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Details of Filing

Document Lodged: Statement of Claim - Form 17 - Rule 8.06(1)(a)
File Number: VID691/2021
File Title: JESSICA AMY CHALLENOR v QSUPER BOARD (ABN 32 125 059 006)
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA



Dated: 18/03/2022 5:00:21 PM AEDT

A handwritten signature in blue ink that reads 'Sia Lagos'.

Registrar

Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

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No. VID691 of 2021

Federal Court of Australia
District Registry: Victoria
Commercial and Corporations National Practice Area

JESSICA AMY CHALLENGOR

Applicant

And

QSUPER BOARD ABN 32 125 059 006

Respondent

STATEMENT OF CLAIM

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Filed on behalf of the Applicant	Jessica Amy Challenor		
Prepared by	Josh Aylward		
Tel (07) 3006 6082	Fax	(07) 3229 1999	
Email	jaylward@shine.com.au		
Address for service	Level 13, 160 Ann Street, BRISBANE QLD 4000		

A. NOTES

1. In this Statement of Claim capitalised terms not otherwise defined in this or subsequent sections are defined in Schedule A.

B. The parties

2. The Applicant brings this proceeding as a representative party pursuant to Part IVA of the *Federal Court of Australia Act 1976* (Cth) on her own behalf and on behalf of Group Members described in the Originating Application.

3. The Plaintiff and the persons she represents (**Group Members**) are each persons who, not being a Judge, Judicial Registrar or Registrar of the Federal Court of Australia or of the High Court of Australia:

(a) were members:

- (i) of the QSuper superannuation fund (**QSuper Fund**);
- (ii) whose category of membership of the QSuper Fund on 17 May 2016 belonged to one of the accumulation categories defined by s22(1) and (2) of the *Superannuation (State Public Sector) Deed 1990* (**QSuper Deed**);
- (iii) who were beneficiaries of the policy of insurance established by the Respondent (**QSuper Board**) by s23I(1) and s23K of the QSuper Deed and which commenced on or about 16 December 2013; and
- (iv) who, had they made the necessary election under cl. 10.4.1 of the policy of insurance entered into on or about 9 June 2016 by the QSuper Board with QInsure Pty Ltd (**QInsure**) to be subject to "Occupational Rates" (as defined in the schedules to the policy), would have been entitled after 1 July 2016 to a:
 - (A) Standard Rate (as defined in the schedules to the policy), and were between the ages of 17 and 39 (inclusive); or

(B) Professional Rate (as defined in the schedules to the policy); or

(C) White Collar Rate (as defined in the schedules to the policy),

(Fund Members); or

(b) at any time after 1 July 2016 received payment from a deceased Fund Member of all or part of the interest of the Fund Member attributable to the Fund Member's interest in the QSuper Fund; or

(c) satisfy both of the following paragraphs:

(i) was the spouse of a person who was a Fund Member;

(ii) pursuant to an order or settlement in a *Family Law Act 1975* (Cth) proceeding or a superannuation agreement within the meaning of part VIIIIB of that Act, at any time received a transfer from a Fund Member of all or part of the Fund Member's interest in the QSuper Fund.

4. As at the date of the commencement of this proceeding, the group on whose behalf this proceeding is commenced comprised seven or more persons.

5. The QSuper Board:

(a) is and at all relevant times has been a body corporate established under the *Superannuation (State Public Sector) Act 1990* (**QSuper Act**);

(b) is and at all relevant times was the trustee of the QSuper Fund;

(c) was at all relevant times an RSE Licensee under the *Superannuation Industry (Supervision) Act 1993* (Cth) (**SIS Act**);

(d) was at all relevant times the holder of Australian Financial Services Licence (**AFSL**) number 489650; and

(e) is and has been at all material times a person within the meaning of:

(i) section 1041H of the *Corporations Act 2001* (Cth) (**Corporations Act**);

- (ii) section 12DA of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**); and
- (iii) section 18 of the ***Australian Consumer Law*** set out in Schedule 2 to the *Competition and Consumer Act 2010* (Cth), as applicable pursuant to:
 - (A) section 131 of the *Competition and Consumer Act 2010* (Cth); and
 - (B) section 8 of the *Australian Consumer Law and Fair Trading Act 2012* (Vic).

6. The QSuper Fund:

- (a) was established by the QSuper Act;
- (b) is and was at all relevant times governed by the QSuper Deed as amended from time to time; and
- (c) is and was at all relevant times, a Superannuation Fund, a Regulated Superannuation Fund, a Superannuation Entity, a Public Offer Superannuation Fund and a Registrable Superannuation Entity.

C. Obligations of QSuper

I. Obligation to notify changes to superannuation interest

7. At all relevant times, the QSuper Board:

- (a) issued interests in the QSuper Fund, which were financial products within the meaning of s763A(1) and s764A(1)(g) of the Corporations Act; and
- (b) offered that financial product in Australia,

within the meaning of s1017B(1)(b)(i) of the Corporations Act.

8. The Applicant and each Group Member:

- (a) acquired an interest in the QSuper Fund prior to 1 July 2016; and
- (b) was a retail client within the meaning of s1017B(1)(a) of the Corporations Act.

9. By reason of the matters in paragraphs 7 and 8 above:
 - (a) the QSuper Board was obliged by s1017B(1) of the Corporations Act to notify the Applicant and Group Members, in writing or electronically, of any change or event referred to in s1017B(1A) of the Corporations Act;
 - (b) pursuant to s1017B(1A) of the Corporations Act, the changes and events about which the QSuper Board was required to notify the Applicant and Group Members included any material change to a matter, or significant event that affected a matter, being a matter that would have been required to be specified in a Product Disclosure Statement for an interest in the QSuper Fund prepared on the day before the change or event occurred;
 - (c) pursuant to s1017B(4) of the Corporations Act, a notice issued pursuant to s1017B(1) was required to give the holder of an interest in the QSuper Fund the information that was reasonably necessary for the holder to understand the nature and effect of the change or event.

10. A Product Disclosure Statement issued in relation to an interest in a superannuation fund was required to include information about, *inter alia*:
 - (a) the cost of the relevant financial product, pursuant to s1013D(1)(d)(i) of the Corporations Act;
 - (b) any amounts that would or might be payable by a holder of the product in respect of the product after its acquisition, and the times at which those amounts would or might be payable, pursuant to s1013D(1)(d)(ii) of the Corporations Act;
and
 - (c) any other significant characteristics or features of the product or of the rights, terms, conditions and obligations attaching to the product, pursuant to s1013D(1)(f) of the Corporations Act.

11. At all relevant times, s1013D(2) of the Corporations Act provided that, for the purposes of s1013D(1)(d) of the Corporations Act, an amount was or might be payable in respect of a financial product by the holder of the product if:
- (a) the holder would or might have to pay an amount in respect of the financial product; or
 - (b) an amount would or might be deducted from an amount held on the holder's behalf under the financial product; or
 - (c) an account representing the holder's interest in the financial product will or may be debited with an amount.

II. SIS Act covenants

12. Pursuant to the SIS Act, and for the purposes of that Act, at all relevant times, the terms of the QSuper Deed were part of the Governing Rules of the QSuper Fund.
13. Pursuant to s52 of the SIS Act, at all relevant times the Governing Rules of the QSuper Fund have been taken to contain covenants by the QSuper Board:
- (a) to exercise, in relation to all matters affecting the QSuper Fund, the same degree of care, skill and diligence as a prudent superannuation trustee would exercise in relation to an entity of which it is trustee and on behalf of the beneficiaries of which it makes investments (**Care and Skill Covenant**);

Particulars

- (i) SIS Act, s52(2)(b).
- (b) to perform its duties and exercise its powers in the best interests of the beneficiaries (**Best Interests Covenant**); and

Particulars

(i) SIS Act, s52(2)(c).

(c) where there is a conflict between its duties to the beneficiaries of the QSuper Fund, or the interests of the beneficiaries, and its duties to any other person or the interests of it or an associate of the QSuper Board:

(i) to give priority to the duties to and interests of the beneficiaries over the duties to and interests of other persons; and

(ii) to ensure that the duties to the beneficiaries are met despite the conflict; and

(iii) to ensure that the interests of the beneficiaries are not adversely affected by the conflict,

(No Conflicts Covenant).

Particulars

(i) SIS Act, s52(2)(d).

14. By s55(1) of the SIS Act (as in force prior to its repeal on 6 April 2019), the QSuper Board was required at all relevant times:

(a) not to contravene the covenants set out at paragraph 13 above; and

(b) not to contravene any covenant contained, or taken to be contained, in the Governing Rules of the QSuper Fund.

15. Pursuant to s7 of the SIS Act, the requirements of the SIS Act apply and applied despite any provision in the Governing Rules of the QSuper Fund.

III. Obligations at general law

16. Further or in the alternative, at all relevant times each of the covenants set out in paragraph 13 above was an implied term of the QSuper Deed (the **Implied Terms**).

Particulars

- (i) Each of the covenants set out in paragraph 12 was implied by the operation of s52(1) of the SIS Act.

17. Further or in the alternative, at all relevant times, the QSuper Board owed general law duties to the beneficiaries of the QSuper Fund to:

- (a) exercise the care, diligence and skill of a prudent professional trustee in the management of the assets and affairs of the fund of which it was trustee
(General Law Duty of Care);
- (b) deal with the assets of the QSuper Fund of which it was trustee in the best interests of the beneficiaries of that fund **(General Law Best Interests Duty);**
and
- (c) subject to s58B of the SIS Act, a duty to avoid, in performing its role as trustee of the QSuper Fund:
 - (i) conflicts between its duties to beneficiaries and the interests of beneficiaries, on the one hand, and its personal interests or interests of third parties;
 - (ii) further or alternatively, engagements with associated third parties which are inconsistent with its duties to beneficiaries and the interests of beneficiaries,**(General Law Conflicts Duty);**
- (d) subject to s58B of the SIS Act, a duty to avoid obtaining, and to avoid associated third parties obtaining, unauthorised profits by reason of acting as trustee of the QSuper Fund **(General Law Profits Duty).**

Particulars of (a) to (d)

- (i) The duties arise at law from the relationship between the QSuper Board as trustee of the QSuper Fund and beneficiaries of the QSuper Fund.

D. Insurance offered to beneficiaries of the QSuper Fund

I. Position prior to 1 July 2016

18. From about 1 January 2015 to 1 July 2016, and pursuant to sections 23I(1) and 23K of the QSuper Deed, the QSuper Board:
- (a) provided insurance to the Applicant and Group Members against death or disablement (**QSuper Insurance**);
 - (b) as part of the QSuper Insurance provided income protection insurance; and
 - (c) deducted premiums for that insurance from the accumulation account or non-public sector accumulation account held by the Applicant and Group Members,
- in the period during which the Applicant and Group Members were members of the QSuper Fund.

Particulars to (a) and (b)

- (i) The terms upon which the QSuper Board provided insurance for death (**Death Insurance**) and disablement (**TPD Insurance**) and income protection insurance (**IP Insurance**) were set out in *Insurance Terms* dated 1 January 2015 (**2015 Insurance Terms**) made pursuant to s23I(1) of the QSuper Deed.
- (ii) The 2015 Insurance Terms provided that, or to the effect that, *inter alia*:
 - (A) a member of the QSuper Fund, who was employed by the Queensland state public service, and whose employment commenced after 16 December 2013 would:
 - (1) automatically become an Insured Member, insured under the 2015 Insurance Terms;
 - (2) automatically become entitled to the Accumulation Account Income Protection Insurance Arrangements (as defined); and
 - (3) automatically become entitled to four (4) units of TPD Insurance,
 (2015 Insurance Terms, cl. 3.1 and 3.2);
 - (B) a member of the QSuper Fund, who was employed by the Queensland state public service, and whose employment commenced after 16 December 2013, and who did not have TPD Insurance, could elect to have TPD Insurance,

and if they so elected would be entitled to four (4) Units of TPD Insurance (2015 Insurance Terms, cl. 3.4):

- (C) a member of the QSuper Fund who was not an employee of the State public sector and whose membership commenced after 1 December 2013, from the date of their membership, would:
 - (1) automatically become an Insured Member, and be entitled to two (2) units of TPD Insurance, and was not entitled to automatically receive income replacement insurance (2015 Insurance Terms, cls. 3.3 and 3.12); but
 - (2) could, if eligible, apply for income protection insurance (*Accumulation Account Insurance Guide* dated 1 January 2015; 2015 Insurance Guide, page 13).
- (iii) Further particulars may be provided following discovery.

19. From about 1 January 2015 to 1 July 2016, the cost to members of the QSuper Fund for:

(a) TPD Insurance:

- (i) was deducted directly from the member's accumulation account, monthly in arrears, pursuant to s23K of the QSuper Deed;
- (ii) regardless of whether the member was employed by the Queensland government, was calculated on the basis of a premium rate per week for one unit of insurance, with each unit of insurance equal to \$100,000;
- (iii) was higher for members of Queensland police, because the premium rate per week for one unit of insurance was higher than for other members of the QSuper Fund; and
- (iv) apart from the higher cost to members of Queensland police, the premium rate per week for one unit of TPD Insurance was the same regardless of the occupation in which the member was employed;

Particulars

- (i) The premium rate per unit of insurance for death or total and permanent disablement for Accumulation Members was determined on the basis of the member's age;

- (ii) The premium rate for a member of Queensland police was approximately double that for an Accumulation Member who was not a member of Queensland Police.
 - (iii) The premium rates for TPD Insurance appeared in Table A of the Schedule to the 2015 Insurance Terms.
- (b) income protection insurance:
- (i) was debited directly from the balance of the member's accumulation account, monthly in arrears;
 - (ii) for members who were employed by the Queensland government was calculated as a proportion of the member's salary, with members of the same age contributing the same proportion of their salary regardless of their occupation;
 - (iii) for members who were not employed by the Queensland government was calculated on the basis of a premium rate per week, with members of the same age contributing the same proportion of their salary regardless of their occupation.

Particulars

- (i) The premium rates for income protection insurance for Accumulation Members who:
 - (A) did work for the Queensland government, and who were not members of Queensland police, appeared on page 21 of the 2015 Insurance Terms; and
 - (B) did not work for the Queensland government, appeared on page 13 of a document titled 2015 Insurance Guide.
- (ii) Income protection insurance was not available to members of Queensland police, which had separate arrangements for police officers who are unable to work on a temporary basis due to illness or injury.

II. Change to insurance arrangements from 1 July 2016

20. On or about 9 June 2016, and pursuant to the power in clause 23I(2) of the QSuper Deed, the QSuper Board entered into a policy of group life assurance (**Insurance Policy**) with QInsure, a subsidiary of the QSuper Board, for the payment of insurance

benefits to Accumulation Members, including the Applicant and Group Members as members of the QSuper Fund, in the event of their death or disablement;

Particulars

- (i) Insurance Policy, cl. 4.1.
- (ii) The Insurance Policy was in writing.

21. From 1 July 2016, the QSuper Board effected a change (**Insurance Change**) to the terms of the QSuper Insurance, such that:

- (a) the QSuper Board would deduct from each Accumulation Member's superannuation account, premiums for Death, TPD and IP Insurance;
- (b) pursuant to cls. 8.1.1(f), 8.2.1(f), 8.3.1(f), 8.6.3, 8.7.3 and 8.12 of the Insurance Policy, and subject to the election set out in (c) below, those members of the QSuper Fund who were in an accumulation category (as defined by cl. 22(2) of the QSuper Deed) prior to the commencement of the Insurance Policy, which included the Applicant and Group Members would, from 1 July 2016, pay premiums for Death Insurance, TPD Insurance and/or IP Insurance calculated by the application of the Default Rates set out in the policy.

Particulars

- (i) The Insurance Policy defined the Default Rates as those rates outlined in Schedule 1 to the Insurance Policy.
- (c) pursuant to cl. 10.7.1 of the Insurance Policy, the Applicant and Group Members could, by written election to the QSuper Board or in a form approved by QInsure, and instead of paying the Default Rates, elect for the quantum of their Death Insurance, TPD Insurance and/or IP Insurance to be determined by the application of **Occupational Rates**, which were set out in the schedules to the Insurance Policy (**Premium Schedules**);

Particulars

- (i) With respect to TPD Insurance, the Default Rates applied to those members of the QSuper Fund who retained unitised

cover, and did not apply to those who elected to have fixed cover.

- (ii) The Occupational Rates were set out in Schedule 1 to the Insurance Policy.
 - (iii) Occupational rate categories were set out in Schedule 4 to the Insurance Policy.
- (d) pursuant to the Premium Schedules, if a member of the QSuper Fund made the necessary election to be subject to Occupational Rates in accordance with (c) above, and was employed or engaged in an occupation to which the:
- (i) **Standard Rate** applied, then a member would be charged premiums for:
 - (A) Death Insurance, that were materially less than the Default Rate in the years when the member was between 17 and 39 years of age;
 - (B) TPD Insurance that was between approximately 0.36% and 25% less than the Default Rate in the years that the member was between 17 and 39 years of age; and
 - (ii) **White Collar Rate** applied (as defined in Schedule 4 in the Premium Schedules), then the member would be charged premiums that were 65% of the Standard Rate, and therefore charged premiums for:
 - (A) Death Insurance, and that were between approximately 35% and 44% less than the Default Rate, depending on the age of the member;
 - (B) TPD Insurance, and that were between approximately 25% and 50% less than the Default Rate, depending on the age of the member; and
 - (C) IP Insurance that was materially less than the Default Rate, in an amount that depended on whether the Fund Member was a member of a basic accumulation category or a comprehensive accumulation category, and the age of the member.

- (iii) **Professional Rate** applied (as defined in Schedule 4 in the Premium Schedules), then the member would be charged premiums that were 60% of the Standard Rate for:
- (A) Death Insurance, and which were between approximately 32% and 48% less than the Default Rate, depending on the age of the member;
 - (B) TPD Insurance, and which were between 31% and approximately 55% less than the Default Rate, depending on the age of the member;
 - (C) IP Insurance, that was materially less than the Default Rate, in an amount which depended on whether the Fund Member was a member of a basic accumulation category or a comprehensive accumulation category, and the age of the member.

Particulars

- (i) Schedule B to this statement of claim sets out:
 - (A) the rates for Death Insurance, TPD Insurance and IP Insurance payable by those members to whom the Default Rate applied, and those who, if they made the election, would be entitled to a Standard Rate, White Collar Rate or Professional Rate; and
 - (B) the difference between the Default Rates, and Standard Rates, White Collar Rate and Professional Rate for Death Insurance, TPD Insurance and IP Insurance.
- (ii) An Accumulation Members in a:
 - (A) Comprehensive accumulation category, received default income protection insurance at the rates set out in Schedule 3 to the Insurance Terms, with a waiting period of 14 days from the expiry of all Accrued Sick Leave;
 - (B) Basic accumulation category, received default income protection insurance at the rates set out in Schedule 3 to the Insurance Terms, with a waiting period equal to the greater of Accrued Sick Leave and 90 days from the Date of Disablement.

E. Notification of change to insurance premiums

22. On about 17 May 2016, the QSuper Board caused to be sent to the Accumulation Members, including the Applicant and the Group Members, a notice titled 'Introducing Changes to your Insurance' (**Notice**).

Particulars

- (i) A copy of the Notice is in the possession of the solicitors for the Applicant, and can be inspected by appointment.

23. The Notice stated that, or to the effect that from 1 July 2016, *inter alia*:

- (a) the QSuper Board would be making 'some big changes' to the insurance cover offered to members of the QSuper Fund;

Particulars

- (i) Notice, page 2.

- (b) the insurance cover that a member of the QSuper Fund would be entitled to receive would vary depending on the member's age, current level of cover and employment situation;

Particulars

- (i) Notice, page 2.

- (c) the QSuper Board was introducing occupational ratings, and 'for some members choosing to be occupationally rated may reduce your premiums. There will be more information on occupational rating and premiums in the *Accumulation Account Insurance Guide*'.

Particulars

- (i) Notice, page 14.

24. The Notice did not state that it was necessary for a member to make an election in writing if they wished to be occupationally rated.

25. The QSuper Board sent the Notice to Accumulation Members (including some or all Group Members) under cover of a letter dated 27 May 2016 (**May Letter**).
26. The May Letter:
- (a) identified the existence of pending changes to the Death and TPD Insurance cover available to Accumulation Members;
 - (b) stated that members might tailor cover to suit their personal circumstances and needs;
 - (c) stated, under the heading 'Understanding the changes', that '[y]ou don't have to do anything – the changes we've outlined to your insurance cover will happen automatically on 1 July 2016' (**Insurance Changes Representation**); and
 - (d) did not state that it was necessary for a member to make an election in writing if they wished to be occupationally rated.

Particulars

- (i) The Applicant does not have a copy of the May Letter in her possession.
- (ii) Further particulars may be provided after discovery.

F. Failure to provide sufficient notice of change to superannuation interest

27. The Insurance Change concerned the:
- (a) cost of an interest in the QSuper Fund, within the meaning of s1013D(1)(d)(i) of the Corporations Act;

Particulars

- (i) The change affected the amount that would or might be deducted from a member's QSuper account to pay insurance premiums.
 - (ii) The Applicant refers to and repeats paragraphs 18 and 21 above, and the particulars to those paragraphs.
- (b) the amounts that would or might be payable by the holder of an interest in the QSuper Fund in respect of that financial product after its acquisition, and the

times at which those amounts would or might be payable, within the meaning of s1013D(1)(d)(ii) of the Corporations Act;

Particulars

- (i) The change affected the amount that would or might be deducted from a member's QSuper account to pay insurance premiums.
- (ii) The Applicant refers to and repeats paragraphs 18 and 21 above, and the particulars to those paragraphs.

- (c) a significant characteristic or feature of an interest in the QSuper Fund, further or in the alternative, the rights, terms, conditions and obligations attaching to an interest in the QSuper Fund, within the meaning of s1013D(1)(f) of the Corporations Act.

Particulars

- (i) The significant characteristic or feature was the insurance provided by the QSuper Board to Accumulation Members.
- (i) The Applicant refers to and repeats paragraphs 18 and 21 above, and the particulars to those paragraphs.

- 28. In the premises, the Insurance Change was a matter that would have been required by s1013D(1) of the Corporations Act to be included in a Product Disclosure Statement for an interest in the QSuper Fund, within the meaning of s1017B(1A)(a) of the Corporations Act.

- 29. By reason of the matters in 27 and 28 above:

- (a) the Insurance Change was a material change to a matter, further or in the alternative, a significant event that affected a matter, that would have been required to be specified in a Product Disclosure Statement issued for an interest in the QSuper Fund within the meaning of s1017B(1A) of the Corporations Act; and
- (b) the QSuper Board was required by:

- (i) section 1017B(1) of the Corporations Act to notify the members of the Qsuper Fund, including the Applicant and Group Members, of the Insurance Change; and
- (ii) section 1017B(4) of the Corporations Act to give the members of the Qsuper Fund, including the Applicant and Group Members, all the information that was reasonably necessary for them to understand the nature and effect of the Insurance Change.

30. The Notice and the May Letter did not, and the Qsuper Board did not otherwise:

- (a) inform the members of the Insurance Change; and
- (b) by reason of the matters in 29 and 30(a), the Qsuper Board contravened s1017B(1) of the Corporations Act,

(Notification Contravention).

G. Misleading or deceptive conduct

31. By making the Insurance Change Representation, the Qsuper Board engaged in conduct which was:

- (a) in trade or commerce;
- (b) in relation to:
 - (i) a financial product or financial products within the meaning of sub-sections 763A(1)(a) and sub-sections 764A(1)(d) and (g) of the Corporations Act, namely an interest in the Qsuper Fund and/or a policy of insurance;
 - (ii) a financial service within the meaning of s766A(1) of the Corporations Act; and;
 - (iii) a financial service within the meaning of s12BAB(1) of the ASIC Act.

32. By reason of the matters in paragraphs 24 and 26(d) above, the conduct of the Qsuper Board in making the Insurance Change Representation was misleading or deceptive, or likely to mislead or deceive.
33. In the premises, the Qsuper Board engaged in conduct that was in contravention of:
- (a) s1041H of the Corporations Act;
 - (b) s12DA of the ASIC Act; and
 - (c) s18 of the *Australian Consumer Law*,
- (Misleading Conduct Contravention).**

H. Contraventions of trustee covenants

I. Contravention of care and skill covenants

34. The introduction of occupational ratings was, or would have been, in the financial interests of those members of the QSuper Fund who qualified for the:
- (a) Standard Rate, and who were between the ages of 17 and 39 (inclusive); or
 - (b) White Collar Rate or Professional Rate.

Particulars

The Applicant refers to and repeats paragraph 21(d) above, and the particulars to that paragraph.

35. In the premises, a prudent trustee in the position of the QSuper Board, exercising the same degree of care, skill and diligence as a prudent superannuation trustee would exercise in relation to an entity of which it is trustee and on behalf of the beneficiaries of which it makes investments, would have:
- (a) upon making the Insurance Changes, instituted a system by which those members of QSuper who qualified for:
 - (i) a Standard Rate, and for the period when they were between 17 and 39 years of age; or

- (ii) a White Collar Rate or Professional Rate,

were taken to be occupationally rated without the need for an election;
 - (b) further or in the alternative to (i), instituted a system by which those members of QSuper who qualified for:
 - (i) a Standard Rate, and for the period when they were between 17 and 39 years of age; or
 - (ii) a White Collar Rate or Professional Rate,

were taken to be occupationally rated, but by which those members could opt out of being occupationally rated;
 - (c) further or in the alternative to (a) and (b), included in a notice sent to QSuper members notifying them of the proposed Insurance Change, sufficient information to allow them to understand the nature and effect of the Insurance Change.
36. The QSuper Board failed to:
- (a) by reason of the matters in 21(c), institute a system by which those members of QSuper who, under the Insurance Change, qualified for a:
 - (i) a Standard Rate, in the period when they were between 17 and 39 years of age;
 - (ii) White Collar Rating or Professional Rating,

were taken to be occupationally rated; and/or
 - (b) by reason of the matters in 21(c), institute a system by which those members of QSuper who, under the Insurance Change, qualified for a:
 - (i) a Standard Rate, in the period when they were between 17 and 39 years of age;

(ii) White Collar Rating or Professional Rating,

were taken to be occupationally rated, but could opt out of that occupational rating; and/or

(c) include in the Notice or May Letter sent to QSuper members, or otherwise provide, notification that it was necessary to make an election to be occupationally rated to enjoy the lower insurance premiums associated with the Standard Rate, White Collar Rate and/or Professional Rate.

37. In the premises, by the acts and omissions and in the circumstances pleaded in paragraph 36 above, separately and in any combination, the QSuper Board contravened the Care and Skill Covenant.

II. Contraventions of Best Interests Covenants

38. Where it was in the financial interests of its members to pay lower premiums for insurance products that they were provided by reason of their membership of the QSuper Fund, a trustee of a superannuation entity in the position of the QSuper Board:

(a) performing the trustee's duties and exercising the trustee's powers in the best interests of members of the superannuation entity; and/or

(b) ensuring that the trustee's duties were performed and the trustee's powers were exercised in the best interests of those members of the superannuation entity,

would have taken the steps set out in paragraphs 35(a) to (c) above.

39. In the premises, by the acts and omissions and in the circumstances pleaded in paragraph 36 above, separately and in any combination, the QSuper Board contravened the Best Interests Covenant.

III. Contraventions of No Conflicts Covenant

40. For the reasons set out in paragraph 21(d) above, there was a conflict between:

- (a) the interests of those Accumulation Members who would qualify to pay an insurance premium less than the Default Rate, had they been occupationally rated; and
- (b) the interests of the QSuper Board.

Particulars

- (i) If an Accumulation Member was entitled to a Standard Rate, White Collar Rating or Professional Rating under the terms of the Insurance Policy then that member, depending on the nature of the insurance product and the members' age, would be entitled to pay a lower insurance premium than if they paid the Default Rate.
- (ii) The interests of the QSuper Board would be adversely affected by Accumulation Members being occupationally rated and paying a lower insurance premium because it would reduce the insurance premiums payable to its subsidiary QInsure.
- (iii) Further particulars may be provided following discovery.

41. In the circumstances of the conflict alleged in paragraph 40 above, a trustee:
- (a) giving priority to the duty to and interests of the beneficiaries over the duties to and interests of other persons, including QInsure;
 - (b) ensuring that the duties to the beneficiaries were met despite any conflict with duties to and the interests of other persons;
 - (c) ensuring that the interests of the beneficiaries were not adversely affected by the conflict,
- would have taken the steps set out in paragraphs 35(a) to (c) above.
42. In the circumstances of the conflict in paragraph 40 above, by its acts and omissions and in the circumstances set out in paragraph 36 above, the QSuper Board contravened the No Conflicts Covenant by failing to:
- (a) give priority to the duty to and interests of the beneficiaries over the duties to and interests of other persons, including QInsure;

- (b) ensure that the duties to the beneficiaries were met despite any conflict with duties to and the interests of other persons; and
- (c) ensure that the interests of the beneficiaries were not adversely affected by the conflict.

I. Breaches of general law obligations

I. Breach of General Law Duty of Care

43. Further or in the alternative, in respect of the contraventions of the covenants set out in section H above, by engaging in conduct giving rise to any and all of those contraventions, the QSuper Board:

- (a) breached the Implied Terms of the QSuper Deed;
- (b) breached the General Law Duty of Care;
- (c) breached the General Law Best Interests Duty;
- (d) breached the General Law Conflicts Duty; and/or
- (e) had:
 - (i) enabled QInsure to earn profits by reason of the QSuper Board, further or in the alternative QInsure, charging higher premiums for Death Insurance, TPD Insurance and IP Insurance to those members of the QSuper Fund who, by reason of the contraventions set out in Section H, were charged higher insurance premiums than they otherwise would have been; and
 - (ii) by reason of the matters in (i), breached the General Law Profits Duty.

Particulars

- (i) The Applicant refers to and repeats paragraphs 3, 20 and 21 above and the particulars to those paragraphs with respect to the relationship between the QSuper Board and QInsure.

J. Harm to the Applicant and Group Members

44. The Applicant:

- (a) was, from 2011 to 2019, employed as a primary school teacher;
- (b) was, from 9 December 2011 to 14 December 2020, an Accumulation Member of the QSuper Fund;
- (c) by reason of the matters in (a) and (b), was, from 1 July 2016, eligible to be occupationally rated at the Professional Rate;
- (d) on 1 July 2016 was 26 years old;
- (e) received and read the May Letter and the Notice;
- (f) did not provide a written election to be occupationally rated; and
- (g) on 14 December 2020 ceased being a member of the QSuper Fund when she withdrew all funds from the QSuper fund.

45. Had the Notice stated that the Applicant was required to do so to enjoy the lower insurance premiums that would have resulted from being occupationally rated, the Applicant would have made the written election to be occupationally rated as required by the Insurance Change.

46. By reason of the matters in:

- (a) paragraph 44, if the Insurance Changes included a system by which those members of the QSuper Fund who qualified for a Professional Rate:
 - (i) were taken to be occupationally rated without the need for an election; or
 - (ii) were taken to be occupationally rated, but by which those members could opt out of being occupationally rated;

- (b) further or in the alternative, paragraphs 44 and 45, if the QSuper Board had included in the Notice sufficient information to allow the Applicant to understand the nature and effect of the Insurance Change,

the Applicant would have been, from 1 July 2016,

- (c) occupationally rated at the Professional Rate; and
- (d) by reason of the matters in (c), entitled to lower insurance premiums for Death, TPD and IP Insurance.

47. Each Group Member:

- (a) was eligible to be occupationally rated at:
 - (i) the Standard Rate, and was between 17 and 39 years of age at 1 July 2016, or in the period between 1 July 2016 and the commencement of this proceeding; or
 - (ii) a Professional Rate or a White Collar Rate;
 - (b) had the Insurance Change included the features set out in paragraphs 36(a) and (b) above, would have been occupationally rated at a:
 - (i) Standard Rate; or
 - (ii) Professional Rate or White Collar Rate,
- from 1 July 2016.

Particulars

- (iii) Particulars of the occupational rating to which Group Members were entitled will be provided before the trial of their individual claims.

48. In the premises, each of the:

- (a) Notification Contravention pleaded in section F above;
- (b) Misleading Conduct Contravention pleaded in section G above;

(c) contraventions of the SIS Act pleaded in section H above, separately or in any combination; further or in the alternative

(d) contraventions of the QSuper Board's general law duties in section I above, separately or in any combination,

caused the Applicant and Group Members loss and damage.

Particulars

- (i) The contraventions caused:
 - (i) the insurance premiums paid by the Applicant and Group Members to be higher than if they had been occupationally rated;
 - (ii) diminution in the balance of the Applicant's and Group Members' superannuation account with QSuper, by an amount equal to the sum of:
 - (A) the difference between the premiums the Applicant and Group Members in fact paid from 1 July 2016 under the QSuper Deed and the Insurance Policy, and the premiums they would have paid had they been occupationally rated; and
 - (B) any interest or other returns on investment that they would have received had the amounts in (A) remained in their QSuper superannuation account;
 - (iii) the investment returns in respect of the Applicant and each Group Member's QSuper account to be lower;
 - (iv) a reduction in the amount that the Applicant and Group Members can expect to receive from the QSuper Fund;
 - (v) a reduction in the amount that the Applicant, and any Group Member whose entitlement to withdraw funds has crystallised, received, or is entitled to receive, from their interest in the QSuper Fund; and/or
 - (vi) a reduction in the trust corpus held by the QSuper Board for the benefit of the Applicant and Group Members.
- (ii) Further particulars of the Applicant's loss and damage will be provided following the filing of evidence and before the initial trial.
- (iii) Further particulars of the Group Members' loss and damage will be provided after the initial trial of the common questions, and before the trial of their individual claims.

K. Entitlement to relief

49. By reason of the matters in paragraphs 44 to 48 above:

- (a) the QSuper Board is obliged, pursuant to s1022B(2)(e) of the Corporations Act to compensate the Applicant and Group Members for the damage which resulted from the QSuper Board's contraventions of s1017B(1) of the Corporations Act;
- (b) further or in the alternative, the Applicant and each of the Group Members may recover from the QSuper Board the amount of loss and damage suffered by them pursuant to:
 - (i) section 1041I of the Corporations Act;
 - (ii) section 12GF of the ASIC Act; and
 - (iii) section 236 of the *Australian Consumer Law*;
- (c) further or in the alternative, the Applicant and each of the Group Members may recover from the QSuper Board the amount of loss and damage suffered by them pursuant to sections 55(1) and 55(3) of the SIS Act;
- (d) further or in the alternative, an order pursuant to s1324(1) of the Corporations Act requiring the QSuper Board to restore to the accounts of the Applicant and Group Members in the QSuper Fund such amount as is necessary to restore those accounts to the balance they would have had, had the Applicant and Group Members been subject to Occupational Rates.
- (e) further or in the alternative, an order in the equitable jurisdiction of the Court that the QSuper Board pay the Applicant and Group Members equitable compensation for the breaches by the QSuper Board of its general law obligations to the Applicant and Group Members.
- (f) further or in the alternative, an order pursuant to:
 - (i) s1324 of the Corporations Act;
 - (ii) s12GD of the *Australian Securities and Investments Commission Act 2001* (Cth); and/or

(iii) s232 of the *Australian Consumer Law*,

requiring the QSuper Board to restore to the accounts of the Applicant and Group Members in the QSuper Fund such amount as is necessary to restore those accounts to the balance they would have had, had the Applicant and Group Members been subject to Occupational Rates.

(g) further, or in the alternative, an order in the equitable jurisdiction of the Court for account, requiring the QSuper Board to restore to the accounts of the Applicant and Group Members in the QSuper Fund such amount as is necessary to restore those accounts to the balance they would have had, had the Applicant and Group Members been subject to Occupational Rates.

AND THE APPLICANT CLAIMS, for herself and on behalf of the Group Members, the relief set out in the Originating Application.

Date: 18 March 2022



.....

Shine Lawyers

This Statement of Claim was prepared by Tim Chalke of counsel, and settled by William A D Edwards of counsel.

Certificate of lawyer

I Josh Aylward certify to the Court that, in relation to the statement of claim filed on behalf of the Applicant, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: 18 March 2022

A handwritten signature in cursive script that reads "Josh Aylward".

Signed by Josh Aylward

Lawyer for the Applicant

SCHEDULE A**Definitions:**

AFSL is defined in paragraph 5(d).

ASIC Act is defined in paragraph 5(e)(ii).

Australian Consumer Law is defined in paragraph 5(e)(iii).

Best Interests Covenant is defined in paragraph 13(b).

Care and Skill Covenant is defined in paragraph 13(a).

Corporations Act is defined in paragraph 5(3)(i).

Death Insurance is defined in (i) of the Particulars to paragraphs 18(a) and 18(b).

Fund Members is defined in paragraph 3(a).

General Law Best Interests Duty is defined in paragraph 17(b).

General Law Conflicts Duty is defined in paragraph 17(c).

General Law Duty of Care is defined in paragraph 17(a).

General Law Profits Duty is defined in paragraph 17(d).

Group Members is defined in paragraph 3.

Implied Terms is defined in paragraph 16.

Insurance Change is defined in paragraph 21.

Insurance Changes Representation is defined in paragraph 26(c).

Insurance Policy is defined in paragraph 20.

IP Insurance is defined in (i) of the Particulars to paragraphs 18(a) and 18(b).

May Letter is defined in paragraph 25.

Misleading Conduct Contravention is defined in paragraph 33.

No Conflicts Covenant is defined in paragraph 13(c).

Notice is defined in paragraph 22.

Notification Contravention is defined in paragraph 30.

Occupational Rates is defined in paragraph 21(c).

Premium Schedules is defined in paragraph 21(c).

Professional Rate is defined in paragraph 21(d)(iii)

Public Officer Superannuation Fund is defined in section 18 of the SIS Act.

QInsure is defined in paragraph 3(a)(iv).

QSuper Act is defined in paragraph 5(a).

QSuper Board is defined in paragraph 3(a)(iii).

QSuper Deed is defined in paragraph 3(a)(ii).

QSuper Fund is defined in paragraph 3(a)(i).

QSuper Insurance is defined in paragraph 18(a).

Registrable Superannuation Entity is defined in section 10 of the SIS Act.

Regulated Superannuation Fund is defined in section 19 of the SIS Act.

SIS Act is defined in paragraph 5(c).

Standard Rate is defined in paragraph 21(d)(i).

Superannuation Entity is defined in section 10 of the SIS Act.

Superannuation Fund is defined in section 10 of the SIS Act.

TPD Insurance is defined in (i) of the Particulars to paragraphs 18(a) and 18(b).

White Collar Rate is defined in paragraph 21(d)(ii).

2015 Insurance Terms is defined in (i) of the Particulars to paragraphs 18(a) and 18(b).

Schedule B.1

Rates for Death Insurance

	A	B	C	D	E	F	G	H	I	J
Age	Default Death	Standard Death	Difference (A-B)	Diff as percentage	White Collar (B*0.65)	Diff to default (A – E)	F as %	Professional (B*0.60)	Diff to default (A-H)	I as %
16	23.46	20.34	3.12	13.30	13.22	10.24	43.64	12.20	11.26	47.98
17	22.94	20.34	2.60	11.33	13.22	9.72	42.37	12.20	10.74	46.80
18	22.42	19.81	2.61	11.64	12.88	9.54	42.57	11.89	10.53	46.98
19	22.42	19.81	2.61	11.64	12.88	9.54	42.57	11.89	10.53	46.98
20	22.42	19.81	2.61	11.64	12.88	9.54	42.57	11.89	10.53	46.98
21	23.46	20.34	3.12	13.30	13.22	10.24	43.64	12.20	11.26	47.98
22	24.51	21.90	2.61	10.65	14.24	10.28	41.92	13.14	11.37	46.39
23	27.11	23.46	3.65	13.46	15.25	11.86	43.75	14.08	13.03	48.08
24	29.20	25.55	3.65	12.50	16.61	12.59	43.13	15.33	13.87	47.50
25	31.81	27.64	4.17	13.11	17.97	13.84	43.52	16.58	15.23	47.87
26	33.37	29.20	4.17	12.50	18.98	14.39	43.12	17.52	15.85	47.50
27	34.94	31.29	3.65	10.45	20.34	14.60	41.79	18.77	16.17	46.27
28	38.06	33.37	4.69	12.32	21.69	16.37	43.01	20.02	18.04	47.39
29	40.67	35.46	5.21	12.81	23.05	17.62	43.33	21.28	19.39	47.69
30	42.76	37.54	5.22	12.21	24.40	18.36	42.93	22.52	20.24	47.32
31	43.80	39.11	4.69	10.71	25.42	18.38	41.96	23.47	20.33	46.42
32	44.32	40.15	4.17	9.41	26.10	18.22	41.12	24.09	20.23	45.65
33	46.93	42.76	4.17	8.89	27.79	19.14	40.78	25.66	21.27	45.33
34	49.01	45.36	3.65	7.45	29.48	19.53	39.84	27.22	21.79	44.47

	A	B	C	D	E	F	G	H	I	J
Age	Default Death	Standard Death	Difference (A-B)	Diff as percentage	White Collar (B*0.65)	Diff to default (A - E)	F as %	Professional (B*0.60)	Diff to default (A-H)	I as %
35	51.10	47.97	3.13	6.13	31.18	19.92	38.98	28.78	22.32	43.68
36	53.71	51.10	2.61	4.86	33.22	20.50	38.16	30.66	23.05	42.92
37	55.79	54.23	1.56	2.80	35.25	20.54	36.82	32.54	23.25	41.68
38	59.96	58.40	1.56	2.60	37.96	22.00	36.69	35.04	24.92	41.56
39	63.09	62.57	0.52	0.82	40.67	22.42	35.54	37.54	25.55	40.49
40	66.22	66.74	(0.52)	(0.79)	43.38	22.84	34.49	40.04	26.18	39.53
41	66.74	69.87	(3.13)	(4.69)	45.42	21.32	31.95	41.92	24.82	37.19
42	65.70	71.96	(6.26)	(9.53)	46.77	18.93	28.81	43.18	22.52	34.28
43	65.18	73.52	(8.34)	(12.80)	47.79	17.39	26.68	44.11	21.07	32.32
44	64.66	74.04	(9.38)	(14.51)	48.13	16.53	25.57	44.42	20.24	31.30
45	64.66	73.52	(8.86)	(13.70)	47.79	16.87	26.09	44.11	20.55	31.78
46	64.14	72.48	(8.34)	(13.00)	47.11	17.03	26.55	43.49	20.65	32.20
47	63.61	70.39	(6.78)	(10.66)	45.75	17.86	28.07	42.23	21.38	33.60
48	64.14	69.35	(5.21)	(8.12)	45.08	19.06	29.72	41.61	22.53	35.13
49	64.14	66.74	(2.60)	(4.05)	43.38	20.76	32.37	40.04	24.10	37.57
50	63.09	63.61	(0.52)	(0.82)	41.35	21.74	34.46	38.17	24.92	39.51
51	61.01	61.01	0.00	0.00	39.66	21.35	35.00	36.61	24.40	40.00
52	58.40	58.40	0.00	0.00	37.96	20.44	35.00	35.04	23.36	40.00
53	56.31	56.31	0.00	0.00	36.60	19.71	35.00	33.79	22.52	40.00
54	54.75	54.75	0.00	0.00	35.59	19.16	35.00	32.85	21.90	40.00
55	52.14	52.14	0.00	0.00	33.89	18.25	35.00	31.28	20.86	40.00
56	49.01	49.01	0.00	0.00	31.86	17.15	35.00	29.41	19.60	40.00

	A	B	C	D	E	F	G	H	I	J
Age	Default Death	Standard Death	Difference (A-B)	Diff as percentage	White Collar (B*0.65)	Diff to default (A - E)	F as %	Professional (B*0.60)	Diff to default (A-H)	I as %
57	44.84	44.84	0.00	0.00	29.15	15.69	35.00	26.90	17.94	40.00
58	40.15	40.15	0.00	0.00	26.10	14.05	35.00	24.09	16.06	40.00
59	36.50	36.50	0.00	0.00	23.73	12.78	35.00	21.90	14.60	40.00
60	32.33	32.33	0.00	0.00	21.01	11.32	35.00	19.40	12.93	40.00
61	29.20	29.20	0.00	0.00	18.98	10.22	35.00	17.52	11.68	40.00
62	27.11	27.11	0.00	0.00	17.62	9.49	35.00	16.27	10.84	40.00
63	26.59	26.59	0.00	0.00	17.28	9.31	35.00	15.95	10.64	40.00
64	26.07	26.07	0.00	0.00	16.95	9.12	35.00	15.64	10.43	40.00
65	28.16	28.16	0.00	0.00	18.30	9.86	35.00	16.90	11.26	40.00
66	30.76	30.76	0.00	0.00	19.99	10.77	35.00	18.46	12.30	40.00
67	33.37	33.37	0.00	0.00	21.69	11.68	35.00	20.02	13.35	40.00
68	35.98	35.98	0.00	0.00	23.39	12.59	35.00	21.59	14.39	40.00
69	39.11	39.11	0.00	0.00	25.42	13.69	35.00	23.47	15.64	40.00

Schedule B.2

Rates for TPD Insurance

	A	B	C	D	E	F	G	H	I	J
Age	Default	Standard	Difference to default	C as %	White Collar (C*.65)	Diff to default (B-E)	F as %	Professional (C*.6)	Dif to Default (B-G)	I as %
16	1.56	1.56	0.00	0.00	1.01	0.55	35.00	0.94	0.62	40.00
17	2.09	1.56	0.53	25.36	1.01	1.08	51.48	0.94	1.15	55.22
18	2.61	2.09	0.52	19.92	1.36	1.25	47.95	1.25	1.36	51.95
19	3.13	2.61	0.52	16.61	1.70	1.43	45.80	1.57	1.56	49.97
20	4.17	3.65	0.52	12.47	2.37	1.80	43.11	2.19	1.98	47.48
21	5.21	4.69	0.52	9.98	3.05	2.16	41.49	2.81	2.40	45.99
22	7.30	6.26	1.04	14.25	4.07	3.23	44.26	3.76	3.54	48.55
23	9.91	8.86	1.05	10.60	5.76	4.15	41.89	5.32	4.59	46.36
24	13.56	11.99	1.57	11.58	7.79	5.77	42.53	7.19	6.37	46.95
25	18.25	16.16	2.09	11.45	10.50	7.75	42.44	9.70	8.55	46.87
26	23.99	21.38	2.61	10.88	13.90	10.09	42.07	12.83	11.16	46.53
27	31.29	27.11	4.18	13.36	17.62	13.67	43.68	16.27	15.02	48.02
28	38.59	33.89	4.70	12.18	22.03	16.56	42.92	20.33	18.26	47.31
29	46.41	41.19	5.22	11.25	26.77	19.64	42.31	24.71	21.70	46.75
30	55.27	48.49	6.78	12.27	31.52	23.75	42.97	29.09	26.18	47.36
31	64.14	56.84	7.30	11.38	36.95	27.19	42.40	34.10	30.04	46.83
32	73.52	66.22	7.30	9.93	43.04	30.48	41.45	39.73	33.79	45.96
33	81.86	75.09	6.77	8.27	48.81	33.05	40.38	45.05	36.81	44.96

	A	B	C	D	E	F	G	H	I	J
Age	Default	Standard	Difference to default	C as %	White Collar (C*.65)	Diff to default (B-E)	F as %	Professional (C*.6)	Dif to Default (B-G)	I as %
34	90.73	83.95	6.78	7.47	54.57	36.16	39.86	50.37	40.36	44.48
35	101.16	94.90	6.26	6.19	61.69	39.48	39.02	56.94	44.22	43.71
36	111.06	105.85	5.21	4.69	68.80	42.26	38.05	63.51	47.55	42.81
37	123.06	118.89	4.17	3.39	77.28	45.78	37.20	71.33	51.73	42.03
38	134.53	132.44	2.09	1.55	86.09	48.44	36.01	79.46	55.07	40.93
39	146.00	145.48	0.52	0.36	94.56	51.44	35.23	87.29	58.71	40.21
40	156.95	158.51	(1.56)	(0.99)	103.03	53.92	34.35	95.11	61.84	39.40
41	162.69	171.03	(8.34)	(5.13)	111.17	51.52	31.67	102.62	60.07	36.92
42	163.73	180.41	(16.68)	(10.19)	117.27	46.46	28.38	108.25	55.48	33.89
43	164.25	185.63	(21.38)	(13.02)	120.66	43.59	26.54	111.38	52.87	32.19
44	164.77	188.76	(23.99)	(14.56)	122.69	42.08	25.54	113.26	51.51	31.26
45	164.77	188.76	(23.99)	(14.56)	122.69	42.08	25.54	113.26	51.51	31.26
46	165.29	186.15	(20.86)	(12.62)	121.00	44.29	26.80	111.69	53.60	32.43
47	165.81	183.54	(17.73)	(10.69)	119.30	46.51	28.05	110.12	55.69	33.58
48	165.29	178.85	(13.56)	(8.20)	116.25	49.04	29.67	107.31	57.98	35.08
49	165.29	171.03	(5.74)	(3.47)	111.17	54.12	32.74	102.62	62.67	37.92
50	161.64	163.21	(1.57)	(0.97)	106.09	55.55	34.37	97.93	63.71	39.42
51	155.39	155.39	0.00	0.00	101.00	54.39	35.00	93.23	62.16	40.00
52	149.13	149.13	0.00	0.00	96.93	52.20	35.00	89.48	59.65	40.00
53	141.83	141.83	0.00	0.00	92.19	49.64	35.00	85.10	56.73	40.00
54	135.57	135.57	0.00	0.00	88.12	47.45	35.00	81.34	54.23	40.00

	A	B	C	D	E	F	G	H	I	J
Age	Default	Standard	Difference to default	C as %	White Collar (C*.65)	Diff to default (B-E)	F as %	Professional (C*.6)	Dif to Default (B-G)	I as %
55	128.79	128.79	0.00	0.00	83.71	45.08	35.00	77.27	51.52	40.00
56	119.41	119.41	0.00	0.00	77.62	41.79	35.00	71.65	47.76	40.00
57	107.94	107.94	0.00	0.00	70.16	37.78	35.00	64.76	43.18	40.00
58	94.90	94.90	0.00	0.00	61.69	33.22	35.00	56.94	37.96	40.00
59	83.43	83.43	0.00	0.00	54.23	29.20	35.00	50.06	33.37	40.00
60	73.52	73.52	0.00	0.00	47.79	25.73	35.00	44.11	29.41	40.00
61	64.14	64.14	0.00	0.00	41.69	22.45	35.00	38.48	25.66	40.00
62	58.40	58.40	0.00	0.00	37.96	20.44	35.00	35.04	23.36	40.00
63	56.31	56.31	0.00	0.00	36.60	19.71	35.00	33.79	22.52	40.00
64	54.23	54.23	0.00	0.00	35.25	18.98	35.00	32.54	21.69	40.00

Schedule B.3

Rates for IP Insurance

Comprehensive accumulation category

	A	D	F	G	H	I	J	K
Age	Default rate % insured salary	Standard rate	White collar rate (D*.65)	Diff to default (A-F)	G as %	Professional rate (D*.60)	Diff to Default (A - K)	J as %
16	0.378%	0.439%	0.285	0.09	24.51	0.2634	0.1146	30.32
17	0.378%	0.439%	0.285	0.09	24.51	0.2634	0.1146	30.32
18	0.378%	0.439%	0.285	0.09	24.51	0.2634	0.1146	30.32
19	0.384%	0.446%	0.290	0.09	24.51	0.2676	0.1164	30.31
20	0.394%	0.457%	0.297	0.10	24.61	0.2742	0.1198	30.41
21	0.404%	0.469%	0.305	0.10	24.54	0.2814	0.1226	30.35
22	0.417%	0.484%	0.315	0.10	24.56	0.2904	0.1266	30.36
23	0.436%	0.506%	0.329	0.11	24.56	0.3036	0.1324	30.37
24	0.455%	0.528%	0.343	0.11	24.57	0.3168	0.1382	30.37
25	0.476%	0.553%	0.359	0.12	24.49	0.3318	0.1442	30.29
26	0.497%	0.577%	0.375	0.12	24.54	0.3462	0.1508	30.34
27	0.518%	0.601%	0.391	0.13	24.58	0.3606	0.1574	30.39
28	0.542%	0.629%	0.409	0.13	24.57	0.3774	0.1646	30.37
29	0.565%	0.656%	0.426	0.14	24.53	0.3936	0.1714	30.34
30	0.589%	0.684%	0.445	0.14	24.52	0.4104	0.1786	30.32
31	0.630%	0.731%	0.475	0.15	24.58	0.4386	0.1914	30.38

	A	D	F	G	H	I	J	K
Age	Default rate % insured salary	Standard rate	White collar rate (D*.65)	Diff to default (A-F)	G as %	Professional rate (D*.60)	Diff to Default (A - K)	J as %
32	0.671%	0.779%	0.506	0.16	24.54	0.4674	0.2036	30.34
33	0.716%	0.831%	0.540	0.18	24.56	0.4986	0.2174	30.36
34	0.763%	0.886%	0.576	0.19	24.52	0.5316	0.2314	30.33
35	0.811%	0.942%	0.612	0.20	24.50	0.5652	0.2458	30.31
36	0.856%	0.994%	0.646	0.21	24.52	0.5964	0.2596	30.33
37	0.902%	1.047%	0.681	0.22	24.55	0.6282	0.2738	30.35
38	0.949%	1.102%	0.716	0.23	24.52	0.6612	0.2878	30.33
39	0.996%	1.156%	0.751	0.24	24.56	0.6936	0.3024	30.36
40	1.042%	1.210%	0.787	0.26	24.52	0.726	0.316	30.33
41	1.089%	1.264%	0.822	0.27	24.55	0.7584	0.3306	30.36
42	1.137%	1.320%	0.858	0.28	24.54	0.792	0.345	30.34
43	1.184%	1.375%	0.894	0.29	24.51	0.825	0.359	30.32
44	1.230%	1.428%	0.928	0.30	24.54	0.8568	0.3732	30.34
45	1.276%	1.481%	0.963	0.31	24.56	0.8886	0.3874	30.36
46	1.329%	1.543%	1.003	0.33	24.53	0.9258	0.4032	30.34
47	1.383%	1.606%	1.044	0.34	24.52	0.9636	0.4194	30.33
48	1.438%	1.669%	1.085	0.35	24.56	1.0014	0.4366	30.36
49	1.493%	1.733%	1.126	0.37	24.55	1.0398	0.4532	30.35
50	1.551%	1.801%	1.171	0.38	24.52	1.0806	0.4704	30.33
51	1.620%	1.881%	1.223	0.40	24.53	1.1286	0.4914	30.33
52	1.690%	1.962%	1.275	0.41	24.54	1.1772	0.5128	30.34

	A	D	F	G	H	I	J	K
Age	Default rate % insured salary	Standard rate	White collar rate (D*.65)	Diff to default (A-F)	G as %	Professional rate (D*.60)	Diff to Default (A - K)	J as %
53	1.767%	2.051%	1.333	0.43	24.55	1.2306	0.5364	30.36
54	1.848%	2.145%	1.394	0.45	24.55	1.287	0.561	30.36
55	1.936%	2.248%	1.461	0.47	24.52	1.3488	0.5872	30.33
56	2.032%	2.359%	1.533	0.50	24.54	1.4154	0.6166	30.34
57	2.136%	2.480%	1.612	0.52	24.53	1.488	0.648	30.34
58	2.251%	2.613%	1.698	0.55	24.55	1.5678	0.6832	30.35
59	2.380%	2.763%	1.796	0.58	24.54	1.6578	0.7222	30.34
60	2.507%	2.911%	1.892	0.61	24.53	1.7466	0.7604	30.33
61	2.664%	3.093%	2.010	0.65	24.53	1.8558	0.8082	30.34
62	2.841%	3.298%	2.144	0.70	24.54	1.9788	0.8622	30.35
63	2.888%	3.353%	2.179	0.71	24.53	2.0118	0.8762	30.34
64	2.122%	2.464%	1.602	0.52	24.52	1.4784	0.6436	30.33

Schedule B.4

Rates for IP Insurance

Basic Accumulation Category

	A	C	E	F	G	G	H	I
Age	Def Rate	Standard rate	White Collar Rate ((C*.7)*100)	Diff to Def (B-E)	F as %	Prof rate ((E*.65)*100)	Diff to default (B-G)	H as %
16	0.16%	0.19%	0.1358	0.0252	15.65	0.13	0.03	21.68
17	0.16%	0.20%	0.1372	0.0248	15.31	0.13	0.03	21.36
18	0.16%	0.20%	0.1386	0.0254	15.49	0.13	0.04	21.52
19	0.17%	0.20%	0.1421	0.0269	15.92	0.13	0.04	21.92
20	0.18%	0.21%	0.1477	0.0273	15.60	0.14	0.04	21.63
21	0.18%	0.22%	0.1526	0.0274	15.22	0.14	0.04	21.28
22	0.19%	0.23%	0.1596	0.0294	15.56	0.15	0.04	21.59
23	0.20%	0.24%	0.1687	0.0323	16.07	0.16	0.04	22.06
24	0.21%	0.25%	0.1778	0.0362	16.92	0.17	0.05	22.85
25	0.23%	0.27%	0.1876	0.0424	18.43	0.17	0.06	24.26
26	0.24%	0.28%	0.1981	0.0439	18.14	0.18	0.06	23.99
27	0.26%	0.30%	0.2086	0.0484	18.83	0.19	0.06	24.63
28	0.27%	0.32%	0.2205	0.0525	19.23	0.20	0.07	25.00
29	0.29%	0.33%	0.2324	0.0546	19.02	0.22	0.07	24.81
30	0.30%	0.35%	0.2443	0.0567	18.84	0.23	0.07	24.63

31	0.33%	0.38%	0.2632	0.0628	19.26	0.24	0.08	25.03
32	0.35%	0.40%	0.2828	0.0642	18.50	0.26	0.08	24.32
33	0.37%	0.43%	0.3038	0.0702	18.77	0.28	0.09	24.57
34	0.41%	0.47%	0.3262	0.0788	19.46	0.30	0.10	25.21
35	0.44%	0.50%	0.3486	0.0874	20.05	0.32	0.11	25.76
36	0.46%	0.53%	0.3703	0.0907	19.67	0.34	0.12	25.41
37	0.49%	0.56%	0.392	0.1	20.33	0.36	0.13	26.02
38	0.52%	0.59%	0.4137	0.1083	20.75	0.38	0.14	26.41
39	0.55%	0.62%	0.4361	0.1129	20.56	0.40	0.14	26.24
40	0.57%	0.65%	0.4571	0.1129	19.81	0.42	0.15	25.54
41	0.60%	0.68%	0.4788	0.1202	20.07	0.44	0.15	25.78
42	0.62%	0.72%	0.5005	0.1175	19.01	0.46	0.15	24.80
43	0.64%	0.75%	0.5215	0.1145	18.00	0.48	0.15	23.86
44	0.65%	0.78%	0.5425	0.1105	16.92	0.50	0.15	22.86
45	0.67%	0.80%	0.5628	0.1112	16.50	0.52	0.15	22.46
46	0.70%	0.84%	0.5859	0.1111	15.94	0.54	0.15	21.94
47	0.72%	0.87%	0.6104	0.1066	14.87	0.57	0.15	20.95
48	0.73%	0.91%	0.6342	0.0978	13.36	0.59	0.14	19.55
49	0.76%	0.94%	0.6587	0.1023	13.44	0.61	0.15	19.63
50	0.79%	0.98%	0.6846	0.1044	13.23	0.64	0.15	19.43
51	0.82%	1.02%	0.7161	0.1069	12.99	0.66	0.16	19.20
52	0.86%	1.07%	0.7483	0.1147	13.29	0.69	0.17	19.48
53	0.92%	1.12%	0.784	0.131	14.32	0.73	0.19	20.44
54	0.95%	1.18%	0.8232	0.1308	13.71	0.76	0.19	19.87

55	1.01%	1.24%	0.8659	0.1441	14.27	0.80	0.21	20.39
56	1.07%	1.31%	0.9142	0.1508	14.16	0.85	0.22	20.29
57	1.14%	1.38%	0.9688	0.1682	14.79	0.90	0.24	20.88
58	1.21%	1.47%	1.0297	0.1763	14.62	0.96	0.25	20.72
59	1.31%	1.57%	1.1011	0.2059	15.75	1.02	0.28	21.77
60	1.39%	1.68%	1.1753	0.2167	15.57	1.09	0.30	21.60
61	1.52%	1.81%	1.2684	0.2536	16.66	1.18	0.34	22.61
62	1.61%	1.91%	1.3363	0.2767	17.15	1.24	0.37	23.07
63	1.60%	1.87%	1.3104	0.2866	17.95	1.22	0.38	23.81
64	0.87%	1.03%	0.7224	0.1516	17.35	0.67	0.20	23.25