

- you can opt out of your Standard Cover
 - the way your insurance cover is calculated is changing
 - some conditions or definitions have changed
- Please read this notice carefully

Insurance matters.

Important updates to your insurance

Insurance through super is a safety net and is intended to support you and your loved ones if you get very sick or injured and can't work, or if, sadly, you pass away.

We've worked with our insurer to keep **our premiums as low as possible** for all of our members, and are able to provide cover at attractive premiums because we buy as a group. And, in some instances, we provide types of cover for members that may not otherwise be available through other providers.

With this in mind, we've made a number of changes to some of the conditions for your insurance cover, which will come into effect from **1 November 2017**.

Overall, these changes are intended to give you more certainty about your insurance cover and more flexibility to make it suit your needs.

In addition, the changes to the conditions allow us to maintain and improve our insurance offer to you, while managing the cost of insurance to keep it sustainable for you and all our members.



Types of insurance cover available in Qantas Super

- **Income protection** – designed to provide income if you're temporarily unable to work due to illness or injury.
- **Total and permanent disablement (TPD)** – designed to pay you income or a lump sum, depending on your cover, if you are permanently unable to work (refer to the member disclosure material for details of the specific definition of TPD that applies to you – call us if you don't have a copy).
- **Death** – designed to provide a lump sum to support your beneficiaries should you die before you retire.



These changes are intended to give you more certainty about your cover and flexibility so it suits you.

Insurance brings you peace of mind

As a Qantas Super member:

- ✓ **YOUR EMPLOYER PAYS THE INSURANCE PREMIUMS FOR YOUR STANDARD COVER.**
- ✓ You are automatically covered 24 hours a day, seven days a week for death, total and permanent disablement and income protection.
- ✓ You receive access to flexible insurance cover that's tailored to Qantas Super members.
- ✓ You have access to the free medical advice service, **Best Doctors**.
- ✓ You can choose to purchase extra insurance cover, up to certain limits without having to provide evidence of good health, whether you're employed with the Qantas Group or not.

Did you know?

\$123 million has been paid out to Qantas Super members in insurance cover for death and disablement claims in the last four years.



1 Change: You can opt out of your Standard Cover

Benefit to you: Greater flexibility in insurance cover for you

When you joined Qantas Super, you automatically received insurance cover which is called Standard Cover. This is designed to protect you and your loved ones if you get very sick or injured and cannot work, or pass away.

In your case, your employer pays the premiums for your Standard Cover.

From 1 November 2017, you can now choose to opt out of your Standard Cover for:

- Death and total and permanent disablement (TPD), and/or
- income protection.

Things to consider

1. If you opt out of your cover, and later change your mind, you'll need to re-apply and provide medical evidence to take out Standard Cover again. If your application for cover is approved, restrictions or exclusions may apply. Your employer will pay for your cover if you opt back in.
2. As your employer pays for your Standard Cover, what they pay counts as a concessional contribution for you. As a result, if you opt out of cover, the amount that counts towards your concessional contributions will be reduced. This means you may have greater flexibility to salary sacrifice more contributions if you want.

i **Concessional contributions =**
Employer contributions, including
Superannuation Guarantee contributions +
Salary sacrifice contributions +
Insurance premiums and administration
fees paid by your employer +
Any other concessional contributions

▶ See the Concessional Contributions fact sheet available on www.qantassuper.com.au

3. You can also tailor your cover to an amount that suits you by taking out Voluntary Cover for death only, or death and TPD. However, premiums are deducted from your account to pay for this cover.

2 Change: The way your insurance is calculated is changing

Benefit to you: More certainty in the value of your insurance cover

Currently we calculate the value of your Standard Cover based on your Superannuation Salary, which is the same as your Fixed Annual Remuneration (FAR). The value of your cover changes each time your Superannuation Salary changes.

We're moving to a salary definition called Salary for Insurance Purposes for consistency across all accumulation divisions of Qantas Super.

For you, Salary for Insurance Purposes is the same as your Fixed Annual Remuneration (FAR) as at 1 October each year. This means that if your FAR changes during the year, it won't be reflected in your Salary for Insurance Purposes until the following 1 October. So the value of your insurance will stay constant during the year.

This means that from 1 November 2017, your Standard Cover will be calculated in this way:

- income protection is a monthly benefit of 75% of your Salary for Insurance Purposes for up to 2 years
- TPD and death is a lump sum of 15% times your Salary for Insurance Purposes for each year and complete month from the date of death/TPD to age 65. If you transferred to Division 5 from another division, a minimum death benefit may apply.

What happens next?

In October 2017, payroll will give us the Salary for Insurance Purposes information. Shortly after 1 November 2017, we'll write to you to let you know your Salary for Insurance Purposes and your Standard Cover for death and TPD, and income protection.

Need advice?

If you need help with making a decision about your super, including insurance cover, just call us and we'll put you in touch with a financial adviser. Simple advice over the phone is included as part of your membership so there's no extra cost.



3 Conditions or definitions which have changed

This table sets out the changes that have been made to either a definition or to a condition of your insurance cover, whether that's your automatic cover (Standard) or Voluntary Cover.

Change	Applies to	Current situation	From 1 November 2017
Updated definition	All cover	<p>Doctor means:</p> <ul style="list-style-type: none"> a registered medical practitioner who is acceptable to the Insurer and who is not you or your spouse, family member, business partner, employer or employee. 	<p>'Doctor' or 'Medical Practitioner' means:</p> <p>For the purpose of the Home Duties definition of TPD and at least one of the treating Doctor reports required for TPD claim applications:</p> <ul style="list-style-type: none"> a registered medical practitioner who is qualified in an appropriate speciality, and who is not you or your spouse, family member, business partner, employee or employer; or if the claimed condition is a psychological condition diagnosed in accordance with the latest edition of the Diagnostic and Statistical Manual of Mental Disorders: <ul style="list-style-type: none"> a person who is registered as a medical practitioner with a speciality of psychiatry on the register of practitioners that is maintained by the Australian Health Practitioners Regulation Agency; and who is not you or your spouse, family member, business partner, employee or employer. <p>In all other cases:</p> <ul style="list-style-type: none"> a registered medical practitioner who is not you or your spouse, family member, business partner, employee or employer.
Updated definition	All cover (except death)	N/A	<p>A benefit will not be payable for any illness or injury arising directly or indirectly out of the commission or attempted commission of a Criminal Act for which you:</p> <ul style="list-style-type: none"> have a conviction recorded; and are serving, or have served a term of imprisonment as a result of a conviction for a Criminal Act. <p>If you have been charged with a Criminal Act which may be punishable by a term of imprisonment we may:</p> <ul style="list-style-type: none"> delay making a decision whether to accept or decline the claim; or cease payment of income protection benefits; until the conclusion of criminal proceedings, including sentencing, and we have sufficient information to determine if this exclusion clause applies. <p>Criminal Act means any summary or indictable offence within the meaning of relevant State or Commonwealth legislation or an offence with a similar meaning under foreign law.</p>

Change	Applies to	Current situation	From 1 November 2017
Updated definition	New Voluntary Cover	Currently if you apply for Voluntary Cover for death and take up the one-off offer of up to \$750,000 without providing medical evidence, then a death benefit is not payable if you die directly or indirectly within 12 months of taking out the cover from any cause relating to a Pre-Existing Condition.	For new Voluntary Cover applied for from 1 November 2017, this exclusion period will be extended from 12 to 24 months. If you've already been accepted for Voluntary Cover, the current exclusion period of 12 months will continue to apply.
Extra eligibility requirement	New Voluntary Cover	N/A	For new Voluntary Cover applied for from 1 November 2017, you'll need to be At Work as at the date we receive your completed application form. If not, Limited Cover will apply until you return to work and have been At Work for 30 consecutive days.
New definition	Voluntary Cover	N/A	At Work means: <ul style="list-style-type: none"> ■ where the person's Occupation is not classified as home duties, the person is at work for the normal daily hours of work and is actively performing the full, unrestricted or unmodified duties of their normal Occupation for which they were Employed or would have been had the day not been a day of leave (other than due to illness or injury), public holiday or weekend day; and ■ where the person's Occupation is classified as home duties, the person is actively performing the full, unrestricted or unmodified duties of their normal physical domestic household duties for their normal daily hours of those duties.
New definition	Voluntary Cover	N/A	Limited Cover means you are covered only for claims arising from: <ul style="list-style-type: none"> ■ an illness which first became apparent; or ■ an injury which first occurred; on or after the date you first became eligible for cover.

Contact us: Phone 1300 362 967 (within Australia) +61 3 8687 1866 (outside Australia)



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