

# Insurance and your super

## WEST STATE SUPER AND GESB SUPER



The information in this document forms part of the Product Information Booklet for GESB Super and West State Super, each dated 30 March 2012. You should read the information in this document as part of the Product Information Booklet before making a decision.

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Having personal insurance cover is one of the best ways you can protect yourself and your loved ones should something unfortunate happen to you.

Insurance benefits are provided by the Insurer in accordance with a Group Life and Group Supplementary Income Protection Policy agreed to between GESB and the Insurer. The information contained in this booklet is an overview of the terms and conditions of the Insurance Policy. GESB reserves the right to replace the Insurer and to alter the terms and conditions of the Insurance Policy, including cover and premiums. If you have any questions about insurance or would like a copy of the Insurance Policy contact your Member Services Centre.

**Disclaimer:** The information contained in this document is of a general nature, and does not constitute legal, taxation or personal financial advice. In providing this information GESB has not taken into account your investment objectives, financial situation or needs. GESB is not licensed to provide financial product advice. You should read this document in conjunction with other relevant disclosure documents GESB has prepared for its members including the relevant Product Information Booklet for your scheme. You may also wish to consult a suitably qualified adviser to ascertain whether the information contained in this document is appropriate for you.

## INSURANCE AND YOUR SUPER: A SUMMARY

Life is full of unexpected surprises, and not always for the better. If something happened to you such as an accident, serious illness, death or disability – or you were unable to work for a period of time – would you be able to maintain your lifestyle and cope with your financial obligations?


It makes sense to have your personal insurance within your super. GESB gives you automatic access to three types of insurance cover that can be tailored to suit your individual needs through the insurer, AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) ('the Insurer'). We offer competitive premium rates and the convenience of paying directly from your super account, hassle free. The insurance cover options available include:

| Type of insurance cover                            | Insurance benefit  |
|--|--|
| <b>Death cover</b>                                 | Provides a one-off lump-sum payment in the event of your death (and includes a terminal illness benefit*)  |
| <b>Total and Permanent Disablement (TPD) cover</b> | Provides a one-off lump-sum payment if you are totally and permanently disabled and cannot work due to that condition  |
| <b>Salary Continuance Insurance (SCI) cover</b>    | Provides a monthly income of up to 75% of your pre disability annual income for up to two years if you become disabled due to sickness or injury<br><br>In addition, you may also be entitled to a superannuation top-up benefit |

\*Death cover also entitles you to claim for a terminal illness benefit. If you have been diagnosed with less than 12 months to live, regardless of any treatment undertaken, you may be able to claim your full death benefit as a one-off lump-sum payment. The claims process includes providing two medical statements. For more information see 'Understanding the insurance claims process' at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

### Eligibility

You are automatically eligible for the three types of insurance cover when you join GESB Super or you are already a West State Super member. Eligibility conditions differ for casual employees.

 See the 'Insurance options for casual employees' section on page 5 for more information.

### For all members

The trigger for assessing your eligibility is when we receive your first Superannuation Guarantee (SG) contribution from your employer. Generally speaking, to be eligible for automatic cover you must be receiving SG contributions from your employer and be aged less than 65.

If you are eligible for insurance cover, and you have not elected to opt-out, you will be entitled to a default level of cover called Basic cover. In addition, you may also be able to apply for additional Voluntary cover; this allows you to increase your level of insurance cover to suit your own circumstances.

We determine your entitlement using the information that you or your employer have provided to us, such as age and employment type. Premiums are also calculated based on your occupation. Occupations are categorised for insurance purposes and you are required to notify GESB if your occupation category changes in the future or is incorrect.

 See Table 5 on page 15 for occupation categories.

### For West State Super members

The insurance offering for West State Super members changed on 1 July 2008. West State Super members who met the insurance eligibility criteria on 30 June 2008 were automatically covered under the new Death and Total & Permanent Disablement (TPD) and Salary Continuance Insurance (SCI) cover underwritten by the Insurer.

As a West State Super member you may be eligible for a higher level of Death and TPD insurance cover if you had insurance on or before 30 June 2008 and have not varied from the default cover. See page 3 for more information on default cover. There will be a top-up paid by GESB if your entitlement under the State Superannuation legislation exceeds the amount payable by the Insurer.

### How can I check my entitlement?

Your insurance details are included in:

- The letter which we send to you after you become a new member of GESB
- Your member statement which we send to you every six months
- The Member Online website which you can access via [gesb.com.au](http://gesb.com.au)

It's important you keep us informed of any change to your personal details, particularly when you change jobs, as this may affect your insurance cover and premiums.


## Levels of insurance cover

Death cover, Total and Permanent Disablement cover and Salary Continuance Insurance cover are provided as:

1. Basic cover – which is the default level of cover provided to eligible members. The default amount of cover is explained in table below.
2. Voluntary cover – which allows you to increase your level of insurance cover to suit your circumstances and is any additional cover above the Basic cover that you apply for.

## An overview of automatic Death, TPD insurance and SCI cover for eligible members

|   | Death and Total & Permanent Disablement  | Salary Continuance Insurance   |
|---|--|--|
| <b>Who is eligible?</b>   | Members receiving Superannuation Guarantee (SG) contributions and aged less than 65.   |  |
| <b>Basic cover is provided automatically when we receive your first SG contribution</b> | Basic cover of up to \$200,000, depending on your age  | Up to \$3,000 per month determined by the number of hours per week that you work   |
| <b>Changing your cover</b>  | You can apply to: <ul style="list-style-type: none"> <li>● Increase or decrease</li> <li>● Opt-out</li> <li>● Fix the amount of cover</li> </ul>   | You can apply to: <ul style="list-style-type: none"> <li>● Increase or decrease</li> <li>● Opt-out</li> </ul>  |
| <b>Maximum insurance cover</b>  | \$10 million for Death<br>\$3 million for TPD  | The lesser of 85% of your income (calculated as 75% income plus up to a 10% super contribution) and \$30,000 per month for up to two years.<br><br>If your occupation is classified as being in the Hazardous category, your cover will be limited to the lesser of \$3,000 per month and 85% of your income (75% income plus up to a 10% super contribution). |
| <b>Premiums based on occupation category</b>  | There are five categories based on occupation and employment duties: <ul style="list-style-type: none"> <li>● White Collar</li> <li>● Light Blue Collar</li> <li>● Professional and Executive - members who meet salary and other eligibility criteria may apply to join</li> <li>● Blue and Heavy Blue Collar</li> <li>● Hazardous occupations</li> </ul> |  |
| <b>Waiting periods</b>  | You have to wait three months before you are eligible to receive a TPD benefit approved by the Insurer   | The default waiting period for any benefit payment is 90 days.<br>You can change your waiting period to 30, 60, 120 or 180 days which will affect the premium you pay, see page 13.  |
| <b>Maximum age for cover</b>  | <ul style="list-style-type: none"> <li>● Death cover expires at age 70</li> <li>● TPD cover expires at age 65</li> </ul>   | <ul style="list-style-type: none"> <li>● SCI cover expires at age 65</li> </ul>  |

 Members employed on a casual basis may be eligible to opt-in for Basic cover. For more details see the 'Insurance options for casual employees' section on page 5.

Members not eligible for automatic cover can still apply for insurance by completing an insurance application. Insurance cover will be on the terms offered by the Insurer.

### When does Basic insurance cover start?

There are two possible dates when your default Basic cover will start:

1. The date that you started your employment with the WA public sector, so long as your employer advises us of this date and sends us your first SG contribution within 60 days of your start date.
2. If your employer sends us your first SG contribution more than 60 days after your employment start date, then we will use the date the SG contribution is received as the start date for Basic cover.

If you elect to opt-in to the Professional and Executive occupation category, then any increase in Basic cover occurs from the date the application is accepted by the Insurer.

If you are employed on a casual basis and you opt-in for Basic cover, your cover starts on the date the application is accepted by the Insurer.

### Limitations on Basic cover

There are some limitations on Basic cover that you should be aware of:


- You must be 'At Work'\* on the day that your cover starts to be fully covered for Death, TPD and SCI cover.
- If you were not 'At Work' on the day that your cover started, due to sickness or injury, your insurance will be changed to 'New Events Cover'\* and backdated to the cover commencement date.
- 'New Events Cover' will not cover any medical condition, or any directly or indirectly related conditions, which caused you to not be 'At Work' on the date your cover commenced.
- If we receive the first SG contribution from your employer more than 120 days after you started your employment with them, or you were employed on a casual basis and you elect to opt-in, then your insurance cover is subject to Limited Cover\*.

\*See 'Other things you need to know' on page 17 for more information on Limited Cover, At Work and New Events Cover.

### How much does insurance cover cost?

Insurance cover can be cost effective when included as part of your super. GESB's size also gives us purchasing power which allows us to negotiate lower premiums compared to cover you'd buy directly from an insurer.

Your insurance premiums will be deducted from your account on a monthly basis. The cost of insurance cover varies according to your age, gender, occupation category, type and amount of cover and, for SCI, the waiting period.

 For details on the cost of Death and TPD cover, see page 8. For SCI cover costs, see page 12.


## Choosing your insurance options

Generally it makes sense to have Death and TPD cover and, like GESB, most super funds offer them as a combined policy. As a GESB member, you can tailor your Death and TPD insurance to suit your individual needs by either choosing to have different levels of Death and TPD cover or opting out of either Death or TPD cover.

If you decide to keep the insurance cover provided to you, then you don't need to do anything.

You can elect to change your insurance cover at any time subject to the maximum policy limits. You can check and make changes to your insurance details in one of three ways:

- Through Member Online at [gesb.com.au](http://gesb.com.au), or
- By downloading an 'Insurance variation' form available from [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures), or
- By calling your Member Services Centre on 13 43 72.

 For more information see below and page 6 (for Death and TPD cover) and page 12 (for SCI cover).

### 1. Fix your level of cover

You can apply to:

- Fix your Death and TPD cover at the level for which you are automatically eligible
- Vary the level of cover and fix the value of your Death and TPD cover at that amount
- Change your level of Death and TPD cover at any time in the future

If you are a casual employee who opts in for cover, then the value of your Death and TPD cover will be fixed automatically unless you elect to change it again in the future.

If you fix the level of your Death and TPD cover, the insurance premium will increase as your age increases. When you turn 61, the amount of TPD cover to which you are entitled will reduce annually, until you reach age 65.

 For more information see page 7.

### 2. Opt-out of part or all of your insurance cover

You can choose to opt-out of some or all of your insurance cover.

If you wish to reinstate or increase your insurance cover at a later date it will be subject to certain criteria:

- You must be under the age of 65 to reinstate insurance
- You will need to complete a full 'Insurance application' form
- You must provide any evidence requested by the Insurer
- There is no automatic acceptance
- Your insurance cover will only be accepted subject to the satisfactory evaluation of your application by the Insurer


You can opt-out of part or all of your insurance in one of two ways:

- Through Member Online at [gesb.com.au](http://gesb.com.au), or
- By downloading an 'Insurance variation' form available from [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

You may wish to seek financial advice before making any changes to your insurance cover.

### 3. Transfer your insurance cover from another fund or insurer

If you have insurance cover with another fund or insurer, you have the option to transfer this cover to GESB. To do so, you must complete an 'Individual insurance transfer declaration' form and provide evidence of your cover held with the other fund or insurer.

 Full terms and conditions regarding transferring your insurance cover are available by referring to the 'Individual insurance transfer declaration' form at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures) or by calling your Member Service Centre.


Your insurance transfer will only be approved subject to the satisfactory evaluation of your declaration by the Insurer.

## 4. Opt-in to the Professional and Executive occupation category


To be eligible to opt-in to the Professional and Executive occupation category, you must have Basic cover and meet the Professional or Executive definitions shown below:

| Professional   | Executive  |
|--|--|
| You earn a gross income of at least \$100,000* pa or more, and   |  |
| You are primarily working in an office environment and sedentary capacity no less than 80% of the time (excluding travel time between offices), and  |  |
| You hold a tertiary qualification or are a member of a professional institute or body approved by the Insurer <sup>^</sup>   | or<br>You are part of the Executive Management team** of your employer |
| * If you are working at least 0.6FTE and earn an equivalent full time salary of \$100,000 or more, you meet the minimum salary criteria.   |  |
| ** You are considered part of the Executive Management team if you: <ul style="list-style-type: none"> <li>– Are the Chief Executive Officer or similar position, or</li> <li>– Report directly to the Chief Executive Officer, or</li> <li>– Are employed in the Senior Executive Service.</li> </ul> |  |
| <sup>^</sup> The Insurer has approved a set number of professional institutes and bodies. If you do not hold a tertiary qualification or work in an Executive Management position and are unsure if your professional institute or body qualifies, contact your Member Services Centre on 13 43 72.    |  |

The premiums for the Professional and Executive occupation category will be calculated using a lower occupation category factor than you are currently paying.

 Occupation category factors are shown in Table 3, page 10 (for Death and TPD) and Table 5, page 15 for SCI.

If you are eligible for the Professional and Executive occupation category, you can opt-in and receive additional Basic Death and TPD cover. Once accepted by the Insurer, your Basic Death and TPD cover will be fixed as at the age you applied, and your Basic TPD cover will not start to decrease until you reach age 61 (unless you elect to change it in the future). See Table 1 on page 6. Please note that your premiums will increase as your age increases.

 To find out more or to opt-in, download a copy of the 'Professional and Executive occupation category application' available at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures) or by calling your Member Services Centre.

## 5. Increase cover due to Age or Life Events

If you have existing insurance cover, you can apply to increase it within 90 days of a certain Age or Life Event occurring. You can do this without having to complete a full 'Insurance application' or providing medical information subject to you meeting certain eligibility criteria. The table below shows the defined events and increase options available:

| Age Event   | Type of cover | Increase option   |
|---|---------------|---|
| Turning 30, 35, 40 or 45 years old  | Death or TPD  | You can increase Death cover and TPD cover by up to 25% of your existing cover, to a maximum increase of \$200,000        |
| Life Event  | Type of cover | Increase option   |
| You get married (as defined by the Marriage Act 1961)   | Death or TPD  | Increase your Death cover or TPD cover by up to 25% of your existing cover, to a maximum increase of \$200,000            |
| The two year anniversary of continuously living together if in a de facto or same sex relationship                                      |               |   |
| The birth or adoption of a child*   |               |   |
| You get legally divorced  |               |   |
| Your child* turns 12 or starts private school education   |               |   |
| You increase your mortgage on your home <sup>^</sup> by at least \$100,000  |               |   |
| You start a new mortgage of at least \$100,000 to purchase your home <sup>^</sup>   |               |   |
| You get a salary increase <sup>~</sup>  | SCI only      | Increase your existing SCI cover up to the percentage increase to your salary, to a maximum increase of \$2,000 per month |
| * Child is defined as your child, your spouse's child or your or your spouse's adopted child.   |               |   |
| <sup>^</sup> Home is defined as your principle place of residence.  |               |   |
| <sup>~</sup> If your occupation is classified as being in the Hazardous category, you cannot increase your SCI cover under this option. |               |   |

**Note:** You can increase cover due to an Age or Life Event once in any 12 month period. There is a maximum of three Age Events and three Life Events during your membership in West State Super or GESB Super. This is a total of six opportunities to increase your cover during your membership of the scheme.

➔ To find out more:

- Read the 'Age and Life Event insurance' fact sheet available at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures)
- Call your Member Services Centre

To apply:

- Go to Member Online at [gesb.com.au](http://gesb.com.au), or
- Complete a copy of the 'Age and Life Event insurance' form available at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

## 6. Insurance options for casual employees

If you started employment on a casual basis on or after 1 July 2010# you are not eligible for automatic cover but you can opt-in for Basic cover.

Generally speaking, to be eligible to opt-in you must be:

- Employed on a casual basis
- Receiving SG contributions from your employer, and
- Aged 65 or under

You will be eligible for Basic cover, without the need for a medical assessment, provided you opt-in within 90 days of GESB receiving the first SG contribution from your employer and you meet the At Work requirement. If you apply for Basic cover after 90 days, this will be subject to a medical assessment by the Insurer. Your insurance cover will only be approved subject to the satisfactory evaluation of your declaration by the Insurer. Cover starts from the date your application is accepted by the Insurer.

Your Basic SCI insurance cover is subject to Limited Cover as defined under 'Other things you need to know' on page 17.

# Casuals are defined as an employee who is paid at an hourly rate and who is not entitled to be paid annual leave or sick leave in his or her employment.

How much cover can casual employees apply for?

- **Death and TPD** You can opt-in for any amount up to the Basic cover amount for your age, as shown in Table 1, page 6, columns A and D.
- **SCI** You can opt-in for any amount up to the Basic cover amounts shown below, depending on the number of hours per week that you work:

| Employment status full-time equivalent (FTE) | Basic level of cover (per month) |
|--|----------------------------------|
| At least 0.4 FTE                             | \$1,200                          |
| Less 0.4 FTE                                 | \$600                            |

## CHECKLIST AND NEXT STEPS

### ● Check your entitlement and details of cover

We recommend you read the sections in this document on 'Death and TPD cover' (from page 6) and 'SCI cover' (from page 12) and make yourself aware of the details that are relevant to you.

### ● Review your insurance options when your employment circumstances change

Whenever you change jobs or receive a substantial increase to your income, you should check that your level of SCI cover is appropriate. This will ensure that you continue to have the correct occupation classification and relevant cover. We strongly recommend you review your insurance situation regularly to avoid paying for insurance that you do not need – you may be paying for insurance within other super funds that you have held while working for other employers outside the public sector.

You can make adjustments to your cover through Member Online or print and return an 'Insurance variation' form available from [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

### ● Revisit your insurance requirements regularly

Some of the key decisions we make in life can lead to an increase in debt. When you marry, have children or buy a house you should review your insurance needs in line with these lifestyle changes. It's important to ensure you have the right level of Death and TPD cover to support your partner or family, should anything happen to you.

### ● Contact your Member Services Centre if you have any questions regarding your insurance

## DEATH AND TOTAL & PERMANENT DISABLEMENT INSURANCE

Death and Total & Permanent Disablement (TPD) insurance cover provides you or your estate with a lump-sum benefit if you die, are deemed to be terminally ill or become totally and permanently disabled.

Table 1: Death and TPD Basic cover and Maximum Basic cover limits

| Death cover      |             |                     |  | Total and Permanent Disablement cover |             |                     |  |
|------------------|-------------|---------------------|--|---------------------------------------|-------------|---------------------|--|
| Your current age | Basic cover | Maximum Basic cover | Professional and Executive Basic cover | Your current age                      | Basic cover | Maximum Basic cover | Professional and Executive Basic cover |
|                  | Column A    | Column B            | Column C                               |                                       | Column D    | Column E            | Column F                               |
| 14-45            | \$200,000   | \$400,000           | \$700,000                              | 14-45                                 | \$200,000   | \$400,000           | \$700,000                              |
| 46               | \$190,000   | \$240,000           | \$480,000                              | 46                                    | \$190,000   | \$240,000           | \$480,000                              |
| 47               | \$180,000   | \$230,000           | \$460,000                              | 47                                    | \$180,000   | \$230,000           | \$460,000                              |
| 48               | \$170,000   | \$210,000           | \$420,000                              | 48                                    | \$170,000   | \$210,000           | \$420,000                              |
| 49               | \$160,000   | \$200,000           | \$400,000                              | 49                                    | \$160,000   | \$200,000           | \$400,000                              |
| 50               | \$150,000   | \$190,000           | \$380,000                              | 50                                    | \$150,000   | \$190,000           | \$380,000                              |
| 51               | \$140,000   | \$180,000           | \$360,000                              | 51                                    | \$140,000   | \$180,000           | \$360,000                              |
| 52               | \$130,000   | \$160,000           | \$320,000                              | 52                                    | \$130,000   | \$160,000           | \$320,000                              |
| 53               | \$120,000   | \$150,000           | \$300,000                              | 53                                    | \$120,000   | \$150,000           | \$300,000                              |
| 54               | \$110,000   | \$140,000           | \$280,000                              | 54                                    | \$110,000   | \$140,000           | \$280,000                              |
| 55               | \$100,000   | \$130,000           | \$260,000                              | 55                                    | \$100,000   | \$130,000           | \$260,000                              |
| 56               | \$90,000    | \$110,000           | \$220,000                              | 56                                    | \$90,000    | \$110,000           | \$220,000                              |
| 57               | \$80,000    | \$100,000           | \$200,000                              | 57                                    | \$80,000    | \$100,000           | \$200,000                              |
| 58               | \$70,000    | \$90,000            | \$180,000                              | 58                                    | \$70,000    | \$90,000            | \$180,000                              |
| 59               | \$60,000    | \$80,000            | \$160,000                              | 59                                    | \$60,000    | \$80,000            | \$160,000                              |
| 60               | \$50,000    | \$60,000            | \$120,000                              | 60                                    | \$50,000    | \$60,000            | \$120,000                              |
| 61               | \$50,000    | \$60,000            | \$120,000                              | 61                                    | \$40,000    | \$50,000            | \$100,000                              |
| 62               | \$50,000    | \$60,000            | \$120,000                              | 62                                    | \$30,000    | \$40,000            | \$80,000                               |
| 63               | \$50,000    | \$60,000            | \$120,000                              | 63                                    | \$20,000    | \$30,000            | \$60,000                               |
| 64               | \$50,000    | \$60,000            | \$120,000                              | 64                                    | \$10,000    | \$10,000            | \$20,000                               |

All Death benefits (including terminal illness benefits) and TPD insurance benefits are paid into your super account and can be accessed when a condition of release is satisfied. For more information, see the 'Accessing your super' fact sheet at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

### Level of cover

The level of automatic cover for Death and for TPD insurance is based on your current age.

### Changing your level of cover

You can elect to:

- Increase your Death cover and/or TPD cover
- Decrease your Death cover and/or TPD cover
- Fix the level of Death and TPD cover



### Increasing your level of cover without providing medical information

Normally, when you apply for more insurance, your application is assessed by the Insurer and you may have to provide extra medical information. But there are three instances where this may not apply:

1. Within 90 days of GESB receiving your first employer SG contribution.  
You have the option to increase your level of insurance cover up to a Maximum Basic cover limit without having to provide any medical and/or other evidence so long as GESB

receives your application within 90 days of receipt of your first SG contribution from your employer and subject to you being At Work.

Casual employees who opt-in for Basic cover can only increase cover by completing a full insurance application and the application being assessed by the Insurer.

2. If you're eligible to opt-in to the Professional and Executive occupation category.  
If you meet the eligibility criteria, you can opt-in to the Professional and Executive occupation category. You are able to increase cover up to the Professional and Executive Basic cover shown in Table 1, above, columns C and F.  
 See page 4 for more information about eligibility for the Professional and Executive occupation category.
3. Within 90 days of a defined Age or Life Event.  
If you meet the eligibility criteria, you can increase your Death cover and/or your TPD cover by up to 25% of the amount of your existing cover, to a maximum increase of \$200,000.  
 See page 5 for more information about Age and Life Events.

### Increasing your cover at any time

If you would like to increase your insurance cover and are not eligible for the options above, or you are a casual employee who opts in for cover, you will need to provide medical and/or other evidence for assessment by the Insurer.

Your insurance cover will only be approved subject to the satisfactory evaluation of your application by the Insurer. Your cover may also be approved subject to loadings or exclusions. It is possible that your application for additional cover could be declined.

### Decreasing your level of cover

You have the option to decrease your level of insurance cover. However, if in the future you would like to reinstate or increase your insurance cover, you can only do so subject to:

- You being under the age of 65, and
- Completing a full 'Insurance application' form, and
- Providing any evidence requested by the Insurer

Your insurance cover will only be approved subject to the satisfactory evaluation of your application by the Insurer. Your cover may also be approved subject to loadings or exclusions.

### Fixing your level of cover

From the age of 46, the value of your Death cover and TPD cover will decrease as shown in Table 1 on page 6.

You can apply to:

- Fix your Death and TPD cover at the level for which you are automatically eligible
- Vary the level of cover and fix the value of your Death and TPD cover at that amount
- Change your level of Death and TPD cover at any time in the future

If you are a casual employee who opts in for cover, then the value of your Death and TPD cover will be fixed automatically unless you elect to change it again in the future.

If you fix the level of your TPD cover, the insurance premium will increase as your age increases. When you turn 61, the amount of TPD cover to which you are entitled will reduce annually, until you reach age 65.

### Example

John is aged 40 and receives \$200,000 of combined Death and TPD cover. If he opts to decrease this cover to \$180,000 then:

- he will receive Death and TPD cover to the value of \$180,000 for each year he is under the age of 61 (unless John opts to change the value in the future)
- his TPD cover reduces from age 61 annually, to become nil at age 65, and
- his Death cover will remain fixed at \$180,000 until age 70 (unless John opts to change the value in the future).

### How do I change my level of cover?

The table below highlights the tools available to increase, decrease or fix the level of your Death or TPD cover and whether or not approval is required from the Insurer.

### What are the waiting periods for TPD?

The waiting period starts from the date you are certified as totally and permanently disabled and have ceased work due to that condition.

You are able to make a claim as soon as you meet the medical requirements but there is a waiting period of three months before any benefit payment that is approved by the Insurer is paid into your account.

If you submit a claim relatively early in the waiting period, then the Insurer may ask you to provide more up to date medical information at the end of the waiting period to finalise their assessment.

All Death and TPD insurance benefits are paid to your super account and can be accessed when a condition of release is satisfied.

➔ For more information, see 'Accessing your super' fact sheet at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

| Type of change   | All forms are available at <a href="http://www.gesb.com.au/brochures">www.gesb.com.au/brochures</a>   | Assessment required by the insurer |
|--|---|------------------------------------|
| <b>Increasing</b> your cover <ul style="list-style-type: none"> <li>● within 90 days of GESB receiving the first SG contribution from your employer and up to the Maximum Basic cover level for your age</li> </ul>  | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance variation' form                       | No                                 |
| <ul style="list-style-type: none"> <li>● within 90 days of a defined Age or Life Event</li> </ul>  | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or read and complete an 'Age or Life Event' fact sheet and form | No                                 |
| <ul style="list-style-type: none"> <li>● more than 90 days after GESB receives the first SG contribution from your employer</li> <li>● in excess of the Maximum Basic cover level for your age</li> <li>● if you are a casual employee who opted in for cover</li> </ul> | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance application' form                     | Yes                                |
| <b>Decrease</b> your cover   | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance variation' form                       | No                                 |
| <b>Fixing</b> your cover   | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance variation' form                       | No                                 |

### How much does Death and TPD cover cost?

The cost of insurance cover varies according to your age, gender, occupation category, type and amount of cover.

Occupations are categorised into broad groupings for insurance purposes and are shown in Table 3 on page 10. In determining your occupation category, GESB and the Insurer rely on information provided by you or your employer. You are required to notify us if your occupation details are incorrect or if your occupation category changes in the future.

Your premiums for Death only cover, TPD only cover or combined Death and TPD cover are calculated using the equation alongside and will be deducted from your account each month:

$$\begin{aligned} & \text{Level of benefit (per \$1,000 of cover)} \\ & \times \\ & \text{Age and gender based annual premium rate} \\ & \times \\ & \text{Occupation category factor*} \end{aligned}$$

\* An additional premium loading may also apply depending on your application for additional insurance cover. For example, if you have a pre-existing medical condition.

### Example

Carly is a dental assistant\* and is 31 years old. Her insurance premium for combined Death and TPD cover is calculated as follows:

|   | Level of cover       | \$1,000s of cover              | Age and gender-based premium rate       | Occupation Category Factor | Annual Premium                  |
|---|----------------------|--------------------------------|---|----------------------------|---------------------------------|
| <b>Reference</b>  | From Table 1, page 6 | Divide cover amount by 1,000 = | Annual premium rate from Table 2, below | From Table 3, page 10      |                                 |
| <b>Carly's Death and TPD Basic cover based on her current age</b> | \$200,000            | 200                            | x 0.69                                  | x 1.050 =                  | \$144.90 (or \$12.08 per month) |
| <b>Fill in your details</b>                                       | \$                   |                                | x                                       | x =                        | \$                              |

\* Dental assistants are classified as Category 2 – Light blue collar occupation. See Table 3 on page 10 for occupation category factors.

The rate used for Carly's example above has been highlighted in Table 2.

**Table 2: Age and gender based annual premium rates per \$1000 amount insured**

| Your current age | Death only |          | Death and TPD |          | TPD only |          |
|------------------|------------|----------|---------------|----------|----------|----------|
|                  | Males      | Females  | Males         | Females  | Males    | Females  |
|                  | Column A   | Column B | Column C      | Column D | Column E | Column F |
| 15               | 0.23       | 0.2      | 0.27          | 0.23     | 0.04     | 0.03     |
| 16               | 0.37       | 0.26     | 0.42          | 0.32     | 0.05     | 0.06     |
| 17               | 0.50       | 0.31     | 0.59          | 0.38     | 0.09     | 0.07     |
| 18               | 0.59       | 0.35     | 0.68          | 0.41     | 0.09     | 0.06     |
| 19               | 0.63       | 0.39     | 0.75          | 0.46     | 0.12     | 0.07     |
| 20               | 0.68       | 0.39     | 0.79          | 0.47     | 0.11     | 0.08     |
| 21               | 0.69       | 0.39     | 0.82          | 0.46     | 0.13     | 0.07     |
| 22               | 0.69       | 0.37     | 0.82          | 0.43     | 0.13     | 0.06     |
| 23               | 0.69       | 0.36     | 0.85          | 0.46     | 0.16     | 0.10     |
| 24               | 0.69       | 0.34     | 0.86          | 0.43     | 0.17     | 0.09     |
| 25               | 0.62       | 0.34     | 0.79          | 0.46     | 0.17     | 0.12     |
| 26               | 0.61       | 0.35     | 0.80          | 0.5      | 0.19     | 0.15     |
| 27               | 0.59       | 0.37     | 0.80          | 0.54     | 0.21     | 0.17     |
| 28               | 0.59       | 0.38     | 0.80          | 0.57     | 0.21     | 0.19     |
| 29               | 0.56       | 0.38     | 0.81          | 0.64     | 0.25     | 0.26     |
| 30               | 0.55       | 0.39     | 0.81          | 0.66     | 0.26     | 0.27     |
| 31               | 0.54       | 0.39     | 0.82          | 0.69     | 0.28     | 0.30     |
| 32               | 0.53       | 0.40     | 0.84          | 0.79     | 0.31     | 0.39     |
| 33               | 0.53       | 0.43     | 0.85          | 0.85     | 0.32     | 0.42     |
| 34               | 0.54       | 0.44     | 0.91          | 0.87     | 0.37     | 0.43     |
| 35               | 0.55       | 0.48     | 0.96          | 0.94     | 0.41     | 0.46     |
| 36               | 0.58       | 0.51     | 1.04          | 1.01     | 0.46     | 0.50     |
| 37               | 0.57       | 0.54     | 1.11          | 1.06     | 0.54     | 0.52     |

**Table 2: Age and gender based annual premium rates per \$1000 amount insured (continued)**

| Your current age | Death only |          | Death and TPD |          | TPD only |          |
|------------------|------------|----------|---------------|----------|----------|----------|
|                  | Males      | Females  | Males         | Females  | Males    | Females  |
|                  | Column A   | Column B | Column C      | Column D | Column E | Column F |
| 38               | 0.62       | 0.58     | 1.21          | 1.15     | 0.59     | 0.57     |
| 39               | 0.68       | 0.59     | 1.31          | 1.21     | 0.63     | 0.62     |
| 40               | 0.68       | 0.63     | 1.33          | 1.31     | 0.65     | 0.68     |
| 41               | 0.73       | 0.63     | 1.45          | 1.36     | 0.72     | 0.73     |
| 42               | 0.78       | 0.66     | 1.58          | 1.45     | 0.80     | 0.79     |
| 43               | 0.87       | 0.65     | 1.76          | 1.49     | 0.89     | 0.84     |
| 44               | 0.98       | 0.69     | 1.98          | 1.66     | 1.00     | 0.97     |
| 45               | 1.09       | 0.75     | 2.22          | 1.89     | 1.13     | 1.14     |
| 46               | 1.21       | 0.79     | 2.49          | 2.12     | 1.28     | 1.33     |
| 47               | 1.34       | 0.85     | 2.80          | 2.39     | 1.46     | 1.54     |
| 48               | 1.45       | 0.91     | 3.11          | 2.63     | 1.66     | 1.72     |
| 49               | 1.56       | 0.98     | 3.46          | 2.92     | 1.90     | 1.94     |
| 50               | 1.67       | 1.05     | 3.86          | 3.22     | 2.19     | 2.17     |
| 51               | 1.8        | 1.14     | 4.28          | 3.57     | 2.48     | 2.43     |
| 52               | 1.94       | 1.23     | 4.79          | 3.96     | 2.85     | 2.73     |
| 53               | 2.09       | 1.42     | 5.33          | 4.65     | 3.24     | 3.23     |
| 54               | 2.24       | 1.52     | 5.91          | 5.09     | 3.67     | 3.57     |
| 55               | 2.40       | 1.63     | 6.57          | 5.56     | 4.17     | 3.93     |
| 56               | 2.57       | 1.76     | 7.30          | 6.08     | 4.73     | 4.32     |
| 57               | 2.76       | 1.88     | 8.13          | 6.65     | 5.37     | 4.77     |
| 58               | 3.06       | 2.01     | 8.89          | 7.10     | 5.83     | 5.09     |
| 59               | 3.38       | 2.15     | 9.71          | 7.60     | 6.33     | 5.45     |
| 60               | 4.15       | 2.25     | 11.82         | 7.96     | 7.67     | 5.71     |
| 61               | 4.59       | 2.41     | 12.92         | 8.50     | 8.33     | 6.09     |
| 62               | 5.08       | 2.57     | 14.14         | 9.06     | 9.06     | 6.49     |
| 63               | 5.54       | 2.76     | 15.62         | 9.85     | 10.08    | 7.09     |
| 64               | 6.03       | 2.96     | 17.27         | 10.68    | 11.24    | 7.72     |
| 65               | 6.57       | 3.17     |               |          |          |          |
| 66               | 7.17       | 3.40     |               |          |          |          |
| 67               | 7.81       | 3.64     |               |          |          |          |
| 68               | 8.66       | 3.94     |               |          |          |          |
| 69               | 9.6        | 4.27     |               |          |          |          |

The premium rates above are inclusive of stamp duty, 4% administration fee and GST. GESB reserves the right to review insurance premiums to ensure that the structure and level of premiums are appropriate. We will always inform you of any changes through our website or through our member report sent with your six-monthly member statement. We will give you at least 30 days notice of any premium increases.

Other limits and conditions may apply to Death and TPD insurance. For more information or to receive a copy of the Insurance Policy terms and conditions, contact your Member Services Centre.

**Table 3: Occupation category factors**

| Occupation Categories  | Death only / TPD only / Death and TPD combined |
|--|--|
| Category 1 - White collar occupations<br>eg accounting clerks, office managers, physiotherapists, counsellors, secondary school teachers | 0.830  |
| Category 2 - Light blue collar occupations<br>eg dental assistants, architects, child care workers                                       | 1.050  |
| Category 3 - Blue and heavy blue collar occupations<br>eg electricians, cooks, commercial cleaners                                       | 1.075  |
| Category 4 - Hazardous occupations<br>eg police officers, fire fighters, prison officers   | 1.100  |
| Category 5 - Professional and Executive<br>Subject to meeting the eligibility criteria shown on page 4                                   | 0.664  |

The rate used for Carly's example on page 8 has been highlighted in this table.

### Reasons why your Death cover will cease

Your Death insurance cover will cease on the earliest of one of the following events:

- You turn age 70
- You cease to be a member of GESB Super or West State Super
- You die
- We receive your cancellation of cover (in writing)
- Your premium was not paid (and remains unpaid)
- Your claim for a terminal illness benefit is paid
- Your claim for TPD is paid\*
- The Policy is terminated by GESB or the Insurer.

\* Where a claim for TPD is paid, the value of Death cover that exceeds the value of the TPD benefit will continue until another one of the above events occurs.

### Reasons why your TPD insurance cover will cease

Your TPD insurance cover will cease on the earliest of one of the following events:

- You turn age 65
- You cease to be a member of GESB Super or West State Super
- You die
- We receive your cancellation of cover (in writing)
- Your premium was not paid (and remains unpaid)
- Your claim for a terminal illness benefit is paid\*
- Your claim for TPD is paid
- The Policy is terminated by GESB or the Insurer.

\* Where a terminal illness benefit is paid (which is equal in value to your full Death benefit), the value of TPD cover which exceeds the value of the terminal illness benefit paid will continue until another one of the above events occurs.

### Claiming your Death benefit

It is important that you have an up to date Will that specifies how you wish your estate to be distributed.

Once we have been notified of your death, we will send a letter to your legal personal representative that explains the documentation we require to process the claim. Once it has been determined that the insurance benefit is payable, we will write to your legal personal representative or beneficiary to advise the amount of the entitlement and also explain the process they should follow when making an application for payment of your superannuation benefit.

Processing a death benefit payment can be quite lengthy. It is often the case that the insurance component of the pay out (if any) is paid to your super account relatively early in the process. The insured component of your benefit is treated in the same way as your super balance and is invested in your nominated investment plan. This allows the insurance benefit to accumulate potential investment returns while the death benefit claim process is managed to completion. If you have not nominated a preferred investment plan, your lump sum will be invested in the default investment plan for your scheme.

### Claiming your TPD benefit

To claim against your TPD cover you must meet the definition of Total and Permanent Disablement (see definitions below).

You are able to make a claim as soon as you meet the medical requirements but there is a waiting period of three months before any benefit payment that is approved by the Insurer is paid into your account.

If you submit a claim relatively early on in the waiting period, then the Insurer may ask you to provide more up to date medical information at the end of the waiting period to finalise their assessment.

➔ For more information, see 'Understanding the insurance claims process' at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

### Where Total and Permanent Disablement occurs

If you make a TPD claim, the Insurer will make an assessment based upon the definition of Total and Permanent Disablement that applies to your cover. Definitions differ depending on the hours you work and payment of a TPD benefit is dependent upon you meeting the definitions shown below.

Any insured benefit will be paid to your super account and you will be able to access this benefit once you meet a condition of release. This benefit can also be rolled into a complying pension or annuity like GESB's Retirement Income Allocated Pension.

### Permanent employees and fixed-term contractors, working AT LEAST 15 hours per week.

#### Standard definition

Total and Permanent Disablement is where you

a) while insured under this Policy, as a result of injury, sickness or disease:

- Have not performed any work for an uninterrupted period of at least three consecutive months, solely due to the same injury, sickness or disease, and
- Are attending a registered medical practitioner and have undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease, and
- After consideration of all medical and such other evidence as the Insurer may require, have become in the Insurer's opinion, incapacitated to such an extent as to render you unlikely ever to be able to engage in your own occupation and any occupation for which you are reasonably suited by education, training or experience.

#### OR

b) while insured under this Policy, have suffered the total and irrecoverable loss of the:

- Sight of both eyes, or
- Use of two limbs, or
- Sight of one eye and use of one limb

where limb is defined as the whole hand or whole foot.

**Note:** The definitions used to assess a claim are made based on your employment status at the time that you ceased employment as a result of Total and Permanent Disablement. At the time of the claim, the Insurer will assess the level of hours worked per week over the previous 13 weeks immediately prior to the last day you were at work prior to disablement.

## Permanent employees and fixed-term contractors, working LESS than 15 hours per week, and all casual and sessional employees.

### Activities of daily living definition

Total and Permanent Disablement means:

a) while insured under this Policy, you have been (for a period of three consecutive months after the occurrence of the illness, accident or injury) continuously, totally and permanently unable to perform at least two of the following activities of daily living, as certified by a registered medical practitioner appointed by the Insurer, and provided such continued inability is irreversible as certified by that registered medical practitioner:

*Bathing* – The ability to wash yourself either in the bath or shower or by sponge bath without the standby assistance of another person.

*Dressing* – The ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them, without the standby assistance of another person.

*Eating* – The ability to feed yourself once food has been prepared and made available, without the standby assistance of another person.

*Toileting* – The ability to get to and from, and on and off the toilet, without the standby assistance of another person and ability to manage bowel and bladder functions through the use of protective undergarments or surgical appliances, if appropriate.

*Transferring* – The ability to move in and out of a chair without the standby assistance of another person.

### OR

b) while insured under this Policy, you have suffered the total and irrecoverable loss of the:

- Sight of both eyes, or
- Use of two limbs, or
- Sight of one eye and use of one limb

where limb is defined as the whole hand or whole foot.

### Other considerations for Death and TPD insurance claims

If you're on paid leave, your insurance cover and your Superannuation Guarantee (SG) contributions from your employer continue as normal. If you go on leave without pay you can continue your insurance cover for up to 24 months (from the time your period of leave commenced).

You can apply to extend the period beyond 24 months which is subject to approval by the Insurer.

Where the Insurer has not allowed an extension for a member beyond 24 months or an application to extend has not been requested by a member, any potential TPD claims where the incident date arises beyond the 24 month period will be assessed against the activities of daily living definition (see above) subject to payment of premiums for that member.

Claims for payment of TPD benefits should be made within a reasonable period of time of you ceasing work as it assists the Insurer with making an assessment of your claim.

If you do not lodge a claim within two years of ceasing employment due to TPD, your ability to access the Superannuation Complaints Tribunal may also be impacted.

➔ For more information, see 'Understanding the GESB insurance claims process' fact sheet at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

### Exclusions

You or your dependants will not be able to claim against your Death or TPD insurance if death or TPD is caused wholly or partly, directly or indirectly:

- By active service in the armed forces of any country or international organisation\*, or
- From declared or undeclared war or any act of war.

If death is caused as a result of any intentional self-inflicted act, whether sane or insane, for any increase in the insured amount in relation to Voluntary cover, within 13 months of acceptance of the increase.

If TPD is caused as a result of any intentional self-inflicted act, whether sane or insane, for any increase in the insured amount in relation to Voluntary cover.

For casual employees who opt-in for Basic Death and TPD cover, you or your dependants will not be able to claim against your Death or TPD insurance if your death or TPD is caused wholly or partly, directly or indirectly by any intentional self-inflicted act, whether sane or insane, within 13 months of opting in.

Additional exclusions may apply to Voluntary cover for pastimes (eg parachuting) and/or medical reasons

(eg for existing illness). Exclusions will be assessed by the Insurer when you apply to increase your Voluntary cover and you will be required to provide medical and/or other evidence.

\* Where you are enrolled in the Australian Defence Force Reserves, this exclusion only applies when you have been called up for active service.

➔ For more information or to receive a copy of the Insurance Policy terms and conditions, contact your Member Services Centre.


## SALARY CONTINUANCE INSURANCE

**Salary Continuance Insurance (SCI) provides a monthly benefit for up to two years if you become disabled due to injury or sickness, and is paid after a waiting period has been satisfied.**

SCI benefits are assessed on your pre-disablement income which is the average monthly income you earned over the 12 months prior to you becoming totally disabled.

If you are under 65 years of age and receiving a Superannuation Guarantee (SG) contribution from your employer, you will generally be automatically covered for SCI.

If you are newly employed on a casual basis you will not receive automatic SCI cover. However, if you require insurance cover, you will have the choice to opt-in.

 See 'Insurance options for casual employees' on page 5 for more information.

### Basic level of cover

The Basic level of cover for SCI is based on your employment status when we received your first SG employer's contribution.

| Employment status full-time equivalent (FTE)  | Basic level of cover (per month) |
|---|----------------------------------|
| Full-time   | \$3,000                          |
| Between 0.8 and 0.99 FTE  | \$2,400                          |
| Between 0.6 and 0.79 FTE  | \$1,800                          |
| Between 0.4 and 0.59 FTE  | \$1,200                          |
| Less 0.4 FTE (ie less than 2 days a week)   | \$600                            |
| <b>Note:</b> Casual employees with an FTE of 0.4 and above will be restricted to \$1,200 per month. |                                  |

The maximum benefit payable is capped at the sum insured. Your sum insured cannot be greater than 75% of your pre-disablement income plus up to a 10% superannuation top-up benefit.

If your Basic cover monthly amount exceeds 85% of pre-disablement income (ie 75% of your pre-disablement income plus up to a 10% superannuation top-up benefit) then you may be entitled to a super top-up benefit. Refer to 'Super Top-up Benefit' in the next column for more information.

It is important that you make sure you have the right level of cover.

- If you are a full-time employee earning more than \$48,000 pa, your monthly SCI benefit of \$3,000 per month is less than 75% of your pre-disablement income and may need to be increased.
- Similarly if you earn less than \$48,000 pa, you may want to reduce your cover.

It is also possible that you have insurance with other super funds or insurers, so we strongly recommend you review your insurance situation regularly to avoid paying for insurance that you do not need.

To work out how much cover you might need as part of your super, use the calculator below. We've included an example to help you.

### Example

Sally is aged 39 and earns \$66,000 pa. She wants to cover herself for the full 75% of her pre-disablement income plus contribute 10% to her super.

So, \$4,125 is 75% of Sally's monthly income and this amount is paid directly into her bank account. The remainder (\$4,600 – \$4,125) constitutes the super top-up benefit and this is paid to Sally's GESB Super account.

| Insurance cover calculator  |   | Sally                     | You                     |
|---|---|---------------------------|-------------------------|
| Annual income   | A | \$66,000                  | \$                      |
| Monthly income: A (\$66,000) divided by 12  | B | \$5,500                   | \$                      |
| What % of monthly income do you want paid to you? (The maximum is 75%)                | C | 75%                       | .....% (Maximum of 75%) |
| Multiply B (\$5,500) by C (75%)   | D | \$4,125 per month         | \$ per month            |
| What % of monthly income do you want paid to your super account? (The maximum is 10%) | E | 10%                       | .....% (Maximum of 10%) |
| Multiply B (\$5,500) by E (10%)   | F | \$ 550 per month          | \$ per month            |
| Add D (\$4,125) and F (\$550) together  | G | \$ 4,675 per month        | \$ per month            |
| Monthly insurance amount (G) rounded to closest \$200 increment                       | H | <b>\$ 4,600 per month</b> | <b>\$ per month</b>     |

Whether you are a West State Super member or GESB Super member, you can insert your details into the table above to calculate how much insurance cover you need.


### Super Top-Up Benefit

Where disablement of a member occurs on or after 1 January 2009, the SCI benefit will provide a super top-up benefit where the sum insured is greater than the income replacement benefit payable. The amount of this top-up benefit is determined by age.

The super top-up benefit will be preserved in your super and you will need to satisfy another condition of release to access this amount.

| Age   | Top-up to super from SCI benefit                   |
|---|--|
| Under age 55  | Up to an additional 75% of pre-disablement income* |
| Age 55 and over   | Up to an additional 25% of pre-disablement income* |
| * If you have applied to increase your cover or are a casual employee who opts in for cover, your super top-up benefit would be limited to a maximum of 10% of your pre-disablement income. |  |

This super top-up benefit is treated as a concessional contribution and will count towards your concessional contribution cap.

 For more information on these caps, see 'Contributing to your super account' brochure at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

### Example

Jane is aged 44 and works full time. She has a sum insured of \$3,000 per month and her annual salary is \$42,000. If she was to become totally disabled and her claim was approved by the Insurer, she would receive a benefit paid as follows:

|   | Gross Monthly Benefit | How is benefit paid?                             |
|---|-----------------------|--|
| 75% pre-disablement income (75% of \$42,000 / 12) | \$2,625               | Paid to Jane's bank account                      |
| Top-up to super                                   | \$375                 | Paid as a top-up benefit to Jane's super account |
| Total benefit paid                                | \$3,000               |  |

The maximum benefit payable in this example is \$3,000. The maximum superannuation top-up benefit allowed in this example is \$375; that is the difference between the income replacement benefit and the sum insured.

**Changing your level of cover**

You can elect to:

- Decrease your SCI cover by increments of \$200 per month
- Increase your SCI cover by increments of \$200 per month up to the lesser of:
  - 75% of your income (plus up to a 10% superannuation top-up benefit); and
  - \$30,000 per month (\$3,000 per month maximum for Category 4 Hazardous occupations).

The purchase of additional cover, referred to as Voluntary cover, is subject to approval by the Insurer. The Insurer may request extra information in order to assess your application and may include medical evidence or proof of income. If approved, your additional Voluntary cover begins from the date of the Insurer’s letter of acceptance unless otherwise specified. Your cover may also be approved subject to loadings or exclusions. It is possible that your application for additional Voluntary cover could be declined.

**Increasing your level of cover without providing medical information**

Normally when you apply for more insurance, your application is assessed by the Insurer and you may have to provide extra medical information. But there are three instances where this may not apply:

1. Within 90 days of GESB receiving your first employer SG contribution
 

You have the option to increase your level of insurance cover up to the Maximum Basic cover limit of \$3,000 without having to provide any medical and/or other evidence so long as GESB receives your application within 90 days of receipt of your first SG contribution from your employer and subject to you being At Work\*.


Casual employees who opt-in for Basic cover can only increase cover by completing an ‘Insurance application’ form and the application being assessed by the Insurer.

If you receive Basic cover of less than \$3,000 per month but your income supports a higher level of Basic cover (eg you earn more than around \$9,600 pa for working less than two days per week), you have the option to increase your cover up to a maximum of \$3,000 per month without having to provide any medical and/or other evidence. You must be ‘At Work’\* on the day you complete the application, however, you need to apply within 90 days of the date that we received your first SG contribution from your employer.
2. If you’re eligible to opt-in to the Professional and Executive occupation category
 

If you meet the eligibility criteria, you can opt-in to the Professional and Executive occupation category. You will be automatically accepted for higher levels of Basic SCI cover shown below if you work at least 0.6 full-time equivalent (FTE).

| Employment status full-time equivalent (FTE) | Basic level of cover (per month) |
|--|----------------------------------|
| Full-time                                    | \$6,000                          |
| Between 0.8 and 0.99 FTE                     | \$4,800                          |
| Between 0.6 and 0.79 FTE                     | \$3,600                          |
| Less 0.6 FTE                                 | Not applicable                   |


If your application is received by GESB more than 90 days after the first SG contribution from your employer, the increased amount of your insurance cover is subject to ‘Limited Cover’\*.

 See page 4 for more information about eligibility for the Professional and Executive occupation category.

\* See ‘Other things you need to know’ on page 17 for more information on Limited Cover and At Work.

3. Within 90 days of a salary increase

If you meet the eligibility criteria, you can increase your SCI cover by up to the percentage (%) increase in your salary, to a maximum of \$2,000 per month.

 See page 5 for more information about Age or Life Events.

**Increasing your cover at any time**

You will need to provide medical and/or other evidence for assessment by the Insurer if:

- You would like to increase your insurance cover in excess of \$3,000 per month, or
- More than 90 days have elapsed since GESB received your first SG contribution from your employer, or
- You are a casual employee who previously opted in for cover.

The maximum benefit payable is capped at the sum insured. Your sum insured can not be greater than 75% of pre-disablement income (plus up to a 10% superannuation top-up benefit) if you are applying to increase your Basic cover.

Your insurance cover will only be approved subject to the satisfactory evaluation of your application by the Insurer. Your cover may also be approved subject to loadings or exclusions. It is possible that your application for additional cover could be declined.

**Decreasing your level of cover**

You have the option to decrease your level of insurance cover. However, if in the future you would like to reinstate or increase your insurance cover, you can only do so subject to you being under the age of 65, completing a full ‘Insurance application’ form and providing any evidence requested by the Insurer. Your insurance cover will only be approved subject to the satisfactory evaluation of your application by the Insurer. Your cover may also be approved subject to loadings or exclusions.

**What are the waiting periods?**

The waiting period for SCI starts from the date you are certified as being totally disabled and ceasing work due to that condition.

You are able to make a claim as soon as you meet the medical requirements but there is a waiting period before you become entitled to receive a benefit payment approved by the Insurer. The default waiting period for SCI payments is 90 days but you can choose from one of four other options – 30, 60, 120 and 180 days. This may affect the premium you pay.

If you submit a claim relatively early in the waiting period, then the Insurer may ask you to provide more up to date medical information at the end of the waiting period to finalise their assessment.

### What form should I use?

The table below shows the forms to be completed to increase or decrease the level of your SCI cover or change the waiting period and whether or not approval is required from the Insurer.

| Change  | All forms are available at <a href="http://www.gesb.com.au/brochures">www.gesb.com.au/brochures</a>   | Approval required from the Insurer |
|---|---|------------------------------------|
| <b>Increasing</b> SCI cover up to \$3,000 per month <ul style="list-style-type: none"> <li>within 90 days of GESB receiving the first SG contribution from your employer</li> </ul>   | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance variation' form                       | No                                 |
| SCI cover within 90 days of a salary increase   | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or read and complete an 'Age or Life Event' fact sheet and form | No                                 |
| SCI cover <ul style="list-style-type: none"> <li>if total cover will exceed \$3,000 per month</li> <li>more than 90 days after GESB receives your first SG contribution from your employer</li> <li>If you are a casual employee who previously opted in for cover</li> </ul> | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance application' form                     | Yes                                |
| <b>Decreasing</b> SCI cover or opting out   | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance variation' form                       | No                                 |
| Decreasing waiting period eg from 90 days to 60 days  | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance application' form                     | Yes                                |
| Increasing waiting period eg from 90 days to 120 days   | ➔ Apply through Member Online at <a href="http://gesb.com.au">gesb.com.au</a> or complete an 'Insurance variation' form                       | No                                 |

### How much does SCI cover cost?

The cost of SCI cover varies according to your age, gender, occupation, amount of cover and waiting period selected.

Your premium is calculated using the equation below\* and will be deducted from your super account each month:

|  |
|--|
| $\begin{aligned} &\text{Level of benefit (per \$1,000 of monthly benefit)} \\ &\times \\ &\text{Age and gender based annual premium rate} \\ &\times \\ &\text{Occupation category factor} \\ &\times \\ &\text{Waiting period factor*} \end{aligned}$ |
| <p>* An additional premium loading may also apply depending on your application for additional insurance cover. For example, if you have a pre-existing medical condition.</p>   |

### Example

Ben is aged 36 and earns \$80,000 a year as a secondary school teacher#. If Ben accepts the default level of cover of \$3,000 per month and the default waiting period of 90 days, his SCI premium would be calculated as follows:

|                           | Level of cover    | \$1,000s of cover              | Age and gender based premium rate                  | Occupation category factor | Waiting period factor | Annual premium                |
|---------------------------|-------------------|--------------------------------|--|----------------------------|-----------------------|-------------------------------|
| Reference                 |                   | Divide cover amount by 1,000 = | Annual premium rate from Table 4, page 15 Column A | From Table 5, page 15      | From Table 6, page 15 |                               |
| Ben's SCI total cover     | \$3,000 per month | 3                              | x 10.90  | x 1.00                     | x 1.00                | \$32.70 (or \$2.73 per month) |
| Fill in your details here | \$ per month      |                                | x  | x                          | x =                   | \$                            |

# Secondary school teachers are classified as Category 1 – White collar occupation, see Table 5 on page 15.

**Table 4: Age and gender based annual premium rate for SCI (per \$1,000 Monthly Benefit)**

| Your current age | Current premium rates |          |
|------------------|-----------------------|----------|
|                  | Males                 | Females  |
|                  | Column A              | Column B |
| 15               | 7.88                  | 11.82    |
| 16               | 7.88                  | 11.82    |
| 17               | 7.88                  | 11.82    |
| 18               | 7.88                  | 11.82    |
| 19               | 7.88                  | 11.82    |
| 20               | 7.88                  | 11.82    |
| 21               | 7.88                  | 11.82    |
| 22               | 7.88                  | 11.82    |
| 23               | 7.88                  | 11.82    |
| 24               | 7.88                  | 11.82    |
| 25               | 7.66                  | 11.49    |
| 26               | 7.55                  | 11.33    |
| 27               | 7.55                  | 11.33    |
| 28               | 7.55                  | 11.33    |
| 29               | 7.77                  | 11.65    |
| 30               | 7.88                  | 11.82    |
| 31               | 8.20                  | 12.30    |
| 32               | 8.52                  | 12.79    |
| 33               | 8.96                  | 13.43    |
| 34               | 9.50                  | 14.24    |
| 35               | 10.14                 | 15.21    |
| 36               | 10.90                 | 16.34    |
| 37               | 11.76                 | 17.64    |
| 38               | 12.73                 | 19.10    |
| 39               | 13.92                 | 20.88    |
| 40               | 15.33                 | 22.99    |
| 41               | 16.95                 | 25.41    |
| 42               | 18.66                 | 28.00    |
| 43               | 20.71                 | 31.08    |
| 44               | 22.99                 | 34.47    |
| 45               | 25.68                 | 38.52    |
| 46               | 28.81                 | 43.22    |
| 47               | 32.26                 | 48.39    |
| 48               | 36.26                 | 54.38    |
| 49               | 40.78                 | 61.18    |
| 50               | 45.86                 | 68.79    |
| 51               | 51.57                 | 77.37    |
| 52               | 58.05                 | 87.07    |
| 53               | 65.38                 | 98.08    |
| 54               | 73.16                 | 109.73   |
| 55               | 82.22                 | 123.33   |
| 56               | 92.36                 | 138.55   |
| 57               | 103.58                | 155.38   |
| 58               | 116.21                | 174.31   |
| 59               | 130.24                | 195.35   |
| 60               | 145.66                | 218.50   |
| 61               | 162.71                | 244.07   |
| 62               | 180.30                | 270.45   |
| 63               | 198.32                | 297.48   |
| 64               | 109.07                | 163.61   |

The rate used for Ben’s example on page 14 has been highlighted in the adjacent table.

The premium rates in Table 4 are inclusive of stamp duty, 7% administration fee and GST. GESB reserves the right to review insurance premiums to ensure that the structure and level of premiums are appropriate. We will always inform you of any changes through our website or through our member report sent with your six-monthly member statement. We will give you at least 30 days notice of any premium increases.

Other limits and conditions may apply to Salary Continuance Insurance (SCI). For more information or to receive a copy of the Insurance Policy terms and conditions contact your Member Services Centre.

**Table 5: Occupation category factors for Salary Continuance Insurance (SCI)**

| Occupation Categories  | Salary Continuance Insurance |
|--|------------------------------|
| Category 1 - White collar occupations<br>eg accounting clerks, office managers, physiotherapists, counsellors, secondary school teachers | 1.00                         |
| Category 2 - Light blue collar occupations<br>eg dental assistants, architects, child care workers                                       | 1.50                         |
| Category 3 - Blue and heavy blue collar occupations<br>eg electricians, cooks, commercial cleaners                                       | 2.10                         |
| Category 4 - Hazardous occupations<br>eg police officers, fire fighters, prison officers   | 3.25                         |
| Category 5 - Professional and Executive<br>Subject to meeting the eligibility criteria shown on page 4                                   | 0.90                         |

**Table 6: Waiting period factors for Salary Continuance Insurance**

The factors used for Ben’s example on page 14 have been highlighted in this table.

| Waiting period (in days) | Waiting period factor |
|--------------------------|-----------------------|
| 30                       | 3.20                  |
| 60                       | 1.85                  |
| 90                       | 1.00                  |
| 120                      | 0.90                  |
| 180                      | 0.80                  |

**Reductions to the amount of SCI benefits payable**

The benefit payable to you in relation to any injury or sickness will be reduced by any amount which is paid or required to be paid to you under:

- Workers’ Compensation, social security, transport accident compensation or similar legislation, or
- Other salary continuance or income protection benefits from other insurance companies, or
- Any eligible sick leave entitlements.

If you continue to receive any other income from your employer whilst receiving SCI benefits, these amounts will also offset any SCI benefit entitlements.

If any of these above payments are in the form of a commuted lump sum, the value of these payments will be converted to an equivalent monthly payment deemed to be 1/60th of the lump-sum payment.

## Reasons why your insurance cover will cease

Your SCI cover will cease on the earliest of one of the following dates:

- You turn age 65
- You cease to be a member of GESB Super or West State Super
- We receive your cancellation of cover (in writing)
- Your premium was not paid (and remains unpaid)
- 120 days have elapsed since your last Superannuation Guarantee (SG) contribution is received
- The Policy is terminated by GESB or the Insurer
- You die

## Claiming your SCI benefit

To claim against your SCI cover you must meet the definition of Total Disability or Partial Disability.

The definition is different depending on the hours you work in the 13 weeks immediately prior to you ceasing work as a result of Total Disability (see below).

You are able to make a claim as soon as you meet the medical requirements but there is a waiting period before you become entitled to receive a benefit payment approved by the Insurer. Benefits are payable monthly in arrears.

If you submit a claim relatively early in the waiting period, then the Insurer may ask you to provide more up to date medical information at the end of the waiting period to finalise their assessment.

If SCI benefits are payable to you and the same injury or sickness recurs within 12 months of a previous absence, no waiting period will apply. However, the recurrent claim will be deemed to be a continuation of the original claim. Any income payments will cease after a period of two years (taking into account any previous payments made as part of the original claim).

SCI benefits are assessed on your pre-disablement income which is the average monthly income you earned over the 12 months prior to you becoming totally disabled.

➔ For more information, see 'Understanding the insurance claims process' at [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures).

## Members working at least 15 hours per week

### Standard Total Disability definition

Total Disability means that solely as a result of injury or sickness you:

- Are unable to perform one or more important duties\* of your own occupation; and
- Remain under the regular care, attendance and following the advice of a registered medical practitioner in relation to that injury or sickness; and
- Are not engaged in any occupation, whether paid or unpaid.

### Standard Partial Disability definition

If you are assessed as being partially disabled, beyond the end of the waiting period, and have been totally disabled for at least 7 out of 10 consecutive days, a Partial Disability benefit will be payable. Partial Disability means that solely due to the injury or sickness, which directly caused the Total Disability, you:

- Remain under the regular care, attendance and following the advice of a registered medical practitioner in relation to that injury or sickness; and
- Are able to perform one or more important duties\* of your own occupation, but unable to perform all of the duties; and
- Are earning an income from your own occupation or another occupation at a monthly rate of less than your pre-disability income; or
- Are capable of working whether paid or unpaid.

The insurer will notify you of the amount of the Partial Disability benefit payable.

\* An important duty is one that involves 20% or more of your overall tasks.

## Members working less than 15 hours per week

### Any Occupation Total Disability definition

Total Disability means that solely as a result of injury or sickness you:

- Have been incapacitated to such an extent as to render you unable to engage in your own occupation or any occupation for which you are reasonably suited by education, training and experience; and
- Remain under the regular care, attendance and following the advice of a registered medical practitioner in relation to that injury or sickness; and
- Are not engaged in any occupation, whether paid or unpaid.

### Any Occupation Partial Disability definition

If you are assessed as being partially disabled, beyond the waiting period, and have been totally disabled for at least 7 out of 10 consecutive days, a Partial Disability benefit will be payable. Partially Disabled means that solely due to the sickness or injury which directly caused the Total Disability, you:

- Remain under the regular care, attendance, and following the advice of a registered medical practitioner in relation to that sickness or injury; and
- Are able to perform one or more important duties\* of your own occupation or any occupation for which you are suited by education, training and experience, but unable to perform all the duties; and
- Are earning an income from your own occupation or another occupation at a monthly rate of less than your pre-disability income; or
- Are capable of working, whether paid or unpaid.

The insurer will notify you of the amount of the Partial Disability benefit payable.

\* An important duty is one that involves 20% or more of your overall tasks.

## Other things you need to know about SCI

If you're on paid leave, your insurance cover and your Superannuation Guarantee (SG) contributions from your employer continue as normal. If you go on leave without pay your SCI cover will continue for up to 24 months (from the time your period of leave commenced) subject to the payment of premiums for that period.

You can apply to extend the period beyond 24 months which is subject to approval by the Insurer.

SCI benefits are assessed on your pre-disablement income which is the average monthly income you earned over the 12 months prior to you becoming totally disabled.

## Exclusions

You will not be able to claim against your Salary Continuance Insurance if your disability is caused directly or indirectly from:

- Any intentional self-inflicted injury, attempted suicide or self destruction while sane or insane, or
- Declared or undeclared war or any act of war, or
- Active service in the armed forces of any country or international organisation\*, or
- Uncomplicated pregnancy, childbirth or miscarriage.

Additional exclusions may apply to Voluntary cover for pastimes (eg parachuting) and/or medical reasons

(eg for existing illness). Exclusions will be assessed by the Insurer when you apply to increase your Voluntary cover and you will be required to provide medical and/or other evidence.

\* Where you are enrolled in the Australian Defence Force Reserves, this exclusion only applies when you have been called up for active service.

➔ For more information or to receive a copy of the Insurance Policy terms and conditions, contact your Member Services Centre.

## **OTHER THINGS YOU NEED TO KNOW FOR DEATH, TPD AND SCI COVER**

### **Limited Cover**

Your insurance cover is subject to Limited Cover if:

1. The first SG contribution from your employer is received by GESB more than 120 days after you commenced employment with them; or
2. You are employed on a casual basis and opt-in for SCI cover; or
3. You opt-in for Professional and Executive Death and TPD or SCI cover more than 90 days after your employer makes its first SG contribution on your behalf.

Limited Cover means insurance cover which applies only in respect of events or conditions which arise entirely after your insurance cover commenced and also excludes any death or disablement caused as a result of any self-inflicted injury or suicide.

Limited Cover will apply for two years from your insurance cover commencement date. After two continuous years of Limited Cover, these restrictions will be removed, subject to you meeting the At Work criteria at the end of that two year period, as defined in the Policy.

If the At Work criteria is not met after the two year period, Limited Cover will continue to apply until such time as you meet the At Work criteria.

### **At Work on the commencement of your cover**

You must be At Work on the day that your cover commences to be covered for Death, Total & Permanent Disablement and SCI cover.

At Work means you must be actively (or capable of) performing all the duties of your occupation and not receiving, or be entitled to receive, any form of income support benefits (including workers' compensation benefits). If you were not At Work on the day that your cover commenced, for reasons other than sickness or injury (for example, if you were on approved leave), you will be provided with full cover provided that:

- You were At Work on the day preceding the first day of your leave; and
- You were not disabled due to an event (eg sickness or injury) occurring on a date preceding the commencement date of your cover while on approved leave.

If you were not At Work on the day that your cover commenced due to sickness or injury, you will be provided with New Events Cover from the commencement of your cover.

Full cover will be provided to you once you return to work and perform your normal duties for a period of three consecutive months.

If you are a casual employee and do not meet the At Work criteria on the Insurance opt-in form, you are not eligible for Basic cover.

If you opt-in to the Professional and Executive occupation category you must be At Work at the time you complete the application to be eligible to increase your Basic cover.

### **New Events Cover**

New Events Cover means cover other than cover in relation to the medical condition or any directly or indirectly related conditions arising from sickness or injury which caused the member to be not At Work on the date that their cover commenced.

### **Travelling and working overseas**

Cover will continue automatically for an unlimited period of time where a member travels or works overseas subject to the payment of premiums for that insured member.

In the event of a claim or where SCI benefits are being paid, the Insurer may require members to return to Australia at their own expense for medical treatment and assessment where the member is overseas or travels overseas. The Insurer will continue to consider a claim or pay SCI benefits if the member intends to travel overseas, but must be advised in advance and approve of, any overseas travel. Salary Continuance Insurance benefits will be limited to 12 months unless the member continuously resides in Australia, New Zealand, Sweden, the United Kingdom, the United States of America or in any other country to which the Insurer agrees in writing.

### **Cover for non-Australian citizens**

Cover is available to non-Australian citizens who are not permanent residents of Australia during their stay in Australia and meet other eligibility criteria. In the event of a claim, the Insurer reserves the right to request that the member remains in Australia for claims assessment.

### **Privacy and your insurance**

For information about your privacy as it relates to insurance arrangements with AIA Australia Limited, a full copy of their privacy policy is available on their website at [aia.com.au](http://aia.com.au)

## PARTIAL AND PERMANENT DISABLEMENT COVER FOR WEST STATE SUPER MEMBERS

### Eligibility

Your eligibility for Partial and Permanent Disablement (PPD) cover depends on a number of factors. To be eligible for cover you must:

- Be employed in the Western Australian public sector and have received a Superannuation Guarantee contribution from your employer to your West State Super account
- Be less than 60 years of age, and
- Have been eligible to access PPD cover as at 30 June 2008 and have never opted out of insurance since.

You remain eligible for PPD benefits as defined in the State Superannuation legislation, if:

- At the time when you first suffered from the illness or injury, you were entitled to insurance cover and
- You are not covered by the new insurance benefits in relation to that claim.

### How to calculate your level of cover

Your maximum PPD benefit (before tax) at any point in time is determined by your Total Superannuation Benefit plus your Insured Component.

Your Total Superannuation Benefit is the amount that has accumulated in your West State Super account over the life of your membership.

Your Insured Component is calculated using the following formula:

$$\frac{\text{MNS}}{12} \times 9\% \times R$$

- Where MNS is Months of Notional Service to age 60.
- Where 9% represents the current Superannuation Guarantee amount.
- Where R is your Remuneration. This is calculated in accordance with the State Superannuation Regulations and discounted by the annual amount of the remuneration that GESB considers you have the capacity to earn after becoming disabled.

If GESB approves a PPD payment, your potential future earning capacity will be considered when determining the amount of Insured Component payable. A PPD benefit will always be lower than a TPD benefit. The full formula used to calculate your benefit is detailed in the State Superannuation legislation.

For a PPD payment to be made, GESB must be satisfied that:

- You are permanently incapacitated from your normal duties and
- You are capable of alternative duties of another job.

If approved, the PPD payment would equal the balance in your account, plus a reduced insured component based on your assessed loss in income earning capacity. This insured component will depend upon GESB's assessment of your income earning capacity, taking into account your education, work history, functional disability and other relevant factors. At a minimum, if GESB has approved the payment of a disability benefit, you are entitled to the balance in your account.

**Note:** Under the rules of West State Super 'permanently' means 'up to age 60'.

### Opting out of your insurance cover

By opting out of your entitlement to any cover for Death and/or TPD, you also opt-out of any entitlements for PPD cover specified in State Superannuation legislation.

Before opting out of part or all of your insurance cover, you should also be aware that if you wish to reinstate your insurance at a later date, it will be subject to the satisfactory completion of a full 'Insurance application' form and any evidence requested by the Insurer. There is no automatic acceptance. You may wish to seek financial advice before making any changes to your insurance cover.

### Other information about Partial and Permanent Disablement (PPD) cover

#### When your insurance cover ceases

Your PPD cover ceases automatically on your 60th birthday or when you are no longer working in the WA public sector. It will only lapse at an earlier age if you go on leave without pay for more than two years. If you continue working after age 60, the benefit payable if you die or become disabled is the balance of your account.

#### Cover while you are on leave

If you're on paid leave, your insurance cover and your employer's contributions continue as normal.





If you are on leave without pay for any reason, your PPD insurance premiums will stop but you are still covered. Your cover during this time will gradually decrease because it is calculated based on your average salary for the previous two year period. After two years of leave without pay, your insurance cover will lapse.

#### Claiming your PPD insurance benefit

If you make a claim against your insurance, the Insurer will make an assessment of your claim based upon the definition of TPD that applies to your cover. If your claim for a TPD benefit is declined, GESB will automatically assess your eligibility for a PPD benefit.



## How to contact us

 Member Services Centre 13 43 72    Facsimile 1800 300 067    [gesb.com.au](http://gesb.com.au)  
 PO Box J 755, Perth WA 6842    Level 4 Central Park, 152 St Georges Terrace, Perth