

June 2008

## Important information: Changes to your superannuation

(Effective 26 July 2008)

**Legal Super Pty Ltd ABN 37 004 455 789** as Trustee of legalsuper and **ING Life Limited ABN 33 009 657 176** will replace all previous Group Life Policy Schedules applicable to legalsuper members, with effect from 26 July 2008.

Following is a summary of key changes.

### Summary of key changes

#### 1. Members of the Employer-sponsored Plan

- Death and Total and Permanent Disablement (TPD) insurance 'Automatic Acceptance Limits' (AALs) have generally increased for legalsuper members from 2 units to 4 units of cover (cost deducted from superannuation account remains at \$1.50 per unit per week but total cost increases from \$3 to \$6 per week). 'AAL' essentially means the amount of cover provided without the need to provide medical evidence;
- If you are aged 65 to 69 years, unless you otherwise request, you will now automatically receive 4 units of Death and TPD cover (even if you previously did not have any Death or TPD insurance cover);
- Sums insured per unit of insurance increase for most members;
- Sums insured per unit of insurance will be based on standardised dollar amounts across six 'age group categories.' This is a new initiative, aimed at reducing complexity. It means that cover still reduces with age, but you have certainty that up until 45 years of age, your cover will be a substantial \$440,000 for 4 units of Death and TPD cover. Please refer to the table in part 4(a) overleaf for further details.
- Death and TPD insurance cover will be extended up to age 70. If you are aged 65 and over, your sum insured is \$40,000 for 4 units of Death and TPD cover.
- In order to obtain a TPD benefit, you need to satisfy the definition of 'TPD' as set out in part 5 below (and any other requirements in the legalsuper trust deed and the relevant insurance policy). If you are aged 65 to 70, you need to satisfy one of the definitions set out in part 5 paragraphs (b) – (e) (and any other requirements in the legalsuper trust deed and the relevant insurance policy);
- The maximum sum insured for Death only cover has increased from \$2 million to \$3 million;
- Insurance can be 'locked in' (upon approval of application) by transferring to non-reducing fixed level cover by completing a transfer form and short-form personal statement (these forms can be obtained by contacting us);

- Income Protection cover is presently up to a maximum of 75% of taxable income\*, however there is no amount payable to your superannuation account. To prevent the erosion of your superannuation benefit, the maximum benefit payable is to increase to up to 85% (including a monthly superannuation payment of up to 10%) of taxable income (upon approval of application);
- Income Protection maximum weekly benefit increases from \$2,500 per week to \$4,600 per week (upon approval of application);
- Income Protection benefits are payable to age 60 or age 65 at a member's election, so you may choose insurance that will cover you longer than the usual 2 year plan. Tables showing the amount and cost of Income Protection cover can be found on legalsuper's website at [www.legalsuper.com.au](http://www.legalsuper.com.au)
- Previously, you were not covered by any of your legalsuper insurance if you went overseas on holiday, however this restriction on overseas cover has been removed. You no longer need to inform us, and we no longer need to inform the insurer, if you are going overseas.

\* Taxable income equals assessable income minus deductions (pursuant to the Income Tax Assessment Act 1997 s 4-15(1).

#### 2. Members of the Personal Plan

- Death and Total and Permanent Disablement (TPD) insurance cover extended to age 70. Members aged 65 to 70 must satisfy one of the definitions contained paragraphs (b) – (e) in part 5 below to be eligible for a TPD benefit (and any other requirements in the legalsuper trust deed and the relevant insurance policy);
- Rates for Death and TPD and Death only cover are set out in part 4(b) below;
- Maximum sum insured for Death only increased from \$2 million to \$3 million;
- Income Protection is presently up to a maximum of 75% of taxable income, however there is no amount payable to your superannuation account. To prevent the erosion of your superannuation benefit, the maximum benefit payable is to increase to up to 85% (including a superannuation payment of up to 10%) of taxable income (upon approval of application);
- Income Protection maximum weekly benefit increases from \$2,500 per week to \$4,600 per week (upon approval of application);
- Income Protection benefits are payable to age 60 or age 65 at a member's election, so you may choose insurance that will cover you longer than the usual 2 year plan. Tables showing the amount and cost of Income Protection cover can be found on legalsuper's website at [www.legalsuper.com.au](http://www.legalsuper.com.au)
- Previously, you were not covered by any of your legalsuper insurance if you went overseas on holiday, however this restriction on overseas cover has been removed. You no longer need

to inform us, and we no longer need to inform the insurer, if you are going overseas.

#### 3. Members of the Pension Plan

- No change

#### 4. Premium Rate Schedule

These tables are also included on legalsuper's website at [www.legalsuper.com.au](http://www.legalsuper.com.au). Income Protection tables are not shown since these have not changed under the new insurance arrangements.

Death and Total and Permanent Disablement Insurance

##### a. Employer Sponsored Members:

For 4 units of Death and TPD insurance at \$6 per week

Age next birthday	Sum insured
16 - 45	\$440,000
46 - 50	\$280,000
51 - 55	\$200,000
56 - 60	\$160,000
61 - 65	\$80,000
65 - 70	\$40,000

##### b. Personal Super (including self-employed) Members – Rates per \$10,000 sum insured

Age next birthday	Male Death Only	Male Death & TPD	Female Death Only	Female Death & TPD
up to 16	\$4.10	\$4.40	\$1.80	\$1.90
17	\$5.00	\$5.40	\$2.00	\$2.20
18	\$5.80	\$6.50	\$2.20	\$2.50
19	\$6.20	\$7.10	\$2.30	\$2.70
20	\$6.00	\$7.10	\$2.20	\$2.70
21	\$5.70	\$6.90	\$2.10	\$2.70
22	\$5.40	\$6.70	\$2.00	\$2.60
23	\$5.00	\$6.40	\$1.80	\$2.50
24	\$4.70	\$6.20	\$1.70	\$2.40
25	\$4.40	\$5.90	\$1.60	\$2.30
26	\$4.10	\$5.70	\$1.50	\$2.20
27	\$3.90	\$5.50	\$1.40	\$2.10
28	\$3.70	\$5.40	\$1.40	\$2.30
29	\$3.70	\$5.50	\$1.50	\$2.40
30	\$3.60	\$5.50	\$1.50	\$2.60
31	\$3.50	\$5.60	\$1.60	\$2.80
32	\$3.50	\$5.70	\$1.70	\$3.00
33	\$3.60	\$6.00	\$1.80	\$3.40
34	\$3.60	\$6.30	\$1.90	\$3.80
35	\$3.70	\$6.60	\$2.10	\$4.30
36	\$3.80	\$6.90	\$2.30	\$4.80
37	\$3.90	\$7.40	\$2.50	\$5.50
38	\$4.10	\$8.00	\$2.70	\$6.30

39	\$4.40	\$8.80	\$3.00	\$7.20
40	\$4.70	\$9.60	\$3.30	\$8.20
41	\$5.00	\$10.60	\$3.60	\$9.30
42	\$5.40	\$11.70	\$3.90	\$10.40
43	\$5.80	\$13.10	\$4.10	\$11.40
44	\$6.30	\$14.60	\$4.20	\$12.30
45	\$6.90	\$16.30	\$4.40	\$13.30
46	\$7.40	\$18.20	\$4.50	\$14.40
47	\$8.10	\$20.30	\$4.70	\$15.80
48	\$8.70	\$22.70	\$5.00	\$17.50
49	\$9.40	\$25.30	\$5.40	\$19.70
50	\$10.20	\$28.30	\$5.80	\$22.30
51	\$11.10	\$31.60	\$6.30	\$25.20
52	\$11.90	\$35.20	\$7.00	\$28.50
53	\$12.90	\$39.20	\$7.60	\$31.80
54	\$13.80	\$43.60	\$8.30	\$35.30
55	\$14.90	\$48.00	\$9.00	\$38.70
56	\$16.00	\$52.50	\$9.80	\$42.10
57	\$17.30	\$57.60	\$10.70	\$45.70
58	\$18.70	\$63.70	\$11.50	\$49.30
59	\$20.40	\$70.60	\$12.40	\$53.10
60	\$22.20	\$78.40	\$13.30	\$57.10
61	\$24.10	\$87.00	\$14.40	\$61.60
62	\$26.20	\$96.30	\$15.70	\$67.10
63	\$28.30	\$106.20	\$17.30	\$73.90
64	\$30.50	\$116.90	\$19.20	\$82.10
65	\$32.70	\$128.60	\$21.30	\$91.30
66	\$42.80	\$153.40	\$29.00	\$109.80
67	\$48.80	\$176.60	\$33.50	\$126.70
68	\$55.60	\$204.00	\$38.70	\$147.00
69	\$63.60	\$236.90	\$44.30	\$170.80
70	\$71.80	\$273.70	\$50.50	\$197.90

## 5. Definitions

### Income Protection Insurance

Income Protection definitions are not shown since these have not changed under the new insurance arrangements.

### Total and Permanent Disablement Insurance

legalsuper pays a lump sum benefit to members who meet the "totally and permanently disabled" (TPD) definition and other requirements as set out in the relevant insurance policy and legalsuper trust deed. Relevant TPD definitions are set out below. If you are aged 65-70, you must satisfy one of the definitions in paragraphs (b) – (e) below. Please refer to legalsuper's Product Disclosure Statement dated 26 July 2008 for more details about TPD requirements.

#### "Totally and permanently disabled" means:

##### a. Unlikely to return to work

If the insured member is employed or engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she is:

- totally unable to engage in any occupation, business, profession or employment for a period of six consecutive months; and
- determined by the insurer at the end of that six month period (or such later time that the insurer agrees with legalsuper), to be permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business profession or employment, for which he or she is reasonably suited by education, training or experience.

NOTE: For the avoidance of doubt, the six month periods referred to in paragraph (a) above do not apply to paragraphs (b) to (e) below.

OR

##### b. Permanent impairment

The insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she:

- suffers a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or an equivalent guide to impairment approved by the insurer; and
- is disabled to such an extent, as a result of this impairment, that they are unlikely ever again to be able to be engaged in any occupation, business, profession or employment for which they are reasonably suited by their education, training or experience.

OR

##### c. Specific loss

As a result of illness or injury, the insured member suffers the total and permanent loss of the use of:

- two limbs (where 'limb' is defined as the whole hand or the whole foot), or
- the sight in both eyes, or
- one limb and the sight in one eye.

OR

##### d. Loss of independent existence

As a result of illness or injury, the insured member suffers loss of independent existence.

'Loss of independent existence' means that the insurer has determined the insured member is totally and irreversibly unable to perform at least two of the following five 'activities of daily living' without the assistance of another adult person:

- bathing and/or showering,
- dressing and undressing,
- eating and drinking,
- using a toilet to maintain personal hygiene,
- getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid.

OR

##### e. Cognitive loss

As a result of illness or injury, the insured member suffers cognitive loss.

'Cognitive loss' means that the insurer has determined that a total and permanent deterioration or loss of intellectual capacity has required the insured member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, the insured member is likely to require permanent ongoing continuous care and supervision by another adult person.

A quick reminder - if you were a legalsuper member at or on **30 September 2005** legalsuper changed insurers on 1 October 2005. That change meant that members had to be "at work" on 30 September 2005 in order to have automatic TPD cover under the new insurance arrangements (other conditions also applied). Essentially, a member was "at work" if the member was not absent from work due to illness or injury on that day and was not, at that time, in receipt of or entitled to receive income support benefits from any source. Members who had TPD cover at 30 September 2005 but who were not "at work" on that date received "limited cover" until they returned to work and continued their normal duties, at which point they generally received TPD cover (other conditions also applied). For more information about your personal circumstances, please contact legalsuper on 1800 060 312.

### Eligibility – insurance claims for prior periods

You can still lodge a claim in respect of events that happened prior to 26 July 2008 (when our new insurance arrangements commence). legalsuper will apply the terms and conditions of the insurance policy that applies to you (as varied by any endorsements issued after the inception date of that policy) in making an assessment.