

Super facts on insurance

TelstraSuper

We insure many aspects of our lives: house, car, health, life, even pets. Of all of these insurance types, death, disability and income protection cover are possibly the most important, as the financial impact of not having these types of insurance (or having an inadequate amount) can be the most significant.

Insurance through super

Most super funds offer members insurance cover as part of their super arrangement. Telstra Super is no exception, offering members comprehensive and flexible insurance cover that can be tailored to suit your circumstances.

There are many advantages to having insurance through your super fund.

1. Save yourself some money

When taking out an insurance policy to cover over 100,000 members, Telstra Super has been able to negotiate cost-effective wholesale premiums rates for all members.

By having insurance cover through your super fund, you potentially save yourself hundreds of dollars a year compared to insuring yourself individually through a retail fund.

Jim, an office worker turning 35 next birthday, successfully applies for \$500,000 total top-up death and Total & Permanent Disablement (TPD) cover as part of his *Telstra Super Personal Plus* arrangement. His insurance premium payable for the first year would be \$330.

If he had taken out a personal 'retail' life insurance policy through the same insurer, his annual premium for the same level of cover would be \$484.*

*TAL Lifeplan policy, effective 31/3/11.

2. Ease of administration

Insurance premiums payable as a Telstra Super member are deducted from your super account at the end of each quarter or when you leave the fund. This saves you from budgeting for the premiums, arranging monthly or annual payments and dealing with the insurance company directly. With Telstra Super, we arrange it all for you.

3. Automatic cover

Insurance offered as part of a super fund provides members with automatic cover up to certain limits. This means that subject to eligibility criteria, members receive a default level of cover without the need to undergo medical tests or examinations and be assessed by the insurer.

Did you know?

One in five families will be impacted by the death of a parent or a serious accident or illness that renders a parent unable to work.

The typical Australian **family will lose half or more of their income** following a serious illness, injury or the loss of a parent as a result of underinsurance

Source: Lifewise NATSEM Underinsurance Report, February 2010.

Types of insurance cover available

While we do not like to discuss the prospect of death or disablement and the need for life insurance, it is a subject that should not be avoided. Ironically, life insurance is often cheaper than the other types of insurance, yet the most important of all.

Telstra Super offers members the following types of cover, depending on your super arrangement:

Death insurance – provides your dependants with a lump sum payment in the unfortunate event of your death. Eligible members automatically receive a base level of death insurance cover through Telstra Super[†]. You can apply to increase your death cover to any amount. Applications will be assessed by the fund's insurer.

Total & Permanent Disablement (TPD) insurance – provides a lump sum benefit to you in the event you have ceased to be an employee and are unlikely to ever engage in any gainful work for which you are reasonably qualified by education training or experience. Depending on which product you are in, if you aren't working you may also be covered for domestic duties, activities of daily working and other specified conditions.

Eligible members automatically receive a base level of TPD cover, while other members may apply for TPD cover[†]. You can apply to increase your base level of TPD insurance to any amount that suits your circumstances, up to a total of \$3 million.

[†] Eligibility conditions apply to automatic insurance cover and applications for cover. Refer to your product disclosure statement or super guide for full details, terms and conditions.

Income protection insurance – provides you with a replacement income while you're temporarily unable to continue performing the regular duties of your occupation. The replacement income is up to 75% of your salary for insurance purposes* and can be paid for either two years (default period) or five years, after your chosen waiting period provided you continue to meet the definition of total disablement or partial disablement in the insurance Policy. Eligible Telstra Super members automatically receive income protection cover[†] (refer to the Insurance Guide for your product for further information).

* For *Telstra Super Personal Plus* members, your benefit is calculated as 75% of your 'income' rather than 'salary for insurance purposes'. Income is assessed using a formula – refer to the *Telstra Super Personal Plus* Insurance Guide for more information.

Terminal illness benefit – in the unfortunate circumstance you are diagnosed with a terminal illness and have a life expectancy of less than 12 months, you can apply to be paid a terminal illness benefit.

You don't have to have stopped working to qualify for this benefit. A terminal illness benefit is the early payment of your death benefit.

Handy hint

To estimate your insurance cover and how much it will cost, use our Insurance premium & cover calculator in the Tools & Forms section on our website www.telstrasuper.com.au

Insurance available with your Telstra Super arrangement

Arrangement	Base level death cover	Option of top-up death cover	Base level TPD cover	Option of top-up TPD cover	Income protection cover	Transfer external cover to Telstra Super
<i>Telstra Super Corporate Plus</i>	✓	✓	✓	✓	✓	✓
<i>Sensis Super Plus - Accumulation</i>	✓	✓	✓	✓	✓	✓
<i>Sensis Super Plus - Defined Benefit</i>	✓	✓	✓	✓	✓	✓
<i>Telstra Super Personal Plus</i>	✓	✓	✓	✓	✓	✓
<i>Telstra Super Casuals</i>	✓	✓	✗	✓*	✗	✓
<i>Telstra Super RetireAccess®</i>	✓	✓	✗	✗	✗	✗
<i>Telstra Super Division 2</i>	✓	✓	✓	✓	✗	✓
<i>Telstra Super Division 5</i>	✓	✓	✓	✓	✓	✓

*Any insurance in addition to the base level of cover is referred to as top-up cover. *Telstra Super Casuals* members who successfully apply for top-up TPD cover will have any existing age-based death cover reclassified as top-up death cover and top-up premium rates will apply. *Telstra Super RetireAccess* Term Allocated Pension members are not entitled to any insurance cover.

Flexible insurance options with Telstra Super

Life Events cover

When a significant event occurs in your life, such as getting married, buying a home or welcoming new children to the family, it's an opportune time to consider if your insurance cover is adequate for your increased financial obligations.

With Telstra Super's Life Events cover eligible members* can apply to increase their death or death and TPD cover upon the occurrence of a specified Life Event, without providing any medical evidence. To apply for Life Events cover, complete and submit a Life Events Application within 60 days (excluding the day on which the Life Event occurred) of the specified event. For full details of life events covered and other conditions refer to the Insurance Guide for your product.

* Eligible members of *Telstra Super Personal Plus*, *Telstra Super Corporate Plus*, *Sensis Super Plus* and *Telstra Super Casuals* can apply for Life Events cover. Conditions apply.

Transfer your insurance to Telstra Super[‡]

If you currently have your death or death and TPD insurance through another super fund or life insurance company, you may be able to transfer that cover to Telstra Super without having to undergo a medical examination or any additional underwriting.

To transfer your external cover to Telstra Super, please complete the Insurance Transfer Application available from www.telstrasuper.com.au or by calling **1300 033 166**. If you are a *SuperOnline*[™] user, you can access a pre-populated version of this form under 'My forms'.

‡ Conditions apply. See the Insurance Guide or Super Guide relevant to your product

For assistance with your insurance application over the phone, call us and ask to speak to a Super Adviser. Super Advisers are authorised representatives of Telstra Super Financial Planning.

Are you adequately covered?

Determining how much cover you may need is as important as having the insurance cover itself. Underinsurance is a common problem with 64% of Australians failing to adequately insure themselves¹. So, how do you determine an adequate level of insurance for your needs?

Essentially your level of insurance cover should be able to replace your projected income over your working life. This lump sum amount would then need to be invested to provide the required cashflow to maintain you and/or your family's standard of living or to ensure your estate is not left in debt.

The table below provided by TAL illustrates your total potential lifetime earnings in today's dollars[#]. While your level of insurance cover may not need to match this amount, you need to carefully consider how you would fund this loss of income.

Refer to the back page of this factsheet for a step by step guide of how to determine the level of cover you may require.

Case study - TPD cover helps a family recover

Olivia will be turning 35 next birthday. When she joined *Telstra Super Personal Plus* she automatically received age-based base death and TPD cover providing an insured benefit of \$134,681. For added peace of mind, Olivia submitted a successful application for an extra \$500,000 of top-up death and TPD cover.

Less than a year after taking out her additional death and TPD cover, Olivia was injured in an accident which resulted in her Total and Permanent Disablement. Olivia's husband, James was working full-time and daughter Emma was about to start school.

The TPD cover Olivia had through *Telstra Super Personal Plus* helped repay the family's home loan and covered the cost of Emma's education. In addition, it gave the family access to funds to pay their living expenses while James helped Olivia during her initial recovery and transition period, before he returned to full time work.

Potential lifetime earnings in today's dollars

Current income	\$35,000	\$65,000	\$85,000	\$100,000	\$125,000	\$150,000
Current age						
20-24	1,034,000	1,920,000	2,511,000	2,954,000	3,692,000	4,431,000
25-29	953,000	1,769,000	2,314,000	2,722,000	3,402,000	4,083,000
30-34	863,000	1,603,000	2,097,000	2,467,000	3,084,000	3,700,000
35-39	765,000	1,421,000	1,858,000	2,186,000	2,732,000	3,279,000
40-44	657,000	1,220,000	1,595,000	1,877,000	2,346,000	2,815,000
45-49	538,000	999,000	1,306,000	1,536,000	1,920,000	2,304,000
50-54	406,000	755,000	987,000	1,161,000	1,452,000	1,742,000
55-59	262,000	487,000	636,000	749,000	936,000	1,123,000
60-64	103,000	191,000	250,000	294,000	368,000	441,000

Table Provided by TAL Life limited.

Assumes interest at 5% and salary inflation at 3%.

Reviewing your level of insurance cover

Step 1 Check your current level of insurance

Check your current level of cover and applicable annual premium. This information can be found in your most recent Super Statement or by logging into *SuperOnline* at www.telstrasuper.com.au and clicking on 'My insurance'. Alternatively you can call **1300 033 166**, please have your member number and PIN handy when you call.

Step 2 Determine the level of cover you require

To help determine the level of insurance cover you may require, refer to the 'Potential lifetime earnings' table on the previous page and factor in the following potential costs:

- ongoing costs to maintain your family's lifestyle and home
- children's education (primary, secondary and tertiary)
- existing debts (mortgage, credit cards, personal loans or car loan)
- other expenses such as hospital/medical costs, rehabilitation, home repairs or upgrades as a result of permanent disablement
- funeral expenses.

The above costs can be offset by your existing assets (including your super balance, savings and any investments) to determine your required insurance cover.

If you already have insurance cover and there is a difference between your current level of cover and your required level of cover, consider applying to increase your insurance.

Step 3 Apply for additional cover

To apply for additional insurance cover, simply complete a Change of Insurance form and Personal Statement which can be downloaded from the Tools & Forms section at www.telstrasuper.com.au. If you are a *SuperOnline* user, you can access a pre-populated version of these forms under 'My Forms'. Alternatively you can call **1300 033 166** to request copies be sent to you.

Depending on the level of cover you apply for, the insurer may request further medical information to assess your application. Once your application is assessed, Telstra Super will advise you of the outcome.

Your insurance needs are covered with Telstra Super

Telstra Super recognises the importance of adequate levels of insurance and is committed to providing our members with comprehensive, affordable and convenient cover.

- **Comprehensive** – depending on your super arrangement, we offer death, TPD and income protection insurance. You may also have the option to apply to transfer any external death or death and TPD insurance you may have, or to apply for extra cover when significant changes occur in your life. Our insurance cover is provided 24 hours a day, 365 days a year whether at work or play, offering genuine peace of mind.
- **Affordable** – we've negotiated bulk insurance rates to cover 100,000 members, potentially saving you hundreds of dollars per year in premium payments compared to insuring yourself individually.
- **Convenient** – having your insurance and super with the one provider simplifies your financial arrangements, with premiums conveniently deducted from your super account at the end of each quarter.

1. www.axa.com.au 2007 AXA protection report
® is a registered trademark in Australia of the Telstra Corporation Limited.
™ is a trademark in Australia of the Telstra Corporation Limited.
© Telstra Super Pty Ltd ABN 86 007 422 522, AFSL 236709, is the trustee of the Telstra Superannuation Scheme (Telstra Super) ABN 85 502 108 833.
References to Telstra Super Financial Planning are references to Telstra Super Financial Planning Pty Ltd, ABN 74 097 777 725, AFSL 218705.
This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision or acquiring any product, you should obtain and review the product disclosure statement by visiting our website at www.telstrasuper.com.au or calling us on 1300 033 166.



Call

1300 033 166
8.00am to 5.30pm (Melbourne time)
Monday to Friday



Fax

03 9653 6060



Web

www.telstrasuper.com.au



Write

Telstra Super Pty Ltd
PO Box 14309
MELBOURNE VIC 8001



Visit

Telstra Super Member Centre
Foyer, 242 Exhibition Street
MELBOURNE VIC 3000

Frequently Asked Questions on insurance

TelstraSuper 

Here we answer some frequently asked questions from our members about their insurance arrangement with Telstra Super.

Do I need insurance cover?

Should death or disability befall you, do you have a plan for how you/your family would meet mortgage and loan payments, pay bills and cover day-to-day expenses - without your salary coming in? If the answer is no, then you could be leaving yourself open for serious financial hardship. Insurance cover can assist by providing a financial safety net for you and your family and, most importantly, help you to maintain your current lifestyle.

Do I have insurance cover?

The amount of insurance cover you have depends on which Telstra Super arrangement you are in and the type of cover you have elected or received automatically. Refer to the table on page 2 of 'Superfacts on insurance' which summarises the type of insurance available for eligible Telstra Super members.

To find out what type and level of insurance cover you have, refer to your Super Statement, or log into *SuperOnline*[™] and click on 'My insurance'.

How much do I need?

To determine how much cover you may need, a general rule of thumb is to work out how much you would need to pay off debts, any major future expenses, education costs for children and income required to maintain day-to-day living for you and/or your family. For assistance in determining how much cover you may require, call us on **1300 033 166** and ask to speak to a Super Adviser.

How much does it cost?

The premium you pay depends on your age, which super arrangement you are in and the type of cover you have elected or received automatically.

For members of *Telstra Super Corporate Plus* and *Sensis Super Plus*, your employer may pay some of your premiums.

To find out what your insurance cover costs, log into *SuperOnline* and click on 'My insurance'. To estimate the cost of any additional cover use our Insurance premium and cover calculator in the Tools & Forms section on our website at www.telstrasuper.com.au.

When are my premiums deducted?

Insurance premiums will be deducted from your Telstra Super account, at the end of each quarter or at the time you leave the fund or transfer your super to a different Telstra Super product.

Can I increase my cover?

You can apply to increase your level of death cover to any amount and depending on your arrangement and eligibility conditions, you may be able to apply for income protection cover and/or up to \$3 million TPD cover.

To apply for additional insurance simply complete a Change of Insurance form and Personal Statement (available from our website or by calling **1300 033 166**) and return them to Telstra Super. We will forward your application to the fund's insurer, TAL Life Limited, for assessment, and will notify you of the outcome in due course.

Telstra Super also offers Life Events cover whereby eligible members can apply to increase their death or death and TPD cover upon occurrence of a specified Life Event, without providing medical evidence. Life Events include significant events which impact your personal and financial situation such as getting married, buying a home or welcoming a new child to the family. Conditions apply - refer to the Insurance Guide for your product for details.

How much will increased cover cost?

Premiums for top-up cover are calculated based on every \$1,000 of cover using the following formula:

$\text{Elected cover} / 1,000 \times \text{premium rate} = \text{top-up premium.}$

Premium rates for top-up cover depend on your super arrangement and your age. Use the Insurance premium and cover calculator in the Tools & Forms section at www.telstrasuper.com.au to find out how much top-up cover will cost you.

Can I get income protection cover?

Your eligibility for income protection depends on which super arrangement you are in. Refer to the table on page 2 of Superfacts on insurance or visit the 'Insurance cover' section under My super on our website www.telstrasuper.com.au for further details.

Can I transfer my insurance cover from another fund or life insurer to Telstra Super?

If you currently have death or death and TPD cover through another provider, you may be able to transfer that cover to Telstra Super without having to undergo a medical examination. *Telstra Super RetireAccess*® members are currently not eligible to transfer external cover.

To transfer your external cover to Telstra Super, please complete the Insurance Transfer Application available at www.telstrasuper.com.au or by calling **1300 033 166**.

For full details and conditions refer to the Insurance Guide or Super Guide for your product.

How do I nominate a beneficiary?

You can nominate a binding beneficiary or a non-binding beneficiary. To make a beneficiary nomination please complete a Nomination of beneficiaries form which can be obtained from www.telstrasuper.com.au or by calling **1300 033 166**. You can also nominate non-binding beneficiaries by logging into *SuperOnline* and clicking on 'My beneficiaries'.

Can I cancel my insurance cover?

We recommend you seek advice before cancelling your insurance cover - call us on **1300 033 166** and ask to speak to a Super Adviser. You can cancel your insurance by completing a Change of Insurance form and returning it to Telstra Super Pty Ltd.

® is a registered trademark in Australia of the Telstra Corporation Pty Ltd.
™ is a trademark in Australia of the Telstra Corporation Limited.
© Telstra Super Pty Ltd ABN 86 007 422 522, AFSL 236709, is the trustee of the Telstra Superannuation Scheme (Telstra Super) ABN 85 502 108 833.
References to Telstra Super Financial Planning are references to Telstra Super Financial Planning Pty Ltd, ABN 74 097 777 725, AFSL 218705.
This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision or acquiring any product, you should obtain and review the product disclosure statement by visiting our website at www.telstrasuper.com.au or calling us on 1300 033 166.

07/0811



Call

1300 033 166
8.00am to 5.30pm (Melbourne time)
Monday to Friday



Fax

03 9653 6060



Web

www.telstrasuper.com.au



Write

Telstra Super Pty Ltd
PO Box 14309
MELBOURNE VIC 8001



Visit

Telstra Super Member Centre
Foyer, 242 Exhibition Street
MELBOURNE VIC 3000