

Death only (including terminal illness) insurance cover (Prime division)



1 May 2014

Please note before reading this fact sheet:

As a member of Prime Super, you will generally be allocated a default level of **Death & Total and Permanent Disablement (TPD)** cover unless you are not eligible for TPD cover, in which case you will be allocated Death only (including terminal illness) cover. The only reason people are not eligible for default TPD cover is that they have received a TPD payment in the past.

If you have had a TPD payment in the past, please call us directly on **1800 675 839**. We will then cancel any TPD cover we have allocated to you as you will essentially be paying for cover you are not entitled to claim.

Please note: All words highlighted in red are defined, or further explanation is provided, in the Terms and further explanations section.

Q. What is Death only (including terminal illness) cover?

Death only (including terminal illness) cover protects you and your family in the event of your death or **terminal illness**.

- If you die whilst a member of the Fund, the balance of your member account **plus** any Death only (including terminal illness) cover you have, is paid to your nominated **beneficiaries**. This is known as your *Death benefit*.
- If you are diagnosed as having a terminal illness whilst a member of the Fund, then you may also receive what is effectively an **advance payment** of your *Death benefit*.

This is subject to any legislative restrictions that may apply and provided our Insurer accepts your **claim**.

Q. Am I eligible for cover?

Yes, all new members are eligible for **standard** Death only (including terminal illness) cover if they hold an **account** with the Fund and are aged between 14 years and 9 months, and 70 years of age.

Note: when a child member reaches 14 years and 9 months, premiums will commence automatically.

Q. Is cover automatically provided to me on joining Prime Super?

Yes, you will automatically receive a default level of cover on the day the Fund receives a contribution (employer or personal) into your account, provided your account holds sufficient funds to pay the premiums and you meet the eligibility criteria i.e. you are aged between 14 years and 9 months and 70 years of age and you are in **active employment**. If you are not in active employment, you will only qualify for **limited cover** until you have returned to active employment for 30 consecutive days.

See the *Terms and further explanations* section – *Commencement of cover* – for additional information.

Q. What is the default level of cover?

The default level of cover is:

- four units of **Death & TPD** insurance; or
- four units of **Death only** (including terminal illness) insurance.

As you can see, default cover is unitised. This means you purchase cover in **units** which have a specified benefit value at each age.

It's important to note that you cannot be covered under multiple default insurance arrangements within the Fund at the same time, even if you have **multiple accounts** with us.



Q. Can I apply for more or less insurance cover?

Yes! Prime Super offers you the flexibility to choose from the following options.

Type of cover	Description
Default (unitised)	All eligible members are entitled to: <ul style="list-style-type: none">• four units of Death & TPD insurance; or• four units of Death only (including terminal illness) insurance.
Increased/Extra (unitised)	You can increase the number of units of cover you have – subject to underwriting .
Fixed	You can select a specific amount of insurance cover which will not change from year to year.
Reduced or no cover	You can reduce your cover at any time or opt for no insurance through the Fund.

Q. What is the difference between unitised cover and fixed cover?

Unitised cover

With unitised cover, the **cost** of each unit of cover doesn't change, regardless of your age!

The **level** of cover you receive *per* unit is age-related, but the cost remains the same. So if you keep the same number of units of cover year after year, the cost will remain the same but the level of insurance cover will increase or decrease as you age.

You have the flexibility to increase or decrease the amount of insurance cover you have.

Fixed cover

Fixed cover allows you to actually choose the level of insurance cover you want – in multiples of \$1,000!

Your chosen **level** of cover will *not* vary with your age and will remain the same each year until you reach age 70.

Your *premium* will, however vary each year according to your age.

You have the flexibility to alter the amount of insurance cover you have.

Q. How much does Death only (including terminal illness) cover cost?

Default cover

The default level of cover for Death only (including terminal illness) (i.e. four units) costs: \$0.67 per unit per week = **\$2.68 per week**.

This amount is deducted directly from your member account in the Fund.

(Similarly, the default level of cover for **Death & TPD** (i.e. four units) costs \$1.00 per unit per week = **\$4 per week**.)

Extra benefits

If you work in a **white collar** or **professional** occupation, you can apply to be covered under a different scale which provides extra benefits at no additional cost. You must be in active employment when you apply. If you don't apply for a white collar or professional scale, you will be covered under the *standard* scale.

The table overleaf details the amount you would be insured for if you had **one unit of cover** under the following options:

- standard Death only (including terminal illness) cover;
- white collar Death only (including terminal illness); or
- professional Death only (including terminal illness).

Note: Because the default level of cover is **four units**, multiply the amount of cover by four to see how much you are insured for under the Fund's default arrangement!

Death only (including terminal illness) insurance amount per one unit of cover

Age next birthday	Amount of Death only (including terminal illness) cover per single unit – \$0.67 per week		
	Standard	White collar	Professional
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

Example A

Andrew is age 43 and on joining Prime Super is allocated a default level of Death only (including terminal illness) cover.*

The default level of cover = 4 units.

For Andrew therefore, this means Death only (including terminal illness) insurance cover of:

$\$24,900 \times 4 = \mathbf{\$99,600}$.

This will cost Andrew \$2.68 per week or

\$139.36 per year.

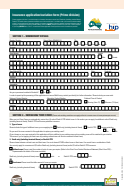
Example B

As Andrew is an accountant for a large grain distributor, he wishes to apply for cover under a *professional* rate.

He completes an *Insurance application/Variation form* and is granted default Death only (including terminal illness) cover at the professional rates:

$\$68,500 \times 4 = \mathbf{\$274,000}$.

This would *still* cost Andrew only \$2.68 per week or **\$139.36** per year.



To apply for cover under a white collar or professional occupation you simply need to complete an *Insurance application/variation form (Prime division)*, which is attached to the *Are you adequately covered? (Prime division) insurance guide*.

* Andrew isn't entitled to Death & TPD cover as he has previously received a TPD benefit from another insurer.

Increased/Extra cover

You can take out as much Death only (including terminal illness) cover as you wish, up to a maximum of **\$5 million**.

So in the example on the previous page, Andrew could effectively take out **72 units** of Death only (including terminal illness) cover at the professional rate:
\$68,500 x 72 = **\$4,932,000** of cover. This would cost Andrew \$48.24 per week = **\$2,508.48** per year.

Note: Applications for increased or extra cover are subject to underwriting.

Use the tool below to work out how much cover Prime Super's Death only (including terminal illness) option could provide you with! See the example for help.

	Your age next birthday	=	Cover amount p/unit standard, white collar or professional	x	No. of units you require	=	Amount of Death Cover only (including terminal illness)	Cost of cover
Example:	<input type="text" value="29"/>		<input type="text" value="\$31,200 (standard)"/>		<input type="text" value="8"/>		<input type="text" value="\$249,600"/>	<input type="text" value="\$5.36 p/week"/>
	<input type="text"/>		<input type="text"/>		<input type="text"/>		<input type="text"/>	<input type="text"/>


Interim cover on application!

If you apply to increase your insurance cover you will receive an interim level of Death only (including terminal illness) cover for a certain time period.

This will cease on the earlier of 90 days from when the Insurer receives your application, and the date the application is either accepted or rejected.

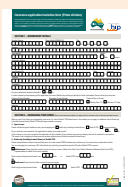
This cover is limited to the lesser of \$1,500,000 (including cover already in place) or the amount of additional cover you applied for.

Please read the *Why choose Prime Super? (Prime division) brochure* for additional information.



When joining the Fund, new members may apply for up to **twelve units** of cover via the *Member application form*.

This form is attached to the *Prime Super Short-Form Product Disclosure Statement – Superannuation (Prime division)*.



Existing and new members can apply for **any number of additional units** of cover – up to the maximum of \$5 million of cover – by completing an *Insurance application/variation form (Prime division)* which is attached to the *Are you adequately covered? (Prime division) insurance guide*.



Alternatively, if you already have insurance cover with us and you wish to apply for extra cover, just go to **www.primesuper.com.au** and follow the prompts. You must be registered for online member services to apply online.

Note: applications at this stage may need to be accompanied by health information and will be subject to underwriting.

Fixed cover

Fixed cover provides an agreed sum of Death only (including terminal illness) insurance cover. You may receive cover at standard, white collar or professional rates, with the rate for each being dependant on your age.

Death only (including terminal illness) insurance amount per \$1,000 of cover			
Age next birthday	Premium rates in dollars per \$1,000 of Death only (including terminal illness) cover		
	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

Example C

After a few years of membership, Andrew decides he'd like to receive a **fixed** amount of Death only (including terminal illness) cover.

At this point he is now age 49.

He decides he'd like **\$500,000** of cover.

Andrew is eligible for the professional rate, which offers a factor of **\$0.81**.

To work out how much this would cost him per year, the following calculation can be applied:

$$0.81 \times 500,000 / 1,000 = \$405 \text{ per year.}$$


This amount is then divided by 52 to work out how much Andrew would pay in premiums per week:

$$\$405 / 52 = \mathbf{\$7.79 \text{ per week}}$$

So for the price of two coffees a week, Andrew receives \$500,000 in Death only (including terminal illness) cover!

Use the tool below to work out how much cover Prime Super's fixed Death only (including terminal illness) cover option could provide you with! See the example for help.

	Your age next birthday	=	Rate p/\$1000 of cover standard, white collar or professional	x	Amount of cover you require	/	1000	/	52 = Cost of cover p/week
Example:	29		\$1.11 (standard)		\$200,000		\$222 p/year		\$4.27 p/week



You can apply to **fix** your existing cover at its current level at any time by completing the *Insurance application/variation form (Prime division)*.
 You can use the same form if at any point you decide you need **more cover**.


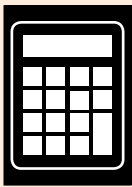


Alternatively, if you already have insurance cover with us and you wish to apply for extra cover, just go to **www.primesuper.com.au** and follow the prompts. You must be registered for online member services to apply online.

In both cases, your application will be subject to underwriting. You must be in active employment at the date you apply. If you are not in active employment then limited cover will apply to any increase in cover until you return to active employment.

Reduced or no cover

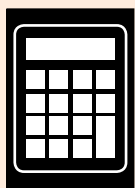
Of course, you have the flexibility to reduce your default insurance to **one, two or three units** of cover. Alternatively you can also choose to cancel all of your insurance in the Fund. If you do cancel your default insurance cover, your Death benefit will be equal to the balance of your member account.

Simply complete an *Insurance application/variation form (Prime division)* to reduce or cancel your cover, or call us on **1800 675 839**.

You can of course take out insurance cover at a **later stage**.
 Again, simply call us and we will provide you with the necessary forms, or apply online if you are registered for online member services.
 However, please note, when you reapply for cover, your request will be subject to underwriting and any cover will be subject to acceptance by our Insurer.

Ask for a Death only (including terminal illness) insurance quote



If you would like to obtain a quote for insurance cover, simply:

- call us on **1800 675 839**; or
- speak to a Prime Super Regional Manager (RM) directly – all of our RMs' contact details are on our website at **www.primesuper.com.au**; or
- apply online if you are registered for online member services.

All quotes provided are indicative and insurance rates may change from time to time.

Q. I have Death only cover with another fund – can I transfer it?

Yes – you can transfer your insurance to Prime Super when you roll over the balance of your external account to Prime Super.

Any transferred insurance will be in addition to the cover you already have in Prime Super, up to the maximum limits prescribed.

All of your insurance cover in the Fund will then be converted to a **fixed cover** arrangement.



If you would like to transfer some existing cover you have with another fund, into Prime Super, please complete an *Application to transfer current insurance cover form (Prime division)* – which is attached to the *Are you adequately covered? (Prime division) insurance guide*.

Q. When does my insurance cover end?

Generally, your insurance will cease on the earliest of the following circumstances:

- you notify the Trustee in writing that you wish the insurance cover to cease;
- you die (any liability to pay a Death benefit shall however remain);
- you start active duty with the armed services of any country (other than the Australian Armed Forces Reserve and you are not on active duty outside Australia);
- you reach an age beyond which the Insurer is not willing to offer insurance. This age is currently 70 years; or
- there are insufficient funds in your Prime Super member account to meet the premiums.

In some situations you may be able to re-instate your level of cover after it ceases. You can generally do so by completing an *Insurance application/variation form (Prime division)*.

If you voluntarily decide to cancel your insurance cover, please note, any premiums paid are not refundable unless you are a new member and you cancel your cover in the first 60 days of membership.

Q. Where do I go from here?

1. Identify the level of cover you already have with Prime Super

Call us today on **1800 675 839**.

When you joined Prime Super you were most likely provided with a **default** level of Death & TPD or Death only (including terminal illness) cover. This may however not be enough to meet your needs – or, you may wish to take out another type of insurance also!

2. Understand the insurance options available to you

Remember, we offer members access to five types of insurance cover:

1. Death only (including terminal illness).
2. Death & TPD.
3. Income protection.
4. Private health – offered by nib (nib health funds limited ABN 83 000 124 381)*.
5. Trauma – offered by MetLife*.

Please take the time to read the relevant *fact sheets* or *Short-Form PDSs*!

* Premiums are paid directly by you and are not taken out of your super account.

3. Identify how much insurance cover you may need



Use the tool on pages 11 and 12 of the *Are you adequately covered? (Prime division) insurance guide* as well as the tools in the *fact sheets*.

4. Seek advice

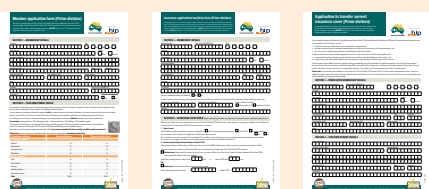
If you're still unsure about the type and amount of insurance cover you need, speak to a qualified financial planner.

Receive financial advice on your insurance options!

At Prime Super, we provide members with limited financial advice over the telephone. A planner may be arranged to help you determine which insurance options are right for you, based on your individual circumstance and needs. And it won't cost you a thing. Call us today on **1800 675 839**.

If you require **further** advice and potentially a full financial plan, we can refer you to a financial planner. Prime Super has arrangements with a small number of licensed financial planners who offer low cost, commission-free financial advice and the first consultation with a planner is at no charge. Call us today on **1800 675 839**.

5. Complete the necessary forms or apply for extra cover online



All of the forms are attached to the back of the *Are you adequately covered? (Prime division) insurance guide*. You won't need to complete them all!

6. If you already have insurance cover with us and you wish to apply for extra cover, it's easy!



Alternatively, if you already have insurance cover with us and you wish to fix your cover, just go to **www.primesuper.com.au** and follow the prompts. You must be registered for online member services to apply online.

Terms and further explanations

account

Your Prime Super account must have sufficient funds in it to pay insurance premiums to ensure your eligibility to receive insurance cover.

active employment

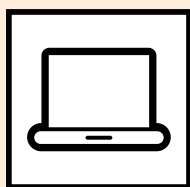
For the purposes of life cover, active employment means that you are employed by an employer to carry out identifiable duties and, in the Insurer's opinion you are not restricted by illness or injury from performing those duties for at least 35 hours per week.

You will still be considered to have met the requirements of this definition if you are not at work on the respective date, but are still employed by an employer and your absence is for reasons other than illness or injury (this is whether or not you are employed on a full-time basis).

beneficiaries

Who receives your Death benefit when you die depends on the law and what you instruct us to do. You have three options:

1. Do nothing, in which case the law requires us to pay your benefit to your dependants or estate or, if neither exists, to another person as required by law.
2. Nominate a preferred beneficiary.
3. Nominate a binding beneficiary.



Preferred beneficiary

You can use a *Nomination of beneficiaries form* to nominate your preferred beneficiaries or alternatively, do so online if you are registered for online member services. These are people who you would *prefer* to receive your Death benefit should you die whilst a member of the Fund. The Trustee will take your preference into account when making a payment but will ultimately decide who should receive your Death benefit according to the law.



Binding beneficiary

If you would like more certainty over who will receive your Death benefit, you should complete the relevant section of the *Nomination of beneficiaries form*. A binding nomination is legally binding and sets out the dependants and/or legal personal representatives that you would like to receive your Death benefit. This means that upon your death, your benefit will be paid to the people you want to receive it as long as your nomination is valid, and the people you have nominated qualify as beneficiaries at the time the benefit is paid. A binding nomination is only valid for three years and overrides any preferred nomination you've made. Prime Super will write to you to notify you when you are nearing the end of the three year period, so that you can renew your nomination.

For additional information on the definition of a *dependant*, please refer to the *Why choose Prime Super? (Prime division) brochure*.

claim (claiming benefits)

You must notify the Trustee (preferably in writing) as soon as reasonably practicable after an event giving rise to a claim. The Insurer is generally not obliged to accept liability for any claim which due to the delay in notifying in writing they are prejudiced in making a decision.

As a condition of paying an insured benefit the Insurer may require you, your estate or your personal legal representative to:

- substantiate the claim;
- be examined by a medical practitioner(s) appointed by the Insurer; and
- submit satisfactory proof of age.

If you make a claim under the insurance policy, the Insurer may conduct investigations to assess the validity of the claim. This may involve the use of investigation agents, legal advisers and the collection of personal information, including health information that the Insurer believes is relevant.

All insured benefits payable by the Insurer in respect of a member are paid to the Trustee. The insured benefit is then paid out by the Trustee in accordance with the relevant law.

commencement of cover

Insured cover received under automatic acceptance will begin on the earlier of:

- a) if you are an employer-sponsored member - the start date of the contribution period of the first employer contribution received for you up to a maximum of 180 days prior to the cash received date of the employer contribution; or
- b) if you are a personal member - the effective date of your account balance with the Fund being greater than zero.

duty of disclosure

When applying for insurance cover under the *Insurance Contracts Act 1984* you must disclose to the Insurer everything you know, or could reasonably be expected to know, that is relevant to the Insurer's decision to accept your application. If you fail to disclose relevant information the Insurer may treat your insurance as if you were never covered or reduce the sum insured.

limited cover

You are only covered for an illness that first becomes apparent or an injury that first occurs on or after the date the insurance cover commenced or recommenced. This effectively means that you're covered for everything except the illness or injury that you have at the time you take out cover.

multiple accounts

Rarely, some members may be mistakenly set up with two accounts in the Fund and receive multiple units of default insurance cover. This will most often occur where members change employers.

Should this occur, any incorrectly allocated cover will be invalid and any excess premiums paid will be refunded to your member account along with an allowance for any investment earnings (positive or negative).

Similarly, if insurance cover is allocated to you and it is subsequently discovered that you were ineligible to receive that cover for any reason, any premiums paid will be refunded to your member account along with an allowance for any investment earnings.

professional rating

You may apply for a *professional* occupational rating if you meet the following criteria:

- you must meet all of the conditions set out under *white collar*; and
- earn in excess of \$100,000 p.a.; and
- hold a tertiary qualification relevant to your current occupation, or be a member of a professional institute or be a senior member of your organisation's executive team.

standard rating/rates

All members who have not been accepted for white collar or professional ratings are deemed by the Insurer to be *standard*.

terminal illness

Terminal illness means you suffer from an illness which:

- a) two medical practitioners, specialising in your illness, certify in writing will despite reasonable medical treatment lead to your death within 12 months of the date of the certification; and
- b) the Insurer is satisfied, on medical or other evidence, will despite reasonable medical treatment lead to your death within 12 months of the date of the certification referred to in paragraph (a).

The illness from which you suffer must occur, and the date of the certification referred to in paragraph (a) must be made while you are covered under this policy and must be current at the time the claim is lodged.

In order for a terminal illness benefit to be considered, your illness and the date of the certification from your medical practitioner must be made while you are insured and must be current at the time your claim is lodged.

If you are outside of Australia at the time of your claim, we may require you to return to Australia at your own expense for assessment of a terminal illness benefit.

underwriting

Underwriting refers to the process the Insurer uses to assess your eligibility to receive their product.

When assessing your application, the Insurer may contact you directly by phone or in writing if they have any further questions. You will be notified of the outcome of your application in writing, including any terms, conditions and loadings that may apply. The insurance premium will then be debited from your member account once the Insurer has accepted your application.

Upon underwriting, assessment of your insurance application and declaration, the Insurer may:

- accept your application;
- apply an insurance premium loading;
- exclude you from being insured for certain ailments or activities; and/or
- decline to provide any insurance at all.

white collar rating

You may apply and be accepted by the Insurer for a white collar occupational rating if your work duties meet the following criteria. They must:

- be of a clerical, administrative or management nature;
- be undertaken within an office environment for 80 percent of the time (excluding travel time between offices); and
- usually not require you to perform duties of a manual nature.

Important information

The Trustee believes the information provided summarises the terms of cover negotiated with the Insurer. In the event of a claim or dispute, the insurance policy, the Trust Deed and the relevant law will prevail over the contents of the current *Short-Form PDS – Superannuation (Prime division)*. If there is an inconsistency between the current *Short-Form PDS – Superannuation (Prime division)* and the insurance policy the conditions, definitions and exclusions under the policy will prevail. Copies of the insurance policies are available on request from the Trustee.

Your insurance cover in Prime Super is provided by MetLife Insurance Limited (ABN 75 004 274 882 AFSL 238096) (“MetLife”).

The insurance policies which contain the terms and conditions of your insurance are held by the Trustee. The insurance policies, Trust Deed and relevant law help determine your eligibility for insurance cover.

Additional help!

Write to us at:	Locked Bag 5103 Parramatta NSW 2124
Helpline:	1800 675 839
Fax:	1800 023 662
Overseas callers:	+61 2 9374 3967
Email:	administration@primesuper.com.au
Website:	www.primesuper.com.au

Disclaimer

The information contained in this fact sheet is correct as at the date of the fact sheet and subject to change. This fact sheet provides general information only and may not be relied on 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 or needs. Prime Super ABN 60 562 335 823 is a Regulated Superannuation Fund issued by Prime Super Pty Ltd ABN 81 067 241 016, AFSL 219723). A Short-Form PDS can be obtained from the issuer by calling 1800 675 839.



Open from 8.00am-8.00pm, Mon-Fri Sydney time

Free call 1800 675 839 **Free fax** 1800 023 662

Email administration@primesuper.com.au **Web** www.primesuper.com.au

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asfa member

