

1 October 2023

# Insurance, Fees and Costs Guide

iQ Super – Business | 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 Product Disclosure Statement (PDS) for iQ Super - Business dated 1 October 2023. This document provides additional general information for members in a Closed Category or Division in addition to the Super Facts Member Booklet. 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 iQ 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 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.

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

Where you pay for insurance cover, insurance fees 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

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

- Log in to your online account at [russellinvestments.com.au/super](https://russellinvestments.com.au/super) and elect to retain your insurance cover under the Personal details section.
- Complete and return the Insurance Opt-in Form which is available on our website by selecting Resources > Forms, calculators and other resources or 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 logging on to your account and selecting the 'Manage your insurance' option or 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 logging on to your account and selecting the 'Manage your insurance' option or by completing an Insurance Form which is available online at [russellinvestments.com.au/super](http://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	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	Anyone who does not qualify as a Professional or White Collar.

## 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.

Generally, where your employer does not pay the entirety of your Death and TPD insurance fees 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)

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.

There are circumstances where automatic insurance will start upon commencement of employment regardless of age and account balance. The benefit design your employer has chosen may result in no cover beyond age 65. To see if this applies to you, please refer to Part 2 of the Insurance, Fees and Costs Guide.

### 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 automatic Income Protection insurance cover is available in your membership category, as disclosed in Part 2 of the Insurance, Fees and Costs Guide, generally, where your employer does not pay the entirety of your Income Protection insurance fees 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 have joined the Plan within 120 days of starting work with your employer;
- You are either an 'Australian Resident' or 'Temporary Australian Resident' (as defined by the insurer) or holder of a temporary work visa approved by the insurer; and
- 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.

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.

There are circumstances where automatic insurance will start upon commencement of employment regardless of age and account balance. The benefit design your employer has chosen may result in no cover beyond age 65. To see if this applies to you, please refer to Part 2 of the Insurance, Fees and Costs Guide.

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 70 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:

- 60 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 55 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.

### Insurance cover while overseas

Usually you are covered for insurance 24 hours a day, worldwide.

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 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.

In the case of your TPD cover, in the event that you suffer TPD during the first 24 months of leave, the occupation and work hours you performed immediately before you took the leave will be considered as your occupation and work hours for the purposes of the definition of TPD. If you suffer TPD after the initially approved period of leave, you will be assessed against parts (a) (b) and (d) of the insurer's TPD definition. Please refer to 'The insurer's definitions' section for more detail. If you are contemplating leave without pay, you should contact the Plan to obtain confirmation of the terms and conditions that will apply to your insurance arrangements before you start 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 iQ Super – For Life. Where your cover continues, the amount of cover will not be less than when you were in iQ Super - Business, 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 iQ Super – For Life. You will need to apply/opt in for cover.

### Insurance cover may continue in iQ Super – For Life

When your employer notifies us (in writing) of the date of your termination of employment, we will set up an account for you in iQ Super – For Life. Subject to any opt-in requirements, your similar replacement cover in iQ Super – For Life may start from the day after you leave your employer from iQ Super - Business, 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 iQ Super – For Life account could be for multiple months of cover. You can cancel your insurance cover at any time using the Insurance Form which is available on our website. Please log in to your online account and go to Resources > Forms, calculators and other resources to find this Form or call us for a copy. The effective date of your cancellation will be the date your cancellation request is processed.

### Amount of similar replacement cover in iQ Super – For Life

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 iQ Super – For Life units of Death & TPD cover required to provide at least the same amount of cover you held in iQ Super - Business 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 iQ Super – For Life will reduce with each birthday.

If you had no cover on the date of leaving your employer there will be no cover issued to you upon transfer to iQ Super – For Life. 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 iQ Super - Business 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 iQ Super – For Life, 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 iQ Super – For Life?

Please be aware that you will pay the insurance fees for the replacement insurance cover. The first insurance fee deducted from your iQ Super – For Life account will cover the period from the day after you left employment until the end of the month in which you joined iQ Super – For Life. 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 on our website. Please log in to your online account and go to Resources > Forms, calculators and other resources to find this Form or call us for a copy. The effective date of your cancellation will be the date your cancellation request is processed.

The insurance fees applicable to iQ Super – For Life can be found in iQ Super – For Life 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 iQ Super – For Life is not separate from any cover you previously held in iQ Super – Business. Cover issued in iQ Super – For Life 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 iQ Super – For Life or iQ Super – Business.



If you lodge a TPD claim after joining iQ Super – For Life, 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 iQ Super – For Life, you are paid a TPD benefit that relates to your previous iQ Super – Business membership, your iQ Super – For Life '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 iQ Super – For Life, even if you develop a different medical condition prior to the cancellation of your iQ Super – For Life '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.

### How we will assess your Total and Permanent Disablement claim

When assessing your claim for Total and Permanent Disablement the Insurer and us will consider whether you are unlikely to ever again engage in any Gainful Employment for which you are suited by education, training or experience.

When doing so we will take into account (but not limited to):

1. All available medical evidence including evidence provided by your medical practitioners as well as advice from specialists and other experts that the Insurer and us may consider appropriate;
2. Whether or not you have undertaken all reasonable and appropriate treatment options;
3. Any retraining, re-skilling, rehabilitation, gainful employment or voluntary work you have undertaken by the date the Insurer assesses your claim or that they believe to be reasonably expected to be undertaken within a reasonable period;
4. If you have moved residence since the claimed date of disablement then the Insurer and us will consider the availability of suitable gainful employment in other geographical locations. In doing so we will consider whether you have moved to help manage your condition or receive support and what the impact of a further move may have on your condition;
5. Unfortunately, a physical or mental condition may mean that gainful employment at the level of your more recent roles may no longer be appropriate. The desirability of alternative suitable gainful employment is not a primary consideration, it is your capacity to perform the suitable gainful employment that is key to the assessment.

## 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 iQ Super – For Life. 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)

To access the insured component of your death benefit prior to your death, up to a maximum of \$3 million, you must also meet the insurer's definition of *Terminal Illness*.

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

- a) 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
- b) 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)

You may be able to access your death benefit before your death if you are diagnosed with a *Terminal Medical Condition* as defined in superannuation legislation.

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) 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*';

### DSM

means the latest edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) published by the American Psychiatric Association (APA). If the Diagnostic and Statistical Manual of Mental Disorders is no longer used or published, We will use another manual similar to it for the determination as determined by the Royal Australian and New Zealand College of Psychiatrists.

### Employer Approved Leave

means leave (including unpaid leave) that has been granted by the employer in accordance with the employer's employment practices, supportable by documentary evidence.

### Everyday Work Activities

means the following activities:

- a) Mobility – the Insured Member can do the following:
  - i) walk without assistance more than 200m on a level surface without stopping; and
  - ii) bend, kneel or squat to pick something up from the floor from a standing position and straighten up again;
- b) Communicating – the Insured Member can do the following:
  - speak in their first language so that they are understood in a quiet room; understand a simple message in their first language, and relay that message to another person; and
  - hear\*, which means the Insured Member has not suffered the irrecoverable profound loss of all hearing in both ears, resulting in an auditory threshold of 91 decibels or greater, averaged at frequencies 500 hertz, 1000 hertz and 3000 hertz, both natural and assisted, as certified by an appropriate Specialist Medical Practitioner approved by Us;
- c) Vision\*\* – The ability to see which means the Insured Member has not suffered the total and irrecoverable loss of sight (whether aided or unaided) of both eyes as a result of Sickness or Injury to the extent that:
  - visual acuity in both eyes, on a Snellen Scale after correction by suitable lens is less than 6/60; or
  - the visual field is reduced to 20 degrees or less of arc;
- d) Lifting – The Insured Member can lift a 5 kg weight with either or both hands from a bench/table height, carry it over a 5 metre distance and place it back down at a bench/table height; and
- e) Manual dexterity – The Insured Member can use their 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 to write a short note).

The following does not form part of the insurance policy wording and the policy wording would prevail, but to aid understanding the following is provided:

\* Hearing – the incapacity to ‘hear’ needs to be so severe that there is very little or no functional hearing. With this level of hearing loss you will not hear any speech and only very loud sounds (for example they will not hear power tools, live heavy metal rock concerts, an aircraft landing or taking off even if very close). The loss of hearing must be permanent, not able to be improved with a hearing aid.

\*\* Vision - the incapacity of ‘Vision’ needs to be so great that you would be considered legally blind. With this level of vision loss you, with both eyes (with glasses if required), either can’t see at six metres what someone with regular vision can see at 60 metres, or a field with a horizontal extent of at least 20 degrees in diameter. In addition you would be unable to read ordinary newsprint and be unable to pass the standard eyesight test for a drivers licence. The loss of vision must be permanent.

## Gainful Employment / Gainfully Employed

means employed or Self-employed for gain or reward, or in the expectation of gain or reward, such as salary, wages, business income, bonuses, commissions, fees or gratuities, in return for personal exertion.

## Limited Cover Conditions

Limited Cover is provided subject to 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*.

## Medical Practitioner

means, unless We agree otherwise, a medical practitioner legally qualified and registered with the Australian Health Practitioner Regulation Agency (AHPRA) to practice in Australia, but shall not include chiropractors, physiotherapists, psychologists or alternative health providers.

The Medical Practitioner cannot be:

- a) the Insured Member;
- b) the Insured Member's spouse or partner in a de facto relationship, parent, child, sibling or close family relative;
- c) the Insured Member's business partner, associate, employer or employee; or
- d) a fellow shareholder or unit holder of the Insured Member in a company or trust that is not a publicly listed company or trust.

## 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.

## Psychiatric Impairment Rating Scale

means the scale for assessing the whole-person impairment of a psychiatric disorder as applied by a Psychiatrist who has undergone appropriate training in this assessment method. If the Psychiatric Impairment Rating Scale is no longer used or published, We will use another scale similar to it for the determination of the claim as determined by the relevant medical body.

## Psychiatrist

means a Medical Practitioner who is legally qualified as a practicing psychiatrist and registered with the Australian Health Practitioner Regulation Agency (AHPRA). We require the condition to have been diagnosed in accordance with the latest edition of the DSM by the Psychiatrist as a mental disorder.

## 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.

## Severe Cognitive Impairment

The Insured Member suffers a deterioration or loss of intellectual capacity that results in a requirement for a full-time permanent caregiver.

## Specialist Medical Practitioner

means a Medical Practitioner who is a specialist as determined by the relevant medical registration boards and registered with the Australian Health Practitioner Regulation Agency (AHPRA) and is currently practicing in a specialist area related to the Sickness or Injury that the claim is for.

## Total & Permanent Disablement (TPD)

Total and Permanent Disablement / Totally and Permanently Disabled means an Insured Person who, solely because of Sickness or Injury:

1. is under the regular care of and following the advice of a Medical Practitioner; and
2. meets Part A if the Insured Member immediately prior to the Date of Disablement was under age 65 and:
  - a) Gainfully Employed (or on Employer Approved Leave); or
  - b) had undertaken Gainful Employment at any time in the 16 months prior to the Date of Disablement otherwise,

if this Part A does not apply,

3. meets Part B.

Part A – unable to ever again engage in a suited occupation

The Insured Person, solely because of Sickness or Injury:

- i) has been absent from employment for six consecutive months since the Date of Disablement; and
- ii) at the end of the period of six 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;

Part B – incapable of doing basic activities associated with work ever again or suffering a severe mental health condition or Severe Cognitive Impairment and also incapable of doing a suited occupation:

The Insured Member has suffered ill-health (whether physical or mental) that makes it unlikely that the Insured Member will engage in Gainful Employment for which they are reasonably qualified by education, training or experience and solely because of that Sickness or Injury they satisfy (a), (b) or (c) below:

- a) the Insured Member has been unable to perform at least two Everyday Work Activities without assistance from another adult person, despite the use of appropriate aids, for at least 12 consecutive months and in Our opinion the Insured Member will be unable ever again to perform at least two Everyday Work Activities without assistance from another adult person, despite the use of appropriate aids; or
- b) the Sickness is a severe mental health condition and:
  - i) the Insured Member's mental health condition has been diagnosed by a Specialist Medical Practitioner (unless We agree otherwise) using criteria outlined in the *Diagnostical and Statistical Manual of Mental Disorders (DSM)*;
  - ii) the mental health condition has caused the Insured Member to be absent from Gainful Employment for 12 consecutive months from the Date of Disablement;
  - iii) the Insured Member has been under the regular ongoing and appropriate care of a Psychiatrist for at least 12 months (unless We agree to a shorter period) who considers that the Insured Member has exhausted all reasonable and appropriate treatment options; and
  - iv) the Insured Member has been assessed by a Psychiatrist, approved by Us, against the *Psychiatric Impairment Rating Scale* as having an impairment of 19% or higher; or
- c) the Sickness is a Severe Cognitive Impairment and the Insured Member solely because of that Sickness has been:

- i) absent from Gainful Employment for 12 consecutive months from the Date of Disablement (unless We agree to a shorter period); and
- ii) has been assessed by a Specialist Medical Practitioner, approved by Us, as having reached Severe Cognitive Impairment due to the Sickness.

The following does not form part of the insurance policy wording and the policy wording would prevail, but to aid understanding the following is provided:

- The Psychiatric Impairment Rating Scale (PIRS) been used in the TPD definition is also used in Workcover guidelines for various states in Australia. It provides the equivalent of whole person impairment percentage for mental health conditions.

From an assessment perspective, there is a requirement for you to be consulting with a treating Psychiatrist for ongoing management of the condition. There is also a requirement for the claimed condition to be diagnosed according to latest DSM criteria as this provides validation that a mental health condition is being claimed for.

A psychiatrists appropriately trained and approved by the Insurer will provide the measurement and verification in relation to the definition including the permanence and whether you have reached maximum medical improvement.

PIRS itself is a scale for assessing the level of functional impairment caused by a mental health condition in six areas of functioning:

- a) Self-Care and Personal Hygiene
- b) Social and Recreational Activities
- c) Travel
- d) Social functioning (relationships)
- e) Concentration
- f) Adaptation and employability.

## 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*.

## Usual Occupation

means, immediately prior to the Date of Disablement:

- i) in the case of an Insured Member who is employed, the role of the Insured Member in their employment with an employer, or employers as applicable;
- ii) in the case of an Insured Member who is Self Employed, the role the Insured Member usually performs in their trade, business or profession or employment;
- iii) in the case of an Insured Member who is not in Gainful Employment, the Usual Occupation of the Insured Member immediately before they ceased to be in Gainful Employment.

In the case of an Insured Member who has multiple roles, is employed or Self-employed on a part-time basis or to whom a combination of these situations applies, these elements of the Insured Member's Usual Occupation are taken together.