

## Voluntary Insurance

### Introduction

Insurance is all about investing in peace of mind, as it helps to provide financial support in times of sickness, injury, disablement or death.

As a member of Local Government Super, you may have some 'basic' insurance cover. However, this may not be enough to cover you and your family in times of need.

For this reason, Local Government Super has arranged for additional insurance cover, called Voluntary Insurance, to be available to you at competitive rates.

It's important, therefore, for you to read this booklet which explains the features of Local Government Super's Voluntary Insurance cover, and how you can apply for it.

#### IMPORTANT

The voluntary insurance cover is provided through a group insurance contract with TOWER Australia Ltd ABN 70 050 109 450 AFSL No: 237848 (Insurer). TOWER is a specialist Australian life insurance company and an industry leader in the provision of life insurance arrangements to superannuation funds and administration platforms and is widely acknowledged in the market as a provider of quality products with superior service.

Cover is available at competitive rates and is underwritten by the Insurer on an individual member basis. Cover does not commence until the Insurer notifies you that they have accepted your cover or until you have accepted any conditions they have put on that cover if applicable.

The terms and conditions set out in this booklet are guaranteed until 29 February 2012 by TOWER Australia Limited, except in certain circumstances specified in the policy document (group insurance contract). If a change is to be made, the Trustee will advise you in writing. The Trustee regularly reviews the insurance arrangements for the Scheme to ensure you have access to a market competitive voluntary insurance package.

This booklet must be read in conjunction with the particular Product Disclosure Statement of the Local Government Super division you are a member of. Where a word is capitalised and is not otherwise defined in this booklet, please refer to the Glossary section of the Local Government Super website for more information.

### Your basic questions answered

#### What types of cover are available?

There are three types of Voluntary Insurance:

- Lump Sum Death Only Cover
- Lump Sum Death and Total and Permanent Disablement Cover and
- Salary Continuance Insurance, available for either a 2 year period or until age 65.  
This provides income protection for disablement, regardless of whether it is temporary or permanent.

In addition, Accident Cover is provided between the time we receive your application and the time that the cover is approved or rejected (see page 11 for further information on Accident Cover).

## Who can apply for cover?

Any member of Local Government Super's 'Accumulation' or 'Executive' Schemes can apply for:

- Lump Sum Death Only Cover (if less than age 71)
- Lump Sum Death and Total and Permanent Disablement Cover (if less than age 71) and
- Salary Continuance Insurance (if less than age 65 and working more than 15 hours per week).

## How are premiums calculated and paid?

The premium to be paid will depend on the amount of cover you take, your age, sex, occupational classification and health status.

Premiums are deducted each month from your account, provided it has a sufficient balance.

Please note that premiums are payable for the whole month if you opt out on or after the 15th of any month. Further, rate increases for birthdays apply for the whole month if your birthday is before the 15th of the month.

## What are the occupational classifications?

There are five occupational classifications for calculating premiums:

**Class 1 Heavy Manual (Unskilled):** Any occupation involving manual work that does not require qualifications or any supervisory element, e.g. garden maintenance or road workers.

**Class 2 Heavy Manual (Skilled):** Occupations involving manual work where the person holds trade qualifications or is in a supervisory capacity, e.g. tradesmen, linesmen or roadwork supervisors.

**Class 3 Light Manual:** Those occupations that are predominantly sedentary, but may involve up to 20% of light manual activity, e.g. retail sales or industry sales rep.

**Class 4 White Collar:** Occupations involving no manual work, e.g. clerical, administrative, managerial or some sales.

**Class 5 Professional:** Totally white-collar sedentary occupations where the individuals have tertiary qualifications that apply to their current occupation, or are in executive or managerial positions earning \$80,000 or more per annum. The earning threshold may be reviewed annually in line with salary inflation.

Some members may not be eligible for insurance cover due to risk factors, such as their condition of health or the high risk nature of their occupation. The above classifications are guidelines only and the final determination is at the Insurer's discretion. The Insurer determines your occupational classification from the information you provide on your application for cover.

If you change occupations or believe that your current occupational classification is incorrect, it is your responsibility to contact us immediately.

### **What happens while you are waiting to be accepted?**

Cover is provided for Accidental Death or Total and Permanent Disablement between the time we receive your fully completed application for cover and the time that your application for that type of cover is accepted (or rejected) by the Insurer. This cover is limited to 90 days from the date we receive your fully completed application form.

### **What happens if you cease employment?**

If you cease employment with your Local Government employer, any Voluntary Insurance you have taken out will continue, provided you have a sufficient balance in your superannuation account to cover the premiums.

### **What happens when you join a new employer?**

If you join a new employer and have been transferred to the Local Government Super Public Offer Division P, then provided premiums are paid and you continue to meet the other terms and conditions of the policy, your cover will continue.

### **How do I apply for cover?**

You apply by completing the Voluntary Insurance application form which is available from the website or Member Services. Once completed, send it to the Trustee, who will forward it to the Insurer. Please note that the Insurer requires “Evidence of Insurability”, so you must fill in the Personal Statement and all required sections of the form for the type of cover you are applying for. You must also provide any additional medical information required for the level of cover you are seeking. If a form isn’t correctly filled out or any supporting documentation requested isn’t provided, processing of your application will be delayed, and it could also result in denial of cover.

### **Claiming a benefit**

It is important that you promptly advise the Trustee of any potential claim to enable a more efficient assessment. Please be aware that if you incur costs in completing the claim form, they are not recoverable from Local Government Super.

You should also be aware that the Insurer can ask you to attend medical examinations as often as it reasonably requires in order to substantiate the commencement or continuation of a disability or disablement. The Insurer can also ask you to have a blood test or similar test to determine your health status. You will be liable for any fees arising from non-attendance, but otherwise the Insurer will meet the costs of any medical assessment they request.

### **What Waiting Periods are involved when claiming a benefit?**

The Waiting Period, when claiming a benefit, is the period where you are not working due to a disability and you cannot receive a benefit until it is satisfied (the Waiting Period does not apply to a death benefit).

For Total and Permanent Disablement (TPD), the Waiting Period is dependant on the nature of your invalidity and how your disability is assessed by the Insurer. For instance if you meet definition (a), (b), or (c) of the TPD definition contained on page 8 there is no Waiting Period.

Likewise if you have been diagnosed as suffering a terminal illness. However, if you qualify for TPD under definition (d) or (e) then there is a 6 month Waiting Period.

For Salary Continuance, the Waiting Period is a continuous period of either 30, 60 or 90 days commencing on the first day of Total Disability. Note that you also have to be under the care of a Medical Practitioner for this Waiting Period to commence.

### **What role does the Insurer play?**

Local Government Super provides Voluntary Insurance cover via a group insurance policy taken out by the Trustee. As such, the Insurer assesses an application and decides whether to accept or reject that application. The Insurer may decline to accept your application unconditionally, or they may accept it subject to specified restrictions or premium loadings.

The Insurer also assesses all claims for benefits, but all benefits are paid to the Trustee in the event of a successful claim, and the Trustee then arranges for payment to you.

Note that the premiums deducted from your member account for Voluntary Insurance cover are paid to the Insurer each month.

### **Check your insurance details are correct**

It is important that you ensure your account balance can cover your premiums each month or your insurance will lapse. The Trustee does not accept responsibility or liability for ensuring your insurance cover does not lapse if you do not maintain sufficient funds to pay premiums, or for informing you if your cover has lapsed or will lapse.

It is important to check any statements we send to you to ensure your desired level of insurance cover is recorded. In some instances, you may receive a level of cover that is less than what you applied for due to the Insurer's assessment of your particular circumstances. You should take note of this so that you are aware of this in the event that you make a claim. Contact us immediately if you believe the level of cover is different from what you expected.

**The Trustee also relies on being kept informed of your situation, to ensure that you are still eligible for cover. If you cease to be eligible and you have not notified the Trustee, you may still receive a statement showing a level of cover that you do not in fact have.**

### **What can I do if I have a problem or disagree with a decision made by the Insurer?**

If you disagree with a decision made by the Insurer, or if you have any problems with the service you receive, it is recommended that you first contact our Member Services team on 1300 369 901, or in writing to PO Box N835 Grosvenor Place NSW 1220.

If you are not satisfied with the result provided, however, you may make a formal complaint. It is recommended that this be in writing and addressed to:

Complaints Resolution Officer  
Local Government Super  
PO Box N835  
Grosvenor Place NSW 1220

The Complaints Resolution Officer will investigate your situation and provide a full response to your case as quickly as possible.

If you are not satisfied with that response or you have not received a full response within 90 days, you may then refer your complaint to the Superannuation Complaints Tribunal. The Tribunal can be contacted by phone on 1300 884 114 or by writing to:

The Secretary  
Superannuation Complaints Tribunal  
Locked Bag 3060  
GPO Melbourne VIC 3001

Please note that the Tribunal is only able to deal with your complaint if you have gone through Local Government Super's internal complaints process first, i.e., made a written complaint to the Complaints Resolution Officer as outlined above.

### **Where can I get further information?**

Our Member Services team is available to help you with any of your queries. You can contact them by:

- Telephoning 1300 369 901 between 8.30am and 5.00pm, Monday to Friday, to have your questions answered over the phone or to arrange a personal interview
- Faxing (02) 9279 4131 at any time
- Writing to PO Box N835 Grosvenor Place NSW 1220 or
- Emailing [info@lgsuper.com.au](mailto:info@lgsuper.com.au)

Information on Local Government Super is available on the website ([www.lgsuper.com.au](http://www.lgsuper.com.au)).

## **Death Only Cover**

### **Who can apply?**

All members of Local Government Super's Accumulation or Executive Schemes who are under age 71 and are an Australian Resident are eligible to apply for Death Only Cover.

### **What cover is available?**

You can nominate any amount of cover in \$10,000 multiples. The minimum Death Only Cover is \$50,000 and there is no maximum Death Only Cover amount.

## What is the cost?

The insurance cost depends on your age, sex, occupational classification, health status and the amount of cover selected by you and approved by the Insurer. They are calculated each month and adjusted when you have a birthday or change your level of cover. They may change in the future, but are guaranteed until 29 February 2012 (except in very unusual circumstances specified on the policy document).

The cost of insurance is determined by first calculating the Base Premium. The Base Premium is calculated by multiplying the amount of cover (as multiples of \$10,000) by the Premium Rate (set out in the Premium Table in Appendix 1) for your age.

Once the Base Premium has been calculated, this is multiplied by the Rating Factor (see the table below) which will give you your Annual Premium. To calculate the monthly premium, divide the annual premium by 12.

**Base Premium** = (Amount of cover/\$10,000) x Premium Rate

**Annual Premium** = Base Premium x Rating Factor

**Monthly Premium** = Annual Premium/12

To assist you with your calculations, an insurance calculator is available on the website ([www.lgsuper.com.au](http://www.lgsuper.com.au)).

The Insurer may increase the cost following consideration of the underwriting material you provide.

## Rating Factors (Death Only Cover)

Occupation Category	5	4	3	2	1
Rating Factor	0.90	1.00	1.00	1.25	1.50

## When is a benefit payable?

A benefit is payable if you die or become terminally ill while insured for Death Only Cover.

## Terminal Illness and Terminally Ill

Terminal Illness means any condition that, in the opinion of two appropriate specialist Medical Practitioners approved by the Insurer and having regard to the current treatment or such other treatment as the Insured Person may reasonably be expected to receive, is likely to lead to the Insured Person's death within 12 months from the date the Insured Person's condition is diagnosed as being Terminal.

## When does cover cease?

Cover ceases for the following reasons, whichever is the first to occur:

- You reach age 71
- The Insurer accepts a Death or Total and Permanent Disablement or a Terminal Illness\* claim for you under this Policy, in which case a benefit is paid

\*If an amount is paid as the result of a claim under this condition and is less than the whole Sum Insured, cover will continue in force, subject to the conditions of the policy but only for the remaining balance of the Sum Insured.

- 60 days after the last day of the month during which your account balance did not meet the minimum balance required (as specified by the Trustee)
- You choose to cancel or transfer your insurance cover
- You cease to be a member of Local Government Super
- You die or
- The policy is terminated by the Trustee or the policy is cancelled by the Insurer (appropriate notice of this change would be given).

### Exclusions

No benefit is payable:

- For death by suicide within 13 months of acceptance of insurance cover
- For any event in respect of which the Insurer has placed an individual exclusion on cover or
- Where death or terminal illness is directly or indirectly caused by service in the armed forces of any national or international organisation other than the Australian Armed Forces Reserve.

### Non-Disclosure

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the Insurer may void the contract within three years of entering into it. If your non-disclosure is fraudulent, the Insurer may void the contract at any time. An Insurer who is entitled to void a contract of life insurance may within three years of entering into 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.

## Death and Total and Permanent Disablement Cover

### Who can apply?

All members of Local Government Super's Accumulation or Executive Schemes who are under age 71 and are an Australian Resident are eligible to apply for Death and Total and Permanent Disablement (TPD) Cover.

### What cover is available?

You can nominate any amount of cover in \$10,000 multiples. The minimum cover is \$50,000. Note that the maximum cover levels are as follows:

- Death Cover = no maximum
- Death & TPD Cover = \$3,000,000.

### What is the cost?

The insurance cost depends on your age, sex, occupational classification, health status and the amount of cover selected by you and approved by the Insurer. These costs are calculated each month and adjusted when you have a birthday and/or change your level of cover. They may

change in the future, but are guaranteed until 29 February 2012 (except in very unusual circumstances specified on the policy document).

The cost of insurance is determined by first calculating the Base Premium. The Base Premium is calculated by multiplying the amount of cover (as multiples of \$10,000) by the Premium Rate (set out in the Premium Table in Appendix 1) for your age.

Once the Base Premium has been calculated, this is multiplied by the Rating Factor (see the table below) which will give you your Annual Premium. To calculate the monthly premium, divide the annual premium by 12.

**Base Premium** = (Amount of cover / \$10,000) x Premium Rate

**Annual Premium** = Base Premium x Rating Factor

**Monthly Premium** = Annual Premium / 12

To assist you with your calculations, an insurance calculator is available on the website ([www.lgsuper.com.au](http://www.lgsuper.com.au)).

The Insurer may increase the cost following consideration of the underwriting material you provide.

### Rating Factors (Death and TPD Cover)

Occupation Category	5	4	3	2	1
Rating Factor	0.90	1.00	1.25	1.60	2.00

### When is a benefit payable?

For a TPD benefit to be paid, an Insured Person has to meet any of the parts of the TPD definition applicable to him or her as follows:

- (a) Solely because of Illness or Injury has suffered the permanent loss of:
  - (i) the use of two limbs (where 'limb' is defined as the whole hand below the wrist or whole foot below the ankle)
  - (ii) the sight in both eyes or
  - (iii) the use of one limb and the sight in one eye

or
- (b) Solely because of Illness or Injury has
  - (i) suffered at least 25% 'Whole Person Impairment'
  - (ii) is not engaged in any occupation and
  - (iii) disabled to such an extent as to render them unlikely to ever be engaged in any occupation for which they are reasonably suited by education, training or experience

where 'Whole Person Impairment' means the Insured Person suffers 25% Whole Person Impairment based on the latest edition of the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', or an equivalent guide approved by the Insurer. The 'Guides to the Evaluation of Permanent Impairment' covers every body system and provides a standardised approach to determine impairment assessment using patient history, physical examination and clinical tests.

The assessment of 'Whole Person Impairment' will be undertaken by the appropriate certified specialist based on the Insured Person attaining maximum medical recovery.

or

- (c) Solely because of Illness or Injury is unlikely ever to be able to perform at least two of the following Activities of Daily Living:
  - (i) Dressing – the ability to put on and take off clothing without assistance
  - (ii) Bathing – the ability to wash or shower without assistance
  - (iii) Toileting – the ability to use the toilet, including getting on and off, without assistance
  - (iv) Mobility – the ability to get in and out of bed and a chair without assistance or
  - (v) Feeding – the ability to get food from a plate into the mouth without assistance

where 'assistance' means the assistance of another person

or

- (d) Where at the time of disablement, the Insured Person was younger than age 65 and employed 15 or more hours per week (averaged over the 13 week period prior to the date of disablement or such shorter period if employed for less than 13 weeks immediately prior to the date of disablement)
  - (i) has been absent as a result of Illness or Injury from employment for 6 consecutive months and
  - (ii) after consideration of all relevant evidence the Insured Person is disabled to such an extent as to render them unlikely to ever again be engaged in any occupation for which they are reasonably suited by their education, training or experience

or

- (e) Where at the time of disablement, the Insured Person was not employed and was engaged in unpaid domestic duties at home:
  - (i) is as a result of Illness or Injury under the care of a Medical Practitioner
  - (ii) is unable to perform those domestic duties
  - (iii) is unable to leave their home unaided

- (iv) has not engaged in any gainful employment for a period of six consecutive months after the occurrence of the Injury or Illness and
- (v) at the end of the period of six months, in the Insurer's opinion, after consideration of all relevant evidence the Insured Person is disabled to such an extent as to render them unlikely to perform those domestic duties or engage in any gainful occupation.

### Important notes:

- (i) Part (d) is also available to members who are Casual Employees of a Participating Employer at the time of disablement, provided they had insurance cover in force on the day before 1 March 2009. The requirement to work 15 or more hours per week is waived for this group of members and any claim will be assessed against their ability to perform a reasonably suited occupation for the average number of hours that they worked per week in the 13 weeks prior to the date of disablement
- (ii) The part (d) requirement to be employed for an average of 15 or more hours per week prior to disability is waived for all permanent full-time and part-time employees of a Participating Employer.
- (iii) Please note that the approval of your claim will also be subject to the certification of two medical practitioners that because of ill-health, it is unlikely that you can ever be gainfully employed in a capacity for which you are reasonably qualified because of education, experience or training.

### When does cover cease?

Cover ceases for one of the following reasons, whichever is the first to occur:

- You reach age 71
- You die
- The Insurer accepts a TPD\* claim for you under this Policy, in which case a benefit is paid
- 60 days after the last day of the month during which your account balance did not meet the minimum balance required (as specified by the Trustee)
- You choose to cancel or transfer your insurance cover
- You cease to be a member of Local Government Super or
- The policy is terminated by the Trustee or the policy is cancelled by the Insurer (appropriate notice of this change would be given).

### Exclusions

No benefit is payable:

- For death by suicide within 13 months of acceptance of insurance cover
- For TPD as a result of an intentional self-inflicted act or intentional self-inflicted injury
- For any event in which the Insurer has placed an individual exclusion on cover or
- Where death, Terminal Illness or Total and Permanent Disablement is directly or indirectly caused by service in the armed forces of any national or international organisation other than the Australian Armed Forces Reserve.

\*If an amount is paid as the result of a claim under this condition and is less than the whole Sum Insured, cover will continue in force, subject to the conditions of the policy but only for the remaining balance of the Sum Insured.

## **Non-Disclosure**

If you fail to comply with your duty of disclosure and the Insurer would not have entered into the contract on any terms if the failure had not occurred, the Insurer may void the contract within three years of entering into it. If your non-disclosure is fraudulent, the Insurer may void the contract at any time. An Insurer who is entitled to void a contract of life insurance may within three years of entering into 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.

## **Interim Accident Cover for Death and TPD**

### **What cover is available?**

Interim Accident Cover is provided for up to 90 days while your application for cover is being assessed. Therefore, the Accidental Death Cover is available while your application for Death Only Cover is being assessed, and the Accidental Total and Permanent Disablement Cover is available while your application for TPD Cover is being assessed.

Cover commences on the date the Insurer receives your fully completed personal statement.

Accidental Death is defined as death occurring directly from an accident. Accidental TPD is defined as total and permanent disablement occurring directly from an accident. Accident means an unforeseen violent, external and visible event that occurs accidentally during the period of Accidental Cover.

### **When does Accident Cover cease?**

Accident Cover ceases for the following reasons, whichever is the first to occur:

- The Insurer accepts or declines your application for cover
- The personal statement is withdrawn
- Local Government Super receives a member's completed and signed acceptance of any additional terms which apply to an offer of cover
- You cease to be eligible to apply for the cover, i.e. you cease to be a member of Local Government Super or you reach age 71
- Ninety (90) days after Accident Cover commenced
- Death (for Accidental TPD Cover) or
- The policy is terminated by the Trustee or the policy is cancelled by the Insurer (appropriate notice of this change would be given).

### **What is the amount of Accident Cover?**

The amount of Accident Cover is the lesser of:

- The amount of cover that you have applied for and
- \$750,000.

This is subject to the Exclusions set out earlier.

## Salary Continuance Insurance (SCI)

### Who can apply?

All members of Local Government Super's Accumulation or Executive Schemes who are under age 65, are employed on either a permanent full-time or part-time basis (i.e. are not a Casual Employee) and are an Australian Resident can apply for SCI.

### What cover is available?

SCI provides partial income replacement following the expiry of either the 30, 60 or 90 day Waiting Period. There are two types of cover to choose from:

- Short-term: the benefit is payable for a maximum period of 2 years for any related disability
- or
- Long-term: the benefit is payable for a maximum period to age 65.

The Total Disability benefit provides a benefit of the lesser of:

- The amount of cover approved by the Insurer and
- 75% of your Declared Earned Income prior to the disability occurring, plus the Superannuation Contributions Benefit (of 9% of your Declared Earned Income paid as a Superannuation Guarantee contribution), subject to a maximum of \$300,000 p.a.

### What is Declared Earned Income?

"Declared Earned Income" is the lesser of:

- Your earnings most recently agreed by the Insurer and the Trustee in writing or
- The amount calculated in accordance with the "Earned Income" definition under the policy.

"Earned Income" basically equates to:

If you are an Insured Person and a permanent employee working more than 15 hours per week, your normal annual salary or wage agreed with your employer immediately before commencement of "Total Disability".

or

If you are an Insured Person other than as specified above and are not self employed, your average salary or wage paid by your employer in the last 12 months immediately before commencement of "Total Disability" plus:

- Any actual commissions paid in the last 12 months before the "Total Disability" occurred and
- Any other regular payments made in the 12 month period that could be considered as part of your remuneration package paid by your employer excluding superannuation contributions.

You can contact Member Services if you need a more complete explanation of Declared Earned Income, including information on how this relates to those who are self-employed members.

The minimum level of cover you can apply for is \$1,000 per month.

## When should you review your level of cover?

As the maximum benefit is 84% of Declared Earned Income, which can only be established at the time of disability, you may wish to review your level of cover when your Declared Earned Income changes. For example, if you have a salary increase you may wish to increase your cover. However, if your salary decreases (for example, you change from full-time to part time work of 24 hours per week) you may be paying for more cover than you will be entitled to claim in the event of Total Disability.

## Benefit Offsets

“Total and Partial Disability” benefits are subject to Benefit Offsets. Benefits are reduced by all amounts (that arise because of the sickness or accident that caused the “Total or Partial Disability”) payable from the following sources:

- Benefits under other salary continuance policies
- Workers compensation, Statutory compensation, pension, social security or similar schemes or other similar State, Federal or Territory legislation
- State or federal legislation such as the Department of Veteran Affairs
- Employer funded sick leave entitlements and other income payments and
- Any other Disability Income paid in regards to this Total or Partial Disability.

## What is the cost?

The insurance cost depends on the type of cover (2 years or to age 65), your age, sex, occupational classification, health status and the amount of cover selected by you and approved by the Insurer. These costs are calculated each month and adjusted when you have a birthday or change your level of cover. They may change in the future but are guaranteed until 29 February 2012 (except in very unusual circumstances specified on the policy document).

The cost of insurance is determined by first calculating the Base Premium. The Base Premium is calculated by multiplying the amount of cover (as multiples of \$1,000) by the Premium Rate (set out in the Premium Table in Appendix 1) for your age then multiplying this by the Waiting Period Factor.

Once the Base Premium has been calculated, this is multiplied by the Rating Factor (see the table on the next page) which will give you your annual premium. To calculate the monthly premium, divide the annual premium by 12.

**Base Premium** = (Amount of cover per month / \$1,000) x Rating Factor x Premium Rate

**Annual Premium** = Base Premium x Waiting Period Factor

**Monthly Premium** = Annual Premium / 12. To assist you with your calculations, an insurance calculator is available on Local Government Super’s website ([www.lgsuper.com.au](http://www.lgsuper.com.au)).

The Insurer may increase the cost following consideration of the underwriting material you provide.

## Rating Factors

<b>Occupation Category</b>	5	4	3	2	1
<b>Rating Factor</b>	0.80	1.00	1.50	1.75	2.50

## Waiting Period Factors

<b>30 day</b>	2.50
<b>60 day</b>	1.75
<b>90 day</b>	1.00

## When is a benefit payable?

A benefit is payable if a Total Disability continues after the relevant Waiting Period. You cannot receive more than one disability income benefit in respect of any single accident or sickness.

## What does Total Disability mean?

### Own Occupation

Total Disability and Totally Disabled means that in the Insurer's opinion the Insured Person, while insured, as a direct result of an Illness or Injury:

- is unable to perform at least one important income producing duty of his or her regular occupation
- is not working in any capacity, whether or not for reward and
- is under the regular care and following the advice of a Medical Practitioner and, in the Insurer's reasonable opinion, is complying with the advice and treatment given by that Medical Practitioner.

The Own Occupation definition applies to Insured Persons working 15 hours or more per week (averaged over the 26 week period prior to the date of disablement or such shorter period if employed less than 26 weeks immediately prior to the date of disablement).

### Similar Occupation

Total Disability and Totally Disabled means that in the Insurer's opinion the Insured Person, while insured, as a direct result of an Illness or Injury:

- is unable to perform the important income producing duties of any occupation for which he or she is suited by education, training or experience
- is not working in any capacity, whether or not for reward and
- is under the regular care and following the advice of a Medical Practitioner and, in the Insurer's reasonable opinion, is complying with the advice and treatment given by that Medical Practitioner.

The Similar Occupation definition applies where at the time of disablement, the Insured Person was working less than 15 hours per week (averaged over the 26 week period prior to the date

of disablement or such shorter period if employed less than 26 weeks immediately prior to the date of disablement).

**Note:** Casual Employees are not covered for SCI.

### **What does Partial Disability mean?**

A reduced benefit is payable if you suffer from a “Partial Disability”. The amount of the benefit is determined by a formula which takes into account the amount of your post-disability income that you are receiving. Partial Disability means that you are Totally Disabled for at least 14 consecutive days and as a direct result of the same Illness or Injury you:

- Cannot work your pre-disability working hours or you are unable to perform at least one important income producing duty of your regular occupation, or you do not have the capacity to work at the same level you were working at prior to commencement of Total Disability and
- Suffer a reduction in your Earned Income and
- Are under the regular care and following the advice of a Medical Practitioner and, in the Insurer’s reasonable opinion, you are complying with the advice and treatment given by that Medical Practitioner in relation to the cause of the Partial Disability. All work undertaken by you must be approved by the Insurer and your Medical Practitioner.

### **When does the benefit payment cease?**

Your benefit payments will cease for one of the following reasons, whichever is the first to occur:

- The “Total or Partial Disability” ceases
- The completion of a period of 2 years of benefit payments or attaining age 65 (depending on your benefit period)
- You reach age 65 or
- Your death.

### **When does cover cease?**

Cover ceases for one of the following reasons, whichever is the first to occur:

- You reach age 65
- Your death
- 60 days after the last day of the month during which your account balance did not meet the minimum balance required as specified by the Trustee
- You choose to cancel or transfer your cover
- You cease to be a member of Local Government Super
- You commence unpaid leave without employer approval
- After 12 months of Employer approved leave, unless otherwise agreed by the Insurer in writing before the expiry of the 12 month period or
- the policy is terminated by the Trustee or the policy is cancelled by the Insurer (appropriate notice of this change would be given).

### **What happens if the disability recurs?**

If you suffer a recurrence of either a Total or a Partial Disability within 6 months of payments ceasing, then the relevant Waiting Period is waived and the successive periods of benefit payments are regarded as a single continuous period. The recurrence must be due to the same or a related Illness or Injury.

### **Are nursing costs covered?**

If you suffer Total Disability during the Waiting Period and are confined to bed and a Medical Practitioner certifies that you require the care of a registered nurse visiting at least once per day - and confinement is for more than 2 consecutive days as a result of that disability - a benefit will be paid for each day of such care (including the first 2 days) while that nursing care continues to be provided by a registered nurse for up to the end of the Waiting Period.

The daily amount of the Nursing Care benefit is one thirtieth (1/30th) of the benefit payable for the month.

### **Are rehabilitation costs covered?**

If you are suffering from a Total Disability or Partial Disability the Insurer may, if it is reasonably considered that the program is likely to assist in the member's rehabilitation, pay for the cost of Approved Rehabilitation in addition to the benefits otherwise payable.

You should note that if total benefits due to you under the policy exceed what you would have earned had you not been disabled, the excess is required to be preserved in Local Government Super under the superannuation preservation rules.

### **Are premiums payable while I am receiving a SCI benefit?**

No premiums for SCI are required while a benefit is being paid.

### **Indexation increases**

If you have Long-term SCI cover and a benefit has been paid continuously for 12 months since the commencement or anniversary of the benefit, the Insurer will, from the first payment of the benefit after such anniversary, increase the benefit by the lesser of:

- The increase of the CPI for that period and
- Five percent (5%).

If benefit payments cease, the benefit will revert to the original sum insured.

### **Exclusions**

A benefit is not payable under this Policy if your Total Disability or Partial Disability results directly or indirectly from:

- An intentional self-inflicted act or intentional self-inflicted Injury
- Uncomplicated pregnancy or childbirth
- War or acts of war whether declared or not and
- Any other specific event or cause agreed between the Insurer and the Trustee.

## **Non-Disclosure**

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may void the contract within three years of entering into it. If your non-disclosure is fraudulent, the insurer may void the contract at any time. An insurer who is entitled to void a contract of life insurance may within three years of entering into 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.

## **Accident Cover for SCI**

This benefit is payable if you become Totally Disabled or Partially Disabled as a result of an accident while you are waiting for your application for SCI to be assessed. It is subject to the relevant Waiting Period.

Cover commences on the date we receive your application for cover.

### **What is the amount of Accident Cover?**

The amount of Accident Cover is the lesser of:

- The amount of monthly cover that you have applied for, less the amount of the monthly benefit for which the cover is otherwise in force under the policy for the member; and
- \$15,000 per month.

This amount is subject to Benefit Offsets and Exclusions as set out earlier.

### **When does payment cease?**

Payment ceases for one of the following reasons, whichever is the first to occur:

- The “Total Disability or Partial Disability” ceases
- The completion of a period of 2 years of benefit payment or attaining age 65 (depending on the benefit period)
- You reach age 65 or
- Your death.

### **When does Accident Cover cease?**

Accident Cover ceases for one of the following reasons, whichever is the first to occur:

- The Insurer accepts or declines your application for cover
- The personal statement is withdrawn
- Local Government Super receives a member’s completed and signed acceptance of any additional terms which apply to an offer of cover
- You cease to be eligible to apply for the cover, i.e. you cease to be a member of Local Government Super or you reach age 65
- Ninety (90) days after Accident Cover commenced

- Death or
- The policy is terminated by the Trustee or the policy is cancelled by the Insurer (appropriate notice of this change would be given).

## Appendix 1 - Base annual premium rates

### Voluntary life rates<sup>1</sup>

Age next birthday	Death		Death + TPD	
	Male	Female	Male	Female
16	4.38	2.41	4.45	2.41
17	5.03	2.41	5.25	2.41
18	5.54	2.33	5.84	2.41
19	5.84	2.26	6.27	2.41
20	5.91	2.19	6.56	2.26
21	5.91	2.04	6.64	2.19
22	5.84	1.97	6.64	2.04
23	5.62	1.82	6.49	1.97
24	5.40	1.68	6.35	1.90
25	5.18	1.60	6.13	1.82
26	4.89	1.46	5.84	1.75
27	4.60	1.39	5.62	1.75
28	4.30	1.39	5.40	1.82
29	4.08	1.31	5.18	1.90
30	3.87	1.31	4.96	2.04
31	3.72	1.39	4.89	2.19
32	3.57	1.46	4.74	2.48
33	3.50	1.53	4.74	2.77
34	3.50	1.68	4.89	3.14
35	3.57	1.82	5.03	3.57
36	3.72	2.04	5.32	4.08
37	3.87	2.26	5.76	4.60
38	4.08	2.55	6.27	5.25
39	4.45	2.84	7.00	5.98
40	4.81	3.21	7.80	6.78
41	5.25	3.57	8.75	7.66
42	5.76	3.94	9.85	8.61
43	6.27	4.38	11.09	9.63

Age next birthday	Death		Death + TPD	
	Male	Female	Male	Female
44	6.86	4.89	12.47	10.80
45	7.59	5.32	14.08	12.04
46	8.24	5.84	15.83	13.42
47	9.04	6.42	17.73	14.88
48	9.85	6.93	19.77	16.56
49	10.72	7.51	22.10	18.38
50	11.67	8.17	24.58	20.35
51	12.62	8.75	27.21	22.54
52	13.64	9.41	30.13	24.95
53	14.81	10.07	33.26	27.65
54	15.97	10.72	36.62	30.56
55	17.21	11.45	40.19	33.85
56	18.53	12.18	44.06	37.49
57	19.99	12.91	48.22	41.50
58	21.52	13.71	52.66	46.03
59	23.12	14.52	57.48	50.55
60	24.95	15.32	62.58	55.07
61	26.92	16.19	68.06	59.67
62	29.03	17.07	73.96	64.26
63	31.37	17.94	80.31	68.93
64	33.92	18.97	87.09	73.60
65	36.76	19.99	94.39	78.34
66 <sup>2</sup>	36.25	19.31	69.85	52.96
67 <sup>2</sup>	38.73	20.23	78.80	59.85
68 <sup>2</sup>	41.20	21.15	88.89	67.65
69 <sup>2</sup>	43.67	22.07	100.30	76.47
70 <sup>2</sup>	46.15	22.98	113.18	86.45
71 <sup>2</sup>	50.41	25.86	127.71	97.73

<sup>1</sup> The Death Only and Death & TPD Annual Premium rates are per \$10,000 sum insured and are based on the Insured Person's age next birthday.

The rates are net of fees, taxes or allowances. Commission is nil.

<sup>2</sup> For members over age 65, the 'Activities of Daily Living' definition of TPD must be satisfied to make a claim.

## Appendix 1 - (Continued)

### Salary continuance rates<sup>3</sup>

Age next birthday	90 day wait 2 year benefit		90 day wait To age 65 benefit	
	Male	Female	Male	Female
16	11.59	12.79	26.99	33.62
17	11.71	13.12	27.65	34.51
18	12.03	13.33	28.54	35.61
19	12.25	13.55	29.09	36.50
20	12.25	13.88	29.75	37.60
21	12.46	13.98	30.20	38.38
22	11.82	14.20	29.20	39.71
23	11.28	14.42	28.09	40.59
24	10.95	14.42	27.54	41.58
25	10.62	14.64	26.54	42.58
26	10.08	14.95	25.77	43.91
27	9.98	15.72	25.77	47.23
28	9.98	16.48	25.77	49.99
29	10.08	17.24	26.33	52.64
30	10.19	17.78	27.10	55.30
31	10.62	18.43	28.09	57.85
32	10.84	18.97	29.20	60.72
33	11.16	19.84	30.20	63.60
34	11.59	20.60	31.63	67.02
35	11.92	21.57	33.62	71.01
36	12.79	22.87	35.73	75.65
37	13.33	24.28	38.16	81.29
38	14.42	26.12	41.58	88.26
39	15.61	28.29	45.35	95.90
40	17.13	31.00	49.44	105.74

Age next birthday	90 day wait 2 year benefit		90 day wait To age 65 benefit	
	Male	Female	Male	Female
41	18.64	34.03	54.64	116.68
42	20.48	37.51	59.95	128.41
43	22.33	41.18	66.14	141.80
44	24.28	45.53	73.00	157.17
45	26.99	50.19	81.07	173.87
46	29.59	55.17	89.92	191.90
47	32.85	60.92	100.32	211.81
48	36.96	67.42	111.93	233.38
49	41.18	74.25	124.87	255.82
50	46.07	81.83	139.25	279.94
51	51.59	89.97	155.39	305.04
52	57.88	98.53	173.21	330.15
53	64.82	107.63	192.12	355.04
54	72.84	117.39	212.69	380.14
55	81.83	127.79	235.03	403.70
56	91.91	138.96	258.03	426.04
57	102.97	150.23	281.37	444.96
58	115.22	162.26	304.60	460.11
59	128.99	174.62	327.28	470.29
60	144.27	187.51	347.40	474.27
61	161.18	201.06	363.78	469.62
62	179.71	214.73	373.84	455.68
63	201.28	229.90	371.84	426.37
64	182.21	197.92	321.75	349.51
65	91.59	86.50	161.81	152.63

<sup>3</sup> The Salary Continuance Annual Premium rates are rates per \$1,000 monthly benefit and are based on the Insured Person's age next birthday.

Rates are inclusive of 5% stamp duty. Commission is nil.

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