

Important information for members

August 2013



Changes to the cost of insurance

The cost of insurance has increased in recent years and many super funds are advising members that there will be an increase in the cost of their insurance. Prime Super is not immune to the increasing premiums from its insurer and effective 1 November 2013 we will also be increasing the cost of our death and total and permanent disablement (TPD) insurance for all members. Please note that there is no change to our income protection insurance rates.

Rather than just increase our insurance premiums; we have also taken the opportunity to review our default cover arrangements.

Why have premiums increased?

Insurance costs in Australia have increased significantly in recent times. The increase in our insurance premiums by our insurer has been driven by the increased cost of business and our claims experience. We have done our best to keep costs down as much as possible for members and our increase of 25.9% on annual premiums is significantly less than many other industry funds. Plus our insurance cover is still cheaper when compared to the insurance offered by retail funds, banks or direct from insurance companies.

What's changing and when will the change take effect?

There are two changes – a change to the way we offer default cover and an increase in the cost of cover. Both of these changes will be effective from 1 November 2013. While the cost per unit has decreased, we are increasing the number of default units provided.

Why have we changed the Default insurance offering?

Rather than simply increase insurance premiums, we have taken the opportunity to also review our default cover arrangements.

We believe that these changes simplify our default cover and also provide members with more flexibility to ensure that they can have the most appropriate cover for their individual circumstances.

What does this mean for members?

Whilst each member will be paying the same amount for their default cover, the benefit amount will vary depending upon the member's age and whether they have been accepted as a standard, white collar or professional member.

We have provided some examples on the next page to illustrate the changes to our insurance cover.

At a glance

Unitised cover

	Current arrangement	New arrangement (from 1 Nov 2013)
Death only cover	\$1.00 per unit per week	\$0.67 per unit per week
Death & TPD cover	\$1.50 per unit per week	\$1.00 per unit per week
Default cover	2 units of Death & TPD cover per week = \$3.00 per member per week	4 units of Death & TPD cover per week = \$4.00 per member per week

Please see Table A for revised insurance amounts per unit of cover.

Fixed cover

Fixed cover costs will also increase by 25.9%. Please see Tables B & C for the new annual premium rates per \$1,000 worth of cover.

Income protection

There is no change to income protection premium rates or insured cover provided.



Example 1 – Default cover – death and TPD

Oliver is 30 and has default death and TPD cover.

	Standard		White collar		Professional	
	Current	New	Current	New	Current	New
No. of units	2	4	2	4	2	4
Cost	\$3.00 per week	\$4.00 per week	\$3.00 per week	\$4.00 per week	\$3.00 per week	\$4.00 per week
Benefit amount	\$125,000	\$132,400	\$312,600	\$331,200	\$343,800	\$364,000

Example 2 – Default cover – death only

Alex is 30 and has default death only cover.

	Standard		White collar		Professional	
	Current	New	Current	New	Current	New
No. of units	2	4	2	4	2	4
Cost	\$2.00 per week	\$2.68 per week	\$2.00 per week	\$2.68 per week	\$2.00 per week	\$2.68 per week
Benefit amount	\$125,000	\$132,400	\$312,600	\$331,200	\$343,800	\$364,000

Example 3 – Increased cover

Harry is 45 and has 5 units of death and TPD cover.

	Standard		White collar		Professional	
	Current	New	Current	New	Current	New
No. of units	5	10	5	10	5	10
Cost	\$7.50 per week	\$10.00 per week	\$7.50 per week	\$10.00 per week	\$7.50 per week	\$10.00 per week
Benefit amount	\$200,000	\$212,000	\$500,000	\$529,000	\$550,000	\$582,000

Example 4 – Fixed cover – death & TPD

Jane is 35 and has \$500,000 worth of fixed death and TPD cover. She is on the standard scale.

	Standard		White collar		Professional	
	Current	New	Current	New	Current	New
Benefit amount	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Cost	\$52.08 per mth	\$65.42 per mth	\$20.83 per mth	\$26.25 per mth	\$19.17 per mth	\$24.17 per mth

Example 5 – Fixed cover – death only

Bob is 40 and has \$500,000 worth of fixed death only cover.

	Standard		White collar		Professional	
	Current	New	Current	New	Current	New
Benefit amount	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Cost	\$36.67 per mth	\$46.25 per mth	\$14.58 per mth	\$18.33 per mth	\$13.33 per mth	\$16.67 per mth

What are your options if you're unhappy with the changes?

If you are unhappy with the changes we have made to our insurance cover you have until **1 November 2013** to contact us to discuss your options. You can call us on **1800 675 839** to discuss your options.

If you do not contact us, the cost of your cover (and the benefit amount) will change from 1 November 2013 and we will not refund any premiums for any changes you make to your cover after 1 November 2013.

Table A - Coverage for Death only and Death & TPD cover – Effective 1 November 2013

Age Next Birthday	Standard	White Collar	Professional
	Death only - \$0.67 per unit per week Death & TPD - \$1.00 per unit per week		
25 and under	\$23,800	\$74,100	\$81,500
26	\$25,700	\$75,900	\$83,400
27	\$27,500	\$77,600	\$85,300
28	\$29,400	\$79,300	\$87,300
29	\$31,200	\$81,000	\$89,100
30-40	\$33,100	\$82,800	\$91,000
41	\$31,400	\$78,600	\$86,500
42	\$28,700	\$71,900	\$79,100
43	\$26,800	\$67,100	\$73,900
44	\$24,900	\$62,200	\$68,500
45	\$23,000	\$57,600	\$63,400
46	\$21,200	\$52,900	\$58,200
47	\$19,700	\$49,300	\$54,200
48	\$18,300	\$45,700	\$50,200
49	\$16,900	\$42,400	\$46,600
50	\$15,800	\$39,400	\$43,300
51	\$14,600	\$36,400	\$40,100
52	\$13,100	\$32,800	\$36,100
53	\$12,100	\$30,200	\$33,200
54	\$11,200	\$28,100	\$30,900
55	\$10,100	\$25,300	\$27,800
56	\$9,200	\$23,000	\$25,400
57	\$8,500	\$21,200	\$23,300
58	\$7,600	\$19,100	\$21,000
59	\$6,900	\$17,200	\$19,000
60	\$6,100	\$15,400	\$16,900
61	\$5,400	\$13,500	\$14,900
62	\$4,900	\$12,200	\$13,400
63	\$4,300	\$10,900	\$12,000
64	\$3,800	\$9,400	\$10,400
65*	\$3,200	\$7,900	\$8,700
66-70*	\$2,600	\$6,500	\$7,100

* For TPD cover, Part C of the TPD definition as outlined in the 'Why choose Prime Super?' brochure applies.

Table B - Fixed cover – Death & TPD – Annual premium rates per \$1,000 of cover – Effective 1 November 2013

Age Next Birthday	Standard	White Collar	Professional
25 and under	\$2.19	\$0.71	\$0.64
26	\$2.03	\$0.69	\$0.63
27	\$1.90	\$0.67	\$0.62
28	\$1.78	\$0.65	\$0.59
29	\$1.67	\$0.64	\$0.59
30-40	\$1.57	\$0.63	\$0.58
41	\$1.66	\$0.67	\$0.60
42	\$1.81	\$0.73	\$0.65
43	\$1.94	\$0.78	\$0.71
44	\$2.10	\$0.84	\$0.77
45	\$2.27	\$0.91	\$0.82
46	\$2.47	\$0.98	\$0.89
47	\$2.64	\$1.06	\$0.96
48	\$2.86	\$1.15	\$1.03
49	\$3.08	\$1.23	\$1.12
50	\$3.31	\$1.32	\$1.21
51	\$3.59	\$1.44	\$1.30
52	\$3.98	\$1.59	\$1.45
53	\$4.32	\$1.72	\$1.57
54	\$4.65	\$1.86	\$1.69
55	\$5.16	\$2.06	\$1.88
56	\$5.67	\$2.27	\$2.06
57	\$6.16	\$2.47	\$2.24
58	\$6.85	\$2.73	\$2.49
59	\$7.58	\$3.03	\$2.76
60	\$8.50	\$3.40	\$3.08
61	\$9.66	\$3.87	\$3.51
62	\$10.71	\$4.28	\$3.89
63	\$12.01	\$4.81	\$4.37
64	\$13.87	\$5.54	\$5.04
65*	\$16.42	\$6.57	\$5.97
66-70*	\$20.11	\$8.01	\$7.28

* For TPD cover, Part C of the TPD definition as outlined in the 'Why choose Prime Super?' brochure applies.

Table C - Fixed cover – Death only – Annual premium rates per \$1,000 of cover – Effective 1 November 2013

Age Next Birthday	Standard	White Collar	Professional
25 and under	\$1.46	\$0.47	\$0.43
26	\$1.36	\$0.45	\$0.42
27	\$1.26	\$0.45	\$0.40
28	\$1.18	\$0.44	\$0.40
29	\$1.11	\$0.43	\$0.39
30-40	\$1.04	\$0.42	\$0.38
41	\$1.11	\$0.44	\$0.40
42	\$1.21	\$0.48	\$0.44
43	\$1.30	\$0.52	\$0.47
44	\$1.40	\$0.55	\$0.50
45	\$1.51	\$0.60	\$0.55
46	\$1.64	\$0.65	\$0.59
47	\$1.76	\$0.71	\$0.64
48	\$1.90	\$0.76	\$0.69
49	\$2.05	\$0.82	\$0.74
50	\$2.20	\$0.88	\$0.81
51	\$2.39	\$0.96	\$0.87
52	\$2.64	\$1.06	\$0.97
53	\$2.88	\$1.16	\$1.04
54	\$3.10	\$1.23	\$1.13
55	\$3.44	\$1.37	\$1.25
56	\$3.78	\$1.51	\$1.37
57	\$4.10	\$1.64	\$1.50
58	\$4.56	\$1.83	\$1.66
59	\$5.05	\$2.03	\$1.84
60	\$5.67	\$2.27	\$2.06
61	\$6.45	\$2.58	\$2.34
62	\$7.14	\$2.86	\$2.59
63	\$8.01	\$3.21	\$2.91
64	\$9.25	\$3.69	\$3.35
65	\$10.95	\$4.38	\$3.98
66-70	\$13.41	\$5.34	\$4.86

Questions or concerns?

If you've got any questions or concerns about Prime Super's MySuper option or the upcoming changes to our insurance offering, please contact your Regional Manager or our customer service centre on **1800 675 839**.

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