



28 April 2015

## Important changes to your insurance premiums

Our insurer MLC Limited (**MLC**) has informed us that from 1 June 2015 it will increase insurance premiums for Health Division members with Death, Total and Permanent Disability (**TPD**) and Income Protection cover. We have negotiated with MLC to contain the increase of insurance premiums while maintaining the same coverage and included benefits, and we are confident that our policies remain highly competitive within the marketplace.

### Changes to insurance premiums

The changes to insurance premiums from 1 June 2015 are as follows.

Type of cover	Current arrangement (net of tax)	New amount (net of tax)* applies from 1 June 2015	Gross amount (inclusive of tax) applies from 1 June 2015	Tax Benefit	New premium (net of tax)* applies from 1 June 2015
	<b>Cost per unit per week</b>				
Death only cover	\$1.00	\$1.14	\$1.34	\$0.20	\$1.14
Death & TPD cover	\$2.00	\$2.28	\$2.68	\$0.40	\$2.28
Income Protection	\$1.00	\$2.33	\$2.74	\$0.41	\$2.33

\* It is important to note that insurances within the Health Division of Prime Super previously included a levy per unit per week (\$0.10 for Death and TPD insurance premiums and \$0.09 for Income Protection premiums) which was allocated to the reserves of Prime Super to cover the cost of administering the Fund's insurance arrangements. However, from 1 June 2015, the accumulated amount of the levy will be applied to the unit premiums, thus reducing the cost of premiums across the Health Division of Prime Super.

From 1 July 2015, due to government regulations the way we disclose your fees and costs is changing and we are now required to show your insurance premiums gross of tax. However, this is simply a demonstration of the taxation treatment of super funds and there is no change to the way your super account is taxed. For comparison purposes, we have included the new premiums as amounts both gross and net of tax in the above table.

By way of explanation, the gross amounts in the above table have been calculated based on a tax rate of 15%. You will also receive a tax benefit equivalent to 15% of this premium into your account. Therefore, the net effect of this on the cost of your premium is nil. Once accounts are reconciled, Prime Super pays tax at a rate that is less than 15% and the difference is retained in the Administration Reserve of the Fund to provide ongoing benefits to members.

## Check your cover

While our default insurance provides basic cover, it is important to ensure the amount of insurance you have is sufficient to meet your individual needs and circumstances. If you have recently experienced a significant life event such as marriage, the birth of a child, establishment of a business or the purchase of a new home, it is worth taking some time to review your insurances to ensure you have appropriate cover.

To check your existing cover simply login to your MemberOnline account by visiting [www.primesuper.com.au](http://www.primesuper.com.au) or call us on **1800 675 839**.

## Benefits of insurance with Prime Super

Your insurance with Prime Super is designed specifically for people employed in the health industry and plays a key role in your financial plan, ensuring you and your family are protected should the worst happen. Cover with Prime Super also offers some important key features.

Prime Super's Death cover offers a **terminal illness benefit** where, in the event you are diagnosed with a life-ending illness, an advance payment of your Death benefit is paid to you.

While Prime Super's Income Protection, Death and TPD insurances include access to **Best Doctors** – a free service giving you and your family access to the world's top medical experts should you be diagnosed with a significant illness. Best Doctors engages medical experts on your behalf for second opinions, reports, recommendations and information for any significant condition, injury or illness. This unique service is just like a second opinion, only better. It opens the door to a network of leading global experts, giving you peace of mind when you need it most.

## More information

If you would like to discuss your insurance arrangements or wish to alter your cover, call us on **1800 675 839** or email [administration@primesuper.com.au](mailto:administration@primesuper.com.au)

Yours sincerely



**Lachlan Baird**

CEO, Prime Super

### DISCLAIMER

The information in this letter is current as at 1 May 2015 and is subject to change. It provides general information only and may not be relied upon as personal legal or financial advice. Before acting on this information you should consider the appropriateness of this information having regard to your personal objectives, financial situation and needs. Prime Super ABN 60 562 335 823 RN 1000276 is a Regulated Superannuation Fund issued by Prime Super Pty Ltd ABN 81 067 241 016, AFSL 219723 RSE Licence No. L0000277. A Short-Form Product Disclosure Statement (Short-Form PDS) can be obtained from the issuer by calling 1800 675 839. Insurance is offered through Prime Super's Health division is provided by MLC Limited (ABN 90 000 000 402 AFSL 230694) (MLC) (Insurer).