

LifeProtect Insurance

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Issued by Avanteos Investments
Limited (Trustee)

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CommInsure



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Important information

This brochure is issued by Avanteos Investments Limited (ABN 20 096 259 979 AFSL 245531), the Trustee. The Trustee holds a Responsible Superannuation Entity (RSE) Licence issued by the Australian Prudential Regulation Authority (APRA) (RSE Licence L0002691).

The Trustee is the trustee of The Avanteos Superannuation Trust (AST) (ABN 38 876 896 681), the Symetry Personal Retirement Fund (SPRF) (ABN 24 685 968 122), the Ultimate Superannuation Fund (USF) (ABN 97 900 294 767), and the encircle Superannuation Fund (ESF) (ABN 68 486 630 403) (superannuation services).

All insured benefits are underwritten by The Colonial Mutual Life Assurance Society Limited (CMLA) (ABN 12 004 021 809, AFSL 235035) trading as CommInsure (Insurer).

The Trustee and CMLA are wholly owned subsidiaries of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945.

The information in this brochure is general information only and does not take into account your individual objectives, financial situation or needs. You should read this brochure, assess whether the product is appropriate for you and speak to your financial adviser before making a decision. The Trustee has arranged for members of the superannuation services to receive Life, Life and Total and Permanent Disablement (TPD) and Income Protection insurance in accordance with the terms and conditions of the underlying policy documents ('Policy', or 'the Policies'). You can obtain a copy of the Policies, free of charge, by contacting your financial adviser or the Trustee.

While every effort has been made to ensure the information in this brochure is accurate, the Trust Deeds and the Policies form the basis of the LifeProtect insurance offering and should be read carefully. The examples and illustrations provided in this brochure are only intended to demonstrate how certain insurance benefits are calculated. All insurance benefits will be determined in accordance with the Trust Deed, the relevant Superannuation Law and the relevant conditions contained in the Policies.

In this brochure, 'you' and 'your' refers to the life insured.

Your insurance options

The Trustee and the Insurer have developed a range of insurance options for you as a member of a **superannuation service** including life cover, life and total and permanent disablement (TPD) cover and income protection cover.

This brochure may help you understand the insurance cover available to you as a member of a **superannuation service**, including details of the associated terms and conditions. You should read the Product Disclosure Statement (PDS) of your **superannuation service** in conjunction with this brochure as it contains important information regarding insured benefits.

LifeProtect benefits and features

Summary

| Cover | |
|--------------------------|--|
| Life | Pays a lump sum benefit in the event of your death or terminal illness. |
| Life & TPD | Pays a lump sum benefit if you become totally and permanently disabled or in the event of your death or terminal illness. |
| Income Protection | Pays a monthly benefit for the period of disablement or until the benefit period has expired if you become totally or partially disabled. |

| Features | Life | Life & TPD | Income Protection |
|--|---|---|--|
| Insurance benefits | | | |
| Terminal illness benefits | ✓ | ✓ | |
| Buy back benefit | | ✓ | |
| Future insurability | up to 25% of your cover or \$100,000, whichever is the lesser when you get married or become a parent | up to 25% of your cover or \$100,000, whichever is the lesser when you get married or become a parent | |
| Indexation to the Consumer Price Index (CPI) | ✓ | ✓ | ✓ |
| Interim accident cover | up to \$1 million | up to \$1 million | up to \$15,000 per month for two years |
| Eligibility | | | |
| Entry age | 18 – 68 | 18 – 63 | 18 – 64 |
| Expiry age | 75 | 70 | 65 |
| Cover limits | | | |
| Minimum cover | \$ nil | \$ nil | \$ nil |
| Maximum cover | No maximum. Terminal illness limited to \$2 million | \$3 million. Terminal illness limited to \$2 million | \$30,000 per month (2 year benefit period) or \$25,000 for benefit periods of greater than 2 years |

Applying for insurance cover

How do I apply for insurance cover?

New members of a **superannuation service** are able to apply for insurance cover up to a maximum of \$400,000 for life or life and TPD cover within 30 days of joining a **superannuation service** by completing the LifeProtect application form – A1, which contains a limited number of eligibility questions.

If completed online, your insurance application will be assessed by the Insurer immediately after you answer the required questions to determine if you are eligible for cover.

If you are a member of a **superannuation service** and are within the eligible age range and a permanent resident of Australia, you can apply for insurance cover by contacting your financial adviser. Depending on the level of cover you wish to apply for you may be asked to provide health evidence, and financial evidence if the cover you have elected is above a certain limit.

You can apply for life or life and TPD cover up to \$800,000 and/or income protection cover up to \$6,000 per month by completing the LifeProtect and Income Protection application form – A2, which contains limited eligibility questions. For life or life and TPD cover above \$800,000 and/or income protection above \$6,000, a Full Personal Statement is required. The Insurer may require you to provide further evidence to assess your application, depending on answers you provided on the personal statements.

Your financial adviser will be able to assist you in determining the level and type of cover you require. Application forms are available through your financial adviser or the Trustee.

What is my 'duty of disclosure'?

Before you enter into or become insured under a contract of life insurance with an insurer, you have a duty under the Insurance Contracts Act 1984, to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the Insurer before you extend, vary or reinstate life insurance.

Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the Insurer
- that is of common knowledge
- that your Insurer knows or, in the ordinary course of its business ought to know, or
- as to which compliance with your duty is waived by the Insurer.

Non-disclosure

If you fail to comply with your duty of disclosure and the Insurer would not have covered you on any terms if the failure had not occurred, the Insurer may void the cover within three years of issuing it. If your non-disclosure is fraudulent, the Insurer may void your cover at any time. An Insurer who is entitled to void your cover may, within three years of issuing it, elect not to void it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the Insurer.

Am I eligible for interim accident cover?

While the Insurer is assessing your application, you will receive interim accident cover for the amount of cover you have applied for, up to the maximum levels specified below. For example, if you have applied for life and TPD cover of \$800,000 and income protection cover of \$6,000 per month and you become disabled as a result of an accident while the Insurer assesses your application, you will be eligible to claim for these amounts.

The insurance benefit is only payable if you die, or become disabled within 120 days of being involved in an accident. The maximum amount of benefit that will be paid as a result of an accident is \$1,000,000 for life or TPD and \$15,000 per month for two years for income protection.

Interim accident cover will continue until the earliest of:

- (a) the date you withdraw your application for insurance cover or additional insurance cover
- (b) the date the Insurer accepts your application for cover or additional insurance cover on standard or special terms
- (c) the date the Insurer rejects your application for insurance cover or additional insurance cover
- (d) the date a benefit becomes payable
- (e) the date the Insurer cancels the interim accident cover, or
- (f) 120 days from the date you applied for insurance cover or additional insurance cover.

Interim accident cover is subject to the same exclusions, limitations, restrictions and claim procedures that apply under the policy.

If you are entitled to make a claim your application for cover is automatically cancelled. In addition, the Insurer will require payment of the premium for the period from the date you applied for cover to the date of the accident.

For income protection cover, **monthly benefits** are subject to the waiting period you have applied for and will continue until the earliest of the date:

- (a) you are no longer totally disabled
- (b) the benefits have been paid for two years
- (c) the first day of the month in which you reach age 65
- (d) you die.

When does my cover start?

You will be advised of the start date for your cover in writing. Your cover commences when the Insurer has accepted your application and you have commenced your membership of the **superannuation service**. You must be in **active employment** when your cover starts, or you will receive **limited cover** until you are in **active employment** for 2 consecutive months.

How do I transfer my existing insurance cover?

If you have existing insurance cover outside the **superannuation service** in another superannuation fund or a retail policy, you can apply to transfer your cover over to LifeProtect. For more information, please refer to the Insurance Transfer Form available from your financial adviser.

Can I keep my insurance cover if travelling overseas?

Once you have cover you will generally continue to be covered if you leave Australia. The maximum time that the Insurer will pay an income protection benefit while a person is outside Australia is 6 months.

If you place a claim for an insurance benefit while overseas, you may need to return to Australia at your own expense in order to complete medical assessment requirements for the Insurer.

How do I increase my cover?

You may apply to increase your insurance cover at any time, up to the maximum amounts offered, by contacting your financial adviser. You may need to provide health and financial evidence to the Insurer.

Increasing your cover when you get married or become a parent

If you get married, or become a parent you can apply to increase your life and/or TPD cover. The maximum increase permitted without providing any medical evidence is the lesser of \$100,000 or 25% of your current sum insured.

The following conditions apply:

- if both life and TPD insurance is held then you must increase both in proportion
- you apply and provide satisfactory evidence within 60 days of the event occurring
- you can only exercise this option once in a 12 month period, and
- any increase in your cover is subject to the same exclusions and special conditions as your previous level of cover.

How do I reduce or cancel my cover?

You can cancel or reduce your insurance cover at any time by advising the Insurer or Trustee in writing.

Your insurance premiums will reduce or cease from the end of the month prior to the Insurer or Trustee receiving your request. If you cancel your cover, you will continue to be covered for 60 days after your cover is cancelled at no cost for life cover, and for TPD provided that you are eligible to exercise a continuation option. See page 11 for further information.

When does cover cease?

Your cover ends in the **superannuation service** on the earliest of the following:

- the date a benefit is paid for you that reduces your insured cover to nil
- the date a terminal illness or TPD benefit becomes payable for you (income protection cover only)
- the first day of the month you reach the cover expiry age, which is 75 for life cover, 70 for TPD cover, and 65 for income protection cover
- the end of the month prior to you providing written confirmation that you wish to cancel your insured cover, or on another date the Insurer agrees in writing. You will continue to be covered for 60 days after your cover is cancelled at no cost for life cover, and for TPD provided that you are eligible to exercise a continuation option. See page 11 for further information.
- 2 months after you have insufficient funds in your superannuation cash account to pay your insurance premiums
- if you commence active duty in any armed forces, other than the Australian Armed Forces Reserves
- the date of your death
- when you leave the **superannuation service**.

The costs associated with insurance

Your insurance premium consists of:

- insurance premium
- insurance charge, if applicable
- for insurance arrangements entered into prior to 1 July 2013, adviser commission.

How do I calculate my premium?

The cost of your insurance cover will be advised to you in writing at the time your cover is accepted. It will depend on the type and level of your cover, your age, gender, whether you smoke and what occupational rating you have been accepted for. The occupational loading is dependent on your type of occupation classification.

| Occupation classifications | |
|--------------------------------|--|
| Professional | You hold a tertiary qualification or are a member of an institute or registered Government body and earn more than \$80,000 per annum. You may also be in a management role. |
| White Collar / Clerical | You work entirely in an office environment (or at least 80%) with no manual work. |
| Non Manual Blue | Your roles are primarily non-manual, but may involve some light manual work from time to time. |
| Light Manual | You are a skilled or semi-skilled trades person who does a moderate amount of manual work. |
| Heavy Manual | You are an unskilled manual worker, or a skilled heavy manual worker. |

The premium rates and occupational loadings applicable are available from your financial adviser.

The following examples use sample rates for the purposes of illustration and are not representative of what premiums may be applicable to you.

Example 1

Sue is turning 50 on her next birthday and has an annual **income** of \$42,000. She is a non-smoker and works as a clerical **employee**, meaning an occupation loading of 100% applies.

Life and TPD sum insured = \$400,000

Insurance cost

Sum insured ÷ \$100,000 x premium rate x occupational loading applicable.

$\$400,000 \div \$100,000 \times \$10.34 \times 100\% = \41.36 per month.

Therefore the annual premium is \$496.32.

Example 2

Kate is turning 35 on her next birthday and has an **income** of \$180,000. She has selected a 90 day waiting period and an age 65 benefit period. She is a smoker, and as a professional **employee** an occupation loading of 90% applies.

Income protection sum insured

$\$180,000 \times 75\% = \$135,000$

$\$135,000 \div 12 \text{ months} = \$11,250$ **monthly benefit**

Insurance cost

Insured **monthly benefit** ÷ \$1,000 x premium rate applicable x occupational loading

$\$11,250 \div \$1,000 \times \$9.44 \times 90\% = \95.58 per month.

Therefore the annual premium is \$1,146.96.

How do I pay premiums?

Premiums are automatically deducted on a monthly basis from the available cash balance in your superannuation account and paid in arrears to the Insurer. You need to ensure there is sufficient money available in your account to meet your premium payment.

What happens if there are insufficient funds to pay the premium?

Where you have insufficient funds to meet your premium payments, you will be notified in writing and requested to top up your superannuation account.

If a premium payment cannot be made to the Insurer due to insufficient funds for two consecutive months, the Insurer will write to advise you that your insurance cover has lapsed. To reinstate your insurance cover you will need to reapply.

Will the premium amount change?

Premiums generally increase as your age increases. Premiums are calculated based on your age at your next birthday on your cover start date and will be updated each year on 1 July.

If you have selected to have your cover amount increased in line with the Consumer Price Index (CPI), your sum insured will be amended to take advantage of this increase, up to a maximum increase of 7.5% on 1 July each year. A minimum increase of 3% per annum will be applied each year. This will also have an effect on your premium amount.

You will be advised of your new premium amount and the amount of cover you have on your **superannuation service** annual benefit statement.

Your premium will also change where you apply to increase or reduce your cover.

Premiums may also change where you advise the Insurer that you have changed your details, including (but not limited to) changes to your occupation, smoking status, benefit period and waiting period.

The Trustee or Insurer may also change the premium rates and we will notify you as required under Superannuation Law if this occurs.

Are there any other costs associated with my insurance?

The Trustee may be paid an Insurance Charge to cover administration costs associated with maintaining your insurance cover through the **superannuation service**.

For arrangements entered into prior to 1 July 2013, your insurance premium may also include adviser commissions as agreed between you and your financial adviser.

Please refer to the PDS for important information regarding the fees and premiums associated with your insurance cover.

Life and total and permanent disablement insurance

What types of life cover are available?

Life insurance

You can apply for life only cover if you are less than 69 years old and an Australian permanent resident. You can apply for life and TPD insurance cover if you are less than 64 years old and an Australian permanent resident.

LifeProtect offers the following life cover types:

- Life cover – a lump sum benefit payable in the event of terminal illness or the death of the member
- Life and TPD cover – a lump sum benefit payable in the event of death, terminal illness or total and permanent disablement of the member.

If you have life cover, a terminal illness benefit is payable if you are certified by a medical practitioner specialising in that illness, that the illness will (despite reasonable medical treatment) lead to your death within 12 months of the date of the certification. It is paid from your life cover up to a maximum of \$2 million.

You can also elect at the time of applying for cover to have your cover amount increased, effective 1 July each year, in line with the Consumer Price Index (CPI), at a minimum of 3% and up to a maximum of 7.5% pa. If you do not make this election when you first have the opportunity, you may have to provide health evidence at a later date.

Total and Permanent Disability insurance

TPD cover is not available as a stand-alone insurance option and must be combined with life cover. The TPD sum insured cannot exceed the amount of life cover or \$3 million, whichever is lesser.

Own Occupation TPD cover

If you are a professional worker, you can apply for an **own occupation** TPD cover. This means any claims for TPD cover will be assessed against your capacity to resume your **own occupation** (not any occupation you might be qualified for). For more details, refer to page 7.

TPD Definitions

LifeProtect contains a number of TPD definitions to enable easier access to your benefit in the event of a claim. Each of these definitions is described below.

You will be considered totally and permanently disabled if:

Definition 1

You suffer, as a result of sickness or injury:

- the complete and irrecoverable loss of use of two limbs
- the complete and irrecoverable loss of use of one foot and one hand
- blindness in both eyes, whether aided or unaided, or
- the complete and irrecoverable loss of use of one limb and blindness in one eye, whether aided or unaided

where:

- limb means the whole hand below the wrist or whole foot below the ankle, and
- blindness means the permanent loss of sight to the extent that visual acuity is 6/60 or less, or to the extent that the visual field is reduced to 20 degrees or less of arc.

Definition 2

You suffer as a result of sickness or injury, the total inability to perform any two of the following 'activities of daily living' or all of the 'defined home duties' without the physical assistance of another person.

Activities of daily living

- dressing – the ability to put on and take off clothing
- toileting – the ability to use the toilet, including getting on and off
- mobility – the ability to get in and out of bed and on and off a chair
- continence – the ability to control bowel and bladder function
- feeding – the ability to get food from a plate into the mouth
- bathing – the ability to wash yourself either in the bath or shower or by sponge bath without the standby assistance of another person

and you are permanently and irreversibly unable to do so for life.

Or

Defined Home Duties

- cleaning the usual place of dwelling
- purchasing household food and items used for cleaning
- preparing meals for the household
- performing for the household laundry services such as washing or ironing.

Definition 3

You were, on the date of disablement, aged 65 years or less and:

- (i) are absent from all work as a result of suffering from one or more of the following conditions: cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis (each as defined in the Schedule of Medical Conditions on page 14)
- (ii) the Insurer considers, on the basis of medical and other evidence satisfactory to them, you are unlikely ever to be able to engage in any occupation, whether or not for reward, and
- (iii) you are likely to be so disabled for life

where occupation means an occupation that you can perform, on a full time or part time basis, based on the skills and knowledge you have acquired through previous education, training or experience.

Or

- (iv) absent from all work as a result of suffering one or more of the following conditions: cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis (each as defined in the Schedule of Medical Conditions on page 14)
- (v) the Insurer considers, on the basis of medical and other evidence satisfactory to them, you are unlikely ever to be able to engage in your **own occupation**, whether or not for reward, and
- (vi) you are likely to be so disabled for life

where occupation means gainful occupation that you were engaging in on a **full time basis** immediately prior to total and permanent disablement.

Definition 4

If you were engaged in full time domestic duties or child rearing at the time of the sickness or injury, then you will only be considered totally and permanently disabled if:

- (i) through sickness or injury, you are unable to perform domestic duties or child rearing and have been confined to the home for a period of six consecutive months and you are under the regular treatment, and following the advice, of a medical practitioner, and continue to be so incapacitated to the extent that you are unable to engage in (whether or not for reward) any occupation for which you are reasonably suited by education, training or experience and are likely to be so disabled for life

- (ii) you have been unable to perform domestic duties or child rearing and you are confined to the home as a result of cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease, or severe rheumatoid arthritis (each as defined in the Schedule of Medical Conditions on page 14) and you are under the regular treatment, and following the advice, of a medical practitioner, and you continue to be so incapacitated to the extent that you are unable to engage in (whether or not for reward) any occupation for which you are reasonably suited by education, training or experience and are likely to be so disabled for life.

Definition 5

For TPD (any occupation):

- (i) you were, on the date of disablement, aged 65 years or less and **employed**, and
- (ii) as a result of illness or injury, have been absent from all work for six consecutive months from the date of disablement and the Insurer considers, on the basis of medical and other evidence satisfactory to them that you are unlikely ever to be able to engage in any occupation, whether or not for reward

where occupation means an occupation that you can perform, on a **full time** or part time basis, based on the skills and knowledge you have acquired through previous education, training or experience.

or

For TPD (**own occupation**):

- (i) you were, on the date of disablement, aged 65 years or less and **employed**, and
- (ii) as a result of illness or injury, have been absent from all work for six consecutive months from the date of disablement and the Insurer considers, on the basis of medical and other evidence satisfactory to them that you are unlikely ever to be able to engage in your **own occupation**, whether or not for reward

where occupation means gainful occupation that you engage in on a **full time basis** immediately prior to total and permanent disablement.

Despite the above, you will not be totally and permanently disabled under Definition 5 if:

- (i) at any time after you cease employment but prior to the date of disablement, you are not **employed** for a period of six or more consecutive months from the termination date of your last period of employment ('period of unemployment'), and
- (ii) you do not, after your most recent period of unemployment but prior to the date of disablement, return to **active employment** for 40 consecutive working days.

Income protection insurance

What income protection cover is available?

If you are a permanent full time **employee**, less than 65 years old, an Australian permanent resident and are working more than 15 hours per week you are eligible to apply for income protection cover within your **superannuation service**.

The cover provided is an indemnity value policy which allows you to insure up to 75% of your **pre-disability income**. This means you will receive a benefit based on your **income** at the time you are disabled (even if it has decreased since your cover commenced). You can also elect at the time of applying for cover to have your cover amount increased, effective 1 July each year, in line with the Consumer Price Index (CPI), at a minimum of 3% and up to a maximum of 7.5% pa. If you do not make this election when you first have the opportunity you may need to provide health evidence at a later date.

What is the waiting period?

The waiting period is the continuous period of time you have to be totally or partially disabled before you can qualify for a **monthly benefit**.

The waiting period starts from the day a registered medical practitioner certifies that you are disabled.

LifeProtect offers a choice of waiting periods: 30, 60 or 90 days. Premiums vary according to the waiting period you choose.

Note: You should notify the Trustee of your intention to claim as soon as possible, regardless of your waiting period.

What is a benefit period?

The benefit period is the length of time the income protection benefit will be paid for. The benefit will cease on the earlier of the date:

- you are no longer disabled
- the benefit payment period ends
- you turn age 65, or
- you die.

You can choose from a benefit period of 2 years, or to age 65.

When does an income protection benefit become payable?

Income protection cover provides the following benefits and the events in which they are paid are detailed below:

- Total disability benefit
- Partial disability benefit
- Rehabilitation expense benefit
- Recurrent disability benefit.

Total Disability Benefit

The total disability benefit is paid if you are totally disabled for longer than your chosen waiting period. Insurance benefits can continue until the end of the benefit period, up to age 65, provided you continue to be totally disabled. The amount of total disability benefit you will receive is the **monthly benefit** (see Glossary on page 12) subject to a maximum of \$30,000 per month for benefit period of 2 years, or \$25,000 per month for benefit periods in excess of 2 years.

Total disability means that because of sickness or injury, you are:

- unable to perform one or more of the **income producing duties** of your **own occupation**
- under the regular care of, and following the advice of, a registered medical practitioner satisfactory to the Insurer, and
- not working in any occupation, whether or not for reward.

The total disability benefit the Insurer will pay is the **monthly benefit** subject to certain offsets. See both the Glossary on page 12 for an explanation of '**monthly benefit**' and 'Will the benefit payable be offset?' on page 10.

To illustrate, if you become entitled to the total disability benefit, are not subject to any offsets, and you have the following cover:

| | |
|-------------------------|---------|
| Monthly benefit: | \$3,000 |
| Waiting period: | 90 days |

the Insurer will pay a benefit of \$3,000 per month provided that you continue to be totally disabled, after you have waited 90 days (the waiting period). The period during which the benefit will be paid depends on the benefit payment period that applies to you.

Partial Disability Benefit

A partial disability benefit is payable if you are partially disabled after the waiting period has ended. This benefit can continue until the end of the benefit period, provided you continue to be partially disabled, but not beyond age 65.

You are partially disabled if, because of sickness or injury, you:

- have been totally disabled for at least 14 days
- are unable to work in your **own occupation** at full capacity immediately after you became totally disabled because of the sickness or injury that caused your total disability
- are working in your **own occupation** in a reduced capacity, or working in another occupation
- are earning a monthly **income** that is less than your **pre-disability income**, and
- are under the regular care of, and following the advice of, a medical practitioner acceptable to the Insurer.

If you are partially disabled, the **monthly benefit** will be reduced by the amount calculated with the formula below:

$$\frac{\text{Current income}}{\text{Pre-disability income}} \times \text{monthly benefit}$$

For example if you suffer a partial disability which results in your **income** decreasing from \$4,000 to \$2,000 per month and your **monthly benefit** is \$3,000, the Insurer will calculate the partial disability benefit to which you may be entitled as follows:

$$\$3,000 - (\$2,000 \div \$4,000 \times \$3,000)$$

$$\begin{aligned} \text{Partial disability benefit} &= \$3,000 - \$1,500 \\ &= \$1,500 \text{ per month.} \end{aligned}$$

Rehabilitation Expense Benefit

A rehabilitation expense benefit is payable in addition to the disability benefit if you are disabled and participate in a rehabilitation or vocational retraining program (that is approved by the Insurer before the expenses are incurred). The Insurer will reimburse the cost of the approved rehabilitation program (subject to a maximum of 24 times your **monthly benefit**). Approved rehabilitation programs exclude programs providing hospital treatment or ancillary health benefits (as defined in the National Health Act 1953) as those laws prevent the Insurer paying a benefit for these programs.

Recurrent Disability Benefit

If you are disabled again from the same or a related cause within six months of you last receiving a disability benefit, the waiting period will not apply. The recurrence of your disability will be treated as a continuation of the original claim.

Are there any limitations and exclusions applicable to the income protection insurance?

The Insurer will only pay benefits for one disability at a time. A benefit will not be paid if a sickness or injury is directly or indirectly caused by:

- intentional self-inflicted injury or infection, or attempted suicide whether or not you are sane at the time
- your service in the armed forces of any country
- war, or
- normal and uncomplicated pregnancy or childbirth including multiple pregnancy, caesarean birth, threatened miscarriage, participation 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).

What if I take a period of leave without pay?

Cover will continue while you are on leave without pay from your employer, but your **pre-disability income** will be affected.

To illustrate, if you become entitled to the total disability benefit while you have been on leave without pay for 8 months and you have the following cover:

| | |
|-------------------------|---------|
| Monthly benefit: | \$2,000 |
| Waiting period: | 90 days |

if your **monthly income** is \$3,000, we will calculate your **pre-disability income** as $[(8 \times \$0) + (4 \times \$3,000)] = \$12,000$.

This means your **monthly benefit** will be subject to a maximum of 75% of your **pre-disability income** of \$1,000 per month, i.e. \$750, which you will receive until the benefit period ends.

Making a claim

How do I make a claim?

You should notify the Trustee as soon as possible after you become aware of any claim or potential claim.

Before a benefit is paid you must:

- provide the Insurer with satisfactory proof of age, if required
- complete any relevant claim forms and provide supporting evidence of the claim
- provide the Insurer with such medical, **income** or other evidence as it requires from time to time (at your expense)
- undergo any medical or other examination which the Insurer reasonably requires. The Insurer will pay medical fees but will not pay any other costs such as travel expenses, and
- in the case of income protection cover, comply with any medical treatment or rehabilitation program that is reasonable.

What will occur if my claim is successful?

Life and TPD

Payments made as a result of death, TPD or terminal illness will be made to the Trustee. In distributing this money the Trustee will be guided by the relevant Superannuation Law and the Trust Deed, and in the event of a death benefit, any nomination of beneficiaries that you have made. Refer to the PDS for more information on benefit payments.

If your life insurance amount exceeds \$2 million and you are successful in lodging a claim for terminal illness, the excess life insurance amount will continue in the **superannuation service**.

If your life insurance amount exceeds your TPD insurance amount and you are successful in lodging a claim for TPD, the excess life insurance amount will continue in the **superannuation service**.

Life buy-back option

Twelve months after the Trustee has been paid a TPD benefit for you, you may be able to take out a continuation option for life only cover. Please contact your financial adviser for more information.

Income Protection

If you are successful in making an income protection claim, the insurance benefits start the day after the waiting period has ended. Benefit payments are payable monthly in arrears and are calculated for the part of the month they are payable. All initial certificates and evidence (including any medical evidence) required by the Insurer for the claim will be provided at your expense.

Insurance benefits will be paid to you as an income payment. The Trustee will provide you with a group certificate, which you will need to include as income on your personal tax return.

Will the benefit payable be offset?

Your **monthly benefit** will be reduced if you receive other disability payments during the same period from:

1. any **income** (other than insurance benefits received under LifeProtect) or commutation of **income**, paid as a result of your sickness or injury, including:
 - any sick leave entitlements
 - any amounts payable under legislation, such as worker's compensation or motor accident compensation
 - any insurance benefits payable under any other insurance policy that provides income benefits upon disability
2. any applicable social security payments
3. any **income** earned by personal exertion while disabled, but excluding any **income** earned from your employer
4. any **income** which, in the Insurer's opinion, you could reasonably be expected to earn in your occupation while disabled excluding any **income** actually earned from your employer.

Any **income** described in paragraph 1, 2 or 3 which is in the form of a lump sum or is exchanged for a lump sum will have a monthly equivalent of 1/60th of the lump sum over a period of 60 months.

Can the benefit be indexed?

If the Insurer is paying a disability benefit and the benefit payment period exceeds 2 years, at the end of every consecutive 12 month period, the Insurer will increase your **monthly benefit** by the percentage increase of the CPI (Weighted Average of 8 Cities Combined Index) up to a maximum of 7.5%. The indexation of benefit payments is designed to help offset the impact of inflation.

Will I pay premiums while in receipt of an income protection benefit?

You are not required to pay income protection premiums while a total or partial disability benefit is being paid to you; but you must continue to pay premiums throughout the waiting period. You must also continue to pay premiums for any life or life and TPD cover you have while in receipt of an income protection benefit.

Leaving the superannuation service

Can I continue my insurance cover if I close my superannuation account?

If you elect to leave the **superannuation service**, you have the option within 60 days of closing your superannuation account to apply for cover under a new individual policy with the Insurer.

The following conditions apply:

- you must be less than 75 years of age for life cover, 64 years for TPD cover and 60 years for income protection cover when your cover ended under the Policies held with the Trustee of the **superannuation service**
- you were **employed** on a permanent basis for at least 15 hours per week when your cover ended under the Policies (for income protection cover only)
- when your cover ended under the Policies, no benefit was, or was about to be, payable under the Policies and no circumstances existed which, if the subject of a claim under the Policies, would have resulted in a benefit being payable to you under the Policies
- the premium payable for you was not overdue when your cover ended under the Policies
- any exclusions or special conditions applicable to your cover under the Policies will apply to the individual policy issued by the Insurer
- the Insurer receives the request for cover under the new individual policy and the correct premium for that cover within 60 days of your cover ending
- you do not join any armed forces (other than the Australian Armed Forces Reserve) before the date the individual policy is issued
- under the new individual policy you will receive benefits no greater than those provided under the Policies prior to closing your superannuation account (including the **monthly benefit**, waiting period, and benefit period for income protection cover)
- the terms and premium rates current for the individual policy at the time it is issued will apply
- the Policies with the Trustee of the **superannuation service** must be still in-force, and
- CommInsure's minimum policy issue requirements are met.

Once you have exercised a continuation option, you will not be eligible for any future cover under the Policies unless the Insurer agrees in writing.

Glossary

This section explains the key terms that have been bolded throughout this brochure. Please refer to the Policies for full definitions, terms and conditions. You should speak to your financial adviser if you are unsure of any of the definitions or what they mean for your insurance cover.

Important terms used in the brochure

| Terms | Meaning |
|--------------------------------|--|
| At work | You are at work if (i) you are actively performing all the duties and work hours of your own occupation free of any limitation due to sickness or injury and you are not entitled to or receiving income support benefits from any source including workers' compensation benefits, statutory transport accident benefits and disability income benefits, or (ii) you are on employer approved leave (but not sick leave) and on your last working day met the requirements of (i). |
| Active employment | You are in active employment if you are: <ol style="list-style-type: none"> (a) employed (including being on fully paid leave caused by sickness or injury) to carry out identifiable duties where employed includes casual employment for more than 15 hours per week and self-employment, (b) actually performing those duties, and (c) in the Insurer's opinion, not restricted by sickness or injury from being capable of performing those duties on a full time basis and the duties of your own occupation on a full time basis (even if not working on a full time basis). Or (life and TPD only) <ol style="list-style-type: none"> (d) not employed for reasons other than sickness or injury, and in the Insurer's opinion you are not restricted by sickness or injury from being capable of performing the duties of your own occupation on a full time basis (even if you are not working on a full time basis). |
| Employed | Means employment (including casual employment for more than 15 hours per week) or self-employment, for gain or reward, in any business, trade, profession, vocation, calling, occupation or employment. |
| Employee | An employee includes a person who satisfies both of the following: <ol style="list-style-type: none"> (a) the person is an employee under the expanded meaning of that term in section 12(3) of the Superannuation Guarantee (Administration) Act 1992 (Cth) (the 'SG Act'), and (b) the person is a person for whom the employer is required to pay superannuation contributions to avoid or reduce the superannuation charge payable pursuant to the SG Act. In interpreting the conditions of this policy the employer is regarded as: <ul style="list-style-type: none"> • the employer of, and • being in an employer/employee relationship with the person. |
| Full time basis | At least 30 hours per week. |
| Income producing duties | The duties of your own occupation (see page 13) immediately before you became totally disabled which generates 20% or more of your income . How you perform your own occupation will be taken into account when determining the income producing duties . |
| Income | <ol style="list-style-type: none"> 1. If you are employed on a casual basis, work as an independent contractor, or earn an income from a business you directly own part of or all of, income means the remuneration earned by you from all regular occupations. Where you directly own all or part of the business in which you perform a regular occupation, your income is the total amount earned by that business for the relevant period as a direct result of your personal exertion, less your share of business expenses, but before the deduction of income tax, for that business for the same period. 2. If you do not fall within paragraph 1, income means the regular annual remuneration expected to be earned by you from permanent employment in all regular occupations including: <ol style="list-style-type: none"> (a) the value of a fringe benefit which: <ol style="list-style-type: none"> (i) you receive from your employer by way of salary sacrifice, and (ii) you would benefit from for at least 6 months after the date on which the salary, which you sacrificed for the fringe benefit, would have first become payable by your employer, and (b) performance related annual bonuses and commissions (averaged over the lesser of the preceding 3 years and the period for which you have been in receipt of such bonuses or commissions). |

| Terms | Meaning |
|-------------------------------|---|
| Limited cover | <p>You are covered only for death, terminal illness, and/or disability arising from:</p> <ul style="list-style-type: none"> • a sickness which first became apparent, or • an injury which first occurred <p>on or after the date you last commenced, recommenced or increased your cover in the superannuation service.</p> |
| Monthly benefit | <p>The lesser of:</p> <ul style="list-style-type: none"> • 75% of income (refer page 12) divided by 12, or • 75% of pre-disability income (refer below) <p>subject to a maximum of \$30,000 per month if your benefit period is 2 years, or \$25,000 if your benefit period is until you reach age 65.</p> |
| Own Occupation | <p>The normal occupation or work that you carried out immediately before becoming disabled. You will need to be working in this occupation on a full time basis to be able to qualify for the 'own occupation' definition of TPD.</p> |
| Superannuation service | <p>Represents a superannuation service, which forms part of The Avanteos Superannuation Trust, the Symetry Personal Retirement Fund, the encircle Superannuation Fund or the Ultimate Superannuation Fund.</p> |
| Pre-disability income | <p>The total monthly value of your income from your own occupation averaged over the 12 months immediately prior to you becoming disabled. If you have been employed for less than 12 months prior to becoming disabled, then the total monthly value of income will be averaged over the period since you last commenced employment but subject to a minimum averaging period of 6 months.</p> |

Schedule of medical condition definitions

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| Cardiomyopathy | Condition of impaired ventricular function of variable aetiology (often not determined) resulting in significant physical impairment, i.e. Class 3 on the New York Heart Association classification of cardiac impairment. |
| Primary pulmonary hypertension | Primary Pulmonary Hypertension associated with right ventricular enlargement established by cardiac catheterisation resulting in significant permanent physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment. |
| Major head trauma | Injury to the head resulting in neurological deficit causing either: <ul style="list-style-type: none"> • a permanent loss of at least 25% whole person function (as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment' 4th Edition or an equivalent guide to the evaluation of impairment approved by us), or • the permanent and irreversible inability to perform without the assistance of another person any one of the following activities of daily living: <ul style="list-style-type: none"> – dressing – the ability to put on and take off clothing – toileting – the ability to use the toilet, including getting on and off – mobility – the ability to get in and out of bed and a chair – continence – the ability to control bowel and bladder function – feeding – the ability to get food from a plate into the mouth as certified by a consultant neurologist. |
| Motor neurone disease | Motor neurone disease diagnosed by a consultant neurologist. |
| Multiple sclerosis | The unequivocal diagnosis of multiple sclerosis as confirmed by a consultant neurologist and characterised by demyelination in the brain and spinal cord evidenced by Magnetic Resonance Imaging or other investigations acceptable to us. There must have been more than one episode of well-defined neurological deficit with persisting neurological abnormalities. |
| Muscular dystrophy | The unequivocal diagnosis of muscular dystrophy by a consultant neurologist. |
| Paraplegia | The permanent loss of use of both legs or both arms, resulting from spinal cord illness or injury. |
| Quadriplegia | The permanent loss of use of both arms and both legs resulting from spinal cord illness or injury. |
| Hemiplegia | The total loss of function of one side of the body due to illness or injury, where such loss of function is permanent. |
| Diplegia | The total loss of function of both sides of the body due to illness or injury where such loss of function is permanent. |
| Tetraplegia | The total and permanent loss of use of both arms and both legs, together with loss of head movement, due to brain illness or injury or spinal cord illness or injury. |
| Dementia and Alzheimer's disease | Clinical diagnosis of dementia (including Alzheimer's disease) as confirmed by a consultant neurologist, psycho-geriatrician, psychiatrist or geriatrician. The diagnosis must confirm permanent irreversible failure of brain function resulting in significant cognitive impairment for which no other recognisable cause has been identified. Significant cognitive impairment means a deterioration in the person's Mini-Mental State Examination scores to 24 or less and deterioration would continue but for any effective treatment. Dementia related to alcohol, drug abuse or AIDS is excluded. |

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|------------------------------------|---|
| Parkinson's disease | <p>The unequivocal diagnosis of Parkinson's disease by a consultant neurologist where the consultant neurologist confirms that the condition:</p> <ul style="list-style-type: none"> • is the established cause of two or more of the following: <ul style="list-style-type: none"> – muscular rigidity – resting tremor – bradykinesia, and • has caused significant progressive physical impairment, likely to continue progressing but for any treatment benefit. <p>The person must be following the advice and treatment of a specialist neurologist.</p> |
| Blindness | <p>The permanent loss of sight in both eyes, whether aided or unaided, due to illness or injury to the extent that visual acuity is 6/60 or less in both eyes or to the extent that the visual field is reduced to 20 degrees or less of arc, as certified by an ophthalmologist.</p> |
| Loss of speech | <p>The total and irrecoverable loss of the ability to produce intelligible speech as a result of permanent damage to the larynx or its nerve supply or the speech centres of the brain. The loss must be certified by an appropriate medical specialist.</p> |
| Loss of hearing | <p>Complete and irrecoverable loss of hearing, both natural and assisted, from both ears as a result of illness or injury, as certified by a specialist we consider appropriate.</p> |
| Chronic lung disease | <p>Permanent end stage respiratory failure with FEV1 test results of consistently less than one litre, requiring continuous permanent oxygen therapy.</p> |
| Severe rheumatoid arthritis | <p>The unequivocal diagnosis of severe rheumatoid arthritis by a Rheumatologist. The diagnosis must be supported by, and evidence, all of the following criteria:</p> <ul style="list-style-type: none"> • at least a six week history of severe rheumatoid arthritis which involves three or more of the following joint areas: <ul style="list-style-type: none"> – proximal interphalangeal joints in the hands – metacarpophalangeal joints in the hands – metatarsophalangeal joints in the foot, wrist, elbow, knee or ankle • simultaneous bilateral and symmetrical joint soft tissue swelling or fluid (not bony overgrowth alone) • typical rheumatoid joint deformity and at least two of the following criteria: <ul style="list-style-type: none"> – morning stiffness – rheumatoid nodules – erosions seen on X-ray imaging – the presence of either a positive rheumatoid factor or the serological markers consistent with the diagnosis of severe rheumatoid arthritis. <p>Degenerative osteoarthritis and all other arthritides are excluded.</p> |

Contact information

How is my information handled?

The privacy of your personal information is important to the Trustee.

Details of the Trustee's Privacy Policy can be found in the FSG, or by contacting the Trustee or your financial adviser. How we handle your personal information is also covered in the relevant application form/s.

You can contact the Trustee's Privacy Officer:

Privacy Officer
Avanteos Investments Limited
Locked Bag 3460
GPO Melbourne VIC 3001

Ph: 1800 113 116
Fax: (03) 9804 0398
Email: privacyofficer@colonialfirststate.com.au

Who can I contact for further information?

If you require further information please contact your financial adviser.

Alternatively you may contact the Trustee on 1800 113 116.

Where do I submit completed insurance forms?

Please return completed insurance forms to:

CommInsure Group Risk
PO Box 321
Silverwater NSW 2128

Who can I contact if I have a complaint?

Complaints resolution

The Trustee has a procedure for dealing with specific enquiries or complaints relating to your insurance cover.

When you make a complaint to us, we will do everything we can to understand, investigate and resolve the issue.

If you have an enquiry or wish to lodge a complaint, please contact:

Customer Liaison Officer
Avanteos Investments Ltd
Locked Bag 3460
GPO Melbourne VIC 3001

Telephone 1800 113 116
Email complaints@colonialfirststate.com.au

If we are unable to provide a final response to your complaint within 90 days, we will:

- inform you of the reasons for the delay
- advise you of your right to complain to the Superannuation Complaints Tribunal (SCT)
- provide you with the SCT contact details.

External dispute resolution

If you are not happy with the response we provide, you may refer your complaint to an external dispute resolution service.

The SCT is a Commonwealth body that deals with certain categories of complaints. You can contact the SCT from anywhere in Australia on 1300 884 114 or 03 8635 5580, or at the following address:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001

Email info@sct.gov.au

