

1 October 2022

# Insurance, Fees and Costs Guide

Resource Super | Part 1 of 2

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH PART 2 OF 2

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The information in this document forms part of the Resource Super Product Disclosure Statement for Resource Super – Employer and General Divisions dated 1 October 2022. This document is produced by Total Risk Management Pty Ltd (Trustee), ABN 62 008 644 353, AFSL 238790 as the Trustee of the Russell Investments Master Trust (Fund, Plan or Resource Super), ABN 89 384 753 567. This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation and needs. If you'd like personal advice, we can refer you to the appropriate person. The information in the PDS is correct at the time of publication of each document comprising the PDS. However, the information may change from time to time and if there is a material change to any of the information in any document, the Trustee will issue an updated document. However, if the change is not materially adverse to members, the Trustee may instead provide the updated information to members via the website [russellinvestments.com.au/trusteerequireddisclosure](https://russellinvestments.com.au/trusteerequireddisclosure). A paper copy of this information will be sent to any member, free of charge on request.

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## 1. Insurance in your super

The following insurance information is incorporated into section 8 of the Product Disclosure Statement (PDS):

It is important that you understand any eligibility and other conditions attached to your insurance. If you have any questions, you should contact the Plan. If you are eligible for insurance cover and you make a claim for a disablement benefit, the Trustee of Russell Investments Master Trust and the insurer will determine whether you meet the relevant definition (as set out in this document) to receive an insured disablement benefit. Similarly, in the event of your death, the Trustee will determine who should receive your death benefit (unless you have a valid binding death benefit nomination).

If you are a new member and your employer does not pay your insurance fees, your cover will not be provided automatically until you are at least age 25 and have a balance of \$6,000. Cover will be restricted to 'Limited Cover' for a period of at least 12 months and 30 days. 'Limited Cover' will apply until you are 'At Work' for 30 consecutive days following the end of the 12 month period from the commencement of cover, after which full cover will commence.

However, if you want insurance cover before then, you can opt in for cover. If your account balance is sufficient to meet at least one months' insurance fees and a Superannuation Guarantee (SG) contribution has been received for you within 120 days of commencing employment, your cover will commence effective the date your opt in is received.

- > If you opt in for cover within 60 days of joining the Fund, cover will be restricted to 'Limited Cover' until you are 'At Work' for 30 consecutive days after which full cover will commence.
- > If you opt in for cover outside 60 days of joining the Fund, cover will be restricted to 'Limited Cover' for a period of at least 12 months and 30 days. 'Limited Cover' will apply until you are 'At Work' for 30 consecutive days following the end of the 12 month period from the commencement of cover, after which full cover will commence.

To opt in to insurance, please log on to your online account or complete and return the Insurance Opt-in Form (available on our website or call us for a copy).

'Limited Cover' means an insured benefit will only be paid if the illness or injury first became apparent after your cover started. For further information on these terms please refer to the Insurer's definition section of this document.

For more information on Automatic cover refer to Insurance, Fees and Costs Guide Part 2.

### Related party payments and insurance fees

Where you pay for insurance cover, insurance fees are deducted from your account balance. An insurance fee is made up of two components:

- > the premium paid to the insurer; and
- > an insurance processing fee that is paid to a related party of the Trustee called Russell Investments Employee Benefits Pty Ltd.

Throughout this document references to insurance fees are references to the sum of these two components.

### Payment of insurance fees

Insurance fees for insurance cover are deducted from your account on the last Friday of each month. If your account balance becomes insufficient to meet the cost of your insurance, the insurance cover relating to those fees will be cancelled within that month.

It is important to note that the insurance fees are calculated based on the number of weeks within the month, so the amount of fees and the payment period date will vary from month to month. For example:

- > The insurance fees for June are calculated and deducted on 29 June (last Friday of the month).
- > The insurance fee amount is \$10 and the balance is \$7.
- > The insurance payment period is 26 May - 29 June.
- > Cover will be cancelled from the second day of that insurance payment period, which will be 27 May.

Where you have Death & TPD cover and Income Protection cover, and your balance becomes insufficient to pay all insurance fees, your Income Protection cover will be cancelled first.

**It is your responsibility to maintain the minimum balance within the Fund if you want to retain your insurance benefits.**

### Opting-in for insurance cover

*If you transferred from another division it is important to note that any previous advice to opt-in for Insurance cover, will be transferred to Resource Super – General. Please ensure you go online and update your details.*

There are three ways to keep your insurance cover in this account:

- > Go to [russellinvestments.com.au/super](https://russellinvestments.com.au/super), log in and visit your Personal Details page. Under the Insurance Retention section, click to update and elect to retain your insurance cover.
- > Complete an Insurance Opt-in Form and return it to us. Call us for a copy.
- > Ensure that your account balance reaches and remains at \$6,000 or more by either contributing to your account or rolling over an amount from another account.

Visit [russellinvestments.com.au/contribute](https://russellinvestments.com.au/contribute) to find out how to add to your account and [russellinvestments.com.au/combine](https://russellinvestments.com.au/combine) to consolidate any other accounts you have into your account.

## Change or cancel insurance cover

You can change, reduce or cancel the amount of your insured cover at any time by sending us a completed Insurance Form. To cancel insurance only, you can log on to your account and select insurance.

The effective date of your cancellation will be the date your cancellation request is processed. We will confirm receipt of your instructions in writing and advise you of the date your insurance cover and any applicable insurance fees will be reduced or cancelled.

You will not be able to make a claim for insurance benefits for events or conditions that arise after your cover is cancelled. If you are replacing your insurance cover with alternative cover, you should not cancel your insurance cover until the replacement cover is in place. If you cancel or reduce your insurance cover, you will need to go through the underwriting process to have your insurance cover increased or reinstated subject to the insurer's approval.

Please note that:

- > if you cancel insurance cover you may be required to cancel Death & TPD cover at the same time;
- > your TPD cover can never be higher than your death cover; and
- > if you opt out and your insurance fees for your automatic cover are currently paid by your employer, these insurance fees are not then payable to your account, nor is the employer liable to pay for insurance cover in another superannuation fund on your behalf.

## Occupational Categories

Your Insured benefits may have Occupation Categories applied to the insurance fees. This means that you are charged insurance fees based on the risk profile of your occupation. When you join, your occupation is automatically classified by the insurer as Blue Collar. However, you may be eligible to apply for another occupational category (White Collar or Professional) and you can lower the insurance fee payable. Refer to Part 2 of the insurance, Fees & Costs guide for more information.

If you believe you may qualify for a different Occupational Category you can apply for a change in your Occupational Category by completing an Insurance Form which is available online at [russellinvestments.com.au/super](https://russellinvestments.com.au/super). The request is subject to acceptance by the Plan's Insurer. The table below provides a description of the three Occupational Categories.

### Occupational Categories

Occupational Categories

Professional	White Collar Professionals performing no manual duties (e.g. lawyer, accountant). Usually those with a tertiary qualification or registration by a professional body (they must be using these qualifications in their occupation). Those well-established senior executives (with 10 or more years in that role) with incomes in excess of \$80,000 per year, without tertiary qualifications may also be included.
White Collar (formerly Low Risk)	Clerical, administration and managerial occupations involving office and travel duties. No manual work (e.g. administrator, book-keeper, computer operator). Includes occupations with tertiary qualifications that involve very light physical work (e.g. osteopath, physiotherapist).
Blue Collar (formerly Standard)	Anyone who does not qualify as Professional or White Collar and is not classified as Heavy Blue Collar.
Heavy Blue Collar	For former Byrnegut Category A members only (Mine Workers).

### Changes to the occupation category

We have changed the 'name' of the occupation categories. The definitions for these categories remain unchanged. The name changes were made to help members understand the meaning of the occupation categories. The insurance fees for the occupation categories reflect the different risk profiles, ranging from the most expensive 'Blue Collar' to the least expensive 'Professional'. You are defaulted to 'Blue Collar' and we strongly encourage you to check if you are eligible for 'White Collar' or 'Professional'.

Name before 1 October 2021	Name after 1 October 2021
Standard	Blue Collar
Low Risk	White Collar
Professional	Professional

## 2. Death and Total and Permanent Disablement (TPD) cover

In this section, 'automatic' cover and benefits refer to the insurance cover and related benefits which apply automatically (i.e. without your taking any action).

For full details of your specific insurance arrangements, please refer to Part 2 of the Insurance, Fees and Costs Guide.

You will receive automatic Death and TPD insurance cover, provided:

- > You are aged between 25 and 69 and you have an account balance over \$6,000; and
- > You have joined the Plan within 120 days of starting work with your employer; and
- > You are either an 'Australian Resident' or 'Temporary Australian Resident' (as defined by the insurer) ; and
- > Resource Super is your employer's default fund under Superannuation Guarantee Legislation.

If you choose to join the Plan at a later date, you may be asked to provide health evidence to the Plan's insurer to be covered for full insurance and benefits.

If you are a new member, your cover will not be provided automatically until you are at least age 25 and have a balance of \$6,000. Cover will be restricted to 'Limited Cover' for a period of at least 12 months and 30 days. 'Limited Cover' will apply until you are 'At Work' for 30 consecutive days following the end of the 12 month period from the commencement of cover, after which full cover will commence.

However, if you want insurance cover before then, you can opt in for cover. If your account balance is sufficient to meet at least one month's insurance fees and a Superannuation Guarantee (SG) contribution has been received for you within 120 days of commencing employment, your cover will commence effective the date your opt in is received.

- > If you opt in for cover within 60 days of joining the Fund, cover will be restricted to 'Limited Cover' until you are 'At Work' for 30 consecutive days after which full cover will commence.
- > If you opt in for cover outside 60 days of joining the Fund, cover will be restricted to 'Limited Cover' for a period of at least 12 months and 30 days. 'Limited Cover' will apply until you are 'At Work' for 30 consecutive days following the end of the 12 month period from the commencement of cover, after which full cover will commence.

Your Death and Total and Permanent Disablement (TPD) benefits are the balance of your account plus any insurance cover you have within the Plan. 'Limited Cover' means an insured benefit will only be paid if the illness or injury first became apparent after your cover started. For further information on these terms please refer to the Insurer's definition section of this document.

### 3. Income Protection cover

For full details of your specific insurance arrangements, please refer to Part 2 of the Insurance, Fees and Costs Guide.

If you become Totally (but temporarily) Disabled, you may be eligible for an insured Income Protection Benefit (also referred to as a Total & Temporary Disablement benefit), and you will receive automatic Income Protection insurance cover, provided:

- > You are aged between 25 and 69 and you have an account balance over \$6,000;
- > You are a permanent employee (or fixed term contract employee on a minimum contract term of six months with leave entitlements equivalent to a permanent employee) who works at least 15 hours per week; and
- > You have joined the Plan and received an employer contribution within 120 days of starting work with your employer.

Where applicable, details of voluntary Income Protection insurance cover is disclosed in Part 2 of the Insurance, Fees and Costs Guide.

If you choose to join the Plan at a later date, you may be asked to provide health evidence to the Plan's insurer to be covered for full insurance and benefits.

If you are a new member, your cover will not be provided automatically until you are at least age 25 and have a balance of \$6,000. Cover will be restricted to 'Limited Cover' for a period of at least 12 months and 30 days. 'Limited Cover' will apply until you are 'At Work' for 30 consecutive days following the end of the 12 month period from the commencement of cover, after which full cover will commence.

However, if you want insurance cover before then, you can opt in for cover. If your account balance is sufficient to meet at least one month's insurance fees and a Superannuation Guarantee (SG) contribution has been received for you within 120 days of commencing employment, your cover will commence effective the date your opt in is received.

- > If you opt in for cover within 60 days of joining the Fund, cover will be restricted to 'Limited Cover' until you are 'At Work' for 30 consecutive days after which full cover will commence.
- > If you opt in for cover outside 60 days of joining the Fund, cover will be restricted to 'Limited Cover' for a period of at least 12 months and 30 days. 'Limited Cover' will apply until you are 'At Work' for 30 consecutive days following the end of the 12 month period from the commencement of cover, after which full cover will commence.

You may be eligible for an Income Protection benefit if you satisfy the insurer's definition of 'Total Disability' or 'Partial Disability'. Where payable, your Income Protection benefit is generally 75% of your 'Salary' (as defined by the insurer), capped at a maximum of \$30,000 per month. Please refer to 'The insurer's definitions' section for definitions of 'Total Disability' and 'Partial Disability'.

Any benefit payment is subject to the terms and conditions in the insurance policy.

If you qualify for an Income Protection benefit, your payments will accrue once you have been away from work for the 'Waiting Period' (refer to Part 2 of the Insurance, Fees and Costs Guide) and have been assessed by the insurer and Trustee as being 'Totally Disabled'. However, as the payments are payable monthly in arrears, the first payment will not be made any earlier than a month after the end of the 'Waiting Period'. You may receive monthly income payments for a specific period determined by your employer (refer to Part 2 of the Insurance, Fees and Costs Guide), provided you continue to meet the insurer's Disability definitions.

Your Income Protection benefit will be based on the latest salary advised to the Plan and accepted by the insurer. When there is an increase to your salary, your corresponding insured amount will be automatically accepted up to a certain limit set by the insurer. Any new or update to the insured amount above this limit is subject to the insurer's approval, and you may be required to provide health evidence.

Payments may be reduced by income received from other sources, including but not limited to workers' compensation, statutory compensation, pension, social security or similar schemes, any other income protection policies or any income benefits received from a superannuation fund (in respect of disability) and any paid sick leave entitlements.

An Income Protection benefit may continue to be paid if you gradually return to work if you remain 'Partially Disabled' (as defined by the insurer), with payments reduced to reflect income earned. Please see the definition of 'Partial Disablement' in 'The insurer's definitions' section of this guide.

The Income Protection benefit will stop if you no longer satisfy the definition of 'Totally Disabled or 'Partially Disabled', you die, you turn age 65 or you have been receiving the benefit for the maximum benefit period (refer to Part 2 of the Insurance, Fees and Costs Guide). Please note that if you die whilst receiving this disability benefit then the insurer will make a payment equal to 25% of the annual Total Disability Benefit.

The recurrence of a disability within 6 months of ceasing to be 'Totally Disabled' or 'Partially Disabled' will generally be considered to be the continuation of a prior claim and not a new claim. This means that a new 'Waiting Period' will not apply before your benefits can restart. Insurance fees for Income Protection depend on your age, your Occupational Category and the amount of your cover.

## 4. Important information about your insurance cover

### Life Events cover

If your personal or financial situation changes, then you may need to change your insurance. Marriage, divorce, having children or buying or renovating a home are all reasons to review your insurance cover.

With Life Events Cover, you can increase your Death Only or Death and TPD cover up to certain limits by completing an and providing some documentary evidence of the change in your life.

If you already have insurance with the Plan, you can apply to increase your Death Only or Death and TPD cover within:

- > 90 days of one of the Life Events occurring; or
- > 30 days after issue of the first benefit statement after the Life Event occurs.

### Life Events means:

- > you get married or divorced;
- > you have a child or adopt a child;
- > you take out a new mortgage on your primary residence or you increase your mortgage to renovate your primary residence.

### Conditions

- > you must be age 60 or younger and not be engaged in a 'Hazardous Occupation' (as defined by the insurer);
- > you are not, due to sickness, accident or injury, off work or unable to perform your full or normal duties on a full-time basis (at least 30 hours per week), even if your actual employment is full-time, part-time or casual;
- > you have not been diagnosed with, or do not suffer from, an illness that reduces your life expectancy to less than 12 months from the date of your application;
- > you are not entitled to lodge, or intend to lodge, or have ever lodged a claim for illness or injury through workers' compensation, sickness benefit, invalid pension or any insurance policy providing for TPD cover, accident or sickness cover;
- > you have not had an application for life or disability insurance cover declined or offered on alternate terms;
- > each increase in cover cannot be higher than the lesser of \$200,000 or 25% of the total cover you currently hold, or, if the increase is due to a mortgage, the amount of the mortgage or increase in mortgage.
- > you can apply for an increase in cover due to a Life Event once in any 12-month period and the total increase in cover (due to Life Events Cover) across the life of your policy cannot exceed \$800,000, and
- > any exclusions or special terms (including any increase in insurance fees) which apply to your existing cover will apply to any increase in cover issued under Life Events Cover.
- > any increased cover which arises due to a Life Event will be a multiple of \$1,000 or in the nearest whole number of units of age-based cover as outlined above.

You must apply using the Life Events Application Form available in your online account.

Insurance fees for your Life Events Cover are the same as shown in earlier sections and depend on the type of cover you hold, age-based units or fixed cover. If your application is successful, the insurer will inform you, in writing, of the date your Life Events Cover starts.

### Best Doctors service

Through the Plan's insurance arrangements, you and your family have access to Best Doctors (at no extra cost), which connects you with a network of more than 50,000 leading medical specialists from Australia and around the world. Best Doctors offers you and your family a second medical opinion on mental and physical conditions when you need it most. Please contact the Plan for more information.

### Insurance cover while overseas

If you are an 'Australian Resident' (as defined by the insurer) residing outside Australia, your insured cover will continue for up to 3 years. The cover period can be extended at the discretion of the insurer, provided you seek written approval prior to the expiry of this 3-year period. If you are a 'Temporary Australian Resident' (as defined by the insurer) residing outside Australia, your insured cover will continue for up to 3 months. This period can be extended at the discretion of the insurer, provided you seek written approval before the expiry of this 3-month period.

In the event of a claim for TPD, Terminal Illness or Income Protection benefit, the insurer may require you to return to Australia at your own expense for assessment of a claim. Payment of any benefit (except upon death) could be conditional on you returning to Australia for such an assessment. Please contact the Plan to obtain confirmation of the terms and conditions which will apply to your insurance arrangements before you go overseas.

### Insurance cover while your employment is based overseas

If you are an *Australian Resident* temporarily residing or employed overseas you may be covered for Death and TPD insurance for up to 3 years. This period can be extended subject to the insurer's prior written approval.

If you are a *Non-Australian Resident* temporarily residing or employed overseas you may be covered for up to 3 months. This period can be extended subject to the insurer's prior written approval.

## Insurance cover when you are on leave without pay

If you go on employer-approved leave without pay, your Death & TPD and/or Income Protection cover will continue for up to 24 months. The cover period can be extended subject to the insurer's approval prior to the expiry of the initial period. However, conditions will apply. Your insurance fees must continue to be paid during your leave.

## Insurance cover for inactive accounts

Government rules aim to protect low balance and inactive super accounts from being inappropriately eroded by fees and insurance premiums. If the Fund has not received an opt in to keep insurance and where your account has been inactive (meaning no contribution or rollover has been received in your account) for a continuous period of 16 months or more, your insurance will be cancelled. You will receive notice at 9, 12 and 15 months of inactivity allowing you to opt in.

## What happens when you leave your employer?

Your existing insurance cover may continue (without health evidence) under a different insurance arrangement in Resource Super – General. Where your cover continues, the amount of cover will not be less than when you were in Resource Super Employer, Resource Super General, but different terms and conditions may apply.

**Exceptions:** if you are under 25 years, have an account balance of less than \$6,000 and have not previously confirmed you wish to keep cover, insurance cover will not be transferred automatically when you join Resource Super – General. You will need to apply/opt in for cover.

## Insurance cover may continue in Resource Super – General

When your employer notifies us (in writing) of the date of your termination of employment, we will set up an account for you in Resource Super – General. Subject to any opt-in requirements, your similar replacement cover in Resource Super – General may start from the day after you leave your employer from Resource Super Employer, Resource Super General, even though we are notified of your termination of employment later. This ensures you have no gap in insurance protection. However, it means that the first insurance fee deducted from your Resource Super – General account could be for multiple months of cover. You can cancel your insurance cover at any time using the Insurance Form and your cancellation will be effective from the date we process your request.

## Amount of similar replacement cover in Resource Super – General

If your existing Death and TPD cover is a fixed dollar value then this may continue at the same dollar value. Otherwise, your replacement Death and TPD cover may be issued as the minimum whole number of Resource Super – General units of Death & TPD cover required to provide at least the same amount of cover you held in Resource Super Employer, Resource Super General on the last day of employment. This means you may receive at least the same level of Death & TPD cover at the date employment stops, however the value of each unit of cover in Resource Super – General will reduce with each birthday. Your occupational rating will also transfer to Resource Super – General account (where applicable):

If you had no cover on the date of leaving your employer there will be no cover issued to you upon transfer to Resource Super – General. If you want cover, you will need to apply to the insurer and provide health evidence, and the insurer will decide whether to accept or decline your application.

If applicable, your replacement Income Protection cover (if any) will generally be the lower of:

- > The amount of your cover in Resource Super Employer, Resource Super General on your last day of employment, and
- > 75% of the last 'salary' advised by your employer to us.

The Waiting Period is 90 days with a Benefit Period of 2 years.

Please note that in Resource Super – General, the amount of your Income Protection cover will be capped and will not increase as your salary increases. If you wish to increase your Income Protection cover, you will need to apply for increased cover and provide evidence of your health to the insurer, who will assess your application and decide whether to accept or decline your application. If your salary reduces you can apply to reduce your insured cover.

The insurance fee for your Income Protection will be based on the salary we hold for you.

The actual benefit payable will be based upon the 'salary' at the date of disability as calculated by the insurer. Please see the Salary definition (for Income Protection purposes) in 'The Insurer's Definitions' section for further details.

## Who pays the insurance fees for the continued insurance cover in Resource Super – General?

Please be aware that you will pay the insurance fees for the replacement insurance cover. The first insurance fee deducted from your Resource Super – General account will cover the period from the day after you left employment until the end of the month in which you joined Resource Super – General. This period could be multiple months, depending upon how promptly your employer advises us you have ceased employment.

You can cancel or in some cases reduce your insurance cover at any time by logging on to your account and selecting the 'Manage your insurance' option or returning a completed Insurance Form which is available in the log in area of our website or by calling us. The effective date of your cancellation will be the date your cancellation request is processed.

The insurance fees applicable to Resource Super – General can be found in Resource Super – General Part 2 of the Insurance, Fees and Costs Guide which is available at [russellinvestments.com.au/super](http://russellinvestments.com.au/super).

Insurance cover issued in Resource Super – General is not separate from any cover you previously held in Resource Super – Employer. Cover issued in Resource Super – General is linked to the cover you previously held. Because of this, you are not able to claim a benefit twice. That is, you can claim only once on your 'Death and TPD' cover or only once on your 'Death only' cover (if you have any), either in your new or old account. The date of your disablement or death determines whether you claim under Resource Super – General or Resource Super – Employer.

If you lodge a TPD claim after joining Resource Super – General, the date you were disabled will determine whether your claim relates to your current or previous membership. This will then be the basis for determining the sum insured that applies and any other conditions you need to satisfy in order to be entitled to the insured benefit.

If, after you join Resource Super – General, you are paid a TPD benefit that relates to your previous Resource Super – Employer membership, your Resource Super – General 'Death and TPD' insurance cover will be cancelled. Any voluntary 'Death only' cover you have over and above your bundled 'Death and TPD' cover will continue. You may not claim a second TPD benefit from Resource Super – General, even if you develop a different medical condition prior to the cancellation of your Resource Super – General 'Death and TPD' cover.

## Bundled Death & TPD cover

Please be aware that any TPD cover you may have is bundled with death cover to form 'Death and TPD' cover. This means that while you can have Death Only cover, you cannot have TPD cover without death cover as well. It is possible to have higher cover for death than cover for TPD, but you may not have TPD cover higher than your death cover.

You can normally only claim either a TPD benefit or a death benefit, but not both. However, if you have higher Death than TPD cover and your TPD claim is accepted, the difference between the higher Death than TPD cover can continue as Death Only cover. Another claim can be made on this Death Only cover provided it is still in force at the date of death.

## Making a claim

If you would like to make a claim for a Terminal Illness benefit, a TPD benefit, an Income Protection benefit or advise the Plan of a member's death, please contact the Plan on 1800 555 667 for the appropriate forms and documents to be sent to you.

All claims involving insurance are assessed by both the insurer and the Trustee.

You should notify the Plan as soon as possible of any claim for a TPD benefit so that we can assist you with the claim process. It is highly recommended that you obtain medical evidence documenting the state of your health and your ability to work in any occupation, for which you are suited by education, training or experience, at or shortly after the time you stop working. This will help to avoid any potential delay in processing your claim. If your claim is delayed or you do not have evidence from the time you stopped working, the likelihood of your claim being approved by the insurer reduces significantly. If the insurer declines to pay your claim, the benefit is restricted to your account balance.

## Successful claims and insurance proceeds

If your TPD or Terminal Illness claim is successful, any insurance proceeds will be credited to your account with the Plan. If you no longer hold an account with the Plan, a new account will be opened for you in Resource Super – General. The insurance proceeds will be invested in the Australian Cash option, until you instruct us otherwise.

Any insurance proceeds received in the event of your death are placed into your account with the Plan and will remain invested in the Plan until the Trustee has made a determination on how your account balance is to be distributed. The insurance proceeds are invested in the Australian Cash option until the death benefit is paid from the Plan.

If your Income Protection claim is successful, the insurance proceeds are generally paid directly to you by cheque or by EFT to your nominated bank account. PAYG tax will be deducted.

## Terminal Illness

A Terminal Illness claim can be made to access:

- i) Any applicable Terminal Illness insurance cover (life expectancy of less than 12 months); and
- ii) Your superannuation account balance (life expectancy of less than 24 months).

There are different criteria to access any insured benefit and account balance.

### Insured benefit (life expectancy of less than 12 months)

Terminal illness means an *Insured Person* suffers any condition that:

- i) Two appropriate *Medical Practitioners* approved by the insurer (at least one of whom is a specialist) certify in writing, having regard to the current treatment as the *Insured Person* may reasonably be expected to receive, will despite reasonable medical treatment likely lead to the *Insured Person's* death within 12 months of the date of the certification; and
- ii) The insurer is satisfied, on medical or other evidence, will despite reasonable medical treatment lead to the *Insured Person's* death within 12 months of the certification referred to in paragraph (a).



### Your account balance (life expectancy of less than 24 months)

To access your account balance, you must meet the following criteria:

- i) two registered medical practitioners have certified, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (the certification period) that ends not more than 24 months after the date of the certification;
- ii) at least one of the registered medical practitioners is a specialist practicing in an area related to the illness or injury suffered by the person;
- iii) for each of the certificates, the certification period has not ended.

### Information you need to know

If the medical opinion is a likely life expectancy of less than 24 months, but not less than 12 months, then you may be able to access your account balance, however, the insured benefit will not be payable. In this circumstance, it is important to note that if you wish to retain the current Death/Terminal Illness insurance cover for a future claim against the policy then you must ensure your insurance cover remains in force. **You must ensure you have sufficient funds within your account to meet your insurance fees.**

If you do not currently meet the criteria for the Terminal Illness insured benefit you may be able to make a TPD claim. However, please note that to qualify for a TPD benefit the Insurer must be satisfied that the insurance policy definition is met at the applicable time. A Terminal Illness diagnosis does not necessarily mean that the Total and Permanent Disablement definition is met.

Please contact us on 1800 555 667 for the appropriate forms and documents to be sent to you.

## 5. The insurer's definitions

Words in italics have a special meaning within the insurance policy. Please contact us if you require a copy of these definitions. Because the definitions below are set by the insurer, all references to the words 'we', 'our' and 'us' refer to the insurer.

**Note that different definitions may apply in respect of claims relating to the period prior to the date of this document.**

### At Work

*At Work* means:

1. for a person who is:
  - a) employed with an employer: the person is actively performing or capable of actively performing all of the duties and work hours (for at least 30 hours per week) of his or her usual occupation with his or her employer, free from any limitation due to illness or injury. A person who is on employer-approved leave for reasons other than illness or injury, who would otherwise be capable of performing his or her usual occupation will be considered as having met the requirements of this definition; or
  - b) self-employed: the person is actively performing or capable of actively performing all of the duties and work hours (for at least 30 hours per week) of his or her usual occupation, free from any limitation due to illness or injury; or
  - c) unemployed: the person is capable of actively performing all of the duties and work hours (for at least 30 hours per week) of his or her usual occupation prior to becoming unemployed, free from any limitation due to illness or injury; or
  - d) 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. A person who does not meet this definition is correspondingly described as being 'not *At Work*';

### Pre-Existing Condition

*Pre-Existing Condition* means an illness or injury or a symptom in respect of which the *Insured Person*:

- a) was aware, or a reasonable person in their position should have been aware;
- b) 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
- c) has had a medical consultation or been prescribed medication or therapy prior to the commencement of the cover.

### Limited Cover Conditions

*Limited Cover Conditions* means cover only applies to claims arising from an illness, the symptoms of which first became apparent, or an injury which first occurred, on or after the date that the cover started or, if the cover recommenced or was reinstated under the Policy for the *Member*, on or after the date that the cover recommenced or was reinstated, and which is not directly or indirectly related to a *Pre-Existing Condition*.

### Salary (for Income Protection purposes)

Salary means the lower of, as applicable:

- a) the total of:
  - i) earnings received in respect of ordinary hours of work; and
  - ii) earnings consisting of performance related bonuses, commission amounts, overtime, and shift allowances, up to a maximum of 30% of the amount calculated under part (a)(i); but
  - iii) excluding any amount specifically excluded by the definition of 'Ordinary Time Earnings' as defined by *Superannuation Guarantee Legislation* (other than amounts that are excluded from this definition solely because they are in excess of the maximum contribution base);

averaged over the 12-month period (or the actual period of employment if employed for less than 12 months) immediately preceding the date of *Disability*; and

- b) where the *Insured Person* directly or indirectly owns all or part of the business from which they earn their usual income, the annual income earned by the *Insured Person's* personal exertion, less all expenses incurred by the *Insured Person* in earning that income, but before the deduction of income tax for that business, calculated by averaging the *Insured Person's* net earnings for the two years immediately preceding the *Date of Disablement*, or the period of time since the *Insured Person* commenced their ownership of the business; and
- c) the *Salary* most recently advised by the trustee to the insurer in writing.

## Total & Permanent Disablement (TPD)

TPD Means that in *Our* opinion, the *Insured Person* is:

- a) under the care of and following the advice of a *Medical Practitioner*; and
- b) meets one or more of the following definitions Parts (a), (b), (c) or (d) as applicable; and
- c) has suffered ill-health (whether physical or mental) that makes it unlikely, solely because of Illness or Injury, that they will engage in *Gainful Employment* for which they are reasonably qualified by education, training or experience.

**Part (a)** solely because of illness or injury, the *Insured Person* 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); or
- ii) the sight in both eyes; or
- iii) the use of one limb and the sight in one eye;

or

**Part (b)** solely because of illness or injury, the *Insured Person* 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

**Part (c)** where at the *Date of Disablement*, the *Insured Person* was in *Gainful Employment* of 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*), the *Insured Person*:

- i) solely because of illness or injury has been absent from employment for six consecutive months; and
- ii) at the end of the period of 6 months, 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

**Part (d)** where at the *Date of Disablement*, the *Insured Person* was not in *Gainful Employment* and was engaged in *Domestic Duties* at home, the *Insured Person* solely because of illness or injury:

- i) is under the care of a *Medical Practitioner*; and
- ii) is unable to perform those *Domestic Duties*; and
- iii) is unable to leave their home unaided; and
- iv) has not engaged in any *Gainful Employment* for a period of 6 consecutive months after the occurrence of the injury or illness; and
- v) at the end of the period of 6 months, in *Our* 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 for which they are reasonably suited by education, training or experience.

## Total Disability (for Income Protection)

*Total Disability* means that in *Our* opinion the *Insured Person*, while insured by *Us*, as a direct result of illness or injury:

- a) is unable to perform at least one important income producing duty of their regular occupation;
- b) is not working in any capacity, *Gainful Employment* or otherwise, and
- c) is under the regular care of a *Medical Practitioner*; and, in *Our* reasonable opinion, is complying with the advice and treatment given by that *Medical Practitioner*.

## Partial Disability (for Income Protection)

*Partial Disability* means that immediately following a period of at least 14 consecutive calendar days of *Total Disability*, and as a direct result of the same illness or injury that caused *Total Disability*, the *Insured Person*:

- a) cannot work their pre-disability working hours, or is unable to perform at least one important income producing duty of their regular occupation, or does not have the capacity to work at the same level they were working at prior to commencement of *Total Disability*;
- b) suffers a partial loss of monthly *Salary*; and
- c) is under the regular care of a *Medical Practitioner* and, in *Our* reasonable opinion, is complying with the advice and treatment given by that *Medical Practitioner*. All work undertaken by the *Insured Person* must be approved by *Us* and their *Medical Practitioner*.