

# Absolutelysuper

April 2010

An article from your super fund

## Insurance Reminder

Industry superannuation funds have provided universal cover for Australian workers in response to the “black hole” of underinsurance experienced by the nation.

Paul Keating’s often quoted line, “Now everyone including the bloke running behind the garbage truck can have superannuation,” (**Investor Daily interview, May 2007**) also applies to adequate insurance. Everyone can and should have enough cover!

NGS Super was named by *Money Magazine* as the best insurance product in 2008 and 2009 for its Personal Division representing value for money through a range of products and a low cost structure.

Now may be a good time to reconsider your current insurance arrangement to ensure that you are making the most of insurance benefits available through your industry super fund.

Here are some features of the various insurance products:

- **Death/Total and Permanent Disablement:** generally age-based cover with a default of 4 units. The cost is \$0.58 per unit per week which provides \$190,480 worth of default cover for a 42 year old. It is possible to fix this cover without underwriting so the same 42 year old can maintain this amount of cover until age 65. In the case of fixed

cover, premiums increase each year but the cover remains the same. If accepted by the insurer, NGS members can insure up to \$2,000,000 of Death/TPD. Default Death Only cover has recently been extended to age 70; while TPD cuts out at 65. Members must apply for additional units (beyond the default level) of cover and the insurer decides to accept or reject the application based on the health questionnaire response.

- **Income Protection:** IP6 (6 month waiting period) covers 75% of a salary of up to \$80,000 for a period of two years. The cost is \$0.49 per unit or \$0.98 per week. Each unit represents \$40,000 worth of salary. Members who do not have adequate annual/sick leave for the six month wait can apply for a three, two or one month waiting period at different rates. If the two year payment period is inadequate, NGS members now have the option of IP insurance for a five year period or IP to age 65. Naturally, the longer periods of cover require higher premiums, but it is worth checking against the retail insurance providers. Income Protection Insurance provides members with the peace of mind of knowing that an income will be received in the case of an accident or illness which prevents them from carrying out their usual work duties.

- **Guaranteed Insurability Option for “Life Events”:** for Marriage, Mortgage and/or Birth of a Child. In the case of marriage or the birth of a child, an insured NGS member can increase insured voluntary cover up to the lesser of (a) 25% of the insured member’s basic cover, or (b) \$100,000. In the case of an insured member taking out a mortgage over a home property, the member may increase the voluntary cover by up to the lesser of (a) 25% of the insured member’s insured basic cover as at the date of the mortgage,

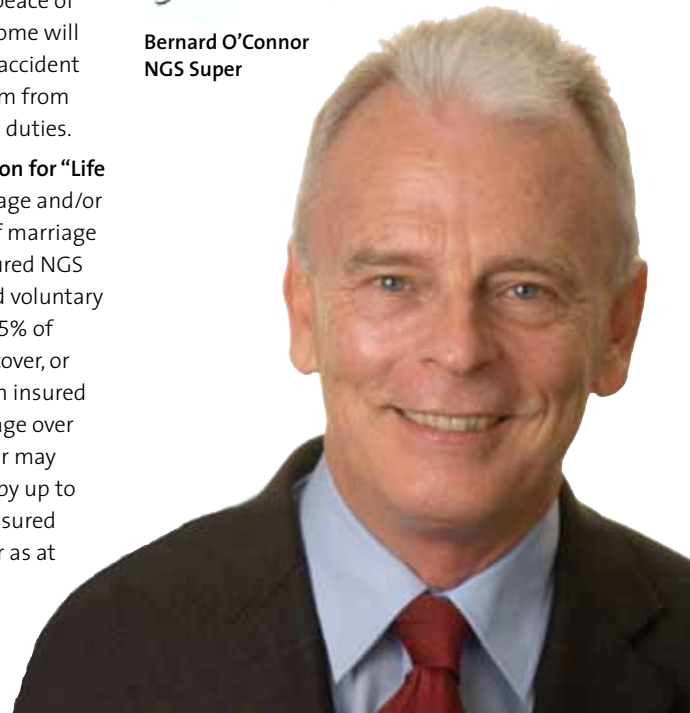
(b) the amount of the loan, (c) \$100,000. These options are automatic so there is no medical assessment required. However, the applicant must notify the Fund in writing of the event within 60 days of the event along with proof of the event such as a certified copy of a birth or marriage certificate. Once the increase is accepted, the amount of the premium payable will be recalculated to reflect the increase in cover according to the premium rates current at the time.

There is a wide range of insurance options and Fund members can pick and choose the insurance levels which are right for them. It is certainly worth considering as the potential savings in premiums over a working lifetime could be considerable.

If you require further information, check the NGS Super website at [www.ngssuper.com.au](http://www.ngssuper.com.au) and go to “Members”. You can then find “Insurance Fact Sheet” and the application forms which are located at the back of the “Member Guide” (PDS).



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NGS Super



## How to contact us

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