



Insurance Fact Sheet

February 2012

Important Notes

The information provided here is a summary of the main features of the Fund's insurance benefits.

You should be aware that the terms and conditions relating to the insurance cover provided by the Fund are set out in the Policy issued by the Insurer to the Trustee and the Fund's trust deed. While every effort has been made to ensure the information contained in the Fact Sheet is accurate, the terms and conditions of the Policy will prevail to the extent that they are inconsistent with the information in this Fact Sheet.

References in this document to 'we', 'us', 'our' are to T.I.S. Pty Ltd as trustee of The T.I.S. Fund.

Where certain words have a specific meaning as defined in the Policy, those words have the same meaning in this document.

Definitions

'Insurer' means Hannover Life Re of Australasia Ltd (ABN 37 062 395 484).

'member' means a member of The T.I.S. Fund who is insured under the Policy.

'Policy' means the group life policy issued by the Insurer to the Trustee that provides for the insured benefits of The T.I.S. Fund.

'Policy Terms' means the terms and conditions of the Policy as in force and amended from time to time.

'premium', 'premiums' means the amount of money that is payable in respect of the member to obtain the benefit of the insurance via The T.I.S. Fund.

'Sum Insured' refers to the amount that a member is insured for via The T.I.S. Fund.

'you', 'your' means the member.

Insurance with The T.I.S. Fund

Insurance is a very important part of your financial planning as it gives you and your family financial security should you become permanently disabled or pass away.

The T.I.S. Fund provides a range of insurance options designed to help you make sure you have the right level of cover for your personal circumstances.

Taking out life insurance through The T.I.S. Fund has a number of advantages you including:

- Automatic cover (Default Cover) provided to all eligible members with no medical underwriting;
- Affordable premium rates offering improved pricing, paid tax-effectively from your Member Cash Account;
- The ability to double your Default Cover within 120 days of joining The T.I.S. Fund without medical underwriting;
- Increase your cover at key times in your life (Life Events Increase option) without the need for medical underwriting;
- The ability to consolidate your insurances by transferring your existing cover into The T.I.S. Fund; and
- A Terminal Illness benefit.

Note: Eligibility criteria and restrictions apply. Please refer “Eligibility and Restrictions” for comprehensive details.

Section 1 - Insurance at a glance

<p>What is the insurance cover?</p>	<p>A lump sum benefit on the Death, Terminal Illness or Total & Permanent Disablement (TPD) of a member depending on the cover selected.</p>
<p>What is Default Cover?</p>	<p>Automatic cover for Death, Terminal Illness & TPD. This automatic cover is provided to all members who have an employer making super contributions on their behalf, when they join The T.I.S. Fund. The amount of insurance cover depends on the member's age. (Refer to "Eligibility and Restrictions")</p>
<p>What is the cover?</p>	<ul style="list-style-type: none"> • Death cover - a lump sum payment on the death of the member. • Terminal Illness - a lump sum payment on the diagnosis of the member with a Terminal Illness. This payment is an advanced payment of the death benefit. • Total & Permanent Disablement - a lump sum payment upon the Total & Permanent Disablement of the member.
<p>What are the eligible entry & expiry ages?</p>	<ul style="list-style-type: none"> • You must be aged between 15 and 64 to be eligible to obtain new cover. • Death & TPD cover ceases when you (the life insured) turn 70 years old.
<p>When does Default Cover commence?</p>	<p>Generally, Default Cover commences on the first day you join your employer provided:</p> <ul style="list-style-type: none"> • You are employed by the contributing employer, and you join The T.I.S. Fund and a contribution is made on your behalf within 120 days of your commencement of employment; • You are 'At Work' on the day cover commences; • You are not claiming or entitled to, or been paid a TPD or Terminal Illness benefit from any superannuation fund, or life policy. <p>(Refer to "Default Cover Eligibility and Restrictions" for further details)</p>
<p>When does cover cease?</p>	<ul style="list-style-type: none"> • All cover ceases when you die, reach 70 years of age, or cease paying the premium. • Default Cover ceases when you leave the employer who first started contributing to The T.I.S. Fund for you. <p>(Refer to "When Your Cover Starts and Ceases" for full details)</p>
<p>How is cover determined and what does it cost?</p>	<ul style="list-style-type: none"> • The cover is set in predetermined multiples (units of cover) depending on your age. • Default Cover means 2 units of cover, and costs \$6.40 per week. • 1 unit of Default Cover costs \$3.20 per week. • Insurance premiums are deducted from your member cash account balance, monthly in arrears. <p>(Refer to "What Cover Amounts are Provided" for full details)</p>
<p>TPD benefit types</p>	<p>There are up to 2 types of TPD benefits available:</p> <ul style="list-style-type: none"> • Any Occupation; • Activities of Daily Living.

Options to Change your Default Cover	
Reducing your Default Cover	<ul style="list-style-type: none"> You can reduce your Default Cover from 2 units to 1 unit of cover at any time by making a request in writing. Simply complete and return a “Insurance Variation Form” to us.
Double your Default Cover on joining	<ul style="list-style-type: none"> You can double your Default Cover from 2 units to 4 units within 120 days of joining The T.I.S. Fund. Simply complete and return a “Insurance Variation Form” to us. (Refer to “Eligibility & Restrictions” for details)
Increase your insurance with - “Underwritten Cover”	<ul style="list-style-type: none"> You can apply for additional units of cover by providing medical and personal information (being underwritten by the Insurer); You do not need to have any Default Cover to apply for underwritten cover; Apply for additional units of underwritten cover depending on the level of cover you need. <p>(Refer to “Topping Up - Underwritten insurance cover” for full details)</p>
Transfer and consolidate you other existing insurance cover into The T.I.S. Fund	<ul style="list-style-type: none"> Where you have chosen The T.I.S. Fund under ‘Choice of Fund’ arrangements, you may be able to transfer your existing Death or Death & TPD cover into The T.I.S. Fund, without medical underwriting from your existing: <ul style="list-style-type: none"> Personal or corporate Superannuation Fund; Non-Superannuation Insurance Policies. <p>(Refer to “Choice of Fund Transfer Terms” full details)</p>
Life Events increase option	<p>You may be able to increase your cover without medical underwriting, on up to 3 separate occasions due to the occurrence of particular life events. A Life Event occurs when an insured member:</p> <ul style="list-style-type: none"> gets married; or gets divorced; or or their Partner gives birth or adopts a child/children; or has a child commencing education at a private school; or purchases a home for their permanent residence with a mortgage on that residence of \$100,000 or more. <p>(Refer to “Life Events Increase Option” for full details)</p>
Cancelling your cover	<p>You can cancel your cover at any time. This means you will not be insured by The T.I.S. Fund.</p>
Keeping your Default Cover	<p>You may be able to keep your Default Cover by transferring it to a personal insurance arrangement if you:</p> <ul style="list-style-type: none"> Leave the employer who first started contributing to The T.I.S. Fund for you: or Leave The T.I.S. Fund. <p>You may also be able to transfer your underwritten cover to a personal insurance arrangement as well.</p> <p>Contact the Administrator for details.</p>

How does Default Cover work?

This automatic cover is provided to all members who have an employer making super guarantee contributions on their behalf, when they join The T.I.S. Fund. The amount of insurance cover depends on the member's age. The insurance provided is in the event of their Death and/or Total & Permanent Disablement ("TPD").

This cover is known as "Default Cover" and is not subject to any health checks, doctor evaluations, or additional paper work. Premiums are calculated weekly, and deducted from your Member Cash account balance monthly in arrears to pay for the cover.

On joining, each member automatically receives 2 units of Default Cover. The amount of cover you have will depend on your age. As your age changes, your amount of Default Cover will also change. Table 1 below shows details of cover levels.

Table 1 - Default Cover (Death & TPD Cover Levels)

Age	2 Units of Cover
Up to 25	\$75,200
26 - 50	\$107,600
51	\$96,800
52	\$86,000
53	\$75,200
54	\$64,600
55	\$53,800
56	\$42,000
57	\$32,200
58	\$21,400
59	\$10,600
60 - 65	\$10,600
66 - 70	\$5,200

Refer to "Eligibility and Restrictions" for further information.

When does Default Cover Start?

Default Cover commences on the first day you join your employer provided:

- You are employed by the contributing employer, and you join The T.I.S. Fund and a contribution is made on your behalf within 120 days of your commencement of employment;
- You are 'At Work' on the day cover commences;
- You are not claiming or entitled to, or been paid a TPD or Terminal Illness benefit from any superannuation fund, or life policy.

If we do not receive a contribution from your employer within 120 days of you starting with them, you will still be eligible for Default Cover; however this cover will be for "Limited Cover" for 24 months. After 24 months, your cover will revert to full cover as long as you are "At Work" on the last day of that 24 month period.

Refer to "Eligibility & Restrictions" and "Key Policy Definitions" for complete details.

When does Default Cover Cease?

Default Cover ceases when you leave the employer who first started contributing to The T.I.S. Fund for you. In addition all cover, Default or underwritten, ceases when you die, become Totally or Permanently disabled, reach 70 years of age, or cease paying the premium.

Refer to “When Your Cover Starts and Ceases” for full details.

Changing your Default Cover

Whether you are a new member, or an existing member with cover, you have options to change your cover.

New members can:

- Double your Default Cover from 2 units to 4 units within 120 days of joining The T.I.S. Fund.

All members can:

- Reduce their Default Cover from 2 units to 1 unit at any time;
- Cancel their Default Cover at any time, if you consider you are adequately covered elsewhere, or do not need it. Cancellation requests must be in writing, and once advised and actioned, you will not be insured by The T.I.S. Fund.
- Increase their Default Cover without medical underwriting by using the “Life Events Increase Option”, on up to 3 separate occasions due to the occurrence of particular life events.
- Supplement their Default Cover by:
 - Applying to be underwritten for additional units of cover. You can select the level and type of cover you need, however you will be required to provide a personal statement and medical evidence. This is called “Underwritten Cover”;
 - Transfer and consolidate your existing death or death and Total and Permanent Disablement cover into The T.I.S. Fund without medical underwriting. This is called “Choice of Fund” Transfer Terms.

Further details on each of these options are provided in the section that follows.

Contact the Administrator on 1800 777 060 for an Insurance Variation Form, or download one from The T.I.S. Fund website www.tisfund.com.au.

What are the Costs?

You will pay \$6.40 per week for two units of Default Cover, unless you elect to take up one or more of the options to change your cover.

If you increase or vary your cover, you can only do so in multiples of units. Table 2 below provides some examples of the weekly cost of different amounts of cover (numbers of units).

Note also that underwritten cover, cover obtained under a Life Event increase option or cover transferred into The T.I.S. Fund will also be converted into units of cover and be charged at the same premium per unit of cover.

Table 2 - Example Cover Amounts and Costs (Death & TPD Cover)

Age	2 Units of cover @ \$6.40 per week (Default cover)	1 Unit of cover @ \$3.20 per week (Reduced Default Cover)	4 Units of cover @ \$12.80 per week (Double Default Cover)
Up to 25	\$75,200	\$37,600	\$150,400
26 - 50	\$107,600	\$53,800	\$215,200
51	\$96,800	\$48,400	\$193,600
52	\$86,000	\$43,000	\$172,000
53	\$75,200	\$37,600	\$150,400
54	\$64,600	\$32,300	129,200
55	\$53,800	\$26,900	107,600
56	\$42,000	\$21,000	\$84,000
57	\$32,200	\$16,100	\$64,400
58	\$21,400	\$10,700	\$42,800
59	\$10,600	\$5,300	\$21,200
60 - 65	\$10,600	\$5,300	\$21,200
66 - 70	\$5,200	\$2,600	\$10,400

Section 2 - Insurance Options

Options to change your Cover

You can increase or decrease your insurance cover in a number of different ways. To make a change, contact the Administrator on 1800 777 060 for details, or download the Insurance Variation Form from The T.I.S. Fund website www.tisfund.com.au.

1. Reducing your Default Cover

You can reduce your Default Cover from 2 units to 1 unit at any point in time, by completing and returning an Insurance Variation Form to the Administrator.

2. Double your Default Cover on Joining

You have a one-off opportunity when you join The T.I.S. Fund to double your Default Cover, without medical underwriting from 2 units to 4 units of cover.

To be eligible to double your Default Cover you must:

- Be eligible for Default Cover;
- Complete and return the Insurance Variation Form within 120 days of being “First Eligible” to be insured;
- Be “At Work” on the day cover commences.

Note:

Members who wish to have extra cover or subsequently increase their cover after 120 days of being first Eligible will need to be underwritten for cover.

Example 1 - Double cover on joining

Brian is 25, becomes a member of The T.I.S. Fund and is eligible for Default Cover (2 units). He receives \$75,200 Death & TPD cover.

His total cover is \$75,200 Death and TPD.

Brian decides to double his cover on joining The T.I.S. Fund and returns a completed Insurance Variation Form within the required timeframe. His Default Cover amount increases automatically to 4 units.

His total cover is now \$150,400 Death and TPD.

3. Life Events Increase Option

Life can throw up many challenges. That’s why the T.I.S. Fund offers members the ability to increase their cover, without medical evidence on up to 3 separate occasions with the occurrence of certain ‘Life Events’. A Life Event occurs when an insured person:

- gets marriage; or
- gets divorced; or
- or their Partner gives birth or adopts a child/children; or
- has a child commencing education at a private school; or
- purchases a home for their permanent residence with a mortgage on that residence of \$100,000 or more.

Each Life Event increase in cover is subject to a maximum increase.

Maximum Life Events Cover Increase

The maximum Life Events Cover Increase you can apply for at any one time is equal to 1 unit of your current Default Cover amount.

Cover obtained under a Life Events increase is Limited Cover for the first 12 months, after which it becomes full cover. Refer to “Eligibility and Restrictions” - Life Events Increases for further details.

Example 2 below shows how Life Events increases can work in practice.

Brian is 25, becomes a member of The T.I.S. Fund and is eligible for Default Cover (2 units). He receives \$75,200 Death & TPD cover.

His total cover is \$75,200 Death and TPD.

Brian turns 26. His Default Cover amount increases automatically.

His total cover is now \$107,600 Death and TPD.

At 28, Brian gets married to Kristine and decides to increase his cover under the Life Events increase option. He is eligible for \$53,800 of additional cover, being the value of 1 unit of Default Cover for his age.

His total cover is now \$161,400 Death and TPD.

Now 30, Brian and Kristine buy a house to live in and take out a mortgage of \$200,000. Brian decides to increase his insurance again using his second Life Events increase option. He is eligible for \$53,800 of additional cover, being the value of 1 unit of Default Cover for his age.

His total cover is now \$215,200 Death and TPD.

At 33 Brian’s wife, Kristine has their first child and he again decides to increase his insurance using his third and final Life Events increase option. He is again eligible for \$53,800.

His total cover is now \$269,000 Death & TPD.

He is no longer eligible to increase his cover automatically under a Life Events increase option.

A summary of Brian’s use of Default Cover and Life Events increase options is shown below:

Age	Life Event	Default Cover	Life Events Increase	Total Cover
25	None	\$75,200	\$0	\$75,200
26	None	\$107,600	\$0	\$107,600
28	Marriage	\$107,600	\$53,800	\$161,400
30	Mortgage	\$107,600	\$53,800	\$215,200
33	Child born	\$107,600	\$53,800	\$269,000

Section 2 - Insurance Benefits

When is a Benefit Paid?

A benefit is paid in the event of your death, terminal illness or total and permanent disablement, depending on the type of cover you are insured for.

Death Benefit

Availability

All eligible T.I.S. Fund members are covered for a death benefit who have:

- not opted-out of Default Cover; or
- not left the employer who first started contributing to The T.I.S. Fund for them; or
- been underwritten and accepted for insurance cover; or
- transferred death cover into The T.I.S. Fund; and who
- are not in an Excluded Occupation.

When is it paid?

It is paid in the event of your death.

When does cover cease?

It ceases when you die. See Table 3 on page 14 of the Insurance Fact Sheet, under “When your cover starts and ceases” for full details.

TPD Benefit

Availability

All eligible T.I.S. Fund members are covered for TPD cover in addition to death cover who have:

- not opted-out of Default Cover or the TPD element of Default Cover; or
- not left the employer who first started contributing to The T.I.S. Fund for them; or
- been underwritten and accepted for TPD insurance cover; or
- transferred TPD cover into The T.I.S. Fund; and who
- an occupation that is not an Excluded Occupation.

Refer to “Key Definitions” in Section 4 on page 24 of the Insurance Fact Sheet for full details on Total & Permanent Disablement.

When is it paid?

The TPD benefit is paid if you become totally and permanently disabled. Refer to “Key Definitions” on page 24 of the Insurance Fact Sheet for more details.

When does cover cease?

It ceases when a TPD benefit is paid or becomes payable. See Table 3 on page 14 of the Insurance Fact Sheet under “When your cover starts and ceases” for full details.

Terminal Illness Benefit

Availability

Provided a member is covered for the death benefit, a Terminal Illness benefit of 100% of the Death benefit is payable up to the maximum Terminal Illness benefit, subject to the member being diagnosed as terminally ill. To be eligible for a Terminal Illness benefit you must be diagnosed with the illness after your cover has commenced.

A Terminal Illness benefit is considered as an advance payment of a death benefit. From the date a Terminal Illness claim is lodged, a member is not eligible for any increase in cover (including Life Events options), without the Insurer’s prior approval.

Refer to “Key Definitions” of ‘Terminal Illness’ on page 24, and “Eligibility and Restrictions” on page 16 of the Insurance Fact Sheet for further details.

Generally all of your cover ceases once a Terminal Illness benefit has been paid. However, if the Terminal Illness benefit paid is less than your death benefit sum insured, provided you remain insured via The T.I.S. Fund and continue to pay premiums when they are due, the residual amount will be paid upon death.

Refer to Table 3, “When Your Cover Starts and Ceases” for full details.

Interim Accident Cover

Availability

While you are being underwritten for insurance or are applying to increase your insurance, you will be provided with Interim Accident Cover. This cover starts when the Insurer receives your insurance application. The maximum benefit payable is the amount of increased cover you are applying for.

When is it paid?

It is paid in the event of your Death by Accident or TPD by Accident depending on the type of cover you have applied for.

Refer to the definitions of Death by Accident and TPD by Accident under “Key Policy Definitions” on page 22 and 24 of the Insurance Fact Sheet for more details.

When does cover cease?

The Interim Accident Cover ceases when your application for underwritten cover is either accepted or rejected, withdrawn, or 90 days from the date your application began, whichever is earlier.

When Your Cover Starts and Ceases

When does Default Cover start?

Default Cover commences on the first day you join your employer provided:

- You are employed by the contributing employer, and you join The T.I.S. Fund and a contribution is made on your behalf within 120 days of your commencement of employment;
- You are 'At Work' on the day cover commences;
- You are not claiming or entitled to, or been paid a TPD or Terminal Illness benefit from any superannuation fund, or life policy.

If we do not receive a contribution from your employer within 120 days of you starting with them, you will still be eligible for Default Cover from the date you joined the employer; however this cover will be "Limited Cover" for 24 months. After 24 months, your cover will revert to full cover as long as you are "At Work" on the last day of that 24 month period.

Refer to "Eligibility & Restrictions" on page 15 & 16 for further details on when cover starts, and "Key Policy Definitions" on page 22 of the Insurance Fact Sheet for complete details.

When does Underwritten Cover Start?

Underwritten cover starts on the date that we receive your first (or increased) premium payment, following notice from our Insurer, of the basis on which you have been accepted for cover.

Refer to "Eligibility and Restrictions" on page 15 & 16 for further details on when cover starts, and "Key Policy Definitions" on page 22 of the Insurance Fact Sheet.

When does cover cease?

Cover will cease when any of the events described in the Table 3 below occurs.

Table 3 - When Cover Ceases

Cover ceases on the earliest of the following dates:	Default Cover & Associated Increases		Underwritten & Transferred Cover & Associated Increases	
	Death	TPD	Death	TPD
You leave the employer who first started contributing to The T.I.S. Fund for you.	✓	✓	X	X
A TPD benefit is paid or becomes payable	✓ ¹	✓	✓ ¹	✓
You die	✓	✓	✓	✓
You turn 70 years of age	✓	✓	✓	✓
You cancel the cover in writing	✓	✓	✓	✓
Your account balance is insufficient to cover premiums	✓	✓	✓	✓
You cease to be a member of The T.I.S. Fund	✓	✓	✓	✓
A Terminal Illness benefit is paid	✓ ²	✓	✓ ²	✓
You are covered under separate automatic insurance arrangements as part of an employer sponsored group and you leave your employer	✓ ³	✓	N/A ³	N/A ³
You commence service with the armed forces of any country	✓	✓	✓	✓
You cease to be an Australian Resident ⁴	✓	✓	✓	✓
You are the subject of a fraudulent claim under the Policy	✓	✓	✓	✓
The insurance Policy is terminated ⁵	✓	✓	✓	✓

Important Notes

1. Where the amount of Death cover exceeds TPD cover, the additional Death cover continues until it ceases as per Table 1 above.
2. If the Terminal Illness benefit paid is less than your death benefit sum insured, the residual amount will be paid upon death as long as premiums continue to be paid.
3. If your insurance in The T.I.S. Fund is provided via a separate automatic insurance arrangement, as part of an employer sponsored group, and you leave that employer, that automatic cover will cease. However, any additional underwritten cover you have will remain in place. The cost of that underwritten cover will however change.
4. Cover may continue while you reside overseas in certain circumstances. See “Overseas Residence” under “Eligibility and Restrictions” on page 15 of the Insurance Fact Sheet for further details.
5. In the event that the Policy ends, we will endeavour to provide a replacement policy with another insurer under which cover will continue on similar terms and conditions.

Eligibility and Restrictions

Various restrictions and eligibility criteria apply to the insured benefits provided by The T.I.S. Fund. These are detailed below. Please contact us for clarification if you have any queries about your own particular situation.

General exclusions

Death, Terminal Illness or TPD insurance benefits will not be paid by The T.I.S. Fund for any claim arising from or caused wholly or partly, directly or indirectly, by any one or more of the following:

- The member actively participating in Militant Activities;
- War whether declared or not, military activity or insurrection;
- For death, the member committing suicide within 13 months of the date of cover or increased cover commencing or recommencing;
- For TPD, intentional self-inflicted injury or illness or intended self harm.

General Eligibility and Restrictions

Residence

A member must be an Australian Resident to be eligible for cover under the Policy.

Minimum and Maximum Entry Age

The minimum age to be eligible for insurance cover is 15. The maximum age to be eligible for new Default Cover is 64. The maximum entry age for underwritten cover is 60.

Maximum Insurable Ages

Insurance cover for death, TPD and Terminal Illness continues up to your 70th birthday, provided premiums are paid when due.

Maximum Benefits

For underwritten cover, the maximums are:

- Death cover - Unlimited;
- Terminal Illness - \$3,000,000
- Total & Permanent Disablement - \$3,000,000.

Overseas residence

Cover may continue for a member working Overseas provided that:

- (a) The member remains a member of The T.I.S. Fund throughout the period of overseas residence; and
- (b) The period of overseas residence is no longer than three (3) years duration; and
- (c) The member's country of residence is not listed on the Department of Foreign Affairs & Trade website (www.dfat.gov.au) under 'advised not to travel'; and
- (d) Premiums for the member continue to be paid throughout the period of overseas residence; and
- (e) The Insurer is provided with any other information about the member, relevant to their decision on whether to continue to cover the member whilst they are working overseas.

Where these requirements are not met, approval for continuation of cover will be subject to approval of the Insurer which must be obtained prior to departure from Australia. If this cover is approved it may be subject to an additional premium.

The Insurer reserves the right to require a member to return to Australia at their own expense in the event that they submit a claim for Total and Permanent Disablement or Terminal Illness.

Terminal Illness Benefit

Where the Insurer is satisfied a member has been diagnosed with a Terminal Illness, a Terminal Illness benefit will be paid subject to the following:

- (a) A member will be eligible for a Terminal Illness benefit where the date of diagnosis of the Terminal Illness is on or after the date their cover commenced. No Terminal Illness benefit will be paid where the date of diagnosis is prior to this date; and
- (b) A Terminal Illness benefit will be the lesser of the member's insured benefit or \$3,000,000. Provided they remain insured via The T.I.S. Fund and continue to pay premiums when they are due, the residual death benefit balance (calculated as the total cover as at the member's date of death, less any Terminal Illness benefit that has already been paid) will be payable on the death of the member; and
- (c) If a Terminal Illness benefit is paid, all cover will cease from that date. However, subject to clause (b) above, any residual death benefit balance will be payable on the death of the member.

Where a Terminal Illness benefit is paid it will be considered as an advance payment of the member's death benefit. From the date a Terminal Illness claim has been lodged, a member will no longer be eligible for any TPD cover or any cover increase or reinstatement that they may otherwise have been entitled to.

The member must supply, at their own expense, supporting medical evidence from their treating specialist. The Insurer will require this information in a form of their choosing and reserves the right to ask for any additional information that they feel is appropriate. Where they ask for additional information, the Insurer incurs the cost of obtaining this additional information.

Default Cover Eligibility and Restrictions

All members who join The T.I.S Fund receive Default Cover subject to the following eligibility criteria:

Default Cover commences on the first day you join your employer provided:

- 1. You are employed by the contributing employer; and
- 2. You join The T.I.S. Fund; and
- 3. You are aged between 15 and 64; and
- 4. A contribution is made on your behalf within 120 days of your commencement of employment; and
- 5. You are 'At Work' on the day cover commences; and
- 6. You are not claiming or entitled to, or been paid a TPD or Terminal Illness benefit from any superannuation fund, or life policy.

If we do not receive a contribution from your employer within 120 days of you starting with them, you will still be eligible for Default Cover; however this cover will be for "Limited Cover" for 24 months. After 24 months, your cover will revert to full cover as long as you are "At Work" on the last day of that 24 month period.

Eligibility and Restrictions - Life Events Increases

When a Life Event occurs, a member can increase their cover subject to the restrictions below. The member:

- 1) is an existing insured person with cover in force on the date that the Life Event occurred; and
- 2) is less than age 60 on the date that they apply for this increase in cover; and
- 3) has cover under the Policy that is not subject to any special conditions such as a premium loading (except a Premium frequency loading), restriction or exclusion; and
- 4) must not have previously been declined cover under the Policy; and
- 5) is not applying for, entitled to, or has not been paid a Total and Permanent Disablement benefit or Terminal Illness benefit from any superannuation fund or life insurance policy; and
- 6) can only increase their cover once for any Life Event in any 12 month period and is eligible for a maximum of three (3) Life Event increases in total; and
- 7) must apply to The T.I.S. Fund within ninety (90) days of the Life Event occurring; and
- 8) must provide proof, to the Insurer's satisfaction, that the Life Event occurred; and
- 9) will only be eligible for an increase in cover to the extent that their total cover after the increase does not exceed the maximum under the Policy.

Where the member is currently insured for death cover, they will be eligible for increased death cover and where they are currently insured for death and Total and Permanent Disablement cover they will be eligible for increased death and Total and Permanent Disablement cover.

Cover obtained as a result of a Life Event increase is Limited Cover for 12 months from the date of the increase. After 12 months the increase in cover will become full cover.

Cover will commence from the date that the Insurer notifies us that they have agreed to accept cover, or the date otherwise agreed with them that cover has been accepted.

Section 3 - Other Information

Automatic Acceptance Cover for Employer Groups

How does it work?

The T.I.S. Fund offers employers the ability to provide their employees with group insurance cover. Arrangements are flexible and can be tailored to meet the needs of a particular employer.

Summary details of the key elements of our benefit design features are provided below

Automatic acceptance limit (AAL)

The fund can provide employer groups with automatic insurance cover on a tailored basis.

An employer group can have its own automatic insurance cover limits (AAL), benefit design, eligibility criteria and specific premium rates (corporate rates).

Certain conditions apply for a particular employer to be eligible to establish group cover including:

- Guidelines as to the level of cover and qualifying conditions are to be established;
- A group must consist of at least 10 people;
- At least 75% of eligible employees must remain insured by The T.I.S. Fund at all times; and
- The Insurer must be the sole provider of that insurance for the group.

Refer to “When Your Cover Starts and Ceases” on page 14, and “Key Policy Definitions” - ‘At Work’ and ‘First Eligible’ on page 22 of the Insurance Fact sheet for further details.

Takeover terms

If an employer currently has group insured benefits, we are able to offer take over terms, meaning existing externally insured cover is transferred into The T.I.S. Fund without the need for underwriting.

We will need to obtain information about the existing cover in order to determine if it is eligible to be transferred under takeover terms. Contact us for more details on automatic acceptance cover for employer sponsored groups.

Insurance Costs, fees and charges

You will pay \$6.40 per week for two units of Default Cover, unless you elect to take up one or more of the options to change your cover.

If you increase or vary your cover, you can only do so in multiples of units. Table 2 on page 7 of the Insurance Fact Sheet provides some examples of the weekly cost of different amounts of cover (numbers of units).

If you are underwritten for cover, you may be accepted at an increased premium rate due to your health or pastimes.

The cost of any underwritten insurance is in addition to any Default Cover you may have. Contact us on 1800 777 060 to obtain a premium estimate.

Premiums for employer groups

Premium rates for employer groups are quoted on an individual basis. Each employer group is assessed by the Insurer and allocated The T.I.S. Fund premium rating factor (PRF). This PRF is applied to the standard

corporate group insurance rates applicable to The T.I.S. Fund. Amongst other things, PRFs take into account your group's industry, benefit design, number of members, eligibility criteria and claims experience.

The PRF for your employer group is calculated either at the time The T.I.S. Fund is set up, or at the annual review of the Policy. You can obtain details of the corporate group insurance rates and PRF applicable to your group by contacting the Administrator on 1800 777 060.

Insurance administration fee

Each premium paid for insurance cover under The T.I.S. Fund includes an insurance administration fee. This fee covers the cost associated with establishing and maintaining your insurance cover in The T.I.S. Fund, and is not an additional cost to you. This fee is paid by the Insurer to the Administrator. The insurance administration fee (including GST) is 20.32% of the premium paid.

Adviser Commission

The T.I.S. Fund does not pay any commissions to investment advisers or financial planners.

Outbreak of War

The Insurer may increase premiums under the Policy at any time for any or all members by giving written notice in the event of any invasion or outbreak of war (whether declared or not) which involves Australia or a member's country of residence.

If the Insurer gives this notice and any premium increase is not paid, the Insurer will not be liable to pay a benefit in respect of a member where the event giving rise to a claim arose either directly or indirectly from the invasion or war.

This means that, in these circumstances, if you don't pay any additional premium required, you will not be entitled to claim any insured benefits from The T.I.S. Fund.

Non-payment of Premiums

To maintain your insurance cover you need to maintain enough money in your member account to pay your premiums when they are due. Your cover in The T.I.S. Fund will be cancelled if you do not pay your premiums when they are due.

Changes to the premium rates and charges

The Insurer reserves the right to vary the premium rates or any fees at their discretion. Future government charges may also affect your premium, fees and charges.

Other important information

The information provided here is a summary of the main features of The T.I.S. Fund's insurance benefits.

You should be aware that the terms and conditions relating to the insurance cover provided by The T.I.S. Fund are set out in the Policy issued by the Insurer to us and The T.I.S. Fund's trust deed. While every effort has been made to ensure the information contained in the document is accurate, the terms and conditions of the Policy will prevail to the extent that they are inconsistent with the information in this document.

Members do not have any rights of ownership, participation or rights to amend, vary or cancel the Policy. In addition, no member has any right to claim under the Policy. T.I.S. Pty Ltd, as trustee of The T.I.S. Fund, will lodge any claim under the Policy.

All amounts in this document are in Australian dollars and all times quoted are Brisbane time. A business day is a working day for us in Brisbane. Neither we nor any service provider to The T.I.S. Fund guarantee the payment of any benefit or Sum Insured or the return of any money.

Guaranteed renewable

The Insurer guarantees to renew your insurance cover each year until the expiry date of the cover as long as you comply with the Policy conditions and pay the required premium. This guarantee applies regardless of any change in your health or personal circumstances.

Continuance of cover

You may be able to continue your insurance cover even if you leave The T.I.S. Fund other than as a result of injury, sickness or disease. This means that you could maintain your existing insured benefits without medical underwriting. Your premiums would change and ongoing cover arrangements will need to be put in place. Other eligibility conditions apply. Contact us on 1800 777 060 for further details.

Leave without pay

If a member takes leave without pay from their employment (such as maternity leave), the Insurer will continue to cover the member until the stipulated return to work date, subject to the continued payment of premiums by the member. If the member continues to be on leave after the stipulated return to work date or 12 months leave has been taken and the member has not returned to their previous employment, the 'Activities of Daily Living' TPD definition applies until such time as the member returns to their previous employment.

Worldwide cover

Insured Fund members are covered 24 hours a day all over the world, wherever they travel. Where possible the Insurer will assess claims overseas; however, it does reserve the right to require that a claimant returns to Australia at their own expense for claims assessment prior to payment of any benefit.

Taxation

Generally, insurance premiums paid by the trustee of a superannuation fund are an allowable deduction to the Fund. Payments of insurance-sourced benefits from a superannuation fund may be tax-free if paid to a dependant for tax purposes. However, payments made to non-dependants for tax purposes are subject to various rates of tax.

Refer to The T.I.S. Fund PDS for details about the taxation of benefits paid from superannuation funds.

The Australian taxation system is complex and different members have different circumstances. We recommend that you speak with your financial or tax adviser for further information about how tax may apply with respect to your personal circumstances.

How to Apply

To apply for underwritten insurance cover, you must be a member of The T.I.S. Fund and complete the insurance application form. Return your completed application to:

The Transport Industry Superannuation Fund
P O Box 2093
Milton, QLD 4064

Cooling-off Period

For underwritten cover, members have a 14 day cooling off period. The 14 day period commences on the earlier of:

- the date we confirm the cover has commenced; or
- the end of the 5th day after the cover commences. This is known as the ‘cooling-off’ period.

During this time you may cancel the cover by writing to us. We will refund the premium you have paid less any relevant Government taxes or charges that we have been required to deduct.

You cannot exercise the right to cancel your cover if you have made a claim for a benefit under The T.I.S. Fund.

After the 14 day cooling-off period, your option to cancel the cover and receive a refund will be forfeited.

Your Duty of Disclosure

Before you enter into a contract of life insurance with an Insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the Insurer every matter that you know, or could be reasonably expected to know, that is relevant to the Insurer’s decision whether to accept the risk of insurance and if so, on what terms.

You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a contract of life insurance. Your duty, however, does not require disclosure of a matter that diminishes the risk to be undertaken by the Insurer; that is of common knowledge; that the Insurer knows, or in the ordinary course of its business ought to know; as to which compliance with your duty is waived by the Insurer.

If you fail to comply with your duty of disclosure and the Insurer would not have entered into the contract on any terms if the failure had not occurred, the Insurer may avoid the contract within three years of entering into it. If your non-disclosure is fraudulent, the Insurer may avoid the contract at any time. An Insurer who is entitled to avoid a contract of life insurance may, within three years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the Insurer.

Insurance claims

Depending on the type of claim being made, you or your personal legal representative will need to provide a range of information to us and the Insurer. Contact us on 1800 777 060 for details.

You must cooperate with us in allowing us to obtain any evidence reasonably required by the Insurer or us to assess your claim and the Insurer shall be entitled to require you to undergo any medical examinations conducted by a medical practitioner appointed by them as they deem necessary or to have a post mortem examination carried out.

No cash value

The insurance cover provided by The T.I.S. Fund has no cash value. If your insurance is cancelled, you are not entitled to any payment.

Section 4 - Key Policy Definitions

“Activities of Daily Living” means:

- a) Bathing, the ability to wash or shower without assistance;
- b) Dressing, the ability to put on and take off clothing without assistance;
- c) Feeding, the ability to get food from a plate into the mouth without assistance;
- d) Mobility, the ability to get in and out of bed and a chair without assistance;
- e) Toileting, the ability to use the toilet including getting on and off without assistance.

“At Work” means:

that a person has been actively performing all of the duties and hours of their usual occupation for the last 30 consecutive days.

“Australian Resident” means:

an Australian citizen or a person who is the holder of an Australian permanent visa within the meaning of Section 30 of the Migration Act 1958 or resides in Australia on a 457 working visa.

“Cognitive Loss” means :

the Insurer has determined a total and permanent deterioration or loss of intellectual capacity which requires the member to be under the continuous care and supervision by another adult person for at least six consecutive months and at the end of that six month period, they are likely to require permanent ongoing continuous care and supervision by another adult person.

“Date of Disablement” means:

the earlier of:

- (a) the date on which the six (6) months consecutive absence from work that results in Total and Permanent Disablement began; or
- (b) the date on which the six (6) months consecutive absence from work due to suffering a Cognitive Loss began; or
- (c) the date on which the six (6) months consecutive inability to perform the Activities of Daily Living that results in Total and Permanent Disablement began; or
- (d) the date the person suffers the loss of the sight in both eyes, or the use of both limbs, or the sight in one (1) eye and the use of one (1) limb; or
- (e) the date the person suffers the loss of the sight of another eye or the use of another limb, having already suffered the loss of sight of an eye or the use of a limb.

“Death by Accident” means:

death resulting from a visible, violent, external event to the body.

“First Eligible” means:

the later of when a member:

- (a) First commences employment with a Participating Employer in respect of the fund;
or
- (b) When their employer becomes a Participating Employer in respect of the fund.

Should a Participating Employer first become liable to pay the Superannuation Guarantee Charge for an employee at a date later than (a) or (b) above, then this date will become the date on which that member was First Eligible to be insured.

"Injury" means:

bodily injury caused by violent, external and visible means.

"Illness" means:

a sickness, disease or disorder.

"loss of sight" means:

the complete loss of functional sight which is permanent and cannot be restored by any currently available treatment or artificial aid.

"loss of the use of a limb" means:

the permanent loss of the use of a leg from at or above the ankle or an arm from at or above the wrist which is permanent and cannot be restored by any currently available treatment or artificial aid.

"Life Event" means:

that the member:

- a) gets married; or
- b) gets divorced; or
- c) or their Partner gives birth or adopts a child/children; or
- d) has a child commencing education at a private school; or
- e) purchases a home for their permanent residence with a mortgage on that residence of \$100,000 or more.

"Limited Cover" means:

cover for an Illness diagnosed or an Injury that occurred on or after the date the cover commenced for the member.

"Medical Practitioner" means:

a validly qualified medical practitioner including a Specialist, registered to practice in Australia and New Zealand, which is not the Employer, associated with the Employer or a business partner or associate, and in the context of a claim does not include the person who is the subject of the claim or their spouse, parent(s), sibling(s), children or family member.

"Militant Activities" means:

actively participating or contributing to, an act of terrorism, war or war-like operation or civil commotion.

"Overseas" means:

anywhere other than the Commonwealth of Australia and its Territories.

"Partner" means:

a legal spouse or person living with the member as their spouse on a bona-fide domestic basis. This person may be the same gender as the member.

"Participating Employer" means:

an employer who makes or agrees to make contributions payments to the fund in respect of an eligible person and abides by the rules governing the fund and Policy.

"Terminal Illness" means:

a disease or condition that, in the opinion of a specialist medical practitioner approved by the Insurer, is likely to lead to the member's death within 12 months from the date they were diagnosed with the Terminal Illness.

"Total & Permanent Disablement" means:

where a member aged less than 65 is gainfully employed and is working fifteen (15) or more hours each week within the six (6) months prior to the Date of Disablement they suffer Total and Permanent Disablement if they;

- (a) are unable to do any work as a result of Injury or Illness for six (6) consecutive months and at the end of the six (6) months they continue to be so disabled that they are, in the Insurer's opinion, unlikely to resume their previous occupation at any time in the future and will be unlikely at any time in the future to perform any Other Occupation; or
- (b) suffer the permanent loss of the use of two (2) limbs, or the sight of both eyes, or the permanent loss of the use of one (1) limb and the sight of one (1) eye; or
- (c) suffer a Cognitive Loss.

For all other members they suffer Total and Permanent Disablement if they;

- (a) suffer an Illness or Injury that wholly prevents them from performing two (2) of the Activities of Daily Living without the assistance from someone else for at least six (6) consecutive months; and
 - (i) since they suffered an Illness or Injury they have been under the regular care and attention of a Medical Practitioner for that Illness or Injury; and
 - (ii) in the Insurer's opinion, the Illness or Injury means that they are unable to ever again perform at least two (2) of the Activities of Daily Living without the assistance from someone else; or
- (b) suffer the permanent loss of the use of two (2) limbs, or the sight of both eyes, or the permanent loss of the use of one (1) limb and the sight of one (1) eye.
- (c) suffer a *Cognitive Loss*.

"TPD by Accident" means:

Total & Permanent Disablement resulting from a visible, violent, external event to the body.

"Other Occupation" means:

any occupation the person is qualified to perform by their education, training or experience at the time the Insurer assesses the claim and includes:

- (a) part-time occupations; and
- (b) an occupation which may be perceived by the person to be of lower status than the person's previous occupation or an occupation in which the person does not earn as much income as they did in their previous occupation.

Contact Details:

Trustee: T.I.S. Pty Ltd ABN 73 065 319 735

Administrator:

Freecall: 1800 777 060

Telephone: 07 3391 6311

Facsimile: 07 3391 6177

info@tisfund.com.au

www.tisfund.com.au

P O Box 2093, Milton QLD 4102

Level 1, 123 Logan Road, Woolloongabba QLD 4102