



INSURANCE COVER IN CORPORATE SUPER

Aon Master Trust Corporate Super offers valuable, easy-to-access insurance cover at competitive rates.

This factsheet applies to Corporate Super members covered by the standard AIA policy and is a summary of key insurance features only. For further details of your insurance options in Corporate Super, including terms and conditions, see the Corporate Super Product Disclosure Statement.

Key points

- Corporate Super offers death, death and total and permanent disablement (TPD), and income protection cover.
- \$220,500 minimum default cover for eligible members¹ for death and total and permanent disablement (TPD).
- Members can opt out of the minimum cover, reduce cover, or apply for an increase in cover at any time.
- Option to apply for TPD cover that is higher than death cover.
- All part-timers are automatically covered for death and TPD regardless of hours worked.
- Automatic continuation of death and TPD cover on transfer to Aon Master Trust Personal Super.
- Attractive income protection cover:
 - > option to take out short or long-term cover with choice of waiting period
 - > option to take out income protection cover without death cover
 - > option to transfer cover to Personal Super
- Choice of non-binding or binding death benefit nomination.
- Option to transfer other insurance cover into the Aon Master Trust – no health evidence required.

¹ Minimum cover reduces from \$220,500 at age 42 to nil at age 65. Eligible members exclude TPD claimants, defined benefit members, members who have had cover reduced or declined by the insurer, who are covered by a non-AIA policy, who do not meet 'At Work' requirements, who are in uninsurable occupations or whose employer meets the cost of insurance, and may exclude members whose employer or adviser has negotiated other insurance arrangements.

Death and total and permanent disablement (TPD) cover

Minimum cover

Eligible Corporate Super members have a \$220,500 minimum default level of cover for death and TPD. This minimum cover is age-based (it reduces from age 42) and competitive premium rates apply.



Member's choice

Members can choose to opt out of their minimum cover or select a lower level of cover at any time.

Please note that if a member opts out of minimum cover or selects a lower level of cover, this may affect their access to higher levels of cover in the future.

Reduces from age 42

The minimum will reduce by \$13,230 a year between ages 42 and 55 and will then taper smoothly to nil at age 65.

Members can fix their level of cover at any time but the premiums will increase each year.

Cost of living increases

The minimum default level of cover will be increased each year by 5% or in line with CPI (the Consumer Price Index) – whichever is higher. This will ensure that the minimum level of cover keeps pace with the cost of living and member needs.

TPD cover higher than death cover

Members can apply to have cover for TPD that is higher than their death cover. TPD cover is subject to a maximum of twice the death cover, with a maximum difference between TPD and death cover of \$100,000. Medical evidence may be required. The member will pay an additional 20% on the premium rate applying to the amount of TPD cover over the death cover amount.

Death and TPD cover for all part-timers

Members who work part-time are automatically covered for death and TPD*.

*Members who work less than 15 hours a week would have to meet the *Activities of daily living definition*, if they became totally and permanently disabled and made a claim.

Automatic Acceptance Levels (AALs)

An AAL is the amount of cover that may apply automatically to a member without the member providing evidence of good health to the insurer (subject to certain conditions). AALs apply to most Aon Master Trust members (members can check their Product Disclosure Statement).

Automatic transfer of death and TPD cover to Personal Super

If a member transfers from Corporate Super to Personal Super on leaving service and is under age 60 (or under age 65 for death-only cover), their death and TPD cover will continue automatically following the transfer. Members under age 65 may have the option to continue income protection cover within 60 days of leaving service.

Occupational rating maintained on transfer to Personal Super

If a member transfers from Corporate Super to Personal Super, they will default to their current occupational rating on transfer but should advise us if a new occupation applies. If an uninsurable or higher risk occupation applies at the time a claim is made, additional premiums may be deducted from any benefit paid or the insurer may reduce or decline the benefit.

Continuation option

Members who are under a certain age and who leave their employer have the option (subject to certain other conditions) to continue their death and TPD cover by taking out a personal policy with the insurer. The age limits for this option are age 65 for death cover, and age 60 for TPD cover.

The right price depends on what the member does

Premium rates for insurance cover take account of the type of work the member does, with lower rates for ‘professional’ and ‘white collar’ workers with non-manual, office duties and higher rates for ‘blue’ and ‘heavy blue collar’ workers who include those with manual duties and tradespeople.

If we have not been advised of a member’s occupation, they will be rated according to the employer plan default (if any). If there is no employer plan default they will be rated ‘heavy blue collar’.

Income protection cover

The Aon Master Trust offers income protection (also known as salary continuance) cover that provides members with an income if they are off work due to illness or injury for the entire waiting period and satisfy the definition of total disability. You must be permanently and gainfully employed for at least 15 hours per week to apply for an indemnity income protection benefit* based on 75% of your pre-disability income (subject to a maximum of \$25,000 monthly benefit).

* You may be eligible to insure yourself for an additional 10% of your pre-disability income where you elect to have this income paid directly to your super fund.

Short and long-term cover

Members can apply for short-term cover (income for up to two years) or long-term cover (income for up to five years or to age 65). There is a choice of 30, 60 or 90 days waiting periods. Premiums are competitive and generally cheaper than retail.

Income protection cover without death cover

Members can apply for income protection cover without having death cover.

Transfer of cover to Personal Super

If a member transfers from Corporate Super to Personal Super and is under age 65 on transfer, they can apply to continue their income protection cover but they must do so within 60 days of ceasing employment with their previous employer. They must also confirm their occupation, their continuing employment and that they meet minimum work hours.

Insurance limits

There are limits to the level of cover available in the Aon Master Trust. The maximum cover you can apply for is:

Cover	Limit
Death	unlimited
TPD	up to \$3 million
Income protection	up to \$25,000 per month

Easy paperwork

To fast-track and simplify the underwriting process, members under age 55 can make short-form applications for cover up to the following limits:

Cover	Limit
Death-only	up to \$1 million
Death and TPD	up to \$1 million
Income protection (indemnity benefit)	up to \$8,000 per month

Binding death benefit nominations

Members have the option to make a non-binding or binding death benefit nomination.

If a member makes a non-binding nomination, the trustee will use it as a guide, but can pay the benefit to someone other than the person the member has named.



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If a member makes a valid binding nomination:

- ↳ the trustee must follow it
- ↳ it will expire after three years unless the member renews or confirms their nomination beforehand
- ↳ the member can revoke it at any time.

A binding nomination can be a valuable estate planning tool. However, there are arguments for and against this kind of nomination.

A binding nomination can:

- ↳ take away the element of uncertainty
- ↳ give the member control over their own property
- ↳ give the member peace of mind that any death benefit will be paid to the beneficiary they have nominated
- ↳ help prevent competing claims from dependants
- ↳ allow the member to build tax efficiencies into their estate planning, in the knowledge that their wishes will be followed.

However, if the member does not change a binding nomination as their circumstances change, the trustee must still pay any death benefit to the person they originally nominated. For example, if the member nominates their spouse and they later separate (but have not changed or cancelled their nomination and it has not expired), the trustee must pay any death benefit to the spouse.

See the [Binding death benefit nomination](#) factsheet for more information.

Transferring insurance cover from other funds/policies

Members can apply to transfer insurance cover they have in other super funds and in policies held outside super into the Aon Master Trust, with no health evidence required. This includes cover for death, total and permanent disablement and income protection. A number of eligibility conditions apply. If accepted, the member will be allocated the same level of cover and will be subject to the same underwriting conditions provided by the previous insurer, including restrictions, exclusions etc.

For eligibility and other conditions, see the [Individual insurance transfer questionnaire](#).

About the insurer

AIA Australia is a provider of life insurance products aimed at protecting the financial health and wellbeing of Australians. It is part of the AIA group, a leading life insurer in the Asian region, which services over 20 million customers in its geographical markets including Australia.

aonmastertrust.com.au

The information in this factsheet is general in nature. Your personal objectives, financial situation or needs were not taken into account when preparing this information. You may want to seek independent advice before making any decisions about your super.

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