

## Insurance cover for Spouse and Rollover members

Death and disablement are confronting subjects but we all need to think about the financial impact on us and others if these unpleasant events occur. If you die or suffer total and permanent disablement (TPD), how would you or your loved ones cope financially? Would there be enough money to pay the bills?

### A new benefit for Spouse and Rollover members

From 26 June 2017, eligible Spouse and Rollover members in the Australia Post Superannuation Scheme (APSS) will automatically receive an amount of insurance cover for death, total and permanent disablement (TPD) and terminal illness, with the flexibility to either apply for more cover, or cancel their cover by opting out.

This Fact Sheet provides some information to help you start thinking about your insurance options and explains how to opt out or buy more cover if that's what you want to do.

### Am I eligible?

To be eligible for the automatic cover, you will need to have an APSS Spouse Account or APSS Rollover Account and meet the other criteria set out on page 3.

### The Insurer

PostSuper Pty Ltd, the Trustee, will provide insurance cover to eligible Spouse and Rollover members under a life insurance policy to be issued to the Trustee by MetLife Insurance Limited (ABN 75 004 274 882), (the Insurer). The Trustee is currently finalising the terms of the policy with the Insurer. This Fact Sheet reflects the terms the Trustee expects will be contained in the policy when it is finalised. If there are any material differences between this summary and the final policy issued by the Insurer, or if the policy is changed in a material way after it is issued, the Trustee will give affected members updated information.

### Types of insurance cover provided

Three types of cover will be provided to eligible Spouse and Rollover members. It's important to understand that only one type of insurance benefit would be payable. For example, if a terminally ill member successfully claimed a Terminal Illness benefit, and later died, there would be no second insurance benefit payable upon death. It's one or the other. The three types of cover are:

#### 1. Death cover

This pays a benefit if you die, equal to the amount of cover on the date of your death.

#### 2. TPD cover

This pays a benefit if you meet the definition of TPD under the policy. A summary of the definition is set out on page 5 of this Fact Sheet. The amount of the benefit is equal to the amount of cover on the date a doctor certifies that you have suffered the illness or incurred the injury for which you are making the claim, or if you are working on that date, the date you cease all work.

#### 3. Terminal Illness cover

This pays a benefit if you suffer a Terminal Illness as defined under the policy. A summary of the definition is set out on page 6 of this Fact Sheet. The amount of the benefit is equal to the amount of cover on the date two medical practitioners have given a certification that you are suffering from a Terminal Illness.

## Insurance cover for Spouse and Rollover members

### Automatic minimum level of cover and additional cover

If you are an eligible Spouse Member or Rollover Member, you will automatically get one unit of cover under the policy.

As shown in the first row of the table below, this level of cover:

- **Insures you for between \$7,420 and \$53,000** depending on your age, and
- **Costs you \$1 per week**, roughly \$52 per year, with premiums payable from your Spouse Account or Rollover Account on the last Friday of each month in arrears. However, the cost might be less if the Trustee can claim a tax deduction for the cost of the cover, in which case your share of that deduction will be credited back to your account.

### Warning

Please be aware that the insurance cover premiums for the automatic level of cover will be deducted from your account each month unless you elect to opt out of the cover and instruct the Trustee that you wish to do so.

You can apply for additional units of cover, up to a total of 10 units. The weekly cost of the cover and the level of insurance cover provided depend on the total units of cover and your age, as set out in the table below.

Units	Weekly Premium <sup>1</sup>	Sum insured – What gets paid depending on your age at your last birthday					
		Age 20-34	Age 35-39	Age 40-44	Age 45-49	Age 50-64 <sup>2</sup>	Age 65 <sup>2</sup>
1	\$1.00	\$53,000	\$37,100	\$21,200	\$14,840	\$7,420	\$0
2	\$2.20	\$106,000	\$74,200	\$42,400	\$29,680	\$14,840	\$0
3	\$3.40	\$159,000	\$111,300	\$63,600	\$44,520	\$22,260	\$0
4	\$4.60	\$212,000	\$148,400	\$84,800	\$59,360	\$29,680	\$0
5	\$5.80	\$265,000	\$185,500	\$106,000	\$74,200	\$37,100	\$0
6	\$7.00	\$318,000	\$222,600	\$127,200	\$89,040	\$44,520	\$0
7	\$8.20	\$371,000	\$259,700	\$148,400	\$103,880	\$51,940	\$0
8	\$9.40	\$424,000	\$296,800	\$169,600	\$118,720	\$59,360	\$0
9	\$10.60	\$477,000	\$333,900	\$190,800	\$133,560	\$66,780	\$0
10	\$11.80	\$530,000	\$371,000	\$212,000	\$148,400	\$74,200	\$0

<sup>1</sup> The actual weekly premium may be cheaper than this because a rebate of up to 15% per week may apply if the Trustee can claim a tax deduction for the cost of the insurance cover, which will be credited back to your account. For example, if you have one unit of cover, your weekly premium would be only 85 cents instead of \$1.00; if you had two units, it would be \$1.87 instead of \$2.20, and so on.

<sup>2</sup> All cover will cease on your 65th birthday. See page 4 for other things that might cause your insurance cover to cease.

**Note:** For members who join after 26 June 2017, the cover may only apply to an illness that first becomes apparent, or an injury that first occurs, on or after the date of commencement. For more information about this restriction and when it applies, refer to the insurance information in the Member Savings Product Disclosure Statement made available to new members from 26 June 2017.

## Insurance cover for Spouse and Rollover members

### Am I eligible for this insurance?

To be eligible for automatic cover, you must have an APSS Spouse Account or APSS Rollover Account and be:

- At least 20 and under 65 years of age; and
- Residing in Australia as either:
  - an Australian citizen; or
  - a permanent residency visa holder or 457 temporary work visa holder issued by the Australian Department of Immigration and Border Protection; or
  - a New Zealand citizen and holder of a special category visa referred to in section 32 of the Migration Act 1958 (Cth).

### How much insurance do I need?

When thinking about how much insurance you may need within your Spouse Account or Rollover Account, a good place to start may be to consider your debts and household expenses, and to identify how much money might be needed to meet ongoing financial commitments if you die, suffer TPD or become terminally ill. You may also want to think about other potential expenses, such as the costs of care, home help services, medication and so on that you might need in the event of TPD, or funeral costs in the event of death.

You may then want to consider how these commitments and expenses could be met from your superannuation savings, other assets you have and any other insurance cover you already have, and what additional insurance may be required.

You should also consider the effect that the insurance premiums will have on your superannuation account balance because premiums are deducted from your account and therefore will potentially reduce how much you will have in your retirement.

You may want to speak to a qualified financial adviser who can help you work out how much insurance you need before making any decision about your insurance.

### Opting out – Cancelling this insurance

You may cancel your insurance cover at any time by opting out. If you wish to opt out, you can do this by completing the *Change my insurance arrangements* form on page 7 of this Fact Sheet, or included in your mail pack if you received this Fact Sheet in the mail. You can also download it at [apss.com.au](http://apss.com.au) under the *Publications & Forms/Print a form* menu.

If you decide to opt out and the Trustee receives your completed and signed *Change my insurance arrangements* form on or before Friday, 25 August 2017, you won't receive any automatic insurance cover from 26 June 2017, and the cover will be deemed not to have ever commenced, so no insurance premiums will be deducted from your account or, if already deducted, they will be refunded.

If we receive your request to cancel or reduce your cover after Friday, 25 August, 2017, the reduction or cancellation of cover will be effective from the date the APSS receives your request, and there will be no refund of premiums that have been paid up to that time.

If you do reduce or cancel your cover, you can always reapply to be insured or to increase your cover, provided you are still eligible, by completing the *Insurer's Application for insurance* form, which will be available to download at [apss.com.au](http://apss.com.au) under the *Publications & Forms/Print a form* menu from 26 June 2017. This will require you to provide details of your insurance history, your current health status, your family's health history and your lifestyle. You might also have to complete a Medical Statement for the Insurer. So keep in mind that opting out will mean more paperwork for you if you want to apply in future, and there's no guarantee your application will be accepted by the Insurer.

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### Increasing cover – Buying more insurance

You will be able to apply for additional insurance cover from 26 June 2017 by completing the *Insurer's Application for insurance* form, which will be available to download at [apss.com.au](http://apss.com.au) under the *Publications & Forms/Print a form* menu from that date. You can indicate your interest in applying for additional cover by using the enclosed *Change my insurance arrangements* form, and we will send you further information in due course.

Additional cover is subject to the Insurer's acceptance of your application and to a maximum of 10 units of cover in total. The Insurer may require you to provide information about your health and lifestyle and may apply special terms and conditions to the additional cover.

#### 'Life event' automatic acceptance of additional cover

However, you may be accepted for an additional unit of cover when a 'life event' occurs without having to provide evidence about your health and lifestyle. Life events are specified in the insurance policy, and include: marriage, divorce, birth or adoption of a child, and taking out a new mortgage on your primary place of residence. An application for additional cover must be made within 60 days after the life event.

The application may only be made after one life event and must be accompanied by evidence satisfactory to the insurer.

If you are not in active employment at the time of the application for an additional unit of cover after a life event, you will only be covered for an illness that first becomes apparent or an injury that first occurs on or after the cover commences, until you have been in active employment (which means employed and capable of performing your identifiable duties without restriction by any illness or injury for at least 35 hours per week) for 30 consecutive days.

#### Interim Accident Cover

If you apply for additional cover, you will be provided with 'Interim Accident Cover' from the date that the Insurer receives a completed application. Interim Accident Cover pays a benefit if you die or suffer TPD as a result of an injury. The benefit is equal to the amount nominated as the insured cover for death or TPD in your application.

The conditions on this cover are that death or TPD must occur within 365 days of the injury, and the Injury must have occurred during the period while the Insurer was considering the application for cover or additional cover.

Interim Accident Cover ceases on the earliest of the date the Insurer accepts or rejects your application for additional cover, the date you withdraw the application for cover, 90 days from the date the Insurer receives your completed application, and the date cover would otherwise cease under the policy.

No other insured benefit is payable if an Interim Accident Benefit is paid.

### When your insurance cover will cease

Your insurance cover will cease at the earliest of:

- You electing to opt out or cancel your cover, or to reduce your cover (in respect of the reduced portion).
- You reaching your 65th birthday.
- You being paid an insurance benefit under the cover provided. If any benefit is paid, then all cover will cease.
- Your account balance being less than \$50 in your Rollover Account or Spouse Account on the last Friday of a month.
- The insurance policy being terminated by the Trustee or the Insurer.
- You ceasing to meet the residency, citizenship or visa condition to be eligible for cover.
- You commencing duty with the military services of any country (other than duty with the Australian Army Reserve in Australia, but not on active duty overseas).
- The premium due for your cover not being paid within 30 days of the last Friday of the month on which it is due.
- You ceasing to hold an APSS Spouse Account or APSS Rollover Account.

However, if the insurance policy is terminated by the Insurer or the Trustee, and you are not 'At Work' (as that term is defined in the policy) on the date the policy is terminated, you will continue to have TPD cover for the illness or injury that caused you to be not 'At Work' until the earliest to occur of the following:

- You are 'At Work' after the policy terminates;
- You reach your 65th birthday;

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- You no longer meet the requirements to be covered under the insurance policy; or
- The Insurer makes a decision on any claim by you for a TPD benefit.

You are 'At Work' under the policy if:

- you are employed or self-employed and are actively performing all the duties of your occupation and working your usual hours free from any limitation due to Illness or Injury, and you are not receiving and are not entitled to claim income support benefits of any kind as a result of an Illness or Injury, or
- you are neither employed nor self-employed and you are able to perform without assistance all of the activities of everyday living set out in paragraph (ii) of the following definition of TPD.

### What TPD and Terminal Illness mean

The terms 'TPD' and 'Terminal Illness' have very specific meanings under the insurance policy.

#### TPD

The definition of TPD has two parts. The part that applies to you will depend on whether you are in 'Permanent Employment' and how many hours you work. 'Permanent Employment' means employment under a single and ongoing contract that:

- is of indefinite duration or is for a fixed term of no less than 12 months; and
- requires the employee to perform identifiable duties; and
- requires the employee to work a regular number of hours each week; and
- provides for paid annual leave and sick leave.

The definition of TPD also refers to 'Date of Disablement', which means either the date on which a doctor certifies that you suffer an illness or have incurred an injury which is a cause of your disablement for which you are making a claim, or, if you are working on that date, the date you cease all work.

*Part A: If you are employed in 'Permanent Employment' for at least an average of 15 hours per week for three consecutive months (referred to as 'Minimum Hours') prior to the Date of Disablement, TPD means:*

You have been absent from your occupation with an employer through injury or illness for three consecutive months and have provided proof to the Insurer's satisfaction that you have become incapacitated to such an extent as to be unlikely ever to engage in or work for reward in any occupation or work for which

you are reasonably qualified by reason of education, training or experience.

*Part B: If you are not employed by an employer, or are employed in 'Permanent Employment' for less than the Minimum Hours, or are employed other than in 'Permanent Employment' prior to the Date of Disablement, TPD means you satisfy one the following paragraphs (i) to (iii) and also satisfy paragraph (iv):*

- You suffer the permanent loss of use of two limbs or the sight of both eyes or the permanent loss of use of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot).
- Through illness or injury, you are (and have provided proof to the satisfaction of the Insurer that you are) permanently unable to perform at least two of the following six basic activities of everyday living without assistance:
  - Bathing – to shower or bathe;
  - Dressing – to dress or undress;
  - Toileting – to use the toilet including getting on and off;
  - Feeding – to eat and drink;
  - Mobility – to get out of a bed or a chair or a wheelchair; or
  - Continence – to control bladder and bowel function.

If you can perform the activity by using special equipment, you will be considered able to undertake that activity.

- Through illness or injury, you are (and have provided proof to the satisfaction of the Insurer that you are) suffering from the permanent deterioration or loss of intellectual capacity that has required you to be under continuous care and supervision by another adult person for three consecutive months and this care is likely to be ongoing on a permanent daily basis.
- You have been absent from your occupation through illness or injury for three consecutive months (if you were working in an occupation before the Illness or Injury) and have provided proof to the satisfaction of the Insurer that you have become incapacitated to such an extent as to render you unlikely ever to engage in or work for reward in any occupation or work for which you are reasonably qualified by reason of education, training or experience.

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### Terminal Illness

Terminal Illness means:

- two medical practitioners have certified, jointly or separately, that you are suffering from an illness that, despite reasonable medical treatment, is likely to result in your death within 24 months of the certification (which is referred to as the certification period); and
- if the certifications are given separately, the certification period for each of the certificates has not ended; and
- at least one of the medical practitioners is a specialist practicing in an area related to the illness or injury; and
- the Insurer is satisfied, on medical or other evidence, that despite reasonable medical treatment, the illness is likely to result in your death during the certification period; and
- the illness has reduced your life expectancy to 24 months or less and the certification is given (or the last certification is given) while you have Terminal Illness cover.

The medical practitioner must be a person who is registered and practising as a medical practitioner in Australia or a person who, in the Insurer's opinion and absolute discretion, is appropriately qualified and practising medicine in their country and registered with the body responsible for the registration of medical practitioners in the jurisdiction where they are practising. The medical practitioner who gives the certification cannot be you, your parent, child or sibling, your spouse or partner (as determined by the Insurer in its absolute discretion), or your business partner, associate or employee. To be a 'specialist', the medical

practitioner must have a qualification awarded by the relevant specialist professional college in Australia to treat certain conditions, or a qualification that equates to that qualification.

### Illness and Injury

In the policy and the above definitions, 'illness' means sickness, disease or disorder, and 'injury' means bodily injury which is caused solely and directly by external, violent and accidental means.

### Making a claim

You must notify the Trustee as soon as practicable after an event that entitles you to make a claim for an insured benefit.

You can make a claim by submitting a claim form which will be available on the Trustee's website from 26 June 2017, together with supporting documents.

While the cover applies worldwide, the Insurer may require you to return to Australia at your own expense for the assessment of a claim. If you do not return when required by the Insurer, the Insurer is not required to pay a benefit, and if you do not return within six months, the Insurer will cease considering your claim and will only start considering your claim again when you return and make a request in writing.

Note that no benefit is payable if the illness or injury giving rise to the claim is directly or indirectly caused by war (which includes undeclared war, revolution, invasion, rebellion or civil unrest) outside of Australia.

## More information

If you need more information about the insurance cover described in this Fact Sheet, please:

- Call SuperPhone **1300 360 373**, Monday – Friday 9.00am – 5.30pm (AEST)
- Write to: APSS, Locked Bag A5005, Sydney South NSW 1235
- Send a fax to: (02) 9372 6288

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# Change my insurance arrangements

**Note:** This form is only for eligible members with an APSS Spouse Account or APSS Rollover Account.

If you are currently an Employee Member of the APSS, you cannot change the Death and TPD entitlements that are part of your APSS Defined Benefit.

## Your Details

Name: \_\_\_\_\_ Date of birth: \_\_\_\_\_

Address: \_\_\_\_\_

State: \_\_\_\_\_ Postcode: \_\_\_\_\_

Daytime phone: \_\_\_\_\_ Mobile phone: \_\_\_\_\_

Email: \_\_\_\_\_ Member number: \_\_\_\_\_

This number is shown on your Annual Benefit Statement.  
For Australia Post Employees it is the same as your APS number.

## I wish to [Select ONE]:

- Opt out of insurance for my Spouse/Rollover Account; OR
- Register my interest to increase my insurance cover.

## Authorisation to the Trustee of the APSS

- I declare that I have read and understood the information contained in the Fact Sheet titled *Insurance cover for Spouse and Rollover members*.
- (If I have ticked 'Opt out...' above) I understand that, by opting out, I will not receive any insurance cover within my APSS Spouse Account or APSS Rollover Account (as applicable). If my signed/completed form is received by the Trustee on or before Friday, 25 August 2017, any premium payments will be refunded to my account and the cover will be deemed not to have ever commenced. If my form is received by the Trustee after Friday, 25 August 2017, the cover will cease from the date the APSS receives my request, and there will be no refund of premiums that have been paid up to that time. I also understand that, if I opt out, I may be able to reapply to be insured if I continue to be eligible for cover but any application will be subject to acceptance by the insurer. The insurer may require me to provide details of my insurance history, my current health status, my family's health history and my lifestyle, and that I may need to also complete a Medical Statement for the Insurer.
- (If I have ticked 'Register my interest...' above) I understand that I will receive further details about how to apply for additional cover, and my first opportunity to do so will be 26 June 2017.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

CUT OUT AND RETURN COMPLETED FORM TO: sr@apss.com.au or APSS, LOCKED BAG A5005, SYDNEY SOUTH NSW 1235

Australia Post Superannuation Scheme (ABN 42 045 077 895)  
Issuer: PostSuper Pty Ltd (ABN 85 064 225 841)  
RSE Licence Number L0002714 APSS Registration Number R1056549  
For more information call SuperPhone on 1300 360 373 or visit apss.com.au



Please return this completed form in the **reply-paid envelope** provided, or otherwise email to [sr@apss.com.au](mailto:sr@apss.com.au) or mail to: **APSS, Locked Bag A5005, Sydney South NSW 1235.**

## How to contact us

Call *SuperPhone* **1300 360 373**

Monday – Friday 9.00am – 5.30pm (Sydney time)

Visit us online at **[apss.com.au](http://apss.com.au)**

Write to APSS, Locked Bag A5005,  
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