

Our major insurance upgrade makes it even easier to protect your family

Having enough personal insurance cover is important, and with ESI Super it's about to get a whole lot easier to get the insurance cover you need.

From 2 November 2009, we are introducing a major insurance upgrade that will make it simpler, and in many cases cheaper to protect you, your family and other dependants.

Among other things, this will mean:

- Higher levels of death and TPD insurance cover per unit.
- Access to a Life stage increases feature which provides, progressive automatic increases in your units of Death and Total and Permanent Disablement (TPD) cover up to age 39, with no need to provide further evidence of your good health.
- Discounted cost of cover is available for professionals and white collar workers for Death and TPD insurance.
- The option to fix your Death and TPD cover at an agreed dollar amount, as an alternative to units of cover.
- Full cover can continue through to age 70 if you're still at work.
- More generous and flexible Income Protection insurance cover.
- Easier acceptance conditions for Income Protection insurance.
- You can elect Death Only cover at a reduced cost of \$0.66 per unit per week or \$0.61 per unit per week if you meet the professional and white collar definition.

What about current members of ESI Super who are already insured?

Current insured members do not have to do anything. Your current cover remains in place but has increased benefits. However, the cost of your insurance cover will now be deducted from your super account monthly instead of annually. If your employer currently subsidises the cost of your insurance this arrangement will continue. The following points highlight the benefits and opportunities you have to review your personal insurance cover:

Death and TPD

1. The cost of each unit of cover remains the same at \$1.10 per unit per week.
2. The benefit amount for each unit has increased by more than 30%, e.g. for a 29 year old member each unit has increased from \$81,400 to \$108,600 and for a 44 year old member each unit has increased from \$23,200 to \$31,000. See the table below for the new levels of sum insured you will receive from 2 November 2009.
3. Your cover has been extended to age 70.
4. You now have the opportunity to convert your units of Death and TPD insurance to a fixed dollar amount of cover (with this cover your sum insured remains the same but the cost of your insurance increases annually based on your age next birthday). See the website for further information on this.

Insurance cover before 2 November 2009		Insurance cover from 2 November 2009	
Age next birthday	1 unit of Death and TPD cover	Age next birthday	1 unit of Death and TPD cover
16-30	\$81,400	16-30	\$108,600
31	\$77,600	31	\$103,400
32	\$73,800	32	\$98,400
33	\$73,000	33	\$97,300
34	\$73,000	34	\$97,300
35	\$62,300	35	\$83,000
36	\$58,100	36	\$77,400
37	\$53,800	37	\$71,700
38	\$49,800	38	\$66,400
39	\$45,600	39	\$60,800
40	\$41,600	40	\$55,400
41	\$37,100	41	\$49,400
42	\$33,000	42	\$44,000
43	\$29,400	43	\$39,200
44	\$26,100	44	\$34,800
45	\$23,200	45	\$31,000
46	\$20,500	46	\$27,300
47	\$18,000	47	\$24,000
48	\$15,900	48	\$21,200
49	\$13,900	49	\$18,600
50	\$12,200	50	\$16,300
51	\$10,600	51	\$14,100
52	\$9,200	52	\$12,300
53	\$8,000	53	\$10,700
54	\$7,000	54	\$9,300
55	\$6,000	55	\$8,000
56	\$5,300	56	\$7,000
57	\$4,700	57	\$6,300
58	\$4,100	58	\$5,400
59	\$3,600	59	4,800
60	\$3,200	60	\$4,300
61	\$3,000	61	\$4,000
62	\$2,600	62	\$3,400
63	\$2,400	63	\$3,200
64	\$2,200	64	\$3,000
65	\$2,000	65	\$2,700
66	n/a	66	\$2,400
67	n/a	67	\$2,100
68	n/a	68	\$2,000
69	n/a	69	\$1,900
70	n/a	70	\$1,700

To work out your new cover simply multiply the current units you have (shown on your last *Annual Statement*) by the sum insured for your age next birthday.

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Income Protection

1. Your units of Income Protection (IP) insurance will change because we have re-valued the cost and benefits to more convenient levels for members. 1 unit of cover was \$2,105 and is now \$500 per unit. The standard cost for 1 unit of cover per week will be: \$0.29 per unit per week for a 90 day wait period, \$0.36 per unit per week for a 60 day wait period and \$0.47 for a 30 day wait period. So, on your current level of IP you get more cover at a lower cost.
2. On 2 November 2009, every unit of your current IP cover will convert to 5 units (1 unit = \$2,105 will be converted to 5 units x \$500 = \$2,500).
3. Your maximum benefit payments can now be increased so that you can get up to 85% of salary plus a 10% superannuation contribution payment into your ESI Super account (or the number of units covered, whichever is the lesser. This has been increased from the current benefit which is limited to 75% of salary plus a 5% contribution payment to your super account).
4. It will also be much easier to change the level of IP cover you have, because we have removed the requirement for underwriting when you apply for any additional IP cover. We have instead applied a pre-existing illness clause that excludes any pre existing illness you may have if you make a claim within the first two years from the start or commencement of your IP cover. Your existing IP cover at the date the new insurance comes into effect will not have the pre-existing illness condition applied.

More cover when you need it – optional insurance cover you can take advantage of.

Your insurance needs change as you go through life. Everyone should review their cover from time-to-time, but the reality is that not everyone does.

You may be one of those people who know you should, but you just don't get around to it. The good news is that, under the new arrangements, you can choose the Life stage increases feature for your Death and TPD insurance. This means your units of cover automatically increase by 1 unit as you reach age 24, 29, 34 and 39. For example, when you turn 29, your Death and TPD cover will automatically increase from 2 to 3 units. This will provide more cover when you most need it without the need for underwriting.

Default age based units of cover	
Age bracket (age next birthday)	Units of cover at \$1.10 per unit (Death and TPD or Death Only)
To age 24	1
25 to 29	2
30 to 34	3
35 to 39	4
40 to 70	5

The table above shows the automatic levels of cover that apply for different age (next birthday) brackets. Of course, the cost of your cover will increase in line with the units and will move from \$1.10 per week to \$5.50 per week over 15 years (age 24 to 39).

Life changing events

Apart from the Automatic Life stage increases in cover, we've made it easier for you to further increase your Death and TPD insurance when a life changing event occurs (such as getting married, taking out a home mortgage, having or adopting a child or getting divorced). In those circumstances you can now increase your cover by up to 2 units per event (up to a maximum of 4 extra units), without having to provide further evidence of your good health. Members will be required to provide proof of the life event.

Fixed Death and TPD insurance option

For some people, units of insurance with a changing level of cover aren't so important. You might just want a fixed amount of cover to pay off all your debts if you die or become permanently disabled. In that case, you may want to opt for a fixed dollar cover, where the amount of cover doesn't change but the cost increases as you get older. Choosing this option will replace any units of insurance cover you may have.

Cover can extend to age 70

With today's more flexible approach to retirement, many people want to work in some capacity beyond the traditional retirement age of 65. With ESI Super, you can now continue to have death and disability, including IP insurance up to age 70 (previously 65). Special conditions apply for members between age 65 and 70.

No medical evidence for Income Protection up to \$30,000 a month

We've made great improvements to our IP insurance, including lower costs and higher benefits. Apart from that, perhaps the most welcome change is that cover up to \$30,000 a month will no longer need to be underwritten, that means evidence of your good health is not required. There is a pre-existing illness clause that applies if you make a claim in the first two years since cover started, recommenced or increased. After the two years, there are no exclusions and there are no penalty costs.

Access to Income Protection cover beyond the two year benefit period.

With medical advances, we're finding that some people may now return to work after long periods recovering from conditions that would previously have ended their careers. To recognise that, we've added an option for you to purchase a longer benefit payment period in addition to the standard two years. This option provides an extended benefit payment after the initial two years payments until you reach age 65. Some different terms and conditions apply to the two year Income Protection benefit. This benefit will be subject to underwriting and can not be applied for while you are receiving IP disablement benefits.

Defined Benefit (DB) members

Your death and disability benefits provided with your DB super do not change. You do however have the opportunity to increase your level of Death and TPD cover under the new insurance arrangement as optional additional cover. You must have accumulation super money in ESI Super to pay for the cost of any additional insurance cover.

More information

If you'd like more information about how these changes affect you, just call us on **1300 363 240** or email super@esisuper.com.au.

For full details of the new insurance arrangements, including the terms and conditions that apply, you can view or download our new Product Disclosure Statement which will be available from 2 November 2009 on our website – esisuper.com.au or by calling us on **1300 363 240**.



ESI Super goes public offer

From early November 2009, almost anyone can join ESI Super, regardless of employment status or industry they work in. It also means that previous members who have left the Fund can now re-join and enjoy all the benefits of being an ESI Super member.

There is no restriction on who can make contributions to ESI Super (subject to age limits). Most employers, regardless of industry, are able to make their contributions to ESI Super. So wherever you work, you are likely to be able to make us your choice of fund.

More good news is that with a new flexible insurance arrangement, members joining ESI Super can now maintain the level of insurance cover they had with their previous fund when they rollover to ESI Super.

Look for our new *ESI Super Member Guide* available on our website – esisuper.com.au from early November.

There has never been a better time to join!

Annual Report available soon!

To do our bit for the environment, we will not be mailing the *Annual Report* out this year, instead we are going electronic. You can download it from our website – esisuper.com.au in early November but if you would still like a printed copy, just give us a call and we will send one out to you.



ESI Super ranks in top 11 %

On 20 August 2009, the Australian Prudential Regulation Authority* (APRA) released its first performance measure for individual super funds covering the investment returns over a five year period from July 2004 to June 2008.

The ABC TV's 7:30 Report on Wednesday 26 August 2009 reported on the superannuation fund rankings of the top 100 funds by asset size. The 7:30 Report

used the information released by APRA which looks at the fund performance as a whole not the fund's individual investment options.

ESI Super was ranked 11th in performance over the 5 year period – well above many notable high profile superannuation funds. This report has revealed that paying higher fees doesn't always guarantee a greater return.

At ESI Super we are proud of this result which reflects the work over many year's to deliver consistent strong long term performance for our members and we will continue to work to further improve retirement benefits for our members.

**APRA is the Government body regulating the superannuation industry. It reports both 3 and 5 year performance information on the 200 largest funds by asset size, which cover 95% of members and 98% of the assets of ASFA regulated funds and Eligible Rollover Funds.*

Testimonial

Peter Nichols, an ESI Super member, took out his first home loan with Members Equity Bank more than five years ago. A mobile banker met with him and explained that as a member of ESI Super, he was eligible for the Super Members Home Loan (SMHL).

As well as offering an additional discount off the standard variable home loan interest rate, Peter gained other benefits too. There are no application or ongoing account keeping fees, nor does he pay fees to split loans or top-up his loan and he can redraw funds at no cost. "I run a tight financial ship, and I know the impact hidden fees and charges could have on our savings plans," Peter said.

"I like the fact I can do different things around a home loan. I split my SMHL into a standard variable home loan and an investment loan when we bought an investment property some time ago.

More recently I have been able to do a top-up on the loan,"

When dealing with ME Bank, my questions are answered efficiently and accurately, and any changes or transactions done over the phone are confirmed in writing. And best of all I don't have to go through strings of button pressing with an automated speaking system.

Over the years I have recommended ME Bank to family and friends, that's how positive I feel about my experience with ME Bank," concludes Peter.

For more information about the SMHL and other products available from them, please call **1300 309 374** or visit **mebank.com.au**.

Super Members home Loans are provided by Members Equity Bank (AFSL 213230). ESI Super does not act as an agent or representative of Members Equity bank and accepts no responsibility or reliability for any representations, act or omission in relation to Members Equity Bank products. This is general information only, and you should consider if these products are right for you.



ME Bank testimonial from Peter Nichols, Queensland 18 August 2009
Member of ESI Super



Contribution calculators available on our website

The new salary sacrifice arrangements advised in the last Budget mean that you need to take more care so you don't exceed the concessional contribution limit. To assist you in working out how close you are to your contribution limits, we have two concessional contribution calculators available on our website.

There is one calculator intended for Defined Benefit members and one for Defined Contribution (accumulation) members.

Don't forget that if you have signed up for Member Online Access, you have access to a number of education modules that can help you to better understand your super and retirement saving strategies.

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