offer

Age Next Birthday	31 July 2025 Death/TPD cover	1 August 2025 Death/TPD cover (enhanced by New Member Offer multiplier of 1.3)	Fixed Cover value from 1 August 2025
29	\$185,000	\$240,500	\$240,500

Age-based Default Cover plus New Member Offer

Age Next Birthday	31 July 2025 Death/TPD cover	1 August 2025 Death/TPD cover (31 July 2025 Death/TPD cover – enhanced by Life Events Cover multiplier of 1.25)	Fixed Cover value from 1 August 2025
29	\$185,000	\$231,250	\$231,250

Please see your SEN for the actual change to your insured benefits.

The amount of Fixed Cover you receive will remain the same until you turn 61 (subject to maximum insurable age restrictions). From 61, your TPD cover will gradually reduce each year until it reaches zero at age 70.

Please note that even though we will fix your cover at 1 August 2025, our insurance offering will continue to feature the same high levels of flexibility, with some improvements. From 1 August 2025, you can elect to move from Fixed Cover to unitised age-based cover or vice-versa (conditions apply), and you still can decrease or cancel your cover, or you can apply to increase your cover at any time. Please see below and refer to our [Insurance Guide](#) (available on our website from 1 August 2025) for more details on the options available to you.

The cost of your insurance cover is also changing. Both age-based Cover and Fixed Cover costs will change from 1 August 2025. Importantly, the cost of Fixed Cover and age-based Cover will be based on the same Insurance fee rates table so there is no cost-related disadvantage to you of moving from age-based to Fixed Cover arrangements from 1 August 2025.

Please see the 'How are your insurance fees changing?' section below and our [new Insurance fee tables](#) for the new fees that will apply from 1 August 2025. You can also refer to the SEN we sent you for a comparison of your before and after insurance cover levels and costs of that cover.

Changes to Fixed Cover

If you have fixed value Death and TPD (or Death only) cover with Australian Ethical Super on 31 July 2025, your cover will remain Fixed Cover and there will be no change to its value on 1 August 2025.

Example:

Fixed Cover value on 31 July 2025	Fixed Cover value from 1 August 2025*
\$450,000	\$450,000

Please see your SEN for the actual change to your insured benefits.

Fixed Cover insurance costs are also changing and will become more cost-effective cover for most age groups. The cost of cover for some age groups will remain unchanged. Please see the section '*How are your insurance fees changing?*' section below and our [new Insurance fee tables](#) for the new fees that will apply from 1 August 2025. You can also refer to the SEN we sent you for a comparison of your before and after insurance cover levels and costs of that cover.

Important: If you've previously been accepted for cover with exclusions or loadings, these will still apply to your current and any new insurance. Please check your original acceptance letter for those details.

*In accordance with current rules, the amount of Fixed cover you receive will remain the same until you turn 61 (subject to maximum insurable age restrictions). From 61, your TPD cover will reduce each year in equal stages until it reaches zero at 70.

Changes to Income Protection Cover

If you have Income protection cover with Australian Ethical Super on 31 July 2025, your cover will remain Fixed Cover and there will be no change to its value from 1 August 2025. Your waiting and payment periods will also remain unchanged.

Insurance costs are changing. Please see the section '*How are your insurance fees changing?*' section below and our [new Insurance fee tables](#) for the new fees that will apply from 1 August 2025. You can also refer to the SEN we sent you for a comparison of your before and after insurance cover levels and costs of that cover.

Important: If you've previously been accepted for cover with exclusions or loadings, these will still apply to your current and new insurance. Please check your original acceptance letter for those details.

How are your insurance related premiums and fees changing?

From 1 August 2025 the insurance premiums applicable to your account will be displayed on your statements, online account, and all relevant correspondence as part of an item labelled '**Insurance fee**'. The Insurance fee will represent the full cost to you of holding insurance cover in the fund, with part of it to be used to pay insurance administration costs to Australian Ethical. The part of your overall Insurance fee that will be allocated to cover insurance administration costs will be 7.5% of the insurance premiums payable to the insurer. The fee will ensure that we can continue to provide you with the same high levels of service and flexibility in relation to your insurance arrangements. Reference to Insurance fees can be found in the 'Other fees and costs' section of our PDS, Additional Information Booklet and Insurance Guide from 1 August 2025.

We are pleased to announce that the Insurance fee, or total cost of every \$1,000 of insurance you have will decrease for the vast majority of age groups from 1 August 2025 relative to the insurance premiums you were paying on 31 July 2025. For those age groups where the insurance fee does not decrease on 1 August, it will remain unchanged. Premium rate tables will also be simplified, and from 1 August 2025 a single set of Insurance fee tables will apply across age-based Cover and Fixed Cover, regardless of your smoker status.

Important: If you are a Standard age-based Default Cover member we have told you that you will receive an automatic increase in cover from 1 August. This will mean that the amount you pay in Insurance fees on a monthly basis may actually increase after 1 August 2025, even though the per dollar cost of your cover will decrease. This is because you will be paying for a greater level (more dollars) of insured cover.

Example: Increase in standard Default Cover from 1 August 2025

Age Next Birthday	Cover type	Cover on 31 July 2025	Premium cost* per \$1,000 sum insured on 31 July 2025	Annual premium cost on 31 July 2025	Higher Cover from 1 August 2025	Reduced cost (Insurance fee*) per \$1,000 sum insured from 1 August 2025	Higher annual Insurance fee from 1 August 2025
29	Death/TPD (Male)	\$185,000	\$0.56	\$103.60	\$333,000	\$0.46	\$153.18
29	Death/TPD (Female)	\$185,000	\$0.22	\$40.70	\$333,000	\$0.18	\$59.94

*Premium cost on 31 July 2025 represents the insurance premium cost only. The Insurance fee from 1 August represents the combined cost of insurance premiums and a value allocated to cover insurance premium costs.

Important: Members on Fixed Cover or Non-Standard age-based Default Cover arrangements will not experience a change in cover levels from 1 August, so the per dollar cost of insurance as well as the total amount you pay in Insurance fees on a monthly basis will decrease or remain unchanged.

Example: Increase in standard Default Cover from 1 August 2025

Age Next Birthday	Cover type	Age-based Cover on 31 July 2025	Premium cost* per \$1,000 sum insured on 31 July 2025	Annual premium cost on 31 July 2025	Fixed Cover from 1 August 2025	Reduced cost (Insurance fee*) per \$1,000 sum insured from 1 August 2025	Lower annual Insurance fee from 1 August 2025
29	Death/TPD (Male)	\$240,500	\$0.56	\$134.68	\$240,500	\$0.46	\$110.63
29	Death/TPD (Female)	\$240,500	\$0.22	\$52.91	\$240,500	\$0.18	\$43.29
29	Income Protection (Male)	\$75,000 (p.a.)	\$0.90	\$67.50	\$75,000 (p.a.)	\$0.73	\$54.75
29	Income Protection (Female)	\$75,000 (p.a.)	\$1.49	\$111.75	\$75,000 (p.a.)	\$1.22	\$91.50

*Premium cost on 31 July 2025 represents the insurance premium cost only. The Insurance fee from 1 August 2025 represents the combined cost of insurance premiums and a value allocated to cover insurance premium costs.

These examples show the Insurance fees prior to the application of an Occupation Loading. Income Protection values are based on a waiting period of 90 days and a benefit payment period of 2 years. Please see our [new Insurance fee tables](#) for the new insurance fees that will apply from 1 August 2025.

Please see your SEN for the actual change to your insured benefits and Insurance fee cost. Also note the 'How are your fees changing?' section below to ensure you are aware of all the costs of holding insurance cover in the fund.

You will continue to be entitled to a 15% tax rebate on the fees and premiums you pay including your Insurance fee from 1 August 2025.

How are your Administration fees changing?

Currently, the cost of administering your insurance arrangements is covered by an Administration Fee of \$68 p.a. plus 0.26% p.a. of your account balance. This fee covers all administration fees associated with your Australian Ethical Super membership, including insurance administration costs.

Current Administration Fee structure

Amount	How and when paid
Administration fees of: \$68 (\$57.80 net*) per annum	Dollar based fees are deducted from your account monthly.
Plus	Percentage administration fees are accrued daily and reflected in the unit price. The percentage administration fee you pay is calculated on your account balance.
0.26% (0.22% net*) p.a. of your account balance	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$130 (\$110.50 net*) in administration fees and costs, plus \$68 (\$57.80 net*) regardless of your balance.

From 1 August 2025, in recognition of the introduction of the Insurance fee, insurance administration costs will no longer be covered by the Administration fee. As a result, the account balance component of the Administration fee will be reduced to 0.25% p.a. The reduction will lower administration fees for all members, and partially/or wholly (depending on your circumstances) offset the impact of that part of the Insurance fee allocated to cover insurance administration costs. We believe that the introduction of the Insurance fee that will apply only to insured members, and the resulting reduction in Administration fees for all members, is the most equitable way to pay for insurance related services provided by the fund.

Administration Fee structure from 1 August 2025

Amount	How and when paid
Administration fees of: \$68 (\$57.80 net*) per annum	Dollar based fees are deducted from your account monthly.
Plus	Percentage administration fees are accrued daily and reflected in the unit price. The percentage administration fee you pay is calculated on your account balance.
0.25% (0.21% net*) p.a. of your account balance	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$125 (\$106.25 net*) in administration fees and costs, plus \$68 (\$57.80 net*) regardless of your balance

*You will continue to be entitled to a 15% tax rebate on the administration fees you pay.

What are your options?

If you currently have Standard age-based Default Cover

If you don't want to move to the higher level of Death and TPD cover we have told you about on 1 August 2025, and you would like to keep your current level of cover, you can elect to fix your current cover before 28 July 2025 to ensure your application is processed by 1 August 2025. To do this you can log into the [member portal](#) and select the 'Manage Your Insurance' option to fix your cover.

Important: Please note that if you will be under the age of 25 on 31 July 2025 your Default TPD cover is set at a level that is higher than your Default Death cover, and different rules will apply if you want to fix your cover prior to 1 August 2025. Under the rules of the insurance policy the level of TPD cover you fix can't be higher than your Death cover. As a result, if you want to fix your cover prior to 1 August 2025 without underwriting, both Death and TPD cover will be fixed at the same dollar value as your Standard age-based level of Default Death cover.

If you are considering increasing your cover levels prior to the application of a higher level of Default Cover on 1 August 2025, please note that this request (unlike your automatic uplift on 1 August) will be subject to underwriting by the insurer. If your application is approved you will move from Standard age-based Default Cover to Fixed Cover prior to 1 August 2025 and the section of this document above '**Changes to Fixed Cover**' will apply to you from 1 August 2025. If this applies to you then you will not receive an uplift to your Default Cover levels on 1 August 2025.

If you are considering reducing your level of cover prior to 1 August 2025, you will move from Standard age-based Default Cover to Fixed Cover. If this applies to you then the section of this document above '**Changes to Fixed Cover**' will apply to you from 1 August 2025 and you will not receive an uplift to your default cover levels on 1 August 2025.

If you currently have Standard age-based Default Cover and don't take action to fix, increase, or reduce your cover before 1 August 2025 you will receive the new level of cover shown in your SEN from 1 August 2025. But rest assured, you can still manage the type and level of cover you have with us at any time. Please read our Insurance Guide (available on our website from 1 August 2025) for more information on managing your insurance.

If you currently have Non-Standard age-based Default Cover

While your cover at 1 August 2025 will become Fixed Cover you can still manage the type and level of cover you have at any time, including switching back to unitised cover after 1 August 2025.

Any accepted application to increase, reduce, or fix cover prior to 1 August 2025 will result in your cover becoming fixed cover prior to 1 August 2025 and the section of this document above '**Changes to Fixed Cover**' will apply to you from 1 August 2025. Please read our [Insurance Guide](#) (available on our website from 1 August 2025) for more information on managing your insurance.

If you currently have Fixed Cover

While your cover at 1 August 2025 will remain Fixed Cover you can still manage the type and level of cover you have at any time, including switching to unitised cover after 1 August 2025. Please read our [Insurance Guide](#) (available on our website from 1 August 2025) for more information on managing your insurance.

What if you have an active claim or underwriting application?

If your insurance claim is currently being assessed

If you or your beneficiaries have made a claim in relation to your Death, TPD, Terminal Illness, or Income Protection insurance, the amount that will be paid to you if your claim is successful and the insurer agrees to pay your claim in full, will be the value of your insured benefit at the time of the event relevant to the claim.

If you have applied for more cover

If you have recently applied for a higher level of cover, we will make every effort to ensure your application is assessed before 1 August 2025. In the event we have not made a decision on your application before 1 August 2025 it will be subject to the following treatment:

- If you are a standard age-based Default Cover member and have applied for additional cover prior to 1 August 2025. We need to receive any new applications by 11 July 2025. After the assessment of your application, if further information, or requirements such as medical tests or reports are required, they will need to be completed and assessed by 18 July 2025. We will not progress your application after 1 August 2025. At this point, your application will be withdrawn, given your level of Default Cover will increase by 1.8 times from this date. If, after 1 August 2025 you wish to apply for a level of cover that is higher than your new Default Cover, you will need to reapply. If your application for increased cover is approved pre-1 August 2025 you will move from Standard age-based Default Cover to Fixed Cover prior to 1 August 2025, and the section of this document **'Changes to Fixed Cover'** will apply to you from 1 August 2025.
- If you are a Fixed Cover member and have applied for an increase in cover prior to 1 August 2025 and the insurer accepts your application for increased cover after 1 August 2025 this will be applied as Fixed Cover effective the date your application is accepted.
- *New Member Offer:* If you have applied for a multiplier of 1.3 or 1.6 of your cover value under our New Member Offer, please note that multipliers will no longer be available from 1 August 2025. If your application is approved pre-1 August 2025 the multiplier will be applied to your cover and you will move from Standard age-based Default Cover to Non-standard age-based Default Cover and the section of this document **'Changes to Non-standard age-based Cover'** will apply to you. We need to receive valid new applications by 24 July 2025 to ensure they are processed before 1 August 2025. If your application is not approved before 1 August 2025, we will not progress your application. At this point, your application for New Member Offer will be withdrawn given your level of Default Cover will increase by 1.8 times on this date. If you wish to apply for New Member Offer after 1 August 2025, you will need to submit a new application.
- *Life Events Cover:* If you have Standard age-based Default Cover and have applied for a multiplier of your cover value under our Life Events Cover rules, please note that multipliers will no longer be available from 1 August 2025. We need to receive valid new applications by 24 July 2025 to ensure they are processed before 1 August 2025. If your application is approved pre-1 August 2025 the multiplier will be applied to your cover and you will move from Standard age-based Default Cover to Non-standard age-based Default Cover, and the section of this document *above* **'Changes to Non-standard age-based Default Cover'** will apply to you. We need to receive valid new applications by 24 July 2025. If your application is not approved before 1 August 2025, we will not progress your application given your level of Default Cover will increase by 1.8 times on 1 August 2025 and at this point, your application will be considered withdrawn. If you wish to apply for Life Events Cover after 1 August, you will need to submit a new application. If you have applied for a fixed dollar value of Life Events Cover and the insurer agrees to the level of increase you have requested, then that value of Fixed Cover will be applied to your account effective the date your application is accepted.

What if you have cancelled or pending cover on 31 July 2025?

If you are eligible for Default Cover but are under age 25 and/or with an account balance of less than \$6,000 (pending cover)

The Putting Members' Interests First (PMIF) legislation requires that default insurance for members who are under age 25 and/or haven't had an account balance of at least \$6,000 in the fund since your membership commenced, can only have their Default Cover commence without underwriting in one of the following ways:

- If you are at least 25 years of age (but are under 65*), and your account is active, with a balance of at least \$6,000 your Default Cover will automatically commence; or
- you make the decision to opt-in to start your insurance before age 65 by completing a form.

If you are eligible for Default Cover but it hasn't yet commenced under this rule, your Default level of Cover that we told you about when you joined will be subject to the uplift indicated in the ***Changes to Standard age-based Default Cover*** section of this notice from 1 August 2025.

*From 1 August 2025, this age limit will change to age 67.

If you currently don't have cover and are not eligible for Default Cover

If you don't have Default Cover and are not eligible to receive it under PMIF rules, you can apply for unitised or Fixed Cover. Your application will be subject to underwriting, which means that our insurer will ask you questions about your medical status prior to making a decision on whether or not to approve your application for voluntary cover.

If you've opted out of Default Cover or have had your insurance cover cancelled

If you've opted out of Default Cover or your cover has been cancelled, you can still apply for unitised or Fixed Cover and your application will be subject to underwriting. This means that we will ask you questions about your medical status prior to making a decision on whether or not to approve your application for voluntary cover.

If your cover was cancelled but is eligible for reinstatement

If your insurance cover has been cancelled it might be eligible for reinstatement if:

- it was cancelled due to 16 months of inactivity on your account, and you have since requested reinstatement within the allowable timeframe; or
- it was cancelled due to unpaid insurance premiums and your account balance is now sufficient to pay all outstanding premiums and applicable fees (conditions apply).

Standard age-based Default Cover reinstated under these rules will be subject to the uplift on 1 August 2025 and the section of this document '***Changes to Standard age-based Default Cover***' will apply. For Non-standard age-based Default Cover members and Fixed cover members prior to 1 August 2025 the value of cancelled cover will be reinstated as Fixed Cover.

If you are age 65 or 66 and not eligible to commence Default Cover due to your age

From 1 August 2025, if you have had an account balance of at least \$6,000, you will now be eligible for Default Cover. Please see our new [aged-based Default Cover tables](#) for how much Death & TPD cover you will be eligible for, and the costs associated with this cover. You can cancel your cover at any time.

Links to important information

- [Insurance cover and Insurance fee tables](#)
- [Changes to insurance Terms and Conditions](#)
- [Insurance guide](#) (current – pre -1 August 2025)
- [Product Disclosure Statement](#) (current – pre -1 August 2025)
- [Super Additional Information Booklet](#) (current – pre 1 August 2025)
- [FAQs](#)