

# Mercer SmartSuper

## Insurance booklet

8 March 2024

The information in this booklet forms part of the Product Disclosure Statement for Mercer SmartSuper in the Corporate Superannuation Division of the Mercer Super Trust dated 1 April 2023.

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# About this booklet

This *Insurance* booklet (Booklet) is a summary of the key terms and conditions (including exclusions) of the insurance arrangements applicable to Mercer SmartSuper and forms part of the Mercer SmartSuper Product Disclosure Statement (PDS) dated 1 April 2023.

You should consider the information in this Booklet and the PDS and any other important information booklets referred to in this Booklet and the PDS before making any decision about your super.

This Booklet contains general information only and does not take into account your individual objectives, financial situation or needs. Before acting on this information, you should consider whether it is appropriate to your objectives, financial situation and needs. You should get financial advice tailored to your personal circumstances.

See the 'Insurance Definitions' section at the end of this Booklet for clarification on capitalised terms used in this Booklet.

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 Australian Financial Services Licence (AFSL) 235906 is the trustee of the Mercer Super Trust. In this Booklet, MSAL is called trustee, we or us.

MSAL is a wholly owned subsidiary of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

References to 'your Plan' throughout the PDS and this Booklet mean Mercer SmartSuper in the Corporate Superannuation Division of the Mercer Super Trust.

MSAL is responsible for the contents of this Booklet and is the issuer of this Booklet. Mercer and the Insurer (AIA Australia Limited ABN 79 004 837 861 AFSL 230043) are not responsible for the issue of, or any statements in this Booklet, the PDS or any of the other important information booklets referred to in this Booklet or the PDS.

They do not make any recommendation or provide any opinion regarding Mercer SmartSuper in the Mercer Super Trust or an investment in it.

The insurance part of your super payout is subject to the terms and conditions of the applicable insurance policy. Other conditions may apply. Your super payout could be reduced if the Insurer does not pay out all or part of the insured benefit when a claim is made.

You should not rely on this Booklet as a full and complete description of the terms and conditions of the insurance policy. All terms and conditions of the insurance policy prevail over any inconsistency in this Booklet.

## Updated information

The information in this Booklet, the PDS and the other booklets (that are part of the PDS) may change. You can obtain updated information that is not materially adverse at [mercersuper.com.au](http://mercersuper.com.au) or call the Helpline to request a copy of the information free of charge. Changes that are materially adverse will be advised to you as required by law.

## Your Plan's Insurer

Your Plan's insurance is provided through a group insurance policy with AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (referred to as the Insurer throughout this Booklet) who has consented to being so named.

The trustee has the right to change the Insurer for your Plan.

Your privacy is important to the Insurer. By becoming a member, or otherwise interacting or continuing your relationship with the Insurer directly or via a representative or intermediary, you confirm that you agree and consent to the collection, use (including holding and storage), disclosure and handling of personal and sensitive information in the manner described in the AIA Australia Group Privacy Policy on the Insurer's website ([www.aia.com.au/en/privacy-policy](http://www.aia.com.au/en/privacy-policy)) as updated from time to time (AIA Australia Group Privacy Policy).

# How to contact us

## Helpline

Call the Helpline on **1800 682 525** or if calling from outside Australia on **+61 3 8306 0900** from 8am to 7pm (AEST/AEDT) Monday to Friday.

We can help you in a number of languages, simply ask for a translator when you call.

## Online

[mercersuper.com.au](https://mercersuper.com.au)

After you join Mercer SmartSuper, we will send you your personal login. You will then be able to access information about your super in the Mercer Super Trust and other relevant information including:

- a Welcome letter confirming your choices in your Plan
- confirmation of any balances transferred in
- an online *MST Annual Report* to bring you up to speed on investment performance and what's happened to the Mercer Super Trust and your Plan over the year. You can access the *MST Annual Report* from [mercersuper.com.au](https://mercersuper.com.au) or you can request a hard copy free of charge from the Helpline
- an annual member statement showing changes to your super account
- investment updates and member communications to keep you informed
- notification of all material changes or the occurrence of significant events
- an exit statement when you cease to be a member of your Plan, and
- access to group briefings at work where available.

Our online tools include:

- up to date information on investment options
- information from our wealth education experts
- financial planning tools
- ability to update your contact details.

Our website is available 24 hours per day, seven days per week; however, the website may not be available when we need to carry out scheduled updates or maintenance.

Call the Helpline if you need more information about accessing the website.

## By mail

### General correspondence and forms

Mercer Super Trust  
GPO Box 4303  
Melbourne VIC 3001

### To write to the trustee

Mercer Superannuation (Australia) Limited  
GPO Box 4303  
Melbourne VIC 3001

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### Keep your contact details up to date

We can only send you information if we have your current contact details. You can update your details at [mercersuper.com.au](https://mercersuper.com.au) (sign in using your personal login) or call the Helpline.

If the law permits, we may send member communications to you electronically (including member statements and significant event notices) by:

- email and/or
- SMS, and/or
- a link to a website so you can download them.

We can also post documents to you. When you receive your personal login details, simply update your communication preferences online under 'Personal Details' or call the Helpline.

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# 1.0 Insurance in Mercer SmartSuper

Mercer SmartSuper includes insurance cover that can help provide financial support to your loved ones in the event of your death, and allows you to focus on what's most important if the unexpected occurs such as stopping work due to Injury or Sickness.

## Types of cover available

The types of insurance cover offered through Mercer SmartSuper include:

<b>Death cover</b>	A lump sum Benefit paid to your estate or beneficiaries on your death, or if you become Terminally Ill.
<b>Total and Permanent Disablement (TPD) cover</b>	A lump sum Benefit paid to you if you become Totally and Permanently Disabled. TPD cover cannot be held without Death cover.
<b>Income Protection (IP) cover</b>	A monthly Benefit paid to you if you become Totally Disabled or Partially Disabled.

Your Mercer SmartSuper account provides insurance cover that is available through Standard Cover and/or Customised Cover.<sup>1</sup>

When you open a Mercer SmartSuper account you will automatically receive one (1) unit of pre-approved Standard Cover for Death and TPD, without the need for a medical assessment, as long as you meet the eligibility criteria. See Section 2.0 'Standard Cover' in this Booklet for more detailed information about Standard Cover.

If you would like to increase the amount of insurance cover through Mercer SmartSuper you can apply to:

- 'opt-up' your Standard Cover, where you can increase cover up to three (3) units without the need for underwriting, as long as you apply within 90 days of your Standard Cover starting, and/or
- tailor your cover through Customised Cover that gives you the option of choosing the type and amount of cover that best suits your needs.

In addition, with Customised Cover you can apply for an IP cover known as Salary Continuance Insurance (SCI) cover.

Applications for Customised Cover are subject to underwriting and acceptance by the Insurer. See Section 3.0 'Customised Cover' in this Booklet for more detailed information about Customised Cover.

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<sup>1</sup> You can only hold Standard Cover and/or Customised Cover in one Mercer SmartSuper account at the same time.

# 2.0 Standard Cover

Standard Cover in Mercer SmartSuper automatically provides you with one (1) pre-approved unit of Death and TPD cover as long as you meet the eligibility criteria. From the date Standard Cover first starts you have 90 days

to increase your cover up to three (3) units in total without the need for underwriting. See Section 2.4 'How your premium is calculated for Standard Cover' which outlines the sum insured for each one (1) unit of cover as well as a premium table for you to calculate the approximate cost of Standard Cover.



**Important:** Cover is subject to a pre-existing conditions exclusion. Other exclusions may also apply. See Section 4.0 'What's not covered' in this Booklet for more information.

SCI cover is not available through Standard Cover.

## 2.1 Eligibility criteria (Standard Cover)

To be eligible for Standard Cover, you must have a Mercer SmartSuper account, be an Australian Resident and meet the relevant age criteria shown below.

Cover	Entry age	Age when cover ends <sup>2</sup>
Death (including Terminal Illness)	15 to 64	On 1 July after your 70th birthday
TPD	15 to 59	On 1 July after your 65th birthday

## 2.2 When cover starts

If you are eligible for insurance cover, Standard Cover will generally automatically start:

- on the date you meet Putting Member's Interests First (PMIF) requirements i.e. you are aged over 25, and have an account balance of at least \$6,000, or
- where you have not met PMIF requirements, the date your opt in election is accepted.

If you want your insurance to start sooner you can opt in for cover within 30 days of receiving your Welcome letter by completing the *Adjusting or opting out of your insurance cover in the Mercer Super Trust* form available at [mercersuper.com.au/login](https://mercersuper.com.au/login) or by contacting the Helpline. The cover will then start once there is money in your account.

You can opt-out of automatic Standard Cover at any time, but if you opt-out, any future request for insurance cover will need go through underwriting.

Once your Standard Cover has started, your first premium will generally be deducted on the first business day of the month following the date your insurance starts and is paid in arrears. You can cancel your cover at any time.

## 2.3 Increase your Standard Cover through opt-up

You have the choice to increase your Standard Cover through opt-up - allowing you to increase cover up to three (3) units without the need to go through underwriting.

To opt-up, all you need to do is notify us within 90 days of the date that of your Standard Cover starting by completing *Adjusting or opting out of your insurance cover in the Mercer Super Trust* form available at [mercersuper.com.au/login](https://mercersuper.com.au/login) or by contacting the Helpline.

Any application to increase (opt-up) your Standard Cover after the 90 day period is accepted at the Insurer's discretion.

<sup>2</sup> Standard Cover may cease at an earlier date upon the occurrence of certain other events – see Section 6.1 'When cover ends' in this Booklet for more information.

## 2.4 How your premium is calculated for Standard Cover

Standard Cover premiums for Death & TPD Benefits are based on your age and gender. No additional loadings are applied based on your occupation or lifestyle.

The sum insured table is designed to give you the protection you need based on your life stage by automatically adjusting the level of cover as you get older.

The following sum insured and monthly premiums apply for a single unit of Standard Cover for Death only or Death & TPD. The rates are inclusive of stamp duty. There are no administration fees.

Age next birthday	Sum insured for 1 unit of cover (\$)	Monthly premiums (\$)			
		Death & TPD		Death only	
		Male	Female	Male	Female
16-20	37,500	7.39	3.46	6.63	2.95
21-25	50,000	8.06	4.45	7.15	3.49
26-30	75,000	9.49	6.88	7.70	4.83
31-35	100,000	12.91	9.95	9.27	6.05
36-40	125,000	20.11	19.06	12.15	11.03
41-45	125,000	29.22	30.93	15.34	17.12
46-50	100,000	41.64	41.83	22.33	22.53
51-55	75,000	62.06	56.43	33.56	27.82
56-60	45,000	73.53	64.53	37.28	28.10
61-65	30,000	90.22	74.98	47.06	31.58
66 <sup>3</sup>	15,000	99.17	76.71	51.72	32.31
67-71	15,000	N/A	N/A	51.72	32.31

Your insurance is reviewed on 1 July each year and, if applicable, your sum insured and premium will change based on your age.

You'll receive at least 30 days' notice if the rates described in the table above change.

<sup>3</sup> Death only cover applies from 1 July after your 65th birthday.

# 3.0 Customised Cover

Customised Cover in Mercer SmartSuper gives you the option to apply for the type and amount of cover that best suits your needs.

In addition to Customised Cover for Death only or Death & TPD options, you can apply for SCI cover.

SCI cover provides a regular monthly Benefit if you become disabled because of Injury or Sickness and are unable to work.

There are two types of SCI Benefits included within SCI cover:

<b>Total Disability Benefit</b>	A monthly Benefit payable if you're Totally Disabled because of Injury or Sickness.
<b>Partial Disability Benefit</b>	A monthly Benefit payable if you're Partially Disabled following a period of Total Disability.

See Section 5.0, 'What are the Benefits' in this Booklet for more information.

When you apply for SCI cover you will choose a Waiting Period and a Benefit Period. The premium you pay and the cover offered will vary depending on your choices.

<b>Waiting Period</b>	You can choose a Waiting Period of 30, 90, 180 or 720 days.  (180 and 720 days are available only with the 'to age 65' Benefit Period.)
<b>Benefit Period</b>	You can choose a Benefit Period of two years, five years or 'to age 65'.

For all Benefits within Customised Cover the sum insured will automatically increase each year unless you choose otherwise (see Section 3.9 'Protection against inflation' in this Booklet for more information).

The acceptance of any Customised Cover in your application is subject to the Insurer's assessment.

## 3.1 Eligibility criteria (Customised Cover)

To be eligible for Customised Cover, you must have a Mercer SmartSuper account, be an Australian Resident and meet the relevant age criteria shown below. You must also meet the other requirements for the relevant Benefit(s) that you apply for.

Benefit	Entry age	Age when cover ends <sup>4</sup>
Death (including Terminal Illness)	15 to 64	On 1 July after your 75th birthday
TPD	15 to 59	On 1 July after your 70th birthday
SCI	17 to 59 <sup>5</sup>	On 1 July after your 65th birthday

SCI cover is only available to you if you're employed on a permanent basis for at least 20 hours per week.

You'll need to comply with the Insurer's requirements in relation to your application for Customised Cover (including an increase or variation for Customised Cover) which may include providing medical information and undergoing medical examinations and tests that the Insurer requests.

<sup>4</sup> Customised Cover may cease at an earlier date upon the occurrence of certain other events – see Section 6.1 'When cover ends' in this Booklet for more information.

<sup>5</sup> If you work in a Heavy Blue occupation (see Appendix A 'What the occupational categories are for SCI' in this Booklet for more information), you can apply for SCI up to the age of 54.



### 3.2 How much cover you can apply for

You can choose to apply for an amount of cover subject to the limits listed in the table below.

Terminal Illness and TPD cover cannot be held without Death cover. TPD cover cannot exceed the Death cover sum insured.

Benefit type	Maximum
Death (including Terminal Illness)	Unlimited (Terminal Illness cover is limited to \$2,000,000)
TPD – Part A - 'any occupation' of the TPD definition	The lesser of \$3,000,000 and 100% of your Death Benefit
TPD – Part B - 'Activities' of the TPD definition	The lesser of \$1,000,000 and 100% of your Death Benefit
TPD – Part C - 'Domestic Duties' of the TPD definition	Maximum of \$750,000
SCI	<p>75% of the first \$26,667 of Monthly Earnings Plus 50% of the balance of Monthly Earnings subject to an overall maximum for certain occupational categories as follows:</p> <ul style="list-style-type: none"> <li>Professional - \$30,000 per month</li> <li>White Collar - \$25,000 per month</li> <li>Light Blue - \$20,000 per month</li> <li>Blue Collar - \$15,000 per month</li> <li>Heavy Blue - \$5,000 per month, or</li> <li>\$10,000 per month depending on the specific occupation.</li> </ul>

For occupational category descriptions, see Appendix A 'What the occupational categories are for TPD and SCI cover' in this Booklet for more information.

### 3.3 How to apply

You can apply for Customised Cover by completing the *Additional Customised Cover in the Mercer Super Trust* form, available at [mercer.com.au/login](http://mercer.com.au/login) or contacting the Helpline, and sending it to us. The Insurer may ask you to provide additional medical information and to undergo medical examinations and tests.

You can also request a quote by calling the Helpline who can assist in arranging a quote for you. Any quote provided will be indicative only and subject to underwriting and assessment by the Insurer.

After you have lodged a completed application and while the Insurer is assessing your application for Customised Cover, you'll be provided with Interim Accident and Sickness Cover (see Section 3.5 'Interim Accident and Sickness Cover' in this Booklet), subject to you meeting:

- the eligibility criteria for Customised Cover (see Section 3.1 'Eligibility criteria (Customised Cover)' in this Booklet), and
- any occupational eligibility criteria prescribed by the Insurer from time to time (see Appendix A 'What the occupational categories are for TPD and SCI cover' in this Booklet).

### 3.4 Duty to Take Reasonable Care

#### Underwriting

When you apply for life insurance, the Insurer conducts a process called underwriting. It's how the Insurer decides whether they can cover you, and if so, on what terms and at what cost.

The Insurer will ask questions they need to know the answers to. These will be about your personal circumstances, such as your health and medical history, occupation, income, lifestyle, pastimes, and current and past insurance. The information you give in response to the questions is vital to the Insurer's decision.

#### The duty to take reasonable care

The trustee has entered into a life insurance contract to provide insurance arrangements for you. When applying for insurance, there is a legal duty to take reasonable care not to make a misrepresentation to the Insurer before the contract of insurance is entered into.

A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth.

This duty applies to a new contract of insurance and also applies when extending or making changes to existing insurance, and reinstating insurance.

## If you do not meet your duty

If you do not meet your legal duty, this can have serious impacts on your insurance. There are different remedies that may be available to us. These are set out in the Insurance Contracts Act 1984 (Cth). These are intended to put us in the position we would have been in if the duty had been met.

Your cover could be avoided (treated as if it never existed), or its terms may be varied. This may also result in a claim being declined or a Benefit being reduced.

Please note that there may be circumstances where we later investigate whether the information given to us was true. For example, we may do this when a claim is made.

Before we exercise any of these remedies, we will explain our reasons and what you can do if you disagree.

## Guidance for answering our questions

You are responsible for the information provided to us. When answering our questions, please:

- Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us before you respond.
- Answer every question.
- Answer truthfully, accurately and completely. If you are unsure about whether you should include information, please include it.
- Review your application carefully before it is submitted. If someone else helped prepare your application (for example, your adviser), please check every answer (and if necessary, make any corrections) before the application is submitted.

## Changes before your cover starts

Before your cover starts, we may ask about any changes that mean you would now answer our questions differently. As any changes might require further assessment or investigation, it could save time if you let us know about any changes when they happen.

## If you need help

It's important that you understand this information and the questions we ask. Ask us or a person you trust, such as your adviser for help if you have difficulty understanding the process of buying insurance or answering our questions.

If you're having difficulty due to a disability, understanding English or for any other reason, we're here to help. If you want, you can have a support person you trust with you.

## Notifying the Insurer

If, after the cover starts, you think you may not have met your duty, please contact us immediately and we'll let you know whether it has any impact on the cover.

## 3.5 Interim Accident and Sickness Cover

Interim Accident and Sickness Cover is provided while the Insurer is considering your application for Customised Cover. This cover is provided on the terms and conditions set out in this section.

You don't have to pay any premium for this cover. Unless otherwise stated, terms used in this section have the same meaning as in the relevant Customised Cover you have applied for.

### When Interim Accident and Sickness Cover starts

Interim Accident and Sickness Cover starts on the day a completed application, relevant medical questionnaire(s) and personal statement (if required) in respect of you has been received by the Insurer provided on the day the Insurer receives your application:

- you're eligible to apply for the Customised Cover you're applying for, and
- you meet the occupational eligibility criteria (if any) in relation to the application, as prescribed by the Insurer from time to time.

### Period of cover

Interim Accident and Sickness Cover will end on the earliest of the following:

- 60 days from the date the Interim Accident and Sickness Cover starts, at which time the Insurer will automatically cancel the Interim Accident and Sickness Cover,
- if the Insurer accepts your application for the relevant Benefit under Customised Cover, the date that the cover starts,
- if the Insurer declines your application for the relevant Benefit under Customised Cover, three (3) business days after the Insurer has notified you that your application for Customised Cover has been declined, at which time the Insurer will automatically cancel the Interim Accident and Sickness Cover. The Insurer may send the notice to you at an address (including an email address) included in your application,
- the date you withdraw your application for that Benefit under Customised Cover,
- the date you no longer satisfy the age criteria to be eligible to apply for the relevant Benefit, and
- the date the Insurer advises that Interim Accident and Sickness Cover has ended.

## When an Interim Accident and Sickness Benefit is paid

### i. Interim death benefit

The lesser of \$1,000,000 and the amount of the Customised Cover Death Benefit you applied for is payable if you die as a result of an Accident or Sickness while the Interim Accident and Sickness Cover is in force.

### ii. Interim TPD benefit

The lesser of \$1,000,000 or the amount of the Customised Cover TPD Benefit you applied for is payable if you suffer a Total and Permanent Disability as a result of an Accident or Sickness while the Interim Accident and Sickness Cover is in force.

The TPD definition that applies for Interim Accident and Sickness Cover is the definition which would apply if your application for TPD cover has been accepted.

### iii. Interim SCI Benefit

The lesser of \$5,000 per month and the monthly SCI Benefit you applied for is payable (reduced by income received from other sources, as listed in this Booklet), if you become Totally Disabled as a result of an Accident or Sickness while the Interim Accident and Sickness Cover is in force. The Benefit accrues from the date of expiry of the Waiting Period applied for in your application for SCI cover and ceases to accrue at the earliest of the following:

- the end of the Total Disability,
- your death,
- the end of six (6) months, or
- On 1 July after your 65th birthday.

CPI indexation does not apply to the Interim Accident and Sickness Benefit.

## When an Interim Accident and Sickness Benefit is not paid

A Benefit under Interim Accident and Sickness Cover won't be paid if the death, TPD or Total Disability is caused directly or indirectly by:

- an intentional self-inflicted act or attempted suicide (whether sane or insane),
- an Accident or Sickness while you're under the influence of alcohol or non-prescription drugs or drugs taken in excess of prescribed amounts,
- you driving a motorised transportation vehicle while having a percentage of alcohol in your breath or blood in excess of that permitted by law or while having an illegal substance in your system,
- an act of war (whether declared or not) except where you die on war service,

- you engaging in any sport, pastime or occupation that the Insurer would not normally provide cover for at standard premium rates, or
- any condition that you knew about, or a reasonable person in the same position as you would have known about before applying for cover.

## Interim Accident and Sickness Cover Benefit payment conditions

Only one Benefit under Interim Accident and Sickness Cover will be paid in respect of any one Accident or Sickness.

If you have Standard Cover and are eligible to claim under both Standard Cover and Interim Accident and Sickness Cover, only one Benefit will be paid. On payment of the Benefit, your Interim Accident and Sickness Cover and Standard Cover will end.

If you're eligible to make a claim under this cover, it won't prevent your application for Customised Cover from being assessed, however your change in health will be taken into account when assessing your application.

## 3.6 What happens after your application is assessed

Once we've received your completed application for Customised Cover, the Insurer will assess your application.

The Insurer may accept or decline your application. Alternatively, the Insurer may accept your application subject to conditions, that is, the level or extent of cover offered may be different to what you applied for. For example, insurance may be offered at a lower sum insured, at a higher premium (as a result of an occupational or health loading) or with certain exclusions applying for certain types of claims. If this happens, the Insurer will notify you and obtain your agreement before proceeding with the application on these terms.

In some cases, the Insurer won't be able to accept your application for cover at all. We will write and tell you if this occurs.

If your application has been approved by the Insurer, you'll be notified of such approval (together with any special conditions that apply) and you'll receive an Insurance Certificate which sets out the details of your insurance. This is an important document which should be read carefully and kept in a safe place.

### 3.7 When cover starts

Your Customised Cover starts once:

- you have met the eligibility criteria, and
- you have completed the required applications and the Insurer accepts your application, and
- we've received your first contribution or rollover.

However, if your Mercer SmartSuper account has a zero balance for more than three (3) months after the Insurer accepts your application, or if your first contribution is not received by us within three (3) months of the Insurer's acceptance of your application, the Insurer may require you to resubmit your application, provide further medical information or undergo additional medical examinations or tests.

### 3.8 How your premium is calculated for Customised Cover

For Customised Cover, the premium calculation depends on a variety of factors including:

- the type of insurance you have,
- the amount of insurance you have (including CPI Indexation increases),
- your age, gender, smoking status, health, occupation (applies to TPD and SCI, see Appendix A 'What the occupational categories are for TPD and SCI cover' in this Booklet for more information), pastimes and pursuits,
- stamp duty and any other taxes, duties, levies or charges applicable,
- Benefit Period and Waiting Period (SCI cover only),
- the Insurer's standard scales of premium rates, and
- any loading specified in your Insurance Certificate.

Your premium is calculated when your insurance begins and recalculated on 1 July each year payable monthly in arrears.

Your premium will generally increase with age. You'll be notified of your new premium in your annual statement. If the Insurer accepts any requested changes to your cover (e.g. a Benefit increase), your premium will be recalculated at the date of change. In this case, we'll confirm your new premium in writing.

Your cover may be cancelled if you don't pay this amount.

If the Insurer changes premium rates, we'll notify you at least 30 days in advance of the change.

### 3.9 Protection against inflation

To protect the value of your Customised Cover Benefits against erosion by inflation, the amount of your Benefit(s) will automatically index (increase) on 1 July each year. The increase will normally be based on the CPI Indexation Factor, which will be applied on 1 July in the following year (e.g. the CPI for the year ending 31 March 2022 will apply from 1 July 2023).

On 1 July each year:

- Benefits under Customised Cover for Death (including Terminal Illness) and TPD will be increased by the greater of the CPI Indexation Factor or 3%, and
- Benefits under Customised SCI cover will be increased by the CPI Indexation Factor.

CPI Indexation won't apply to any Interim Accident and Sickness Cover or to Standard Cover.

#### Opting out of the CPI Indexation increase

You may decide not to index your Benefits for the current year or ever again by advising us in writing within 30 days of the date of your annual statement.

If you request that CPI Indexation increases never apply again, the Insurer will need to approve a subsequent request to restart CPI Indexation increases.

If you have declined or cancelled CPI Indexation in respect of your SCI cover, then the Monthly Disability Benefit after any disability claim ends will be equal to the Monthly Disability Benefit that applied to you prior to the commencement of the claim.

# 4.0 What's not covered

Like every insurance policy, there are certain exclusions you need to be aware of. The exclusions that apply are set out in the Exclusion table below. Where there is a bullet (●) this marks the situations where a claim will not be paid based on whether you hold Standard Cover and/or Customised Cover.

Exclusion	Standard Cover	Customised Cover
<p>A Death, Terminal Illness or Injury or Sickness giving rise to a Death (including Terminal illness) or TPD claim that was directly or indirectly related to a pre-existing condition that existed at the time your Standard Cover started, or in the two years prior to that cover commencing.</p> <p><b>A pre-existing condition means any Injury or Sickness that you were aware of, or a reasonable person in your position should have been aware of.</b></p> <p><b>The pre-existing condition exclusion will not apply if the Death, Terminal Illness, or Injury or Sickness giving rise to the claim:</b></p> <ul style="list-style-type: none"> <li>occurred on or after 1 July 2017; and</li> <li>your Standard Cover has been in force for five (5) years; and</li> <li>you have worked for 30 consecutive days<sup>6</sup> after the above five (5) year period,</li> </ul>	●	
<p>A Death, Terminal Illness, Injury or Sickness giving rise to a Death (including Terminal Illness) or TPD claim was directly or indirectly caused by active participation in any riot, strike, civil commotion, coup, revolution or active participation in any military, naval or air force action (except, in the case of a Death Benefit, where you die on war service for Australia in a declared war),</p>	●	
<p>A Death Benefit won't be paid if you commit suicide (while sane or insane) within 13 months of your cover for a Death Benefit starting, or the date your cover was last reinstated, or the date your Death Benefit was increased (for the increased portion of the Benefit), except:</p> <ul style="list-style-type: none"> <li>For Standard Cover increases made as a result of an election within 90 days of the date the first contribution in respect of you is received by us, or</li> <li>For Customised Cover, CPI indexation increases</li> </ul>	●	●
<p>A TPD Benefit won't be paid if the Injury or Sickness giving rise to the claim was caused by an intentional self-inflicted injury or attempted suicide (while sane or insane),</p>	●	●
<p>A TPD Benefit won't be paid for any Injury or Sickness giving rise to a claim that occurred or any condition that first became apparent* before the date your TPD cover started (or your TPD cover was last reinstated) which you did not tell the Insurer about,</p>		●
<p>A Death (including Terminal Illness) or TPD Benefit, or a SCI Benefit won't be paid if the claim was caused by an event or condition which is excluded in your Insurance Certificate,</p>		●
<p>A SCI Benefit won't be paid if the Injury or Sickness giving rise to the claim is caused by:</p> <ul style="list-style-type: none"> <li>an act of war (whether declared or not),</li> <li>intentional, self-inflicted injury (while sane or insane),</li> <li>attempted suicide (while sane or insane), or</li> <li>normal and uncomplicated pregnancy or childbirth.</li> </ul>		●

\*For the purposes of the TPD exclusions, 'first became apparent' means:

- a Medical Practitioner first gave you advice, care or treatment for the Injury or Sickness, or
- a reasonable person in the same circumstances as you would have sought advice, care or treatment from a Medical Practitioner.

<sup>6</sup> 30 consecutive calendar days period during which you have worked your standard number of days.

# 5.0 What are the Benefits

When you need to make a claim, a Benefit is payable subject to Benefit payment terms and conditions in this section and throughout this Booklet.

## 5.1 Paying your Benefits

### Death (Terminal Illness) or TPD Benefit

While a member of your Plan, you'll need to meet the Insurer's definition of Terminal Illness or TPD before being eligible for a Terminal Illness or TPD Benefit.

At the time of a TPD claim, the part of the TPD definition you will be assessed against will be determined by your age or working status immediately prior to the Date of Disablement.

The trustee must meet various legal requirements before it can pay a Benefit. While we make every effort to pay Benefits quickly, there may be a significant time between the date of Death or TPD and the Benefit payment.

The trustee can only pay a Benefit if:

- the Insurer has accepted the claim,
- the insurance proceeds have been received from the Insurer, and
- you satisfy a relevant condition of release under superannuation law.

Refer to the *Accessing Your Super Fact Sheet* on [mercersuper.com.au/pds](http://mercersuper.com.au/pds) for details about the conditions of release under superannuation law.

We will deduct any applicable tax from your Benefit payment.

### SCI Benefit

You'll need to meet the Insurer's definition of Totally Disabled or Partial Disability through Injury or Sickness before being eligible for a SCI Monthly Disability Benefit payment.

If your claim is accepted, your SCI Monthly Disability Benefit will be:

- paid monthly in arrears.
- payments net of Pay As You Go (PAYG) tax will usually be made at the end of each month following the end of the Waiting Period, and
- payments will continue up to the Maximum Benefit Period as long as you remain Totally Disabled, and
- pro-rated where a Benefit is payable for less than a whole month.

If you are Partially Disabled, you will receive a portion of the Monthly Disability Benefit that takes into account your income.

Exclusions and additional conditions to your SCI cover (including Partial Disablement) may apply. See Section 5.3 'SCI Benefit payment conditions' in this Booklet for more information.

The cost of your SCI cover will stop being deducted from your super account while you are receiving a Benefit.

If you have a SCI Benefit Period greater than 2 years, then your Benefit will be indexed and the indexation is applied on the Annual Renewal Date which increases the amount paid by the CPI rate.

The Insurer will generally review your case monthly to determine if you remain eligible for your SCI Benefit. You will need to provide the Insurer with medical and other information it requires.

## 5.2 How your Benefits are calculated

Benefit type	How Benefits are calculated				
<b>Death (including Terminal Illness)</b>	<p>If you die, a lump sum will be paid equal to the amount of your Death Benefit.</p> <p>If you suffer a Terminal Illness, a lump sum will be paid equal to the amount of the Death Benefit (up to a maximum of \$2 million). If your Death Benefit is greater than \$2 million, the remaining balance of the Death Benefit will be paid if you die before your cover ends (subject to the terms and conditions outlined above).</p> <p>For Customised Cover, your Death Benefit includes any sum insured increases as a result of CPI Indexation (see Section 3.9 'Protection against inflation' details in this Booklet for more information). However, your Benefit will be reduced by:</p> <ul style="list-style-type: none"> <li>any TPD Benefit paid or payable under your cover for Death and TPD, and</li> <li>any Terminal Illness benefit paid or payable under your cover for Death or Death and TPD.</li> </ul>				
<b>TPD</b>	<p>A lump sum will be paid equal to the amount of your TPD Benefit at the Date of Disablement (subject to the maximum sum insured).</p> <p>Customised Cover will include any sum insured increases as a result of CPI Indexation (see Section 3.9 'Protection against inflation' in this Booklet for more information).</p> <p>Your TPD Benefit will be reduced by any Terminal Illness benefit paid or payable under your cover for Death or Death and TPD.</p>				
<b>SCI</b>	<p><b>Total Disability</b></p> <p>We'll pay you a Total Disability Benefit for each day you're Totally Disabled after the Waiting Period while you have SCI cover. The monthly Benefit paid to you will be the lesser of:</p> <ul style="list-style-type: none"> <li>the Insured Monthly Disability Benefit, increased in accordance with CPI Indexation if applicable (see Section 3.9 'Protection against inflation' in this Booklet for more information), and</li> <li>75% of your Pre-Disability Monthly Earnings.</li> </ul> <p>The amount of the Benefit is reduced by any income received from other sources (see 'Section 5.3 'SCI Benefit payment conditions' in this Booklet for more information).</p> <p><b>When Total Disability ceases to be paid</b></p> <p>The Benefit will be paid to you monthly in arrears and you'll continue to receive a monthly Benefit payment until the earliest of the following events:</p> <ul style="list-style-type: none"> <li>you're no longer Totally Disabled, or</li> <li>the end of your Benefit Period, or</li> <li>your cover for SCI ends. See Section 6.1 'When cover ends' in this Booklet.</li> </ul>	<p><b>Partial Disability</b></p> <p>We'll pay you a monthly Partial Disability Benefit for each day you're Partially Disabled after the Waiting Period while you have SCI cover. Your monthly Partial Disability Benefit is calculated as follows:</p> <table border="1" data-bbox="804 1059 1398 1272"> <tr> <td data-bbox="804 1059 1002 1272"> <b>Monthly Total Disability Benefit</b> </td> <td data-bbox="1002 1059 1082 1272"> <b>x</b> </td> <td data-bbox="1082 1059 1398 1272"> <b>(Pre-Disability Monthly Earnings less Post-Disability Monthly Earnings) Pre-Disability Monthly Earnings</b> </td> </tr> </table> <p>The amount of this Benefit is reduced by any income received from other sources (see Section 5.3 'SCI Benefit payment conditions' in this Booklet for more information). If you're Partially Disabled with Monthly Earnings of 20% or less than your Pre-Disability Monthly Earnings, you can receive the full monthly Total Disability Benefit for the first 3 months. This only applies if you're continuously disabled for 3 months immediately after the end of the Waiting Period.</p> <p><b>When Partial Disability ceases to be paid</b></p> <p>The Benefit will be payable monthly in arrears and you'll continue to receive a monthly Benefit payment until the earliest of the following events:</p> <ul style="list-style-type: none"> <li>you're no longer Partially Disabled, or</li> <li>the end of your Benefit Period, or</li> <li>when SCI cover ends. See Section 6.1 'When cover ends' in this Booklet.</li> </ul>	<b>Monthly Total Disability Benefit</b>	<b>x</b>	<b>(Pre-Disability Monthly Earnings less Post-Disability Monthly Earnings) Pre-Disability Monthly Earnings</b>
<b>Monthly Total Disability Benefit</b>	<b>x</b>	<b>(Pre-Disability Monthly Earnings less Post-Disability Monthly Earnings) Pre-Disability Monthly Earnings</b>			

## 5.3 SCI Benefit payment conditions

### What happens when a Total or a Partial Disability reoccurs

#### (i) Benefit Periods of two and five years:

The Waiting Period won't apply again if, within six (6) months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, you suffer Total Disability or Partial Disability from the same or a related Injury or Sickness – this will be treated as a continuation of the previous claim. The successive Benefit payment periods are added together to determine whether the Benefit Period has ended.

A new Waiting Period and a new Benefit Period will apply if at least six months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, you suffer Total Disability or Partial Disability from the same or a related Injury or Sickness, and either:

- the Benefit Period for the previous period of Total Disability or Partial Disability had not ended, or
- you have returned to work and performed the full duties of your usual occupation for your usual Monthly Earnings for at least six consecutive months after a Total Disability Benefit or a Partial Disability Benefit ceased to be payable.

Otherwise, no Benefit is payable if you suffer a Total Disability or Partial Disability from the same or a related Injury or Sickness.

#### (ii) Benefit Period 'to age 65':

The Waiting Period won't apply again if, within 12 months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, you suffer Total Disability or Partial Disability from the same or a related Injury or Sickness – this will be treated as a continuation of the previous claim.

A new Waiting Period will apply if at least 12 months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, you suffer Total Disability or Partial Disability from the same or a related Injury or Sickness, and either:

- the Benefit Period for the previous period of Total Disability or Partial Disability had not ended, or
- you have returned to work and performed the full duties of your usual occupation for your usual Monthly Earnings for at least 12 consecutive months after a Total Disability Benefit or a Partial Disability Benefit ceased to be payable.

Otherwise, no Benefit is payable if you suffer a Total Disability or Partial Disability from the same or a related Injury or Sickness.

### Claiming an SCI Benefit when you're on employer approved leave, parental leave or sabbatical leave

An SCI Benefit can continue even if you have taken employer approved leave, parental leave or sabbatical leave for a period up to 24 calendar months immediately before suffering Total or Partial Disability, provided the required premiums and other charges in respect of the cover are paid.

#### When a SCI Benefit is reduced

The Total Disability Benefit and Partial Disability Benefit may be reduced by any amounts paid or payable to you in relation to the Injury or Sickness from the following sources:

- workers or motor accident compensation or similar legislation or scheme in respect of the Injury or Sickness giving rise to the claim for the Benefit,
- Statute, or as damages under common law, (whether or not modified by statute), for loss of income, loss of earning capacity or any other economic loss (including any benefits or payments received for work injury damages), whether paid as a lump sum or not,
- your employer, partnership or business, in relation to a period during which the Benefit is or would otherwise be payable,
- sick leave payments, in relation to a period during which the Benefit is or would otherwise be payable, and
- regular payments from another superannuation fund or another insurance policy giving rise to the claim for the Benefit, but only if that fund or policy was not disclosed to the Insurer before your cover (or increase in cover) started under this policy, including regular payments which are converted to a lump sum.

The above sources do not include:

- payments made as compensation for pain and suffering or the loss of use of part of the body,
- lump sum total and permanent disablement, trauma or terminal illness payments,
- payments made in respect of the Injury or Sickness giving rise to the claim from business expense insurance policies, or
- an entitlement to paid sick leave that is not taken.



In the case of a benefit offset paid or payable as a lump sum (including by way of settlement or commutation):

- you must provide the Insurer, as soon as reasonably practicable, a breakdown of the lump sum including the portion of the lump sum relating to loss of income, loss of earning capacity or any other economic loss, the amount claimed in respect of each head of damage or loss (to the extent applicable) and any other information the Insurer reasonably requires in relation to the lump sum,
- the Insurer will only reduce what it pays by the portion of the lump sum relating to loss of income, loss of earning capacity or any other economic loss for the same period, as determined by the Insurer, at its discretion,
- the portion identified above will be converted to a monthly amount at the rate of one-sixtieth (1/60th) per month over a period of sixty (60) months for the purposes of calculating the amount to be offset; and
- where you do not provide sufficient particulars to reasonably allow the Insurer to make a determination of the portion of the lump sum relating to loss of income, loss of earning capacity or any other economic loss for the same period, the Insurer will convert the entirety of the lump sum to a monthly amount at a rate of one-sixtieth (1/60th) over a period of sixty (60) months for the purposes of calculating the amount to be offset.

### **When an SCI Benefit is not paid**

- No Benefit is payable after the Benefit Period has ended.
- All Benefits cease to be payable when the cover ends (see Section 6.1 'When cover ends' in this Booklet).
- If Total Disability or Partial Disability is caused by more than one Injury or Sickness, a Benefit will only be paid in respect of one Injury or Sickness at any one time.

Please also see Section 4.0 'What's not covered' in this Booklet for more information on exclusions that apply for Customised Cover.

# 6.0 Other important information

## 6.1 When cover ends

### For all covers:

Cover will continue until the earliest of:

- 1 July after turning the Cover Expiry Age,
- On the date we received your request for cover to end,
- the date you die,
- the date your insured TPD or Terminal Illness benefit is paid,
- cover for all Benefits in respect of you ceases,
- the date your cover is cancelled because your account balance is insufficient to meet the total monthly insurance premium deduction or any other amounts that relate to the cover,
- the date you cease to be a Mercer SmartSuper account holder,
- the date the policy issued by the Insurer ends, or
- If we have not received any contributions or rollovers into your account for a continuous period of 16 months, and you have not elected to have or keep your cover, we are required by law to cancel your cover due to inactivity.

In addition, for Customised Cover, cover will continue until the earliest of:

- the date your Death only or Death and TPD Benefit amount is reduced to zero because a Terminal Illness benefit or a TPD Benefit equal to your Death only or Death and TPD cover amount has been paid.

In addition, for SCI cover, cover will continue until the earliest of:

- the date you permanently retire or cease Gainful Employment (unless you intend to return to Gainful Employment) for any reason other than Total or Partial Disability

## 6.2 Changing or cancelling cover

You can change or cancel insurance at any time.

To change your cover, complete the *Adjusting or opting out of your insurance cover in the Mercer Super Trust* form available from our website at [mercersuper.com.au/login](https://mercersuper.com.au/login) or by calling the Helpline.

If you change your cover, we'll send a notice of change to you which shows the effective date of the change. For Customised Cover, any notice we send to you forms part of your Insurance Certificate.

To cancel your cover, you can apply at [mercersuper.com.au/login](https://mercersuper.com.au/login) or by calling the Helpline.

## 6.3 How to reinstate your cover

If your Standard Cover and/or Customised Cover has been cancelled, you can apply to have your Standard or Customised cover reinstated.

As long as your reinstatement request is received within 60 days after the date that the cover was cancelled, the Standard Cover and/or Customised Cover will be reinstated subject to the following conditions:

- you have a Mercer SmartSuper account, and you meet the applicable age criteria for the relevant Benefit(s), and
- all outstanding amounts due in relation to the insurance are paid in full.

If your reinstatement application is accepted, cover will be reinstated from the date cover was cancelled. The Insurer may impose conditions for the reinstated cover.

If your request is received more than 60 days after the effective date of cover cancellation, new cover will be issued at the sole discretion of the Insurer from the date that the Insurer agrees in writing to provide cover.

You can call the Helpline to apply to reinstate your cover.

## 6.4 Continuation options

The continuation option allows you to apply for a standard individual insurance policy with the Insurer (outside of Mercer SmartSuper) on terms that the Insurer considers are as close to your cover as possible, providing Death (including Terminal Illness), TPD and/or SCI cover (as applicable) for the same sums insured as those applying to you in your Customised Cover (or such lower amounts as requested by you), following the earlier of the closure of your Mercer SmartSuper account.

As long as you meet the eligibility criteria, you can exercise the continuation option provided:

- you hold Customised Cover on the earlier of the date you cease to be a Mercer SmartSuper account holder, and
- you complete an application for continuation option form and return it to the Insurer within 30 days of your Mercer SmartSuper account closing. You can call the Helpline for further information.

You can call Helpline to find out the eligibility criteria that applies.

Certain terms and conditions of your insurance (e.g. loadings, exclusions or special conditions) will continue to apply. However, other terms and conditions of the new policy and the different premium rates will apply and be based on your answers at the time of your continuation application.

## 6.5 How and when premiums are paid

We'll deduct your premiums from your Mercer SmartSuper account on the first business day of the month charged monthly in arrears.

Where your premiums or any other amounts payable are overdue we'll notify you prior to your cover ending. Your insurance will be cancelled if these amounts are not paid within the timeframe specified in our notice to you.

Premiums may be adjusted if there is a delay in, or incorrect provision of relevant information to calculate your premium.

# 7.0 Making a claim

A claim for Death, TPD or SCI may be made if you die or have an Injury or Sickness.

## How to make a claim

You or your beneficiaries must advise us as soon as reasonably possible of any claim or potential claim. We will provide you with regular updates throughout your claim and we'll support you through the claim process. If you need help at any stage, call the Helpline.

### 1. Contact us

Use the contact details provided in the "How to Contact Us" section at the front of this Booklet.

### 2. Confirm eligibility

We will ask you to provide us with information relating to your claim.

If we assess that you're not eligible to make a claim, we'll explain this in writing and give you the opportunity to provide more information.

### 3. Claims pack

A claims pack will be emailed or posted to you within five business days. Note: you will need to meet the costs associated with completing the claim pack (including the completion of any forms).

### 4. Claims assessment

You and your Medical Practitioner must provide the necessary documents and complete all application requirements to make a claim.

Once we have received all required documents and claim information, the Insurer will commence their assessment.

Where the Insurer needs further information to assess your claim, the Insurer may pay the cost to obtain this information.

Assessing a TPD claim can take around 6 to 12 months and a SCI claim can take around 3 to 6 months. However, in many circumstances assessment can be completed sooner.

The Insurer needs to assess medical and other evidence for a TPD or SCI claim. If you are overseas, you may have to return to Australia at your own expense for medical treatment or assessment, or the Insurer may require your medical treatment and assessment to be equivalent to Australian standards. If you are living or travelling overseas you will need to pay the cost of returning to Australia.

We may refund the premiums to your account:

- for the period the Insurer identifies you are not eligible to claim for any automatic cover, or
- if you make a claim that is accepted and your cover ceases under the terms of the policy on the date you became eligible to claim

The Insurer may, subject to law, consider your claim withdrawn or refuse to pay your claim if you do not meet the Insurer's requirements.

### 5. Trustee review

The trustee is committed to ensuring that the assessment you receive from the Insurer is fair and transparent, and that all final claim decisions are fair and reasonable.

We have a dedicated team who review your claim and will request any clarification or challenge decisions on your behalf, or in some cases, seek further information from you to support your claim.

## How a Benefit is paid

If you're eligible for a Death or TPD Benefit, the Benefit will be paid into your Mercer SmartSuper account.

We can only release the Benefit to you if you meet the conditions of the Trust Deed and a condition of release for superannuation law purposes. If you don't meet these conditions, you will not be eligible for a TPD Benefit to be paid into your Mercer SmartSuper account, nor to you personally.

For more information, see 'Paying Your Benefits' section in the How Your Super Works booklet and Section 5.0 'What are the benefits' in this Booklet.

# 8.0 Insurance definitions

## Accident

means a single event that results in Bodily Injury that is unexpected. This does not include an event that results from Sickness or disease.

## Activities

means:

- **Mobility:** To: bend, kneel or squat to pick something up from the floor and straighten up again, and get into and out of a standard sedan; or walk more than two hundred (200) metres at a normal pace on a level surface without stopping due to breathlessness as a result of a medical condition or angina;
- **Seeing:** To read ordinary newsprint and pass the standard eye test for a car licence (even with glasses or contact lenses) and your vision is better than legal blindness. Legal blindness is to be certified by an ophthalmologist;
- **Lifting:** To lift (from bench height) and carry a five (5) kg weight a distance of ten (10) metres and place the item back down at bench height;
- **Communicating:** To speak with sufficient clarity such that you can hold a conversation with another person in a quiet room in your first language. This involves understanding a simple message and relaying that message to another person; and
- **Manual dexterity:** To use: at least one hand to pick up or manipulate small objects precisely with your hand or fingers (such as picking up a coin from desk height, using cutlery, tying shoelaces or fastening buttons); or a pen, pencil or keyboard to write a short note that can be understood by another person in your first language.

Where you are unable to perform one or more of the above Activities when your cover started, that activity will not be taken into consideration by the Insurer as part of the TPD assessment.

## Aids and Adaptations

means equipment or fixtures which assist you to carry out the Activities.

## Australian Resident

means for insurance purposes, you are legally permitted to reside and work for reward in Australia.

## Benefit

means the benefit payable if you die, or you suffer a Terminal Illness, or you become Totally and Permanently Disabled, or you suffer an Injury or Sickness resulting in Total Disability or Partial Disability, or any other benefit payable under Standard cover or Customised Cover as detailed in this Booklet.

## Benefit Period

means the maximum period of time measured from the end of the Waiting Period for which a Benefit entitlement in respect of any one Injury or Sickness may continue to accrue (subject to recurrent disability as detailed under 'When Total & Partial Disability reoccurs' in this Booklet). Your Benefit Period will be shown in your Insurance Certificate.

Periods when a Total Disability Benefit, Partial Disability Benefit or Interim Accident and Sickness Benefit are payable in respect of the same or a related Injury or Sickness are added together to determine when the Benefit Period expires, unless the Injury or Sickness is deemed to be a new Injury or Sickness.

## Bodily Injury

means physical damage to the body sustained as a result of an external traumatic occurrence.

## CPI Indexation Factor

is normally defined as the percentage increase in the Consumer Price Index (Weighted average of eight capital cities combined) as published by the Australian Bureau of Statistics or its successor over the 12 month period ending 31 March each year. If the Consumer Price Index is not published or is considered by the Insurer to be inappropriate, the percentage increase will be calculated by reference to such other retail price index as, in the Insurer's opinion, most nearly replaces it or which the Insurer considers to be the most appropriate in all the circumstances.

Where the CPI Indexation Factor is negative, it will be considered to be zero.

## Date of Disablement

means:

- a) For Part A of the TPD definition, the earlier of:
  - i) the date with effect from which you were first certified by a Medical Practitioner as unfit for work, or as incapacitated, due to Injury and Sickness ('certification effective date'), provided that you consulted a Medical Practitioner on or within 7 days after the certification effective date;
  - ii) the date you first consulted a Medical Practitioner for the claimed condition, if you have already been off work, or incapacitated, due to Injury and Sickness for more than 7 days.
- b) For Part B of the TPD definition, the date you were first certified by a Medical Practitioner as unable to perform at least 2 out of 5 'Activities' specified in that Part without assistance from another adult (with Aids and Adaptations) due to Injury and Sickness.
- c) For Part C of the TPD definition, the date you were first certified by a Medical Practitioner as unable to perform all of the 'Domestic Duties'.

## Date of Lodgement

means the date you lodge a claim for a TPD Benefit with the Plan and provides all mandatory documentation required by the Insurer in relation to your claim in order to commence assessment.

## Doctor or Medical Practitioner

means a registered Medical Practitioner in Australia or New Zealand (or a registered Medical Practitioner of another country with qualifications acceptable to the Insurer); who is not:

- you, or
- a member of your immediate family including a spouse, de facto partner (including a same sex partner), parent, child or sibling, or
- a business partner of yours.

## Domestic Duties

means the household duties normally performed by you, who remains at home completing unpaid full-time Domestic Duties. It does not include a person working in a regular occupation including part-time and/or paid voluntary work that provides an income or a person studying or at home due to unemployment.

Domestic duties specifically includes:

- **cooking and preparing meals** – meaning to prepare meals using kitchen appliances,
- **cleaning the home** – meaning to carry out the basic internal household chores using domestic equipment such as a vacuum and mop,

- **washing clothes** – meaning to do the household's laundry to a basic standard, shopping for groceries – meaning to leave the home to purchase general household grocery items, and
- **(if applicable) caring for:**
  - children – meaning to care for and supervise dependent children under 16 years of age or in full-time secondary education, or
  - a disabled person of the household.

If you are able to perform any one of these tasks, you will be considered able to carry out all Domestic Duties.

## Gainfully Employed/Gainful Employment

means employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

## Injury

means:

- For the purposes of a pre-existing condition:
  - a Bodily Injury which is sustained by you prior to the commencement date of cover.
- For all other purposes, a Bodily Injury which is sustained by you after the later of:
  - the start date of cover;
- for an increase in the sum insured for any benefit, the date we increase the benefit (other than due to indexation (see Section 3.9 'Protection against inflation' in this Booklet)); and
- the date your cover was last reinstated, but before your cover ends.

For Customised Cover, a Bodily Injury which was sustained prior to the commencement date of cover or reinstatement of your cover, that you fully disclosed to the Insurer and the Insurer agreed to cover, is considered an injury for the purposes of this definition.

## Insurance Certificate

means the certificate issued by the Insurer to you, who has been accepted for Customised Cover, which sets out details of the cover for which has been provided under Customised Cover, as amended in writing by the Insurer from time to time.

## Insured Monthly Disability Benefit

means the sum insured amount specified as such in your Insurance Certificate for SCI cover.

## Insurer

means AIA Australia Limited ABN 79 004 837 861 AFSL 230043

### Interim Accident and Sickness Benefit

means the benefit payable under Interim Accident and Sickness Cover.

### Monthly Earnings

means:

- if you're an employee, the normal monthly value of the remuneration package paid to you by your employer, including salary, super contributions, fees, commissions, regular overtime and bonus payments and packaged fringe benefits, not including income which is not derived from your personal exertion or activities, such as interest or dividend payments, or
- if you're self-employed (that is you own or have an interest (either directly or indirectly) in any part of a business, practice or partnership):
  - the normal monthly income earned by your business, practice or partnership due to your personal exertion or activities, **less**
  - your share of the expenses of the business, practice or partnership that were necessarily incurred in producing the normal monthly income.

Monthly Earnings are calculated before deducting income tax.

### Partial Disability and Partially Disabled

means that:

- you have been Totally Disabled for at least 14 days of the first 19 days of the Waiting Period, and
- you return to work and are able to perform one or more of the important income producing duties of your usual occupation but, because of the Injury or Sickness causing that Total Disability, not all of them or only in a reduced capacity, and
- as a result your Monthly Earnings are less than the amount of your Pre-Disability Monthly Earnings, and
- you're under the Regular Care of a Medical Practitioner.

'Important income producing duties' mean those duties which could reasonably be considered primarily essential to producing your Monthly Earnings. 'Usual occupation' means the occupation in which you were last engaged before becoming disabled.

### Post-Disability Monthly Earnings

means your Monthly Earnings.

### Pre-Disability Monthly Earnings

means your highest average Monthly Earnings in any consecutive 12 month period in the 36 months immediately preceding the commencement of Total Disability, increased by CPI Indexation each review date since that date (if applicable).

### Regular Care of a Doctor or Regular Care of a Medical Practitioner

means you're:

- obtaining advice, care and treatment from a Doctor in relation to your Injury or Sickness at such times as is reasonable in the circumstances
- following the advice, care and treatment of the Doctor, and
- taking all other reasonable measures, including rehabilitation to avert or minimise any disabling Injury or Sickness.

### Sickness

means:

- For the purposes of a pre-existing condition:
  - a sickness or disease, which first becomes apparent prior to the start date of cover.
- For the purposes of Interim Accident and Sickness Cover:
  - a sickness or disease, which first becomes apparent after a completed application form, in respect of your application for Customised Cover, has been received by the Insurer.
- For all other purposes, a sickness or disease, which first becomes apparent after the later of:
  - the start date of cover;
  - for an increase in the sum insured for any Benefit, the date we increase the Benefit (other than due to indexation (see Section 3.9 'Protection against inflation' in this Booklet)); and
  - the date your cover was last reinstated, but before your cover ends.

For the avoidance of doubt, a sickness or disease is taken to have first become apparent on the earlier of the date when:

- a Doctor first gave you advice, care or treatment for the sickness or disease; or
- a reasonable person in the same circumstances as you would have sought advice, care or treatment from a Doctor.

For Customised Cover, a sickness or disease which first became apparent before the commencement date of cover or last reinstatement of your cover, that you fully disclosed to the Insurer and the Insurer agreed to cover, is considered a Sickness for the purposes of this definition.

### Terminal Illness

means:

- two registered Medical Practitioners have certified, jointly or separately, that:

- you have an Injury and Sickness, that is likely to result in death within a period (the certification period) that ends no more than 24 months after the date of the certification, and
- the death is likely to occur within the certification period even if you were to receive reasonable medical treatment
- at least one of the registered Medical Practitioners is the treating registered specialist Medical Practitioner, and
- for each of the certificates, the certification period has not ended.

The certification must be evidenced by a medical report from the treating registered specialist Medical Practitioner and, where required by the Insurer, confirmed by a registered Medical Practitioner of the Insurer's choice.

### **Total and Permanent Disability or TPD**

means where at the Date of Disablement:

- **Part A of the definition** will apply to those aged less than 67 and:
  - working on a permanent, casual or contract basis (or on employer approved leave); or
  - unemployed for less than 2 years; or
  - self-employed and has completed paid work in the previous 2 years.
- **Part B of the definition** will apply to those:
  - Aged 67 and over; or
  - unemployed for 2 years or more; or
  - self-employed and has not completed paid work for 2 years or more.
- **Part C of the definition** will apply to those aged less than 67 and:
  - performing unpaid full-time Domestic Duties; or
  - never been in Gainful Employment.

#### **Part A definition**

You will be considered Totally and Permanently Disabled if:

- a) solely as a result of Injury or Sickness, you are continuously not working in any occupation for a period of three (3) consecutive months since the Date of Disablement; and

- b) you're under the care of, and following the advice and treatment of a Medical Practitioner and has undergone all reasonable and usual treatment, including rehabilitation for the Injury or Sickness; and
- c) at the end of the three (3) month period or the Date of Lodgement whichever is the later, solely as a result of the same Injury or Sickness, you are, in the Insurer's opinion unlikely ever again to engage in any occupation for which you are reasonably suited by education, training or experience.

#### **Part B definition**

You will be considered Totally and Permanently Disabled if:

- a) solely as a result of Injury or Sickness, you are continuously unable for a period of three (3) consecutive months after the Date of Disablement to perform at least 2 out of the 5 Activities listed below as certified by a Medical Practitioner and in the Insurer's opinion on the basis of the medical evidence, you are permanently unable to perform the same Activities without assistance from another adult (with Aids and Adaptations); and
- b) solely as a result of the same Injury or Sickness, you are, in the Insurer's opinion unlikely ever again to engage in any occupation for which you are reasonably suited by education, training or experience.

#### **Part C definition**

You will be considered Totally and Permanently disabled if:

- a) solely as a result of Injury or Sickness, you are unable to perform all Domestic Duties for a period of three (3) consecutive months after your Date of Disablement; and
- b) you are under the care of, and following the advice and treatment of a Medical Practitioner and has undergone all reasonable and usual treatment, including rehabilitation for the injury or sickness; and
- c) solely as a result of the same Injury or Sickness you are, in the Insurer's opinion unlikely ever again to engage in unpaid full-time Domestic Duties or in any occupation for which you are reasonably suited by education, training or experience.



## Total Disability and Totally Disabled

means you are, because of Injury or Sickness that caused you to cease to be Gainfully Employed:

- unable to perform one or more of the important income producing duties of your usual occupation;

and either

- not Gainfully Employed but you're not permanently incapacitated;

or

- the Injury and Sickness makes it unlikely that you'll ever again be able to work in any occupation for which you're reasonably qualified because of education, training or experience;

and

- under the Regular Care of a Doctor.

This definition applies to occupation categories (as shown in the Insurance Certificate) Professional, White Collar or Light Blue during the life of a claim, and only applies to occupation categories Blue or Heavy Blue for the first 2 years of a claim, after which you'll need to demonstrate that you're, because of Injury or Sickness:

- unable to perform any occupation for which you're reasonably qualified by education, training or experience;

and either

- not Gainfully Employed but you're not permanently incapacitated;

or

- the Injury and Sickness makes it unlikely that you'll ever again be able to work in any occupation for which you're reasonably qualified because of education, training or experience;

and

- under the Regular Care of a Doctor.

'Important income producing duties' mean those duties which could reasonably be considered primarily essential to producing your Monthly Earnings. 'Usual occupation' means the occupation in which you were last engaged before becoming disabled.

## Waiting Period

means the minimum period of time which must elapse from the commencement of Total Disability before any disability Benefit entitlement may accrue. Your Waiting Period is shown in the Insurance Certificate.

For the purposes of the Total Disability Benefit, in general, you must be Totally Disabled throughout the Waiting Period. For example, if you cease to be Totally Disabled at any time during the Waiting Period, the Waiting Period will stop at that point in time. If you again become Totally Disabled then the Waiting Period will start again.

However, if you return to work for five (5) consecutive working days or less during the 30 day Waiting Period (or 10 consecutive working days or less if the Waiting Period is 90 days or more), the Waiting Period won't stop; instead the number of days you have returned to work will be added to (and count towards) the Waiting Period.

The table below shows the maximum number of consecutive working days you can return to work during the Waiting Period.

Waiting period	Maximum number of days
30 days	5
90, 180, 720 days	10

For the purposes of the Partial Disability Benefit:

- your Waiting Period won't stop if, from the date of Total Disability, you're Totally Disabled for at least 14 of the first 19 days of the Waiting Period and Totally or Partially Disabled for the balance of the Waiting Period, and
- if you return to work other than in a partial capacity for five (5) consecutive working days or less during the 30 day Waiting Period (or 10 consecutive working days or less if the Waiting Period is 90 days or more), the Waiting Period does not stop; instead the number of days you have returned to work will be added to (and count towards) the Waiting Period. If you return to work in other than a partial capacity for more than five (5) consecutive working days during the 30 day Waiting Period (or 10 consecutive working days if the Waiting Period is 90 days or more), the Waiting Period stops and a new Waiting Period will apply for any claim.

# Appendix A

## What the occupational categories are for TPD and SCI cover

### Professional

White collar professional performing no manual duties (e.g. doctor, lawyer, accountant). Also includes white collar workers with a degree who have been earning at least an average of \$100,000 pa over the last three years, or no degree but earning at least an average of \$125,000 pa over the last three years.

### White Collar

White collar workers, including those performing light manual duties for less than 10% of your time at work (e.g. administrator, manager, data entry operator, school teacher – non-manual).

### Light Blue

Certain light-manual skilled workers (e.g. jewellers, photocopier/TV repairers), business owners in non-hazardous industries involved in light-manual work (e.g. coffee shop owner) and supervisors of blue collar workers, where less than 20% of your time is spent performing light manual duties.

### Blue Collar

Tradespeople and skilled workers (e.g. carpenter, plumber, nurse). For certain occupations within this category, a maximum Benefit Period of two or five years will apply.

### Heavy Blue

Heavy manual trades people (e.g. bricklayer, welder, farmer). Maximum Benefit Period is five years. For certain occupations within this category, the maximum Benefit Period is two years.

