

8. Insurance in your super

The information in this document forms part of the Product Disclosure Statement (PDS), dated 1 July 2020 for the Local Government Super (LGS) Accumulation Scheme. This document is dated 1 July 2020. This fact sheet is available free of charge at lgsuper.com.au/PDS or you may request a copy from Member Services on 1300 LGSUPER (1300 547 873).

Protecting Your Super (PYS)

The Federal Government's 'Protecting your Super' package came into effect on 1 July 2019. Members who have not received contributions for 16 months or more will have their insurance cancelled unless they let us know that they want to continue with their insurance. In addition, if a member's balance is under \$6,000 and they have not received a contribution for 16 months, made or changed a binding beneficiary, changed their insurance arrangements, or declared they are not 'low balance inactive' members, their insurance will be cancelled and their super account transferred to the Commissioner of Taxation.

Putting Members' Interests First (PMIF)

The Federal Government's Putting Members' Interest First (PMIF) legislation which came into effect on 1 April 2020, changes how funds provide default insurance cover. The legislation aims to ensure members are not paying premiums for insurance cover that may inappropriately erode their retirement savings.

From 1 April 2020, in order to receive Basic insurance cover, new members joining the Fund must:

- Be at least 25 years of age; and
- Have a super balance of at least \$6,000.

If you want to receive Basic insurance cover before you become eligible, you must elect to opt-in to Basic insurance cover by:

- Completing the *Opt in to insurance cover* form available at lgsuper.com.au/forms;
- Logging in to Member Online; or
- Logging in via the LGS mobile app.

Reinstatement of insurance cover

Members can apply to reinstate and keep their insurance if it has been cancelled due to inactivity. However, the application must be made within 60 days of the insurance cancellation date and a member's account must have sufficient funds to cover the cost of premiums from the insurance cancellation date.

Basic Death and Basic Total and Permanent Disablement (TPD) cover

Local Government Super (LGS), through our insurer, TAL Life Limited (TAL), provides Basic insurance cover which comprises Basic Death and Basic TPD cover in a linked combination of units for members of the LGS Accumulation Scheme who meet the eligibility criteria specified on page 5.

The LGS Accumulation Scheme consists of two separate divisions:

1. Employer sponsored division
2. Public offer division.

In some cases, depending on the type of membership you hold in the LGS Accumulation Scheme, additional exclusions and restrictions apply to your cover. The information below explains whether or not the additional exclusions and restrictions discussed in this fact sheet apply to you:

- **Full members of the employer sponsored division** are those members for whom a local government employer is making Superannuation Guarantee (SG) contributions into an LGS Accumulation Scheme account.
- **Optional members of the employer sponsored division** are those members who are employed within local government, but for whom their employer is not making SG contributions. Existing Optional members were originally provided with cover effective 30 April 2013. Optional members who have joined the LGS Accumulation Scheme since 30 April 2013 have been provided with cover from their employment commencement date.
- **Members of the public offer division are:**
 1. Individuals not employed within local government who have completed an application form to join the LGS Accumulation Scheme. This includes holders of spouse accounts.
 2. Former full members of the employer sponsored division who have transferred to the public offer division after ceasing employment with their local government employer.

All existing public offer members were provided with Basic insurance cover from 30 April 2013. For these members, additional exclusions and restrictions apply. Refer to 'Additional exclusions and restrictions' on page 13.

For full members of the employer sponsored division and any members whose account has transferred to the public offer division from the employer sponsored division after 30 April 2013, the additional exclusions and restrictions described on do not apply.

How does Basic insurance cover work?

The amount of Basic insurance cover you receive is tailored to the general needs and risk profiles of your age group. The Basic Death and Basic TPD cover is a linked combination of units based on your age at your next birthday:

Age next birthday	Death units	TPD units
16-25	5	15
26-30	10	10
31-70	15	5

When you move from one age group to another (either at 25 or 30), you will automatically move to the levels of Basic insurance cover applicable to that age group, even if you have previously reduced your Basic Death and/or TPD cover.

You will receive a letter after your birthday to let you know when you have moved to the new age group, and your new insurance levels. If your previous insurance cover was lower and you would prefer to keep this, you will have 60 days to reduce your cover with no additional premiums charged.

How much am I covered for?

The table below shows the amount of Basic Death and Basic TPD cover provided, based on your age next birthday and the standard units of cover:

Age next birthday	Death unit value	TPD unit value	Death units	TPD units	Total Death value	Total TPD value
16	\$23,000	\$23,000	5	15	\$115,000	\$345,000
17	\$23,000	\$23,000	5	15	\$115,000	\$345,000
18	\$23,000	\$23,000	5	15	\$115,000	\$345,000
19	\$23,000	\$23,000	5	15	\$115,000	\$345,000
20	\$23,000	\$23,000	5	15	\$115,000	\$345,000
21	\$23,000	\$23,000	5	15	\$115,000	\$345,000
22	\$23,000	\$23,000	5	15	\$115,000	\$345,000
23	\$23,000	\$23,000	5	15	\$115,000	\$345,000
24	\$23,000	\$23,000	5	15	\$115,000	\$345,000
25	\$23,000	\$23,000	5	15	\$115,000	\$345,000
26	\$23,000	\$23,000	10	10	\$230,000	\$230,000
27	\$23,000	\$23,000	10	10	\$230,000	\$230,000
28	\$23,000	\$23,000	10	10	\$230,000	\$230,000
29	\$23,000	\$23,000	10	10	\$230,000	\$230,000
30	\$23,000	\$23,000	10	10	\$230,000	\$230,000
31	\$23,000	\$23,000	15	5	\$345,000	\$115,000
32	\$23,000	\$23,000	15	5	\$345,000	\$115,000
33	\$23,000	\$23,000	15	5	\$345,000	\$115,000
34	\$23,000	\$23,000	15	5	\$345,000	\$115,000
35	\$23,000	\$23,000	15	5	\$345,000	\$115,000
36	\$23,000	\$23,000	15	5	\$345,000	\$115,000
37	\$21,580	\$21,580	15	5	\$323,700	\$107,900
38	\$21,580	\$21,580	15	5	\$323,700	\$107,900
39	\$21,580	\$21,580	15	5	\$323,700	\$107,900
40	\$20,140	\$20,140	15	5	\$302,100	\$100,700
41	\$18,400	\$18,400	15	5	\$276,000	\$92,000
42	\$15,540	\$15,540	15	5	\$233,100	\$77,700
43	\$12,960	\$12,960	15	5	\$194,400	\$64,800
44	\$10,660	\$10,660	15	5	\$159,900	\$53,300
45	\$8,620	\$8,620	15	5	\$129,300	\$43,100

Insurance in your super

Age next birthday	Death unit value	TPD unit value	Death units	TPD units	Total Death value	Total TPD value
46	\$7,480	\$7,480	15	5	\$112,200	\$37,400
47	\$6,320	\$6,320	15	5	\$94,800	\$31,600
48	\$5,180	\$5,180	15	5	\$77,700	\$25,900
49	\$4,340	\$4,340	15	5	\$65,100	\$21,700
50	\$4,020	\$4,020	15	5	\$60,300	\$20,100
51	\$3,960	\$3,960	15	5	\$59,400	\$19,800
52	\$3,760	\$3,760	15	5	\$56,400	\$18,800
53	\$3,460	\$3,460	15	5	\$51,900	\$17,300
54	\$3,140	\$3,140	15	5	\$47,100	\$15,700
55	\$2,800	\$2,800	15	5	\$42,000	\$14,000
56	\$2,500	\$2,500	15	5	\$37,500	\$12,500
57	\$2,200	\$2,200	15	5	\$33,000	\$11,000
58	\$1,900	\$1,900	15	5	\$28,500	\$9,500
59	\$1,560	\$1,560	15	5	\$23,400	\$7,800
60	\$1,260	\$1,260	15	5	\$18,900	\$6,300
61	\$1,080	\$1,080	15	5	\$16,200	\$5,400
62	\$940	\$940	15	5	\$14,100	\$4,700
63	\$780	\$780	15	5	\$11,700	\$3,900
64	\$780	\$780	15	5	\$11,700	\$3,900
65 ¹	\$640	\$640	15	5	\$9,600	\$3,200
66 ¹	\$640	\$640	15	5	\$9,600	\$3,200
67 ¹	\$640	\$640	15	5	\$9,600	\$3,200
68 ¹	\$640	\$640	15	5	\$9,600	\$3,200
69 ¹	\$640	\$640	15	5	\$9,600	\$3,200
70 ¹	\$640	\$640	15	5	\$9,600	\$3,200

How much does Basic insurance cover cost?

The cost of Basic insurance cover depends on your gender and the type of cover, as shown below:

	Death per unit per month ¹	TPD per unit per month ¹
Male	\$0.914	\$0.475
Female	\$0.704	\$0.592

1. An Insurance Administration fee of 1.5% of premiums is included.

Please note that the monthly premiums are calculated on the last Friday of each month and the actual amount deducted depends upon how many Fridays each month contains. Some months contain four Fridays, while others contain five, so the amount deducted from month to month varies.

Important notes:

From 1 December 2015, Basic insurance cover provided to Full members of the employer sponsored division is subject to a Five-year Pre-existing Condition Exclusion for the first 12 months of cover and is only removed when you are At Work for at least 60 consecutive days immediately prior to or after the end of the first 12 months. If you are a Full member of the employer sponsored division you can apply to remove the Five-year Pre-existing Condition Exclusion within the initial 12-month period. Please refer to page 11 for further information.

For casual employees joining the employer sponsored division on or after 1 December 2015, the Five-year Pre-existing Condition Exclusion cannot be removed. For members of the public offer division and optional members of the employer sponsored division, a Five-year Pre-existing Condition Exclusion on Basic insurance cover has been in place since 30 April 2013. This Five-year Pre-existing Condition Exclusion cannot be removed.

Additional exclusions and restrictions apply to members of the public offer division and optional members of the employer sponsored division (refer to page 13). It is strongly recommended that you read these additional exclusions and restrictions when considering whether to retain or cancel your Basic insurance cover.

Eligibility for Basic insurance cover

To be eligible for Basic insurance cover you must be:

- a member of the LGS Accumulation Scheme;
- an Australian Resident;
- older than 15 years of age;
- not older than 70 years of age;
- at least 25 years of age and have at least \$6,000 in your super account balance if you join the Fund on or after 1 April 2020; and
- a person to whom the Insurer has agreed in writing to insure under the policy.

However, despite the above you will not be eligible for Basic insurance cover if:

- you have previously been paid a TPD or Terminal Illness benefit from another insurance policy; or
- you have a current or pending claim for a TPD or Terminal Illness benefit from another insurance policy.

Cancelling or reducing Basic insurance cover

You may cancel your Basic insurance cover or reduce the number of units of cover you have at any time by either:

- logging onto Member Online or via the LGS mobile app,
- completing a *Reduce or cancel insurance cover* form available at [lgsuper.com.au/forms](https://www.lgsuper.com.au/forms), or

- requesting a cancellation or reduction from Member Services on 1 300 LGSUPER (1 300 547 873).

If you intend to reduce your Basic insurance cover, please note:

- a) If you reduce your Basic insurance cover you cannot have TPD units greater than death units, unless you are in the under 25 age group.
 - i. If you are under 25, you cannot have more than a ten unit difference of TPD higher than death; i.e. if you want to reduce death to one unit (\$23,000) you cannot have more than eleven units of TPD (\$253,000).
- b) When you reach the next age group, all the units will be restored to the standard level in that age group, but you will have the option to reduce your cover. This will only happen at the age group changeover at 25 and 30, and you will be notified in writing.
 - i. If you wish to reduce your cover to your previous insurance cover amount, you have 60 days to do so without being charged additional premiums for the period.

If you cancel any units of Basic insurance cover within the first 60 days of joining the LGS Accumulation Scheme, you will be refunded any premiums deducted from your account for those units.

If you elect to cancel or reduce your Basic insurance cover, or if your cover has been cancelled automatically, you will need to have any future application for insurance cover assessed by the Insurer.

Cessation of Basic Death Cover and Basic TPD Cover

Basic insurance cover ceases on the date:

- the policy terminates;
- you cease to be a member of the LGS Accumulation Scheme;
- you cease to be an insured person;
- you reach age 70;
- you die;
- LGS receives a written request from you to terminate your cover;
- 180 days after you joined the fund and no funds have been received;
- 60 days after the full amount of a premium owing has not been paid; or
- 16 months after your last contribution.

Definitions

Definitions of Total and Permanent Disablement (TPD)

The following definition of TPD applies when the disablement occurs on or after 1 December 2015. If the date of disablement is prior to 1 December 2015, the previous TPD definition applies. Please contact Member Services on 1 300 LGSUPER (1 300 547 873) for more information.

TPD means one of the following as determined by the terms of the Policy:

Definition 1: Education, Training or Experience means that the Insured Person:

- A. solely and directly as a result of Illness or Injury, has been continuously absent from engaging in or, being unemployed, unable to accept employment in:

- i) their occupation; and
 - ii) any other occupation,
- for an uninterrupted period of at least six consecutive months immediately following the Date of Disablement;
- B. is regularly attending and under the ongoing and appropriate care and treatment of a Medical Practitioner with respect to the Illness or Injury; and
 - C. in the Insurer's opinion is disabled to such an extent as to render them incapable of ever engaging in any occupation for which the Insured Person;
 - a) is at the end of the six consecutive month period; and
 - b) is by the time the Insurer form their opinion or can be expected following the time the Insurer form their opinion, to become, reasonably suited by education, training or experience.

In forming their opinion, the Insurer will have regard to factors including but not limited to:

- i) any rehabilitation, retraining, re-skilling, work or voluntary work that has been undertaken by the time the Insurer form their opinion, or could reasonably be expected to be undertaken by the Insured Person within a reasonable time period; and
- ii) all evidence available to the Insurer for the period up to the time the Insurer form their opinion.

Definition 2: Everyday Working Activities means where the Insured Person, in the Insurer's opinion:

- A. solely and directly as a result of Illness or Injury which occurred after cover has commenced is permanently unable to perform at least three of six Everyday Working Activities without the physical assistance of another person, despite the use of appropriate assistive aids and appropriate prescribed medication and that permanent inability has lasted for at least an uninterrupted period of six consecutive months or more immediately following the Date of disablement; where Everyday Working Activities means Mobility, Rising/Sitting, Communicating, Vision, Lifting and Manual Dexterity and:
 - **Mobility** means the ability to walk more than 200 metres on a level surface without stopping due to breathlessness or severe pain in the body
 - **Rising/Sitting** means the ability to rise and sit using a chair with arms without the help of another person
 - **Communicating** means the ability to hear (with hearing aid or other aid if normally used) and speak with sufficient clarity to be able to hold a conversation in a quiet room in the Insured Person's first language
 - **Vision** means visual ability such that when tested (using visual aids if required), vision is measured at greater than 6/60 in the better eye using a Snellen eye chart
 - **Lifting and carrying** means the ability to lift (from bench height) and carry a 2kg weight, 10 metres and place back down at bench height
 - **Manual Dexterity** means the Insured Person can use either or both hands or fingers to manipulate small objects with precision (such as picking up a coin or fastening shoelaces or buttons, using cutlery, or using a pen or keyboard); and
- B. is regularly attending and under the ongoing and appropriate care and treatment of a Medical Practitioner with respect to the Illness or Injury;
- C. is Permanently Incapacitated.

Definition 3: Domestic Duties means that the Insured Person:

- A. solely and directly as a result of Illness or Injury is:
 - i. unable to perform unpaid Domestic Duties; and
 - ii. has not engaged in any Gainful Employment for a period of six consecutive months immediately following the Date of Disablement;
- B. is unable to leave their home without the physical assistance of another person;
- C. is regularly attending and under the ongoing and appropriate care and treatment of a Medical Practitioner with respect to the Illness or Injury; and
- D. in the Insurer's opinion, is disabled to such an extent as to render them incapable of ever engaging in:
 - i. those Domestic Duties; or
 - ii. any Gainful Employment for which the Insured Person:
 - a) which is after six consecutive months immediately following the Date of Disablement; and
 - b) for which the Insured Person is, by the time the Insurer forms their opinion, or can be expected following the time the Insurer forms their opinion, to become, reasonably suited by education, training or experience.

In forming their opinion, the Insurer will have regard to factors including but not limited to:

- i. any rehabilitation, retraining, re-skilling, work or voluntary work that has been undertaken by the time the Insurer form their opinion, or could reasonably be expected to be undertaken by the Insured Person within a reasonable time period; and
- ii. all evidence available to the Insurer for the period up to the time the Insurer form their opinion.

Important notes: In the above definition, domestic duties means the unpaid duties performed by a person and may include (but are not limited to):

- a) purchasing cleaning items;
- b) cleaning the family home;
- c) laundering and ironing clothing items for the household;
- d) purchasing food items and preparing meals for the household; or
- e) undertaking child rearing at the family home.

Insured Persons who are Gainfully Employed, seeking Gainful Employment or are performing unpaid Domestic Duties on less than a full-time basis will not be deemed to be performing Domestic Duties.

When does each TPD definition apply?

Definition 1 or Definition 2 applies:

for an Insured Person whose claim has been notified to the Insurer within five years of their Date of Disablement and who:

- at the Date of Disablement is less than 65 years of age; and
- was working 15 hours or more per week immediately prior to their Date of Disablement (averaged over the last 12 months) or earlier as determined by the Insurer.

Definition 2 applies:

for an Insured Person who:

- at their Date of Disablement is 65 years of age or more; and/or

- who was working less than 15 hours per week immediately prior to their Date of Disablement (averaged over the last 12 months) or earlier as determined by the Insurer; and/or
- notified the Insurer of their claim more than five years after their Date of Disablement.

Definition 3 applies:

for an Insured Person whose claim has been notified to the Insurer within five years of their Date of Disablement and who:

- at the Date of Disablement is less than 65 years of age; and
- immediately prior to the Date of Disablement, was not Gainfully Employed and was at home performing unpaid Domestic Duties.

Permanently Incapacitated

The TPD definition (Definition 2: Everyday Working Activities) contains a reference to an Insured Person being Permanently Incapacitated.

In order for a member to be considered to be Permanently Incapacitated the Insurer must be reasonably satisfied that the Insured Person's ill-health (whether physical or mental) makes it unlikely that the Insured Person will engage in Gainful Employment for which the Insured Person is reasonably qualified by education, training or experience.

Gainfully Employed/Gainful Employment

Gainfully employed means employed for gain or reward, or in the expectation of 'gain or reward' in any business trade, profession, vocation, calling, occupation or employment.

Note: 'gain or reward' envisages the receipt of remuneration such as salary, wages, business income, bonuses, commissions, fees or gratuities, in return for personal exertion.

At Work

There are two definitions of At Work:

Definition 1

This definition of At Work applies to:

- members who held Basic Death and TPD cover on 30 April 2013
- members who joined the employer sponsored division as Full Members on or after 30 April 2013.

'At Work' means the member is actively at work and competently performing all the essential duties of their usual occupation without restriction, or is on approved leave other than leave which is taken for reasons related to Injury or Illness; and who is not receiving or claiming and/or entitled to claim income support benefits from any source including workers' compensation benefits, statutory transport accident benefits and disability income benefits.

If you are not At Work on the date your cover commences, Limited Cover conditions will apply until you are At Work. Please refer to page 10 for further information about Limited Cover.

Definition 2

This definition of At Work applies to:

- members of the public offer division and optional members of the employer sponsored division who were provided with cover on 30 April 2013.
- members of the public offer division and optional members of the employer sponsored division who joined the Accumulation Scheme on or after 30 April 2013 (excludes former Full members of the employer sponsored division who transferred to the public offer division).

‘At Work’ means:

- 1) For a person who is:
 - a) employed with an employer or engaged as a contractor by an employer, the person is actively performing or capable of actively performing all of the duties and work hours of his or her usual occupation with his or her employer free from any limitation due to illness or injury for at least 30 hours per week. A person who is on employer approved leave for reasons other than Illness or Injury, who would otherwise be capable of performing their usual occupation will be considered as having met the requirements of this definition, or
 - b) unemployed or self-employed, the person is actively performing or capable of actively performing all of the duties and work hours (subject to a minimum of 30 hours per week) of his or her usual occupation free from any limitation due to Illness or Injury, or
 - c) engaged exclusively in unpaid domestic duties, the person is actively performing or capable of performing all of their full time unpaid domestic duties free from any limitation due to Illness or Injury, and
- 2) the person is not entitled to or receiving income support benefits relating to illness or injury, from any source including but not limited to workers compensation benefits, statutory transport accident benefits and disability income benefits.

Note: If you are not At Work on the date cover commences, then Limited Cover conditions will apply.

Limited Cover

Limited Cover means an Insured Person is only covered for claims arising from an Illness that first becomes apparent or an Injury which first occurred on or after the date the cover commenced, recommenced or increased.

For Full members of the employer sponsored division:

If you join the LGS Accumulation Scheme and you are not At Work then your cover will be subject to Limited Cover conditions until you:

- a) have been an Insured Person for a period of at least 12 months after the cover most recently commenced or recommenced, and
- b) are At Work for 60 consecutive days immediately prior to or after the end of the period referred to in (a), or
- c) complete the risk control questions in the *Application to remove Pre-existing Condition Exclusion or Limited Cover Conditions* form available at lgsuper.com.au/forms to the Insurer’s satisfaction.

For members of the public offer division and optional members of the employer sponsored division who have been provided with Basic insurance cover on or after 30 April 2013:

If you were not At Work on the date your cover commenced, then:

- i. cover will be subject to Limited Cover conditions
- ii. definition I of the Total and Permanent Disablement definition will not be available
- iii. a Terminal Illness benefit will not be available.

Five-year Pre-existing Condition Exclusion

A Five-year Pre-existing Condition Exclusion applies to the Basic insurance cover for:

- full members of the employer sponsored division who are provided with cover on or after 1 December 2015. The exclusion is automatically removed after 12 months. Alternatively, you may apply to have the Five-year Pre-existing Condition Exclusion removed within the first 12 months by completing the *Application to remove Pre-existing Condition Exclusion or Limited Cover Conditions* form. The form is available at lgsuper.com.au/forms or from Member Services on 1300 LGSUPER (1300 547 873). This excludes casual employees (please see below).
- members of the public offer division, optional members of the employer sponsored division and members of the employer sponsored division who are casually employed who are provided with cover on or after 30 April 2013. The five-year exclusion period applies from 30 April 2013 or the date cover commenced, whichever is the later. The Five-year Pre-existing Condition Exclusion applies indefinitely and cannot be removed.
- casual employees joining the employer sponsored division on or after 1 December 2015. The Five-year Pre-existing Condition Exclusion period applies from the date cover commenced and cannot be removed.

Five-year Pre-existing Condition Exclusion means:

the Insurer will not pay a claim that directly or indirectly to an Illness, Injury or a symptom:

- a) in respect of which the member:
 - i. was aware, or a reasonable person in their position should have been aware;
 - ii. should have sought advice or treatment (conventional or alternative) from a Medical Practitioner or other allied health professional (in circumstances where a reasonable person in their position would have sought such advice or treatment);
or
 - iii. has had a medical consultation or been prescribed medication or therapy; and
- b) which existed at any time in the five years immediately prior to the commencement date under the Policy.

Medical Practitioner

Medical Practitioner means:

- a) a Medical Practitioner legally qualified and registered to practice in Australia; or
- b) if the claimed condition is a psychological condition diagnosed in accordance with the latest edition of the Diagnostic and Statistical manual of Mental Disorders (DSM), the definition of a Medical Practitioner means a person who is legally qualified and registered as a practising psychiatrist by the relevant medical registration boards and/or the Specialist Recognition Advisory Committee co-ordinated through the Australian Health

Insurance Commission; but shall not include chiropractors, physiotherapists, psychologists or alternative health providers.

The Medical Practitioner cannot be the Insured Person, their spouse, relative, business associates or partners, shareholders, employers or employee.

Terms and conditions

Cover while on employer approved leave

Subject to the general exclusions noted below, Insured Persons who are employed will continue to be covered during a period of employer approved leave subject to the policy terms and conditions. In the event that an Insured Person suffers TPD during the first 12 months of leave, the occupation followed before the leave was taken will be considered as the insured person's occupation for the purposes of the definition of TPD. However after the initial 12 months' leave the definition of TPD will be limited to either Definition 2 or Definition 3. Please refer to page 6.

Worldwide cover

All Insured Persons will be covered worldwide 24 hours a day, seven days a week, subject to the terms and conditions of the policy.

General exclusions

A benefit will not be paid where an Insured Person's death, Terminal Illness or TPD is directly or indirectly caused by service in the armed forces of any national or international organisation other than the Australian Armed Forces Reserve.

No benefit is payable for a death claim arising directly or indirectly from suicide within the first 12 months of the start of the cover.

For existing members and new members who joined as at 1 April 2017, no benefit is payable for a death claim arising directly or indirectly from suicide for the increased component of Basic Death cover when moving age groups (at age 25 and 30) for the first 12 months.

An ongoing exclusion applies to a TPD claim arising from intentional self-harm or attempted suicide.

A benefit will not be payable if a claim arises directly or indirectly from an illness or injury resulting from an illegal or criminal act committed by the Insured Person.

For some members of the public offer division and optional members of the employer sponsored division, additional exclusions and restrictions apply, which are outlined in the next section.

Important note:

The exclusions and restrictions discussed in this section apply only to members of the public offer division and Optional members of the employer sponsored division. They do not apply to Full members of the employer sponsored division or members of the public offer division who have transferred from the employer sponsored division with existing cover. These exclusions and restrictions apply in addition to any other conditions, exclusions and limitations discussed elsewhere in this fact sheet.

Additional exclusions and restrictions

If a member is not At Work on the day cover commences or on that date would be entitled to receive either a Terminal Illness or TPD benefit or has previously received a Terminal Illness or TPD benefit under this Policy or any other life insurance policy, then, when cover commences:

- a) the Terminal Illness benefit described below will not be available, and
- b) the Definition of TPD will be limited to Definition 2 (or Definition 3 for members who are solely engaged in unpaid Domestic Duties), and
- c) Limited Cover conditions will apply indefinitely.

Hazardous occupation limitation

For members working in a hazardous occupation, TPD cover will be restricted to Definition 2 only. 'Hazardous occupation' may include:

- very heavy manual work; or
- any other work considered hazardous by the Insurer (e.g. professional divers, interstate truck drivers, linesmen working at heights of over ten metres).

If you are unsure as to whether or not your occupation would be considered hazardous by the Insurer, please contact Member Services on 1300 LGSUPER (1300 547 873).

How do I claim a TPD Benefit?

In order to claim for a TPD benefit you need to complete an *Application for Total and Permanent Disablement Benefit* form available from Member Services on 1300 LGSUPER (1300 547 873). The Insurer will then assess your application based on whether you meet the relevant definition of TPD as outlined in this fact sheet. You should lodge any application for TPD as soon as possible so as to ensure that the assessment process can be carried out in a timely manner.

What happens to my remaining insurance if I make a claim?

If you are paid a TPD benefit, and your total Death cover was greater than your TPD cover, your remaining total Death cover is the difference between the Death and TPD cover. However there needs to be money in your super account to pay for premiums after the TPD benefit is paid to maintain the Death cover.

If TPD is more than Death there is no remainder.

Terminal Illness Benefit

If you are an Insured Person with death cover in force and you become Terminally Ill the Insurer will pay you the sum insured that applies to your cover up to a maximum of \$2,500,000.

Terminal Illness and Terminally Ill means:

- a) two Medical Practitioners have separately certified in writing, that an Insured Person suffers from an Illness, or has incurred an Injury, that is likely to result in the death of the Insured Person within a period ('the certification period') that ends not more than 12 months after the date of the certification;
- b) at least one of the registered Medical Practitioners is a Specialist Medical Practitioner practicing in an area related to the Illness or Injury suffered by the Insured Person;

- c) the Illness and certification referred to in paragraph (a) occurs while the member continues to have cover under the Policy;
- d) for each of the certificates, the certification period has not ended; and
- e) The Insurer is satisfied, on medical or other evidence, that despite reasonable medical treatment, the Illness or Injury will lead to the Insured Person's death within 12 months of the date of the certifications.

If the amount paid to you as a result of Terminal Illness is the whole sum insured then your cover will cease. However, if the amount paid is less than the whole sum insured, then cover will continue in force for the remaining balance of the sum insured subject to the conditions of the policy.

Additional Basic insurance cover

If you held insurance before 1 April 2017, you may have been eligible for Additional Basic insurance cover. This is a fixed dollar amount that you remain insured for until such time as you cancel, leave the fund or reach age 70. Your monthly premium amount changes as you get older. For more information on Additional Basic insurance cover, please contact Member Services on 1300 LGSUPER (1300 547 873).

Voluntary insurance cover

If you would like insurance cover in addition to or instead of your Basic insurance cover, the LGS Accumulation Scheme offers voluntary insurance cover which is underwritten by TAL on competitive rates and terms.

It is important to note that from 1 July 2019, the Federal Government has introduced new legislation under the 'Protecting Your Super' package. This package applies to both Basic insurance cover and Voluntary insurance cover and means that members who have not received contributions for 16 months or more will have their insurance cancelled unless they opt-in. In addition, if a members' balance is under \$6,000 and they have not received a contribution for 16 months, made or changed a binding beneficiary, changed their insurance arrangements (within the 16 months), or declared they are not 'low balance inactive' members, their insurance will be cancelled and their super account transferred to the Commissioner of Taxation.

There are three types of voluntary cover offered which are briefly described here. For more information, please refer to the *Voluntary Insurance* fact sheet, available at lgsuper.com.au/factsheets or from Member Services on 1300 LGSUPER (1300 547 873).

Lump Sum Death cover

You may apply for any amount of cover in \$1,000 multiples, with a minimum amount of cover of \$50,000. The maximum amount of death cover you can have from this benefit is unlimited. The Terminal Illness benefit also applies to you if you have death cover.

Lump Sum Death and TPD cover

You may apply for any amount of cover in \$1,000 multiples, with a minimum amount of cover of \$50,000 and a maximum of \$3,000,000 (where the maximum takes into account your current basic insurance coverage).

Salary Continuance Insurance (SCI) cover

You may apply for any amount of cover in \$100 per month multiples, with a minimum amount of cover of \$1,000 per month and a maximum of \$25,000 per month.

In the event of a claim the highest level of SCI benefit that you can receive if you are disabled (regardless of how much cover you have) is 85% of your monthly salary (75% paid as income and 10% as a Superannuation Contribution Benefit).

The benefit is available for either a two-year period, or until age 65. You can nominate the waiting period as either 30, 60 or 90 days.

SCI exclusions

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

- an intentional self-inflicted act or intentional self-inflicted injury, or
- uncomplicated pregnancy or childbirth, or
- war, or acts of war, whether declared or not, or
- any event or individual exclusion the Insurer has applied to the cover.

Interim Accident Cover

When you apply for voluntary insurance, Interim Accident Cover is provided for up to 90 days while your application for cover is being assessed. Cover commences on the date the Insurer receives your fully completed personal statement. For full details on Interim Accident Cover, please refer to the *Voluntary Insurance* fact sheet available at lgsuper.com.au/factsheets or from Member Services on 1300 LGSUPER (1300 547 873).

What are the costs of voluntary insurance?

The cost depends on the amount of cover you have, your age, gender, occupational classification and any loadings to your premium applied by the Insurer. Premiums are deducted monthly from your account.

The premium rates and method of calculation are in the *Voluntary Insurance* fact sheet available at lgsuper.com.au/factsheets or from Member Services on 1300 LGSUPER (1300 547 873).

You can also use our insurance calculator at lgsuper.com.au/insurance to work out the premiums that may be payable for your cover.

Your duty of disclosure

Before you enter into a life insurance contract, you have a duty to tell the Insurer anything that you know, or could reasonably be expected to know, that may affect their decision to insure you and on what terms.

You have this duty until the Insurer agrees to insure you.

You have the same duty before you extend, vary or reinstate the contract.

You do not need to tell the Insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- they know or should know as an Insurer; or
- they waive your duty to tell them about.

If you do not tell the insurer something

In exercising the following rights, the Insurer may consider whether different types of cover can constitute separate contracts of life insurance. If they do, they may apply the following rights separately to each type of cover.

If you do not tell the Insurer anything you are required to, and they would not have insured you if you had told them, they may avoid the contract within 3 years of entering into it.

If the Insurer chooses not to avoid the contract, they may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told them everything you should have. However, if the contract has a surrender value, or provides cover on death, the Insurer may only exercise this right within 3 years of entering into the contract.

If the Insurer chooses not to avoid the contract or reduce the amount you have been insured for they may, at any time, vary the contract in a way that places them in the same position they would have been in if you had told them everything you should have. However, this right does not apply if the contract has a surrender value or provides cover on death.

If your failure to tell the Insurer is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

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The Insurer is TAL Life Limited (ABN 70 050 109 450, AFSL 237848) ("Insurer"). The information in this fact sheet is a summary of the main features of the insurance policy terms and does not replace the insurance policy. The insurance cover provided is subject to the terms and conditions contained in the insurance policy issued by the Insurer. The terms and conditions of the policies prevail over any inconsistent information in this fact sheet. You should ask for a copy of the actual insurance policy documents if you require complete details of the policy terms and conditions.