

Division Two Insurance

SNAPSHOT

- > Eligible members are automatically provided with basic insurance cover for death and total and permanent disablement if they join the fund when starting employment.
- > Your employer pays the cost of basic insurance cover for all Active Members, except those on unpaid leave.
- > Active members may apply for optional death and total and permanent disablement cover with the cost of this cover deducted from your account each month.
- > Your insurance covers you 24 hours a day, seven days a week.

DECEMBER 2009

VERSION 2

- > This Fact Sheet should be read together with the applicable Product Disclosure Statement for CSR Super or Holcim Super that incorporates this Fact Sheet by reference.

Please note

The insurance information contained in this Fact Sheet is a general description only. This information reflects the terms and conditions of the current arrangement between the Trustee and the insurer, MetLife Insurance Limited (ABN 75 004 274 882, AFSL 238096) ("MetLife"), and is subject to change at any time (with notice if applicable). The full terms and conditions are set out in the group life insurance policy. You can obtain a copy of the group life insurance policy the Trustee has with MetLife by calling the Inquiry Line.

ACTIVE MEMBERS

Eligible members automatically receive basic insurance cover. This is a multiple of your base salary which is paid on death or total and permanent disablement. Your employer pays the cost of basic insurance cover for eligible members. You can also apply for optional insurance cover, with the cost being deducted directly from your account.

Your base salary is your contributing salary or, for packaged employees, your base remuneration as advised by your employer.

Death and total and permanent disablement

A death and total and permanent disablement benefit is a lump sum benefit made up of three parts:

- Your account balance,
- Any basic insurance cover, and
- Any optional insurance cover.

Basic insurance cover

If you join the Harwood Superannuation Fund (the fund) on commencement of employment, you are automatically provided with basic insurance cover without having to provide any evidence of health (unless the basic insured amount is over \$750,000).

This insures you for death and total and permanent disablement 24 hours a day, 7 days a week.

If you join the fund as a late entrant (i.e. not on commencement of employment) no insurance cover is automatically provided. You will need to provide evidence of health, pastimes and occupation for any death and total and permanent disablement insurance cover.

If the evidence provided does not meet the insurer's requirements, higher costs may apply, or in some cases your request for insurance cover may be declined altogether.

Your employer pays the cost of your basic cover (unless you are on unpaid leave or you are an Inactive member).

Your basic insured amount (if any) is a multiple, based on your age next birthday at the last review date (1 July), of your base salary (see **Table 1**).

Optional insurance cover

Active members may apply for optional death and total and permanent disablement cover through the fund. There are many insurance alternatives available to you outside the fund. It is recommended you seek professional advice on which cover and the amount of cover that best suits you.

The cost of your optional cover is deducted each month from your account.

Optional death and total and permanent disablement cover is based on a multiple of your base salary. You may buy multiples of 0.1 times your base salary, up to the maximum multiple for your age shown in the table below and set in accordance with the Trust Deed.

Your optional insurance multiple remains the same unless you request and receive approval for a different multiple. However, the dollar value of your optional cover will vary in line with salary movements.

Evidence of health, pastimes and occupation is required for all optional cover, including increases in cover. Evidence of health will also be required if the dollar value of your combined basic insurance cover and optional insurance cover exceeds a pre-approved limit. If the evidence provided does not meet the insurer's requirements, higher costs may apply, or in some cases your request for optional insurance cover may be declined altogether.

Table 1 – Active Members

Age next birthday at last review date (1 July)	Basic cover base salary multiple	Maximum optional cover base salary multiple	Annual cost per \$1,000 optional cover \$	Age next birthday at last review date (1 July)	Basic cover base salary multiple	Maximum optional cover base salary multiple	Annual cost per \$1,000 optional cover \$
16	4.0	3.0	0.24	39	2.1	4.9	0.68
17	4.0	3.0	0.30	40	2.0	5.0	0.77
18	4.0	3.0	0.37	41	1.9	5.1	0.85
19	4.0	3.0	0.43	42	1.8	5.2	0.94
20	4.0	3.0	0.46	43	1.7	5.3	1.06
21	3.9	3.1	0.44	44	1.6	5.4	1.19
22	3.8	3.2	0.44	45	1.5	5.5	1.33
23	3.7	3.3	0.43	46	1.4	5.6	1.49
24	3.6	3.4	0.42	47	1.3	5.7	1.68
25	3.5	3.5	0.41	48	1.2	5.8	1.88
26	3.4	3.6	0.39	49	1.1	5.9	2.13
27	3.3	3.7	0.38	50	1.0	6.0	2.39
28	3.2	3.8	0.37	51	0.9	6.1	2.70
29	3.1	3.9	0.38	52	0.8	6.2	3.04
30	3.0	4.0	0.39	53	0.7	6.3	3.43
31	2.9	4.1	0.41	54	0.6	6.4	3.80
32	2.8	4.2	0.42	55	0.5	6.5	4.28
33	2.7	4.3	0.43	56	0.4	6.6	4.73
34	2.6	4.4	0.47	57	0.3	6.7	5.21
35	2.5	4.5	0.49	58	0.2	6.8	5.79
36	2.4	4.6	0.54	59	0.1	6.9	6.44
37	2.3	4.7	0.57	60*	0.0	7.0	7.19
38	2.2	4.8	0.62	61**	0.0	7.0	8.03

* Basic insurance ceases at the annual review (1 July) prior to your 60th birthday.

** Optional death and disablement insurance cover automatically stops when you reach age 61.

Please note: You may request an extension of your insured cover up to age 65. This is subject to Trustee approval.

Costs are current at the time of printing. The Trustee and MetLife have the power to alter the costs and you will be given 30 days notice in advance of any increases that you have to pay for.

EXAMPLE

David turned 29 in May and commenced employment in August. Therefore, his age next birthday at last review date (1 July) would be 30. He is a full-time employee with a contributing salary of \$50,000.

From **Table 1**, he is automatically covered for basic insurance for death and total and permanent disablement of \$150,000 (3.0 x \$50,000). The cost of this cover is paid for by his employer.

He is also eligible to apply for up to four times his salary or \$200,000 (4.0 x \$50,000) of optional cover. He would then have total insurance cover of \$350,000 (basic insurance plus optional cover).

For his **first year** of cover, his optional cover would cost 39 cents for each \$1,000 of cover. The annual cost is \$78 (\$0.39 x \$200,000/\$1,000). \$6.50 is deducted from his account each month.

Other conditions

Part-time employees – if you work less than 15 hours per week you will be covered for death only.

Employees transferring to part-time employment – your death and total and permanent disablement insurance cover will be reduced, as your contributing salary is reduced to reflect part-time employment.

Employees on unpaid leave – you are covered under the insurance policy for a maximum of 12 months. Any insurance costs will be deducted from your account during this period. However, if there is no money left in your account all insurance cover will stop. You will be given 30 days advance notice in writing before your insurance is cancelled.

Employees working overseas – Australian nationals seconded overseas for more than 12 months must inform the fund's insurer via the Trustee in order for an assessment to be made

in relation to continued cover. Australian nationals seconded overseas for less than 12 months should contact the Inquiry Line to discuss whether their insurance cover will be maintained, as this depends on which country they are seconded to.

Minimum level of insured cover – a minimum level of basic insured cover for death only is provided automatically for all eligible Active members.

The current levels of basic insured cover for death only are as follows:

Age range	Minimum level of insured cover for death only
From 20 to 34	\$50,000
From 35 to 39	\$35,000
From 40 to 44	\$20,000
From 45 to 49	\$14,000
From 50 to 55	\$7,000

INACTIVE MEMBERS

You are an Inactive member if you have elected to have your employer contributions paid to another complying superannuation fund.

Death and total and permanent disablement

Any death and total and permanent disablement benefit is a lump sum benefit made up of the following components:

- Your account balance, and
- Any insurance cover.

Insurance cover

If you have any insured cover at the time you become an Inactive member the Trustee will continue to provide you with this level of insurance cover as long as:

- There is sufficient money in your account to cover the cost of your insurance, and
- You have not instructed the Trustee in writing to cancel your insurance cover.

Your insurance cover will remain a constant dollar value and the cost (which will change) will be in accordance with **Table 2**.

You will not be entitled to apply for an increase in your insurance cover provided by the fund.

Transfer from Inactive membership to Active membership

If, after employer approval, your employer contributions into the fund re-commence for you, no new insurance cover is automatically provided. You will need to provide evidence of health, pastimes and occupation for any death and total and permanent disablement insurance cover. If the evidence provided does not meet the insurer's requirements, higher costs may apply, or in some cases your insurance cover may be declined altogether.

Other conditions

Employees working overseas – Australian nationals seconded overseas for more than 12 months must inform the fund's insurer via the Trustee in order for an assessment to be made in relation to continued cover. Australian nationals seconded overseas for any period less than 12 months should contact the Inquiry Line to discuss whether their insurance cover will be maintained, as this depends on which country they are seconded to.

Table 2 – Inactive Members

Age next birthday at 1 July	Annual cost per \$1,000 cover \$
16	0.24
17	0.30
18	0.37
19	0.43
20	0.46
21	0.44
22	0.44
23	0.43
24	0.42
25	0.41
26	0.39
27	0.38
28	0.37
29	0.38
30	0.39
31	0.41
32	0.42
33	0.43
34	0.47
35	0.49
36	0.54
37	0.57
38	0.62
39	0.68
40	0.77
41	0.85
42	0.94
43	1.06
44	1.19
45	1.33
46	1.49
47	1.68
48	1.88
49	2.13
50	2.39
51	2.70
52	3.04
53	3.43
54	3.80
55	4.28
56	4.73
57	5.21
58	5.79
59	6.44
60	7.19
61*	8.03

* Death and disablement insurance automatically stops when you reach age 61.

The Trustee and MetLife have the power to alter the costs and you will be given 30 days notice in advance of any increases that you have to pay for.

Total and permanent disablement

To be eligible for a total and permanent disablement benefit, the Trustee and MetLife must determine that you were totally and permanently disabled when you ceased work with your employer or an associated employer of the fund. You may be required to undergo medical examinations and provide other information requested by the insurer.

If you are found to be totally and permanently disabled, the disablement benefit can only be paid after you cease employment. The total and permanent disablement benefit is not affected by any payments you may receive under Workers Compensation or similar laws.

In respect of your account balance, the Trustee determines total and permanent disablement, and in respect of any insured component, the fund's insurer determines total and permanent disablement.

DEFINITION

Total and permanent disablement

The terms 'disablement' and 'disabled' have the following meanings in the fund's Trust Deed and Rules:

(a) 'disablement':

(i) has the meaning given to it (or any corresponding term) in any policy providing benefits on disablement under which the Trustee has insured the Member;

(ii) if there is no policy, means:

(A) suffering the loss of two limbs or the sight of both eyes or the loss of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot); or

(B) having provided proof to the satisfaction of the Trustee that the Member has become incapacitated to such an extent as to render the Member unlikely ever to engage in or work for reward in any occupation or work for which he or she is reasonably qualified by education, training or experience; and

(b) 'disabled' has an equivalent meaning.

The definition of 'Total and Permanent Disablement' in the Trustee's insurance policy with MetLife is:

(a) the Member suffering the loss of use of two limbs or the sight of both eyes or the loss of use of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot), or

(b) the Member having been absent from their Occupation with the Employer through Injury or Illness for six consecutive months and having provided proof to our satisfaction that the Member has become incapacitated to such an extent as to render the Member unlikely ever to engage in any gainful profession, trade or occupation for which the Member is reasonably qualified by reason of education, training or experience.

Death by accident

If you apply for optional cover you will be covered for death by accident only from the following dates until the date the assessment of your cover is finalised:

- **New Active members** – from the date of joining the fund,
- **Existing Active members applying for new or additional optional cover** – from the date the insurer receives your properly completed personal statement of health.

DEFINITION

Death by accident

The definition is:

- *Where a person dies as a result of an injury (provided death occurs within 365 days of the injury).*

Terminal Illness

A Terminal Illness benefit is the early payment of a death benefit. If you would like more information please contact the Inquiry Line.

Making a claim

If you wish to make a claim for total and permanent disablement please contact the Inquiry Line and ask for the relevant forms to be sent to you. Once the fund has received all the required information from you and your employer, we will submit your claim to the insurer. The insurer may conduct investigations to assess the value and validity of the claim. This may involve the use of investigation agents, legal advisors and the collection of personal data that the insurer believes is relevant.

Your insurance when you cease employment

Extended cover

If you cease employment with an employer sponsor of the fund, your insured death and total and permanent disablement insured cover (if any) also ceases (although you can continue your death only cover: see next section). However, you are provided with an automatic extension of any death and total and permanent disablement insured cover for 60 days after the date you cease employment.

Continuation of cover for death only

When you cease employment with an employer sponsor of the fund there are two options available if you wish to continue your insured cover:

- (1) **Keep your insured cover in the fund** – when you cease employment you become a Retained Member. As a Retained Member you may continue your insured amount (determined at the date you ceased employment) as death only insured cover. Your election to continue this cover must be received by the fund within 60 days of the date you ceased employment and must be accepted by the insurer.

For further information about this option please refer to the *Retained Membership Fact Sheet* as some conditions apply.

OR

- (2) **Keep your insured cover with the insurer** – You may continue your insured cover as death only cover directly with MetLife. You must take up this option within 60 days of the date you ceased employment.

If you are interested in this option, please call the Inquiry Line for information as some conditions apply.

FUND CONTACT DETAILS:

Inquiry Line:	CSR Super/MonierPGH Super (02) 9235 8533	Holcim Super (02) 9235 8566
Website:	www.csrsuper.com.au	www.holcimsuper.com.au
Email:	info@csrsuper.com.au	info@holcimsuper.com.au

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