

Your premiums are increasing

Our guide for explaining why

Increasing your premiums is never a decision we make lightly.
But it is necessary at times to ensure you remain adequately covered.

This guide explains why this year's increase is necessary, and some options to help you manage the costs of your cover.



1 Let's begin by explaining how life insurance works

Life insurance is like a community pool of funds.

When you take out life insurance, you're joining a group of people who have chosen to protect themselves and their families.

You may not know each other, but you all do this by contributing to a pool of funds that anyone can draw from if necessary.

At Acenda, our role is to make sure this pool always has enough in it — and we do this according to the following principles:

- Everyone contributes fairly to the pool, as assessed on their health risks through underwriting.
- Everyone has the same opportunity to draw from the pool if they need to.

Some people may never have to draw from the pool. Others might draw from it more than once. But everyone benefits from knowing it's there — **reliably full, and built to last.**

2 Our purpose is paying claims When you need us, we'll be there.

In 2024,
we paid over

94%

of Retail claims.¹



That's over

\$793 million

in Retail claims paid to

4,857 customers

who have been impacted
by injuries, illness, and other
unpredictable life events.²

That's

**\$2.2
million
paid**

to individual claimants
every day.³

3 More people are making claims than we expected This has an effect on premiums.

Your personal risk is just one factor that affects your premium amount.
Other factors include how many claims we pay vs how many we expected
to pay, and how quickly people recover vs how quickly we expect them to.



17%

We've seen a **17% increase** in the average
amount paid for **Total and Permanent
Disability claims** related to **cancer** in the
past two years.⁴

16%

The average cost of a **Death/ Terminal
Illness claim** related to **cancer** has
gone up by 16% in the last four years.⁵

27%

We've seen a **27% rise in Income
Protection claims** and a **10% rise in Total
and Permanent Disability claims** related
to **mental health**.⁶

The nation-wide rise in mental health claims is
impacting the life insurance industry as a whole.

4.3 **million**
Australians
experienced a **mental health
disorder** last year.⁷

80% of the industry-wide increase in
TPD claim rates over the last
10 years is due to **mental health**.⁸

It's our responsibility to ensure the pool stays
full and accessible to everyone. But that
can only happen if the amount each person
contributes reflects the real costs of providing
care and support.

4

What these changes mean for you

What's changing

1. If you have Life Cover,⁹ TPD, Critical Illness Insurance, or Income Protection, you may see an increase to your premium rates of up to 20%.
2. These increases are in addition to any Consumer Price Index (CPI) or age-based changes.
3. Increases apply to level, stepped, and variable-aged stepped premium types (depending on the product).

What isn't changing

1. You're still covered.
2. Your cover remains the same, regardless of any deterioration in your health.
3. Any discounts you have on your policy still apply.
4. Access to Vivo, our award-winning health, wellness, and recovery program.
5. Your ability to claim remains the same.
6. Access to our personal, caring claim service from our award-winning claims team.
7. Access to our Insurance Specialists on 1300 450 316 8.30am to 6pm (AEST/AEDT) to answer any questions you have about your cover.
8. And, most importantly, **peace of mind** — your cover is there to protect you and your family if you need it.

5

Keeping your cover with Acenda may be more valuable than ever

If your circumstances have changed since you first took out your policy, your cover may be more valuable than ever – especially if your health has deteriorated.

Benefits of retaining your cover:



Your cover is what's known as a 'continuous policy'. As long as you pay your premiums, you won't be reassessed or excluded if your health worsens.



If you cancel and reapply for your cover, you may need to go through underwriting again. This could impact the terms and/or price of a new policy. Or you might not be offered cover at all.



You may hold benefits or definitions that aren't available on new policies. For example, definitions that provide broader coverage that new customers don't get access to.



You may be eligible for upgraded terms. Policy benefits can often improve over time — and where applicable, they'll automatically be passed back to you (you might already have received such policy enhancements).



6

Tips for managing the costs of your cover

Your cover is flexible. If you're worried about meeting the new costs of your life insurance, there may be several options available to you.

You might like to discuss the following options with your financial adviser, or explore them using your online life insurance portal at my.acenda.com.au:



Remove optional extras you may no longer need.



Pause your cover if you're going through a tough time (only applicable to some products).



Request a reassessment if you have loadings on your premiums and your health or lifestyle have improved since you first took out cover.



Turn off indexation (also known as inflation proofing or inflation linked), which automatically increases your cover each year.



Change your premium structure (e.g. from level to stepped or to variable aged-stepped).



Adjust your waiting or benefit periods (for Income Protection).



Reduce your cover amount.

We're here to help

First, speak to your financial adviser

They understand your personal needs and can discuss the best options for lowering your premium, specific to your circumstances.

Call us on 1300 450 316

From 8.30am to 6pm (AEST/AEDT), Monday to Friday.

Our Insurance Specialists are ready to answer all your questions. Although they can't advise you based on personal circumstances, they can talk to you about your policy and help you understand the options available to you.

Visit our website

At acenda.com.au/premiumchanges you'll find information on the most important things to know about life insurance, including:

- how much cover you need
- how premiums are calculated
- how to find the right adviser
- how to review your cover for your life stage.

You'll also find FAQs, tools and support.

Secure your tomorrow and take life on today.



A new name, the same promise

After over 135 years protecting Australian lives, MLC Life Insurance is now **Acenda**.

While our name and look are changing, our promise stays the same: to be there for our customers when it matters most.

With the strong support of Nippon Life Group, one of the world's largest life insurers, we're creating a new era of protection in our industry. As Acenda, we're enhancing our capabilities, and strengthening our enduring commitment to putting our customers first.

Sources

^{1,2,3} Claims data is derived from Acenda Claims Analysis 2025

^{4,5,6} Acenda Claims Analysis 2025, admitted claims between 2020 and 2024

⁷ AIHW 2024 - 1 in 5 Australians aged 16-85 years old (22%, or 4.3 million) experienced a mental disorder, aihw.gov.au/mental-health/overview/prevalence-and-impact-of-mental-illness

⁸ CALI-KPMG Disability Income Experience Investigation 2019-2023, cali.org.au/more-australians-forced-to-leave-work-for-good-over-their-mental-health-and-at-a-younger-age-new-landmark-report-shows

⁹ Personal Protection Portfolio and Life Cover Super

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