

## Fact sheet

# Changes to your AustralianSuper insurance

**From 29 May 2010, AustralianSuper members can look forward to new, improved insurance, with higher levels of cover or lower cost.**

### What insurance is provided by AustralianSuper?

AustralianSuper provides insurance cover for death and disability. The three types of cover provided are:

#### Death cover

If you die, Death cover provides a payment to your dependants or nominated beneficiaries (for example, your children or spouse) or your legal personal representative (executor of your estate). This amount is intended to provide your dependants with money to live on.

#### Total & Permanent Disablement (TPD) cover

TPD cover provides a payment to you if you become totally and permanently disabled. This amount is intended to replace the future income that you can no longer earn due to disability, and provide you and your dependants with money to live on.

#### Income Protection cover

Income Protection cover provides regular monthly payments for up to two years, if you are temporarily unable to work through illness, injury or accident.

### Who pays for insurance cover through AustralianSuper?

If you have insurance with AustralianSuper, the cost for this cover is taken from your super account. The cost of cover is known as the 'insurance premium'.

### How is insurance changing from 29 May 2010?

#### New Income Protection cover

Most members of AustralianSuper will get Income Protection cover from 29 May 2010. There is an extra cost for this cover and insurance premiums will be taken from your AustralianSuper account.

If you already have Income Protection cover with AustralianSuper, your premiums will reduce.

**For more information about Income Protection insurance, see Explanations of some insurance terms on page 2.**

#### Death and TPD cover – more cover or lower cost

Most members of AustralianSuper have 3 units of Death and TPD cover, and from 29 May 2010 will get more cover for no extra cost.

Some members have chosen fixed cover. From 29 May 2010, fixed cover will cost less as premiums will reduce.

### Why do you need insurance?

Insurance cover can give you an income if you are temporarily or permanently unable to work.

You need cover if:

- You rely on your salary to cover your living expenses.
- You have debts such as a mortgage, personal loan or credit card.
- You support someone financially – if you have anyone who is dependent on your income (such as children or a spouse) then insurance can provide financial security.

### What is Income Protection cover?

Income Protection (Income Protection) cover provides regular monthly payments for up to two years, if you are temporarily unable to work through illness, injury or accident. If you become temporarily disabled, the maximum amount you can be paid is 85% of your salary (excluding super contributions), with 75% paid to you and 10% going into your super account.

Income Protection cover is provided in units and each unit of cover provides \$500 of income per month. It is important to have enough units of cover to match your income.

### Waiting period

If you have Income Protection cover, you have the choice of a 30 or 60 day waiting period. That's how long you have to wait before you are eligible to make a claim for an Income Protection benefit.

Income Protection cover will have a 60 day waiting period unless you apply for 30 days. The premiums are higher for this shorter waiting period.

### What if I have two Income Protection policies?

If you have two Income Protection insurance policies it doesn't mean you get paid twice as much per week, if you need to make a claim. But, you can delay payments from AustralianSuper by up to two years, which (provided you are still unable to resume work) could allow you to start getting payments from us once payments from your other insurance provider stop (conditions apply).

Your monthly income protection payment may be reduced by the amount of income you receive from other sources such as Workers' Compensation, sick leave payments and benefits payable under other Income Protection policies. It may also be reduced by the amount of income earned from working elsewhere or any income the Insurer reasonably expects you to earn if you are able to resume work while disabled at reduced hours after your waiting period expires.

### Occupational rating (Occupational rating)

Your occupation will be considered Standard (Standard), Low Risk (Low Risk) or Professional (Professional). If your occupation is considered Low Risk or Professional you could get increased cover or pay less (depending on whether your cover is in units or fixed). If you have not applied and been accepted for a Low Risk or Professional rating, then your premiums and/or cover are based on a Standard occupation. But if you work mostly in an office environment and don't do any manual work, then you may be eligible for Low Risk or Professional premiums.

### Cover amount

If you have Death or TPD cover, this is the total insurance amount you or your dependants will be paid if you become totally and permanently disabled or die. Or if you have Income Protection cover, this is the amount you will be paid monthly (after the waiting period) if you are temporarily unable to work.

### Premium

This is the weekly amount you pay for your insurance. It is deducted from your super account.

### Fixed cover

With fixed cover, the amount you are insured for stays the same from year to year, but how much you pay for that cover increases as you get older. If you change your cover with our insurance offer, then your cover will become fixed cover.

### Work out how much cover you need with our online insurance calculator

To help you work out how much cover you need and what it will cost, use our calculator at [www.australiansuper.com/BetterInsurance](http://www.australiansuper.com/BetterInsurance)

If you aren't sure about what insurance is right for you, call AustralianSuper on **1300 300 273** and ask to book an appointment with a qualified financial adviser – they can provide over-the-phone, financial advice at no cost.

## Increase your cover

Eligible members with insurance can increase their cover without having to provide health information. If you are eligible, you'll receive a mailpack in April 2010 explaining our insurance offer.

### Death and TPD cover up to \$1.5 million

You can apply to increase your Death and TPD cover without having to provide health information. This opportunity is available until 28 May 2010.

	Amount you can increase your cover to without having to provide health information
Death and TPD cover	Up to \$1.5 million  (Cover over \$600,000 is limited to \$1.5 million or 10 times your salary*, whichever is lower.)

Once you turn 65, TPD cover is no longer available. Death cover ends at age 70.

The premium rates for Death and TPD cover are enclosed.

If you change either your Death or TPD cover, you will receive fixed cover for all your death and TPD cover. With fixed cover, your cover doesn't change, but your premiums increase with age. When you reach age 60, your TPD cover will be reduced gradually and stop at age 65.

### Up to \$20,000 a month Income Protection cover

You can apply to increase your Income Protection cover without having to go through the usual health checks.

	Amount you can increase your cover to without having to provide health information
Income Protection	Up to \$20,000 a month or 85% of your salary* (whichever is lower).

Once you turn age 65, Income Protection cover is no longer available.

Income Protection is charged by unit of cover each month. A unit provides \$500 of cover. The premium rates for Income Protection are enclosed.

### Tell us about your job to increase your cover or reduce your premiums

How much cover you receive or what you pay for your cover depends on your job. If your occupation is considered Low Risk or Professional you could get increased cover or pay less (depending on whether your cover is units or fixed cover). You can apply to have your occupation classed as Low Risk or Professional.

### To change or cancel your cover or change your occupational rating:

- go online at [www.australiansuper.com/ChangeMyCover](http://www.australiansuper.com/ChangeMyCover)
- complete the *Change your insurance cover* form provided in your mailpack

If you cancel any of your cover, and later on decide that you want to apply for cover again, you may need to supply health information as part of your application.

## Important conditions you need to know about

- You must send your application to AustralianSuper to be received by 28 May 2010 to be eligible for the offer to increase your cover without providing health information.
- If you are accepted in writing by the insurer for increased cover under this special offer, Limited cover will apply to the increased amount of your cover only. Limited cover means that you will not be covered for medical conditions that existed before your cover increased. Limited cover will apply for two years. Full cover will commence if you are in active employment at the end of the two-year period.
- Active employment means you are not restricted by injury, accident or illness from performing your normal duties on a full-time basis (for at least 30 hours per week) even though actual employment can be full-time, part-time or casual.

\* Salary is your current gross annual (before-tax) salary, excluding super contributions.

# How much will extra cover cost?

## Income Protection

Use the premium rates table below to work out how much extra cover will cost. Each unit of Income Protection provides \$500 cover.

### How to work out Income Protection costs

The formula to calculate the cost of Income Protection cover is:

How much cover you want (the number of units of cover) x the relevant premium rate = weekly premium cost

### Example

Peter earns \$57,000 and is aged 32. He wants the maximum amount of cover for his salary which is \$4,500 or 9 units. Peter's job involves manual labour, so his occupational rating is Standard. He has chosen a 60 day waiting period.

Which premium rate is applicable to Peter will depend on:

- Peter's age
- The waiting period Peter selects
- Peter's occupational rating

Peter's weekly cost for the Income Protection cover is:

9 units x \$0.247 = \$2.22 per week

*The cover he wants of 9 units x the premium of \$0.247 = \$2.22 per week*

## Income Protection – weekly premium rates

Current age	Occupational rating					
	30 day waiting period			60 day waiting period		
	Standard	Low Risk	Professional	Standard	Low Risk	Professional
up to 20	0.329	0.215	0.179	0.161	0.068	0.053
21 - 24	0.329	0.215	0.179	0.227	0.097	0.076
25 - 29	0.329	0.215	0.179	0.227	0.091	0.072
30 - 34	0.400	0.265	0.221	0.247	0.118	0.086
35 - 39	0.529	0.343	0.286	0.315	0.168	0.112
40 - 44	0.714	0.466	0.386	0.482	0.248	0.187
45 - 49	0.965	0.636	0.529	0.769	0.395	0.296
50 - 54	1.365	0.879	0.737	0.927	0.638	0.449
55 - 59	2.008	1.258	1.051	1.158	0.770	0.523
60 - 64	2.159	1.579	1.315	1.158	0.889	0.603

# How much will extra cover cost?

## Death and TPD

Use the premium rates table overleaf to work out how much any extra cover will cost.

### How to work out the cost of Death and TPD

The formula to calculate the cost of Death or TPD cover is:

How much cover you want ÷ 10,000 x the relevant premium rate = weekly premium cost

### Example

Peter is aged 32. He wants \$150,000 Death cover and \$300,000 TPD. Peter's job involves manual labour, so his occupational rating is Standard.

Which premium rate is applicable to Peter will depend on:

- Peter's age
- Peter's occupational rating
- Whether Peter is calculating the cost for Death or TPD.

Peter's weekly cost for Death cover is:

*The cover he wants of \$150,000 ÷ 10,000 x the premium of \$0.093 = \$1.40 per week*

Peter's weekly cost for TPD cover is:

*The cover he wants of \$300,000 ÷ 10,000 x the premium of \$0.097 = \$2.91 per week*

Which premium rate is applicable to Peter will depend on:

- Peter's age
- Peter's occupational rating
- Whether Peter is calculating the cost for Death or TPD

Current age	Occupational rating					
	Standard		Low Risk		Professional	
	Death	TPD	Death	TPD	Death	TPD
32	0.093	0.097	0.051	0.054	0.046	0.048

## Death and TPD weekly premium rates – per \$10,000 insured

Current age	Occupational rating					
	Standard		Low Risk		Professional	
	Death	TPD	Death	TPD	Death	TPD
15	0.103	0.107	0.049	0.051	0.046	0.048
16	0.103	0.107	0.049	0.051	0.046	0.048
17	0.103	0.107	0.049	0.051	0.046	0.048
18	0.103	0.107	0.049	0.051	0.046	0.048
19	0.103	0.107	0.049	0.051	0.046	0.048
20	0.103	0.107	0.049	0.051	0.046	0.048
21	0.103	0.107	0.049	0.051	0.046	0.048
22	0.103	0.107	0.049	0.051	0.046	0.048
23	0.103	0.107	0.049	0.051	0.046	0.048
24	0.103	0.107	0.049	0.051	0.046	0.048
25	0.088	0.092	0.049	0.051	0.041	0.044
26	0.088	0.092	0.049	0.051	0.041	0.044
27	0.088	0.092	0.049	0.051	0.041	0.044
28	0.088	0.092	0.049	0.051	0.041	0.044
29	0.088	0.092	0.049	0.051	0.041	0.044
30	0.088	0.092	0.049	0.051	0.044	0.045
31	0.091	0.095	0.050	0.052	0.045	0.047
32	0.093	0.097	0.051	0.054	0.046	0.048
33	0.095	0.099	0.054	0.055	0.048	0.050
34	0.100	0.104	0.054	0.057	0.049	0.051
35	0.102	0.106	0.057	0.060	0.052	0.053
36	0.103	0.107	0.058	0.060	0.052	0.054
37	0.104	0.109	0.059	0.061	0.053	0.055
38	0.106	0.109	0.060	0.061	0.054	0.056
39	0.111	0.115	0.060	0.063	0.054	0.056
40	0.119	0.123	0.063	0.066	0.057	0.059
41	0.131	0.136	0.070	0.072	0.063	0.065
42	0.139	0.145	0.077	0.080	0.069	0.072
43	0.148	0.153	0.079	0.083	0.071	0.075
44	0.164	0.171	0.084	0.088	0.076	0.079
45	0.187	0.195	0.099	0.102	0.089	0.092
46	0.212	0.219	0.113	0.117	0.102	0.106
47	0.226	0.235	0.119	0.124	0.108	0.112
48	0.243	0.252	0.127	0.131	0.117	0.120
49	0.265	0.276	0.136	0.140	0.126	0.130
50	0.292	0.303	0.148	0.154	0.137	0.142
51	0.327	0.340	0.159	0.166	0.153	0.159
52	0.369	0.383	0.174	0.179	0.166	0.173
53	0.390	0.404	0.189	0.196	0.181	0.188
54	0.459	0.476	0.208	0.216	0.200	0.207
55	0.552	0.571	0.232	0.240	0.222	0.231
56	0.664	0.687	0.261	0.271	0.253	0.262
57	0.701	0.728	0.298	0.308	0.289	0.299
58	0.744	0.771	0.348	0.361	0.334	0.346
59	0.861	0.893	0.420	0.435	0.387	0.400
60	0.861	0.893	0.496	0.514	0.446	0.463
61	0.861	0.893	0.496	0.514	0.446	0.463
62	0.861	0.893	0.496	0.514	0.446	0.463
63	0.861	0.893	0.496	0.514	0.446	0.463
64	0.861	0.893	0.496	0.514	0.446	0.463
65	0.861	n/a	0.506	n/a	0.455	n/a
66	0.861	n/a	0.506	n/a	0.455	n/a
67	0.861	n/a	0.506	n/a	0.455	n/a
68	0.861	n/a	0.506	n/a	0.455	n/a
69	0.861	n/a	0.506	n/a	0.455	n/a

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