



MITCHELL REARDON,
TEAL WINDOWS,
FIRST SUPER MEMBER

INSURANCE GUIDE

1 December 2021

IMPORTANT INFORMATION

The information in this document forms part of the First Super Product Disclosure Statement (PDS) for Employer-Sponsored and Personal Members dated 1 December 2021. You should consider this information and the information in the First Super PDS before making a decision to invest in First Super.

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Trustee of First Super ABN 56 286 625 181

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FIRST SUPER'S INSURANCE COVER

- ✓ **Comprehensive:** covered 24 hours a day, 7 days a week.
- ✓ **Easy:** premiums are deducted from your First Super account.
- ✓ **Flexible:** you can increase your cover to suit your needs and situation (subject to meeting the Insurer's health evidence requirements).
- ✓ **Affordable:** each unit of Death and Total and Permanent Disablement (TPD) cover costs \$2.80 per week (Blue Collar/manual), \$1.28 per week (White Collar/non-manual) and \$1.16 per week (Professional). For Death cover only, the cost is \$0.98 per week (Blue Collar/manual), \$0.46 per week (White Collar/non-manual) and \$0.40 per week (Professional).

First Super provides eligible members (see eligibility conditions on page 4) with insurance cover for:

> **Death and Total and Permanent Disablement (TPD)**

This provides a financial benefit if you die or if you become totally and permanently disabled. Cover is available for Death, Terminal Illness and TPD, and ceases at age 70.

> **Voluntary Income Protection**

You can choose to apply for Income Protection cover, which provides a monthly income to help you meet your living expenses and other financial commitments for up to two years if you are totally or partially disabled due to illness or injury and unable to work. This cover is voluntary and is not automatically provided to members. Cover ceases at age 65.

The key definitions applicable to these insurances can be found from pages 16 to 19 of this document.

i Please note that *Putting Members' Interests First* legislation requires super funds to provide insurance on an "opt-in" basis only to:

- > members whose super balances are below \$6,000 on or after 1 November 2019; and
- > members who are under age 25 and hold a new super account from 1 April 2020.

See firstsuper.com.au/PMIF or phone us on **1300 360 988** for more details.

Insurance is provided under group insurance policies taken out by the Trustee and issued by MetLife Insurance Limited (ABN 75 004 274 882 AFSL 238096) ("MetLife").

DEATH AND TPD INSURANCE IN MORE DETAIL

Death (and Terminal Illness) and TPD insurance

When you join First Super you will be covered automatically for 4 units of Death and TPD, provided you are aged between 11 and 69 years, subject to eligibility conditions being met¹ (see page 4). You then have several options, including:

- > dropping some or all of the default insurance cover;
- > keeping the default insurance cover provided;
- > changing to the lower cost White Collar/non-manual or Professional rates if you qualify for them;
- > doubling your default insurance cover without the need to provide health evidence (Employer-Sponsored members only);
- > fixing the value of your default insurance cover so it doesn't decline over time;
- > applying for more units of insurance;
- > applying for a fixed amount of insurance; or
- > transferring other insurance you have into First Super.²

¹Note: if you have previously been paid or been eligible to receive a Total and Permanent Disablement benefit, your Total and Permanent Disablement insurance is only covered by Limited Cover. You should contact First Super for more information.

²Subject to conditions.

The default insurance cover you receive

Default insurance cover of 4 units of Death and TPD is provided automatically to all eligible members and to those who have made a Valid Election (opted in). This costs \$11.20 per week (\$5.12 per week if you are eligible for White Collar/non-manual rates and \$4.64 per week if you are eligible for Professional rates), subject to eligibility conditions being met.

Where an eligible new Employer-Sponsored member is in Active Employment, default insurance cover is provided automatically. Where an Employer-Sponsored member is not in Active Employment, default insurance cover is provided subject to the exclusion of pre-existing illness and injuries (**Limited Cover**).

All other eligible new members will also receive default insurance cover upon joining, however, Limited Cover will apply for 24 months from the date cover commences. At the expiry of this 24-month period, the Limited Cover restriction will be removed, provided the member is in Active Employment or capable of Active Employment. If a member is not in or capable of Active Employment at this time, Limited Cover will continue until they meet Active Employment for 30 consecutive days.

Members can apply to have Limited Cover removed by contacting First Super. Please note that you will be required to provide health evidence.

If you wish to cancel some or all of the default insurance cover, please tell us in writing or call the Member Services Team, otherwise your default insurance cover will continue and premiums will be charged to your account. Each unit of Death and TPD cover dropped will reduce your insurance cost by \$2.80 per week (Blue Collar/manual), \$1.28 per week (White Collar/non-manual) and, \$1.16 per week (Professional).

The value of default insurance cover declines over time according to the scale below:

Age at Death/TPD	Value of 4 units of insurance	Age at Death/TPD	Value of 4 units of insurance	Age at Death/TPD	Value of 4 units of insurance
11 to 34	\$200,000	46	\$98,000	58	\$32,800
35	\$180,000	47	\$92,800	59	\$27,200
36	\$152,400	48	\$87,200	60	\$22,000
37	\$146,800	49	\$81,600	61	\$17,200
38	\$141,600	50	\$76,400	62	\$13,600
39	\$140,000	51	\$70,800	63	\$11,600
40	\$130,800	52	\$65,200	64	\$11,600
41	\$125,600	53	\$60,000	65*	\$5,400
42	\$120,000	54	\$54,400	66*	\$5,400
43	\$114,400	55	\$48,800	67*	\$5,400
44	\$109,200	56	\$43,600	68*	\$5,400
45	\$103,600	57	\$38,400	69*	\$5,400

*Please see the definition of Total and Permanent Disablement on page 17. The Total and Permanent Disablement definitions Tier 2-7 apply from age 65 until you turn 70.

DEATH & TPD INSURANCE IN MORE DETAIL CONTINUED

Eligibility for default cover (automatic)

Default cover for a new member is provided automatically if the member meets General Eligibility and satisfies the following requirements:

- > the member is aged 25 and above; and
- > the member's account balance has reached at least \$6,000 at least once,

OR

- > the member has elected that cover should continue to be provided even if he or she is aged under 25 or has an account balance below \$6,000.

Eligibility for default cover (opt in)

Default cover is provided automatically if the member meets General Eligibility, and:

- > cover had not already commenced (cover via automatic commencement);
- > had not previously opted out or cancelled cover or cover ceased for any reason;
- > the Fund receives a Valid Election from the person for default cover to commence.

If you wish to keep the default insurance cover provided, no action is required. However, we will be required to cancel your cover the Friday immediately prior to a continuous 16-month period during which no Active Contribution has been received on your behalf unless a Valid Election has been made.

If you think you qualify for White Collar/non-manual or Professional rates, you should apply to have the cost of your insurance decreased.

You can apply for lower cost rates when you complete your application form or by using the *Application to Vary Your Insurance Cover Form* available from firstsuper.com.au/forms, or by contacting First Super by phone or email.

You may qualify for White Collar/non-manual insurance rates if you:

- > are solely engaged in a professional, managerial, marketing, accounting, administrative or clerical occupation;
- > spend at least 80 per cent of all working time in an office environment; and
- > are actively working and are able to perform your usual duties, and are not undergoing any rehabilitation program.

You may qualify for Professional insurance rates if you:

- > are solely engaged in a professional, managerial, marketing, accounting, administrative or similar white collar occupation;
- > perform duties that are entirely undertaken within an office environment;
- > earn more than \$125,000 a year from your profession;
- > are in a senior management role, or hold tertiary qualifications, or are a member of a professional institute, or registered by a government body related to your profession; and
- > are actively working and are able to perform your usual duties, and are not undergoing any rehabilitation program.

New Member Offer for new Employer-Sponsored members

If you wish to double your default insurance cover, you may be able to do this if you are a new Employer-Sponsored Member who joined First Super within 6 months of starting with your employer, are in Active Employment and have never been paid or been eligible to be paid a TPD benefit.

Employer-Sponsored Members who first join the Fund by receipt of an On-time contribution and have received default cover will be eligible to apply for an increase in cover without medical underwriting, subject to the following:

- > members can increase cover by either 1,2,3 or 4 units of the Insured Benefit Scale in addition to the amount of Default cover received; and
- > the application to increase the default cover is received by us within the first 6 months of commencing with their employer.

Those members whose cover recommences will not be eligible for the New Member Offer.

A completed *Membership Application Form* electing to increase your cover up to eight (8) units must be made to the Fund within six months of you commencing employment with your employer.

Each additional unit of Death and TPD cover taken will cost \$2.80 per week (Blue Collar/manual), \$1.28 per week (White Collar/non-manual) and \$1.16 per week (Professional). Each additional unit of Death-only insurance you take will cost \$0.98 per week (Blue Collar/manual), \$0.46 per week (White Collar/non-manual) and \$0.40 per week (Professional).

If you wish to:

- > fix the value of your default insurance cover so it doesn't decline over time;
- > apply for more units of insurance; or
- > apply for a fixed amount of insurance,

you can do this at any time by using forms available from firstsuper.com.au/forms or by contacting First Super via phone on **1300 360 988** or email mail@firstsuper.com.au.

The amount of Death cover you may apply for is unlimited, while the maximum insured benefit payable for TPD is \$5 million.

The rates applicable to fixed insurance appear on page 8 of this document. Alternatively, you can contact First Super for a quote.

If your application for a fixed amount of insurance cover is successful, any Death and TPD insurance units in place will be cancelled. Therefore, it is important you apply for the amount of insurance cover you require. If your application for a fixed amount of insurance cover is unsuccessful, any Death and TPD insurance units you had will remain in place.

If you wish to apply to transfer other insurance cover you have into First Super, you can do this at any time by completing the *Application to Transfer Insurance Cover Form*, available from firstsuper.com.au/forms.

Transferring insurance

You may be able to transfer your current insurance arrangement up to the value of \$1.5 million to First Super without having to provide medical evidence.

If the Insurer accepts your application to transfer cover, you acknowledge that it is accepting the risk on the basis that your existing cover had been validly accepted by your previous insurer based on accurate and complete information. You therefore confirm that you have disclosed all relevant matters in accordance with your duty of disclosure or duty to take reasonable care not to make a misrepresentation (whichever applied at the time of application for the existing insurance) and did not make any misrepresentations when you applied for your existing cover. In the event that you have made a non-disclosure or misrepresentation when applying for your existing cover and this would enable an insurer to exercise a remedy under the Insurance Contracts Act 1984 (Cth), including but not limited to avoiding the contract, you understand that the Insurer may exercise that remedy as though your non-disclosure or misrepresentation had been made directly to it.

For more information contact the Member Services Team on **1300 360 988** or email mail@firstsuper.com.au.

What happens when you apply to increase insurance cover?

The Insurer will consider most applications using the information collected on the *Application for Insurance Cover Form*. However, the Insurer may contact you directly to ask further questions regarding your health. In some instances, the Insurer may also request further medical information in the form of medical tests. Should this be required, it will be at the Insurer's expense.

The insurance cover applied for will not commence until the date your application is approved by the Insurer. You will be charged insurance premiums for the increase in insurance cover from that date.

We will notify you of the Insurer's decision. While your application for increased cover is being assessed, you will be provided with Interim Accident cover for up to 90 days. Interim Accident cover is provided at the same level and type of cover as the cover applied for, or the difference between the level of increased cover applied for and the current level of cover, up to a maximum of \$2 million.

Generally, Interim Accident cover pays a benefit if (depending on the cover you have applied for) you have an Accident. It does not include Death or Total and Permanent Disablement caused by a pre-existing illness, disease, injury, deformity or infirmity of any type or arising in circumstances where you have deliberately assumed a risk or courted disaster.

When does your insurance cover start?

Cover commencement (automatic default cover)

Cover starts on the day the member meets the requirements as covered under 'Eligibility for default cover (automatic)' on page 4.

Cover commencement (opt-in default cover)

Where a person satisfies eligibility for commencement of default cover, cover will commence on the later of the date your election (opt-in) form is received or the date First Super receives a contribution or roll-in amount into your account (as relevant).

Other insurance cover starts when the Insurer advises it has accepted your application for cover.

When does Death and TPD insurance cover end?

Insurance cover will end on the earliest of:

- > the date the policy ends
- > the date you commence active duty with the armed forces of any country (except for a member of the Australian Defence Force Reserves, in which case, cover will cease only if you become subject to a callout order under the Defence Act 1903);
- > the date you reach the expiry age for Death or Total and Permanent Disablement insurance (currently age 70);
- > the date you die;
- > the date you cease to be a member of the Fund;
- > the date we receive your request for cover to end (unless the request specifies a later date, in which case, that date);
- > the last day of the month in which your account has insufficient funds to pay insurance premiums;
- > the date a Death benefit, Total and Permanent Disablement benefit, or a Terminal Illness benefit is paid or payable under this Policy in respect of the insured member (if applicable). Unless you held higher death cover than TPD cover. Then your death cover will be reduced by your insured TPD payment;
- > the date we advise you that cover has to end due to some unknown or unexpected circumstance;
- > the Friday immediately prior to a continuous 16-month period during which no Active Contribution has been received on your behalf, unless a Valid Election has been made; or
- > the date you withdraw any Valid Election and as a result First Super would be required to cancel your cover.

HOW WE PAY DEATH & TPD BENEFIT PAYMENTS

Recommencement of cover

Where cover ceases due to lack of Active Contribution for 16 months or more:

- > Default cover (Blue Collar/manual member rating) recommences on the date an Active Contribution is received, where the member:
 - is aged 25 and above; and
 - has an account balance that reached \$6,000 or more at least once; or
 - upon the application for underwritten cover and acceptance by the Insurer.

Limited Cover conditions will apply.

A member whose cover recommences shall not be eligible for the New Member Offer.

Where cover has ceased on 1 April 2020 due to an account balance being less than \$6,000

Default cover will recommence once the member has satisfied the eligibility requirements set out in 'Eligibility for default cover (automatic)' on page 4.

The cover that recommences will be default cover (Blue Collar/manual member rating), and Limited Cover conditions apply.

A member whose cover recommences shall not be eligible for the New Member Offer.

Exclusions: What isn't covered by Death and TPD insurance cover?

Death and TPD insurance cover doesn't cover claims caused directly or indirectly by war or an act of war outside of Australia, although the Insurer may offer to continue insurance cover in exchange for increased premium rates in some circumstances.

First Super and its service providers must comply with the law when making benefit payments, and a benefit cannot be paid where to do so is likely to breach an applicable legal obligation. This includes situations in which sanctions and embargoes are imposed under a United Nations resolution or the laws and regulations of (among others) the European Union, Australia, or the USA. Your insurance cover is likely to be affected if you become personally subject to such sanctions or embargoes, if you travel to a place that is subject to such sanctions or embargoes or if payment of a benefit to any party would breach such sanctions or embargoes.

Cancelling your insurance cover

If you wish to cancel some or all of your insurance cover, you can do so:

- > in writing, to First Super, PO Box 666, Carlton South, VIC 3053
- > by phone, on 1300 360 988.

Death benefits

If you die while you are a member of the Fund, your account balance will be paid as a lump sum. In addition, any insured benefit may also become payable provided the Insurer admits a claim made for payment. To whom your Death benefit will be given when you die depends on the law and what you instruct us to do. You have three options:

1. Do nothing, in which case the law requires the Trustee to pay your benefit to your dependants or estate (see below for the meaning of 'dependant');
2. Make a Binding Nomination of Beneficiary (see below for more information); or
3. Make a Non-Binding Nomination of Beneficiary (see below for more information).

Binding Nomination of Beneficiary: This allows you to provide a written instruction to the Trustee about who you wish to receive your benefit in the event of your death. The Trustee is legally bound to follow your instruction, provided that the nomination is legally valid and the person(s) nominated qualify for payment under the Fund's Trust Deed when the benefit is paid. A Binding Nomination is valid for three years and overrides any Non-Binding Nomination you have made.

Non-Binding Nomination of Beneficiary: This allows you to nominate the people you would prefer to receive your Death benefit should you die while a member of the Fund. The Trustee will take this into account when making a payment, but will ultimately decide who should receive your Death benefit according to the Fund's Trust Deed. Payment will be made to one or more of your dependants or your legal personal representative.

You can make a Binding or Non-Binding Nomination by completing the relevant form available in the PDS, online, or by contacting First Super.

Who is a dependant?

Under superannuation law, a dependant is generally a child, spouse, financial dependant, or a person with whom you have an interdependency relationship. Two people may have an interdependency relationship if:

- > they have a close personal relationship;
- > they live together;
- > one or each of them provides the other with financial support; or
- > one or each of them provides the other with domestic support and personal care.

An interdependency relationship may also exist where there is a close personal relationship between two people who do not satisfy other criteria because either or both of them suffer from a physical, intellectual or psychiatric disability.



To claim a Death benefit your spouse, employer, legal personal representative or some interested party must notify First Super in the event of your death. If you had insurance cover, First Super will lodge a claim with the Insurer and pay the entire amount to the relevant party/ies.

Terminal Illness benefit

If you are diagnosed as having a terminal illness while you are a member of the Fund, provided you have not been paid or have qualified for a TPD payment, an amount equivalent to your Death benefit, up to a maximum insured benefit of \$5 million, may become payable while you are still alive, provided the Insurer admits a claim made for payment. To lodge a claim for a Terminal Illness benefit, contact First Super as soon as reasonably possible to obtain the relevant claim forms.

Total and Permanent Disablement benefit

If you become totally and permanently disabled (TPD), the balance of your account may become payable. In addition, any insured benefit may also become payable provided the Insurer admits a claim made for payment.

All TPD benefits must be assessed by the Trustee before any payment is made to ensure all payments are made in accordance with legislation. As each claim is assessed by the Trustee and Insurer separately, it is possible for the Trustee to conclude that a member qualifies for a TPD benefit while the Insurer concludes that the member does not qualify for the benefit. If this occurs, the Trustee will pay the member account portion of the TPD benefit and attempt to convince the Insurer that it should consider the member's claim for the insured portion of the TPD benefit.

The Trustee has no obligation to pay the insured portion of the TPD benefit to the member until it is paid by the Insurer.

The TPD waiting period: members normally must be disabled for a period of not less than three months before lodging a claim for a TPD benefit.

However, members suffering from the following illnesses may lodge a claim as soon as they become aware they are, or may be, totally and permanently disabled:

- > Blindness
- > Cardiomyopathy
- > Diplegia
- > Hemiplegia
- > Chronic Lung Disease
- > Motor Neurone Disease
- > Multiple Sclerosis
- > Muscular Dystrophy
- > Paraplegia
- > Parkinson's Disease
- > Hearing Loss
- > Speech Loss
- > Tetraplegia
- > Quadriplegia
- > Severe Rheumatoid Arthritis
- > Primary Pulmonary Hypertension.

Members employed and aged under 65 years: A TPD benefit is payable under parts 1, 2, 3, 4, 5, 6 or 7 of the definition of Total and Permanent Disablement at the rear of this document.

Members aged 65 years and over: A TPD benefit is payable if you become disabled before age 70 according to any of parts 2, 3, 4, 5, 6 or 7 of the definition of Total and Permanent Disablement at the back of this document.

Unemployed and retired members: For members who have been unemployed or retired for six months or more, and members who have never been employed (for example, Personal Members on home duties), a TPD benefit is payable if you become disabled before age 70 according to any of parts 2, 3, 4, 5, 6 or 7 of the definition of Total and Permanent Disablement at the rear of this document.

Claiming a TPD benefit

To lodge a claim for a Total and Permanent Disablement benefit, contact First Super as soon as reasonably possible to obtain the relevant claim forms. You must return the claim forms to the Fund, including medical reports from your Medical Practitioner. Please note, provision of these forms does not constitute an admission of liability in respect of any claim lodged.

On receipt of the completed claim forms and medical reports on your condition, your claim will be assessed by the Insurer in accordance with the relevant definitions and policy terms.

Sound medical evidence is vital to a proper and fair assessment. It may be necessary for you to provide further information, provide signed authorities to approach other organisations to access financial information, and undergo one or more medical examinations with Medical Practitioners nominated by the Insurer, or undergo vocational assessment or rehabilitation, while your claim is being assessed.

Depending on the nature of your claim and the evidence provided, there may be a lengthy waiting period as part of the assessment process. The Insurer will meet the cost of any additional medical examinations, vocational assessment or rehabilitation, which it reasonably requires you to undergo, and any costs of you being interviewed. You must be under the regular care of, and following the advice and treatment recommended by your Medical Practitioner.

Where a member has taken out insurance cover and a claim is not accepted by the Insurer and Trustee, no insured benefit will be payable.

Fixed Cover Death or Death and TPD Rates – Premium

The following table shows the yearly premium rates per \$1,000 of cover.

Current Age	Premium rates in dollars per \$1,000 of Death Only			Premium rates in dollars per \$1,000 of Death and TPD		
	Blue Collar/ manual	White Collar/ non-manual	Professional	Blue Collar/ manual	White Collar/ non-manual	Professional
	\$	\$	\$	\$	\$	\$
11-16	1.03	0.48	0.42	2.97	1.40	1.25
17	1.03	0.48	0.42	2.97	1.40	1.25
18	1.03	0.48	0.42	2.97	1.40	1.25
19	1.03	0.48	0.42	2.97	1.40	1.25
20	1.03	0.48	0.42	2.97	1.40	1.25
21	1.03	0.48	0.42	2.97	1.40	1.25
22	1.03	0.48	0.42	2.97	1.40	1.25
23	1.03	0.48	0.42	2.97	1.40	1.25
24	1.03	0.48	0.42	2.97	1.40	1.25
25	1.03	0.48	0.42	2.97	1.40	1.25
26	1.03	0.48	0.42	2.97	1.40	1.25
27	1.03	0.48	0.42	2.97	1.40	1.25
28	1.03	0.48	0.42	2.97	1.40	1.25
29	1.03	0.48	0.42	2.97	1.40	1.25
30	1.03	0.48	0.42	2.97	1.40	1.25
31	1.03	0.48	0.42	2.97	1.40	1.25
32	1.03	0.48	0.42	2.97	1.40	1.25
33	1.03	0.48	0.42	2.97	1.40	1.25
34	1.03	0.48	0.42	2.97	1.40	1.25
35	1.15	0.53	0.49	3.29	1.51	1.38
36	1.36	0.63	0.57	3.90	1.81	1.63
37	1.41	0.65	0.60	4.05	1.87	1.69
38	1.46	0.67	0.61	4.20	1.93	1.75
39	1.48	0.69	0.62	4.25	1.97	1.77
40	1.59	0.74	0.66	4.53	2.09	1.88
41	1.64	0.76	0.69	4.74	2.20	1.97
42	1.73	0.79	0.71	4.93	2.31	2.10
43	1.82	0.84	0.76	5.18	2.40	2.15
44	1.89	0.88	0.79	5.45	2.52	2.27
45	2.00	0.93	0.83	5.72	2.65	2.39
46	2.11	0.97	0.88	6.07	2.82	2.52
47	2.23	1.03	0.93	6.41	2.97	2.67
48	2.37	1.10	0.99	6.82	3.14	2.84
49	2.54	1.18	1.06	7.29	3.38	3.04
50	2.72	1.25	1.13	7.76	3.60	3.23
51	2.93	1.35	1.22	8.41	3.89	3.50
52	3.18	1.47	1.33	9.12	4.21	3.77
53	3.45	1.60	1.45	9.91	4.57	4.12
54	3.81	1.76	1.59	10.93	5.02	4.53
55	4.25	1.97	1.76	12.19	5.63	5.06
56	4.76	2.20	1.98	13.62	6.32	5.68
57	5.40	2.50	2.25	15.48	7.14	6.43
58	6.32	2.92	2.62	18.12	8.40	7.56
59	7.63	3.53	3.17	21.84	10.12	9.11
60	9.42	4.35	3.92	28.72	13.29	11.97
61	12.05	5.57	5.02	38.88	17.99	16.21
62	15.24	7.04	6.35	51.92	23.99	21.59
63	17.87	8.27	7.43	64.05	29.62	26.70
64	17.87	8.27	7.43	67.27	31.13	28.04
65-69*	38.40	17.75	15.98	144.55	66.84	60.16

* Total and Permanent Disablement insurance cover applies as per Tier 2-7

INCOME PROTECTION INSURANCE COVER IN MORE DETAIL

Income Protection insurance cover provides you with a regular income for up to two years to help you pay bills and meet the normal costs of living if you cannot work because you are **Totally Disabled** or **Partially Disabled** due to illness or injury. Income Protection insurance is not provided as default insurance cover, which means you have to apply to be covered by Income Protection insurance.

Who can apply?

Members can apply for Income Protection insurance cover if they:

- > are aged between 16 and 64 years of age inclusive; and
- > work on a permanent full-time basis, or part-time and working at least 15 hours per week on a regular basis. Casual employees are not eligible for Income Protection cover.

Cover is subject to the Insurer's acceptance on such terms and conditions as required.

A member will be required to make a Valid Election (opt in) if they:

- > are under age 25;
- > have an account balance that has not reached \$6,000 or more at least once since 1 November 2019; or
- > have an account that has not received an Active Contribution for at least 16 continuous months.

How to apply for Income Protection insurance cover

You can apply for Income Protection insurance cover by:

- > applying to transfer Income Protection cover you already hold into First Super; or
- > applying to set up Income Protection insurance cover in First Super without transferring existing cover.

If you already have Income Protection insurance cover, transferring it into First Super could be advantageous, especially if you are not paying the premiums through your super. However, because terms and conditions can vary, it may not be possible to exactly match all the terms and conditions attaching to cover that is transferred.

Applications must be in writing using the *Application for Insurance Cover Form*. The Insurer will consider your application and may request medical and other information about you before deciding whether or not to approve your application. If your application is accepted, you will be notified of the acceptance and the date on which the insurance cover, or increase in insurance cover, starts.

If you transfer Income Protection insurance cover into First Super:

- > the total cover amount you have through First Super cannot exceed \$10,000 per month; and
- > you must validly cancel the cover which is being transferred.

Whether you transfer existing cover into First Super or set up Income Protection insurance in First Super without transferring existing cover, the Insurer may apply special terms, conditions and exclusions to your cover. You will be advised of these, if any, before your cover starts.

How much insurance cover can I apply for?

Each unit of Income Protection insurance cover provides a gross benefit of \$100 per month. You can insure up to 75% of your annual salary plus a 10% contribution to super (85% in total) to a maximum of \$25,000 per month.

Interim Accident insurance cover

While your application is being assessed, you will be provided with Interim Accident insurance cover to the lesser of the amount applied for or \$15,000 per month, but only if the condition which gives rise to the benefit is the sole and direct result of an Accident occurring during the period in which Interim Accident insurance cover applies, and is not affected by any pre-existing condition.

Interim Accident insurance cover starts from the time First Super receives your application, and continues until the earlier of the date the Insurer accepts or rejects your application, the date you withdraw your application, or 90 days after the Interim Accident insurance cover started. First Super does not charge a separate premium for Interim Accident insurance cover. In the event an application is accepted, premiums will be charged from the effective date of any cover we approve. If an application for cover is not accepted by us, no premium will be charged for the period in which Interim Accident cover was provided.

The cost of insurance cover

This will depend on:

- > the waiting period you select (30, 60 or 90 days);
- > whether you qualify for Blue Collar/manual, White Collar/non-manual or Professional rates;
- > the amount of insurance cover you select (which can be any number of units up to the maximum available for your annual salary); and
- > whether you are male or female.

Premium rate tables are set out on pages 12 to 14 of this document.

The waiting period is the period of days that must elapse after you are disabled before any benefit is payable. The waiting period starts on the date certified by a Medical Practitioner as being the date on which you became Totally Disabled. First Super offers a choice of three waiting periods: 30, 60 or 90 days. Premiums are generally lower for longer waiting periods. No benefits accrue or are payable during the waiting period. As any benefits are payable monthly in arrears you may wish to consider this when choosing your waiting period.

Occupation categories

An occupation category classifies the usual activities of your job into three categories: **Blue Collar/manual, White Collar/non-manual or Professional rates**. Different rates apply to different occupations because some occupations have more risks attached to them than others. Blue Collar/manual rates apply to all occupations that are not classified as White Collar/non-manual or Professional.

You may qualify for White Collar/non-manual insurance rates if you:

- > are solely engaged in a professional, managerial, marketing, accounting, administrative or clerical occupation;
- > spend at least 80 per cent of all working time in an office environment; and
- > are actively working and are able to perform your usual duties, and are not undergoing any rehabilitation program.

You may qualify for Professional insurance rates if:

- > you are solely engaged in a professional, managerial, marketing, accounting, administrative or similar white collar occupation;
- > your duties are entirely undertaken within an office environment;
- > you earn more than \$125,000 a year from your profession;

INCOME PROTECTION INSURANCE IN MORE DETAIL CONTINUED

- > you are in a senior management role, or hold tertiary qualifications, or are a member of a professional institute, or registered by a government body related to your profession; and
- > you are actively working and are able to perform your usual duties, and are not undergoing any rehabilitation program.

In addition, the cost and conditions of cover may be affected by your personal circumstances. Blue Collar/manual, White Collar/non-manual and Professional rates are shown on pages 12 to 14. To calculate the cost of cover:

1. Find your age and gender on the rate table that best describes your occupation, then decide the waiting period you want to wait before payments start. Let's say White Collar/non-manual rates for a 25-year-old female and a 90-day waiting period.
2. Work out how much income protection you need. If your salary is \$50,000, and you might want cover of \$3,500 per month before tax (just less than 85% of monthly income).
3. Each rate table shows annual premiums per \$100 of monthly cover. So to get \$3,500 per month before tax you need 35 units of cover.

To work out the cost of cover, find the factor in the most right hand column of the White Collar/non-manual rate table that corresponds to current age 25. The factor is \$1.35, which means to get \$3,500 cover per month costs 35 x \$1.35 or \$47.25 a year.

How long is the benefit paid for?

If you make a claim that the Insurer admits, the benefit is payable monthly in arrears for up to two years. This means that the first payment will occur a month after the end of the waiting period. Benefit payments will cease when the earliest of the following events occur:

- > you reach the age of 65;
- > you are no longer totally or partially disabled (that is, you recover or return to work);
- > the maximum two-year benefit period expires; or
- > you die.

When does insurance cover end?

Income Protection insurance cover will end on the earliest of the following:

- > the date the insurance policy ends;
- > the date you reach the Benefit Expiry Age (65);
- > the date you die;
- > the date you commence active duty with the armed forces of any country (except for the Australian Defence Force Reserves, in which case, cover will only cease if you become the subject of a callout order under the Defence Act 1903);
- > the date you cease to be a member of First Super;
- > the date you write to us asking to cancel your cover (unless you specify a later date in the request);
- > the last day of the month in which your First Super account has insufficient funds to pay the premium;
- > the Friday immediately prior to a continuous 16-month period during which no Active Contribution has been received on your behalf, unless a Valid Election has been made; or
- > the date you withdraw any Valid Election and as a result First Super would be required to cancel your cover.

If your insurance cover ceases because you are called up for active duty or deployed by the armed forces of any country for

purposes other than training exercises, cover will recommence from the date you are again in Active Employment and not involved in active duty. Insurance cover will be for the same amount and type as that which ceased as a result of being called up for active duty or deployment by the armed forces of any country.

Recurring disability

If you were engaged in full-time work prior to a period of disability and then return to full-time work, or were engaged in part-time work prior to a period of disability and then return to full-time or part-time work after such period of disability, and you suffer a recurrence of the disability, which was the cause of the earlier claim, within six months of that earlier claim ending, and the insurance policy and your cover are still in place, the recurrence will be treated as a continuation of the earlier claim.

This means the waiting period will not apply again and the benefit period will be reduced by the period for which benefits were paid under the earlier claim (that is, both the original claim and the recurrence will count towards the maximum benefit period of two years).

If recurrence of the disability occurs more than six months after returning to work and insurance cover is still in force, the waiting period will apply and the claim will be treated as a new claim.

Payment of the Partial Disability Benefit

If you become Partially Disabled, we will pay a portion of your monthly benefit, calculated as follows:

(A – B) x monthly benefit where:

- > A is your monthly Pre-disability salary
- > B is the greater of:
 - your Salary; and
 - the Salary you are capable of earning, for the month that the Partial Disability benefit is payable
- > and "monthly benefit" is the lesser of the benefit you are covered for, 75% of your monthly Pre-disability salary, the level of cover agreed between you and the Insurer, and \$25,000.

The Insurer will calculate the amount you are capable of earning, including an assessment based on medical advice, which will include the opinion of your Medical Practitioner, and all other relevant information.

How benefit payments are taxed

Income Protection benefits paid to you as replacement income are subject to income tax in the same way as your salary. Benefits paid as super contributions will have contributions tax deducted in the same way as employer contributions.

What isn't covered?

Income Protection insurance does not cover claims caused directly or indirectly by:

- > war, or an act of war;
- > an intentional self-inflicted act; or
- > pregnancy, except where the member is disabled for more than three months after the end of the pregnancy, in which case the waiting period starts on the later of the date Total Disability begins and the end of the pregnancy.

First Super and its service providers must comply with the law when making benefit payments, and a benefit cannot be paid where to do so is likely to breach an applicable legal obligation. This includes situations in which sanctions and embargoes are imposed under a United Nations resolution or the laws and regulations of (among others) the European Union, Australia, or the USA. Your insurance cover is likely to be affected if you become personally subject to such sanctions or embargoes, if you travel to a place that is subject to such sanctions or embargoes, or if payment of a benefit to any party would breach such sanctions or embargoes.

In addition, benefits may be reduced or refused in some circumstances, including where premiums have not been paid, reasonable claims have not been met, or if you did not notify First Super as soon as reasonably possible after a disability started if this affects the Insurer's ability to assess or manage the claim. Benefits may also be declined while a person is imprisoned, or subject of a custodial sentence as a consequence of being convicted of a criminal offence.

Effect of other income while you are disabled

The benefit otherwise payable in respect of an insured member is reduced by other payments (including settlement or commutation amounts) received by the insured member, or by you or a Participating Employer or another regulated superannuation fund in respect of the insured member

- > by way of workers' compensation
- > by way of social security or other statutory or governmental payment in respect of loss of income (whether under legislation or otherwise)
- > under any statutory accident compensation scheme or as part of any common law award or settlement whether or not modified by statute
- > as benefits under any other disability, injury or sickness insurance Policy (except for lump sum benefits received for total and permanent disablement under such insurance policy).

Should this happen a lump sum payment would be converted to an equivalent monthly amount by dividing the lump sum payment by the lesser of:

- > the number of months in the Benefit Period; or
- > 60.

However, sick leave, long service leave, inheritances, tax refunds, investment income, and similar payments are not taken into account when assessing whether a benefit should be reduced by other payments.

> EXAMPLE

Jason has 35 units of Income Protection insurance cover to provide a monthly benefit of \$3,500. He is receiving workers' compensation of \$2,000 per month. His First Super Income Protection insurance will pay him \$1,125 per month, to top up his workers' compensation payments to a total of \$3,125 (75% of his Pre-disability salary). A further \$375 would be paid to Jason's First Super account.

Overseas travel

If a person receiving Income Protection benefits travels or resides overseas for more than 12 months after benefit payments begin, payment of benefits will continue as long as, in the Insurer's opinion, evidence verifying entitlement can be, and is being, provided in the form, and at the times, reasonably required by the Insurer.

If benefit payments cease, they will resume only if entitlement is established during a period the insured member resides in Australia or in any other country approved by the Insurer.

Repayment of benefits

The Insurer may require repayment, to the extent permitted by law, of all or any part of a benefit paid where:

- > the Insurer was entitled to reduce the benefit paid, but did not do so for any reason; or
- > the benefit, or part of the benefit, was not payable under the insurance policy.

If the Insurer determines that the monthly benefit that was paid by the Insurer was incorrect, the Insurer can recalculate the monthly benefit that should have been paid and either:

- > pay any amounts that were underpaid,
- > require the member to pay the Insurer any amounts that were overpaid, and/or
- > reduce the amount of any future monthly benefit payable until any overpaid amounts have been recovered.

Claiming an Income Protection benefit

To lodge a claim for an Income Protection benefit, you or your representative should contact First Super as soon as reasonably possible to obtain the relevant claim forms. You must return the claim forms to the Fund, including medical reports from your Medical Practitioner. Please note, provision of these forms does not constitute an admission of liability in respect of any claim lodged.

On receipt of the completed claim forms and medical reports on your condition, your claim will be assessed by the Insurer in accordance with the relevant definitions and policy terms.

Sound medical evidence is vital to a proper and fair assessment, and it may be necessary to require you to provide further information, provide signed authorities to approach other organisations to access financial information, and to undergo one or more medical examinations with Medical Practitioners nominated by the Insurer, or undergo vocational assessment or rehabilitation while your claim is being assessed.

Depending on the nature of your claim and the evidence provided, there may be a lengthy waiting period as part of the assessment process. The Insurer will meet the cost of any additional medical examinations, vocational assessment or rehabilitation which it reasonably requires you to undergo, and any costs of you being interviewed. You must be under the regular care of and following the advice and treatment recommended by your Medical Practitioner.

Where a member has taken out insurance cover and a claim is not accepted by the Insurer and Trustee, no insured benefit will be payable.

Income Protection Insurance Rates – Blue Collar/manual

The following table shows the annual premium payable per \$100 monthly benefit.

Waiting Period	Male (Blue Collar/manual)			Female (Blue Collar/manual)		
	30 days	60 days	90 days	30 days	60 days	90 days
Current Age	\$	\$	\$	\$	\$	\$
Up to 19	9.59	4.93	3.16	10.65	5.42	3.45
20	9.71	5.00	3.19	10.77	5.48	3.48
21	9.85	5.09	3.19	10.87	5.57	3.52
22	9.97	5.17	3.22	11.00	5.65	3.56
23	10.11	5.26	3.25	11.13	5.74	3.56
24	10.26	5.35	3.30	11.29	5.81	3.57
25	10.26	5.35	3.19	11.59	5.98	3.74
26	10.39	5.44	3.13	11.97	6.20	3.91
27	10.61	5.57	3.11	12.45	6.46	3.99
28	10.91	5.74	3.11	13.04	6.78	4.10
29	11.29	5.93	3.16	13.74	7.13	4.19
30	11.76	6.10	3.22	14.52	7.43	4.29
31	12.26	6.36	3.33	15.38	7.86	4.45
32	12.87	6.68	3.45	16.34	8.39	4.62
33	13.51	7.06	3.61	17.39	8.95	4.81
34	14.30	7.46	3.81	18.51	9.52	5.07
35	15.10	7.90	4.04	19.70	10.16	5.39
36	16.00	8.39	4.33	21.00	10.83	5.78
37	17.01	8.91	4.63	22.36	11.55	6.24
38	18.07	9.48	5.04	23.80	12.33	6.78
39	19.23	10.11	5.44	25.33	13.13	7.38
40	20.50	11.17	5.93	26.94	14.56	8.13
41	21.84	11.89	6.52	28.64	15.46	8.95
42	23.32	12.70	7.20	30.46	16.45	9.88
43	24.93	13.62	7.94	32.32	17.48	10.93
44	26.60	14.58	8.80	34.33	18.59	12.10
45	27.20	15.60	9.80	36.41	19.73	13.36
46	29.18	16.78	10.93	38.63	20.98	14.78
47	31.05	18.00	12.19	41.03	22.26	16.17
48	32.79	19.39	13.63	44.01	23.65	17.74
49	35.71	20.87	15.12	46.23	25.13	19.39
50	38.05	24.23	16.48	49.06	28.35	21.14
51	40.62	26.15	18.08	52.16	30.16	23.20
52	43.87	28.32	19.82	55.45	32.08	25.41
53	47.44	30.71	22.22	59.04	34.19	27.89
54	52.37	33.39	24.95	62.91	36.45	30.26
55	56.30	36.32	27.98	67.14	38.94	32.67
56	61.23	39.60	31.40	71.77	41.67	35.19
57	66.74	43.32	35.71	76.86	44.68	37.81
58	72.89	47.49	41.62	82.47	48.00	40.49
59	79.81	52.19	47.38	88.74	51.68	43.21
60	86.78	60.41	53.48	95.67	56.32	45.97
61	95.44	66.58	59.56	103.09	60.81	48.65
62	113.38	69.81	60.71	108.13	62.51	47.32
63	77.21	44.86	34.39	73.42	40.13	26.02
64	25.48	14.80	11.36	24.23	13.24	8.58

Income Protection Insurance Rates – White Collar/non-manual

The following table shows the annual premium payable per \$100 monthly benefit.

Waiting Period	Male (White Collar/non-manual)			Female (White Collar/non-manual)		
	30 days	60 days	90 days	30 days	60 days	90 days
Current Age	\$	\$	\$	\$	\$	\$
Up to 19	3.46	1.79	1.15	3.86	1.96	1.25
20	3.52	1.81	1.16	3.91	1.98	1.26
21	3.57	1.85	1.16	3.93	2.02	1.27
22	3.61	1.87	1.17	3.98	2.05	1.28
23	3.66	1.91	1.18	4.04	2.08	1.28
24	3.71	1.94	1.20	4.09	2.11	1.30
25	3.71	1.94	1.16	4.19	2.17	1.35
26	3.77	1.97	1.13	4.34	2.24	1.42
27	3.85	2.02	1.12	4.51	2.34	1.45
28	3.94	2.08	1.12	4.73	2.45	1.48
29	4.09	2.16	1.15	4.98	2.59	1.52
30	4.26	2.21	1.17	5.26	2.69	1.55
31	4.44	2.29	1.21	5.57	2.86	1.61
32	4.66	2.42	1.25	5.92	3.04	1.68
33	4.89	2.56	1.31	6.30	3.23	1.74
34	5.18	2.70	1.38	6.72	3.45	1.84
35	5.47	2.87	1.47	7.14	3.69	1.95
36	5.79	3.04	1.58	7.61	3.92	2.09
37	6.15	3.22	1.69	8.10	4.18	2.26
38	6.54	3.44	1.81	8.63	4.46	2.45
39	6.96	3.66	1.97	9.18	4.76	2.67
40	7.43	4.04	2.16	9.76	5.27	2.95
41	7.91	4.31	2.37	10.38	5.60	3.23
42	8.45	4.61	2.61	11.04	5.96	3.57
43	9.04	4.93	2.87	11.71	6.34	3.96
44	9.66	5.29	3.19	12.44	6.73	4.39
45	10.35	5.66	3.56	13.19	7.16	4.84
46	11.09	6.08	3.96	14.00	7.59	5.35
47	11.91	6.52	4.41	14.87	8.06	5.90
48	12.81	7.03	4.94	15.78	8.57	6.50
49	13.78	7.56	5.55	16.75	9.11	7.13
50	14.85	8.78	6.22	17.77	10.27	7.81
51	16.04	9.48	6.96	18.89	10.93	8.54
52	17.35	10.26	7.81	20.09	11.64	9.29
53	18.80	11.13	8.78	21.39	12.39	10.12
54	20.40	12.10	9.85	22.79	13.20	10.96
55	22.18	13.15	11.04	24.32	14.10	11.84
56	24.17	14.35	12.37	26.01	15.10	12.76
57	26.40	15.70	13.85	27.86	16.20	13.70
58	28.90	17.21	15.52	29.88	17.39	14.68
59	31.73	18.91	17.37	32.16	18.72	15.66
60	34.89	21.89	19.38	34.66	20.40	16.66
61	38.39	24.13	21.57	37.35	22.04	17.62
62	41.09	25.29	22.00	39.18	22.64	17.14
63	27.97	16.26	12.45	26.60	14.54	9.43
64	9.23	5.36	4.12	8.78	4.79	3.11

Income Protection Insurance Rates – Professional

The following table shows the annual premium payable per \$100 monthly benefit.

Waiting Period	Male (Professional)			Female (Professional)		
	30 days	60 days	90 days	30 days	60 days	90 days
Current Age	\$	\$	\$	\$	\$	\$
Up to 19	3.13	1.61	1.02	3.46	1.76	1.13
20	3.17	1.64	1.04	3.52	1.79	1.13
21	3.21	1.66	1.04	3.55	1.81	1.15
22	3.24	1.69	1.05	3.59	1.85	1.16
23	3.30	1.71	1.06	3.62	1.87	1.16
24	3.35	1.74	1.07	3.69	1.90	1.17
25	3.35	1.74	1.04	3.78	1.95	1.22
26	3.39	1.78	1.02	3.91	2.02	1.27
27	3.45	1.81	1.01	4.07	2.11	1.30
28	3.56	1.87	1.01	4.25	2.21	1.34
29	3.69	1.94	1.02	4.49	2.33	1.37
30	3.83	1.98	1.05	4.74	2.42	1.40
31	3.99	2.08	1.07	5.02	2.58	1.45
32	4.19	2.18	1.13	5.34	2.74	1.50
33	4.40	2.29	1.18	5.67	2.91	1.58
34	4.66	2.43	1.25	6.04	3.11	1.65
35	4.92	2.58	1.31	6.43	3.31	1.75
36	5.22	2.74	1.42	6.84	3.54	1.89
37	5.55	2.91	1.52	7.28	3.77	2.02
38	5.89	3.09	1.64	7.77	4.02	2.21
39	6.27	3.30	1.78	8.26	4.29	2.40
40	6.68	3.64	1.94	8.78	4.74	2.65
41	7.11	3.88	2.13	9.34	5.04	2.91
42	7.61	4.14	2.35	9.93	5.36	3.22
43	8.13	4.44	2.59	10.55	5.71	3.57
44	8.70	4.76	2.87	11.19	6.06	3.94
45	9.31	5.09	3.19	11.87	6.45	4.35
46	9.98	5.47	3.57	12.60	6.84	4.82
47	10.71	5.87	3.97	13.37	7.26	5.31
48	11.52	6.32	4.45	14.21	7.72	5.84
49	12.40	6.80	4.99	15.07	8.20	6.41
50	13.37	7.90	5.60	16.00	9.24	7.04
51	14.43	8.53	6.27	17.01	9.83	7.69
52	15.60	9.23	7.04	18.08	10.46	8.38
53	16.91	10.01	7.90	19.24	11.15	9.11
54	18.35	10.88	8.86	20.52	11.88	9.87
55	19.96	11.84	9.93	21.89	12.70	10.66
56	21.75	12.92	11.14	23.40	13.60	11.48
57	23.76	14.13	12.47	25.06	14.57	12.33
58	26.01	15.48	13.98	26.89	15.65	13.20
59	28.55	17.02	15.62	28.93	16.86	14.09
60	31.40	19.70	17.44	31.19	18.36	14.99
61	34.56	21.72	19.41	33.62	19.83	15.85
62	36.98	22.76	19.79	35.25	20.39	15.43
63	25.17	14.63	11.20	23.95	13.09	8.49
64	8.31	4.83	3.70	7.90	4.31	2.80

OTHER IMPORTANT INFORMATION ABOUT INSURANCE

Changing arrangements

The Trustee may from time to time renegotiate some or all of its insurance arrangements. This may result in changes to:

- > eligibility criteria and exclusions;
- > premiums;
- > the cover provided (for example, the definitions of Total and Permanent Disablement);
- > the Insurer providing insurance cover to the Trustee; or
- > the amount of cover per unit or the cost per unit of cover or both.

If changes are not materially adverse, First Super may include information on our website firstsuper.com.au or in the next *Annual Report* to members. Otherwise, members will be advised in writing.

Insurance cover issued in error

In certain circumstances, an administration error might occur in which you are provided with insurance cover to which you were not entitled. This typically occurs where a person is allocated more than one account in First Super due to a change in employers. Should this occur, the insurance cover to which you were not entitled is invalid, will be cancelled and any premium payments incorrectly deducted will be refunded to your account balance.

Cancellation of insurance cover in inactive accounts

Members who have not received a contribution or rollover into their account for a continuous period of 16 months, and who have not made a Valid Election to maintain their insurance cover, will have any Death, TPD or Income Protection cover held through First Super cancelled on the last Friday of the month immediately prior to the 16-month period.

If a member wishes to keep insurance within First Super, they must formally elect to stop their cover from being cancelled. You can do this through the Fund's online opt-in form at firstsuper.com.au/inactive_insurance/. Otherwise, contact our Member Services Team to request a printed opt-in form, which will need to be signed and returned in the mail.

Once a contribution is made to your account, your cancelled cover will be reinstated as Limited Cover. If you are in Active Employment on the last day of the 24-month period after reinstatement, you will receive full cover. If not, then Limited Cover will continue until you return to Active Employment for 30 days.

For full details of the conditions, contact our Member Services Team.

Insurance fees

Insurance fees are calculated and deducted from accounts at the end of each month.

The duty to take reasonable care not to make a misrepresentation

When you apply for life insurance, the Insurer will ask you a number of questions.

The Insurer's questions will be clear and specific. They will be about things such as your health and medical history, occupation, income, lifestyle, pastimes, and other insurance.

The answers given in response to the Insurer's questions are very important. The Insurer will use them to decide if it can provide cover to you and, if it can, the terms of the cover and the premium the Insurer will charge.



Care must be taken to answer all questions the Insurer will ask as part of your insurance application honestly and accurately. Otherwise, you may not be able to rely on your insurance when it's needed the most.

The duty to take reasonable care

When applying for insurance, there is a duty to take reasonable care not to make a misrepresentation.

A misrepresentation could be made if an answer is given that is false, only partially true, or that does not fairly reflect the truth. This means when answering our questions, you should respond fully, honestly and accurately.

The duty to take reasonable care not to make a misrepresentation applies any time you answer our questions as part of an initial application for insurance, an application to extend or make changes to existing insurance, or an application to reinstate insurance.

You are responsible for all answers given, even if someone assists you with your application.

The Insurer may later investigate the answers given in your application, including at the time of a claim.

Consequences of not complying with the duty

If there is a failure to comply with the duty to take reasonable care not to make a misrepresentation, it can have serious consequences for your insurance, such as those explained below:

Potential consequences	Additional explanation	Impact on claims
Your cover being avoided	This means your cover will be treated as if it never existed	Any claim that has been made will not be payable
The amount of your cover being changed	Your cover level could be reduced	If a claim has been made, a lower benefit may be payable
The terms of your cover being changed	The Insurer could, for example, add an exclusion to your cover meaning claims for certain events will not be payable	If a claim has been made for an event that is now excluded, it will not be payable

If the Insurer believes there has been a breach of the duty to take reasonable care not to make a misrepresentation, the Insurer will let you know its reasons and the information the Insurer relies on and give you an opportunity to provide an explanation.

In determining if there has been a breach of the duty, the Insurer will consider all relevant circumstances.

OTHER IMPORTANT INFORMATION ABOUT INSURANCE CONTINUED

The rights the Insurer has if there has been a failure to comply with the duty will depend on factors such as what the Insurer would have done had a misrepresentation not been made during your application process and whether or not the misrepresentation was fraudulently made.

If the Insurer decides to take some action on your cover, the Insurer will advise you of its decision and the process to have this reviewed or make a complaint if you disagree with the decision.

Guidance for answering our questions

When answering our questions, please:

- > Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us before you respond.
- > Answer every question that we ask you.
- > Do not assume that we will contact your doctor for any medical information.
- > Answer truthfully, accurately and completely. If you are unsure about whether you should include information, please include it or check with us.
- > Review your application carefully. If someone else helped prepare your application (for example, your adviser), please check every answer (and make corrections if needed) before the application is submitted.

Other important information

Your application for cover will be treated as if you are applying for an individual 'consumer insurance contract'. For this reason, the duty to take reasonable care not to make a misrepresentation applies.

Before your cover starts, the Insurer may ask about any changes that mean you would now answer its questions differently. As any changes might require further assessment or investigation, it could save time if you let the Insurer know about any changes when they happen.

If after the cover starts, you think you may not have met your duty, please contact us immediately and we'll let you know whether it has any impact on the cover.

It's important that you understand this information and the questions we ask, so if you have any queries please contact the fund on 1300 360 988.

Key definitions

The following key definitions were taken from the insurance policy documents held by First Super at the date of this document.

Members, prospective members and their representatives can obtain a copy of the insurance policy/ies by contacting First Super.

Unless otherwise stated, the definitions below are drawn from the MetLife insurance policies.

Key definitions for Death and TPD insurance

Active Contribution

Means a contribution (whether employer, member or otherwise) or a rollover into the Fund.

General Eligibility

A member meets the General Eligibility criteria if:

- (1) he or she is aged between 11 and 69 (inclusive) and

- (2) he or she is not a person who elects not to have insurance cover held on his or her behalf and
- (3) has not been paid or been eligible to receive a Total and Permanent Disablement (TPD) benefit from any superannuation fund (including First Super) or any other policy of life insurance.

If a person has been paid or is eligible to receive a TPD benefit from any superannuation fund (including First Super) or any other policy of life insurance, any further TPD cover will be restricted to Limited Cover.

Participating Employer

Means an employer who has entered into an agreement with First Super that it should be its default superannuation provider.

Personal Member

Means a person who is either a member of First Super's personal division, spouse member or non-member spouse.

Active Employment means:

- > **Employer-Sponsored Member** a member who is employed by the employer and is capable of performing their identifiable duties without restriction by any illness or injury on a full-time basis (whether or not he or she is working those hours).
- > **Personal Member** a member, who in the Insurer's opinion, is capable of performing their identifiable duties without restriction as a result of any illness or injury for at least 35 hours a week (whether or not they are actually working those hours).

Limited Cover

The member being covered only for claims arising from a New Event.

Limited Cover conditions (automatic default cover)

Employer-Sponsored members

For an insured member whose cover commenced with a contribution or whose cover recommences after cover ceased on 1 April 2020:

- (a) If the first On-time Superannuation Guarantee (SG) contribution received by the Fund is within six months of when the insured member was first entitled to receive a SG contribution from the Participating Employer (with whom they are employed when they first join the Fund), then Limited Cover will apply until the insured member is in Active Employment for 30 consecutive days.
- (b) If the first SG contribution is received by the Fund outside 6 months of when the insured member was first entitled to receive a SG contribution from the Participating Employer (with whom they are employed when they first join the Fund), then Limited Cover will apply for at least 24 months. If at the end of the 24-month period the insured member is in Active Employment, the cover will become full cover, otherwise Limited Cover will continue to apply until the insured member returns to Active Employment for 30 consecutive days.

Personal Members

For an insured member who received default cover, Limited Cover will apply for at least 24 months. If at the end of the 24-month period the insured member is in Active Employment, the cover will become full cover, otherwise Limited Cover will continue to apply until the insured member returns to Active Employment for 30 consecutive days.

Limited Cover conditions (opt-in default cover)

Employer-Sponsored Members

For an insured member whose cover commenced after opting in:

- (a) If the first SG contribution received by the Fund is within 6 months of when the insured member was first entitled to receive a SG contribution from the Participating Employer, with whom they are employed when they first join the Fund then Limited Cover will apply until the insured member is in Active Employment for 30 consecutive days.
- (b) If the first SG contribution is received by the Fund outside 6 months of when the insured member was first entitled to receive a SG contribution from the Participating Employer, with whom they are employed when they first join the Fund then Limited Cover will apply for at least 24 months. If at the end of the 24-month period the insured member is in Active Employment, the cover will become full cover, otherwise Limited Cover will continue to apply until the insured member returns to Active Employment for 30 consecutive days.

Personal Members

For an insured member whose cover commenced after opting in, Limited Cover will apply for at least 24 months. If at the end of the 24-month period the insured member is in Active Employment, the cover will become full cover, otherwise Limited Cover will continue to apply until the insured member returns to Active Employment for 30 consecutive days.

New Event

An illness which first becomes apparent or an injury which first occurs on or after the date that cover last commenced, recommenced, or was reinstated in respect of the member.

Employer-Sponsored Member

A member has been accepted by the Fund as an employee of an employer that may or may not be a Participating Employer, by receipt of an on-time contribution.

On-time

A contribution made within six months of the first date the member's employer is legally required to make a superannuation guarantee contribution.

Valid Election (opting in)

A Valid Election (or opting in) means a written election in which the member has formally elected that cover will be provided or will continue to be provided even if the member:

- > is under the age of 25, or
- > has not had an account balance with the Fund of at least \$6,000 at any time since 1 November 2019, or
- > has not received an amount into their account with the Fund for a continuous period of 16 months.

An election / opt in will only be a Valid Election in relation to the type of insurance cover that is covered by the election.

Accident

A fortuitous, external event that occurs by chance causing Death or Total and Permanent Disablement. It does not refer to an event which results in illness, disease, injury or infirmity of the person insured, such that they would qualify for a Death or TPD benefit (as applicable) to be paid.

Whether the Death or Total and Permanent Disablement was caused by an unintended and unexpected characteristic or consequence of an intended act (such as the application of unintentionally excessive force, or the creation of unintended or excessive force, or the creation of unintended excessive pressure or strain) is irrelevant in determining whether Death or Total and Permanent Disablement has arisen as a result of an accident.

An Accident must result in the Death or Total and Permanent Disablement of the person insured for a benefit to be payable where liability is contingent on an event being caused by an accident or by accidental injury.

For the avoidance of doubt, an Accident shall specifically exclude Death or Total and Permanent Disablement (if it applies):

- > arising out of, or contributed to in any way by, any pre-existing illness, disease, injury, gradual physical or mental deformity, or infirmity known to the person insured at the effective date of their cover under this Policy.
- > arising in circumstances where the insured member deliberately assumed the risk or courted disaster, irrespective of whether he or she intended or contemplated the results of his or her actions.

Where there is any doubt as to the cause of the Death or Total and Permanent Disablement sustained as a result of an Accident, the cause will be characterised as being the result of an illness.

Incident Date

Date of death or the date the Insurer agrees the insured member has a Terminal Illness, or for Total and Permanent Disablement means the later date of the date on which a Medical Practitioner examines and certifies in writing the insured member is disabled and the insured member ceases employment.

Terminally Ill

Having suffered an illness or injury that, in the written opinion of two Medical Practitioners, one of whom is an appropriate specialist in the illness or injury, and the Insurer agrees the illness or injury is likely to lead to the death of the insured member within 24 months from the date that the opinions are provided, the amount payable will be the value of the death benefit cover held on the date of the latest written certification.

"Terminal Illness" has a corresponding meaning. The illness or injury from which the insured member suffers must occur, and the date of the latest written opinion must be, while the insured member is covered under the Policy, and the Policy must be current at the time of the latest written opinion.

Total and Permanent Disablement and Totally and Permanently Disabled (TPD)

The Government has decided that the definitions of Total and Permanent Disablement and Totally and Permanently Disabled (TPD) used by super funds must be consistent with certain regulations. These regulations may change over time and, should this happen, the corresponding definition(s) used by super funds may be affected.

For members who joined First Super before 1 July 2014, the Trustee will (at least until insurance rates must be renegotiated) maintain the definition of Total and Permanent Disablement and Totally and Permanently Disabled that applied before the new regulations took effect on 1 July 2014. The relevant definitions are on the following page.

OTHER IMPORTANT INFORMATION ABOUT INSURANCE CONTINUED

To qualify for a TPD payment, a member must satisfy one of the seven tests shown. Members who joined after 30 June 2014 must also satisfy one of the seven tests shown and, in addition, must be taken (by the Insurer) to be suffering permanent incapacity (whether physical or mental) such that it is unlikely due to that incapacity that the member will engage in gainful employment for which the member is reasonably qualified by education, training or experience.

1. Unlikely to return to work

If the insured member is under the age of 65 years at Incident Date and (other than a member who is only a member of the pension division and has permanently retired from the workforce) is employed or engaged in a gainful occupation, business, profession or employment or within 12 months of the date an insured member ceases to be so employed or engaged:

- > that insured member has suffered an injury or illness and, as a result of that injury or illness, the insured member is totally unable to be employed or engaged in that occupation, business, profession or employment for a period of three consecutive months; and
- > is determined by the Insurer at the end of that three-month period (or such later time as the Insurer agrees with the policy owner) to be permanently incapacitated to such an extent as to render the insured member unlikely ever to be employed or engaged in any gainful occupation, business, profession or employment for which the insured member is reasonably suited by education, training or experience.

NOTE: For the avoidance of doubt, the 12-month period referred to in Tier 1 above does not apply to Tiers 2 to 7 below or insured members between the ages of 65-70 years old.

OR

2. Specific illnesses or injuries

If the insured member has been diagnosed by a Medical Practitioner as suffering from one of the listed medical conditions below, the Insurer will waive the TPD waiting period when assessing a claim lodged. The medical conditions (as defined in Appendix B – Definitions of Medical Conditions in the policy) are:

- > Blindness
- > Cardiomyopathy
- > Diplegia
- > Hemiplegia
- > Chronic Lung Disease
- > Motor Neurone Disease
- > Multiple Sclerosis
- > Muscular Dystrophy
- > Paraplegia
- > Parkinson's Disease
- > Hearing Loss
- > Speech Loss
- > Primary Pulmonary Hypertension
- > Quadriplegia
- > Severe Rheumatoid Arthritis
- > Tetraplegia

OR

3. Permanent impairment

The insured member suffers an injury or illness and, as a result of that injury or illness, the insured member 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 us; and

- > is disabled to such an extent, as a result of this impairment, that the insured member is unlikely ever again to be able to be employed or engaged in any gainful occupation, business, profession or employment for which the insured member is reasonably suited by education, training or experience.

OR

4. 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);
- > the sight in both eyes; or
- > one limb and the sight in one eye.

OR

5. Loss of independent existence

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

Loss of independent existence means 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; or
- > 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

6. Cognitive loss

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

Cognitive loss means 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 three consecutive months and, at the end of that three-month period, the insured member is likely to require permanent ongoing continuous care and supervision by another adult person.

OR

7. Home Makers

TPD means where, at the date of disablement, the insured member is not employed and is engaged in unpaid domestic duties at home, they:

- > As a result of illness or injury, are under the care of a Medical Practitioner and are unable to perform those domestic duties, and are unable to leave their home unaided, and have not engaged in any gainful employment for a period of three consecutive months after the occurrence of the illness or injury; and
- > At the end of three months, in the Insurer's opinion, are disabled to the extent they are unlikely to perform those domestic duties or engage in any gainful occupation.

Key definitions for Income Protection insurance

Active Employment

The same definition as for Death and TPD insurance.

Total Disability and Totally Disabled

Solely as a result of injury or illness, the insured member is incapable of performing one or more of the duties of his/her regular occupation necessary to produce income, as confirmed by a Medical Practitioner, and the insured member is not engaged in any occupation and is under regular treatment, and following the advice of a Medical Practitioner.

Disability and Disabled

In relation to an insured member, Total Disability or Partial Disability, as the context requires.

Valid Election (opting in)

A Valid Election (or opting in) means a written election in which the member has formally elected that cover will be provided or will continue to be provided even if the member:

- > is under the age of 25, or
- > has not had an account balance with the Fund of at least \$6,000 at any time since 1 November 2019, or
- > has not received an amount into their account with the Fund for a continuous period of 16 months.

An election / opt in will only be a Valid Election in relation to the type of insurance cover that is covered by the election.

Medical Practitioner

Means a medical practitioner who is legally qualified and properly registered in Australia, and not related to, or connected by personal relationship, to the relevant member.

Partial Disability and Partially Disabled

In relation to an insured member, all the following applies:

- > he or she has been Totally Disabled:
 - for a period during which a Total Disability benefit has been paid; or
 - for at least 7 days out of 12 consecutive days during the waiting period;
- > then returns to work, or is then capable of returning to his or her usual occupation, but only in a limited capacity; and
- > the salary the insured member is earning, or is capable of earning, is less than his or her pre-disability salary due to the injury or illness causing Total Disability.

Participating Employer

Means an employer who has entered into an agreement with First Super that it should be its default superannuation provider.

Pre-disability salary

Means the total monthly value of salary received by you from your usual occupation, averaged over the lesser of:

- > the 12-month period immediately prior to you becoming disabled
- > the actual period of work (provided the period of work occurred in the 12-month period preceding the incurred date of claim).

The definition of Pre-disability salary relates solely to the calculation of the value of 'A' in the formula used to determine any Partial Disability benefit payable.

Salary

The total monthly value of salary received by the insured member from his or her usual occupation, averaged over the most recent 12-month period prior to the commencement of the waiting period. Salary package items taken in lieu of cash are included as salary where the item must be funded by the member in the event of Total Disability or Partial Disability.

Regular overtime and shift allowances will be averaged over the previous 12-month period or since the member started their occupation, if the period is less than 12 months. Performance related commission, bonuses and other monetary benefits will be averaged over the previous three years or since the insured member started his or her current occupation.

Where the insured member directly or indirectly owns all or part of the business (self employed) from which he or she earns his or her usual income, Salary means the total amount earned by the business over the financial year as a direct result of the insured member's personal exertion or activities through his or her usual occupation, less his or her share of business expenses, but before the deduction of income tax, for that business (or the relevant proportion for part of a financial year).

Waiting period

The number of consecutive days for which an insured member must be Totally Disabled or Partially Disabled, as the case may be, before the Total Disability or Partial Disability benefit is payable.

Important information

All benefits paid by First Super are subject to the relevant law and the trust deed. Payment of insurance benefits is also subject to the insurance policies in force from time to time. The First Super PDS and incorporation by reference (IBR) documents are summary documents only. Should these prove inconsistent with the law, the trust deed or a relevant insurance policy then the law, trust deed and/or insurance policy shall prevail.

You can obtain a copy of the trust deed or insurance policies by contacting First Super.

If you apply for a benefit that is subject to insurance, the Insurer reserves the right to investigate the claim, including but not limited to the use of investigative agents, conducting surveillance and requesting information and medical examinations.



Want to know more? We're here to help.

If you would like to join First Super or have any questions, please contact the Member Services Team today.

Call: 1300 360 988

Email: mail@firstsuper.com.au

Write to: First Super, PO Box 666, Carlton South, VIC 3053

Website: firstsuper.com.au

Keep in touch

It's important you tell us if you change address, phone number or email address to continue to receive all information issued by First Super.