

Insurance through your super

Did you know most Australian Ethical Super members automatically receive three units of default Death and total and permanent (TPD) insurance ('Default Cover') at a cost of \$4.23 per week? And because we know our members are all very different, you have the option to tailor this insurance to suit your needs.

Insurance can be complex, we recommend that you speak to your financial advisor to determine your insurance needs and if the cover provided by the fund is suitable for you.

What's so good about having insurance through super?

Death and TPD insurance can provide you or your loved ones with financial support if the unexpected occurs.

There are some advantages of having insurance through your super rather than buying it yourself outside of super, such as:

- **it's often cheaper** – group buying power generally means you enjoy lower premiums compared to buying insurance yourself
- **it's convenient** – because your premiums automatically come out of your super account and not from your take home pay.

Note: If you receive 3 units of Default Cover and do not opt out of the cover, a premium of \$219.96 p.a. will be automatically deducted from your account in monthly instalments at the end of the month.

Types of insurance

Please read our [Insurance Guide](#) for complete definitions of the types of insurance and the terms and conditions that apply.

Total and Permanent Disability (TPD)

TPD insurance is designed to provide financial support if you suffer an illness or injury that leaves you totally and permanently disabled.

Death cover

Death insurance pays a lump sum amount to your loved ones if you die or suffer from a terminal illness.

Income protection

Income protection provides you with an income to help meet your living expenses if you're not able to work for a period due to illness or injury.

Insurance inactivity – changes to Super

In February 2019, the Federal Parliament introduced legislation called the Protecting Your Super reforms.

This means we can no longer continue to provide insurance through your super when your account has been *inactive*¹ (regardless of your account balance) unless you let us know you'd like to continue to receive insurance.

¹An account is considered inactive if money hasn't been paid into your account for a continuous period of 16 months. If your insurance gets automatically cancelled because of inactivity, you can still reinstate it if you have enough money to pay for premiums.

To reinstate your insurance, you can:

- 1 Opt-in:** For insurance cancellations that happen **between 1 July and 31 July 2019** simply **opt-in to keep your cover active** and make sure you have enough money to pay your premiums from the date of cancellation. Just make sure you do it within 60 days of your insurance being cancelled so that you can keep your cover continuous without affecting your policy terms and conditions.

If your insurance is cancelled **after 1 August 2019** onwards, you'll only have 30 days to opt-in to keep you cover continuous.

- 2 Employer contributions:** Depending on when you receive your employer contribution, there are different terms and conditions that affect how your insurance is reinstated – and there will be gaps in your cover. You may also have to answer some personal questions about your health and go through medical screening again.

To learn more about reinstatement, visit australianethical.com.au/super/protecting-your-super_important-information

Default insurance

On joining, you automatically receive three units of default Death and TPD insurance without the need to complete forms or have medical examinations. Your default insurance is unitised which means it is measured in blocks of cover called 'units'.

You pay a set price for each unit and the amount of insurance you're covered for depends on your age and occupation category. You'll be automatically classified in the 'Standard' occupation category unless you update your insurance details through our member portal or you call us to let us know.

Note: Unitised cover reduces with age and reduces significantly from the age of 40. To see what the rates are, refer to the *Amount of Default Cover* table in our **Insurance Guide**.

Important eligibility conditions and age limits apply. Some examples of these conditions are:

- if you're in *Active employment*² when your insurance starts, as this affects whether your cover is restricted to *New events cover*³
- if your employer is paying superannuation guarantee contributions into the fund (that is, you're an *Employer sponsored* member)
- the timing of when your first superannuation guarantee contribution was made.

² *Active Employment means a person can be employed without restriction by any illness or injury for at least 35 hours per week (whether they are working those hours or not)*

³ *New Events Cover means you'll only be covered for illness or injury that first happens on or after the date your insurance is reinstated.*

Refer to the section *Default Cover* in the **Insurance Guide** for more information about eligibility for Default Cover. If you want to change your cover (opt out, reduce/fix your cover or apply for additional units under automatic acceptance), you can complete the **Insurance Variation Form**. Otherwise, if you want to apply for additional units at any other time, you can complete the **Insurance Application Form**. We'll let you know when the variation form has been accepted by the Insurer and comes into effect.

What is my occupation category?

Your insurance amount is calculated by your age at your next birthday and all members join as 'Standard' unless you complete an **Insurance Variation Form**. Your profession, duties and salary will help us make a risk assessment which will determine your final occupation category. Our **Insurance Guide** explains how to assess your occupation category.

Your occupation category impacts either your sum insured (for Default Cover) or the amount you pay in premiums (for Fixed Insurance cover or transfer of cover). Please refer to the **Occupation Adjustments** in the **Insurance Guide** for the factors used to determine cover amounts.

Note: For **unitised cover**, your occupation category will be reassessed at the time of claim and for members who have **fixed cover**, occupation category is **not** reassessed at time of claim. Please make sure you update us with any changes to your work situation to ensure you are paying correct premiums.

Additional two units (automatic acceptance)

Did you know you can receive an additional two units of insurance without underwriting if you're an employer sponsored member who has their first superannuation guarantee contribution received by the fund within six months of being first eligible? The application for additional two units must be received within 60 days of your first super contribution. You can apply for these units by completing the **Insurance Variation Form**.

Cover for special life events

You can also apply for 'life events cover', which increases your insurance when major milestones happen, such as getting married, having children, or getting a mortgage. You'll need to apply within 60 days of the life event, or within 30 days of your member statement after the event – whichever occurs later. You can apply for this cover by completing the **Insurance Variation Form**.

Opting out

If you choose to cancel your Default Cover within 90 days of starting, then your cover will be cancelled from the date the cover started. All insurance premiums that were deducted will be refunded back to your super account and you'll no longer have insurance.

If you cancel your Default Cover after 90 days of starting, then your cover will be cancelled effective from the date we receive your request. You can opt-out of insurance by completing the Insurance variation form, through the member portal or send us written instructions (email or letter). Premiums will only be charged up to the time that your cover is cancelled.

Note: If you choose to cancel your insurance, and later decide to apply for cover, you'll need to provide evidence of good health and be assessed by the Insurer.

What is Fixed Cover?

You also have the option to take out 'fixed cover' which means you choose the dollar amount of insurance you want (in multiples of \$1,000), and this will remain fixed up until age of 60.

Typically, the premiums you pay for fixed cover will increase as you get older and they depend on your occupation category, whether you're male or female and whether you're a smoker or non-smoker. From age 61 the amount of fixed cover you have decreases with age.

You can refer to our premium rates tables for fixed cover in our insurance guide.

To change your Default cover to fixed cover, you can complete the [Insurance Variation Form](#) or if you'd like to apply for an increased amount of cover, you can complete the [Insurance Application Form](#).

Note: Once you have fixed your cover, you won't be able to reverse back to unitised cover.

Income Protection Insurance

You also have the option to apply for income protection insurance. You can do this by filling out an [Insurance Application Form](#) on our website or by calling us. Please refer to the [Insurance Guide](#) for detailed information about this insurance option including waiting periods, returning to work and other important conditions.

Can you transfer your insurance from another fund?

Yes, you may be able to transfer your insurance (Death, TPD or Income Protection) from another complying super fund to Australian Ethical Super.

Your cover will need to be current and the policy with the other fund needs to be of a similar nature to the cover provided by Australian Ethical's super insurance arrangements. As the policy is a like for like policy, any exclusions or loadings will apply to your Australian Ethical Super account.

To transfer your insurance, you'll need to complete the [Transfer of Cover Form](#) and provide your most recent super statement to verify the amount of cover.

Once your transfer of cover has been accepted by Australian Ethical Super, your cover automatically becomes fixed. This means you won't be able to convert to unitised cover.

Note: It's important you don't cancel your current insurance cover with your existing fund until Australian Ethical Super accepts your transfer of cover application.

Only after you have received confirmation that you're covered under Australian Ethical's insurance arrangements, you can cancel your previous cover so that you're not doubling up.

The Insurer may decline to pay benefits if you concurrently hold two or more policies of a similar nature.

Find out more

You can find out what insurance you hold by [logging into to your account](#), check your latest member statement or give us a call.

For more information about insurance through your super please refer to our [Insurance Guide](#).

We're here to help

If you're unsure of what to do, call us on **1300 134 337**, Monday to Friday 8am-8pm (AEST) or email us at members@australianethical.com.au

Note: We recommend you speak with a financial adviser about your insurance needs before making any important decisions.