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Life Solutions | Wealth Solutions

# Optimum Corporate Super Member

Part 3 of 3 – Life Insurance Guide

### **About this Product Disclosure Statement (PDS)**

Asteron Portfolio Services Limited (Trustee) (ABN 61 063 427 958, AFSL 237905, RSE Licence No. L0002059) is the issuer of this PDS and takes responsibility for its contents.

This PDS is issued on 11 December 2006.

The information contained in this PDS is of a general nature only and does not constitute financial advice. We have not taken into consideration the personal objectives, circumstances or financial needs of any individual. Before deciding to open an account or continuing to hold an interest, you should consider how the information contained in all parts of this PDS relates to your own situation. We recommend that you speak to an adviser who will be able to help you with your investment and insurance decisions.

Optimum Corporate Super (Optimum) is part of the Optimum Superannuation Master Plan (Fund) (RSE Fund Registration No. R1056716). Applications can only be accepted from persons receiving this PDS (including electronically) within Australia. If you print an electronic copy, please ensure you print all pages of this PDS. The Trustee reserves the right to refuse or reject an application for membership or insurance.

Insurance cover offered through Optimum is provided by Asteron Life Limited (Asteron Life) (ABN 64 001 698 228, AFSL 237903) in a policy issued to the Trustee. You should read the Optimum Life Insurance Guide before making an application for insurance.

The Trustee and Asteron Life are wholly owned subsidiaries of Promina Group Limited (Promina) (ABN 79 000 746 092). Promina is listed on the Australian and New Zealand Stock Exchanges. The obligations of the Trustee and Asteron Life are not guaranteed by any company in the Promina Group. Neither Promina nor any company associated with the Trustee guarantees this product or return of capital unless otherwise stated.

This PDS comprises:

Part 1 – Optimum Corporate Super Features and Benefits Guide for members

Part 2 – Optimum Corporate Super and Optimum Personal Super Investment Guide

Part 3 – This Guide (Life Insurance Guide)

You should read all parts of this PDS before making an investment decision. If you want to find out more about Optimum, please contact your adviser or Asteron Client Services. Details on how to contact us can be found on the back cover.

Throughout this PDS, unless otherwise specified, references to:

- » 'we', 'us', 'our' and 'Trustee' means Asteron Portfolio Services Limited
- » 'adviser' means a qualified financial adviser
- » 'Asteron' means Asteron Limited and is the group of companies including the Trustee, Asteron Life and related companies
- » 'Asteron Life' means Asteron Life Limited
- » 'bank account' means an Australian bank, building society or credit union account
- » 'business day' means a Sydney business day
- » 'Licensee' means an organisation that has obtained an Australian Financial Services Licence (AFSL) for the provision of financial services
- » 'member' means a member of Optimum
- » 'Optimum' means Optimum Corporate Super
- » 'plan's adviser' means the qualified financial adviser for your superannuation plan
- » 'you' means an employee.

Please refer to 'Limitations and definitions' on page 23 for other important definitions.

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# Product information

Why choose Optimum Life Insurance?

Employee selected options

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Insurance cover costs and rates

# Why choose Optimum Life Insurance?

If you have people who depend on you, choosing to financially protect yourself and your family against the unexpected should be a priority. It is not until something unexpected happens that many begin to realise the benefits of having insurance. For some, that time could be all too late. Take a brief moment to think about how you and your family would be able to cope should you die, become disabled or need to be off work for any extended period. Would you and your family still be able to support the lifestyle that you lead now? How would you manage the mortgage, school fees, and other everyday living expenses? Without insurance, it may be difficult for you and your family to cope should the unexpected happen. Covering yourself through Optimum can be a tax and cost-effective way to provide you and your family with financial peace of mind against the unexpected.

Depending on the circumstances of your plan, your employer may have selected an insurance package. But is this enough for your own circumstances? With Optimum you have the flexibility to add any cover options that may not be selected by your employer and apply for increased cover on those that have been provided, enabling you to tailor insurance to your needs.

Through Optimum, you can choose to cover yourself for:

- » Death only
- » Death and Total and Permanent Disability (TPD)
- » Income Protection.

The insurance in this Guide is provided by Asteron Life.

Please note that employer selected cover does not apply to family account members.

# Employee selected options

## What options are available?

When designing your superannuation plan, your employer may have nominated Death only, Death & TPD and/or Income Protection cover for you. A benefit of any employer selected insurance cover is that you may be covered up to the automatic acceptance limit of your plan, without the need to provide evidence of health. Your Welcome pack will detail any cover selected by your employer which is automatically provided, including the type and amount of cover as well as the monthly premium.

Type of cover	What does the cover provide?
Death only	A lump sum payment when you die.
Death & Total and Permanent Disability	A lump sum payment when you die or become totally and permanently disabled.
Income Protection	A monthly benefit to replace up to 75% of your income for a period of time if you are totally disabled due to sickness or injury for longer than the nominated waiting period.

You can apply to be insured:

- » for a higher sum insured than your employer has selected
- » for a different type of cover than your employer has selected (eg where your employer has selected Death only cover and you apply for Income Protection cover).

This is called 'employee selected cover' in this Guide.

Family account members can also apply to be insured for any of the cover options in the table on the next page.

**Automatic acceptance limit (AAL)** means the amount of benefit specified in the benefit schedule for which we require no evidence of insurability from you.

## Employee selected insurance cover and cover for family account members

Death only or Death & TPD <sup>1</sup>	Income Protection <sup>2</sup>
You can choose one of two options:	You can choose cover based on:
<p><b>Cover in addition to your account balance.</b></p> <p>The total benefit payable on Death and TPD is the nominated sum insured plus your accumulated account balance (ie the actual sum insured amount will remain fixed unless you apply to vary it)</p> <ul style="list-style-type: none"> <li>» fixed sum insured (eg \$100,000)</li> </ul> <p><b>Cover including your account balance.</b></p> <p>The total benefit payable on Death and TPD includes your accumulated account balance plus the sum insured (ie the actual sum insured amount will reduce as your account balance increases)</p> <ul style="list-style-type: none"> <li>» fixed benefit amount (eg \$100,000).</li> </ul>	<ul style="list-style-type: none"> <li>» a monthly benefit (eg \$5,000 per month) to a maximum of 75% of your salary</li> <li>» an additional optional superannuation contribution component of up to 10% pa of salary<sup>3</sup></li> <li>» a benefit period of 2 years</li> <li>» a waiting period of 30, 60 or 90 days.</li> </ul>

<sup>1</sup> The amount of TPD cover chosen cannot be higher than the amount of Death cover.

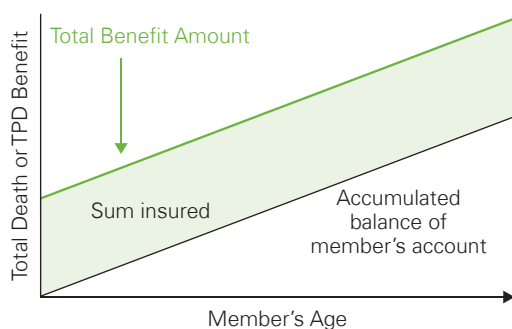
<sup>2</sup> Monthly benefits can be reduced if you receive leave payments, worker's compensation, social security or income benefits from another source.

<sup>3</sup> Payment of this benefit must be made to a complying superannuation fund.

## Cover in addition to your account balance

Where cover is in addition to your account balance, the sum insured will remain the same and the premiums will increase with your age.

This cover is shown in the following diagram:



For example, if cover selected is \$100,000 and your account balance is \$20,000 when you die, the total benefit will be \$120,000. If you die when your account balance has increased to \$50,000, the total benefit will instead be \$150,000.

## Cover including your account balance

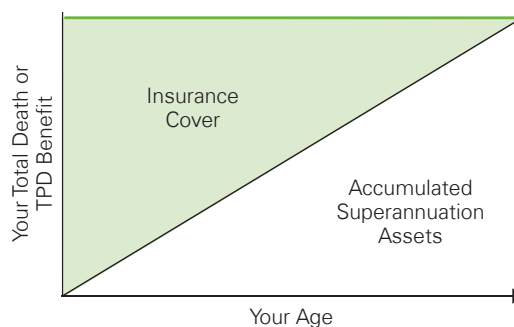
Where cover includes your account balance, the sum insured will generally decrease over time as the balance of your account grows. This helps to offset the usual increase in insurance premium rates as you get older.

This is shown in the diagram opposite.

For example, if cover selected is \$150,000 and your account balance is \$30,000, the sum insured will be \$120,000. If your account balance

increases to \$50,000, the sum insured will reduce to \$100,000, maintaining the selected cover of \$150,000.

Whether cover is chosen in addition to or including your account balance, you should review your total cover from time to time to ensure it remains adequate for your changing circumstances.



## How do I apply?

You can tailor your insurance requirements to your personal needs, simply by completing an Insurance application form. Acceptance of employee selected cover is not automatic and is subject to assessment by Asteron Life.

## Employer selected cover above the AAL

If your employer has selected cover for you over the AAL, you will need to apply for this additional cover by completing the Insurance application form. Acceptance of cover over the AAL is not automatic and is subject to assessment by Asteron Life.

# Choice of Fund

If your plan commenced on or after 1 July 2005, your employer must nominate Death cover at no less than either the prescribed age based or premium based minimum, for all Choice of Fund (Choice) eligible employees. Plans which commenced before 1 July 2005 have until 1 July 2008 to comply with these requirements.

If your employer has no other insurance arrangements in place, and makes no insurance selection in Optimum, we will automatically set your insurance cover based on a premium of \$0.50 per week Death only cover.

Where a premium based minimum is selected, we will advise you of the sums insured. Both the age based minimum and the premium based minimum will depend on your occupational profile.

Please see Table D for premium based minimum Choice cover and Table E for age based minimum Choice cover on page 28.

No minimum level of Death cover is required if you are aged 56 or older. The age based minimum insurance cover is only available to plans with ten or more employees.

Cover under either of these options is subject to automatic acceptance requirements. Asteron Life does not have to provide cover for you if your health, occupation and/or hours of work are not acceptable.

If your employer does not supply your relevant details and category information to determine the occupational rating for your plan, any default cover provided will be rated as heavy blue collar. We may change this rating if your employer later provides this information.

## If you would like to know more about Choice

For more information about Choice, please refer to 'Choice of Fund' in the 'Features & Benefits Guide (Part 1)', contact your adviser or Asteron Client Services on 1800 819 499 or visit our website via [www.asteron.com.au](http://www.asteron.com.au)

Please note that Choice cover does not apply to family account members.

# Insurance cover costs and rates

## What does insurance cost?

The cost of insurance will vary depending on several factors as outlined in the table below.

	Employer selected cover within the AAL	Where there is employer selected cover over the AAL and/or additional employee selected cover	Employee selected cover of a different type of cover than your employer has selected and cover for family account members*
Occupational rating for your plan	✓	✓	–
History of your plan, including any previous claims experience	✓	✓	–
Type of cover	✓	✓	✓
Amount of cover	✓	✓	✓
Your age next birthday	✓	✓	✓
Your smoking status	–	–	✓
Your health	–	✓	✓
Your occupation	✓	✓	✓
Your hazardous pursuits	–	✓	✓
Your gender (Death only and Death & TPD)	–	–	✓
Your gender (Income Protection)	✓	✓	✓
Chosen waiting period (Income Protection)	✓	✓	✓

\* These factors also apply when you leave your plan and have retained your insurance. This is subject to conditions. Please refer to 'What happens to my insurance when I leave my employer?' on page 18.

Any taxes and government charges, such as stamp duty on Income Protection, if applicable, will be in addition to the cost of premiums. Premium rates for Death only and Death & TPD include stamp duty.

## Rates

The following table sets out the applicable premium rates for different cover scenarios and how you can obtain them. Please see page 11 for an example of how premiums are calculated.

Premiums for	Applicable rates	Please see
Employer selected cover (whether within or over the AAL)	Group rates	Current group rates and the occupational factors that apply to them are available on our website via <a href="http://www.asteron.com.au">www.asteron.com.au</a> or by calling Asteron Client Services on 1800 819 499.
Employee selected cover for a higher sum than your employer has selected.  Eg where your employer has selected Death only cover of \$300,000 and you apply for an additional \$100,000 of Death only cover	Group rates	
Employee selected cover for a different type of cover than your employer has selected.  Eg where your employer has selected Death only cover and you also apply for Income Protection cover.	Individual rates	Tables A and B on pages 26 and 27. If you are not a white collar professional, you will need to multiply the premium rates in Tables A and B by the relevant occupational factor in Table C on page 27.
Cover for family account members	Individual rates	
When you leave your plan and have retained your insurance*	Individual rates	

\* When you leave your plan any insurance arrangements will remain in place but all premiums will be based on individual smoker rates (unless we are informed otherwise). This is subject to conditions. Please refer to 'What happens to my insurance when I leave my employer?' on page 18 for more information.

## Example 1

Samantha will be 30 next birthday, works as a lawyer and earns \$100,000 pa. Her employer's plan provides Death and TPD of three times salary. Samantha would also like to insure herself for an additional \$200,000 Death and TPD cover and \$6,000 of Income Protection cover per month based on a 60 day waiting period. The cost of her monthly premium would be:

Death (group rates)	$1.00 \times \$4.61 \times 5 = \$23.05^1$
TPD (group rates)	$1.00 \times \$1.85 \times 5 = \$9.25^1$
Income Protection (individual rates)	$1.00 \times \$0.35 \times 60 = \$21.00^2$
Total cost per month	$= \$53.30$

<sup>1</sup> Samantha's additional Death and TPD cover is at group rates because she is still employed by her employer. Group occupational factor x Group rate per \$100,000 x Cover as a multiple of \$100,000.

<sup>2</sup> The Income Protection cover is at individual rates because Samantha's employer did not select this cover option. Individual occupational factor x Individual rate per \$100 x Cover as a multiple of \$100.

## Example 2

If Samantha left her employer at the same age, remained in the same occupation and retained her insurance arrangements within Optimum, her monthly premium would be:

Death (individual rates)	$1.00 \times \$4.85 \times 5 = \$24.25^1$
TPD (individual rates)	$1.00 \times \$2.84 \times 5 = \$14.20^1$
Income Protection (individual rates)	$1.00 \times \$0.35 \times 60 = \$21.00^2$
Total cost per month	$= \$59.45$

<sup>1</sup> The Death and TPD cover is at individual rates because Samantha has left her employer. Individual occupational factor x Individual rate per \$100,000 x Cover as a multiple of \$100,000.

<sup>2</sup> The Income Protection cover is at individual rates because Samantha has left her employer. Individual occupational factor x Individual rate per \$100 x Cover as a multiple of \$100.

Samantha is accepted on standard terms and does not undertake any hazardous pursuits or smoke. Upon leaving her employer, Samantha has notified us that she does not smoke. Please see 'Death and TPD cover' on page 18 for more information.

Stamp duty is included in the rates for Death and TPD. Stamp duty will be payable in addition to the premium for Income Protection and the amount will depend on the state in which Samantha lives.

Please note: the group rates quoted in the examples above are estimates. Current group rates and the occupational factors that apply to them are available on our website via [www.asteron.com.au](http://www.asteron.com.au) or by calling Asteron Client Services on 1800 819 499.

## When are premiums deducted?

Regular insurance premiums are deducted monthly in advance on or around the 1st of each month by withdrawing units from your investment option holdings. However, the first deducted premium may be higher than the regular amount as it may cover a period greater than one month. This amount will be deducted at the end of the month in which your cover is activated.

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# Other information

Starting and stopping cover

What happens to my insurance when I leave my employer?

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Cover rules

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Premium rates and occupational factors

# Starting and stopping cover

## When does cover start?

Asteron Life reserves the right to decline an application for insurance cover or to apply a premium loading or special terms to any cover.

## Employer selected cover

Where your plan has an automatic acceptance limit, you will be covered up to this limit from the date you are first eligible for insurance (usually your first date of employment), provided:

- » you are at work on the day your cover was intended to commence (please see 'Limitations and definitions' on page 23 for the definition of 'at work'); and
- » your employer provides us with your personal details and we receive enough employer contributions into your account to pay all due premiums within 130 days of commencement of employment.

If we have not received:

- » your details
- » an initial employer contribution sufficient to pay any due premiums within 130 days of commencement of employment and
- » confirmation from your employer that you met the at work requirements

you will not be provided with any cover without completing an Insurance application form and receiving written acceptance from Asteron Life. Following assessment, the cover may be accepted subject to premium loadings, or other special conditions, or may be declined altogether.

## Employee selected cover, employer selected cover over the AAL and cover for family account members

You can apply for cover above your plan's automatic acceptance limit or for a type of cover that has not been provided to you through your plan, by completing the Insurance application form. If accepted, any insurance cover will commence as follows:

- » where Asteron Life accepts cover at standard premium rates and on standard terms and there is enough money in your account to pay the first month's premium, cover will start from the date that Asteron Life advises. Asteron Life will provide written notice to you of this date.
- » where standard premium rates or terms are not available:
  - » Asteron Life will provide written notice to you of these non-standard rates and terms or why terms are not available.
  - » You must then tell Asteron Life in writing within 30 days of this notice if these non-standard rates and terms are acceptable to you. If you do not, then the requested cover will not commence and you will need to reapply if you would like cover at a later date.

- » If you advise Asteron Life within 30 days that the non-standard rates and terms are acceptable to you and Asteron Life accepts your application in writing, cover will start from the date Asteron Life advises. This is provided there is enough money in your account to pay the first month's premium. Asteron Life will provide written notice to you of this date.

### What should you do with any existing cover?

If you have any existing insurance cover in place outside of Optimum, we recommend you speak to your plan's adviser and consider maintaining that cover, where you can, at least until we have advised you that your request to be covered through Optimum has been accepted. If you are uncertain about your insurance requirements, you can speak to your plan's adviser.

### Must I have insurance cover?

Any insurance cover provided through Optimum is optional. This includes any automatic levels of employer-selected cover that your employer may have arranged for you. You can cancel or reduce your cover at any time by advising us in writing. If you cancel or reduce your cover within 30 days of receiving your Welcome pack, we will refund all premiums deducted from your account. If you cancel or reduce your cover after the 30 day period, we will cancel cover and stop deducting premiums or reduce cover and change the premiums payable from the date we receive your written instructions. Should you wish to reapply for cover at a later date, you will need to provide satisfactory health evidence and will not be granted that cover until Asteron Life has provided written acceptance.

## When does cover stop?

The table below details when cover may be stopped. Your cover will stop at the earliest time of one of these happening:

Scenario	Death	TPD	Income Protection
<b>You:</b>			
Reach age 65	–	✓	✓
Reach age 70	✓	–	–
Request in writing to have your cover cancelled	✓	✓	✓
Receive a payment for TPD	✓	✓	✓
Leave Optimum	✓	✓	✓
Die	✓	✓	✓
Leave your employment and continuation of cover is not requested or is declined	–	–	✓
Become unemployed	–	–	✓
Work less than 15 hours per week <sup>1</sup>	–	–	✓
Reach the end of your benefit period	–	–	✓
Do not have enough money in your account to meet your premiums when they fall due	✓	✓	✓
Commence active duty with the armed forces of any country <sup>2</sup>	✓	✓	✓
Take unpaid leave or work overseas and Asteron Life has not agreed to cover you for this period in writing <sup>3</sup>	✓	✓	✓

<sup>1</sup> TPD cover will not stop if you work less than 15 hours per week. However, the requirements for receiving a TPD benefit will change. Please see the definition of Totally and Permanently Disabled on page 24.

<sup>2</sup> This does not include regular activities of the Navy, Army or Air Force Reserves.

<sup>3</sup> For further information, please see 'Overseas cover and leave without pay' on page 17.

## Overseas cover and leave without pay

Before departing overseas or taking leave without pay, you will need to get written confirmation from Asteron Life for Death only or Death and TPD cover to continue. Cover may be subject to an additional premium. For further details, please contact Asteron Client Services on 1800 819 499.

## Pending lapse notification for non-payment

If you do not have enough money in your account to pay for your monthly premium when it falls due, we will write to you and tell you that your insurance is about to be cancelled.

You will then have 30 days to pay the outstanding premium and an additional one month's premium. If these premiums remain outstanding at the end of this time, we will cancel the insurance cover. If you subsequently wish to restart your cover, you will need to reapply, subject to any terms and conditions that Asteron Life may impose at that time. This will include providing personal details and satisfactory health evidence. You may also be required to undergo a medical examination or any other requirements deemed necessary by Asteron Life. Any insurance cover may then be subject to increased premiums, or other special conditions, or may be declined altogether.

# What happens to my insurance when I leave my employer?

## Death and TPD cover

When you leave your employer and hold Death only or Death & TPD cover, this insurance will automatically continue (provided you have not reached the age when cover ceases). You do not need to re-apply. Premiums will continue to be deducted from your account.

Your continued insurance cover will be equal to the dollar amount of your insurance cover applying at the time you left employment. All premiums will be based on individual premium rates, instead of any group rates that you may have received the benefit of previously. These will be smoker rates unless we are otherwise informed. Individual premiums vary according to the factors set out in the table on page 9.

When we are notified you have left employment, we will write to you, explaining your options along with a Benefit Questionnaire. This allows you to provide updated personal details to us. Once we receive your completed questionnaire, your insurance premium may be reviewed and changed, depending on the information provided.

To ensure you are paying the correct premium amount, you should return the Benefit Questionnaire to us. Eg, if you confirm that you are a non-smoker and have not smoked in the last twelve month period, then reduced non-smoker rates will be applied.

## Income Protection

When you leave your employer, provided you are under age 65 and still working at least 15 hours per week, you can apply to continue your Income Protection cover. You must apply within 30 days of:

- » leaving your employer or
- » your employer notifying us that you have left their employment

whichever is later.

To continue your cover you will need to complete a Benefit Questionnaire, which includes information on your current occupation, smoker status and any hazardous pursuits.

If your occupation is acceptable to Asteron Life, cover will be available regardless of your health. Employees in some occupational classes will not be able to continue their cover.

Any insured amount continued for you will be equal to the dollar amount of your insurance cover at the time you left employment or a benefit amount applicable to your new income, whichever is less.

All premiums will be based on individual rates for Income Protection as opposed to any group rates that you may have received the benefit of previously. Individual premiums vary according to the factors set out in the table on page 9.

Your employer must advise us as soon as reasonably possible if you have left their employment.

# Making a claim

You can only make a claim if the event first happens while you are a member of Optimum and your cover is in force.

You must make your claim to us in writing as soon as it is reasonable to do so, but no later than:

- » twelve months for a TPD claim and
- » one month for an Income Protection claim

from the time of the event giving rise to the claim.

If you make a claim later than this, we may reduce the amount paid, or not pay any benefit at all, if the delay is prejudicial to Asteron Life.

Taxation implications should be considered before you withdraw benefits.

## Death

If you die while covered, any death benefit amount payable will be paid by Asteron Life into your Optimum account.

The Trustee will pay the benefit to one or more of your dependants and/or your estate. If a binding nomination is valid then the Trustee must pay this benefit in accordance with this nomination. Your dependants can retain the benefit within the tax advantaged superannuation system by electing to receive it as regular income payments. Alternatively, your dependants can receive the benefit as a lump sum, or a combination of a lump sum and income payments.

If proposals in the 2006 Federal Budget are passed, non-financial dependants may only be able to receive death benefits as a lump sum from 1 July 2007. These proposals are not definite and may be subject to change before they become law.

We recommend that you discuss the taxation implications for death benefit payments with your plan's adviser to determine the level of insurance appropriate for you.

## TPD

If a TPD insured benefit is paid, we will credit the proceeds to your Optimum account. You must satisfy a condition of release under superannuation law to receive the proceeds (less any tax). For more information about when you satisfy a condition of release, please read 'Accessing your benefits' in the Features and Benefits Guide (Part 1).

## Income Protection

You must meet the definition of total disability benefit to receive an Income Protection benefit.

Income tax is payable on any Income Protection benefits received by you. Income Protection benefits are paid monthly in arrears. If you are covered for superannuation contributions, any amounts will be paid into your superannuation account and will be subject to the normal charges applying to your contributions. Your funds will be fully preserved. Payment of this benefit must be made to a complying superannuation fund.

# Cover rules

Below is a summary of the rules that apply to both employer selected and employee selected insurance cover.

Your plan's adviser can help with any applications for insurance cover.

Rule	Death	TPD	Income Protection
Maximum entry age for cover	64	59	59
Minimum hours of work required to obtain cover	Nil	Must be gainfully employed on a permanent basis for at least 15 hours per week	Must be gainfully employed on a permanent basis for at least 15 hours per week
Age at which cover stops	70 (or earlier if a TPD claim is paid)	65	65 (or earlier if a TPD claim is paid)
Maximum amount of insurance cover that can be applied for	\$5 million	\$2 million <sup>1</sup>	\$20,000 per month <sup>2</sup>

<sup>1</sup> Where TPD cover from all insurers operating in Australia is more than \$2 million, we may reduce any TPD benefit from Optimum so that the total cover provided by Optimum and these insurers together is \$2 million.

<sup>2</sup> Monthly benefits can be reduced if you receive sick leave payments, worker's compensation, social security or income benefits from another source. If you are considered to be partially disabled instead of totally disabled, you may be able to receive a pro-rata monthly benefit. If you are entitled to receive a benefit amount and die or become totally and permanently disabled, then we will stop paying the benefit amount and will instead credit your Optimum account with a lump sum of twice the monthly benefit amount.

## Future Increases in Cover

If you have employer selected cover based on your salary, you may apply for cover above the AAL for your plan. If this application is accepted you may be eligible for cover that will increase automatically when we are notified of any subsequent salary increases up to a maximum limit. However, these increases in cover are limited to 30% each year.

This means that you can avoid the need for future underwriting each time your salary increases. If eligible, we will advise you of the maximum limit. Your premiums will be adjusted to take into account any increases, as they take effect.

## Recurring Disability

If you suffer total disability or partial disability from the same or related injury or illness within six months of Asteron Life having paid you an Income Protection benefit under the policy, then Asteron Life will deem it a continuation of the previous claim and the waiting period will not apply. However, the maximum claim period will be adjusted to take into account prior claim payments. You still need to be employed by your employer at the date of the recurring disability to be covered for this benefit.

## Interim Death cover

Interim cover for accidental death is provided to you for up to 90 days from receipt of your completed application at our Sydney office for (or to increase) Death only or Death and TPD cover, subject to sufficient funds being in your account to cover an amount equal to the first month's premium for Death only or Death and TPD cover requested.

The maximum amount of interim cover is the lesser of \$500,000 or the amount of cover requested. We do not charge an additional premium for this interim cover. The period of cover ceases on the earlier of acceptance or rejection of the application, your withdrawal of your application and 90 days after receipt of a completed application.

## Waiver of premium

We will stop deducting Income Protection premiums from your account in the month that you start to receive the benefit. We will recommence deducting the premium in the month that we stop paying the benefit.

## Optimum's policy document

Insurance cover offered through Optimum is provided by Asteron Life in a policy issued to the Trustee. This policy document contains the full terms and conditions of this insurance. You can obtain a copy of the Policy Document, free of charge, by contacting Asteron Client Services on 1800 819 499.

## Duty of Disclosure

The Trustee has a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that it knows, or could reasonably be expected to know that is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

The Trustee has the same duty to disclose those matters to the insurer before it renews, extends, varies or reinstates a contract of life insurance.

This duty, however, does not require disclosure of a matter:

- » that diminishes the risk to be undertaken by the insurer
- » that is of common knowledge
- » that the insurer knows, or in the ordinary course of their business, ought to know
- » as to which compliance with your duty is waived by the insurer.

It is a condition of your membership in the Fund that you discharge the same duty of disclosure to the Trustee.

**Non-disclosure** – If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within three years of entering into it. If the non-disclosure is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within three years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if they had disclosed all relevant matters to the insurer.

This duty continues to apply until the insurer notifies you that the risk has been accepted.

# Limitations and definitions

## Limitations

The following limitations apply to the payment of benefits:

- » Income Protection benefits will not be paid for disablement resulting from pregnancy, childbirth or miscarriage, unless you are disabled for more than three months from either the date your pregnancy finishes or the date your disability starts, whichever is later. The waiting period will be taken as starting at that date.
- » If for any reason you have more than one membership of Optimum, you can have an insured benefit under only one membership.
- » No Income Protection cover will be paid if your disability is caused at any time by an intentional self-inflicted act, whether sane or insane.
- » Insurance cover will not be paid if Death or TPD is caused directly or indirectly by an intentional self-inflicted act, whether sane or insane, within 13 months of:
  - » the risk being accepted by Asteron Life
  - » any increase in cover (but only in respect of the increase) or
  - » the risk being reinstated by Asteron Life after lapsing.
- » No insured TPD or Income Protection benefit will be paid if the event giving rise to a claim is caused directly or indirectly by war or an act of war.

## Definitions

**At work** means you are actively performing all the duties of your regular occupation, are not absent from work because of illness or injury, and are not in receipt of and/or entitled to claim income support benefits from any source including worker's compensation benefits, statutory transport accident benefits and disability income benefits. Where you are on approved leave you must be capable of performing all the duties of your regular occupation had you not been on approved leave. If you do not meet these requirements, you are correspondingly described as **not at work**.

**Benefit period** means the maximum period of time for which a benefit will be payable.

**Gainfully employed** means being employed or self-employed for income or reward in any business, trade, profession, vocation, calling or employment on a permanent basis.

**Injury** means an accidental or intentional bodily injury suffered by you while you are insured for the relevant benefit under Optimum.

**Partially disabled** means that, because of sickness or injury you:

- » would be totally disabled except that you are performing, or are capable of performing, one or more of the important duties of your regular occupation, or are working in another occupation and

- » have monthly earnings which are less than your pre-disability earnings because of your disability and
- » are following the advice of a medical practitioner (both acceptable to Asteron Life).

**Pre-Disability earnings** means your highest average monthly earnings from your employment with your employer for any twelve consecutive month period since the date three years before an Income Protection claim is made. If the period of your employment with your employer is less than three years but greater than twelve months, we will use the twelve consecutive month period with the highest average during this period. Where the period of your employment with your employer is less than twelve months, a monthly average will be determined for that period.

**Salary** means an employee's yearly remuneration package accepted by us at your plan's anniversary, unless otherwise agreed by us in writing.

**Sickness** means a sickness or disease you suffer which becomes apparent while you are insured under Optimum.

If you have:

- » surgery to transplant part of your body to someone else or
- » an operation to improve your appearance or
- » elective surgery on the advice of a medical practitioner (both acceptable to Asteron Life)

this is deemed to be a sickness, unless the surgery takes place within six months of commencing your Income Protection cover, or an increase in this cover (but only in respect of the increase).

**Totally disabled** means that, because of sickness or injury you are:

- » not capable of doing the important duties of your regular occupation and
- » not working in any gainful occupation and
- » following the advice of a medical practitioner (both acceptable to Asteron Life).

**Totally and permanently disabled** means either:

- » You are gainfully employed for 15 hours or more per week on a permanent basis at the time of the event giving rise to the claim, and you have been absent from employment through sickness or injury for six consecutive months and we are satisfied that you are incapacitated to such an extent that you are unlikely ever to be able to resume work or attend any gainful profession or occupation for which you are suited by reason of your education, training or experience or
- » You suffer the loss of both feet or both hands or both eyes; or any combination of two of, a hand, a foot or an eye; where 'loss' means the total and permanent loss of the use of the hand or foot from the wrist or ankle joint, or sight in the eye or

- » You are not gainfully employed for 15 hours or more per week on a permanent basis at the time of the event giving rise to the claim, and are constantly and permanently unable to perform two or more activities of daily living without the physical assistance of someone else. Definitions of activities of daily living are:
  - » bathing and showering
  - » dressing and undressing
  - » eating and drinking
  - » maintaining of continence with a reasonable level of personal hygiene
  - » getting in and out of bed, a chair or wheelchair or moving from place to place by walking, wheelchair or walking aid.

If you can perform the activity on your own by using special equipment, we will not consider you unable to perform that activity.

**Underwritten** means that you have been assessed for cover other than that provided under automatic acceptance.

**Waiting period** means the nominated period during which you have to remain totally or partially disabled before receiving Income Protection benefits.

**War** means any act of war (whether declared or not), revolution, invasion, rebellion or civil unrest.

## Non-participating policy

This policy is a non-participating policy. As a result you do not have any right to any surplus in the statutory fund.

# Premium rates and occupational factors

Current group rates and the occupational factors that apply to them are available on our website via [www.asteron.com.au](http://www.asteron.com.au) or by calling Asteron Client Services on 1800 819 499.

## Table A - Individual rates

Monthly Death and TPD premium per \$100,000 cover

Age next birthday	Death only				TPD			
	Male		Female		Male		Female	
	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)
25	8.14	13.80	4.87	7.31	2.77	3.60	2.77	3.60
30	6.29	12.66	4.85	8.26	2.84	3.89	2.84	3.89
35	6.02	13.25	4.85	9.09	3.12	4.55	3.12	4.55
40	8.02	17.52	5.69	11.39	4.49	5.99	4.49	7.19
45	12.31	28.03	8.61	17.33	7.99	10.57	7.99	12.68
50	20.41	48.25	14.75	28.91	14.00	19.31	14.00	21.24
55	36.66	79.40	24.80	48.15	26.65	36.26	26.65	36.99
60	70.28	135.30	42.06	69.21	54.05	76.94	54.05	76.94

The standard rates in Table A are for white-collar professionals. If you are in another occupational class, you should multiply the premium rates in Table A by the relevant occupational factor in Table C. Please see page 11 for an example. The premium rates may be higher depending on the factors listed in the table on page 9. These rates should be used as a guide only and include stamp duty. Premium rates for other ages can be obtained by contacting Asteron Client Services on 1800 819 499.

## Table B - Individual rates

Monthly Income Protection premium per \$100 monthly benefit

Age next birthday	30 day waiting period				60 day waiting period				90 day waiting period			
	Male		Female		Male		Female		Male		Female	
	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)	Non-smoker (\$)	Smoker (\$)
25	0.43	0.47	0.64	0.70	0.27	0.29	0.40	0.44	0.20	0.21	0.29	0.32
30	0.41	0.47	0.62	0.70	0.23	0.26	0.35	0.39	0.18	0.20	0.27	0.30
35	0.43	0.50	0.65	0.75	0.25	0.29	0.37	0.43	0.18	0.21	0.27	0.31
40	0.50	0.59	0.74	0.89	0.30	0.36	0.46	0.55	0.21	0.25	0.31	0.37
45	0.65	0.79	0.97	1.18	0.41	0.50	0.62	0.75	0.29	0.35	0.43	0.52
50	0.88	1.07	1.33	1.61	0.59	0.72	0.89	1.08	0.44	0.53	0.65	0.79
55	1.38	1.67	2.07	2.50	0.99	1.19	1.48	1.79	0.78	0.94	1.16	1.41
60	2.22	2.69	3.33	4.03	1.75	2.12	2.62	3.17	1.42	1.72	2.13	2.58

The standard rates in Table B are for white collar professionals. If you are in another occupational class, you should multiply the premium rates in Table B by the relevant occupational factor in Table C. Please see page 11 for an example. The premium rates may be higher depending on the factors listed in the table on page 9. Stamp duty ranging from 5% - 11% according to the state in which you live, will be charged in addition to Income Protection premiums. Premium rates for other ages can be obtained by contacting Asteron Client Services on 1800 819 499.

## Table C - Individual occupational factors

Occupation description	Occupational factors for Death cover	Occupational factors for TPD cover	Occupational factors for Income Protection cover
Professional	1.00	1.00	1.00
Managerial/clerical	1.15	1.18	1.30
Supervisor	1.30	1.90	2.00
Skilled blue collar	1.40	2.80	2.50
Heavy blue collar	1.60	Not available	Not available

The age premium rates in Tables A and B on pages 26 and 27 are multiplied by the occupational factors in Table C as determined by Asteron Life. If you are unsure of the appropriate occupational classification, please contact your adviser or Asteron Client Services on 1800 819 499.

Table D - Sum insured for \$ 0.50 per week

Occupational class	Professional		Managerial/clerical		Supervisor		Skilled blue collar		Heavy blue collar
	Death only (\$)	Death and TPD (\$)	Death only (\$)	Death and TPD (\$)	Death only (\$)	Death and TPD (\$)	Death only (\$)	Death and TPD (\$)	Death only (\$)
25	43,400	32,000	39,800	28,700	30,800	20,300	22,900	14,300	15,500
30	47,000	33,500	43,100	30,100	33,300	21,200	24,700	14,900	16,800
35	42,100	28,200	38,600	25,200	29,800	17,500	22,100	12,200	15,000
40	31,500	19,700	28,900	17,500	22,300	12,000	16,600	8,300	11,200
45	21,400	13,100	19,600	11,600	15,200	7,900	11,200	5,500	7,600
50	13,600	7,300	12,500	6,500	9,700	4,300	7,200	2,900	4,900
55	8,200	3,900	7,500	3,400	5,800	2,200	4,300	1,500	2,900
60	4,700	1,900	4,300	1,700	3,300	1,100	2,500	700	1,700

These rates are applicable to premium based minimum Choice of Fund cover only. Please see 'Choice of Fund' on page 8 for more information. Premium rates for other ages can be obtained by contacting Asteron Client Services on 1800 819 499.

Table E - Age based minimum

Age next birthday	Death cover (\$)	Monthly Death premium (\$)				
		Professionals	Managerial/clerical	Supervisors	Skilled blue collar	Heavy blue collar
25	50,000	2.50	2.72	3.52	4.74	6.99
30	50,000	2.31	2.51	3.25	4.38	6.46
35	50,000	2.58	2.81	3.63	4.90	7.21
40	35,000	2.41	2.63	3.40	4.57	6.74
45	20,000	2.03	2.21	2.86	3.85	5.68
50	14,000	2.23	2.43	3.14	4.23	6.23
55	7,000	1.86	2.03	2.62	3.53	5.20

These rates are applicable to age based minimum Choice of Fund cover only. Your plan must have ten or more employees to qualify for these rates. Please see 'Choice of Fund' on page 8 for more information. Premium rates for other ages can be obtained by contacting Asteron Client Services on 1800 819 499.





AT YOUR FINANCIAL SERVICE®

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Asteron Portfolio Services Limited  
ABN 61 063 427 958  
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RSE Licence No L0002059