

# Insurance through Super

For members whose Group Policy insurance cover was in force before 1 July 2014 and their cover remains in force

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The Federal Government has released legislative changes that, from 1 July 2014, will impact certain insurance benefits that Trustees of external regulated superannuation funds are able to offer.

## What are the legislative changes?

From 1 July 2014, Trustees of regulated superannuation funds must not provide an insured benefit in relation to a member of the fund unless the insured event (i.e. trigger for insured benefit payment) is consistent with certain Conditions of Release as determined in the Superannuation Industry Supervision Act (SIS), namely:

- Death Cover
- Terminal Medical Condition (Terminal Illness)
- Permanent incapacity (Total & Permanent Disability), and
- Temporary incapacity (Income Protection)

This means that Superannuation Trustees must ensure certain insurance benefits offered through a Super Fund are consistent with the relevant conditions of release.

If any of these benefits are not consistent with a condition of release, the insurance cover cannot continue to be offered after 30 June 2014 to new members who join after that date.

## What does this have to do with members?

Your Group Insurance Cover is a version of insurance where the Trustee of a Super Fund is the holder of a single policy that covers all eligible insured members. The main benefits of Group Insurance Cover over an individual insurance policy is generally lower premium costs and access to default insurance cover with no health underwriting conditions. On the other hand, whenever a Group Insurance Cover policy is altered, the alteration affects the policy conditions for all members.

## What is MAP doing about this on behalf of its members who currently hold insurance cover in their super?

The same legislation also allows members' existing insurance cover that was in force before 1 July 2014 to be 'grandfathered' so that benefits for members are not subject to the revised legislation.

MAP has negotiated an agreement with the Insurer of their Group Insurance Cover policy to 'grandfather' the insurance benefits for all members whose Group Insurance Cover was in force before 1 July 2014.

## What is grandfathering?

'Grandfathering' with respect to your Group Insurance Cover, means that the benefits and claims eligibility of any insured member whose Group Insurance Cover was in force before 1 July 2014, will be subject to the same benefits and conditions should they suffer a terminal illness or disability event regardless of whether it was before or after 1 July 2014.

## What if I want to increase my existing cover?

You will be able to increase your existing cover and the extra value of your benefits will also be covered by the grandfathering rules.

## How long will my cover be grandfathered?

There are circumstances that could break your eligibility under the grandfathering rule.

For example, if you cancelled your existing insurance cover or allowed it to lapse through un-paid premiums, and subsequently wish to re-instate your insurance cover after it has stopped, your benefits and eligibility to claim for benefits will no longer be grandfathered. They will be under the newer post 1 July 2014 conditions.

Another example is that other existing legislation means that MAP must regularly review its Group Insurance Policy, and, following the review, there could be changes that may affect all members' insurance cover. Should there be a change to your grandfathering conditions following the review, we will provide written notice so that you may assess and review your insurance needs in a timely manner.