

FuneralPlan Bond – updated Product Disclosure Statement

5 October 2021

The FuneralPlan Bond Product Disclosure Statement (PDS) has been updated, effective 5 October 2021.

Below is a summary of the main changes:

1. Design and Distribution Obligations (DDO)

The Design and Distribution Obligations (DDO), which come into effect on October 5, aim to ensure that product issuers and distributors are keeping customers at the centre of their approach when designing and distributing products.

To coincide with the introduction of DDO, the following changes have been made to the PDS:

Inclusion of a target market summary

The target market summary provides an overview of the key eligibility criteria for investors who are considering the FuneralPlan Bond.

Product selection criteria – questions for non-advised clients

A series of questions have been introduced to the application form to understand the key product selection criteria of non-advised clients. Clients who take out the product through a financial adviser will not be required to answer these questions. These questions form part of the reasonable steps we are undertaking to ensure that the distribution of our product to non-advised clients is consistent with its Target Market Determination (TMD).

Adviser attestations

As distributors of FPB and under DDO obligations, our adviser network is expected to have considered the TMD for the product to ensure their clients are within the target market.

Advisers submitting a FuneralPlan Bond application form from October 5 onwards will be required to attest to having given due consideration to the TMD when recommending the product as part of providing personal advice.

For a copy of the FuneralPlan Bond TMD please refer to the following link -

www.australianunity.com.au/wealth/target-market-determinations

2. Deferred Sales Model

Also coming into effect from October 5 is the Deferred Sales Model for Add-On Insurance products. This change impacts the Travel Protection Plan offered through the FuneralPlan Bond and will require a four-day pause between the sale of the primary product (the FuneralPlan Bond) and the sale of add-on insurance (the Travel Protection Plan).

The FuneralPlan Bond application form has been amended so that the Travel Protection Plan cannot be taken out at the point of applying for the FuneralPlan Bond. A separate standalone Travel Protection Plan Application Form has been added to the PDS, allowing for it to be taken out by investors after the four (4) day period has elapsed.

Please refer to the PDS for further details on the Deferred Sales model and how it applies to the Travel Protection Plan.

3. Other updates

- The exempt funeral investment threshold remains at \$13,500 for the 2021/22 year. While it is generally indexed to CPI on 1 July each year, the Department of Human Services and Department of Veterans' Affairs have chosen to keep it at the same level for the coming year;
- Total estimated management costs have been updated to reflect the latest estimated indirect costs on each investment option, for the 12 months to 30 June 2021;
- The investing transaction cost for the Moderate investment option has been reduced from 0.32% to 0.30%.

4. Grace period for accepting applications from the PDS dated 21 December 2020

An interim grace period of 30 days will apply to applications that were completed and dated prior to 5 October 2021. This will allow for postal and other delays in submitting of the application and its receipt by us.

Any applications that have been dated on or after 5 October 2021, which use the superseded PDS, cannot be accepted.

In any instance where we receive an application dated on or after 5 October 2021 that has been completed using the superseded PDS, we will notify you that this has been rejected and, in the case of a funeral bond application only, hold the application and funds for 30-days. If we do not receive an updated application form within that 30-day period, we will reject the application and return the funds to you.

A standalone Travel Protection Insurance application form will be available within the new PDS. All funds for Travel Protection Insurance applications must be received as a separate, one-off payment of the single or joint premium in full.

Further information

If you have any questions, please contact the Investor Services team on 1300 1300 38 or email enquiries@australianunity.com.au, or the Adviser Services team on 1300 133 285 or email investmentbonds@australianunity.com.au