



LESF Super PDS  
Insurance Guide

30 September 2017

Issued by Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153

## Important Notes

This document describes the features and benefits of the life insurance and income protection insurance that is available via the LESF Super ("LESF" or "Fund"). It is an important document that should be read in conjunction with the PDS for the Fund.

References in this document to 'we', 'us', or 'our' are to Diversa Trustees Limited as trustee of LESF.

Where certain words have a specific meaning as defined in the Policy, those words have the same meaning in this document.

*An application for insurance as described in this document must be made on the application form provided. Your application is subject to acceptance by the Insurer, who may accept or decline it or accept it subject to conditions.*

### Who is the Insurer?

The Insurer for the Fund is The Colonial Mutual Life Assurance Society Limited (CMLA) (ABN 12 004 021 809 AFSL 235035). CommInsure is a registered business name of CMLA.

### About CommInsure

CommInsure is regulated by the Australian Prudential Regulation Authority (APRA).

### Consent

CommInsure has given their consent to the inclusion of the statements above in the form and context in which they are named and appear. CommInsure does not take any responsibility for the issue of this document or for any statements contained in this document other than the statements above.

### Definitions

- **'Insurer'** means the life insurance company that has issued the Policy to the Trustee.
- **'member'** means a member of the Fund who is insured under the Policy.
- **'You/Your'** means a member or potential member or an insured member in LESF.
- **'Policy'** means the group life policy or the group income protection policy issued by the Insurer to the Trustee that provides for the insured benefits of the Fund.
- **'Policy Terms'** means the terms and conditions of the Policy as in force and amended from time to time.
- **'premium', 'premiums'** means the amount of money that is payable in respect of the member to obtain the benefit of the insurance via the Fund.
- **'Sum Insured'** refers to the amount that a member is insured for via the Fund.

### Other important notes

You should be aware that the terms and conditions relating to the insurance cover provided by the Fund are set out in the Policy issued by the Insurer to us and the Fund's Trust Deed. While every effort has been made to ensure the information contained in the document is accurate, the terms and conditions of the Policy will prevail to the extent that they are inconsistent with the information in this document.

We may update this document with changes that are not materially adverse without issuing a supplementary document. The document and updated information will be available on the LESF website and you can obtain a paper copy free of charge on request. If we become aware of changes that are materially adverse, we will replace this document.

This document can only be used by people receiving it (including electronically) in Australia.

All amounts in this document are in Australian dollars and all times quoted are AEST time. A business day is a working day for us in Sydney.

Neither we nor any service provider to the Fund guarantee the payment of any benefit or Sum Insured or the return of any money.

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## 1. Insurance Categories within LESF Super

This Insurance Guide provides you with the information you need to understand your insurance cover options and the conditions that apply to cover in LESF Super based on your insurance benefit category as per below table.

<i>If you are:</i>	<i>you will be in...</i>	<i>more information can be found in...</i>
a new member working in the legal services industry (excluding self-employed people), joining the Fund from 25 February 2016 as an employer sponsored member	Category A	Sections 2 - 7 of this Guide
a new member joining the Fund from 25 February 2016 who is: <ul style="list-style-type: none"> <li>■ working in an industry other than legal services; or</li> <li>■ self-employed in any industry (including legal services)</li> </ul>	Category E	Sections 8 - 12 of this Guide
an Accrued Default Amount (ADA)* member who was transferred into the Fund from 25 February 2016	Category E	Sections 8 - 12 of this Guide
an insured non-ADA member who was transferred into the Fund from 25 February 2016	Category E	Sections 8 - 12 of this Guide
a new member working for the Macmahon Group of Companies	Category D	Macmahon Employees Super PDS Insurance Guide *Macmahon Insurance Guide can be obtained via the Fund's website: <a href="http://www.lesf.com.au/mesf">http://www.lesf.com.au/mesf</a>

\* ADA members include those former members of the Managed Australian Retirement Fund who remained in that fund's default investment option.

## 2. Legal Services Employees - Category A Insurance Options at a Glance

LESF provides Category A members joining the Fund with insurance cover automatically (Default Cover). Three types of insurance covers are provided on joining, if you meet eligibility criteria:

- Death (includes Terminal Illness) only
- Death (includes Terminal Illness) & Total and Permanent Disablement (TPD); and
- Income Protection.

You can request to add to or reduce your cover at any time. The tables below provide a snapshot of the insurance options available.

Death & Total and Permanent Disablement (TPD) cover - Category A	
What is the Cover?	<ul style="list-style-type: none"> <li>■ Death cover pays a lump sum benefit in the event of your death or Terminal Illness.</li> <li>■ TPD cover pays a lump sum benefit if you become Totally and Permanently Disabled.</li> </ul>
What is Default Cover?	<p>All eligible white collar legal services (Category A) employees joining LESF will automatically receive 4 units of cover without having to provide medical evidence. You can opt out of the Default Cover at any time.</p> <p>The amount of cover varies depending upon your age (refer page 9 of this Insurance Guide for details of your Default Cover level).</p>
When does Default Cover commence?	Generally Default Cover starts when you join an employer who is contributing to LESF for you, or when we receive their first contribution for you. Refer to page 13 "when your cover starts."
Underwritten Cover	You can increase your cover by providing medical and personal information (by being underwritten by the Insurer). Please refer to page 8 and 10 for detailed information.
Transferred Cover	You can transfer your existing death and/or TPD cover from another super fund into LESF, subject to conditions and Insurer's approval. Please refer to page 8 and 10 for detailed information.
Eligible entry & expiry ages	<ul style="list-style-type: none"> <li>■ You must be aged between 14 and 69 to be eligible to obtain new cover.</li> <li>■ Meet the definition of a "white collar" employee.</li> <li>■ You must be an employee of an employer. Self employed people are not eligible for insurance under the Category A benefit structure.</li> <li>■ All cover ceases when you reach age 70.</li> </ul>
When does cover cease?	Generally cover ceases on the earlier of when you turn 70 years of age, a benefit is paid or becomes payable, you are no longer a member of LESF, you join any armed forces, other than the Australian Armed Forces Reserve, you cancel the cover or cease paying the premium. Refer to page 13 for full details.
How is cover determined?	<ul style="list-style-type: none"> <li>■ Default Cover is a fixed amount that is determined by your age</li> <li>■ Underwritten cover is the amount of additional cover that you select (subject to eligibility and restrictions)</li> </ul>
Maximum cover	<ul style="list-style-type: none"> <li>■ Death (includes Terminal Illness) - 50 units (subject to a maximum of \$5,000,000 inclusive of Default Cover)</li> <li>■ TPD - 30 units (subject to a maximum of \$3,000,000 inclusive of Default Cover)</li> </ul>
What is the cost?	<p>The cost of the 4 units of default death &amp; TPD cover is \$4.24 per week.</p> <p>The cost for additional cover is \$1.06 per unit per week.</p>

### Income Protection (IP) cover - Category A

<b>What is the Cover?</b>	You may be entitled to receive an IP benefit if you are insured, and cease working with your LESF employer because you became either Partially Disabled or Totally Disabled.
<b>What is Default Cover?</b>	All eligible white collar employees will automatically receive 35 units of IP (each unit is \$100 of cover per month) cover upon joining LESF.
<b>When does Default Cover commence?</b>	Generally Default Cover starts when you join an employer who is contributing to LESF for you, or when we receive their first contribution for you. Refer to page 13 “when your cover starts”
<b>Underwritten Cover</b>	You can increase your cover by providing medical and personal information (by being underwritten by the Insurer). Refer page 11 for more details.
<b>Transferred Cover</b>	You can transfer your existing IP (Income Protection) cover from another super fund into LESF, subject to conditions and Insurer’s approval. Please refer to page 11 for detailed information.
<b>Eligible entry &amp; expiry ages</b>	<ul style="list-style-type: none"> <li>▪ You must be aged between 14 and 64 to be eligible to obtain new cover.</li> <li>▪ Meet the definition of a “white collar” employee.</li> <li>▪ You must be an employee of an employer. Self employed people are not eligible for insurance. Cover ceases when you reach age 65.</li> </ul>
<b>When does cover cease?</b>	Generally cover ceases on the earlier of when you turn 65 years of age, a benefit is paid or becomes payable, you are no longer a member of LESF, you join any armed forces, other than the Australian Armed Forces Reserve, or you cancel your cover or cease paying the premium. Refer to page 13 for full details.
<b>How is cover determined?</b>	<ul style="list-style-type: none"> <li>▪ Default Cover is a fixed amount (\$3,500 per month subject to a maximum monthly benefit of 75% of your normal annual salary or wage)</li> <li>▪ Underwritten cover is the amount of additional cover that you select (subject to eligibility and restrictions)</li> </ul>
<b>Waiting Period</b>	<ul style="list-style-type: none"> <li>▪ You must be disabled for 30 days before you can receive an IP benefit.</li> </ul>
<b>Benefit Payment Period</b>	<ul style="list-style-type: none"> <li>▪ IP benefit payments cease after you have received them for 2 years.</li> </ul>
<b>Maximum cover</b>	<ul style="list-style-type: none"> <li>▪ \$25,000 per month subject to a maximum monthly benefit of 75% of your normal annual salary or wage.</li> </ul>
<b>What is the cost?</b>	<ul style="list-style-type: none"> <li>▪ The cost is based on your age and gender. Refer page 12 “Cost of IP cover” for more details.</li> </ul>

## 3. How Does Category A Insurance Work?

### 3.1 Insurance with LESF

Insurance is a very important part of your financial planning as it gives you and your family financial security should you become totally and permanently disabled, partially or totally disabled, suffer from a terminal illness or pass away.

LESF provides a range of insurance options to white collar employees designed to help you make sure you have the right level of cover for your personal circumstances.

Taking out insurance through LESF has a number of advantages including:

- Default levels of cover automatically provided to all eligible LESF members with no underwriting
- Consolidating your insurance by transferring your existing cover into LESF
- Low cost premiums, paid tax-effectively from your member account
- The ability to tailor your insurance cover to better meet your needs

### 3.2 Default Cover

On joining the Fund, all eligible employees automatically receive:

- 4 units of Death (including Terminal Illness) & Total and Disablement (TPD) cover; and
- 35 units of Income Protection (IP) cover

without underwriting or health checks. This is known as Default Cover.

## 3.3 Tailored Cover to Suit Your Needs

### 3.3.1 Increasing cover

You can apply for additional cover at any time by completing a Personal Health Statement. However, your total cover must not exceed the maximum cover available. Your additional cover will commence once the Insurer accepts the cover.

### 3.3.2 Decreasing cover

You can decrease your insurance cover at any time by reducing the total number of units you currently have.

### 3.3.3 Cancelling cover

You can cancel your cover at any time, after careful consideration of your insurance needs. However, if you wish to reinstate your insurance at a later date, you will need to be underwritten and provide medical information and be assessed by the Insurer.

Please note if you don't change or cancel your Default Cover, the Trustee for LESF will continue to deduct the premiums for the Default Cover from your account.

### 3.3.4 Transferring existing cover

You can transfer your existing death & TPD or IP cover that you may hold from another super fund into LESF. The transfer application is subject to assessment by the Insurer. If the Insurer accepts your transfer request the amount of cover transferred will be the same in LESF unless advised otherwise, and any exclusions or special conditions that were in place will also apply in LESF.

**Tip:** if you wish to increase, decrease or cancel your insurance cover, you need to send us an Insurance Variation Form, which can be requested by calling the Member Services Team on 1800 359 666, or downloaded from the website [www.lesf.com.au](http://www.lesf.com.au).

## 4. Category A Death & Total and Permanent Disability (TPD) Cover

### 4.1 Death Cover

Death cover pays a lump sum benefit on the event of your death or terminal illness. It is available to all employees of a participating employer of LESF who are employed to work on a full-time, part-time, or casual basis, provided they are between the ages of 14 and 69.

#### 4.1.1 Default Cover

All eligible employees joining LESF will automatically receive 4 units of death & TPD cover, without having to provide medical evidence, at a cost of \$4.24 per week. This premium will be deducted from your member account at the end of each calendar month.

The amount of cover provided depends on your age. See Table 1: Death & TPD cover and costs on page 9.

Generally, to be eligible for the Default Cover, you must satisfy following conditions:

- Between age 14 and 69;
- Meet the definition of a white collar employee of an employer who is contributing to LESF for you; and
- Be insured within 120 days of being eligible to join LESF, where you join an existing employer that is contributing to LESF.

#### Reduce or cancel your Default Cover

You may elect to reduce or cancel your Default Cover at any time by completing an Insurance Application and Variation Form and returning it to us. You can also vary your default death & TPD cover to become death only cover.

**Note:** By cancelling your default cover you will no longer have death and TPD insurance through LESF. If you want insurance cover with LESF in the future you will need to apply, provide medical evidence and be accepted by the Insurer.

#### 4.1.2 Additional Death Cover

You can apply for additional cover at any time. Additional cover is an amount nominated by you, on top of your Default Cover. You can apply for additional death cover up to a maximum of \$5 million. This maximum includes your default, additional and transferred cover. Based on your age, your requested cover will be converted into a number of units. The cost of the additional death cover is \$0.64 per unit per week.

Premiums for additional death cover will also be deducted from your member account at the end of each calendar month. You will need to be underwritten and approved by the Insurer for any additional cover.

While your application for cover is being considered, the Insurer will provide interim cover (see page 14 for further information).

### Transfer your existing death cover into LESF

You can transfer your existing death insurance cover to LESF from another super fund. This means that if you meet the transfer conditions, you can transfer the same dollar amount of cover you have under your existing insurance, subject to the maximum cover limit. Your transferred amount will be converted into units of cover to provide you with the nearest amount of cover, that is, no less than the amount than your existing cover.

The cost of transferred death cover is \$0.64 per unit per week. If you have any exclusions or special conditions under your existing insurance, they will continue to be applied to your transferred cover with LESF.

You are generally eligible to transfer existing cover if you meet all of the following conditions;

- your existing cover from another super fund has ceased when your insurance cover with LESF commences;
- you have not had a TPD claim accepted, have not received a TPD benefit or are not eligible for a TPD benefit;
- the Insurer is satisfied that you haven't been diagnosed with an illness that reduces your life expectancy to less than 12 months;
- you are "At Work" at the time of applying for the transfer;
- you can provide evidence satisfactory to the Insurer of the type and amount of existing cover;
- you are less than 55 years of age;
- you complete the Insurance Transfer form and meet all eligibility criteria;
- The Insurer accepts your application.

#### 4.1.3 Terminal Illness Benefit

If you are insured for death cover, you are also automatically covered for a Terminal Illness benefit for the same amount of cover.

You may claim a Terminal Illness benefit if you are diagnosed with an illness that, despite reasonable medical treatment, in the opinion of the Insurer, is likely to result in your death within 12 months of the date certified by 2 registered medical practitioners (including one specialist in the field relating to the illness and one appointed by the Insurer).

A terminal illness benefit is a prepayment of a death benefit, and is not a stand-alone benefit. That means a member is not entitled to a further death benefit if a terminal illness benefit has been paid.

Under new laws that were passed in June 2015, you can withdraw your superannuation balance if 2 registered medical practitioners (including one specialist in the field relating to the illness) certify that you have less than 24 months to live. If you choose to do so and wish to claim your insured benefit at a later date, you should make sure you leave enough funds in your super account to pay the ongoing premium until an insurance claim is made.

For further information, please refer to the Terminal Illness factsheet which is available on the website [www.lesf.com.au](http://www.lesf.com.au).



**Table 1 - Death & TPD cover and costs**

Age next birthday	4 units of cover (DEFAULT)	Additional 1 unit	Age next birthday	4 units of cover (DEFAULT)	Additional 1 unit
	\$4.24 per week	\$1.06 per week		\$4.24 per week	\$1.06 per week
15 to 32	\$408,000	\$102,000	49	\$188,000	\$47,000
33	\$392,000	\$98,000	50	\$176,000	\$44,000
34	\$380,000	\$95,000	51	\$163,000	\$40,750
35	\$372,000	\$93,000	52	\$153,000	\$38,250
36	\$362,000	\$90,500	53	\$140,000	\$35,000
37	\$352,000	\$88,000	54	\$129,000	\$32,250
38	\$342,000	\$85,500	55	\$116,000	\$29,000
39	\$334,000	\$83,500	56	\$105,000	\$26,250
40	\$312,000	\$78,000	57	\$96,000	\$24,000
41	\$292,000	\$73,000	58	\$86,000	\$21,500
42	\$284,000	\$71,000	59	\$76,000	\$19,000
43	\$274,000	\$68,500	60	\$67,000	\$16,750
44	\$254,000	\$63,500	61	\$56,000	\$14,000
45	\$246,000	\$61,500	62	\$46,000	\$11,500
46	\$234,000	\$58,500	63	\$34,000	\$8,500
47	\$220,000	\$55,000	64	\$23,000	\$5,750
48	\$204,000	\$51,000	65 to 70	\$12,000	\$3,000

Note: Death only (including Terminal Illness) cover is also available at the cost of \$0.64 per unit per week

**Example 1 - Default Cover with additional death only cover & transferred death and TPD cover**

Fiona, joins LESF at 37 (age 38 next birthday). She applies for \$650,000 additional death only cover and wishes to transfer her \$250,000 death & TPD cover from her previous super fund.

**At age of 37 (38 next birthday)**

	Number of units	Cover amount
Default Cover	4 units (death & TPD)	\$342,000
Additional death only cover (requested \$650,000)	= cover requested / cover per unit = \$650,000/\$85,500 = 7.60 units Allocated units: 8 units (death only)	= allocated units x cover per unit = 8 x \$85,500 = \$684,000
Transferred death & TPD cover (\$250,000)	= cover transferred / cover per unit = \$250,000/\$85,500 = 2.90 units Allocated units: 3 units (death & TPD)	= allocated units x cover per unit = 3 x \$85,500 = \$256,500
Total cover	Death & TPD: 7 units Additional Death only: 8 units	Death & TPD: 7 x \$85,500 = \$598,500 Additional Death only: 8 x \$85,500 = \$684,000

**Total premium = (7 x \$1.06) + (8 x \$0.64) = \$12.54 per week**

Fiona's level of cover will change with her age:

**At age of 38 (39 next birthday)**

	Number of units	Cover amount
Total cover	<u>Unchanged</u> Death & TPD: 7 units Additional Death only: 8 units	<u>Decreased</u> Death & TPD = 7 x \$83,500 = \$584,500 Additional Death only = 8 x \$83,500 = \$668,000

**Total premium is unchanged = \$12.54 per week**

## 4.2 Total & Permanent Disablement (TPD) Cover

Total & Permanent Disablement (TPD) cover pays a lump sum benefit if you become Totally and Permanently disabled. It is available to all employees of a participating employer of LESF who are employed to work on a full-time, part-time, or casual basis, provided they are between the ages of 14 and 69. A six-month waiting period may apply for the claim.

### 4.2.1 Default cover

All eligible white collar employees joining LESF will automatically receive 4 units of death & TPD cover, without having to provide medical evidence, at a cost of \$4.24 per week. This premium will be deducted from your member account at the end of each calendar month.

The amount of cover provided depends on your age. See Table 1: Death & TPD cover and costs on page 9.

Generally, to be eligible for the Default Cover, you must satisfy the following conditions:

- Between age 14 and 69;
- Have not received or entitled to receive a TPD or Terminal Illness benefit, or benefit payment on account of any form of permanent incapacity for work from LESF or another superannuation fund or insurance policy.
- Meet the definition of a white collar employee of an employer who is contributing to LESF for you; and
- Be insured within 120 days of being eligible to join LESF, where you join an existing employer that is contributing to LESF.

### Reduce or cancel your Default Cover

You may elect to reduce or cancel your Default Cover at any time by completing an Insurance Application and Variation Form and returning it to us. You can also vary your default death & TPD cover to become death only cover.

**Note:** By cancelling your default cover you will no longer have death and TPD insurance through LESF. If you want insurance cover with LESF in the future you will need to apply, provide medical evidence and be accepted by the Insurer.

### 4.2.2 Additional Death & TPD Cover

You can apply for additional death & TPD cover at any time. Additional death & TPD cover is an amount nominated by you, on top of your Default Cover. You can apply for additional death & TPD cover up to a maximum of \$3 million. This maximum includes your default, additional and transferred cover. Based on your age, your requested cover will be converted into a number of units. The cost of the additional death & TPD cover is \$1.06 per unit per week. Premiums for additional death & TPD cover will also be deducted from your member account at the end of each calendar month.

While your application for cover is being considered, the Insurer will provide interim cover (see page 14 for further information).

### Transfer your existing death & TPD cover into LESF

You can transfer your existing death & TPD insurance cover to LESF from another super fund. This means that if you meet the transfer conditions, you can transfer the same dollar amount of cover you have under your existing insurance, subject to the maximum cover limit. Your transferred amount will be converted into units of cover to provide you with the nearest amount of cover, that is, no less than the amount than your existing cover.

The cost of transferred death & TPD cover will be \$1.06 per unit per week. If you have any exclusions or special conditions

under your existing insurance, they will be carried over to your transferred cover with LESF.

You are generally eligible to transfer existing cover if you meet all of the following conditions;

- your existing cover from another super fund has ceased when your insurance cover with LESF commences;
- you have not had a TPD claim accepted, have not received a TPD benefit or are not eligible for a TPD benefit;
- the Insurer is satisfied that you haven't been diagnosed with an illness that reduces your life expectancy to less than 12 months;
- you are "At Work" at the time of applying for the transfer;
- you can provide evidence satisfactory to the Insurer of the type and amount of existing cover;
- you are less than 55 years of age;
- you complete the Insurance Transfer form and meet all eligibility criteria.
- The Insurer accepts your application.

## 4.3 Benefit payable on Death and TPD

The benefit payable on death or TPD is made up of:

- The amount accumulated in your account; and
- The amount of any death or disablement insurance paid (if any) by the Insurer less any fees, costs & taxes.

## 5. Category A Income Protection (IP) Cover

Income Protection (IP) cover provides a benefit if you are insured and cease working with your LESF employer because you became Totally Disabled or Partially Disabled.

IP cover can give you peace of mind by replacing some of your lost income for up to 2 years, following a 30 day waiting period.

If you are eligible for IP cover (age between 14 and 65 next birthday), the monthly benefit you can claim is the lesser of:

- a) 75% of your pre-disability income;
- b) the insured amount;
- c) \$25,000 per month

Your monthly benefit will be increased by the rate of CPI at the end of each consecutive 12 month period, subject to a maximum of 5% p.a.

However, if you have received, or are entitled to receive a TPD or disability benefit from LESF or any superannuation fund, or under any insurance policy issued by any Insurer, you will not be eligible for IP cover, unless it is agreed in writing with the Insurer.

The cost of IP cover is based on your age and gender, as shown in Table 2 on page 12.

### When do IP benefit payments start?

Benefits for Total Disablement or Partial Disablement (as applicable) commence after you have been disabled for a 30 day waiting period. The waiting period starts on the date a medical practitioner examines you and certifies that you are disabled.

Benefit payments are made monthly in arrears. If a benefit is payable for less than the whole month, you will be paid 1/30<sup>th</sup> of the monthly amount of the benefit for each day the benefit is payable calculated for that part of the month.

If you are claiming an IP benefit and are receiving, or entitled to receive income benefits from other sources as a result of your sickness or injury, such as sick leave, paid parent leave, workers' compensation, motor accident compensation or benefits from another insurance policy, the amount payable from these sources will be deducted from your IP benefit.

The 30 day waiting period will not apply if you are disabled again from the same or a related cause within 6 months of last receiving a IP benefit. This is treated as a continuation of the original claim.

### When do IP benefit payments end?

Your monthly IP benefit ceases on the earliest of the following situations:

- you cease to be a member of LESF
- the date a Death or TPD benefit becomes payable to you from LESF
- you are no longer Totally Disabled or Partially Disabled (as applicable)
- the 2 year benefit payment period ends
- you turn age 65
- you die

If after being totally disabled you are assessed to be only partially disabled during the benefit payment period, you may still be eligible to receive part of your monthly benefit.

### 5.1 Default IP cover

As with default death and TPD cover, all eligible members (between age 14 and 65 next birthday) will automatically receive 35 units (each unit is \$100 of cover per month), without having to provide medical evidence, subject to a maximum monthly benefit of 75% of your normal annual salary or wage.

Generally, to be eligible for the default IP cover, you must satisfy the following conditions:

- Be aged between age 14 and 64; and
- Meet the definition of a white collar employee of an employer who is contributing to LESF for you; and
- Be insured within 120 days of being eligible to join LESF, where you join an existing employer that is contributing to LESF.

**Note:** If you have received or are entitled to receive a TPD or disability benefit from LESF or any superannuation fund or under any insurance policy issued by any Insurer, you will not be eligible for IP cover, unless it is agreed in writing with the Insurer.

### Vary or cancel your default IP cover

You can increase or decrease your default IP cover at any time by completing an *Insurance Application and Variation form* and returning to us. The total amount of cover must not increase by more than 25% of the amount which applied on the later of the date cover started or restarted or 1 July of that financial year, and must not exceed \$25,000 per month subject to a maximum monthly benefit of 75% of your normal annual salary or wage.

Any variation to your IP cover will take effect from the date the request was accepted by the Insurer. Your premium payable will also be adjusted accordingly.

**Note:** By cancelling your default IP cover you will no longer have IP insurance through LESF. If you want IP cover with LESF in the future you will need to apply, provide medical evidence and be accepted by the Insurer.

**Note:** Your default IP cover will only be varied if you advise us in writing that your annual income has changed.

### 5.2 Additional IP cover

You can apply to increase your insurance cover at any time. You will need to complete an application form, which includes a personal Health Statement. You will need to provide satisfactory evidence of health and you will need to pass the Insurers assessment process before any additional cover can be provided. This process may include medical tests and physical examinations. Please contact the LESF Member Services Team on 1800 359 686 to obtain an application form.

### Transfer your existing IP cover into LESF

You can transfer your existing IP insurance cover to LESF from another super fund. This means that if you meet the transfer conditions, you can transfer the same dollar amount of cover you have under your existing insurance, subject to the maximum cover limit. Your transferred amount will be converted into units of cover to provide you with the nearest amount of cover, that is, no less than the amount than your existing cover. If your transfer request is accepted by the Insurer the transferred IP cover will replace any IP cover you have in LESF.

The cost and terms and conditions that will apply to the transferred IP cover will be those under LESF's insurance policy. However, if you have any exclusions or special conditions

under your existing insurance, these will continue to be applied to your transferred cover with LESF.

You are generally eligible to transfer existing cover if you meet all of the following conditions;

- your existing cover from another super fund has ceased when your insurance cover with LESF commences;
- you have not had a TPD claim accepted, have not received a TPD benefit or are not eligible for a TPD benefit;

- the Insurer is satisfied that you haven't been diagnosed with an illness that reduces your life expectancy to less than 12 months;
- you are "At Work" at the time of applying for the transfer;
- you can provide evidence satisfactory to the Insurer of the type and amount of existing cover;
- you are less than 55 years of age;
- you complete the Insurance Transfer form and meet all eligibility criteria.
- The Insurer accepts your application.

**Table 2: Cost of IP cover**

Annual Cost per \$100 of IP benefit (1 unit = \$100)					
Waiting Period:	30 Days	30 Days	Waiting Period:	30 Days	30 Days
Payment Period:	2 Years	2 Years	Payment Period:	2 Years	2 years
Age Next Birthday	Male	Female	Age Next Birthday	Male	Female
15	\$2.94	\$3.29	41	\$5.17	\$7.84
16	\$2.94	\$3.29	42	\$5.48	\$8.29
17	\$2.97	\$3.35	43	\$5.82	\$8.73
18	\$3.01	\$3.42	44	\$6.16	\$9.17
19	\$3.05	\$3.53	45	\$6.53	\$9.64
20	\$3.09	\$3.60	46	\$6.95	\$10.19
21	\$3.13	\$3.70	47	\$7.46	\$10.80
22	\$3.18	\$3.83	48	\$8.03	\$11.46
23	\$3.21	\$3.95	49	\$8.64	\$12.19
24	\$3.23	\$4.07	50	\$9.32	\$12.97
25	\$3.25	\$4.13	51	\$10.09	\$13.80
26	\$3.18	\$4.17	52	\$10.96	\$14.73
27	\$3.12	\$4.20	53	\$11.88	\$15.70
28	\$3.08	\$4.22	54	\$12.91	\$16.74
29	\$3.08	\$4.27	55	\$14.00	\$17.86
30	\$3.12	\$4.42	56	\$15.18	\$19.03
31	\$3.18	\$4.60	57	\$16.44	\$20.30
32	\$3.29	\$4.81	58	\$17.90	\$21.63
33	\$3.42	\$5.04	59	\$19.56	\$23.08
34	\$3.55	\$5.31	60	\$21.43	\$24.64
35	\$3.71	\$5.58	61	\$23.50	\$26.37
36	\$3.90	\$5.88	62	\$25.75	\$28.35
37	\$4.12	\$6.23	63	\$23.15	\$25.50
38	\$4.35	\$6.60	64	\$19.28	\$21.28
39	\$4.60	\$6.99	65	\$11.62	\$12.83
40	\$4.88	\$7.41			

Stamp Duty applicable to Income Protection Premiums

State of Residence	Stamp Duty*
TAS / NT / VIC / WA	10%
NSW	5%
QLD	9%
SA	11%
ACT	Nil

\*Rates current at 1/7/17

## Example 2 - Default IP cover with additional cover

Simon earns a salary of \$60,000 p.a. (\$5,000 per month) He joins LESF at 34 (35 next birthday). His default IP cover is 35 units (\$3,500 per month) with a premium of  $\$3.71 \times 35$  units = \$129.85 p.a.

If Simon wants to increase his IP cover to the maximum at age of 34 (35 next birthday):

Monthly Salary	= \$5,000.00
Maximum Benefit Simon can apply for is 75% of his monthly salary	= \$3,750.00
Number of units required at \$100 per unit (rounded up to next multiple of 5 units)	= 40
Annual premium rate per \$100 for a male aged 34 (age next birthday 35)	= \$3.71
Annual premium	= $40 \times \$3.71 = \$148.40$

The cost of Simon's cover will change with his age.

At age of 35 (36 next birthday), Simon has:

Total amount of cover	Unchanged = 40 units, \$3,750 per month
Annual premium	Increased = $40 \times \$3.90 = \$156.00$

## 6. Important Information about your Category A Insurance

### Eligibility for cover

Generally, to be eligible for Category A death & TPD and IP cover with LESF you must be:

- Between age 14 and 69 (or under the age of 64 for IP cover);
- Meet the definition of a white collar employee of an employer who is contributing to LESF for you;
- Be an employee of an employer in the Law Services Industry; and
- Be insured within 120 days of being eligible to join LESF, where you join an existing employer that is contributing to LESF.

**Note:** If you have received or are entitled to receive a TPD benefit, or benefit payment on account of any form of permanent incapacity for work from LESF or another superannuation fund or insurance policy, you are only eligible for death only cover.

### When your cover starts

Default cover starts on the later of:

- The date you commence employment with a LESF employer;
- The date the first mandatory employer contribution is due to the Fund from that employer; or

Additional cover will start:

- On the date you're notified in writing of the acceptance of cover; or
- If the cover on offer is subject to a condition, restriction or premium loading, the date the Insurer is notified in writing that you have accepted all the terms that apply to the offer of cover.

### When your cover ceases

Your death & TPD, or IP insurance cover ceases on the earliest of the following events:

- the date any death, terminal illness or TPD benefit becomes payable from LESF;
- the date you are no longer a member of LESF;
- the date the Insurer receives your insurance cancellation request in writing;
- the date you join the armed forces other than the Australian Armed Forces Reserve;
- the insurance policy between LESF and the Insurer terminates;
- the last business day of the month in which there is insufficient money in your account to pay premiums;
- when you turn 70 years old (death & TPD cover only);
- when you turn 65 years old (IP cover only);
- unless you are on employer approved parental leave or leave without pay (death & TPD cover only):
  - a) seven months after the date your employer last paid contributions to LESF if your account balance is below \$1,000;
  - b) twelve months after the date your employer last paid contributions to LESF if your account balance is above \$1,000;
- 120 days after the date your employer last paid a contribution to LESF (IP cover only).

Your death and TPD cover will be changed to Category E cover (details can be found in section 8 - 12 of this Guide) if you become self-employed.

Please note, if your cover changed from Category A to Category E, you will not be able to change back to Category A cover again.

### Reinstatement of cover

Your cover may be reinstated if you meet the following conditions:

- your insurance cover ceased due to discontinued employer contributions or insufficient account balance; and
- we receive an employer contribution for you within 6 months of the date your cover ceased.

The type of cover reinstated will be the same as you had immediately before cover ceased. The amount reinstated will be:

- In the case of IP cover, the amount of cover you had immediately before you ceased to be covered
- In the case of death and TPD cover, the lesser of:
  - a) the insured amount you had immediately before cover ceased; and
  - b) 4 units of death and TPD cover (or 4 units of death only if you had death only cover before cover ceased)

Please note that your cover will be Limited Cover if you are not in active employment on the date of reinstatement. "Limited Cover" will continue until you return to active employment.

### Single benefit payment

Only one benefit is payable (death, TPD or terminal illness) from LESF. This means that if you die, become terminally ill or totally disabled, your cover will cease and you will no longer be insured.

If however, you were covered for a higher level of death cover than TPD cover and you received a TPD benefit payment, the additional amount of death cover would be paid if you were to die within 12 months of becoming Totally and Permanently Disabled.

### Cover after policy terminates

If you are not "At Work" (refer to "Key Definitions" section on page 15) on the day when the insurance policy between LESF and the Insurer terminates, your TPD, and IP cover will continue but only for total disablement arising from a sickness that became apparent or an injury that occurred on or before the termination of the policy and that sickness or injury is the reason you were not At Work on the termination date of the policy, until the earliest of the following:

- You returned to work in your usual occupation, and are not entitled to claim any benefit from any source (TPD cover only);
- You returned to work for 2 months and are not entitled to any source of disability benefit (IP cover only);
- You worked for 6 months in a reduced or replacement position (IP cover only);
- The Insurer makes a decision on any claim under continued cover;
- You are no longer a member of LESF;
- You turn 70 years old (TPD cover only);
- You turn 65 years old (IP cover only)

### Worldwide Cover

Your cover with LESF applies outside Australia. However, the Insurer may require you to return to Australia at your expense for assessment of a TPD or IP claim as soon as medically possible, or at any time after 6 months after the date of commencement of disability. If you cannot return to Australia, your IP payment may be deferred until your return to Australia.

### Interim accident cover

When your application for additional or transferred cover is being assessed by the Insurer, you will be provided with interim accident cover, to cover death, TPD or total disability caused by accident. Interim accident cover starts when the Insurer receives your insurance application. The type and amount of interim accident cover will be the same as you are requesting, subject to maximum accident cover of \$1 million for death and TPD, and \$25,000 a month for IP.

Your interim accident cover will continue until the Insurer accepts or rejects your application, the request for cover is withdrawn, 120 days after your request is submitted or when the Insurer cancels the interim accident cover, whichever is earlier.

If you make a claim for interim accident cover, your request for cover or additional cover will be automatically cancelled.

### Cover while on leave without pay

Your cover will continue whilst you are on employer approved parental leave or leave without pay for a period of 3 years subject to the conditions of the policy. Cover will cease at the conclusion of the 3 year period unless the Insurer agrees to continue this cover in writing.

This continuation of cover is only available where your employer is able to provide leave records reasonable for the Insurer to determine that you are on employer approved parental leave or leave without pay. These records shall at a minimum include details of:

- a) the date your leave commences; and
- b) your expected return to work date.

### Continuing your death cover if you leave LESF

If you leave LESF, you can apply with the Insurer to continue your death cover under a new individual policy, provided you meet all the conditions below:

- You are no longer an employee of the employer who is contributing to LESF for you;
- You are no longer a member of LESF;
- If you had "Limited Cover," you have continuously been a member of LESF for at least 2 years at the time your cover ends;
- You are under age 60;
- No benefit is payable by LESF;
- You do not have any overdue premium payable;
- You do not join any armed forces (other than the Australian Armed Forces Reserve) prior to the date the individual policy is issued;
- You meet the Insurer's underwriting requirements for occupation and pastimes;
- You apply and pay the correct premium within 60 days of leaving LESF.

### War exclusion

Despite any other condition, the Insurer will not pay a benefit if your death or TPD is caused directly or indirectly by an act of war that happens outside Australia, unless the Insurer agrees in writing to specifically provide cover for this event before you leave Australia. However, this exclusion does not exclude payment of a benefit if you die on war service (which has the same meaning as that term in the Life Insurance Act 1995 (Cth)).

### Limitations & Exclusions

You will not be entitled to a benefit if a sickness, injury or medical condition is directly or indirectly caused by:

- a) Intentional self-injury (whether or not sane at the time);

- b) Normal pregnancy or childbirth, which means normal and uncomplicated pregnancy or childbirth, including multiple pregnancy, caesarean birth, threatened miscarriage, participation in in-vitro fertilisation or other medically assisted fertilisation techniques and normal discomforts of pregnancy, such as morning sickness, backache, varicose veins, ankle swelling and bladder problems;
- c) Any act of war (whether declared or not), revolution, invasion or rebellion or civil unrest;
- d) Your service in the armed forces of any country;
- e) Any other event or cause agreed to in writing between the Trustee and the Insurer prior to the date the insured member suffers a sickness, injury or medical condition for which they are claiming a benefit.

The Insurer will not make a payment if the payment would cause them to infringe the Health Insurance Act 1973 (Cth) or the National Health Act 1953 (Cth) or any succeeding legislation in connection with health insurance.

#### How to make a claim

You or your dependants must notify us as soon as possible after you become aware of any claim or potential claim, by completing a Benefit Payment Request form. If you delay notifying us of a claim and as a result the Insurer's interests are prejudiced, the Insurer may be permitted not to pay the claim or to reduce the benefit in some circumstances.

You may be required to provide additional paperwork to start the claim process. Call our Members Services team on 1800 359 686 if you have any queries or need any help.

The claims process may include obtaining information from medical practitioners that you have consulted and your employer.

The Insurer will then either pay the claim, ask for further information including that you attend a medical practitioner of their choice, or decline the claim. The claim may be declined for any of the following reasons:

- You were not insured, you were not a member of LESF or you were not eligible for the type of cover you are claiming for;
- You do not meet the definition of disabled, according to medical information received; or
- You gave false or misleading information on the *Application for Membership* form or any statement of health.

#### Payment conditions

Payment of any TPD, terminal illness or IP benefit is conditional on you:

- undergoing any medical or other examination the Insurer reasonably considers are necessary to properly assess the claim, and
- complying with any medical treatment or rehabilitation program that is reasonable (IP benefit only)

The Insurer will pay the medical costs of any medical examination required, other than the initial medical examination required to make a claim and all standard progress reports required to continue the benefit payments. However, this does not cover fees incurred for travelling to an appointment or for non-attendance at an appointment arranged.

#### Duty of disclosure

Before a superannuation fund enters into a life insurance contract in respect of your life, it has a duty to tell the insurer anything that it knows, or could reasonably be expected to know, may affect the insurer's decision to provide the insurance and on what terms.

The superannuation fund entering into the contract has this duty of disclosure until the insurance is provided.

The superannuation fund has the same duty before it extends, varies or reinstates the contract.

The superannuation fund does not need to tell the insurer anything that:

- reduces the risk of the insurance; or
- is common knowledge; or
- the insurer knows or should know as an insurer; or
- the insurer waives the duty to tell the insurer about.

#### If you as a member of the superannuation fund do not tell the insurer something

If you, as the person whose life is to be insured under the superannuation fund, do not tell the insurer something that you know, or could reasonably be expected to know, may affect the insurer's decision to provide the insurance and on what terms, this may be treated as a failure by the superannuation fund to comply with its duty of disclosure.

#### If the superannuation fund does not tell the insurer something

In exercising the following rights, the insurer may consider whether different types of cover can constitute separate contracts of life insurance. If the insurer does, it may apply the following rights separately to each type of cover.

If the superannuation fund does not tell the insurer anything it is required to, and the insurer would not have provided the insurance if it had been told, the insurer may avoid the contract within 3 years of entering into it.

If the insurer chooses not to avoid the contract, it may, at any time, reduce the amount of insurance provided. This would be worked out using a formula that takes into account the premium that would have been payable if the superannuation fund had told the insurer everything it should have. However, if the contract provides cover on death, the insurer may only exercise this right within 3 years of entering into the contract.

If the insurer chooses not to avoid the contract or reduce the amount of insurance provided, it may, at any time, vary the contract in a way that places the insurer in the same position it would have been in if the superannuation fund had told the insurer everything it should have. However, this right does not apply if the contract provides cover on death.

If the failure to comply with the duty of disclosure is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

## 7. Key Definitions for Category A

**'accident'** means bodily injury caused solely and directly by accidental, external and visible means, independent of any other cause.

**'active employment'** means you are:

- employed by the employer to carry out identifiable duties;
- actually performing those duties; and
- in the Insurer's opinion, not restricted by sickness or injury from being capable of performing those duties on a full time basis and the duties of your normal occupation on a full time basis (even if not then working on a full time basis).

**'at work'** means that you are actively performing all the duties and work hours of your usual occupation with the employer free from any limitation due to illness or injury and are not entitled to or receiving income support benefits from any source including worker's compensation benefits, statutory transport accident benefits and disability income benefits; or if you are on employer approved leave for reasons other than illness or injury and the last working day before your employer approved leave you met the conditions mentioned above.

**'date of disablement'** means the later of (a) the date on which the sickness or injury that was the principle cause of your disablement commenced or occurred and (b) the date you ceased all work. However where you participate in a rehabilitation program and this is unsuccessful within 12 months from the date you were last At Work, the date of disablement will be the date that would have applied if you had not participated in the rehabilitation program. The date of disablement must occur while you are covered under this policy.

**'excluded rehabilitation program'** is any program providing 'hospital treatment', 'ancillary health services' or deemed to be 'health insurance business' within the meaning of the Private Health Insurance Act 2007 (Cth), the National Health Act 1953 or any other program which might cause this policy to cease to be exempt from the Private Health Insurance Act 2007 (Cth), the National Health Act 1953 or Health Insurance Act 1973 or any succeeding legislation in connection with health insurance.

**'income'** means if you are employed on a casual basis, the average of the remuneration earned over the most recent 12 months immediately prior to becoming *disabled* (or if you have been employed for less than 12 months, over the your period of employment).

If you do not fall within the definition in the above paragraph, income means the annual wages or salary last agreed between you and your employer immediately before total disability commenced.

**'income producing duty'** means a duty of your occupation immediately before you became disabled which generates 20% or more of your income.

**'Limited Cover'** means that you are only covered for death or disablement arising from a sickness that becomes apparent, or an injury that occurs, on or after the date cover commenced.

**'medical practitioner'** means a person acceptable to the Insurer, who is registered and practising as a medical practitioner in Australia other than:

- a) the insured member;
- b) the insured member's spouse or partner, parent, child or sibling;
- c) the insured members' business partner, associate or employee.

**'partially disabled' (IP cover only)** means, when you are not totally disabled but, because of illness or injury, you:

- a) have been totally disabled for at least 14 days;
- b) are unable to work in your own occupation at full capacity immediately after you became totally disabled because of the illness or injury that caused your total disability;
- c) are working in your own occupation in a reduced capacity or working in another occupation;
- d) earn a monthly income that is less than your pre-disability income; and
- e) are under regular care of, and following the advice of, a medical practitioner.

**'terminal illness'** means that you suffer from an illness which:

- a medical practitioner, specialising in your illness and a medical practitioner that the Insurer appoint certifies in writing will despite reasonable medical treatment lead to your death within 12 months of the date of the certification; and
- the Insurer is satisfied, on medical or other evidence, will despite reasonable medical treatment lead to your death within 12 months of the date of the certification.

The date of the certification must take place while you are insured.

**'total and permanent disablement' (TPD) (TPD cover only)** means that a member is totally and permanently disabled if one of the following paragraphs (a), (b), (c) or (d) applies:

### (a) Members engaged in employment

If an *insured member* was immediately prior to the *date of disablement* engaged in employment or had been working for a period of at least 6 consecutive months total and permanent disablement means either:

- (i) an illness, accident or injury results in he or she being continuously absent from employment for at least six consecutive months commencing prior to his or her sixty fifth birthday, and the Insurer has determined that he/she will never be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience, or
- (ii) loss by physical separation of two limbs or the complete and irremediable loss of the sight of both eyes or the complete and irremediable loss of the sight of one eye (limb means at least entire hand or entire foot), and the Insurer considers on the basis of medical and other evidence satisfactory to them that he/she is unlikely to ever be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience.

### (b) Members not working for 6 consecutive months

Where the insured *member* has not been working for 6 consecutive months (for reasons other than sickness or injury) prior to the date of disablement means either:

- (i) A *member* is *totally and permanently disabled* if while the *member* is covered under this policy as a result of sickness or injury, he or she will not ever be able to perform at least 2 of the 5 specified Activities of Daily Living (ADL), on the basis of medical and other evidence satisfactory to the Insurer, even with the use of a prosthetic device, mechanical and or other machine or equipment, without the "hands-on" help of another person and the Insurer determines that the member is unlikely to ever be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience .

Where Activities of Daily Living (ADL) means Dressing,



Toileting, Mobility, Contenance and Feeding as described below.:

**Dressing** - the ability to put on and take off clothing

**Toileting** - the ability to use the toilet, including getting on and off

**Mobility** - the ability to get in and out of bed or a chair

**Contenance** - the ability to control bowel and bladder function

**Feeding** - the ability to get food from a plate into the mouth

OR

- (ii) loss by physical separation of two limbs or the complete and irremediable loss of the sight of both eyes or the loss by physical separation of one limb and the complete and irremediable loss of the sight of one eye (limb means at least entire hand or entire foot), and we consider on the basis of medical and other evidence satisfactory to the Insurer the member is unlikely to ever be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience.

#### (c) Members unemployed for a continuous period of 12 months

If an insured member was unemployed prior to the date of disablement and had been unemployed for a continuous period of 12 months total and permanent disablement means either:

- (i) while the member is covered under this policy as a result of sickness or injury, he or she will not ever be able to perform at least 2 of the 5 specified Activities of Daily Living (ADL), on the basis of medical and other evidence satisfactory to the Insurer, even with the use of a prosthetic device, mechanical and or other machine or equipment, without the "hands-on" help of another person and the Insurer determines that the member is unlikely to ever be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience.

Where Activities of Daily Living (ADL) means **Dressing, Toileting, Mobility, Contenance and Feeding** as described below.

**Dressing** - the ability to put on and take off clothing

**Toileting** - the ability to use the toilet, including getting on and off

**Mobility** - the ability to get in and out of bed or a chair

**Contenance** - the ability to control bowel and bladder function

**Feeding** - the ability to get food from a plate into the mouth

OR

- (ii) loss by physical separation of two limbs or the complete and irremediable loss of the sight of both eyes or the loss by physical separation of one limb and the complete and irremediable loss of the sight of one eye (limb means at least entire hand or entire foot), and the Insurer considers on the basis of medical and other evidence satisfactory to the Insurer the member is unlikely to ever be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience.

#### (d) Members aged 65 or over

For an insured member who is aged 65 but less than the cover expiry age total and permanent disablement means as a result of sickness or injury, he or she will not ever be able to perform at least 2 of the 5 specified Activities of Daily Living (ADL), on the basis of medical and other evidence satisfactory to the Insurer, even with the use of a prosthetic device, mechanical and or other machine or equipment, without the "hands-on" help of another person and the Insurer determines that the member is unlikely to ever be able to engage in any remunerative work for which he/she is reasonably fitted by education, training or experience.

Where Activities of Daily Living (ADL) means **Dressing, Toileting, Mobility, Contenance and Feeding** as described below.

**Dressing** - the ability to put on and take off clothing

**Toileting** - the ability to use the toilet, including getting on and off

**Mobility** - the ability to get in and out of bed or a chair

**Contenance** - the ability to control bowel and bladder function

**Feeding** - the ability to get food from a plate into the mouth

**'totally disabled' (IP cover only)** means, because of sickness or injury, you are:

unable to perform at least one income producing duty of your occupation;

are under the regular care of, and following the advice of, a medical practitioner; and

not working in any occupation, whether or not for reward.

Where *gainfully employed* means employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment including if you have ceased temporarily to receive any gain or reward under a continuing arrangement for the member to be gainfully employed.

**'white collar'**

Where the duties of your occupation are limited to professional, managerial, administrative, clerical, secretarial, or similar 'White Collar' nature tasks that do not involve manual work and are undertaken entirely within an office environment. (excluding travel time from one office environment to another).

## 8. Individuals, Self Employed and Non Legal Services Employees - Category E Insurance Options at a Glance

LESF provides Category E members joining the Fund with insurance cover automatically (Default Cover). Two types of insurance covers are provided on joining, if you meet the eligibility criteria:

- Death (includes Terminal Illness) only; and
- Death (includes Terminal Illness) & Total and Permanent Disablement (TPD)

You can request to add to or reduce your cover at any time. The tables below provide a snapshot of the insurance options available.

Death & Total and Permanent Disablement (TPD) cover - Category E	
What is the Cover?	<ul style="list-style-type: none"> <li>▪ Death cover pays a lump sum benefit in the event of your death or Terminal Illness.</li> <li>▪ TPD cover pays a lump sum benefit if you become Totally and Permanently Disabled.</li> </ul>
What is Default Cover?	<p>Automatic cover for Death, Terminal Illness &amp; TPD.</p> <p>All eligible (Category E) members joining LESF will automatically receive death and TPD cover without having to provide medical evidence. You can opt out of the Default Cover at any time.</p> <p>The amount of cover varies depending upon your age (refer page 22 of this Insurance Guide for details of your Default Cover level).</p>
When does Default Cover commence?	<p>Generally Default Cover starts:</p> <p>For employer sponsored members, when you join the Fund within 120 days of commencing employment with your employer, and your employer is making mandatory employer contributions on your behalf into LESF, subject to satisfying At Work requirements.</p> <p>For individual members, when you join the Fund. Your Default Cover will be Limited Cover for a period of 24 months from the date you join LESF*. Full cover will be provided thereafter, subject to satisfying At Work requirements.</p> <p>For more details, refer to page 25 "when your cover starts."</p>
Eligible entry & expiry ages	<ul style="list-style-type: none"> <li>▪ You must be aged between 15 and 64 to be eligible to obtain new cover.</li> <li>▪ Death cover ceases when you reach age 70.</li> <li>▪ TPD cover ceases when you reach age 65.</li> </ul>
When does cover cease?	<p>Generally cover ceases on the earlier of when you turn 70 years of age (65 for TPD) a benefit is paid or becomes payable, you are no longer a member of LESF, you join any armed forces, other than the Australian Armed Forces Reserve, you cancel the cover or cease paying the premium. Refer to page 25 for full details.</p>
How is cover determined?	<ul style="list-style-type: none"> <li>▪ Default Cover is a fixed amount that is determined by your age</li> <li>▪ Underwritten cover is the amount of additional cover that you select (subject to eligibility and restrictions)</li> </ul>
Maximum cover	<ul style="list-style-type: none"> <li>▪ Death (includes Terminal Illness) - \$3 million</li> <li>▪ TPD - \$3 million</li> </ul>
What is the cost?	<p>Premiums are calculated based on a number of factors including age next birthday, occupation and gender. The premium table is included on page 22 of this Insurance Guide.</p>

\* For former Managed Australian Retirement Fund members who were transferred into LESF on 26 February 2016 and were within the 24 month Limited Cover period when the transfer occurred, your existing Limited Cover period will continue and will not restart.

## Options to Change your Category E Default Cover

To make changes to insurance cover you will need to send an Insurance Application and Variation form to the LESF Member Services Team.

<b>Employer Sponsored Members Only - Double your Default Cover</b>	<ul style="list-style-type: none"> <li>▪ You can elect to increase your insured benefit to twice the Default Cover level, as long as you make the election within 120 days of starting work with your employer.</li> <li>▪ The increased cover is not subject to any health checks, or additional underwriting</li> <li>▪ The option is not available to individual members</li> </ul>
<b>Increase your Insurance with Underwritten Cover</b>	<ul style="list-style-type: none"> <li>▪ You can apply for additional cover by providing medical and personal information (being underwritten by the Insurer).</li> <li>▪ A maximum limit of \$3,000,000 for Death, Terminal Illness or TPD cover applies.</li> </ul>
<b>Transfer &amp; consolidate into LESF your existing insurance</b>	<ul style="list-style-type: none"> <li>▪ You may be able to transfer your existing Death &amp; TPD cover into LESF, without medical underwriting.</li> <li>▪ There is a maximum transfer limit of up to a total of \$1,000,000 of Death &amp; TPD cover.</li> </ul>
<b>Life Events increase option</b>	<p>You may be able to increase your cover without medical underwriting, on up to 3 separate occasions with the occurrence of certain life events (refer to page 24 for further details).</p> <p>You can increase your cover by the lesser of 25% of your current sum insured and \$100,000 on the occurrence of each of the following:</p> <ul style="list-style-type: none"> <li>▪ Marriage;</li> <li>▪ Divorce;</li> <li>▪ Turning age 30;</li> <li>▪ Birth or adoption of a child;</li> <li>▪ Child turning age 12 or commencing education at a private school; or</li> <li>▪ Effecting a first mortgage on the purchase of a home, or increasing first mortgage for the purposes of building or renovation works on your principal place of residence with a registered mortgage provider.</li> </ul>
<b>Fix your Default Cover</b>	<ul style="list-style-type: none"> <li>▪ You can choose to fix the level of Default Cover that you have. This means that your insured amount will remain the same but your premiums will increase every year while you remain a member of LESF.</li> </ul>
<b>Reduce your Default Cover</b>	<ul style="list-style-type: none"> <li>▪ You can nominate a reduced fixed amount of Default Cover at any time. This means that your Default Cover will remain the same and not change with your age.</li> </ul>
<b>Cancel your cover</b>	<ul style="list-style-type: none"> <li>▪ You can cancel your Default Cover (opt out) at any time. This means you won't be insured by LESF.</li> <li>▪ To opt out of insurance cover you will need to send an Insurance Application and Variation form to LESF.</li> </ul>

## 9. How Does Category E Insurance Work?

### 9.1 Insurance with LESF

Insurance is a very important part of your financial planning as it gives you and your family financial security should you become totally and permanently disabled, suffer from a terminal illness or pass away.

LESF provides a range of insurance options designed to help you make sure you have the right level of cover for your personal circumstances.

- **Death**, which pays a lump sum benefit in the event of an insured member's death or terminal illness
- **Total and Permanent Disablement (TPD)**, which pays a lump sum benefit if an insured member becomes totally and permanently disabled (as defined)

Taking out insurance through LESF has a number of advantages including:

- Default levels of cover automatically provided to all eligible LESF members with no underwriting
- Top up your cover at key times in your life with no medical underwritten (Life Event Increase option)
- Consolidating your insurance by transferring your existing cover into LESF
- Affordable premiums, paid tax-effectively from your member account
- The ability to tailor your insurance cover to better meet your needs
- Competitive premium rates

### 9.2 Default Cover

On joining the Fund, all eligible employees, whether part of an employer sponsored group or as an individual, are automatically insured for:

- Death
- Terminal illness
- Total and permanent disablement (TPD)

Without having the need to be underwritten. This is known as **Default Cover**.

The type (e.g. full or limited) and amount of Default Cover varies depending upon your age and whether you are an employer sponsored member or join as an individual.

#### 9.2.1 Fixing Default Cover

You can choose to fix the level of Default Cover that you have at any time. This means that your insured amount will remain the same but your premiums will change every year while you remain a member of LESF.

### 9.3 Tailored Cover to Suit Your Needs

#### 9.3.1 Increasing cover

New employer sponsored members have the opportunity to double their cover on joining the Fund, without medical underwriting.

You may also be able to increase your cover without medical underwriting, with the occurrence of certain life events.

You can also apply for additional cover at any time by completing a Personal Health Statement. However, your total cover must not exceed the maximum cover available. Your additional cover will commence once the Insurer accepts the cover.

#### 9.3.2 Decreasing cover

You can decrease your insurance cover at any time.

#### 9.3.3 Cancelling cover

You can cancel your cover at any time, after careful consideration of your insurance needs. However, if you wish to reinstate your insurance at a later date, you will need to be underwritten and provide medical information and be assessed by the Insurer.

Please note if you don't change or cancel your Default Cover, the Trustee for LESF will continue to deduct the premiums for the Default Cover from your account.

#### 9.3.4 Transferring existing cover

You can transfer your existing death & TPD cover that you may hold from another super fund into LESF. The transfer application is subject to assessment by the Insurer. If the Insurer accepts your transfer request the amount of cover transferred will be the same in LESF unless advised otherwise, and any exclusions or special conditions that were in place will also apply in LESF. **Tip:** if you wish to increase, decrease or cancel your insurance cover, you need to send us an Insurance Variation Form, which can be requested by calling the Member Services Team on 1800 359 666, or downloaded from the website [www.lesf.com.au](http://www.lesf.com.au).

### 9.4. Occupation Categories

The premiums you pay for your insurance cover will depend on your occupation category. LESF has three occupation categories based on the type of work you actually do.

Occupation Category	Definition
Professional	Duties are of a professional nature and who: <ul style="list-style-type: none"><li>▪ Earns a salary of \$120,000 or more p.a.;</li><li>▪ Has a tertiary qualification</li><li>▪ Works in an office; environment in a sedentary capacity and is not exposed to manual work of any kind.</li></ul>
White Collar	White collar occupations with office duties only. For example, clerical, administration, managerial and sales roles not involved in any deliveries or travelling.
Blue Collar	Occupations that do not satisfy the Professional or White Collar occupation definitions.

We rely on information provided by you or your employer to determine your occupation category. If we don't have details of your occupation when you join the Fund, you will automatically be assigned a Blue Collar occupation category. This may result in you paying higher premiums than you need to.

You must notify us if your occupation details change, or if we have an incorrect category recorded for you.

You can apply to update your occupation category at any time by completing an Insurance Application and Variation form, which is available on [www.lesf.com.au](http://www.lesf.com.au) or by contacting the LESF Member Services Team.

## 10. Category E Death & TPD Cover

### 10.1 Default Cover

All eligible Category E members who join LESF, whether part of an employer sponsored group or join as an individual, are automatically insured in the event of death, terminal illness and TPD, without having to provide medical evidence.

The amount of cover provided and premiums paid depend on your age, gender and occupation. See Table 4: Category E level of cover and premiums on page 22. The table on page 22 is based on the Blue Collar Occupation. If you are not in the Blue Collar occupation category, your premiums will be discounted as shown in Table 3 below.

**Table 3 - Category E premium discount rates**

Occupation Category	Death Only	Death and TPD
Professional	60.00%	51.43%
White Collar	66.67%	57.14%
Blue Collar	100.00%	100.00%

Generally, to be eligible for Default Cover, both employer sponsored and individual members must satisfy following conditions:

- Between age 15 and 64;
- Have not received or entitled to receive a TPD or Terminal Illness benefit, or benefit payment on account of any form of permanent incapacity for work from LESF or another superannuation fund or insurance policy.

For employer sponsored members, you must also:

- Join LESF within 120 days of commencing employment with your employer;
- Have an employer making contributions for you and contributions are received by LESF;
- Be At Work on the date of commencing employment with your employer.

**Note:** if you are not At Work on the day cover is due to commence, Limited Cover applies until you are At Work for 2 consecutive months, at which time full cover will be provided.

### Individual member

If you join the Fund without an employer that makes contributions for you, or if you leave your employer sponsor but retain your membership with the Fund, you will become an individual member.

Self-employed members in any industry are individual members.

As an individual member, your cover will be Limited Cover for a period of 24 months from the date you join LESF. Full cover will be provided after 24 months subject to you satisfying the At Work requirements for two consecutive months. If you do not meet the At Work definition, your cover will remain as Limited Cover until you are At Work for 2 consecutive months.

Alternatively, an individual member may apply to have the Limited Cover restriction removed at any time subject to underwriting.

If you are an employer sponsored Category E member who becomes an individual member and you are insured, you will have full cover immediately.

Individual members enjoy the same level of cover and premium rates as employer sponsored members.

### Members transferred into LESF on 26 February 2016

If you acquire the Default Cover as a result of the transfer from Managed Australian Retirement Fund to LESF on 26 February 2016, your Default Cover will be Limited Cover for 24 months. Full cover will be provided after 24 months subject to you satisfying the At Work requirements for two consecutive months. If you do not meet the At Work definition, your cover will remain as Limited Cover until you are At Work for 2 consecutive months.

### Opting out of Default Cover

You can opt out of the Default Cover at any time. Provided that you opt out within 60 days of being covered, any premiums that have been deducted from your account will be refunded. After that time, premiums deducted from your account are not refundable. If you wish to opt out the Default Cover, please complete an Insurance Application and Variation Form and return it to us.

### Cancel your Default Cover

You may elect to cancel your Default Cover at any time by completing an Insurance Application and Variation Form and returning it to us. You can also vary your default death & TPD cover to become death only cover.

**Note:** By cancelling your default cover you will no longer have death and TPD insurance through LESF. If you want insurance cover with LESF in the future you will need to apply, provide medical evidence and be accepted by the Insurer.

**Table 4 - Category E level of cover and premiums**

Annual premium for Blue Collar occupation category (\$)					
Age next birthday	Level of Default Cover	Male		Female	
		Death & TPD	Death Only	Death & TPD	Death Only
16	\$50,000	59.50	50.50	29.50	25.00
17	\$50,000	72.00	63.00	29.50	26.00
18	\$50,000	87.00	75.00	34.00	30.00
19	\$50,000	99.00	88.50	38.50	34.50
20	\$50,000	110.50	96.00	44.00	39.00
21	\$50,000	116.00	102.00	44.00	40.50
22	\$50,000	120.50	104.00	44.00	37.50
23	\$80,000	192.80	168.80	67.20	58.40
24	\$80,000	199.20	168.80	71.20	56.80
25	\$80,000	202.40	166.40	67.20	53.60
26	\$80,000	185.60	150.40	71.20	52.80
27	\$100,000	232.00	181.00	97.00	69.00
28	\$100,000	232.00	177.00	105.00	72.00
29	\$150,000	348.00	261.00	165.00	111.00
30	\$200,000	482.00	342.00	246.00	150.00
31	\$250,000	602.50	422.50	317.50	192.50
32	\$250,000	610.00	415.00	337.50	195.00
33	\$250,000	622.50	407.50	377.50	195.00
34	\$250,000	645.00	407.50	412.50	217.50
35	\$250,000	675.00	412.50	452.50	237.50
36	\$250,000	697.50	412.50	495.00	257.50
37	\$250,000	727.50	412.50	550.00	285.00
38	\$250,000	782.50	415.00	602.50	310.00
39	\$250,000	842.50	445.00	655.00	337.50
40	\$250,000	917.50	480.00	720.00	360.00
41	\$250,000	982.50	512.50	790.00	385.00
42	\$250,000	1,067.50	550.00	877.50	415.00
43	\$250,000	1,162.50	592.50	960.00	445.00
44	\$200,000	1,040.00	528.00	854.00	380.00
45	\$200,000	1,166.00	588.00	948.00	402.00
46	\$150,000	982.50	490.50	792.00	321.00
47	\$150,000	1,102.50	546.00	888.00	342.00
48	\$100,000	825.00	406.00	667.00	241.00
49	\$100,000	918.00	436.00	735.00	261.00
50	\$100,000	1,018.00	471.00	816.00	280.00
51	\$80,000	909.60	405.60	720.00	242.40
52	\$80,000	1,011.20	435.20	797.60	261.60
53	\$80,000	1,128.80	468.80	885.60	281.60
54	\$50,000	784.50	315.00	604.50	189.00
55	\$50,000	870.50	338.00	661.50	203.00
56	\$50,000	968.00	363.00	723.00	217.50
57	\$50,000	1,075.00	389.00	790.50	233.00
58	\$50,000	1,198.00	417.50	864.50	250.50
59	\$40,000	1,048.00	369.60	738.80	214.00
60	\$40,000	1,144.40	408.40	789.20	229.20
61	\$40,000	1,252.40	451.20	843.20	244.80
62	\$40,000	1,369.60	499.20	900.80	262.00
63	\$40,000	1,499.60	551.20	962.00	280.00
64	\$40,000	1,656.80	601.20	1,044.80	300.40
65	\$25,000	1,145.25	409.75	707.75	201.00
66	\$25,000 death only	n/a	446.50	n/a	215.50
67	\$25,000 death only	n/a	487.00	n/a	231.00
68	\$25,000 death only	n/a	530.75	n/a	247.50
69	\$25,000 death only	n/a	588.25	n/a	267.75
70	\$25,000 death only	n/a	652.00	n/a	289.75

Note: Premium discount rates apply for professional and white collar occupation categories. Please refer to Table 3 on page 21 for details.

### Double cover for new employer sponsored members

On joining LESF as an employer sponsored member, you can elect to double your Default Cover, without having to provide medical evidence.

You must make the election within 120 days of starting work with the employer.

If you wish to take this option, please complete an Insurance Application and Variation Form and return it to us. At time of completing the Insurance Application and Variation Form, you must satisfy the 'At Work' requirements. Increased cover will commence from the date we accept your Insurance Application and Variation Form.

This option is not available for individual members.

### Reduce your Default Cover

You can nominate a reduced fixed amount of Default Cover at any time. This means that your Default Cover will remain the same and not change with your age.

### Example 3 - Reduced Default Cover

Jane, joins LESF at 30 (age 31 next birthday) and works in a White Collar occupation in a financial services company.

Jane automatically receives \$250,000 default Death & TPD cover on joining LESF. Jane decides to reduce the Default Cover to \$100,000.

#### At age of 30 (31 next birthday)

Reduced Default Cover (\$100,000) cost is

= Base cost per \$1,000 sum insured x cover amount x occupation discount rate

= \$100,000 / \$1,000 x \$1.27 x 57.14% = \$72.57 p.a.

Jane's level of cover is now fixed and will not change with her age:

#### At age of 31 (32 next birthday)

Reduced Default Cover (\$100,000) cost is

= Base cost per \$1,000 sum insured x cover amount x occupation discount rate

= \$100,000 / \$1,000 x \$1.35 x 57.14% = \$77.14 p.a.

### Example 4 - Doubled Default cover and life event increases

Simon is 25 (age 26 next birthday) working as a shop manager. He becomes an employer sponsored member of LESF Super and eligible for default cover. He receives \$80,000 death & TPD Default Cover.

Simon decides to double his cover on joining the Fund and returns a completed Insurance Application and Variation form within the required timeframe.

**His Default Cover amount increases to \$160,000 death & TPD.**

2 years later (age 28 next birthday), Simon's default cover automatically increases to \$200,000 death & TPD. Simon also gets married to Paula and decides to increase his cover by \$50,000 under the life event increase option. This is the lesser of:

- 25% of the current sum insured (\$200,000)
- \$100,000

**His total cover is now \$250,000 death & TPD.**

Now 31 (age 32 next birthday), Simon's default cover automatically increases to \$500,000 death & TPD. He receives a promotion and earns a salary of \$130,000 p.a. He moved to the 'Professional' occupation category. Simon and Paula also buy a house to live and take out a mortgage of \$400,000. Simon decides to increase his insurance again using his second life event increase option. He is eligible for \$100,000 of additional cover, being the lesser of:

- 25% of the current sum insured (\$550,000)
- \$100,000

**His total cover is now \$650,000 death & TPD.**

A summary of Simon's use of Default Cover and life event increase options is shown below:

Age next BD	Event	Default Cover	Life event increase	Total cover
26	Receive Default Cover	\$80,000	N/A	\$80,000
26	Double Default Cover	\$160,000	N/A	\$160,000
28	Marriage	\$200,000	\$50,000	\$250,000
32	Mortgage	\$500,000	\$100,000	\$650,000

Age next BD	Total Cover	Premium per \$1,000 sum insured <sup>1</sup>	Premium rates <sup>2</sup>	Total annual premium
26	\$80,000	\$185.60/80 = \$2.32	57.14%	\$2.32 x 57.14% x 80 = \$106.05
26	\$160,000	\$185.60/80 = \$2.32	57.14%	\$2.32 x 57.14% x 160 = \$212.10
28	\$250,000	\$232.00/100 = \$2.32	57.14%	\$2.32 x 57.14% x 250 = \$331.41
32	\$650,000	\$610.00/250 = \$2.44	51.43%	\$2.44 x 51.43% x 650 = \$815.68

1. From Table 4 - Category E level of cover and premiums

2. From Table 3 - Category E premium rates

## 10.2 Additional Cover

LESF provides you with a number of options to acquire additional cover. All additional cover is fixed cover, which means that the cover amount will remain the same but your premiums will increase each birthday.

### Life event increase option

Insured members who experience a 'life event' may be eligible to apply for additional death only or death & TPD cover without underwriting. Life events include:

- Marriage
- Divorce
- Turning age 30
- Birth or adoption of a child
- Child turning 12 or commencing education in private school
- Effecting a first mortgage on the purchase of a home, or increasing an existing first mortgage for the purposes of building or renovation works on your principal place of residence with a registered mortgage provider.

You can apply for additional cover which is the lesser of:

- \$100,000
- 25% of the current sum insured

To be eligible for a 'life event' increase, you must satisfy the following conditions:

- Apply within 45 days of the event occurring;
- Must be At Work on the day of applying;
- Provide LESF with satisfactory documentation of the event occurring;
- Have death only or death & TPD cover with LESF with no loadings, restrictions or exclusions and has not been declined Death or TPD cover previously;
- Have not previously made, lodged a claim or be eligible to make a claim under the policy or any other life insurance policy with any company;
- Under age 65 at the date of application.

You can apply for the life event increase once in any 12 month period. A maximum of 3 increases are available when you are a member of LESF. Any increase in TPD cover must be restricted to the increase in the level of death cover.

Please note that no benefit will be paid with respect to the increased amount of cover provided under this option if a claim is caused as a result of an intentional self-inflicted act, whether sane or insane (TPD component only) or death as a result of suicide within a period of 13 months from the date the increase commenced under this option.

### Apply for underwritten cover

You can apply for additional underwritten cover at any time. Additional underwritten cover is a fixed amount nominated by you, on top of your Default Cover. You can apply for additional death and TPD, or death only cover up to a maximum of \$3 million total cover. This maximum includes your default, additional underwritten and transferred cover.

The premium rates for additional cover are the same as Default Cover and will be deducted from your member account at the end of each calendar month. You will need to be underwritten and approved by the Insurer for any additional cover.

While your application for cover is being considered, the Insurer will provide interim accident cover (see page 25 for further information).

### Transfer your existing death & TPD cover into LESF

You can transfer your existing death & TPD insurance cover to LESF from another super fund. This means that if you meet the transfer conditions, you can transfer the same dollar amount

of cover you have under your existing insurance, subject to the maximum cover limit.

If you have any exclusions or special conditions under your existing insurance, they will continue to be applied to your transferred cover with LESF.

You are generally eligible to transfer existing cover if you meet all of the following conditions;

- your existing cover from another super fund has ceased when your insurance cover with LESF commences;
- you are transferring less than \$1m of death and TPD cover;
- you have not had a TPD claim accepted, have not received a TPD benefit or are not eligible for a TPD benefit;
- the Insurer is satisfied that you haven't been diagnosed with an illness that reduces your life expectancy to less than 12 months;
- you are 'At Work' at the time of applying for the transfer;
- you can provide evidence satisfactory to the Insurer of the type and amount of existing cover;
- you are less than 60 years of age;
- you complete the Insurance Transfer form and meet all eligibility criteria;
- The Insurer accepts your application.

You will be provided with the level of insurance cover held under the former insurance policy, up to the agreed limits, only where the former insurance policy's acceptance terms were less than or equal to +100% premium loading or up to two exclusions were applied.

## 10.3 Fixing Cover Level

You can choose to fix the level of insurance cover that you have. This means that your insured amount will remain the same but your premiums will change every year while you remain a member of LESF.

## 10.4 Terminal Illness Benefit

If you are insured for death cover, you are also automatically covered for a Terminal Illness benefit for the same amount of cover.

You may claim a Terminal Illness benefit if you are diagnosed with an illness that, despite reasonable medical treatment, in the opinion of the Insurer, is likely to result in your death within 12 months of the date certified by 2 registered medical practitioners (including one specialist in the field relating to the illness and one appointed by the Insurer).

A terminal illness benefit is a prepayment of a death benefit, and is not a stand-alone benefit. That means a member is not entitled to a further death benefit if a terminal illness benefit has been paid.

Under new laws that were passed in June 2015, you can withdraw your superannuation balance if 2 registered medical practitioners (including one specialist in the field relating to the illness) certify that you have less than 24 months to live. If you choose to do so and wish to claim your insured benefit at a later date, you should make sure you leave enough funds in your super account to pay the ongoing premium until an insurance claim is made.

For further information, please refer to the Terminal Illness factsheet which is available on the website [www.lesf.com.au](http://www.lesf.com.au).



## 10.5 Benefit payable on Death and TPD

The benefit payable on death or TPD is made up of:

- The amount accumulated in your account; and
- The amount of any death or disablement insurance paid (if any) by the Insurer less any fees, costs & taxes. Important Information about your Category E Insurance

### Eligibility for cover

Generally, to be eligible for Category E death & TPD cover with LESF you must (both employer sponsored and individual members):

- Between age 15 and 64;
- Have not received or entitled to receive a TPD or Terminal Illness benefit, or benefit payment on account of any form of permanent incapacity for work from LESF or another superannuation fund or insurance policy.

For employer sponsored members, you must also:

- Join LESF within 120 days of commencing employment with your employer;
- Have an employer making contributions for you and contributions are received by LESF;
- Be At Work on the date of commencing employment with your employer.

Note: if you are not At Work on the day cover is due to commence, Limited Cover applies until you are At Work for 2 consecutive months, at which time full cover will be provided.

### Individual member

If you join the Fund without an employer that makes contributions for you, or if you leave your employer sponsor but retain your membership with the Fund, you will become an individual member.

Self-employed members in any industry are individual members.

As an individual member, your Default Cover will be Limited Cover for a period of 24 months from the date you join LESF. Full cover will be provided after 24 months subject to you satisfying the At Work requirements for two consecutive months. If you do not meet the At Work definition, your Default Cover will remain as Limited Cover until you are At Work for 2 consecutive months.

Alternatively, an individual member may apply to have the Limited Cover restriction removed at any time subject to underwriting.

If you are an employer sponsored member who moves to retained/individual and you are insured, you will have full cover immediately.

### When your cover starts

For individual members, Default Cover starts from the date you are eligible for Category E cover, subject to satisfying At Work requirements.

For employer sponsored members, Default Cover starts from the date you are eligible for Category E cover, subject to your employer notifying LESF of your employment commencement date within 120 days and you satisfying At Work requirements.

Additional cover will start:

- On the date you're notified in writing of the acceptance of cover; or

- If the cover on offer is subject to a condition, restriction or premium loading, the date the Insurer is notified in writing that you have accepted all the terms that apply to the offer of cover.

### When your cover ceases

Your death & TPD insurance cover ceases on the earliest of the following events:

- when you turn 65 years old (TPD cover only);
- when you turn 70 years old (Death cover only);
- when you die;
- When you are no longer a member of LESF, your TPD ceases and your death cover apply for 60 days.
- the last business day of the month in which there is insufficient money in your account to pay premiums;
- the date any death, terminal illness or TPD benefit becomes payable from LESF;
- the date the Insurer receives your insurance cancellation request in writing;
- the date you join the armed forces other than the Australian Armed Forces Reserve;
- the insurance policy between LESF and the Insurer terminates.

### Reinstatement of cover

Where cover ceases due to an insufficient account balance, your cover will be automatically re-instated if, all premiums due in respect of the cover have been paid within 120 days of the cover ceasing.

### Single benefit payment

Only one benefit is payable (death, TPD or terminal illness) from LESF. This means that if you die, become terminally ill or totally disabled, your cover will cease and you will no longer be insured.

If however, you were covered for a higher level of death cover than TPD cover and you received a TPD benefit payment, the additional amount of death cover would be paid if you were to die within 12 months of becoming Totally and Permanently Disabled.

### Cover after policy terminates

If you are not "At Work" (refer to "Key Definitions" section on page 27) on the day when the insurance policy between LESF and the Insurer terminates, your TPD cover will continue but only for total disablement arising from a sickness that became apparent or an injury that occurred on or before the termination of the policy and that sickness or injury is the reason you were not At Work on the termination date of the policy, until the earliest of the following:

- You returned to work in your usual occupation, and are not entitled to claim any benefit from any source;
- The Insurer makes a decision on any claim under continued cover;
- You are no longer a member of LESF;
- You turn 65 years old.

### Worldwide Cover

Your cover with LESF applies worldwide, 24 hours a day. However, the Insurer may require you to return to Australia at your expense for assessment and examination prior to payment of any benefit.

### Interim accident cover

When your application for additional or transferred cover is being assessed by the Insurer, you will be provided with interim accident cover, to cover death or TPD caused by accident. Interim accident cover starts when the Insurer receives your

insurance application. The type and amount of interim accident cover will be the same as you are requesting, subject to maximum accident cover of \$1 million.

Your interim accident cover will continue until the Insurer accepts or rejects your application, the request for cover is withdrawn, 90 days after your request is submitted or when the Insurer cancels the interim accident cover, whichever is earlier.

If you make a claim for interim accident cover, your request for cover or additional cover will be automatically cancelled.

Please note that no interim benefit will become payable if, during the interim period, death or TPD is caused directly or indirectly by:

- sickness or any other injury or condition that is not an Accident.
- Other general exclusions refer below.

### Cover while on leave without pay

Your cover will continue whilst you are on employer approved parental leave or leave without pay subject to the continued payment of premiums. If you continue to be on leave after the stipulated return to work date or 12 months leave has been taken and you have not returned to your previous employment, the Activities of Daily Living TPD definition will apply until such time as you return to your previous employment.

### Continuing your death cover if you leave LESF

If you leave LESF, you can apply with the Insurer to continue your death cover under a new individual policy, provided you meet all the conditions below:

- You are no longer an employee of the employer who is contributing to LESF for you;
- You are no longer a member of LESF;
- If you had "Limited Cover," you have continuously been a member of LESF for at least 2 years at the time your cover ends;
- You are under age 60;
- No benefit is payable by LESF;
- You do not have any overdue premium payable;
- You do not join any armed forces prior to the date the individual policy is issued;
- You meet the Insurer's underwriting requirements for occupation and pastimes;
- You apply and pay the correct premium within 60 days of leaving LESF.

### General Exclusions

You will not be entitled to a death, terminal illness or TPD benefit if the claim is caused wholly, partly, directly or indirectly, by any or more of the following:

- Active service in the armed forces of any country or international organisation;
- For any underwritten cover, suicide within the first 13 months;
- For any underwritten cover, intentional self-inflicted act or injury or any failed attempted suicide; or
- Any underwriting exclusion imposed on a member by the Insurer;

### Limited Cover

You will receive Limited Cover if:

- You join the Fund as an individual member and your membership is less than 24 months;
- You received the Default Cover when you were transferred into the Fund on 26 February 2016 and your membership is less than 24 months;

- Your membership is more than 24 months but you have not been 'At Work' for two consecutive months;
- You are an employer sponsored member but were not 'At Work' on the date of commencing employment with your employer;

You can, however, have the Limited Cover restriction removed at any time subject to underwriting.

### How to make a claim

You or your dependants must notify us as soon as possible after you become aware of any claim or potential claim, by completing a Benefit Payment Request form. If you delay notifying us of a claim and as a result the Insurer's interests are prejudiced, the Insurer may be permitted not to pay the claim or to reduce the benefit in some circumstances.

You may be required to provide additional paperwork to start the claim process. Call our Members Services team on 1800 359 686 if you have any queries or need any help.

The claims process may include obtaining information from medical practitioners that you have consulted and your employer.

The Insurer will then either pay the claim, ask for further information including that you attend a medical practitioner of their choice, or decline the claim. The claim may be declined for any of the following reasons:

- You were not insured, you were not a member of LESF or you were not eligible for the type of cover you are claiming for;
- You do not meet the definition of disabled, according to medical information received; or
- You gave false or misleading information on the *Application for Membership* form or any statement of health.

### Payment conditions

Payment of any TPD or terminal illness benefit is conditional on you undergoing any medical or other examination the Insurer reasonably considers are necessary to properly assess the claim.

The Insurer will pay the medical costs of any medical examination required, other than the initial medical examination required to make a claim and all standard progress reports required to continue the benefit payments. However, this does not cover fees incurred for travelling to an appointment or for non-attendance at an appointment arranged.

### Duty of disclosure

Before a superannuation fund enters into a life insurance contract in respect of your life, it has a duty to tell the insurer anything that it knows, or could reasonably be expected to know, may affect the insurer's decision to provide the insurance and on what terms.

The superannuation fund entering into the contract has this duty of disclosure until the insurance is provided.

The superannuation fund has the same duty before it extends, varies or reinstates the contract.

The superannuation fund does not need to tell the insurer anything that:

- reduces the risk of the insurance; or
- is common knowledge; or
- the insurer knows or should know as an insurer; or
- the insurer waives the duty to tell the insurer about.

### If you as a member of the superannuation fund do not tell the insurer something

If you, as the person whose life is to be insured under the superannuation fund, do not tell the insurer something that you know, or could reasonably be expected to know, may affect the insurer's decision to provide the insurance and on what terms, this may be treated as a failure by the superannuation fund to comply with its duty of disclosure.

### If the superannuation fund does not tell the insurer something

In exercising the following rights, the insurer may consider whether different types of cover can constitute separate contracts of life insurance. If the insurer does, it may apply the following rights separately to each type of cover.

If the superannuation fund does not tell the insurer anything it is required to, and the insurer would not have provided the insurance if it had been told, the insurer may avoid the contract within 3 years of entering into it.

If the insurer chooses not to avoid the contract, it may, at any time, reduce the amount of insurance provided. This would be worked out using a formula that takes into account the premium that would have been payable if the superannuation fund had told the insurer everything it should have. However, if the contract provides cover on death, the insurer may only exercise this right within 3 years of entering into the contract.

If the insurer chooses not to avoid the contract or reduce the amount of insurance provided, it may, at any time, vary the contract in a way that places the insurer in the same position it would have been in if the superannuation fund had told the insurer everything it should have. However, this right does not apply if the contract provides cover on death.

If the failure to comply with the duty of disclosure is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

## 11. Key Definitions for Category E

**'accident'** means bodily injury caused solely and directly by accidental, external and visible means, independent of any other cause.

**'active employment'** means you are:

- employed by the employer to carry out identifiable duties;
- actually performing those duties; and
- in the Insurer's opinion, not restricted by sickness or injury from being capable of performing those duties on a full time basis and the duties of your normal occupation on a full time basis (even if not then working on a full time basis).

**'at work'** means that you are actively performing all the duties and work hours of your usual occupation with the employer free from any limitation due to illness or injury and are not entitled to or receiving income support benefits from any source including worker's compensation benefits, statutory transport accident benefits and disability income benefits; or if you are on employer approved leave for reasons other than illness or injury and the last working day before your employer approved leave you met the conditions mentioned above.

**'date of disablement'** means the later of (a) the date on which the sickness or injury that was the principle cause of your disablement commenced or occurred and (b) the date you ceased all work. However where you participate in a rehabilitation program and this is unsuccessful within 12 months from the date you were last At Work, the date of disablement will be the date that would have applied if you had not participated in the rehabilitation program. The date of disablement must occur while you are covered under this policy.

**'Limited Cover'** means that you are only covered for death or disablement arising from a sickness that becomes apparent, or an injury that occurs, on or after the date cover commenced.

**'medical practitioner'** means a person acceptable to the Insurer, who is registered and practising as a medical practitioner in Australia other than:

- a) the insured member;
- b) the insured member's spouse or partner, parent, child or sibling;
- c) the insured members' business partner, associate or employee.

**'occupation categories'** means the occupational group for premium rating purposes into which each member's occupation falls, in accordance with below definition:

Occupation Category	Definition
Professional	Duties are of a professional nature and who: <ul style="list-style-type: none"><li>■ Earns a salary of \$120,000 or more p.a.;</li><li>■ Has a tertiary qualification</li><li>■ Works in an office; environment in a sedentary capacity and is not exposed to manual work of any kind.</li></ul>
White Collar	White collar occupations with office duties only. For example, clerical, administration, managerial and sales roles not involved in any deliveries or travelling.
Blue Collar	Occupations that do not satisfy the Professional or White Collar occupation definitions.

**'terminal illness'** means that you suffer from an illness which:

- a medical practitioner, specialising in your illness and a medical practitioner that the Insurer appoint certifies in writing will despite reasonable medical treatment lead to your death within 12 months of the date of the certification; and
- the Insurer is satisfied, on medical or other evidence, will despite reasonable medical treatment lead to your death within 12 months of the date of the certification.

The date of the certification must take place while you are insured.

**'Standard Total & Permanent Disablement'** (for members who are working 15 hours or more per week in the 13 weeks immediately prior to the injury, sickness or disease giving rise to a claim) means that the member:

- (a) while insured under the Policy, has suffered the total and irrecoverable loss of the:
- Sight of both eyes; or
  - Use of two limbs; or
  - Sight of one eye and use of one limb; and
  - After consideration of all the medical evidence and such other evidence as the Insurer may require, has become, in the opinion of the Insurer, incapacitated to such an extent as to render him or her unlikely ever again to be able to engage in his/her usual occupation and any other occupation for which he/she is reasonably suited by education, training or experience.

(where a limb is defined as the whole hand or whole foot)

OR

- (b) as a result of injury, sickness or disease:
- has not performed any work for an uninterrupted period of at least 6 consecutive months solely due to the same injury, sickness or disease, and
  - is attending and following the advice of a registered Medical Practitioner and has undergone all reasonable and usual treatment, including rehabilitation for the injury, sickness or disease; and
  - after consideration of all the medical evidence and such other evidence as the Insurer may require, has become, in the Insurer's opinion, incapacitated to such an extent as to render him or her unlikely ever to be able to engage in his or her usual occupation and any occupation for which he or she is reasonably suited by education, training or experience.

Notwithstanding any other provision in the Policy, the Insurer reserves the sole right to assess and pay a claim prior to the expiry of the 6 month waiting period at their discretion.

**'Activities of Daily Living Total & Permanent Disablement'** (for members who are working less than 15 hours per week - including being unemployed - in the 13 weeks immediately prior to the injury, sickness or disease giving rise to a claim) means that the member, in the opinion of the Insurer:

- (a) while insured under the Policy, has suffered the total and irrecoverable loss of the:
- Sight of both eyes; or
  - Use of two limbs; or
  - Sight of one eye and use of one limb; and

- After consideration of all the medical evidence and such other evidence as the Insurer may require, has become, in the opinion of the Insurer, incapacitated to such an extent as to render him or her unlikely ever again to be able to engage in his/her usual occupation and any other occupation for which he/she is reasonably suited by education, training or experience.

(where a limb is defined as the whole hand or whole foot)

OR

- (b) has been, for a period of six (6) consecutive months after the occurrence of the illness, accident or injury and after consideration of all the medical evidence and such other evidence as the Insurer may require, remains in the opinion of the Insurer, incapacitated to such an extent as to render him or her unlikely ever again to be able to perform any two (2) of the following activities of daily living as certified by a registered Medical Practitioner:

**Bathing:** the ability to wash themselves either in the bath or shower or by sponge bath without the standby assistance of another person;

**Dressing:** the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them without the standby assistance of another person;

**Eating:** the ability to feed themselves once food has been prepared and made available, without the standby assistance of another person;

**Toileting:** the ability to get to and from and on and off the toilet without the standby assistance of another person and the ability to manage bowel and bladder functions through the use of protective undergarments or surgical appliances - if appropriate;

**Transferring:** the ability to move in and out of a chair without the standby assistance of another person; and

After consideration of all the medical evidence and such other evidence as the Insurer may require, has become, in the opinion of the Insurer, incapacitated to such an extent as to render him or her unlikely ever again to be able to engage in his/her usual occupation and any other occupation for which he/she is reasonably suited by education, training or experience.

Notwithstanding any other provision in the insurance Policy, the Insurer reserves the sole right to assess and pay a claim prior to the expiry of the six month waiting period at their discretion.

**'Home Duties Total & Permanent Disablement'** (for all individual members who carry out full-time unpaid domestic duties) means:

That the member, where eligible for this definition,

- (a) is under age sixty-five (65); and
- (b) is disabled to such an extent that such disability necessitates confinement to either the home under medical supervision or to a medical institution; and
- (c) has the inability to undertake at least three (3) of the following activities without assistance:

**Dressing and Undressing:** the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them, without the standby assistance of another person.

**Washing and Bathing:** the ability to wash oneself either in the bath or shower or by sponge bath without the standby assistance of another person.

**Eating:** the ability to feed oneself once food has been

prepared and made available, without the standby assistance of another person.

**Shopping:** the ability to leave the home, by any means, and to undertake day to day shopping without the standby assistance of another person.

**Climbing Stairs:** the ability to climb stairs without the standby assistance of another person, without holding a banister and without taking a rest - all within a reasonable period of time.

**General Household Duties:** the ability to perform day to day household duties, without the standby assistance

of another person; and

- (d) After consideration of all the medical evidence and such other evidence as the Insurer may require, has become, in the opinion of the Insurer, incapacitated to such an extent as to render him or her unlikely ever again to be able to engage in his/her usual occupation and any other occupation for which he/she is reasonably suited by education, training or experience.

Notwithstanding any other provision in the Policy, the Insurer reserves the sole right to assess and pay a claim prior to the expiry of the 6 month waiting period at their discretion.



**Further information about LESF Super**

We are here to help you

Call: 1800 359 686

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