

## ▶ Income Protection insurance

We are quick to insure assets like our car or house, but arguably our most important (intangible) asset is our ability to earn an income. If you were in an accident and couldn't work, how would you and your family cover daily expenses and other financial commitments?

Income protection insurance is a vital benefit if you unexpectedly lose your ability to earn an income for you and your family. But to make sure you receive your full entitlement, you need to stay on top of your cover requirements.

In this fact sheet, we'll provide a brief overview of income protection insurance to help you understand the elements involved with your cover and how to best manage your cover to ensure you receive your full monthly benefit should you need to make a claim in the future.

### Income Protection – what it covers

Income protection cover provides a monthly income benefit for up to two years, or up to age 65, if you are unable to work in your usual job because of sickness or injury. Generally, you can be covered for up to 50% or 75% of your salary to a maximum of \$10,500 per month. You can apply to increase cover to a maximum of \$20,000 per month, however this is subject to approval by the Insurer.

Note that all sub-fund members have cover of 75% of their salary, as specified in their employment arrangements. Sub-funds include Teekay Accumulation, Trident Accumulation, SVITZER Accumulation, Inco Sub-fund, CSL Super and AMOU Staff.

For detailed information, terms and conditions about your Income Protection cover and benefit, refer to the Insurance Supplement for your membership category.

### Income Protection – cover based on your salary

Your cover (or sum insured) is based on the salary the Fund has on file for you, so it is important that you update your salary with us when it changes. If we don't have any salary details for you, your cover will be based on a default salary which would provide you with a benefit of up to \$3,000 per month, based on 50% cover.

Each year in July, we write out to you to remind you to update your salary. If your salary has increased by more than 30% in the previous 12 months, the increase in cover is subject to acceptance by the Insurer. If you are covered through a Group Employer, they will provide us with your salary.

Your premiums are based on your cover amount and are deducted from your account annually on 1 July. For some members, your employer may supplement your premium by an additional contribution.

### What you need to know about Income Protection claims

AIA Australia, the Fund's insurer, assesses Income Protection claims. The Trustee relies upon the expert underwriting and assessment experience of the insurer in providing Income Protection benefits to members. The following are important factors you should be aware of when it comes to claims.

#### Disability assessment and hours of work

The hours you work have a direct impact on how you're assessed during a claim. Different definitions of disablement and disability based on your hours of work:

- If you work on average a minimum of 15 hours per week for a period of at least 3 months immediately prior to disablement, the definition of disablement means that you are unable to perform one or more important duties of your own occupation, you remain under the regular care and attendance of a Medical Practitioner and follow their advice in relation to that sickness or injury, and you are not engaged in any occupation, whether or not for reward.
- If you work on average less than 15 hours per week for a period of at least 3 months immediately prior to disablement or you are unemployed for more than 3 months prior to disablement, you will be assessed under a much stricter definition of disablement. In these circumstances, disablement means that you remain under the regular care and attendance of a Medical Practitioner and follow their advice in relation to that injury or sickness, you are not engaged in any occupation, whether paid or unpaid, and you are continuously and totally unable to perform at least two of the following activities of daily living as certified by a Medical Practitioner: bathing, dressing, eating toileting and transferring.

## Salary used for your benefit

Your benefit will be based on the lesser of your actual average salary and the salary the Fund has on file for you (unless you have reached the Insurer's Automatic Acceptance Limit or have been underwritten individually).

If the salary the Fund has on file for you is different to your actual salary, you may be over- or under-insured and you may not receive the benefit you expect. Please make sure we have your most recent salary details on file at all times.

## Waiting period

A waiting period of either 90 days or 30 days applies before an Income Protection benefit becomes payable.

The waiting period starts from the day you are first examined and certified by a Medical Practitioner as Totally Disabled in relation to the injury or sickness giving rise to the claim that has caused you to stop working. The waiting period will restart if you return to work during this time for more than five days, or if a new condition is the cause of your inability to work.

Benefits are payable one month in arrears. The waiting period must finish and the Insurer must be satisfied that you meet the requirements for an Income Protection benefit under the Policy before any benefits will become payable.

### Example

#### 90-day waiting period:

Benefit payments would begin no earlier than 120 days (or 4 months) from the date you are certified as Totally Disabled.

#### 30-day waiting period:

Benefit payments would begin no earlier than 60 days (or 2 months) from the date you are certified as Totally Disabled.

Your waiting period may be longer if you had to restart the period or medical evidence or employment information remains outstanding.

## Claim benefit period

The maximum benefit period is two years once the claim is approved by the insurer.

Benefit payments will cease when:

- you turn 65 years of age
- the two-year benefit period has expired
- you no longer satisfy the definition of Total Disablement
- you die
- you hold a 457 visa and you are no longer eligible to work under Australian law.

## Income offsets

Your Income Protection benefit can be offset by other amounts you receive, where your Income Protection benefit plus those amounts would total more than 50% or 75% of your salary, based on your level of cover. The offset generally accounts for amounts you receive as a result of your sickness or injury, and include payments such as workers compensation, motor accident compensation, social security and sick leave payments, and any other insurance benefits in relation to the injury or sickness (whether claimed or not), excluding any Total and Permanent Disablement (TPD) benefit you receive from Maritime Super.

Any salary amounts paid by your Maritime Super employer (including annual leave taken) will also be offset against the Income Protection benefit. Should you receive a termination payment (including a redundancy payment) while receiving an Income Protection benefit, the salary component of the payment (including any payment in lieu of notice) will also be offset against the Income Protection benefit.

## When cover stops

It is important to know when you no longer have Income Protection cover. Here are some of the main circumstances under which your cover will cease:

- you turn 65 or you permanently retire from the workforce
- your employer is responsible for paying for your cover and they fail to pay the premium in full when it is due
- you are no longer a member of Maritime Super or you have purchased a Maritime Super pension with your full account balance
- you cancel cover
- you die or become Totally and Permanently Disabled (TPD)
- you hold a 457 visa or you are a New Zealand national and you leave Australia or you are unable to work under Australian law
- 30 days after you should have returned to work after the end of an agreed period of approved leave of up to 12 months or the first anniversary of approved leave that extends beyond 12 months (unless approved by the Insurer)
- six months after the end of the month in respect of which the last employer contribution is received for your account, provided you were not on approved leave for 12 months.

## We're here to help

If you have any questions about your Income Protection cover or other insurance cover through the Fund, call Member Services on 1800 757 607.



**Toll Free**  
1800 757 607



**Email**  
info@maritimesuper.com.au