

# MEMBER OUTCOMES ASSESSMENT

The information in this document relates to

OneCare Super  
OnePath Accumulation Products  
OnePath Income Stream Products  
Whole of Life & Endowment Products

Year end 30 June 2024



# ABOUT THIS DOCUMENT

Each year OnePath Custodians Pty Limited (**OPC**) is required to assess whether we have promoted the best financial interests of members. The Member Outcomes Assessment (**MOA**) is a measure of our products' performance against key factors prescribed by legislation such as investment strategy, fees and costs, and scale.

As the Administrator and Insurer or Guarantor, Zurich Australia Limited (**Zurich**) has provided information and supporting documentation to assist OPC in conducting the assessment for all the product categories covered in this document.

In assessing the retail insurance product, we also utilised APRA published reports, industry benchmarking, comparative data, and various in-house performance reports.

The products covered in this report do not have all the components that are usually evaluated in the MOA process. Each product category is discussed in detail in the next sections with a determination summary based on the relevant assessment factors.

All information contained in this document cover the 12 months ending 30 June 2024.

As we measure our success by what we delivered for our members, we further consider the results of the MOA in our annual Business Performance Review and factor key recommendations to improve members' outcomes into our Business Plans.



# ONECARE SUPER

OneCare is a retail insurance product offered to the members through their advisers. It provides a flexible solution that can be tailored to meet individual member's insurance needs. The application process requires underwriting directly with the insurer.

OneCare is issued by OPC as Trustee and Policyowner and Zurich as Insurer.

## Product snapshot (30 June 2024)

	Number of policies	Annualised Premiums
OneCare Super	64,212	\$279.5m

Zurich also acts as Administrator for OneCare Super. They manage member communications and transactional operations and offer health focussed services for the members and their immediate family (e.g., expert doctor panels, mental health navigator) at no extra cost. Zurich has specialised teams that provide all claim and post-claim support services to the members.

OneCare is a risk-only superannuation offering with no underlying funds under administration. It does not have the investment components such as Investment Strategy and Risk or Net Investment Returns. Only the factors Insurance Strategy and Insurance Fees & Costs are relevant and have been considered in this outcomes assessment.

## Overall determination

**We have determined that overall, OneCare Super is promoting members' financial interests.**

OneCare offers flexibility to the members enabling them to tailor their insurance cover to their individual needs and budget. When reviewed against the Trustee's Insurance Management Framework, all obligations encompassing the product and pricing changes have been fully met for the year.

We assessed the decline rates against the Trustee's Risk Appetite Statement (RAS) and found the Total Permanent Disability claims only partially met the established tolerance limits. Decline rates for Death and Income Protection claims however were all found to meet the RAS tolerance levels.

The average claim assessment duration for the year was longer than the market average against comparable segments<sup>1</sup>. The average claim handling time has been skewed by a low number of outliers; complex claim cases that required further investigation with delays occurring due to difficulties in obtaining information.

We reviewed the performance of the Insurer/Administrator during the year and found the level of service standards acceptable and benefitting the members. In July 2024, Zurich implemented an auto-response application on all customer facing email communications. This initiative will further improve the Insurer's capability to acknowledge members' complaints within the required timeframes.

<sup>1</sup> APRA Life Insurance Claims and Disputes statistics December 2023 (issued April 2024).

# ONEPATH ACCUMULATION

The OnePath Accumulation products are legacy offerings which have been closed to new members for some time. All these products are issued by OPC but administered and guaranteed by Zurich.

The products covered in this section are:

- Regular Savings Plan – closed to new members January 1994, and
- Personal Retirement Plan (Plus Range) – closed to new members September 1998.

Product snapshot (30 June 2024)	Number of policies	Surrender Value
OnePath Accumulation	1,379	\$49.8m

As legacy products, the suite does not have the features available in contemporary products. For the outcomes assessment, only the factors Investment Strategy, Options, Benefits & Facilities, and Scale were taken into consideration.

The Capital Guaranteed option in the Personal Retirement Plan (Plus Range) is a participating policy where a pool of reserves has built up over the years providing a buffer against investment fluctuations, with a diversified investment portfolio that includes growth assets.

The Regular Savings Plan also has a Capital Guaranteed option but it is a non-participating policy with a more conservative investment strategy favouring the defensive assets. The product's Managed Growth option has a higher allocation on growth assets which include equities, property and alternatives.

Due to the age and design of the products, member services are not offered on a digital portal. However, the options, benefits and facilities provided to the members are reasonably broad which include multiple channels for customer support, regular member communications, and educational information.

## Overall determination

**We have determined that overall OnePath Accumulation products are promoting members' financial interests.**

The outcomes assessment shows that the investment strategy, investment governance and profit-sharing arrangements for the products have been implemented appropriately by the Administrator.

We have evaluated the options, benefits and facilities and found the agreed service standards were fulfilled during the year with overall service performance exceeding the set target. All product obligations have been fulfilled with no significant reportable events occurring during the year.

Scale is sufficient to sustain the member outcomes into the future. Zurich is part of the global Zurich Insurance Group, considered as one of the top 25 largest insurers in the world. The Group's financial strength is rated AA by Standard & Poor's with a stable credit outlook. Zurich has adequate capital to meet the underlying insurance risks according to Australian regulatory requirements as attested annually by Zurich's Appointed Actuary.

# WHOLE OF LIFE & ENDOWMENT (TRADITIONAL)

We have included in this assessment legacy products that have been closed to new members for years. Known as Whole of Life & Endowment or Traditional, these products are issued by OPC and administered and guaranteed by Zurich. The products covered in this section are:

- OnePath Endowment – closed to new members July 1978
- OnePath Whole of Life – closed to new members January 1982, and
- ANZ Whole of Life – closed to new members November 1988.

Product snapshot (30 June 2024)	Number of policies	Surrender Value
Whole of Life & Endowment	109	\$2.5m

Based on their age and design, the Traditional products do not have the features available in contemporary products. Only the following factors were considered relevant for the outcomes assessment: Investment Strategy, Options, Benefits & Facilities, and Scale.

The investment objective for the Traditional products is to achieve stable earnings with minimum volatility while managing investment risk to secure policyholder benefits guaranteed by Zurich. As per regulations, Zurich provides clear disclosure on the sharing of profit between policyholders and shareholders that is earned by the participating pool. The profits are allocated to the policy owners or members through guaranteed and non-guaranteed terminal benefits based on advice from Zurich's Appointed Actuary. A Bonus Policy governs the annual distribution to the members of the 'bonus' or the amount that is their appropriate share of operating profits for the year.

The options, benefits and facilities offered to members in Traditional are similar to the ones offered to OnePath Accumulation (please see the previous section).

## Overall determination

**We have determined that overall Traditional products are promoting members' financial interests.**

The Administrator has appropriately implemented the investment strategy, investment governance and profit-sharing arrangements for the products which promote the members' interests. Member servicing and options, benefits and facilities provided to the members have met the required service standards. All product obligations have been fulfilled with no significant reportable events occurring during the year.

As previously discussed, Zurich has sufficient scale to sustain the member outcomes into the future given its size and the parent company, Zurich Insurance Group, is one of the top 25 largest insurers in the world.

# ONEPATH INCOME STREAM

OPC has been offering retirement solutions through the years which include products that provide a fixed or fixed-term income for the member upon reaching retirement. OnePath Income Stream covers the following products:

- OnePath Allocated Pension (Flexible Retirement Plan) – closed to new members November 1998, and
- OnePath Guaranteed Pension – closed to new members July 1999.

Product snapshot (30 June 2024)	Number of policies	Surrender Value
OnePath Income Stream	667	\$5.29m

Both products are issued by OPC with Zurich acting as Administrator and Guarantor.

Members with investments in OnePath annuities are provided with a fixed or indexed regular income for the life of the member or for a fixed-term. The calculation of the income payments is fixed at commencement and includes an allowance for the associated costs and expenses to Zurich.

The products have been closed to new members for some time and do not have all the features we review in contemporary pension products. Zurich guarantees the income payments to the members as such assessing the investment strategy and investment risk of the products is no longer relevant. Fees and costs have been factored into the calculation of the income payments at the start of the annuity policy and there are no ongoing fees and costs.

For the outcomes assessment, only the factors Options, Benefits & Facilities, and Scale were taken into consideration.

## Overall determination

**We have determined that overall OnePath Income Stream products are promoting members' financial interests.**

Members with accounts in the OnePath Income Stream products have access to the same options, benefits and facilities discussed in the previous sections. Zurich as Administrator and Guarantor has met the agreed service standard levels and fulfilled all product obligations.

Scale is sufficient to sustain the member outcomes into the future. Zurich has adequate capital to meet the underlying insurance risks according to Australian regulatory requirements as attested by Zurich's Appointed Actuary.

## We're here to help

If you have any questions or would like further information about your account, please contact us or your financial adviser.

### Contact details

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This document has been prepared on behalf of OnePath Custodians Pty Limited, ABN 12 008 508 496, AFSL 238346 (OPC) as Trustee of Retirement Portfolio Service, ABN 61 808 189 263. OPC is part of the group of companies comprising Insignia Financial Ltd, ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group).

The information in this document is general in nature and does not consider your objectives, financial situation or individual needs. Before acting on any of this information, you should consider whether it is appropriate for you. It is important that you read the relevant Product Disclosure Statement and other disclosure documents or consider obtaining financial advice before making any decisions based on this information. Past performance is not a reliable indicator of future performance. Awards and ratings are only factors to consider when deciding to invest your super.

References to 'we', 'us' or 'our' are references to the Trustee, unless otherwise stated.

Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and the relevant insurance policy, which governs your rights and obligations as a member.