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An article from your super fund

Improved NGS Super insurance benefits

Income Protection and Death/TPD (Total and Permanent Disability) insurance through an industry superannuation fund provide a low cost alternative to retail insurance policies which operate on a “for-profit” model. As there are no sales commissions paid to advisers, the Fund’s group life policy can be purchased at wholesale prices for the benefit of the members. As a nation, Australians are underinsured because a large number of people only think about insurance when it is too late, after an illness or accident has occurred.

After negotiations with the NGS insurer, Commlnsure, the Fund is pleased to introduce insurance enhancements starting from 1 April. The following is a brief summary of the major improvements, but a more detailed explanation can be found in *MoneyWise*

which can be downloaded from the NGS Website at www.ngssuper.com.au

- The default Income Protection benefit will now include a 10% superannuation contribution in addition to a 75% salary continuance payment (assuming the member’s salary is fully insured). This will advantage members during any claim period by keeping up the super contributions.
- The default waiting period for the payment of IP insurance has been reduced from six months to three months. This is because not all members have adequate paid sick leave to wait for six months until their Income Protection payments begin.
- Guaranteed insurability without the need for medical evidence for life events such as marriage, the birth or adoption of a child, a new mortgage for residence, divorce, death of a spouse or a child’s first day at school. For Income Protection this means that the member can automatically increase their cover or reduce the waiting period without medical evidence. For Death/TPD insurance this means that a “trigger” event enables them to automatically increase their level of cover.
- New members are able to request up to two units of additional Death/Disability cover (above the default cover) and additional IP cover without health evidence if this is done within 120 days of joining the Fund.
- A one-off offer during the month of April for existing members to request up to two extra units of IP cover to reflect their salary without a full medical declaration. Please note that the standard unit for IP is now \$20,000 and the default of four units covers a salary of up to \$80,000 per year. Any salary over this amount will not be insured unless the member

has taken out additional units. Two additional units of Death/TPD above default cover without full health evidence will also be available later in 2011 as part of the offer.

- A separate option for TPD Only will now be available.
- From 1 April 2011, the weekly cost of default cover will be \$3.96. This represents four units of Death/TPD at \$2.16 (\$0.54 per unit) and four units of Income Protection at \$1.80 per week (\$0.45 per unit).

NGS Super members will receive detailed information regarding the insurance improvements and an insurance fact sheet will be available on the website from 1 April, 2011. Another important insurance option for NGS Super members to consider is fixed cover which allows a 40 year old, for example, to keep the four units of Death/TPD insurance worth \$238,080 without being subject to the age-based reductions over time.



It is also important to note that IP insurance for five years and to age sixty-five are options worth considering. Knowing that a percentage of salary will be paid in the case of a serious illness or accident should provide some peace of mind to those who take up the extended income protection benefits. Within the NGS Super insurance design, IP benefits may continue even if the member is eligible for a TPD benefit.

Please feel free to contact the Call Centre on **1300 133 177** if you have any insurance related questions, or better yet, organise a school visit with your NGS Super Client Relationship Manager.



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Visit our website www.ngssuper.com.au, or contact our Customer Service Team or your local relationship manager at any time. We're here to help you.

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Important information

The information in this article is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking independent advice from a licensed or appropriately authorised financial advisor.