



FIRST STATE SUPER

FSS Trustee Corporation

ABN 11 118 202 672 AFSL 293340

Significant Event Notice

Changes to Police Blue Ribbon supplemental insurance cover Effective 20 January 2012



In this Notice, First State Super advises important changes to your Police Blue Ribbon insurance which apply on and from **20 January 2012**. You may have additional insurance cover as a member of First State Super. If so, that cover is not affected by these changes. The changes explained in this Notice only apply to your Police Blue Ribbon insurance cover.

Key points

While you should read the information in this Notice in full, the key points to note about the changes to your Police Blue Ribbon insurance cover are:

- The current terms on which death and terminal illness cover are provided are not being changed.
- Your lump sum total and permanent disablement cover will be reduced however, subject to eligibility, you will be provided with new income protection cover.
- Although it is possible that changes will arise in the future, your contribution to the cost of your Police Blue Ribbon insurance, including the new income protection cover, stays the same.
- The cover will be provided by TAL Life Limited (ABN 70 050 109 450, AFSL 237848), the Insurer, under a policy of life insurance issued to the Trustee and is subject to the terms and conditions of that policy.
- These changes are occurring in conjunction with NSW Government legislation and the repeal of the *Crown Employees (Police Officers Death and Disability) Award 2005*. On 19 January 2012 the partial and permanent disability lump sum benefit (PPD Benefit) which is provided under that Award rather than through First State Super, will be discontinued.



The changes to your Police Blue Ribbon insurance in detail

When considering the information provided in this Notice about your Police Blue Ribbon Insurance cover, please note that the insurance described is subject to the terms and conditions of the policy issued to the Trustee by the Insurer and the policy terms and conditions apply in the event there is any inconsistency with the description set out in this Notice.

What is staying the same?

While there are some significant changes to your Police Blue Ribbon Insurance cover explained in this Notice which take effect on and from 20 January 2012:

- your death and terminal illness cover will continue on the same terms as applied before 20 January 2012. To find out more about your death and terminal illness cover, see the **More Information** section at the end of this Notice.
- NSW Police will continue to pay First State Super the premium required to provide the Police Blue Ribbon insurance.
- no change is proposed to the 1.8% of your salary that you contribute toward the cost of the insurance which will continue to be deducted from your salary by NSW Police.

What is changing?

The lump sum total and permanent disablement (TPD) cover that you have under Police Blue Ribbon insurance will be reduced on and from 20 January 2012. On that date, your TPD benefit will be a multiple of your salary for your age at the time of the insured event, as shown in the following Table. How your 'salary' is determined for this purpose is the same as applied before 20 January 2012.

Age attained	Multiple of salary	Age attained	Multiple of salary	Age attained	Multiple of salary
18	4.80	34	3.57	50	1.37
19	4.80	35	3.47	51	1.20
20	4.79	36	3.39	52	1.19
21	4.73	37	3.26	53	1.04
22	4.65	38	3.21	54	0.95
23	4.58	39	3.04	55	0.91
24	4.54	40	2.88	56	0.78
25	4.45	41	2.73	57	0.76
26	4.38	42	2.49	58	0.64
27	4.17	43	2.44	59	0.62
28	4.05	44	2.30	60	0.50
29	3.95	45	2.06	61	0.43
30	3.81	46	1.90	62	0.38
31	3.77	47	1.74	63	0.38
32	3.71	48	1.61	64	0.36
33	3.61	49	1.48	65 or over	Cover ceases

Unlike death and terminal illness cover that you have under Police Blue Ribbon Insurance, the amount does not vary depending on whether you are on duty or off duty at the time of the insured event.

Note:

The definition of total and permanent disablement is the same as applied before 20 January 2012.

If you make a TPD claim and your absence from work due to the injury or illness which caused the TPD claim is determined to have commenced prior to 20 January 2012, your claim will be assessed, and the amount of your benefit will be determined under the terms which applied before 20 January 2012.

To find out more about your TPD cover, see the **More Information** section at the end of this Notice.



What is new?

Police Blue Ribbon insurance cover will be expanded to include new income protection cover. If you are a NSW Police Officer “at work” on 19 January 2012, you will be covered on and from 20 January 2012.

To be “at work” you must, in the Insurer’s opinion, be capable of performing your identifiable work duties without restriction by illness or injury for at least 15 hours a week (whether or not you are actually working those hours).

If you are not “at work” on 19 January 2012 due to an illness or injury, you will be eligible for Income Protection benefits once you are “at work” and return to pre-disability work duties for at least 2 consecutive months working at least 15 hours per week.

What is Income Protection Cover?

Unlike death, terminal illness and TPD cover, which provide lump sum insurance, income protection provides a monthly income replacement benefit.

A Glossary of terms (shown in *italics*) used in the following description of the new income protection cover is included at page 5.

If you are covered, the amount of monthly benefit provided, the maximum period during which the benefit is paid, and the *waiting period* before any benefit is payable, depend on whether you are *on duty* or *off duty* when an *illness* or *injury* occurs, as shown below:

	On Duty	Off Duty
Monthly Disability Benefit	75% of <i>pre-disability income</i>	75% of <i>pre-disability income</i>
Benefit Period	5 years	2 years
Waiting Period	6 months plus 13 weeks	60 days
Maximum Cover	\$12,000 monthly disability benefit	\$12,000 monthly disability benefit

The Insurer will apply the terms of the Police Blue Ribbon policy to determine whether the income protection cover payable is the *on duty* or *off duty* basis. Any benefit payable is limited to the maximum cover and subject to the limitations and exclusions outlined on page 4 and will be reduced by any *other disability income* which accrues to you during that month.

What is the Benefit Period?

The benefit period is the maximum period for which the Insurer will pay a monthly disability benefit and/or partial disability benefit for a claim in relation to *total disability* and *partial disability* for the same or a related *illness* or *injury*.

If you are entitled to a recurrent disability benefit (refer page 4), this will be considered to be a continuation of the initial claim and, while the *waiting period* will not be reapplied, all periods of claim will be added together for the purpose of assessing the benefit period.

When are you eligible for a monthly disability benefit?

If you have cover, you will be eligible to receive a monthly disability benefit if:

- you have been *totally disabled* or *partially disabled* for the *waiting period*; and
- *totally disabled* for at least 7 out of 12 consecutive days during the *waiting period*; and
- you are *totally disabled* at the end of the *waiting period*, or immediately following a period during which the partial disability benefit has been payable; and
- your *pre-disability income* is reduced due to your *total disability*.

The monthly disability benefit will be paid monthly in arrears and the amount of your benefit accrues daily on a pro-rata basis. Your monthly disability benefit payments will cease to be paid on the earliest of:

- the date you are no longer *totally disabled*; or
- the date of your death; or
- your 60th birthday; or
- the expiry of the benefit period.

When are you eligible for a Partial disability benefit?

You will be eligible to receive a Partial disability benefit if:

- you have been *totally disabled* for at least 7 out of 12 consecutive days during the *waiting period*;
- you are *partially disabled* at the end of the *waiting period*, or immediately following a period during which the monthly disability benefit has been payable.

The partial disability benefit payable is calculated as follows:

$$\frac{\text{pre-disability income} - \text{return to employment income}}{\text{pre-disability income}} \times \text{monthly disability benefit}$$

Monthly partial disability benefit payments will cease to be paid on the earliest of:

- the date you are no longer *partially disabled*,
- the date of your death,
- your 60th birthday, or
- the expiry of the benefit period.

Recurrent disability benefit

If you returned to work after receiving a monthly disability benefit or partial disability benefit and become *totally disabled* or *partially disabled* again within 6 months (from the same or a related *illness* or *injury*) the Insurer will treat any recurrence of that disablement from the same or related cause as a continuation of the same benefit period and no *waiting period* will apply. However, because the benefit will be treated as a continuation of the same benefit period, it will only be payable for the remainder, if any, of the benefit period.

Rehabilitation expense benefit

If you are *totally disabled* or *partially disabled*, the Insurer may pay for the cost of an approved rehabilitation program (other than a program which would constitute 'health insurance business' under the Private Health Insurance Act 2007 (Cth)) if the Insurer reasonably considers the program is likely to assist in your rehabilitation. This is in addition to the benefits otherwise payable to you for income protection. The rehabilitation expense benefit will be payable if:

- the Insurer approves the rehabilitation expenses in writing before they are incurred, and
- the rehabilitation expenses are incurred to directly assist you to return to work or undertake a vocational retraining program.

The amount of the rehabilitation expense benefit will be reduced by any amounts that can be claimed for the rehabilitation expenses from any other source.

A rehabilitation expense benefit will be paid directly to the provider of the rehabilitation service.

Payment of a claim

Payment of a claim must be approved by the Insurer and the Trustee.

You will need to satisfy a condition of release under superannuation law to enable us to pay a benefit to you and any applicable tax will be deducted from the benefit prior to payment. If you do not satisfy a condition of release, First State Super is not able to release the benefit to you. The conditions of release under superannuation law are described in the *Member Booklet Supplement: Accessing your super* on our website at www.firststatesuper.com.au/Tools/MemberBookletProductDisclosureStatements

You are responsible for any costs associated with completing and providing the claim forms (including ongoing claim forms) and any associated documents that the Insurer reasonably requires for the initial and ongoing assessment of your claim. You may also be asked, at your expense, to provide other evidence that the Insurer reasonably requires to substantiate your claim. The Insurer may require you to attend (at its expense) any medical examination by a medical practitioner or other health professional that it nominates, and/or to undergo tests, that it considers necessary to enable it to substantiate your claim.

If you are outside Australia and on claim for *total disability* or *partial disability* for more than 12 months, the Insurer may refuse to continue paying benefits unless you have, at your expense, returned to Australia. Also, you may be required to return to Australia at your expense for initial and ongoing assessment of any claim.

When benefits are not payable

Benefits are not payable in the following circumstances:

- intentional self-inflicted injury or any attempt to commit suicide; or
- normal pregnancy or childbirth; or
- war, which includes any act of war (whether declared or not), revolution, invasion, rebellion or civil unrest.

When does your income protection cover cease?

Your income protection cover in First State Super will cease at the date the following occur:

- you cease your employment as a NSW police officer;
- you die;
- you reach age 60;
- you commence military service (other than the Australian Armed Forces Reserve if you are not on active duty outside Australia); or
- the insurance policy terminates.

Glossary

Expression	Meaning
Gainful Employment or Gainfully Employed	means the performance of work for reward or in the expectation of economic benefit to you, or a person or entity connected with you.
Illness	means sickness, disease or disorder.
Income Producing Duty	is a duty that is crucial to the generation of your <i>pre-disability income</i> .
Injury	means bodily injury which is caused solely and directly by external, violent and accidental means and is independent of any other cause.
Medical practitioner	<p>means, unless the Insurer agrees otherwise, a medical practitioner legally qualified and registered to practice in Australia, who is not, you, your spouse, or a relative, business partners, shareholders or employees. Chiropractors, physiotherapists, psychologists and alternative health providers are not regarded as medical practitioners.</p> <p>If the claimed condition is a psychological condition diagnosed in accordance with the latest edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM), the definition of a Medical Practitioner means a person who is legally qualified and registered as a practicing psychiatrist by the relevant medical registration boards and/or the Specialist Recognition Advisory Committee coordinated through the Australian Health Insurance Commission, who is not you, your spouse, relative, employee or business partners.</p>
Off Duty	means any time that you are not <i>on duty</i> .
On Duty	means duty in the course of employment for remuneration or reward as a NSW police officer and includes journeying to or from work and responding to an incident from the time of the call.
Other Disability Income	<p>means any income (other than paid under the Police Blue Ribbon Policy) which you may derive during a month for which the monthly disability benefit or partial disability benefit is payable and includes:</p> <ol style="list-style-type: none"> any benefit payable under other income protection insurance policies; any benefit under any worker's compensation, statutory compensation, pension, social security or similar schemes or other similar State, Federal or Territory legislation; and any benefit paid under state or federal legislation such as the Department of Veteran Affairs; and any other income payments including employer funded sick leave entitlements. <p>Any Other Disability Income which is in the form of a lump sum, or is commuted for a lump sum, has a monthly equivalent of one 1/60th of the lump sum over a period of 60 months.</p> <p>If it can be shown that a portion of the lump sum represents compensation for pain and suffering, or the loss of use of a part of the body, the Insurer will not take that portion into account as Other Disability Income.</p>
Own Occupation Period	<p>Means the shorter of:</p> <ul style="list-style-type: none"> ■ a period of 24 months after the start of the benefit period; and ■ the period from the date you are first <i>Totally Disabled</i> to the date that you are medically discharged from the NSW Police.
Partial Disability or Partially Disabled	<p>means that, in the Insurer's opinion, while covered under Police Blue Ribbon insurance, solely as a result of an <i>illness or injury</i> that caused you to be <i>totally disabled</i>:</p> <ul style="list-style-type: none"> ■ during the <i>own occupation period</i>, you have returned to work as a NSW police officer but you do not have the capacity to work at the same level you were working at prior to commencement of <i>total disability</i>; ■ during the balance of the benefit period (if any) after the expiry of the <i>own occupation period</i>, you have returned to work, or in the Insurer's reasonable opinion you are capable of returning to work, in an occupation for which you are reasonably qualified by education, training or experience; ■ your <i>return to employment income</i> that is less than your <i>pre-disability income</i>; and ■ you are under the regular care of a <i>medical practitioner</i> and, in the Insurer's reasonable opinion, are complying with the advice and treatment given by that <i>medical practitioner</i>.
Pre-disability Income	<p>Your monthly gross income earned from personal exertion from your employment as a NSW police officer, averaged over the 12 months immediately prior to becoming <i>totally disabled</i>. If you have been employed as a NSW police officer for less than 12 months before becoming <i>totally disabled</i>, your monthly gross income will be averaged over the period since you last started employment as a NSW police officer.</p> <p>Note: For the purpose of calculating your pre-disability income, your employer superannuation contributions are not included.</p>

Glossary (continued)

Expression	Meaning
Return to employment income	<p>means</p> <ol style="list-style-type: none"> during the <i>own occupation period</i>, the gross income received by you during a month in respect of which a partial disability benefit may be payable, and which is earned as a consequence of your personal exertion (including commissions, bonus and other payments that the Insurer reasonably consider form part of your remuneration package), less all expenses incurred by you in connection with earning that income during that month; or during the balance of the benefit period (if any) after the expiry of the <i>own occupation period</i>, the gross income you receive through personal exertion, or are capable of receiving in an occupation for which you are suited by education training or experience through personal exertion, during a month in respect of which a partial disability benefit may be payable (including commissions, bonus and other payments and less all expenses incurred by you in connection with earning that income during that month). The Insurer will calculate the amount you are capable of receiving based on medical advice, which will include the opinion of your <i>Medical Practitioner</i>.
Total Disability or Totally Disabled	<p>means that, in the Insurer's opinion, while covered under Police Blue Ribbon insurance, solely as a result of an <i>illness or injury</i>:</p> <ul style="list-style-type: none"> for the <i>own occupation period</i>, you are unable to perform at least one <i>income producing duty</i> of your employment as a NSW police officer; for the balance of the benefit period (if any) after the <i>own occupation period</i>, you are unable to perform at least one duty that is crucial to the generation of income from any occupation for which you are reasonably qualified by education, training or experience; you are not working in any capacity, <i>gainful employment</i> or otherwise; and you are under the regular care of a <i>medical practitioner</i> and, in the Insurer's reasonable opinion, you are complying with the advice and treatment given by that <i>medical practitioner</i>.
Waiting period	<p>means the continuous period (6 months and 13 weeks, or 60 days, whichever is applicable) commencing from the date a <i>medical practitioner</i> certifies you as totally disabled and for which you have to be <i>totally disabled or partially disabled</i> before the monthly disability benefit or partial disability benefit is payable. If, during the waiting period, you return to <i>gainful employment</i>, the waiting period will still be regarded as continuous if your return to work is for 5 days or less and you again become <i>totally disabled or partially disabled</i> as a result of the same <i>injury or illness</i>. The days for which you were in <i>gainful employment</i> will be added to the waiting period. If you return to <i>gainful employment</i> for more than 5 days, then a new waiting period will commence.</p>



More Information

This Notice applies to your Police Blue Ribbon Insurance cover, but not any other insurance cover that you may have in First State Super. If you have any questions about your Police Blue Ribbon insurance, or the changes explained in this Notice call:

First State Super Customer Service
on **1300 650 873** 8.30 am to 5.30 pm Monday to Friday