



Your Investment Guardians

Changes to your insurance cover

IOOF, as Trustee of the IOOF Portfolio Service Superannuation Fund is introducing a number of changes to improve the insurance available to you.





After conducting an insurance tender and assessing the various responses received, the Trustee chose to retain TOWER Australia Group Limited ABN 70 050 109 450 AFS Licence No. 237848 (TOWER) as the IOOF Portfolio Service Superannuation Fund's (the Fund's) insurance provider.

The rates the Trustee negotiated with TOWER were the most competitive in comparison with other providers, which means better value for money for you. TOWER has locked in these rates until October 2010, so the insurance rates available to you will not change for the next three years.

About TOWER

In April 2007, TOWER acquired the Fund's previous insurer PrefSure Life Limited ABN 20 000 017 194.

TOWER is a member of TOWER Australia Group Limited, a publicly listed specialist Australian life insurance company. With over 130 years experience and over \$500 million of annual in-force premium, TOWER is one of the top five life insurance companies in Australia.

An industry leader in the provision of life insurance arrangements to superannuation funds, TOWER is also widely acknowledged in the market as a provider of quality products with superior service.

What are some of the benefits of insurance cover through my superannuation (super) fund?

Having insurance through your super fund may allow you to enjoy the following benefits:

- **discounted premium rates** – members of an Employer Fund can access wholesale insurance rates;
- **convenient and simple to arrange** – premiums are deducted directly from your super account; and
- **your cover can continue if you change employers** – simply transfer your super to a personal super product in the Fund to keep your same insurance cover active, although your premium may increase (please note: a minimum account balance of \$2,000 is required to transfer to a personal super product in the Fund).

I currently have insurance cover through the Fund – what do I need to do?

You do not need to take any action. The new insurance arrangements will come into place on 1 November 2007, and your insurance cover will automatically change to reflect the new arrangements.

What changes are being introduced?

The insurance arrangements available to members of the Fund are reviewed every three years to ensure that you have access to competitive insurance.

The following changes will apply from 1 November 2007:

- **Insurance cover for Death Benefits Insurance will remain in force until your 70th birthday**, unless the formula on which your cover is based requires your cover to cease at an earlier age.

This means that insurance cover for members, who have insurance cover before their 65th birthday and remain in the Fund after age 65, will continue until their 70th birthday. If you wish to cancel your Death cover when you reach age 65, you must notify us in writing.

- **The amount of cover available to members of the Fund will increase as follows:**

Death Only – The previous maximum death benefit of \$5 million has been increased to unlimited cover.

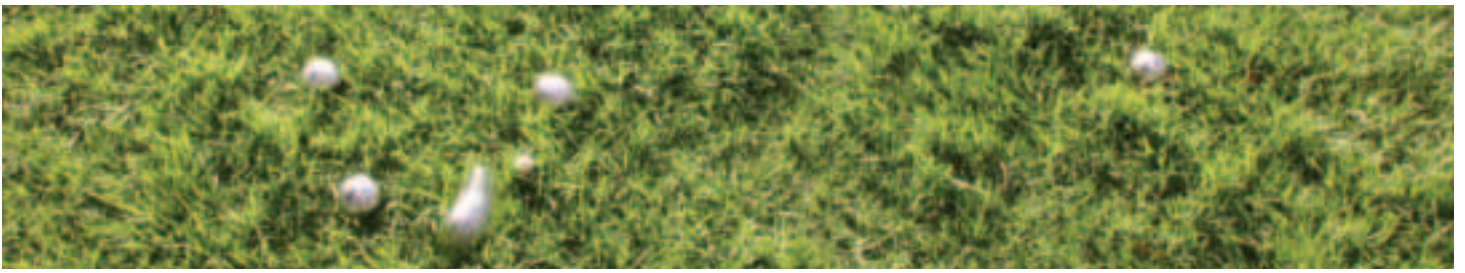
Total and Permanent Disablement (TPD) – The previous maximum TPD benefit has been increased from \$2 million to \$3 million.

Salary Continuance – In addition to the two year and to age 65 benefit payment period, a five-year benefit payment period, already available in some products, will now be available for all products.

- **Insurance premiums for Death and Death & Total Permanent Disablement cover for Employer Funds will take your gender into account.**
Previously, Employer Funds used unisex rates to determine insurance premiums or your level of cover. The effect of this change will be a reduction in the cost of insurance for most females and an increase for most males.
- **If you have been accepted for Salary Continuance cover, this cover will remain in force while you are unemployed for a period of up to six months.**

Previously, Salary Continuance cover would stop as soon as a member ceased to be employed. This is no longer the case. If you do not wish to maintain this cover when you cease working, you must notify us in writing to cancel your cover. Salary Continuance cover will cease six months after you ceased to be last employed.

A member may reinstate Salary Continuance cover without the need for underwriting at any time within 12 months after employment has ceased.



- **Salary Continuance cover will be extended to casual and contract workers.**

Previously, casual and contract workers were not eligible for Salary Continuance cover. Casual and contract workers will be eligible for Salary Continuance cover provided they are working 15 hours or more per week at the time of applying for cover.

- **Salary Continuance benefit payable.**

The previous requirement that you must be permanently employed and working at least 15 hours per week at the time of becoming Totally Disabled under your Salary Continuance cover has been removed. Instead, three definitions of Total Disability have been introduced depending on your employment status at the date you ceased employment or the first date that you are Totally Disabled with the illness or injury that caused your Total Disablement.

If you are employed and working 15 hours or more per week, the Own Occupation (see below) definition of Total Disability applies to you.

If you are employed and working less than 15 hours per week (not due to illness or injury), the Any Occupation definition (see the next column) of Total Disability applies to you.

The Similar Occupation definition (see the next column) of Total Disability for Salary Continuance cover applies to you while you are unemployed and actively seeking employment. However, if you do not find employment within six months, your cover ceases.

The number of hours you have worked is based on the current terms of your employment and the average hours you have, or would usually have, worked over any consecutive 13 week period in a year of employment.

- **New definitions for Total Disability.**

New definitions of Total Disability will be introduced, depending on:

- a member's employment status at the date they ceased employment; or
- the first date that a member becomes Totally Disabled with the illness or injury that causes their Total Disablement.

Own Occupation Definition of Total Disability: If you are employed and working 15 hours or more per week, the Own Occupation definition of Total Disability applies to you.

Under this definition, you are Totally Disabled if due to suffering an illness or injury you are:

- (a) unable to perform at least one important income-producing duty of your regular occupation; and
- (b) not currently working in any undertaking usually performed for wage or profit; and

- (c) under the care of a Medical Practitioner and in the Insurer's reasonable opinion, is complying with the advice and treatment given by that Medical Practitioner in relation to the cause of the Total Disability.

Any Occupation Definition of Total Disability: If you are employed and working less than 15 hours per week (not due to illness or injury) the 'any occupation' definition of Total Disability applies to you. Under this definition, you are Totally Disabled if due to suffering an illness or injury you are:

- (a) unable to perform the important duties of any gainful occupation, business, profession or employment for which you are reasonably suited by education, training or experience; and
- (b) you are not working in any gainful occupation and are under the care of a Medical Practitioner; and
- (c) you are complying with the advice and treatment of that Medical Practitioner in relation to the cause of the Total Disability.

Similar Occupation Definition of Total Disability: If you are unemployed and actively seeking employment, the Similar Occupation definition of Total Disability applies to you for up to six months during which period you remain unemployed at which time your cover ceases. Under this definition, you are Totally Disabled if due to suffering an illness or injury you are:

- (a) in respect of the first two years of disability:
 - (i) unable to perform at least one important income-producing duty of your regular occupation; and
 - (ii) not currently working in any undertaking usually performed for wage or profit; and
 - (iii) under the care of a Medical Practitioner and in the Insurer's reasonable opinion, is complying with the advice and treatment given by that Medical Practitioner in relation to the cause of the Total Disability; and
- (b) thereafter:
 - (i) unable to perform the important duties of any gainful occupation, business, profession or employment for which you are reasonably suited by education, training or experience, and you are not working in any gainful occupation and are under the care of a Medical Practitioner and you are complying with the advice and treatment of that Medical Practitioner in relation to the cause of the Total Disability.



- **Hazardous occupations for Employer Fund members.**

If your Employer Fund is eligible for Automatic Acceptance, you will automatically be covered for any occupation, including a hazardous occupation, and receive the type and amount of cover arranged by your employer, provided you meet the 'At Work' requirements.

If you are working in a hazardous occupation at the time you apply for cover, or, if you have cover under Automatic Acceptance and are applying to increase your cover, you may not be accepted for the insurance cover or the increased insurance cover you want. You will not lose the cover you have under Automatic Acceptance.

Once you have been accepted for cover, or are entitled to cover under Automatic Acceptance, and subsequently change employment to a hazardous occupation, including leaving your Employer Fund and transferring within the Fund to a personal super product, your cover will remain in place provided you remain an eligible member of the Fund. Your premium will be charged at the personal super product rates applicable for a smoker (unless you provide a non-smoker's declaration) for the same occupational rating as applied to you in your Employer Fund.

- **Hazardous occupations for personal super members.**

There are certain occupations considered by the insurer to be hazardous or uninsurable. If you are working in such an occupation at the time you apply for cover or an increase in cover, you may not be accepted for your chosen level of insurance cover.

Once you have been accepted for cover and subsequently change employment to a hazardous occupation, your cover will remain in place provided you remain an eligible member of the Fund.

- **Change of method of calculation.**

The formula used to calculate insurance premiums has changed, with the way the premium is loaded for the administration fee and also stamp duty for salary continuance. This change will result in an increase to the amount paid in administration fees and a reduction in the amount paid for stamp duty.

I do not currently have insurance cover through the Fund – what do these changes mean for me?

If you do not currently have insurance cover through the Fund, these changes do not impact you directly. However, if you would like to take advantage of the insurance that is available to you as a member of the Fund, from 1 November 2007, the new insurance rates and terms and conditions will be available to you. If you would like more information about the benefits of insurance through super, please contact your financial adviser.

Where do I go for more information?

Detailed information on the insurance cover available to you as a member of the Fund is set out in the updated Insurance Booklet, available from 1 November 2007 from our web site www.ioof.com.au or by contacting one of our Client Services Officers on the telephone number or email address below.

IOOF Client Services

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Telephone	1800 062 963
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Web site	www.ioof.com.au https://www.portfolioonline.com.au

Disclaimer

The information contained in this flyer aims to provide you with important information on the new insurance arrangements in the Fund as set out in the relevant insurance policy document. Please note that while every effort has been made to ensure that this information is accurate, the terms and conditions of the policy document issued by the Insurer to the Trustee will prevail to the extent that they are inconsistent with the information contained in this flyer.

General Advice Warning

This flyer has been issued by IOOF Investment Management Limited ABN 53 006 695 021, AFS Licence No. 230524, as Trustee of the IOOF Portfolio Service Superannuation Fund, ABN 70 815 369 818.

The information contained in this flyer is of a general nature only and does not take into account your individual objectives, financial situation or needs.

You should consider the appropriateness of this information having regard to your objectives, financial situation and needs, and IOOF recommends that you seek advice from a financial adviser before making any insurance decisions.



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