

PPS Mutual Insurance Product

Member Outcomes Assessment
For the year ended 30 June 2023

28 February 2024





Executive Summary

Introduction

The PPS Mutual Insurance Product (PPSM) provides members with access to death and disablement insurance cover inside superannuation. PPSM 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 PPSM's 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 PPSM given its structure as an insurance-only fund.

Ultimately a determination (contained on the following page) is made for PPSM as to whether the product is serving the financial interests of the members. This assessment was undertaken in February 2024, and is relevant for the financial year ended 30 June 2023.

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 in line with peers for white collar professionals;
- PPSM issued profit share assignment for the year of 3.5% (post tax) of premium paid plus 3.90% (post tax) of opening balances;
- PPSM has strong claims approvals for claims received; and
- The Trustee has determined that the options, benefits and facilities offered under PPSM are appropriate to members. PPSM offers unique features that have been tailored and designed to meet the needs of its members; individuals working in certain professions, including doctors, lawyers, accountants and engineers.



Product Appropriateness Assessment

INSURANCE STRATEGY & FEES

PPS Mutual has been established on a mutual model, with the PPS Mutual Insurance Product (PPSM) also offering a profit-sharing arrangement with members. PPSM provides members with access to insurance offering death, total and permanent disability and disability income insurance benefits. It does not provide members with access to an accumulation account.

PPSM is only available to individuals who are eligible to practise in one of 27 professions including doctors, lawyers, accountants and engineers or have a 4 year degree (or masters) in a defined professional field from an approved university. The insurance cover is tailored to meet the needs of professionals and designed to be flexible to the member's changing needs.

PPSM has a number of unique features that have been developed for the professional market:

- The ability to increase cover without medical underwriting on certain career events such as setting up private practice;
- Cover automatically indexes each year in line with the higher of inflation or the increase in professional earnings; and
- The ability to take parental leave and then return the sum insured to the previous level without medical underwriting.

INSURANCE STRATEGY & FEES

PPSM does not provide default level of cover. The product is designed for risk and level of cover to be determined with the consultation of an adviser by the insured.

As this product is designed for financial adviser consultation, financial advisers determine the appropriateness of the insurance and the cost of 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 8- 10 contain analysis of insurance premiums against 10 peers* based on 3 different risks and levels of cover between the ages 20-55 in 5 year increments. The 3 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 + Income Protection (IP) \$7.5k (30 day wait, To Age 65) – White Collar Professional

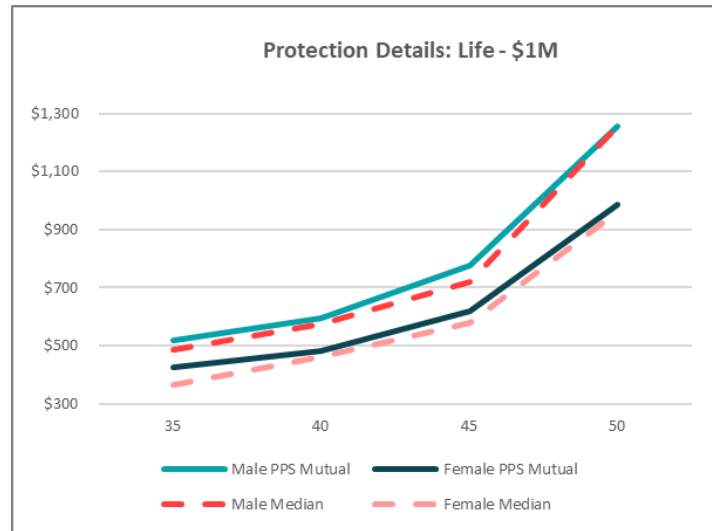
The Trustee has determined that PPSM insurance premiums are generally competitive against peers.

Costs Comparison \$1M Life Cover standalone

The following table and graph compare PPSM's insurance premiums for a \$1m life cover standalone for a professional collar for both male and female against 10 peers* between the ages 35-50.

PPSM's premiums are slightly less competitive at all age levels for \$1M Life Cover standalone at professional collar rates compared to the median, with the exception of Males aged 50 which are equal to the median.

Age	Male (Age Next Birthday)				Female (Age Next Birthday)			
	35	40	45	50	35	40	45	50
PPS Mutual	\$518	\$594	\$774	\$1,255	\$427	\$480	\$618	\$984
Median	\$485	\$574	\$720	\$1,255	\$366	\$460	\$579	\$960
High	\$560	\$658	\$873	\$1,512	\$430	\$535	\$708	\$1,253
Low	\$413	\$476	\$595	\$1,050	\$322	\$373	\$483	\$804

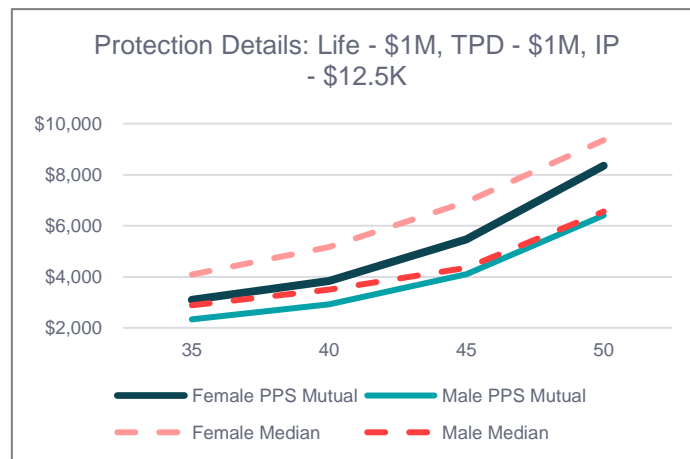


Costs Comparison Life Cover \$1m + TPD Cover \$1m + IP Cover \$12.5k monthly benefit

The following table and graph compare PPSM's insurance premiums for \$1m life cover + \$1m TPD cover + \$12.5k monthly benefit for Income Protection (IP) for a professional collar at both male and female against 10 peers* between the ages 35-50.

PPSM's premiums are competitive at all age levels for \$1m life cover + \$1m TPD + \$12.5k IP cover at professional collar rates compared to the median.

Age	Male (Age Next Birthday)				Female (Age Next Birthday)			
	35	40	45	50	35	40	45	50
PPS Mutual	\$2,336	\$2,924	\$4,101	\$6,414	\$3,100	\$3,835	\$5,462	\$8,355
Median	\$2,888	\$3,499	\$4,348	\$6,554	\$4,085	\$5,172	\$6,937	\$9,361
High	\$3,164	\$4,086	\$5,511	\$8,923	\$5,738	\$6,003	\$8,006	\$12,311
Low	\$625	\$732	\$931	\$1,679	\$546	\$622	\$883	\$1,475

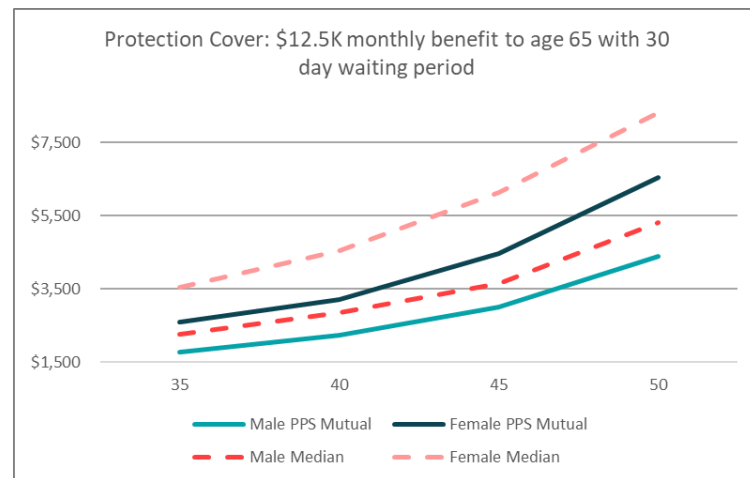


Costs Comparison of IP Cover \$12.5k monthly benefit

The following table and graph compare PPSM's insurance premiums for a \$12.5k monthly benefit for Income Protection (IP) for a professional for both male and female against 10 peers* between the ages 35-50.

PPSM's premiums are highly competitive at all age levels for \$12.5k IP cover at professional collar rates compared to the median.

Age	Male (Age Next Birthday)				Female (Age Next Birthday)			
	35	40	45	50	35	40	45	50
PPS Mutual	\$1,783	\$2,228	\$3,016	\$4,396	\$2,602	\$3,202	\$4,467	\$6,527
Median	\$2,266	\$2,850	\$3,636	\$5,318	\$3,541	\$4,553	\$6,132	\$8,313
High	\$2,461	\$3,175	\$4,278	\$6,289	\$5,094	\$5,317	\$6,733	\$9,902
Low	\$1,783	\$2,067	\$2,980	\$4,076	\$2,602	\$3,202	\$4,467	\$6,378



Insurance Claims

PPSM had one claim for the period. The Trustee has determined that based on the strong claims approval, that the financial interest of beneficiaries is being met with regards to claims services for PPS Mutual Super fund insurance plan.

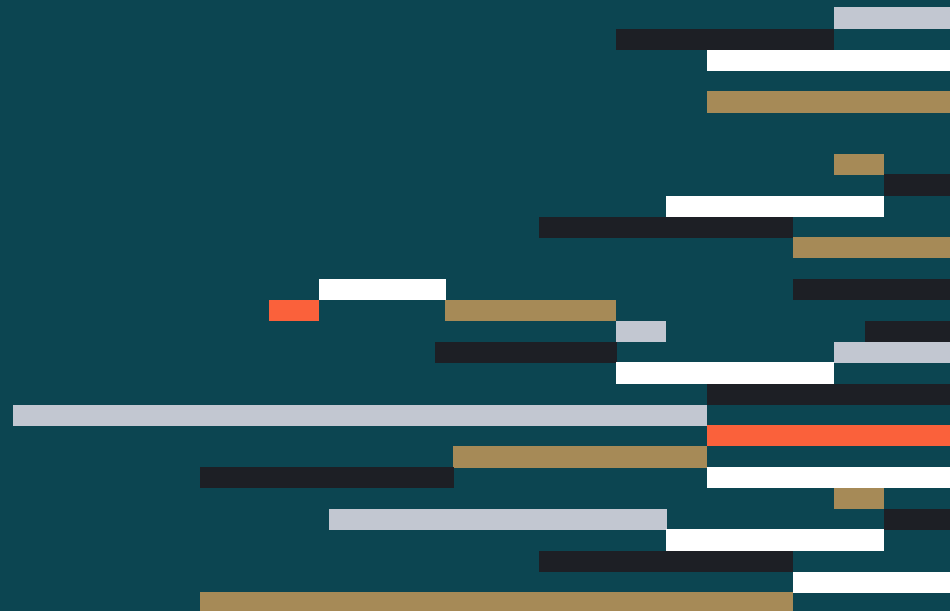
PPSM	Accepted	Declined	Acceptance Ratio
Death	1	0	100%
TPD	0	0	No claims to Consider
Terminal illness	0	0	No claims to Consider
Income Protection	1	0	100%
Total	2	0	100%

OPTIONS, FACILITIES & BENEFITS

PPS Mutual Super fund with its mutual fund structure provides beneficiaries access to profit sharing agreement. Additionally, they have digital offerings to assist the insured and their advisors in servicing their insurance. PPSM provide advisor on boarding involves training and accreditation process before being able to recommend PPS Mutual Professionals Choice. PPSM's tools to members' financial advisers to support members' needs, include:

- Training and support for back-office teams as well as for the advisers;
- The ability to quote online with a highly visual quoting tool that demonstrates the benefits and structures selected;
- The ability to make changes to client details and quote and apply for additional business online;
- Regular briefings on industry issues; and
- Support in developing marketing tools for adviser groups.

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



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