



# Employer Superannuation Service

## Insurance Guide



For further information about these ratings and awards, go to [www.heronpartners.com.au](http://www.heronpartners.com.au).

**Date prepared: 19 February 2021**

This Insurance Guide is issued by the Trustee.

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**MySuper Unique Identifier:** 30099320583624

The information in this document forms part of the Product Disclosure Statement of the Freedom of Choice Employer Superannuation Service dated 19 February 2021.

## Introduction

This Insurance Guide ('Guide') is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757, RSE License L0001458, ('the Trustee') as Trustee of AMG Super ABN 30 099 320 583, RSE Registration No R1001006 ('the Fund') of which the Freedom of Choice Employer Superannuation Service ('the Service') is a part.

The Freedom of Choice Employer Superannuation Service Product Disclosure Statement ('PDS') is made up of the documents listed below:

- » The Freedom of Choice Employer Superannuation Service PDS;
- » The Freedom of Choice Employer Superannuation Service Reference Guide (Reference Guide);
- » The Freedom of Choice Insurance Guide (this Guide); and
- » Employer Plan Additional Information Schedule, if applicable to you.

This Guide, the PDS, the Reference Guide and (if applicable) *Employer Plan Additional Information Schedule* contain some general information about the Service and are not intended to be relied on for the purpose of making an investment decision or other decisions pertinent to your investment in the Fund. It has been prepared without taking account of the objectives, financial situation and needs of any particular person. You should also consider obtaining professional advice before making decisions regarding your investment in the Fund, to determine if they are appropriate to your needs. Please read the relevant PDS available at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au) or contact Client Services for a copy.

Acclaim Management Group Limited (ABN 52 091 082 058) ('Acclaim') is the Administrator and Promoter of the Service.

All investments in the Service are held in the name of the Trustee.

TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants (ABN 58 097 703 047) (AFSL No 230846) acts as asset consultant to the Service

Insurance cover available through the Service is provided under a group insurance policy taken out by the Trustee with Hannover Life Re of Australasia Limited (ABN 37 062 395 484). Alternative insurance may also be available.

The Trustee does not guarantee the payment of an insured benefit or the performance of the Insurer. Neither the Trustee, the Fund, the Administrator, any appointed investment managers, nor any related entity guarantee the performance of the Service, nor any return of capital.

Monies invested in the Service do not represent investments in, or liabilities of, the Trustee or any related entity. You should be aware that investments in the Service carry risks, including possible delays in repayment and loss of income and principal invested. An outline of some of the risks is contained in the PDS and the Reference Guide.

## How to get up to date information

The information in this Guide is up-to-date at the date it was prepared. Some of the information in this Guide may change from time to time and may not be up-to-date at the time you receive it. If a change is made to information that is not materially adverse information, the Guide may not be updated. Instead, any updated information will be published on the Freedom of Choice website [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au) or you may obtain a paper or electronic copy free of charge by calling Client Services on 1800 806 013.

## Client Services

Member, Employer and Adviser administration enquiries

PO Box 3528  
Tingalpa DC QLD 4173

Phone: 1800 806 013 Australia-wide  
Fax: (07) 3899 7299

## Website

[www.freedomofchoice.com.au](http://www.freedomofchoice.com.au)

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[enquiries@freedomofchoice.com.au](mailto:enquiries@freedomofchoice.com.au)

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# Insurance cover available through Freedom of Choice Employer Superannuation Service

Most people don't think twice about insuring their car, home and valuables. But if your ability to work is your major source of income, insuring your life or taking out protection against sickness or injury means you are protecting yourself and your family against the unexpected. The need for insurance cover is important, however it may also not be appropriate for everyone. We strongly suggest you get advice tailored to your individual circumstances from an appropriately qualified adviser.

## Insurance through Freedom of Choice

We believe that all members should be able to protect their families and their future. That's why you will automatically receive insurance cover when you join Freedom of Choice Employer Superannuation Service if you are eligible. This will either be 'Automatic Cover' or 'Employer Plan Cover', which provides an automatic amount of cover without the need for medical checks, up to specified limits (called 'Automatic Acceptance Limits'). Employer Plan Cover is tailored insurance cover arranged by your employer. Different levels and types of automatic cover may have been established under Employer Plan Cover and will be set out in your *Employer Plan Additional Information Schedule* included in your Welcome Kit (if applicable to you).

You may also apply for voluntary or additional insurance above any automatic insurance cover that you receive. See page 12 for further information.

The need for insurance cover is important, however it may also not be appropriate for everyone. We strongly suggest you get advice tailored to your individual circumstances from an appropriately qualified adviser.

To help you receive competitive insurance rates and terms and conditions, the Fund provides insurance through a group policy. The cover under this group policy ('the Policy') is provided by Hannover Life Re of Australasia ('the Insurer'). This Insurance Guide summarises the terms and conditions applicable to the insurance while you are a Freedom of Choice Employer Superannuation Service member, including some key definitions which must be satisfied to receive an insurance benefit. It is important to be aware of the limitations which could affect insurance. The Policy is the basis for determining any benefits or procedures. A copy of the Policy may be requested, at no cost, by contacting the Administrator. It is also important to be aware that Government law can also affect insurance.

### Important information about insurance:

***This document does not contain full details of the insurance contract between the Trustee and its Insurer and only offers a general guide to the insurance offered to Freedom of Choice Employer Superannuation Service members. The insurance is provided under a contract between the Trustee and the Insurer. If there is any conflict between this document and the insurance contract with***

***the Insurer, to the extent permitted by law, the insurance contract will prevail.***

## Insurance with an alternative Insurer (External Insurance)

Alternatively, you may select to establish an individual insurance policy through one of Freedom of Choice approved external retail insurers. Under this option, the Trustee will be the owner of the policy which allow the insurance premiums to be paid through your account. All external insurance policies are subject to Trustee approval. **If insurance through an external retail insurer applies to you, the information about insurance in this section of the Insurance Guide does not apply. Your insurance cover will be subject to the terms and conditions of the insurance policy issued by the alternative insurer. Please note that this arrangement needs to be organised through a qualified adviser.**

## Benefits available

The types of insurance covers available through Freedom of Choice Employer Superannuation Service are:

- » **Death cover** - If you are an insured member and die or suffer a terminal illness, a lump sum will be paid.
- » **Total and Permanent Disablement (TPD) cover** - provides for a lump sum benefit to be paid if you become permanently disabled while you are an insured member.
- » **Income Protection (IP) cover** - provides a monthly benefit paid in arrears if you are temporarily disabled while you are an insured member.

Cover may be automatic or available on application. For information about eligibility for automatic cover and voluntary cover, including when cover commences, refer to pages 10-13.

## Death cover (including terminal illness)

If you die or suffer a terminal illness while an insured Member, a lump sum insurance benefit will be paid in addition to any superannuation accumulated in your account.

If you die while you are an insured Member, a Death benefit will be paid to your beneficiaries or your estate. In the event of your death, your legal representative, spouse or relative should notify the Administrator as soon as possible. The Administrator will forward a Benefit Payment Advice which must be completed and returned with supporting documentation, e.g. death certificate and proof of age. If there is an insured benefit, the Administrator will lodge this claim with the Insurer.

If you suffer a terminal illness while you are an insured Member, a Terminal Illness benefit will be paid by the Insurer to the Trustee. The Trustee can only release this lump sum payment to you if it is received from the Insurer and you satisfy criteria for terminal illness payments contained in superannuation law or meet another condition of release. If a Terminal Illness benefit is paid by the Insurer it will be considered as a prepayment of an insured Member's Death benefit.

### Terminal Illness means:

- a. 2 registered Doctors have certified, jointly or separately, and approved by the Insurer, that you suffer from an *Illness*, or have incurred an *Injury*, that is highly likely to result in your death within a period (the certification period)

- that ends no more than 24 months after the date of the certification regardless of any treatment that may be undertaken, and
- b. at least 1 of the *Doctors* is a specialist practising in an area related to the *Illness* or *Injury* you suffered, and
- c. for each of the certificates, the certification period has not ended and is supported by test results.

Please note that the conditions of payment of a Terminal Illness benefit under the insurance policy may be different to those relating to the payment of a terminal illness benefit from the Fund to you.

A Terminal Illness benefit will be the lesser of your insurance cover for Death or \$3,000,000. An insured Member may only ever receive one terminal illness benefit.

Note: Terminal Illness benefits (including insured benefits, if any) which satisfy criteria in superannuation and taxation legislation can be paid tax free. Any insured Terminal Illness benefits will only become payable if a claim is accepted by the Insurer.

#### Who will receive a death benefit?

Refer to the Reference Guide for information about who will receive a Death benefit. Payment of death benefits may depend on whether you have made a *non-binding nomination* or a valid and effective *binding nomination*.

#### Death Cover Exclusions

The Insurer will not pay an insurance benefit in some circumstances which give rise to a Death Cover claim. Exclusions include:

- a. An act of War, or
- b. Participation in a criminal act, or

- c. Any additional exclusion that came into effect through underwriting or when taking over existing cover, or
- d. For underwritten or Life Events Cover (refer to the Other important insurance information section of this document for more info on Life Events Cover) only, suicide, attempt at suicide or intentional self-inflicted harm, within 13 months from the date the underwritten cover or Life Events Cover was accepted.

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

If you suffer TPD while an insured Member, a lump sum insurance benefit will be paid to you in addition to any superannuation accumulated in your account. The Trustee can only release this lump sum payment if it is received from the Insurer and the Trustee is satisfied you meet a condition of release in superannuation law. You should supply written notice to the Trustee of any claim or potential claim as soon as reasonably possible.

The insurance benefit is only payable if you satisfy the TPD definition in the Policy. Different Part of the TPD definitions apply in different circumstances. Other defined terms are also relevant. A summary of the definition is outlined below, however for full details please refer to the Policy which is available on request.

#### Definitions of TPD

To be considered Totally and Permanently Disabled you must satisfy a Part of the TPD definition that applies to you as described below.

Refer to the Glossary for an explanation on defined terms used in our TPD Definition.

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Where you:

- a. Are a *Permanent Employee* or *Contractor* on the *Date of Disablement*, and
- b. Have been working on average for a minimum of 15 hours in a normal working week in the 6 months immediately prior to the *Date of Disablement* (or where you have been employed for less than 6 months, over your period of employment), you are considered to be *Totally and Permanently Disabled* if you satisfy either Part 1, Part 2, Part 3, Part 4, Part 5 or Part 6 below.

Where you do not satisfy (a) and (b) above, you are considered to be *Totally and Permanently Disabled* if you satisfy either Part 3, Part 4, Part 5 or Part 6 below.

If you are suffering from 1 or more of the *Immediate Assessment Conditions* and all claim requirements have been received by the Insurer, the 3 month waiting period that applies to Part 1, Part 4, Part 5 and Part 6 is waived and assessment commences immediately.

Part 1 - Unlikely to Return to Work	<p>You, solely as the result of <i>Injury</i> or <i>Illness</i>:</p> <ul style="list-style-type: none"> <li>a. Are absent from their occupation and unable to do any work for a period of 3 consecutive months solely as the result of <i>Injury</i> or <i>Illness</i>, and</li> <li>b. Are regularly attending a <i>Doctor</i> and have undergone all medical treatment reasonably recommended by a <i>Doctor</i> with respect to the <i>Injury</i> or <i>Illness</i> since ceasing work in your occupation, and</li> <li>c. At the end of the initial 3 consecutive months, are so severely disabled due to your ill-health (whether physical or mental) that in the Insurer's opinion: <ul style="list-style-type: none"> <li>i. You are unable to resume your previous occupation at any time in the future, and</li> <li>ii. You are unlikely ever at any time in the future to engage in <i>Gainful Employment</i> for which you are reasonably suited by education, training or experience.</li> </ul> </li> </ul>
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Part 2 - Permanent Impairment	<p>You, solely as the result of <i>Injury</i> or <i>Illness</i>:</p> <ol style="list-style-type: none"> <li>Suffer a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment 4th Edition', or the equivalent guide to the evaluation of impairment approved by the Insurer, and</li> <li>Are so severely disabled due to your ill-health (whether physical or mental) that in the Insurer's opinion you are unlikely ever at any time in the future to engage in <i>Gainful Employment</i> for which you are reasonably suited by education, training or experience.</li> </ol>
Part 3 - Loss of Use of	<p>You, solely as the result of <i>Injury</i> or <i>Illness</i>:</p> <ol style="list-style-type: none"> <li>Suffer the total, permanent and irrecoverable <i>Loss Of Use Of</i>: <ol style="list-style-type: none"> <li>2 limbs, or</li> <li>The sight of both eyes, or</li> <li>1 limb and the sight of 1 eye, and</li> </ol> </li> <li>Are so severely disabled due to your ill-health (whether physical or mental) that in the Insurer's opinion you are unlikely ever at any time in the future to engage in <i>Gainful Employment</i> for which you are reasonably suited by education, training or experience.</li> </ol>
Part 4 - Cognitive Loss	<p>You, solely as the result of <i>Injury</i> or <i>Illness</i>:</p> <ol style="list-style-type: none"> <li>Are first diagnosed with <i>Cognitive Loss</i>, and</li> <li>Are under the continuous care and supervision of another adult for a period of 3 consecutive months, and</li> <li>At the end of the 3 consecutive months, are so severely disabled due to your ill-health (whether physical or mental) that in the Insurer's opinion: <ol style="list-style-type: none"> <li>You are likely to require permanent ongoing continuous care and supervision by another adult, and</li> <li>You are unlikely ever at any time in the future to engage in <i>Gainful Employment</i> for which you are reasonably suited by education, training or experience.</li> </ol> </li> </ol>
Part 5 - Daily Functioning Activities	<p>You, solely as the result of <i>Injury</i> or <i>Illness</i>:</p> <ol style="list-style-type: none"> <li>Are totally and irreversibly prevented from performing 2 of the <i>Daily Functioning Activities</i> without assistance from another adult, aid or adaptation, for a period of 3 consecutive months, and</li> <li>Are regularly attending a <i>Doctor</i> and has undergone all medical treatment reasonably recommended by a <i>Doctor</i> with respect to the <i>Injury</i> or <i>Illness</i>, and</li> <li>At the end of the initial 3 consecutive months, are so severely disabled due to their ill-health (whether physical or mental) that in the Insurer's opinion: <ol style="list-style-type: none"> <li>You are unlikely ever at any time in the future to be able to perform at least 2 of the <i>Daily Functioning Activities</i> without the assistance of another adult, aid or adaptation, and</li> <li>You are unlikely ever at any time in the future to engage in <i>Gainful Employment</i> for which you are reasonably suited by education, training or experience.</li> </ol> </li> </ol>
Part 6 - Domestic Activities	<p>You, solely as the result of <i>Injury</i> or <i>Illness</i>:</p> <ol style="list-style-type: none"> <li>Are totally and irreversibly prevented from performing all of the <i>Normal Physical Domestic Activities</i> without assistance from another adult, aid or adaptation, for a period of 3 consecutive months, and</li> <li>Are regularly attending a <i>Doctor</i> and have undergone all medical treatment reasonably recommended by a <i>Doctor</i> with respect to the <i>Injury</i> or <i>Illness</i>, and</li> <li>At the end of the initial 3 consecutive months, are so severely disabled due to their ill-health (whether physical or mental) that in the Insurer's opinion: <ol style="list-style-type: none"> <li>You are unlikely ever at any time in the future to be able to perform all of the <i>Normal Physical Domestic Activities</i> without the assistance of another adult, aid or adaptation, and</li> <li>You are unlikely ever at any time in the future to engage in <i>Gainful Employment</i> for which you are reasonably suited by education, training or experience.</li> </ol> </li> </ol>

## Glossary

**Casual Employee** means you are engaged in employment of a temporary nature where:

- a. Continuity of employment is not guaranteed by your employer, regardless of hours worked on the period of employment, and
- b. You are not entitled to annual leave or sick leave.

**Cognitive Loss** means a total and permanent deterioration or loss of intellectual capacity.

**Contractor** means you are engaged in employment for a fixed term by your employer under a contract that requires you to perform identifiable duties for a regular number of hours each week.

**Daily Functioning Activities** means:

- a. Walking - you cannot walk more than 200 metres on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body,
- b. Rising/Sitting - you are unable to rise and sit using a raised chair with arms without the help of another person,
- c. Dexterity - you are unable to write legibly with a pen or pencil or use a keyboard with either hand,
- d. Communication - you cannot:
  - i. Clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room in their first language, or
  - ii. Understand simple messages in their first language, or
  - iii. Speak with sufficient clarity to be clearly understood in their first language,
- e. Eyesight - your visual ability is reduced to the extent that functional abilities are affected and independent functioning without physical assistance from another person in a workplace is impossible, even with the use of assistive devices.

**Date of Disablement** means the earlier of the date:

- a. The 3 consecutive months absence from work began that results in *Total and Permanent Disablement* Part 1 (Unlikely to Return to Work). However, if the you undertakes a formalised graded return to work which fails within 12 months, the insurer will take the *Date of Disablement* as being the date on which you first ceased work, or
- b. The permanent impairment began that results *Total and Permanent Disablement* Part 2 (Permanent Impairment), or
- c. You suffered the *Loss Of Use Of* the sight in both eyes, or the *Loss Of Use Of* both limbs, or the *Loss Of Use Of* both the sight in 1 eye and 1 limb, that results in *Total and Permanent Disablement* Part 3 (Loss of Use of), or
- d. You suffered the *Loss Of Use Of* the sight of another eye or the *Loss Of Use Of* another limb, having already suffered the *Loss Of Use Of* the sight of an eye or the *Loss Of Use Of* a limb, that results in *Total and Permanent Disablement* Part 3 (Loss of Use of), or
- e. The *Cognitive Loss* was first diagnosed that results in *Total and Permanent Disablement* Part 4 (Cognitive Loss), or
- f. The 3 consecutive months inability to perform at least 2 of the *Daily Functioning Activities* began that results in *Total and Permanent Disablement* Part 5 (Daily Functioning Activities), or
- g. The 3 consecutive months inability to perform *Normal*

*Physical Domestic Activities* began that results in *Total and Permanent Disablement* Part 6 (Domestic Activities).

**Doctor** means a registered medical practitioner who is legally qualified and registered to practice in Australia or New Zealand other than you, or your parent, child, sibling, partner, business partner, associate or employee.

**Gainful Employment** means employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment. It includes occupations of a lower status or that may not pay as much income as your previous occupation, and occupations that are part-time.

**Illness** means a sickness, disease or disorder.

**Injury** means physical damage to the body caused solely and directly by accidental, external and visible means and which is not an *Illness*.

**Immediate Assessment Condition** means any of the following: Cardiomyopathy, Chronic Lung Disease, Dementia and Alzheimer's Disease, Diplegia, Hemiplegia, Loss of Hearing, Loss of Speech, Major Head Trauma, Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Paraplegia, Parkinson's Disease, Primary Pulmonary Hypertension, Quadriplegia, Severe Burns, Severe Rheumatoid Arthritis, Total Blindness. The waiver of the waiting period is at the Insurer's absolute discretion and they may choose to vary the immediate assessment conditions at any time.

**Loss Of Use Of** means:

- a. The permanent loss of sight, whether aided or unaided due to Injury or Illness to the extent that the visual acuity is 6/60 or less in both eyes, or to the extent that visual field is reduced to 20 degrees or less of arc, as certified by an ophthalmologist, or
- b. The loss of the use of a leg from at or above the ankle, or an arm from at or above the wrist, which is permanent.

**Normal Physical Domestic Activities** means:

- a. Cleaning the family home (such as using a vacuum cleaner, sweeping with a broom, using a mop, cleaning dishes automatic or manually), and
- b. Shopping for food or household items (such as attending shops or using the phone or internet to purchase food or household items for the family), and
- c. Meal preparation and laundry for the family (such as preparing fresh or frozen food, using an oven, stove or microwave oven), loading and unloading a washing machine and hanging out clothes or using a dryer, folding clothes and ironing), and
- d. Looking after dependent children under the age of 16 years or in full-time secondary education, where applicable (such as supervising, lifting, transporting, feeding and bathing, or providing full-time care for an invalid member of the your immediate family), and
- e. Leaving the house without the assistance of another person.

**Permanent Employee** means you are employed on a permanent basis under an ongoing contract that:

- a. Requires you to perform identifiable duties for a regular number of hours each week, and
- b. Allows you to accrue annual leave, sick leave, leave loading and long service leave, and
- c. You are not employed as a *Casual Employee* or as a *Contractor*.

## TPD Cover Exclusions

The Insurer will not pay an insurance benefit in some circumstances which give rise to a TPD claim. Exclusions include:

- An act of War, or
- Participation in a criminal act, or
- Any additional exclusion that came into effect through underwriting or when taking over existing cover, or
- For underwritten or Life Events Cover (refer to the Other important insurance information section of this document for more info on Life Events Cover) only, suicide, attempt at suicide or intentional self-inflicted harm, within 13 months from the date the underwritten cover or Life Events Cover was accepted.

## TPD Cover Tapering

Any amount of TPD cover that you hold based on a fixed amount will reduce automatically (i.e. TPD tapering) each year as shown in the table below. It will reduce by 10% each year from your 61st birthday, until cover ceases when you turn 70:

Age Next Birthday	TPD Tapering Factor (as a % of corresponding Death cover)
62	90%
63	80%
64	70%
65	60%
66	50%
67	40%
68	30%
69	20%
70	10%

## Claiming a TPD Benefit

Upon notification to the Administrator of a claim for a TPD benefit, a Benefit Payment Advice will be forwarded to you. This form should be completed and returned with supporting documentation, e.g. medical evidence and proof of age, to the Administrator who will lodge the claim with the Insurer (where appropriate).

If the claim is admitted by the Insurer and Trustee as a TPD benefit, the benefit payment will be made in accordance with the relevant law and the Trust Deed.

By completing the relevant Insurance Application, you agree to the Trustee collecting, using, storing and disclosing personal information about you in accordance with our privacy statement.

## Important notes

Acceptance of an insurance claim by the Insurer does not automatically mean that insured benefits can be paid from the Fund to a Member. Insured benefits can only be paid by the Trustee if permissible under the trust deed and superannuation law. Please refer to the Reference Guide for further information.

## Income Protection (IP) cover

IP cover is available subject to underwriting and acceptance by the Insurer. The maximum benefit per insured Member

is limited to 85% of your pre-disability income (where 75% is to replace your salary and the additional 10% is for employer superannuation contributions, as defined in the Policy), subject to a maximum benefit of \$30,000 per month.

## Important Note:

The maximum benefit is based on your salary at the date of claim. If, after commencement of IP cover, and your employment status changes from permanent employment (working more than 15 hours per week) to casual in the event of a claim the Insurer will average your salary over the previous 12 months to determine your actual monthly IP benefit. If your salary has decreased, your insured benefit will also decrease and the amount payable will be based on your salary at the time of your claim (i.e. not the salary you had when you applied for cover). Please notify the Administrator in writing should your salary decrease.

A benefit will be payable monthly in arrears if you are suffering a Total or Partial Disability, and your claim is accepted by the Insurer. Cover is subject to the provisions of the Policy issued by the Insurer.

## Benefit period

Members can elect the benefit payment period from the following options:

- » 2 years; or
- » 5 years; or
- » To age 65.

The maximum benefit period for a claim from any one cause (or related cause) is the total of the remaining months to the conclusion of the applicable benefit payment period.

If automatic IP cover applies to you, a default benefit period applies and will be shown in your Welcome Kit.

## Waiting period

The waiting period is the length of time between when you are Totally or Partially Disabled and when benefits start being paid, provided this date is after cover has started. Members can elect the waiting period from the following options:

- » 30 days; or
- » 60 days; or
- » 90 days.

If automatic IP cover applies to you, a default waiting period applies and will be shown in your Welcome Kit.

A benefit is only payable when you are Totally disabled for at least the waiting period, or in respect of Partial disability you are Totally disabled for 7 out of 12 consecutive days within the waiting period and then capable of returning to partial employment.

If you return to work at full capacity during the Waiting Period and this return to work proves unsuccessful due to the same or a related Injury or Illness causing your Total Disability, the original Waiting Period will continue provided the number of days you returned to work is no more than 10% of the Waiting Period. For example, if the waiting period is 30 days then you may return to work for a total of 3 days. In these circumstances, the Insurer will not extend the waiting period by the number of days you unsuccessfully returned to work.



## Total Disability benefit

The monthly benefit will be paid if the Insurer is satisfied you are Totally Disabled for longer than the waiting period and while cover is still in force. The monthly benefit starts to accrue from the day after the end of the waiting period.

**Total Disability** means because of an injury or illness you are:

- Unable to perform at least 1 income producing duty of your occupation, and
- Under the regular care and following the advice of a Doctor, and
- Not working in any occupation, whether for reward or not for reward.

An 'income producing duty' is a duty of the insured Member's occupation that generates at least 20% of their Pre-Disability Income.

The benefit will only be reduced by any *Other Disability Income* if:

- The monthly benefit, plus
- Any *Other Disability Income*,

exceeds 75% of *Pre-Disability Income*.

If the benefit is payable for less than a whole month, the daily amount of this benefit will be equal to 1/30th of the monthly benefit for *Total Disability*.

The monthly benefit is payable monthly in arrears and stops at the earliest of the following conditions:

- » the end of the benefit period applicable to you;
- » when you reach the maximum insurable age (age 65);
- » you die;
- » you cease to be an Australian resident;
- » you fail to provide any information that is required to assess your claim;
- » when you are no longer Totally Disabled or Partially Disabled; or
- » you are no longer under the regular care of and following the advice of a Doctor

The monthly benefit may also cease where you refuse to undergo or continue a rehabilitation or return to work program as reasonably required.

## Partial Disability benefit

A Partial Disability benefit will be paid where an insured Member meets the partial disability definition below:

**Partial Disability** means because of an *Injury* or *Illness* you have suffered *Total Disability* continuously for a period of at least 7 days out of 12 consecutive days and:

- Have ceased to suffer *Total Disability*, and
- Have resumed partial employment or, in the Insurer's opinion, are deemed capable of returning to partial employment duties, and
- As a result of the *Injury* or *Illness* that caused your *Total Disability* have received, or could in the Insurer's opinion receive, a *Post-Disability Income* that is less than your *Monthly Income*, and
- You are under the continuous and regular care of a Doctor undergoing the appropriate treatment.

No Partial Disability benefit is accrued or payable until the waiting period has ended.

The Partial Disability benefit is calculated as follows, subject to a maximum benefit of \$30,000 per month:

$$\frac{A - B \times C}{A}$$

where,

**A** - is your Pre-disability monthly income,

**B** - is your actual Monthly Income earned during the month of Partial Disability,

**C** - is the monthly benefit which would be otherwise payable if you had suffered Total Disability.

The benefit will be reduced by any Other Disability Income if:

- The benefit payable for Partial Disability, plus
- Any Other Disability Income (e.g. workers compensation), exceeds 100% of Pre-Disability Income.

**Other Disability Income** means any income, other than income from benefits under The Policy, which you may derive during a month for which a benefit under The Policy is being assessed, whether that income was actually received or not, and includes:

- Any other income derived as a result of incapacity under any other insurance policy, and
- Any benefit under any worker's compensation or other similar legislation, statutory accident compensation scheme or any settlement under common law, and
- Sick leave, but only where the sick leave amount is paid to the Insured Person.

It does not include:

- Income earned from investments, or
- Any lump sum TPD benefit, lump sum superannuation benefit, lump sum trauma or terminal illness style of benefit, or
- Annual leave or long service leave entitlements, or
- Termination payments from their employer, or
- Centrelink payments.

Any Other Disability Income that is in the form of a lump sum, or is exchanged for a lump sum, has a monthly income equivalent of 1% of the lump sum for each month a disability benefit is paid. If it can be shown that a portion of the lump sum represents compensation for pain and suffering, or the loss of use of a part of the body, the Insurer will not take that portion into account as Other Disability Income. However, if pain and suffering cannot be isolated from loss of earnings, it has a monthly income equivalent of 1% of the lump sum for each month a disability benefit is paid.

If your entitlement to Other Disability Income is in dispute, at the Insurer's absolute discretion they may pay the full amount of the benefit due under The Policy on a conditional basis until the dispute is resolved. If they choose to pay, and you receive Other Disability Income, the Insurer may offset those payments received from future benefits or recover the amount of benefit they have paid which would have been offset.

**Post-Disability Income** means the amount of Income you

have received during the month that a Partial Disability Benefit is paid. If you are suffering Partial Disability but have not received such income, in order to enable the Insurer to calculate the benefit, they will estimate your capacity to earn and substitute an amount for partial earnings.

**Pre-Disability Income** means 1/12th of your annual Income immediately prior to their date of Total Disability. This will not include any income, or portion of income, that continues while the you are disabled.

#### Premium waiver

Any premium which falls due while you are receiving a Total or Partial Disability benefit will be waived.

#### Rehabilitation benefit

Whilst you are suffering Total or Partial disability, approved rehabilitation expenses, such as the cost of a rehabilitation course, device or course of treatment, may be paid by the Insurer if it considers this likely to assist your return to work. The Insurer's prior approval is required in all cases before the cost is incurred.

The Trustee must also be satisfied that the payment is permissible under the Trust Deed and superannuation legislation.

#### Recurring disablement

If you become disabled by the same or related injury or illness within six months of the date your previous period of disability ceased, it will be treated by the insurer as a continuation of the earlier claim, and the waiting period will not apply. Both your cover and the Policy must still be in force. Benefits will be limited to the unexpired portion of the applicable benefit payment period.

#### Benefit indexation

Where you have a benefit period of more than 12 months and have been in receipt of a Total Disability benefit for twelve (12) continuous months, the Insurer will increase your monthly benefit from that date by the lesser of the annual CPI percentage increase or 5%.

Your monthly benefit will thereafter be increased at the end of each consecutive twelve (12) month period where a Total Disability benefit continues to be paid.

The maximum monthly benefit available under the insurance policy is \$30,000 per month, including benefit indexation.

Benefit indexation does not apply to Partial Disability benefits.

#### IP Cover Exclusions

No IP benefit will be payable when a claim arises directly or indirectly as a result of:

- a. An act of War, or
- b. Participation in a criminal act, or
- c. Intentional self-inflicted harm or attempt at suicide, or
- d. Normal and uncomplicated pregnancy, caesarean birth, threatened miscarriage, participating in in-vitro fertilisation or other medically assisted fertilisation techniques and normal discomforts of pregnancy (such as morning sickness, backache, varicose veins, ankle swelling and bladder problems), where the continuous period of *Total Disability* is less than 90 consecutive days,

or

- e. Any additional exclusion that came into effect through underwriting.

### Automatic insurance cover (Automatic Cover or Employer Plan Cover)

When you join Freedom of Choice Employer Superannuation Service, you will automatically receive 'Automatic Cover' or 'Employer Plan Cover', provided you are eligible, up to an Automatic Acceptance Limit ('AAL'). For more information about AAL refer to page 12.

If you have Automatic Cover, the type, amount and cost of cover applicable to you will be shown according to your Age Next Birthday in the Automatic Cover table later in this section of the Insurance Guide.

If you have Employer Plan Cover, the type and amount of cover applicable to you will be shown in an *Employer Plan Additional Information Schedule* included in your Welcome Kit.

This means insurance cover is provided without the need for you to submit an 'Insurance Cover Application Form', or evidence of health. Automatic acceptance of insurance cover will not apply and you will need to apply for cover if:

- » the first Superannuation Guarantee (SG) contribution and minimum member details is received by the Fund after 120 days from the day you first joined your employer; or
- » you've ever been paid a TPD benefit or terminal illness benefit from any superannuation fund or insurance policy, or if you've sought medical advice for a condition that would entitle you to apply for or receive a TPD benefit, or if you've ever been diagnosed with a terminal illness.

If you were not At Work on the date Automatic Cover commences, the cover will be New Events Cover until you have been in Active Employment for 30 consecutive days.

**At Work** means:

- a. You are actively performing all of the normal duties and normal hours of your regular occupation without restriction by any Injury or Illness, or
- b. If on employer approved leave (except leave caused by Injury or Illness), you are in the insurer's opinion capable of actively performing all of the normal duties and normal hours of your regular occupation, without restriction by any Injury or Illness.

**New Events Cover** means the insurer will only pay a benefit for an Injury or Illness if it first occurs on or after the date your cover commenced, recommenced or increased. An Injury or Illness is considered to have first occurred on the day you first sought medical advice for the Injury or Illness.

**Active Employment** means you are capable of performing all of the normal duties of your regular occupation, without restriction by any Injury or Illness, for at least 35 hours per week (whether or not you are actually working those hours).

To be eligible for automatic cover you must also meet the following criteria:

Cover	Eligibility
Death Cover	» You are aged between 15 and 65 » You are an Australian Resident
TPD Cover	» You are aged between 15 and 65 » You are an Australian Resident
IP Cover (Employer Plan Cover only)	» You are aged between 15 and 65 » You are an Australian Resident » You are engaged under a contract of employment as a Permanent Employee, Contractor (with a contract for an initial fixed term of at least 12 months), or a partner (if your employer is a partnership). » You are working more than 15 hours per week

**Australian Resident** means you are an Australian citizen or a person who is legally permitted to reside in and be gainfully employed in Australia. It also includes New Zealand citizens who are residing and working in Australia.

#### When does Automatic Cover commence?

If you have met the requirements to be eligible for Automatic Cover it will commence from:

- The first date your account balance is equal to or greater than \$6,000 and you are at least 25 years of age, or
- If you aged less than 25 years or your account balance is less than \$6,000 the date we received your Insurance Opt-in notification to have insurance applied to your account, provided it was received within 120 days from the day you first joined your employer or it was received within 90 days of our Welcome Letter.

Note: the Opt-In notification mentioned in (ii) above will include a written election made by you to the Trustee to take out insurance despite being aged less than 25 years or having an account balance less than \$6,000. For more details on how to make an Opt-in notification contact the Administrator on 1300 264 264.

#### Automatic Cover

If you are eligible, the amount of Automatic Cover you receive will depend on your age. The premium rate you pay will depend on your age, gender and occupation. The maximum premium payable at the date of this PDS is \$7.03 per week for males and \$5.48 per week for females at age next birthday 51. Refer to the table below for more information about the cost of this cover and how much cover is applicable at different ages. If you have Employer Plan Cover, the type and amount of Automatic Cover applicable to you will be shown in an *Employer Plan Additional Information Schedule* included in your Welcome Kit.

Age next birthday	Death & TPD Cover Scale	Premium (\$ per week) – Standard	
		Male	Female
16	100,000	1.88	0.68
17	100,000	1.88	0.68
18	100,000	1.88	0.68
19	100,000	1.88	0.68
20	100,000	1.88	0.68
21	125,000	2.35	0.85
22	125,000	2.35	0.78
23	125,000	2.22	0.72
24	125,000	2.12	0.72
25	125,000	2.07	0.67
26	210,600	3.35	1.13
27	207,400	3.22	1.20
28	207,400	3.22	1.20
29	207,400	3.30	1.33
30	207,400	3.30	1.41
31	207,400	3.30	1.50
32	202,600	3.23	1.59
33	199,000	3.37	1.85
34	197,200	3.51	2.08
35	197,200	3.55	2.28
36	193,000	3.63	2.43
37	193,000	3.91	2.71
38	188,800	4.10	2.93
39	186,200	4.50	3.43
40	185,000	4.93	3.82
41	183,400	5.23	4.28
42	172,000	5.51	4.48
43	153,800	5.56	4.45
44	138,400	5.64	4.43
45	126,200	5.69	4.28
46	120,200	6.16	4.55
47	93,800	5.41	3.99
48	86,800	5.58	4.13
49	83,800	6.05	4.50
50	79,800	6.48	4.95
51	78,200	7.03	5.48
52	66,400	6.66	5.30
53	55,600	6.26	4.98
54	52,200	6.57	5.23
55	45,400	6.28	4.99
56	40,000	6.10	4.85
57	33,200	5.66	4.40
58	23,800	4.51	3.43
59	23,800	5.05	3.74
60	20,800	4.92	3.55
61	18,000	4.72	3.31
62	15,000	4.34	3.03
63	13,600	4.32	3.04
64	12,000	4.18	2.99
65	12,000	4.59	3.33
66	6,800	2.84	2.08
67	6,800	3.11	2.30
68	6,800	3.43	2.56
69	6,800	3.77	2.84
70	6,800	4.15	3.15

\* ANB is Age Next Birthday, which is defined as the member's current age plus one year as at commencement date of cover and then at the annual review date of 1 July each year.

## Occupation Rating Factors

Occupational Category	Occupational Class	Death & TPD
1	Professional	0.51
2	White Collar	0.57
3	Standard/Default	1.00

Although you may be eligible for 'White Collar' or a 'Professional' occupation class you will be defaulted into the 'Standard' occupation class for the purpose of calculating Premium. To be classified as 'White Collar' occupation class or a 'Professional' occupation class, you must complete a change in Occupation Rating Insurance Form. If you do not complete a change in Occupation Rating Form you may in fact be paying higher premiums than necessary. If you complete a change in Occupation Rating Form the change in occupation class will occur on the date we receive your signed declaration.

### Employer Plan Cover

If you are eligible, Employer Plan Cover will apply if your employer has established tailored insurance arrangements for your employer group. Employer Plan Cover can include automatic Death, TPD and IP cover. The amount and type of cover you will automatically receive will depend on the 'Insured Cover' basis chosen by your employer. The 'Insured Cover' basis is how your insurance cover amount is calculated. The Insured Cover basis applicable to you will be in the *Employer Plan Additional Information Schedule* included in your Welcome Kit.

The amount of cover may be subject to an AAL. The AAL for Employer Plan Cover will depend on the number of members in your Employer Plan. The AAL for an Employer Plan will be in the *Employer Plan Additional Information Schedule* included in your Welcome Kit (if applicable).

If the Insured Cover basis for an Employer Plan results in an amount of cover which is in excess of the AAL applicable to the plan, the excess amount is not automatically provided and will be subject to underwriting and acceptance by the Insurer.

### Applying for additional or voluntary insurance cover

Freedom of Choice Employer Superannuation Service members can apply for a fixed amount of additional or voluntary insurance cover in excess of their automatic insurance cover or if they are not eligible for automatic insurance cover. If you are aged less than 25 years or your account balance is less than \$6,000 your application must include a written election to confirm you wish to take out insurance cover despite being aged less than 25 years or having an account balance less than \$6,000.

Additional or voluntary insurance cover is subject to underwriting and acceptance by the Insurer. The maximum cover (applicable to your total amount of cover) and eligibility requirements are outlined below.

Type of Cover	Maximum Cover	Eligibility
Death Cover	Unlimited Cover	<ul style="list-style-type: none"> <li>» You are aged between 15 and 70</li> <li>» You are an Australian Resident</li> </ul>
TPD Cover	\$3,000,000 <sup>1,2</sup>	<ul style="list-style-type: none"> <li>» You are aged between 15 and 70</li> <li>» You are an Australian Resident</li> <li>» The amount of your TPD Cover cannot exceed the amount of your Death Cover.</li> </ul>
IP Cover	\$30,000 per month	<ul style="list-style-type: none"> <li>» You are aged between 15 and 65</li> <li>» You are an Australian Resident</li> <li>» You are engaged under a contract of employment as a Permanent Employee, Contractor (with a contract for an initial fixed term of at least 12 months), or a partner (if the employer is a partnership)</li> <li>» You are working more than 15 hours per week</li> </ul>

Note: if you are under 25, or have an account balance of less than \$6,000, you can only be provided with cover if you make an election to take out cover, notwithstanding your age or the size of your account balance.

<sup>1</sup> Maximum Cover amount for TPD Cover includes any automatic insurance you may have.

<sup>2</sup> Any fixed amount of cover is subject to TPD tapering described earlier which results in the amount of any TPD cover reducing after age 61.

Members who wish to apply for insurance cover will need to complete the 'Insurance Cover Application Form' available from [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au). Voluntary insurance cover is subject to underwriting, acceptance by the Insurer of the application relating to the Member and payment of premiums, in accordance with the Policy terms and conditions.

## Underwriting requirements

Set out below are the requirements for health evidence for voluntary Death, TPD and IP cover (based on amounts of cover requested) where medical underwriting is required. These requirements also apply to cover in excess of AALs.

Unless the Insurer has agreed otherwise, full underwriting will apply to all members who apply for insurance cover or cover in excess of an AAL and the Insurer may apply exclusions, loadings or restrictions to insurance cover where applicable.

Evidence of Health	Death & TPD Amount (to age 44)	Death & TPD Amount (age 45+)	IP Monthly Amount
Personal Statement	Up to \$2,500,000	Up to \$1,500,000	Up to \$12,000
Personal Statement + A	n/a	\$1,500,001 - \$2,500,000	\$12,000 – \$15,000
Personal Statement + A + B	\$2,500,001 - \$3,500,000	\$2,500,001 - \$3,500,000	\$15,001 – \$20,000
Personal Statement + A + B + C	\$3,500,001 - \$5,000,000	\$3,500,001 - \$5,000,000	Over \$20,000
Personal Statement + A + B + C + D	Over \$5,000,000	Over \$5,000,000	n/a

A - Blood test (one sample): HIV, Hepatitis B & C Serology, Multiple Biochemical Analysis including Liver Function test, Renal Function test, Fasting Glucose test and Lipid profile.

B – GP Medical Exam

C - Personal Medical Attendants Report (PMAR)

D – Full Blood Count (FBC) and Exercise ECG

Voluntary insurance cover and cover in excess of an AAL will only commence on the date the Insurer accepts your application for insurance by formally notifying you in writing. The Insurer can accept or reject an application for cover at their discretion. This is subject to the receipt and assessment of requested medical evidence, other particulars and your acceptance of any special terms.

## Applying for the transfer of existing cover

Where a Member is insured under an external superannuation policy and are rolling over their entire superannuation benefit to Freedom of Choice Employer Superannuation Service, they can apply to the Fund's Insurer to transfer their existing Death, TPD and IP insurance cover ('Existing Cover') without underwriting subject to the below terms.

Members must however satisfy certain conditions to be eligible for the transfer of insurance cover. These conditions can be found on the 'Insurance Transfer Form' available at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au).

If a Member does not meet all of the conditions then no transfer of cover will be provided and any cover will be subject to underwriting and will commence on the date they are advised in writing. Any transferred cover, if accepted by the Fund's Insurer, becomes subject to the terms and conditions of the Fund's Policy.

## What happens when you leave your employer?

### Death and Total & Permanent Disablement cover

When a member ceases employment with their participating employer, they will automatically be transferred to Freedom of Choice Personal Superannuation Service. You will retain the same level of death only or death and TPD insurance cover provided you remain eligible for such cover, and cover does not cease for any reason.

For Automatic Cover, your insurance cover will transfer with you to Freedom of Choice Personal Superannuation Service and will remain on the same 'Automatic Cover' insurance table as shown on page 11. The continuation of your insurance cover in Freedom of Choice Personal Superannuation Service is subject to the following conditions:

- » Your account balance is greater than \$1,000 or we continue to receive contributions from your new employer; and
- » Your cover has not ceased for some other reason.

For Employer Plan Cover and Voluntary Cover the amount of insurance cover transferred to Freedom of Choice Personal Superannuation Service will be a fixed sum insured equal to the value of the insurance cover as at the date you ceased employment and becomes subject to Freedom of Choice Personal Superannuation Service premium rates. These rates are available from the *Freedom of Choice Personal Superannuation Service Insurance Guide* available on the website [www.freedomchoice.com.au](http://www.freedomchoice.com.au) or by contacting us on 1800 806 013.

For Employer Plan Cover and Voluntary Cover transferred to Freedom of Choice Personal Superannuation Service your occupation with your former employer sponsor will be used to determine your occupational classification and any individual restrictions, conditions exclusions or premium rate adjustment factors (premium loadings) that were imposed on your cover will continue to apply, unless the Insurer agrees otherwise in writing. If we do not know your occupation or smoking status, 'white collar' 'non-smoker' premium rates will apply. Furthermore, the continuation of your insurance cover in the Freedom of Choice Personal Superannuation Service is subject to the following conditions:

- » Your account balance is greater than \$1,000 or we continue to receive contributions from your new employer; and
- » Your cover has not ceased for some other reason.

If any of the above conditions are not met, Death and Death & TPD cover will be subject to underwriting and acceptance by the Insurer.

### Income Protection (IP) Insurance

When a member ceases employment with their participating employer they will automatically be transferred to Freedom of Choice Personal Superannuation Service. You will retain the same waiting period and benefit payment period provided you remain eligible for IP cover (for example, you will not be eligible for IP cover if you are no longer an Australian



resident) and cover does not cease for some reason. The amount of IP cover transferred to Freedom of Choice Personal Superannuation Service will be equal to the level of cover applicable to you as at the date you ceased employment and will be subject to Freedom of Choice Personal Superannuation Service premium rates. Your occupation with your former employer sponsor will be used to determine your occupational classification and any individual restrictions, conditions exclusions or premium rate adjustment factors (premium loadings) that were imposed on your cover will continue to apply, unless the Insurer agrees otherwise in writing. If we do not know your occupation or smoking status, 'white collar' 'non-smoker' premium rates will apply. These rates are available from the Freedom of Choice Personal Superannuation Service Insurance Guide available on the website [www.freedomchoice.com.au](http://www.freedomchoice.com.au) or by contacting us on 1800 806 013.

If your salary has increased, you will still retain the same level of IP cover as applied immediately before the date of transfer. To apply for additional IP cover based on your higher salary, you must complete the 'Insurance Cover Application Form' available at [www.freedomchoice.com.au](http://www.freedomchoice.com.au) and any increase is subject to underwriting and acceptance by the Insurer.

If, after commencement of IP cover, an insured Member's employment status changes from permanent employment (working more than 15 hours per week) to casual in the event of a claim the Insurer will average the Member's salary over the previous 12 months to determine their actual monthly IP benefit.

The continuation of cover in the Freedom of Choice Personal Superannuation Service is subject to the following conditions:

- » Your account balance is greater than \$1,000 or we continue to receive contributions from your new employer; and
- » Your cover has not ceased for some other reason.

If any of the above conditions are not met, IP cover will be subject to underwriting.

## When does insurance cover cease?

Death and TPD insurance cover will cease when any of the following occurs:

- » you turn 70 years of age, or
- » we receive your request in writing to cancel your cover, or
- » you permanently reside overseas, or
- » you retire permanently from the workforce, or
- » you join the military forces of any country, except as a member of the Australian Defence Forces Reserve whilst performing duties within Australia, or
- » you cease to be an Australian Resident, or
- » you die, or
- » the insurer admits a claim, unless they admit a claim for Terminal Illness and your death cover exceeds the Terminal Illness Benefit in which case you will continue to have death with the amount reduced by the Terminal Illness Benefit, or
- » you exercise your right to direct future contributions to another fund and transfer your entire account balance to that fund as a result of Choice of Fund legislation, or
- » there are insufficient funds in your account to meet the next Premium that falls due, or

- » unless you have made an election, at the end of the period for which premiums have already been paid upon your account becoming inactive, for 16 consecutive months as described below, or
- » if we are required to transfer your account balance out of our Fund as required by any government legislation.

Also, we are required by the Government to cease any insurance cover you hold if no amount (e.g. contributions or rollovers) has been received for you by the Trustee (i.e. your account is inactive) for 16 continuous months, unless we have received an Election from you during that period to maintain your insurance.

**Election** means an election provided by you to maintain your insurance cover even if your account becomes inactive. A separate Election is required for each continuous period of inactivity.

For more details on how to make an Election to maintain insurance cover, please phone 1800 806 013.

**Note: If you elect to take out or maintain cover, the costs of cover will be deducted from your account and may erode your balance in the Fund.**

An election to take out or maintain cover despite inactivity does not mean that cover cannot cease for some other reason. For example, if you make an election to maintain cover, but subsequently reach the maximum insurable age or the insurer admits a benefit claim for you, your cover will cease.

The cessation of your Death and TPD Insurance cover does not affect any cover for an insurable event that occurred in the past when your insurance policy was still active.

IP cover will cease when any of the following occurs:

- » you turn 65 years of age, or
- » we receive your request in writing to cancel your cover, or
- » you permanently reside overseas, or
- » you retire permanently from the workforce, or
- » you join the military forces of any country, except as a member of the Australian Defence Forces Reserve whilst performing duties within Australia, or
- » you cease to be an Australian Resident, or
- » you die, or
- » you exercise your right to direct future contributions to another fund and transfer your entire account balance to that fund as a result of Choice of Fund legislation, or
- » there are insufficient funds in your account to meet the next Premium that falls due, or
- » unless you have made an election, at the end of the period for which premiums have already been paid upon your account becoming inactive, for 16 consecutive months as described below, or
- » if we are required to transfer your account balance out of our Fund as required by any government legislation.

Also, we are required by the Government to cease any insurance cover you hold if no amount (e.g. contributions or rollovers) has been received for you by the Trustee (i.e. your account is inactive) for 16 continuous months, unless we have received an Election from you during that period to maintain your insurance.

**Note: If you elect to take out or maintain cover, the costs**

**of cover will be deducted from your account and may erode your balance in the Fund.**

An election to take out or maintain cover despite inactivity does not mean that cover cannot cease for some other reason. For example, if you make an election to maintain cover, but subsequently reach the maximum insurable age or the insurer admits a benefit claim for you, your cover will cease.

The cessation of your IP insurance cover does not affect any cover for an insurable event that occurred in the past when your insurance policy was still active.

## Reinstating your insurance cover

If your Death and TPD or IP cover ceases due to your account being inactive for 16 consecutive months, you can have your cover reinstated from the date it ceased if the following conditions are met:

- » You request for your cover to be reinstated within 60 calendar days of the date it ceased, and
- » You have a sufficient account balance to pay the premiums owed for your reinstated cover within 60 calendar days of the date it ceased, and
- » You have, at all times since your cover ceased, continued to meet the eligibility criteria for the ceased cover.
- » You have never been paid a TPD benefit or terminal illness benefit from any superannuation fund or insurance policy, you've never sought treatment for a condition that would entitle you to apply for or receive a TPD benefit, and you've never been diagnosed with a terminal illness.

The same restrictions, conditions, exclusions or premium loadings that applied to your cover before it ceased will continue to apply to reinstated cover.

New Events Cover will apply to reinstated cover if you are not At Work on the date you apply for your cover to be reinstated until you have been in Active Employment for 30 consecutive days.

If you cover ceased due to any other reason or you do not meet the reinstatement conditions above, it can only be reinstated through applying for insurance cover and underwriting as specified in the 'Underwriting requirements' section above. Cover that is reinstated through underwriting commences from the date the Insurer accepts your application.

## Employer approved leave

Cover will continue in respect of a Member on employer approved leave provided your premiums continue to be paid, and cover does not cease for some other reason.

If you suffer Total & Permanent Disablement within 24 months of the employer approved leave commencing, the Parts of the Total & Permanent Disablement definition that applied to you on the date your approved leave commenced will apply. After 24 months and until you have returned to Active Employment for 30 consecutive days, you must satisfy either Part 3, Part 4, Part 5, or Part 6 under the definition of TPD.

For income protection cover, if you suffer Total Disability during a period of approved leave which is unpaid:

- a. Your monthly benefit accrues from the latter of:
  - i. The date that has been agreed and documented by your employer and yourself as the date you will be returning to their employment, and

- ii. The day after the Waiting Period has ended.
- b. The insurer will use your Monthly Income on the day immediately before their approved leave commenced to calculate your Monthly Benefit.

**Note: If you are on employer approved leave for a period exceeding 16 consecutive months and no contributions are being made to your super account you must make an Election to maintain your insurance cover for it to continue. If you do not make this Election then your insurance cover will cease after the first period of 16 months' inactivity.**

## Changing your cover

You can apply for additional cover (type or amount) by completing an 'Insurance Application Form' subject to eligibility criteria and normal underwriting requirements being met. Increased cover does not commence until your application is accepted by the Insurer and is subject to the payment of additional premiums.

You can cancel your cover at any time. The request must be in writing and sent to the Administrator at PO Box 3528, Tingalpa DC, QLD 4173. Cancellation is effective from the date the Insurer receives notice from the Trustee to cancel cover for you.

You can also reduce your cover by sending a request in writing to the Administrator at PO Box 3528, Tingalpa DC, QLD 4173.

If you do cancel or reduce your cover, reinstatement will require a personal application to the Insurer and will be subject to the provision of satisfactory health evidence.

## Cost of insurance cover

Insurance fees are the cost of your insurance cover and are made up of insurance premiums which include an Insurance Administration fee, payable to the Fund Administrator, plus Stamp Duty as relevant.

The costs are deducted monthly in arrears from your account either by deductions from your cash holdings or redemption of units. Units are sold from your portfolio in accordance with your investment profile. If there is insufficient money in your account, insurance cover will cease. If we don't receive an amount for you for 16 continuous months, cover may also cease. If you would like to make certain your insurance cover continues, you should ensure that you have sufficient funds in your account to meet the cost of that cover and regularly make contributions to the account. Whether the continuation of cover in the Fund is right for you depends on your personal circumstances. You should consider obtaining financial advice about this.

For the cost of Automatic Cover, please refer to the Automatic Insurance Cover section above on page 10-11. For additional Voluntary Cover the premium rates may be loaded by the insurer based on your personal circumstances including your health status.

If you have Employer Plan Cover, the cost of Automatic Cover will be shown in an *Employer Plan Additional Information Schedule* included in your Welcome Kit. Please note that some Employer Plans may have a Plan Rating Factor ('PRF') which replaces your Occupational Factor. If a PRF is applicable to your Employer Plan cover, you will be notified in your Welcome Kit.

## Occupation classes

Your occupation is one of the factors that determines what insurance premium will be payable. When you join the Fund you will be defaulted into the Standard occupation class even though you may be eligible for 'White Collar' or 'Professional' occupation class for the purpose of calculating your premium. To be classified as White Collar occupation or a Professional occupation class, you must complete an Occupation Rating Insurance Form available on our website [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au). If you do not complete a change in Occupation Rating Insurance Form you may be paying higher premiums than necessary. If you complete a change in Occupation Rating Insurance Form the change in occupation class will occur on the date we receive your signed declaration.

Class	Type of Occupation
Professional	Where the worker holds a tertiary qualification relevant to their occupation and earns a gross income of at least \$100,000 per annum (annualised excluding superannuation contributions). They must be working in a sedentary capacity in an office environment for at least 80% of the time they perform their occupation. Examples of Professional occupations include solicitor, accountant and medical practitioner.
White Collar	Where the worker works in an office building performing clerical, administration or managerial duties only, or work as a teacher at a school, TAFE, college or university. Example of White Collar occupations include office administrator, computer operator, bank clerk or school teacher).
Standard	You will be classified as Standard unless you have provided us with your duly completed Occupation Rating Insurance Form.
Excluded Occupations	<p>If you apply for cover whilst employed in one of the following hazardous or higher risk occupations. the insurer is unlikely to accept you for cover:</p> <ul style="list-style-type: none"> <li>» Aviation worker such as a pilot, air traffic controller or aerial photographer,</li> <li>» Emergency services worker such as a fireman, police officer, ambulance officer or paramedic, except as a volunteer,</li> <li>» Entertainer working professionally such as an actor, dancer, musician or performer,</li> <li>» Forestry worker such as a tree feller or sawmill worker,</li> <li>» Horse racing industry worker such as a jockey, trainer or strapper,</li> <li>» Mining worker such as a miner, mineral explorer earth driller or explosives handler,</li> <li>» Offshore worker such as a fisherman, oil rig worker or diver,</li> <li>» Seasonal worker</li> <li>» Security worker such as a security guard, doormen, bouncer or crowd controller,</li> <li>» Sex worker,</li> <li>» Sportsperson working professionally or semi-professionally,</li> <li>» Underground or underwater worker, or</li> <li>» Working at heights above 10 metres such as a rigger, scaffolder or roof worker.</li> </ul>

## Occupation Rating Factors

The cost of your insurance will depend on the below Occupational Factors.

Occupational Class	Death Only	Death & TPD	IP Premium
Professional	0.51	0.51	0.41
White Collar	0.57	0.57	0.45
Standard	1.00	1.00	1.00

In the case of Employer Plan Cover, the occupational classification is determined by the insurer.

## Calculating your Death and TPD Premiums

To calculate the annual cost of your Death Only and Death and TPD insurance cover, first find your occupational class as shown in the previous 'Occupational Classifications' table. Then find the Occupational Factor\* applicable to your occupational classification and the premium rate based on your gender and age at your next birthday, as shown in the following tables.

Then perform the following calculation:

Annual premium = [sum insured ÷ \$1,000] x [occupational factor\* x annual premium rate]

For example:

*The premiums required to provide a male office worker, aged 35 next birthday, with a Death only benefit of \$300,000 would be calculated as follows:*

*Monthly premium = [\$300,000 ÷ \$1,000] x [0.57 (white collar occupational factor) x \$0.60]  
= \$300 x \$0.342  
= \$102.60 per annum  
= \$8.55 per month*

*The premiums required to provide a female electrician, aged 40 next birthday, with a Death and TPD benefit of \$250,000 would be calculated as follows:*

*Monthly premium = [\$250,000 ÷ \$1,000] x [1.00 (standard occupational factor) x \$1.08]  
= \$250 x \$1.08  
= \$270.00 per annum  
= \$22.50 per month*

\*Please note that some Employer Plans may have a Plan Rating Factor ('PRF') which replaces your Occupational Factor. If a PRF is applicable to your Employer Plan cover, you will be notified in your Welcome Kit.

**Base Annual Premium Rates per \$1,000 sum insured (paid monthly)**

Age next birthday	DEATH ONLY RATES		DEATH & TPD RATES	
	Male	Female	Male	Female
16	0.78	0.26	0.98	0.35
17	0.78	0.26	0.98	0.35
18	0.78	0.26	0.98	0.35
19	0.78	0.26	0.98	0.35
20	0.78	0.26	0.98	0.35
21	0.78	0.26	0.98	0.35
22	0.75	0.23	0.98	0.32
23	0.70	0.20	0.92	0.30
24	0.66	0.20	0.88	0.30
25	0.62	0.18	0.86	0.28
26	0.58	0.18	0.83	0.28
27	0.56	0.18	0.81	0.30
28	0.56	0.18	0.81	0.30
29	0.56	0.18	0.83	0.33
30	0.56	0.20	0.83	0.35
31	0.53	0.20	0.83	0.38
32	0.53	0.23	0.83	0.41
33	0.56	0.26	0.88	0.48
34	0.58	0.28	0.92	0.55
35	0.60	0.30	0.94	0.60
36	0.62	0.32	0.98	0.66
37	0.66	0.38	1.05	0.73
38	0.70	0.40	1.13	0.81
39	0.77	0.47	1.26	0.96
40	0.85	0.51	1.39	1.08
41	0.88	0.56	1.48	1.21
42	0.96	0.60	1.67	1.35
43	1.05	0.66	1.88	1.51
44	1.14	0.70	2.12	1.67
45	1.26	0.71	2.34	1.76
46	1.37	0.77	2.67	1.97
47	1.52	0.85	3.00	2.21
48	1.63	0.90	3.34	2.47
49	1.78	0.98	3.75	2.80
50	1.96	1.09	4.22	3.23
51	2.12	1.20	4.68	3.64
52	2.27	1.35	5.21	4.15
53	2.49	1.48	5.86	4.65
54	2.70	1.63	6.55	5.21
55	2.91	1.78	7.19	5.72
56	3.15	1.96	7.93	6.31
57	3.47	2.14	8.86	6.89
58	3.79	2.32	9.85	7.49
59	4.17	2.54	11.03	8.18
60	4.58	2.74	12.31	8.88
61	4.98	2.95	13.64	9.57
62	5.39	3.25	15.05	10.49
63	5.82	3.58	16.53	11.62
64	6.24	4.00	18.11	12.94
65	6.72	4.46	19.89	14.42
66	7.20	4.96	21.69	15.91
67	7.83	5.56	23.76	17.60
68	8.54	6.24	26.25	19.59
69	9.19	6.89	28.86	21.73
70	9.92	7.58	31.73	24.06

- » Age next birthday is defined as the member's current age plus one year as at commencement date of cover and then at the annual review date of 1 July each year.
- » The table above includes an Insurance Administration fee payable to the Administrator of 7.5%.
- » The table above does not include remuneration to your adviser of up to 33% (where agreed by you). Any adviser remuneration will be in addition to the premium rates shown in the table above. Refer to the Reference Guide for more information about adviser remuneration.
- » Premiums are payable monthly in arrears.



## Calculating your IP Premiums

To calculate the annual cost of your IP cover, first find your occupational class as shown in the previous 'Occupational Class' table, then the Occupational Factor\* applicable to your occupational classification and the premium rate based on your gender, age at your next birthday, and relevant benefit and waiting periods as shown in the following tables. Stamp duty applies, ranging from 5% to 11% (refer to Stamp Duty table below for more details).

Then perform the following calculation:

Annual Benefit = [Annual Salary x 85% (10% being superannuation contribution benefit)]

Annual Premium = Annual Benefit x [annual premium rate x occupational factor\*]

For example:

*The monthly cost of IP cover (for a two-year benefit period with a 60 day waiting period) available to a male nurse, aged 35 next birthday, earning \$50,000 per year, based on a 75% of salary formula, is calculated as follows:*

Annual Benefit = \$50,000 x 85% = \$42,500

Annual Premium = [\$42,500 ÷ 1,000] x [2.96 x 1.00 (standard occupational factor)]

= 42.50 x \$2.96

= \$125.80 per annum

= \$10.48 per month

*The monthly cost of IP cover (for a benefit period to age 65 with a 90 day waiting period) available to a female office worker, aged 40 next birthday, earning \$60,000 per year, based on a 75% of salary formula, is calculated as follows:*

Monthly Benefit = \$60,000 x 85% = \$51,000

Monthly Premium = [\$51,000 ÷ 1,000] x [29.30 x 0.45 (white collar occupational factor)]

= 51 x \$13.185

= \$672.44 per annum

= \$56.04 per month

\*Please note that some Employer Plans may have a Plan Rating Factor ("PRF") which replaces your Occupational Factor. If a PRF is applicable to your Employer Plan cover, you will be notified in your Welcome Kit.

**Base (Standard) IP rates - Annual premium rates per \$1,000 annual agreed benefit period for 2 years**

Age next birthday	Male			Female		
	30 day wait	60 day wait	90 day wait	30 day wait	60 day wait	90 day wait
16	3.35	2.05	1.34	5.04	2.96	2.03
17	3.35	2.05	1.34	5.04	2.96	2.03
18	3.35	2.05	1.34	5.04	2.96	2.03
19	3.35	2.05	1.34	5.04	2.96	2.03
20	3.35	2.05	1.34	5.04	2.96	2.03
21	3.35	2.05	1.34	5.04	2.96	2.03
22	3.41	2.09	1.34	5.11	2.98	2.03
23	3.45	2.11	1.34	5.18	3.03	2.03
24	3.47	2.13	1.34	5.20	3.05	2.03
25	3.55	2.17	1.34	5.32	3.12	2.03
26	3.59	2.17	1.34	5.40	3.19	2.03
27	3.64	2.23	1.34	5.46	3.19	2.03
28	3.74	2.27	1.34	5.60	3.27	2.03
29	3.83	2.34	1.34	5.75	3.31	2.03
30	3.95	2.39	1.38	5.91	3.41	2.09
31	4.12	2.48	1.44	6.15	3.53	2.15
32	4.30	2.58	1.46	6.43	3.69	2.20
33	4.49	2.70	1.52	6.76	3.88	2.27
34	4.73	2.82	1.58	7.12	4.10	2.39
35	4.97	2.96	1.70	7.47	4.30	2.53
36	5.25	3.10	1.80	7.88	4.57	2.70
37	5.60	3.31	1.89	8.42	4.92	2.86
38	5.93	3.53	2.09	8.91	5.25	3.12
39	6.31	3.76	2.27	9.46	5.63	3.41
40	6.74	4.04	2.48	10.09	6.05	3.71
41	7.14	4.33	2.70	10.69	6.46	4.02
42	7.59	4.65	2.96	11.40	6.96	4.42
43	8.14	5.06	3.24	12.20	7.53	4.85
44	8.68	5.48	3.62	13.03	8.08	5.44
45	9.30	5.96	4.00	13.93	8.75	5.99
46	9.95	6.48	4.47	14.92	9.46	6.70
47	10.64	7.07	5.01	15.99	10.21	7.49
48	11.45	7.71	5.58	17.17	11.09	8.37
49	12.28	8.42	6.27	18.40	11.96	9.38
50	13.20	9.20	7.02	19.77	12.96	10.52
51	14.19	10.05	7.88	21.29	14.07	11.80
52	15.33	11.00	8.85	22.98	15.28	13.27
53	16.53	12.02	9.98	24.81	16.60	14.27
54	17.86	13.10	11.02	26.80	18.02	15.71
55	19.35	14.31	12.16	28.99	19.63	17.31
56	20.97	15.63	13.46	31.45	21.38	19.14
57	22.78	17.10	14.86	34.17	23.30	21.09
58	24.79	18.66	16.39	37.17	25.40	23.30
59	27.04	20.44	18.11	40.54	27.79	25.76
60	29.49	22.33	20.01	44.25	30.37	28.46
61	32.24	24.50	22.11	48.36	34.81	32.21
62	35.34	27.22	24.60	53.00	39.24	36.11
63	36.38	28.38	25.76	54.56	41.46	38.08
64	30.67	24.22	21.12	46.00	35.87	31.45
65	10.57	8.47	7.02	15.87	12.70	10.55

- » Age next birthday is defined as the member's current age plus one year as at commencement date of cover and then at the annual review date of 1 July each year.
- » The table above includes an Insurance Administration fee payable to the Administrator of 7.5%.
- » The table above does not include Stamp Duty which varies depending on the charges applied by each state or territory.
- » The table above does not include remuneration to your adviser of up to 33% (where agreed by you). Any adviser remuneration will be in addition to the premium rates shown in the table above. Refer to the Reference Guide for more information about adviser remuneration.
- » Premiums are payable monthly in arrears.

**Base (Standard) IP rates - Annual premium rates per \$1,000 annual agreed benefit period for 5 years**

Age next birthday	Male			Female		
	30 day wait	60 day wait	90 day wait	30 day wait	60 day wait	90 day wait
16	6.74	4.28	2.56	10.13	6.11	3.83
17	6.74	4.28	2.56	10.13	6.11	3.83
18	6.74	4.28	2.56	10.13	6.11	3.83
19	6.74	4.28	2.56	10.13	6.11	3.83
20	6.74	4.28	2.56	10.13	6.11	3.83
21	6.82	4.33	2.58	10.21	6.17	3.88
22	7.02	4.45	2.62	10.52	6.36	3.92
23	7.19	4.57	2.68	10.78	6.53	4.00
24	7.37	4.65	2.70	11.04	6.67	4.04
25	7.55	4.77	2.76	11.31	6.84	4.16
26	7.76	4.89	2.76	11.63	7.00	4.16
27	7.97	5.04	2.76	11.94	7.19	4.16
28	8.20	5.20	2.82	12.32	7.43	4.21
29	8.56	5.42	2.82	12.85	7.73	4.21
30	8.94	5.65	2.88	13.41	8.06	4.33
31	9.44	5.96	3.00	14.15	8.51	4.49
32	9.91	6.27	3.07	14.88	8.97	4.61
33	10.48	6.62	3.21	15.73	9.46	4.83
34	11.12	7.00	3.41	16.65	10.03	5.11
35	11.80	7.43	3.64	17.72	10.66	5.46
36	12.58	7.88	3.90	18.84	11.49	5.84
37	13.41	8.44	4.12	20.12	12.14	6.17
38	14.31	9.03	4.49	21.48	12.85	6.74
39	15.30	9.62	4.92	22.94	13.62	7.35
40	16.32	10.21	5.36	24.46	14.45	8.04
41	17.38	10.84	5.91	26.09	15.35	8.89
42	18.52	11.47	6.53	27.77	16.34	9.79
43	19.77	12.18	7.23	29.66	17.46	10.86
44	21.07	12.91	8.06	31.59	18.64	12.08
45	22.42	13.67	8.97	33.63	19.94	13.44
46	24.00	14.62	9.98	35.99	21.45	14.94
47	25.59	15.57	11.04	38.41	23.04	16.58
48	27.34	16.67	12.26	41.01	24.79	18.37
49	29.23	17.90	13.60	43.85	26.70	20.41
50	31.41	21.90	16.69	47.09	30.88	25.05
51	33.80	23.93	18.76	50.71	33.49	28.12
52	36.50	26.18	21.05	54.73	36.40	31.57
53	39.38	28.62	23.77	59.08	39.54	33.96
54	42.53	31.20	26.23	63.78	42.92	37.41
55	46.04	34.08	28.97	69.06	46.71	41.25
56	54.56	41.41	35.93	78.16	56.33	50.00
57	63.10	48.72	42.85	87.25	65.96	58.77
58	71.64	56.03	49.80	96.35	75.58	67.54
59	80.17	63.36	56.76	105.46	85.18	76.31
60	88.69	70.67	63.72	114.56	94.82	85.10
61	84.76	63.19	55.95	127.14	89.83	81.47
62	71.87	54.00	47.61	107.80	77.83	69.86
63	52.31	39.40	34.49	78.48	57.59	50.99
64	36.52	28.85	25.14	54.77	42.71	37.44
65	12.61	10.07	8.37	18.90	15.11	12.56

- » Age next birthday is defined as the member's current age plus one year as at commencement date of cover and then at the annual review date of 1 July each year.
- » The table above does not include Stamp Duty which varies depending on the charges applied by each state or territory.
- » The table above does not include remuneration to your adviser of up to 33% (where agreed by you). Any adviser remuneration will be in addition to the premium rates shown in the table above. Refer to the Reference Guide for more information about adviser remuneration.
- » The table above includes an Insurance Administration fee payable to the Administrator of 7.5%.
- » Premiums are payable monthly in arrears.

**Base (Standard) IP rates - Annual premium rates per \$1,000 annual agreed benefit period to age 65**

Age next birthday	Male			Female		
	30 day wait	60 day wait	90 day wait	30 day wait	60 day wait	90 day wait
16	14.88	12.28	9.06	20.95	17.40	11.66
17	14.88	12.28	9.06	20.95	17.40	11.66
18	15.06	12.44	9.27	21.21	17.66	11.75
19	15.23	12.63	9.32	21.38	17.83	11.87
20	15.42	12.79	9.46	21.56	18.00	11.96
21	15.61	12.99	9.54	21.76	18.19	12.10
22	15.49	12.75	9.06	22.37	18.61	12.42
23	15.49	12.58	8.65	22.94	19.04	12.70
24	15.47	12.44	8.35	23.55	19.49	13.01
25	15.49	12.37	7.94	24.17	19.91	13.29
26	15.59	12.28	7.76	24.76	20.36	13.58
27	15.92	12.46	7.66	25.78	21.21	14.64
28	16.39	12.73	7.64	26.96	22.23	15.45
29	16.99	13.08	7.73	28.40	23.32	16.18
30	17.72	13.58	7.85	30.01	24.52	16.83
31	18.54	14.11	8.06	31.88	25.90	17.48
32	19.55	14.80	8.37	33.98	27.39	18.23
33	20.65	15.59	8.68	36.21	29.01	18.94
34	21.85	16.44	9.13	38.67	30.82	19.84
35	23.16	17.38	9.65	41.31	32.71	20.83
36	24.60	18.47	10.31	44.09	34.86	22.04
37	26.18	19.63	10.98	47.06	37.13	23.44
38	27.83	20.91	11.83	50.12	39.54	25.11
39	29.68	22.27	12.73	53.35	42.14	27.04
40	32.24	23.75	13.84	57.80	44.94	29.30
41	34.88	25.33	15.04	62.22	47.87	31.95
42	37.51	27.04	16.44	66.67	50.92	34.84
43	39.93	28.93	18.05	70.48	54.16	38.08
44	42.47	30.86	19.82	74.30	57.51	41.74
45	45.15	32.99	21.88	78.24	61.02	45.62
46	47.99	35.28	24.14	82.18	64.61	49.80
47	50.94	37.70	26.61	86.16	68.25	54.37
48	54.06	40.23	29.40	90.13	71.97	59.03
49	57.33	42.95	32.36	94.05	75.70	63.97
50	60.71	45.76	35.36	97.93	79.37	68.90
51	64.21	48.74	38.41	101.67	82.99	73.88
52	67.78	51.84	42.19	105.26	86.46	78.75
53	71.38	54.96	46.28	108.65	89.68	78.73
54	74.97	58.14	49.50	111.70	92.61	81.93
55	78.50	61.23	52.74	114.42	95.12	84.65
56	81.85	64.21	55.91	116.57	97.08	86.80
57	84.98	66.95	58.85	118.13	98.46	88.26
58	87.64	69.32	61.47	118.96	99.00	88.83
59	89.68	71.14	63.54	118.77	98.52	88.33
60	90.86	72.13	64.80	117.35	96.80	86.54
61	80.15	60.50	54.20	120.22	85.97	78.92
62	67.95	51.68	46.12	101.93	74.50	67.68
63	49.47	37.72	33.39	74.22	55.10	49.41
64	34.53	27.60	24.36	51.79	40.89	36.28
65	11.92	9.65	8.12	17.88	14.47	12.16

- » Age next birthday is defined as the member's current age plus one year as at commencement date of cover and then at the annual review date of 1 July each year.
- » The table above does not include Stamp Duty which varies depending on the charges applied by each state or territory.
- » The table above does not include remuneration to your adviser of up to 33% (where agreed by you). Any adviser remuneration will be in addition to the premium rates shown in the table above. Refer to the Reference Guide for more information about adviser remuneration.
- » The table above includes an Insurance Administration fee payable to the Administrator of 7.5%.
- » Premiums are payable monthly in arrears.

## Stamp duty rates by State or Territory

The following tables show the stamp duty rates that currently apply to the premium rates of income protection shown above.

State	Stamp duty rate
Victoria	10%
New South Wales	5%
Queensland	7.5%
South Australia	11%
Western Australia	10%
Australian Capital Territory	0%
Northern Territory	10%
Tasmania	10%

## Other important insurance information

### Life Events cover

If you have automatic insurance cover, you are eligible to increase your insurance cover without any medical evidence through Life Events Cover. This means that if you experience any of the Nominated Events listed below, you can apply to increase your cover by providing evidence of the event.

The amount of Life Events Cover for each Nominated Event you can apply for is the lesser of the:

- » 25% of your cover (excluding any underwritten cover), or
- » \$200,000, or
- » The amount of a new mortgage.

Life Events Cover does not apply to Underwritten Cover.

**Nominated Events** include:

- » Marriage, or
- » Divorce, or
- » Birth or adoption of a child, or
- » The purchase of a home for your permanent residence with a mortgage on that residence of at least \$100,000, or
- » Your child starting a private secondary school.

### Life Events Eligibility

In order to apply to increase your automatic cover when a Nominated Event occurs without providing medical evidence you must:

- Have been insured on the date the *Nominated Event* occurred, and
- Be aged less than 60 on the date the Life Events Cover Application Form was received by us, and
- Be *At Work* on the date the *Nominated Event* occurred and *At Work* on the date the insurers accept the Life Events Cover Application Form, and
- Not have previously been declined for an increase in cover, and
- Not have any non-standard terms applying to your cover, such as an exclusion, premium loading, limitation, special term or restriction, and
- Never have sought treatment for a condition that would entitle you to apply for or receive a TPD benefit, and never have been diagnosed with a terminal illness, and
- Provide evidence to the insurer's satisfaction that the *Nominated Event* occurred, and
- Satisfactorily complete the agreed Life Events Cover Application Form. We must receive the Life Events Cover Application Form within 90 days of the *Nominated Event* and within 30 days of the date it was signed and dated.

You can only increase your cover:

- once for each Nominated Event, and
- once in any 12-month period, and
- for the same type of cover for which you are currently insured.

Where all of the above requirements are met, the increase will be provided as an additional fixed amount of cover.

New Events Cover will apply to the increased portion of your cover for the first 12 months.

The insurer will not pay the increased cover where a claim is directly or indirectly the result of:

- » Suicide, attempt at suicide or intentional self-inflicted harm, within 13 months from the date the *Life Events Cover* was accepted, if the claim is for death, or
- » Intentional self-inflicted harm or attempt at suicide, if the claim is for TPD.

The cover will commence on the latter of the date the insurer accepts the *Life Events Cover Application Form* and the date your account balance is sufficient to pay premiums. The increase in cover will be deemed to have not occurred and a new *Life Events Cover Application Form* will be required if your account balance is not sufficient to pay *Premium* within 30 days of the date the increase in cover was due to commence.

Where any of the above requirements are not met, the increase will be deemed to have been unsuccessful and any premium paid in relation to the increase will be refunded.

### Interim Accident Cover

Where an application for voluntary Death only, Death and TPD or IP cover (including applications for increases in voluntary cover) is being assessed, you are able to access Interim Accident Cover for the type of cover being applied for. For Death and TPD you will receive Interim Accident Cover if you die or suffer TPD as a result of an unintended and unexpected injury. In the case of IP, the Insurer will provide Interim Accident Cover if you suffer a Total Disability as a result of an unintended and unexpected injury.

The amount of accidental cover provided will be:

- » For Death and TPD cover, the lesser of the requested benefit or a maximum of \$1,500,000, and
- » For IP cover, the lesser of requested benefit or \$15,000 per month, less any Other Disability Income.

For IP cover the Waiting Period will still apply and the maximum benefit period is the lesser of the benefit period you have applied for and 2 years.

The Interim Accident Cover benefit will commence on the day the Trustee receives a properly completed 'Insurance Cover Application Form' from the Member, and will cease on:

- The date the Insurer rejects the risk; or
- The date the Insurer accepts the risk on standard terms; or
- The date the Member accepts or rejects the non-standard terms offered by the Insurer, or
- 28 days from the date the insurer notifies us of their offer to accept cover and apply a non-standard term, or
- The date the Member withdraws their application, or
- 90 days from the date the Interim Accident Cover commenced unless (d) applies in which case Interim Accident



Cover ceases 28 days from the date the insurer notifies us of their offer to accept cover and apply a non-standard term, or

g. When the cover applied for begins.

Interim Accident Cover will not be payable for Death and TPD cover where:

- » Death is directly or indirectly the result of suicide or attempted suicide, or
- » TPD is directly or indirectly the result of an intentional self-inflicted injury or attempted suicide, or
- » Any other exclusion mentioned in the Exclusion section for Death and TPD cover applies.

Interim Accident Cover will not be payable for IP cover where:

- » Total Disability is directly or indirectly the result of an intentional self-inflicted injury, or
- » You are suffering Partial Disability,
- » Any other exclusion mentioned in the Exclusion section for IP cover applies.

#### Duty of disclosure – applications for insurance cover

The Trustee has a duty to disclose to the Insurer every matter known to, or which could reasonably be expected to be known to it, which is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms ('Duty of Disclosure').

As a condition of your membership of the Fund and the grant of any insurance cover, the Trustee requires you to comply with this Duty of Disclosure and to disclose every matter that you know will be relevant to the Insurer's decision to accept the risk of insurance and if so, on what terms. See the 'Insurance Cover Application Form' for more information regarding your Duty of Disclosure and the consequences of non-disclosure.

#### Overseas cover

Cover applies 24 hours a day seven days a week anywhere in the world, provided cover has not ceased for some reason.

Cover will continue if you travel Overseas, including being temporarily employed Overseas, provided the residence Overseas is temporary in nature and cover would not otherwise have ceased due to a condition under the policy, including ceasing because your account balance is insufficient to pay premiums.

For members with IP cover, if you are Overseas and become disabled or reside in Australia and subsequently travel Overseas and become disabled, the insurer will not be liable to pay benefits for more than a total of 6 months while you remain Overseas. However, if the entitlement to the benefit is continuing, the insurer must continue to pay the monthly benefit again with effect from the date you return to Australia on provision of sufficient evidence supporting a permanent return to Australia.

The insurer reserves the right to ask you to return to Australia at your expense for the ongoing assessment of a claim.

There is no restriction on the location or duration of Overseas travel.

**Note: If you are residing Overseas for a period exceeding 16 consecutive months and no contributions are being made to your super account you must make an Election to maintain your insurance cover for it to continue. If you do not make this Election then your insurance cover will cease after the first period of 16 months' inactivity.**

## General Information

How much insurance cover do you need? Individuals have varying insurance requirements. The Trustee recommends that you speak to your financial adviser to determine how much insurance cover is appropriate.

### Making a claim on your insurance

If you believe that you have an insurance claim you should contact:

#### Freedom of Choice

Address: PO Box 3528, Tingalpa DC QLD 4173

Phone: 1800 806 013

Fax: (07) 3899 7299

Email: [enquiries@freedomofchoice.com.au](mailto:enquiries@freedomofchoice.com.au)

