

INSURANCE

1 June 2019

Mercer Super Trust
Corporate Superannuation Division

Mercer SmartSuper Plan
Individual Section

The information in this document forms part of the Product Disclosure Statement for the Individual Section of the Mercer SmartSuper Plan in the Corporate Superannuation Division of the Mercer Super Trust dated 1 June 2019.

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ABOUT THIS BOOKLET

This *Insurance* booklet (Booklet) is a summary of the key terms and conditions (including exclusions) of the insurance arrangements in the Individual Section of the Mercer SmartSuper Plan (your Plan) in the Corporate Superannuation Division within the Mercer Super Trust. This Booklet should be read in conjunction with the Product Disclosure Statement (PDS) for the Individual Section.

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

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

The insurance part of your super payout is subject to the terms and conditions of the applicable insurance policy. Other conditions may apply.

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

In providing insurance cover, the Insurer will collect and use your personal information. Your privacy is important to the Insurer. The Insurer's privacy policy sets out how your personal information is managed by them and is available at www.aia.com.au.

You should not rely on this Booklet as a full and complete description of the terms and conditions of the insurance policy. All terms and conditions of the insurance policy prevail over any inconsistency in this Booklet. Your super payout could be reduced if the Insurer does not pay out all or part of the insured benefit when a claim is made.

The trustee has the right to change the Insurer.

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

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

MSAL is responsible for the contents of this Booklet and is the issuer of this Booklet.

Mercer and the Insurer are not responsible for the issue of, or any statements in this Booklet, the PDS or any of the other important information booklets referred to in this Booklet or the PDS. They do not make any recommendation or provide any opinion regarding your Plan in the Mercer Super Trust or an investment in it.



Updated information

The information in this Booklet, the PDS and the other booklets (that are part of the PDS) may change.

You can obtain updated information that is not materially adverse at mercersuper.com or call the Helpline to request a copy of the information free of charge.

Changes that are materially adverse will be advised to you as required by law.

HOW TO CONTACT US

Helpline

Call our Helpline on **1800 682 525** or if calling from outside Australia on **61 3 8687 1823** from 8am to 7pm AEST Monday to Friday.

Online

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

After you join the Individual Section, we will send you your personal login. You will then be able to access the *How Your Super Works* booklet and other information about your super in the Mercer Super Trust and other relevant information, including annual reports.

Our online tools include:

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

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

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

By mail

General correspondence and forms

Mercer Super Trust
GPO Box 4303
Melbourne VIC 3001

To write to the trustee

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



Keep your contact details up to date

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

We may send member communications to you (including member statements and significant event notices that the law permits) by:

- email (where we have an email address for you including any email address provided by you or any other person on your behalf including your employer), and/or
- SMS (where we have a mobile number provided by you), and/or
- a link to a website so you can download them.

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

DEATH AND TPD INSURANCE – TERMS AND CONDITIONS

This section is a summary of the terms and conditions for the Death and Total and Permanent Disablement (TPD) insurance cover that apply in the Individual Section.

Call the Helpline for more information about insurance terms and conditions.

See the Glossary for terms used in this section of the Booklet.

WHEN YOU JOIN YOUR PLAN

Death cover (including Terminal Illness cover)

Death cover provides a lump sum benefit if you are diagnosed with a Terminal Illness or die. Refer to the *How Your Super Works* booklet for more information about the level of Death cover and other options in the Individual Section.

Your beneficiaries and/or your estate will receive your insured benefit if you die. You will receive an insured Terminal Illness benefit if you are diagnosed with a Terminal Illness and satisfy other applicable conditions including the condition of release under superannuation law.

TPD cover

TPD cover provides a lump sum payment if you become totally and permanently disabled due to an illness or injury and satisfy other conditions. Refer to the *How Your Super Works* booklet for more information about the level of TPD cover and other options in the Individual Section.

Underwriting

Underwriting is a process where the Insurer considers your application for cover by taking into account your lifestyle, current health, financial details, past medical history and your family medical history. To start this process, you will generally be required to complete a personal statement. The Insurer may ask you for further information based on their findings. The Insurer may accept, decline or impose special conditions (such as an exclusion, restriction or premium loading) for the amount of cover that is subject to underwriting.

You will be advised of the date your cover starts if the Insurer accepts your application.

Changing your Death or Death and TPD cover

You can generally apply to increase, opt out, or reduce your insurance cover at any time. If you want more insurance cover, you can increase the amount by requesting Voluntary Insurance cover. Underwriting will be required.

The type of evidence you'll need will depend on the amount of increase you require.

Where available, you can apply for Voluntary Insurance cover when you join your Plan or at any other time you are a member of your Plan. Refer to the *How Your Super Works* booklet for the insurance cover available in your Plan.

Interim accidental cover

The Insurer will cover you for Accidental Death and (if applicable) Accidental TPD while it is assessing your insurance application.

Interim cover starts from the date you sign your insurance application. It ends on the earlier of:

- your application being accepted or being limited by the Insurer, or
- you withdrawing your application, or
- 20 business days after the Insurer notifies us that your application has been declined (we will advise you of this date after we receive the information from the Insurer), or
- 90 days past the date the interim cover started, or
- when a benefit becomes payable under these interim cover conditions.

A benefit will not be payable if during the interim cover period your Accidental Death or Accidental TPD is caused directly or indirectly by engaging in any sport or pastime for which, at the time of application the Insurer would not normally provide cover at standard rates or terms. Sport or pastime includes but is not limited to abseiling, aviation, (other than a passenger on a recognised airline), football (all codes), long-distance sailing, scuba diving, motor racing, parachuting, powerboat racing, mountaineering or martial arts. Other exclusions may also apply. See the 'Exclusions and reductions to your cover may apply' section later in this Booklet.

All other terms and conditions of the policy apply to interim cover. There are no premiums for the period of interim cover.

You will be advised of the start date for your cover and/or if the Insurer accepts or limits your cover.

You will have the same amount of interim cover as the insurance cover for which you are being assessed, subject to a maximum of \$2 million for Death and \$1.5 million for TPD*.

*The amount of TPD cover based on a Limited TPD definition is dependent on your age, employment status and how your TPD is calculated.

WHILE YOU ARE A MEMBER OF YOUR PLAN

You need to understand some conditions that apply to your insurance cover.

Cover while overseas

You may be able to continue your Death and TPD cover if you are overseas subject to the conditions of the insurance policy.

If you travel overseas temporarily, the following conditions apply:

- you must remain a member of the Individual Section,
- you must be an Australian Resident, and
- premiums for the cover must continue to be paid.

If you will be overseas permanently, in addition to the above you must also advise of your travel arrangements so that the trustee can provide you with more information about what will happen to your insurance arrangements and other benefits under the Individual Section.

If you make a TPD claim you may have to return to Australia at your own expense for medical treatment or assessment (the trustee may not pay a TPD benefit if you do not return to Australia in the above circumstances).

If your cover stops or if you cancel it, your cover will be subject to underwriting before the Insurer can provide you with insurance cover after you return to Australia.

You will not be able to re-apply under the same insurance basis, if you cancel or opt out of the insurance cover that was automatically transferred from your Employer plan to the Individual Section and then subsequently want to re-apply. See the *How Your Super Works* booklet for more information.

Call the Helpline for more details.

Exclusions and reductions may apply

The following exclusions may apply to your insured benefit:

- Any increase in your insured amount for Death or TPD through Voluntary Insurance isn't payable if:
 - your Death is caused by suicide or your Terminal Illness is caused by any deliberate self-inflicted act, or
 - your TPD is caused by attempted suicide or by any deliberate self-inflicted actwithin the first 13 months from the date of the increase.
- For all cover, your insured benefit isn't payable if your Death, Terminal Illness, Accidental Death, TPD or Accidental TPD is caused:
 - wholly or partly, directly or indirectly by active service in the armed forces of any country or territory or foreign or international organisation*, or
 - from any other exclusions imposed by the Insurer for the amount of cover that is subject to underwriting.

*If you are enrolled in the Australian Defence Forces Reserve, this exclusion will only apply where you are called up for active service.

Your insurance benefit may not be payable or may be reduced if:

- you do not notify us as soon as reasonably possible after you first become disabled, in circumstances where such a delay has prejudiced the Insurer's ability to assess and manage a claim, or
- you make a fraudulent claim, or
- you do not meet the claim requirements, or
- premiums are not paid.

When Death and TPD cover stops

Your Death and TPD cover stops in your Plan:

- if you call the Helpline or advise the trustee in writing that you want to cancel your cover, or
- if you leave your Plan, or
- when you die, or
- if you are no longer an Australian Resident, or
- if the Insurer pays a Death (including Terminal Illness) or TPD benefit, or
- if the insurance policy terminates, or
- if you no longer qualify for insurance, or
- if you reach the Cover Expiry Age or
- if premiums are not paid, or
- if the Insurer accepts or declines your continuation option application for death cover, or
- if you make a fraudulent claim, or
- if you have insurance cover and we have not received any contributions or rollovers into your account for a continuous period of 16 months, and you have not elected to maintain your insurance cover.

All cover stops on retrospective acceptance of a TPD claim in the CSD.

You should be aware that if you reduce your weekly working hours, you may no longer be eligible to be classified as TPD under Part (a) of the definition of TPD as outlined in the Glossary.

You'll need to re-apply and satisfy the conditions for insurance including underwriting before the Insurer will provide you with insurance cover if you cancel or opt out of your insurance cover or if your cover stops due to one of the reasons listed above and then subsequently wish to have insurance cover.

You will not be able to re-apply under the same insurance basis if you cancel or opt out of your insurance cover that was automatically transferred from your Employer plan to the Individual Section and then subsequently want to re-apply.

The Insurer may impose conditions or decline your cover.

If you leave the Individual Section, your cover will stop and you may not be eligible for immediate cover under your new fund until you provide satisfactory evidence of good health, financial details and other evidence. It is important that you confirm the impact on your existing cover before you leave the Individual Section. Call the Helpline for more details.

You should refer to the 'Insurance' section of the *How Your Super Works* booklet for the Individual Section for more information including how to elect to maintain your cover.

Cost of cover can change

The Insurer may vary the cost of your insurance cover without your prior approval by giving notice to the trustee. Costs may change if:

- War or any act of invasion occurs (whether declared or undeclared) in which the Commonwealth of Australia's armed forces are involved in activities including combat, defence or other military and operational activities, or
- Australia is involved in War, or
- there are significant changes in the total number of insured members and/or total insurance cover, and/or the information used in determining the premium rates for the Mercer Super Trust, or
- the guaranteed period of the premium rates provided by the Insurer to the trustee expires, or
- there is a change in taxes or duties or other legislative changes that increase the Insurer's costs.

The trustee will let you know of any change in the cost of cover. We will write to you at least 30 days beforehand if your cost of cover is increasing.

MAKING A CLAIM UNDER YOUR PLAN

A claim for Death or TPD may be made if you die or have an injury or illness.

How to make a claim

You must advise us as soon as reasonably possible of any claim or potential claim. To make a claim, you or your beneficiaries can call us on the Helpline.

You will also need to provide further information required by the Insurer to assess your claim, which may be at your own cost.

Paying your Death (Terminal Illness) or TPD benefit

The trustee must meet various legal requirements before it can pay a benefit.

While we make every effort to pay benefits quickly, there may be a significant time between the date of Death or TPD and the benefit payment.

The Insurer needs to assess medical and other evidence for a TPD claim and this can take between 12 to 18 months or longer.

You and your Medical Practitioner must provide the necessary documents and complete all application requirements to make a TPD claim. You will need to meet the costs associated with any claim.

You'll need to meet the Insurer's definition of Terminal Illness or TPD before being eligible for a Terminal Illness or TPD insurance payout while a member of your Plan. See the Glossary for the definition of TPD.

You will need to pay for the cost of returning to Australia if you are living or travelling overseas.

The trustee can only pay an insured benefit if:

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

The trustee will not be able to pay the benefit if you do not satisfy a condition of release. We will deduct any applicable tax from your super payout. Refer to the *Accessing Your Super* fact sheet on mercersuper.com for details about the conditions of release under superannuation law.

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

WHEN YOU LEAVE THE INDIVIDUAL SECTION

How to continue your cover

You may continue your Death insurance cover with the Insurer under a personal policy at your own expense (known as a continuation option) up to the same level of cover without underwriting provided:

- you make an application for a personal policy within 60 days of the date your cover stops, and
- you stop being a member, and
- the amount of Death insurance cover you require is no more than the amount of cover you had, immediately prior to stopping cover in your Plan.

You must complete the applicable continuation application form and meet the following conditions if you want to apply for a personal policy with the Insurer:

- you are not receiving or are entitled to become entitled to or must not have been paid an insured benefit from the Mercer Super Trust, and
- you must not have ceased to be a member of the Mercer Super Trust due to injury or illness, and
- you are under age 65, and
- you satisfactorily complete and provide an Australian citizen or residency and smoker declaration to the Insurer, and
- you satisfy the eligibility criteria and terms under the Insurer's death only personal policy, and
- at the time you apply for the personal policy, you meet the minimum premium requirements for the personal insurance policy.

Any underwriting conditions that applied to your insurance cover under the Individual Section will continue to apply under the personal insurance policy and cover will be subject to the terms and conditions of that policy.

You'll need to call the Helpline before the 60 days expire (or when you stop paying premiums, if earlier) to arrange for a replacement policy if you decide that you'd like to continue this cover with the Insurer. The cost of continuing your cover outside the Mercer Super Trust will be based on the Insurer's prevailing personal insurance policy premiums and terms and conditions.

Under the trustee's insurance policy, the terms and conditions of the continuation option above are not guaranteed and may be subject to change by the Insurer.

For more information, please call the Helpline.

GLOSSARY

Definition of terms that apply to your insurance cover in the Individual Section.

Accident

Means bodily injury caused directly and solely by a violent, accidental, external and visible event.

Accidental Death

Means death which is a result of an Accident.

Accidental Total and Permanent Disablement

Means TPD which is a result of an Accident.

At Work

Means that you are actively performing all the duties of your usual occupation with your employer free from any limitation due to injury or illness and you are not receiving and/or are entitled to claim income support payments from any source including worker's compensation payments, statutory transport accident payments or disability income payments. If you are absent from work for reasons other than injury or illness, you will be considered to be at work as long as you are at work on the day before the first day of your employer approved leave. If you do not meet any of these conditions, you will be considered to be not at work.

Australian Resident

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

Cover Expiry Age

Is as described in the *How Your Super Works* booklet.

Effective Date

Means if you Exercise Choice, the date your employer of your CSD plan first remitted contributions to your chosen fund as notified to the trustee.

Exercise Choice

Is as described in the PDS.

Family Member

Means your spouse, parent, parent-in-law, child including adopted child, step-child or ex-nuptial child.

Full TPD

Means that you have a Permanent Disability and are eligible to claim under any of the four parts, (a), (b), (c) and (d) of the TPD definition.

Limited TPD

Means that you have a Permanent Disability and are eligible to claim under part (b), (c) or (d) of the TPD definition. No Waiting Period applies for Limited TPD.

Medical Practitioner

Means a registered medical practitioner who is appropriately qualified to treat you for your injury or illness. The medical practitioner cannot be you or a Family Member, business partner, employee or Employer.

New Events Cover

Means you are only covered for claims arising from an illness which became apparent or an injury which occurred on or after the date your insurance cover started or most recently started under the Individual Section.

Permanent Disability

Means you have become incapacitated due to ill-health (whether physical or mental) to such an extent, in the Insurer's opinion, that it makes it unlikely that you will ever engage in or work for reward in any occupation or work for which you are reasonably qualified by education training or experience.

Terminal Illness

Means any illness where:

- two Medical Practitioners have certified, jointly or separately, that an illness has caused a reduction in life expectancy to 12 months or less and the Insurer agrees (based on medical evidence provided by your Medical Practitioners), that you suffer from an illness that is likely to result in your death within a period (the certification period) that ends not more than 12 months after the date of the certification, regardless of any treatment that might be undertaken, and
- at least one of the Medical Practitioners is a specialist practising in an area related to the illness suffered by you, and
- for each of the certificates, the certification period has not ended.

The illness resulting in the terminal illness must occur, and the date any Medical Practitioner certifies you as being terminally ill, must take place while you are covered under the Individual Section.

Total and Permanent Disablement (TPD)

As an insured person, you are Totally and Permanently Disabled (TPD) if you have a Permanent Disability and any one of the applicable parts (a), (b), (c) or (d) below applies. You should see the Full TPD and Limited TPD definitions for details of which parts apply.

Part (a) Unlikely to work

When all of the following apply:

- (i) you have been continuously absent from employment through injury or illness for the Waiting Period (3 months), and
- (ii) after considering all evidence which the Insurer believes is necessary, it forms the opinion that you have become incapacitated to such an extent as to render you unlikely ever to engage in, or work for reward in, any occupation or work for which you are reasonably qualified by education, training or experience.

If you are diagnosed with one of the medical conditions specified under a Waiting Period Day One TPD Medical Condition, a waiting period does not apply.

or

Part (b) Specific loss

You have suffered an injury or illness which first became apparent while you were insured under the Individual Section and as a result of the injury or illness have suffered the total and irrecoverable loss of (or total loss of the use of):

- both hands, or
- both feet, or
- one hand and one foot, or
- the sight of both eyes, or
- one hand and the sight in one eye, or
- one foot and the sight in one eye,

where the loss of sight means to the extent that the visual acuity is 6/60 or less, or to the extent that the visual field is reduced to 20 degrees or less of arc.

or

Part (c) Future care

When all the following apply:

(a) you suffer an injury or illness which first occurs, while you are insured under the Individual Section, and

(b) because of that injury or illness, in the opinion of the Insurer you are permanently unable to perform at least two of the five activities of daily living listed below, without assistance from another person:

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

or

Part (d) Cognitive loss

You have suffered an injury or illness which first became apparent while you were insured under the Individual Section and as a result of the injury or illness have suffered the total and permanent deterioration or loss of intellectual capacity that:

- while being insured under the Individual Section, you commenced a period of at least three consecutive months under the continuous care and supervision by another adult person, and
- at the end of that three month period you are likely to require to be under the permanent ongoing continuous care and supervision by another adult person.

Voluntary Insurance

Means any sum insured you elect that requires underwriting.

Waiting Period Day One TPD Medical Condition

Means you are diagnosed by a Medical Practitioner specialising in the relevant field as having Alzheimer's disease or other dementias, cardiomyopathy, diplegia, hemiplegia, chronic lung disease, major head injury, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, Parkinson's disease, permanent blindness, permanent deafness, permanent loss of speech, primary pulmonary hypertension, quadriplegia, or tetraplegia.

War

Includes but is not limited to declared or undeclared war or war related activities, revolution, invasion or rebellion or civil unrest.