

3 April 2018

### Important information for MTA Super members

I am writing to inform you of some important insurance changes.

#### **Changes to when your Death and Total & Permanent Disablement (TPD) cover restarts**

Generally, if your Death and TPD cover ceases you can only restart your cover by completing an insurance application form which is accepted by the Insurer. However, in some circumstances your cover may be automatically restarted if we receive an employer contribution within a certain period of time after your cover ceased.

Currently, employer contributions must be received within 180 days of your cover ceasing. From 1 July 2018, this will reduce to 120 days.

#### ***When can my cover automatically restart?***

As an insured MTA Super member, your insurance cover will cease if your account does not have enough funds to pay your insurance fee. Your insurance cover may have also lapsed under a previous rule due to the non-receipt of employer contributions for a certain period. In these circumstances, your cover will restart if employer contributions are received into your account.

There are two ways your cover can restart: it can be *reinstated*, or it can *recommence*.

#### ***Reinstating cover***

From 1 July 2018 if we receive an employer contribution **within 120 days** of your cover ceasing, and the contribution is within one month of your cover ceasing:

- your cover will be reinstated at the level and type of cover you had on the day before your cover ceased, and
- your cover will be reinstated from the day your cover ceased.

This means your cover type and level will be the same as it was before it ceased, and there will be no gap in your insurance cover.

However, if we receive an employer contribution within 120 days of your cover ceasing **and** it is for a contribution period commencing more than a month after your cover ceased, your cover will be reinstated (at the same level and type of cover) from the start of the contribution period - rather than the day your cover ceased. This means there **will** be a gap in your insurance cover.

#### ***Recommencing cover***

From 1 July 2018 if we receive an employer contribution **after 120 days** of your cover ceasing, your cover will recommence at the lower of:

- the level and type of cover you had on the day before your cover ceased, or
- the current default cover based on the general scale.

Furthermore, your cover will recommence on the date the first employer contribution is received after your cover ceased.

This means there may be a period of time when you are not covered, and your cover type or level may have changed from the cover you had before it ceased.

***Contribution types that do not restart cover***

Your cover will only automatically restart if we receive an employer contribution for your super account. It will not automatically restart if we receive a:

- personal contribution
- roll-over from another super fund,
- Low Income Superannuation Tax Offset,
- Government Co-contribution,
- Spouse Contribution, or
- Superannuation Guarantee Charge voucher.

***What you need to do***

You should review your insurance cover to find out if your cover is current and at a level appropriate to your personal circumstances.

To check your cover, log in to MemberSuper site at [mtaasuper.com.au/member-login](http://mtaasuper.com.au/member-login)

If your cover has ceased and you plan on restarting it, you should call us on **1300 362 415** to discuss your options.

**Insurance in Superannuation Voluntary Code of Practice**

MTAA Super is amongst the first of superannuation providers to adopt the new Insurance in Superannuation Voluntary Code of Practice. The Code will commence on 1 July 2018.

MTAA Super was a key member of the working group tasked with the development of the Code, joining with other superannuation providers, insurers, and industry associations to ensure it addressed member needs and improved insurance products.

The Code will help us ensure you better understand your insurance offer and the important protection it provides.

It also aims to:

- make sure we design and offer insurance products that are appropriate and affordable (particularly for young people and low-income earners);
- reduce unnecessary erosion of super account balances;
- help find if you have multiple or inappropriate insurance policies, and help you cancel these policies where appropriate;
- improve and provide more timely assistance when you make an insurance claim;
- make it easier for you to increase, decrease, or opt-out of your insurance; and
- improve how we communicate with you about your insurance.

As part of adopting the Code, we will consider each of the aims of the Code and how they interact with our current policies and procedures.

A copy of the Code can be found on our website at [mtaasuper.com.au/insurance-code](http://mtaasuper.com.au/insurance-code)

Details about how we will implement the Code, including our timetable, which may cover up to a three year period, will be provided on our website at [mtaasuper.com.au](http://mtaasuper.com.au) in due course.

**Autumn edition of *Momentum***

The Autumn edition of our member and employer magazine, *Momentum* is out now.

Read about how you can keep your super on track, the importance of switching off, and teaching your children about money. We also speak with the team at Gasoline Alley Harley-Davidson to find out how they stay connected with their customers and introduce you to up-and-coming professional drifter, Jake Jones.

You can download a copy of *Momentum* at [mtaasuper.com.au/momentum](http://mtaasuper.com.au/momentum)

**Further assistance**

If you have any questions about these changes and what they mean for you, call us on **1300 362 415**.

Yours sincerely



Leeanne Turner  
Chief Executive Officer