

Instead of reducing
or cancelling your
life insurance cover,
consider iExtend




iExtend

iExtend helps Australians maintain value in their life insurance cover

Thinking of reducing or cancelling your life insurance cover? There may be another way to approach this decision.

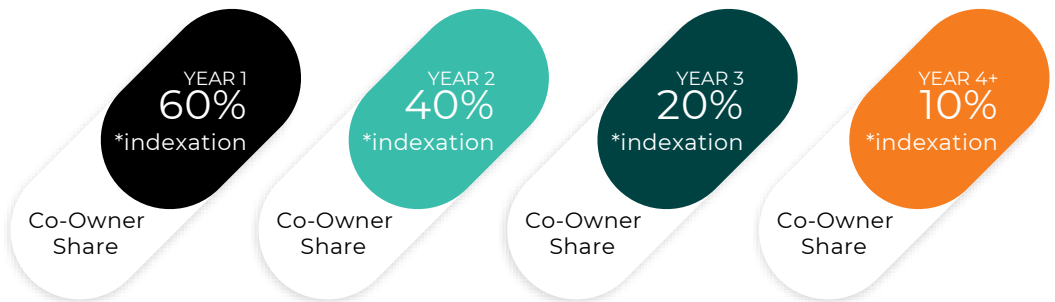
iExtend provides an option for policy owners who have decided to reduce or cancel their life insurance cover, allowing them to keep some of their benefits, without ongoing premium payments.

Please see important information on pages 9-10.

How does the iExtend offer work?

If you have decided to cancel or reduce your Life Insurance Policy, you may be eligible for a Life Co-Ownership Arrangement (the Arrangement).

iExtend will pay all the Premiums on the co-owned Life Cover and share the proceeds from any future claim with you, your beneficiaries or estate. The proportion of the claim proceeds shared will depend on how long iExtend has been paying the premiums.



**If there is indexation on the Policy, the original Sum Insured increases.*

If you wish to retain some of your Life Cover rather than co-own it all with iExtend, that Retained Cover will need to be split from the original Policy, with only the remaining cover that you have elected to cancel or reduce being nominated for the Arrangement.

The adviser referral that protected a family

Steven*, 68 years

Steven, 68, from St Kilda, was experiencing increasing affordability pressure due to the rising cost of living. As a result, he decided to cancel both of his life insurance policies.

Before taking action, he informed his trusted adviser of his intention to cancel the cover.

Role of Steven's adviser

The adviser recognised that cancelling both policies would permanently remove financial protection for Steven's beneficiary. So, rather than automatically processing the cancellation, he referred Steven to iExtend's licensed alternative to cancellation or reduction.

Without the adviser's referral, valuable cover would have been lost. Throughout the entire process, the client relationship remained with the adviser, who was kept informed along the way.



**Not all policies will result in a claim payment. This claims case study is based on a real client experience and serves as an educational and illustrative example. It does not constitute financial or legal advice. To protect client confidentiality and privacy, names and certain identifying details have been altered.*

Role of iExtend

iExtend provides an alternative for policy owners considering cancelling or reducing their life insurance, enabling them to retain part of their cover without continuing to fund the full premiums. In this instance, Steven was eligible for iExtend's co-ownership on both policies.

In October 2022, iExtend became co-owner of Steven's first policy (with a sum insured of \$327,624) and took over all premiums. We also acquired a \$150,000 co-ownership interest in his second policy (from a total sum insured of \$350,000), enabling him to reduce the premium rather than cancel the cover.

Steven's outcome

Around two years after commencing the co-ownership arrangement, Steven sadly (and unexpectedly) passed away due to surgical complications. Because the adviser referred Steven to iExtend before cancellation, both policies remained in force and paid out, with a total of **\$391,050** (made up of \$200,000 of cover that he retained and \$191,050 from the two policies he co-owned with iExtend) going to his beneficiary.

Had Steven cancelled the policies, valuable cover would have been lost. Instead, his beneficiary received critical financial support at a time of sudden loss, helping to ease immediate financial strain when it mattered most.



Steven's beneficiary received a total payout of **\$391,050**, which included the extra benefit of **\$191,050** from the iExtend co-ownership.

Life cover of \$1.2 million co-owned with iExtend

John*, 65 years

Retail Term Life Policy: \$1.2 million with 5% indexation

John was no longer working and was struggling to afford his life insurance premiums on top of his medical bills, having experienced chronic health conditions over the last five years. John had committed to cancelling his cover and had let his financial adviser know of his decision.



Role of John's adviser

As an alternative to cancelling his cover, John's adviser referred him to the iExtend Arrangement and informed John that he may qualify. Due to his changing health, John met iExtend's eligibility criteria.

Role of iExtend

After liaising with iExtend's Customer Care team, John decided to co-own all of his life cover with iExtend. This meant that John kept a share of his cover while iExtend paid all future premiums on John's Policy, including yearly indexation increases.

12 years later, after co-owning the policy with iExtend

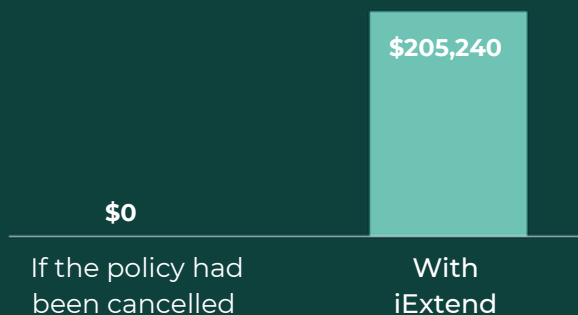
John suffered a sudden heart attack and sadly passed away. A claim was lodged on his Policy, which was successfully accepted by the Insurer. Due to indexation increases on the Policy over the 12 years of co-ownership, the cover amount of the Policy had increased to \$2.052 million at the time of claim.

So, instead of receiving no life insurance payout – as would have been the case if he had cancelled his cover – John's nominated beneficiary (i.e. the person that John had nominated to receive his portion of the Life Policy proceeds) received 10% of the \$2.052 million, which was \$205,240.

Indexation is an increase in the amount of Life Cover to ensure the value of the Cover is not eroded by the impacts of inflation.

It is usually a percentage amount set by the insurer. Indexation on Life Cover increases the Insurance Premiums and the Sum Insured (cover amount).

John's outcome



John's nominated beneficiary received 10% of the \$2.052 million, which was **\$205,240.**

**This case study is a hypothetical example. Not all policies will result in a claim payment. This example is provided for illustrative purposes only.*

iExtend's eligibility criteria

To be eligible for the iExtend Arrangement:

- The Policy Owner must have decided to cancel or reduce their cover;
- The Policy Owner must hold an annually renewable Term Life Insurance Policy that:
 - has a minimum expiry age of 90;
 - is fully underwritten; and
 - is in an individual ownership structure that allows direct transfer to the Custodian.
- The Life Insured must be aged 45 to 85 at the time of application;
- The Life Insured must be an Australian or a New Zealand citizen, permanently a resident of Australia;
- iExtend's risk assessment must be satisfied, including a health evaluation reflecting changes in the life insured's health (which may include height, weight, lifestyle, diet, family history and medical history) since the Policy was initially taken out.
- The ownership of the Policy is able to be transferred to a custodian chosen by iExtend.

Contact your adviser and if the Policy is eligible for the Arrangement, iExtend will make an offer to you (the Policy Owner). For more information on iExtend's eligibility criteria, see the Target Market Determination (TMD) available at iextend.com.au/tmd

Making the offer doesn't constitute a view by iExtend that you should take the offer to enter the Arrangement. It simply means iExtend is open to entering into the Arrangement if you consider that it is suitable for you. iExtend cannot (and will not) make a recommendation for you.

Rest assured, all personal information is confidential and collected and stored as required by the Australian Privacy Principles and government regulations. You can find iExtend's Privacy Policy at iextend.com.au/privacy

Testimonials

The iExtend offer uniquely enables some death insurance cover to be retained for years longer than would otherwise be affordable.

If you're planning to cancel or reduce your term life cover over time as premiums become unaffordable, I'd certainly recommend you have a chat with the people at iExtend.

Geoff, iExtend policy co-owner

Thank you ever so much for the incredible service, communication, attention to detail and thoughtfulness that you have given to us.

This new life insurance arrangement will hugely impact our lives, as it will make our lives easier financially and reduce the pressure and stress in our daily lives!

We have always been big believers in life insurance and so, we are very grateful to know that we will still be covered by this new iExtend offer!

Wendy and John, iExtend policy co-owners

Every client's situation is different. These testimonials reflect individual experiences and are provided as general information only.

When considering the iExtend Arrangement, you should take into account your own objectives, financial situation and needs.

Important information

The iExtend Life Co-Ownership Arrangement is issued by iExi Pty Ltd ABN 33 654 132 813 AFSL 555362 (**iExtend**).

The information provided in this document may contain general advice, but it does not take into account your objectives, financial situation or needs.

Before acting on or making any decision in relation to the iExtend Life Co-Ownership Arrangement or any other financial product, you should consider the appropriateness of the information, having regard to your personal circumstances, as well as the Product Disclosure Statement and Target Market Determination for the Life Co-Ownership Arrangement, which are available at iextend.com.au.

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