

# Insurance in super

## KEY DIFFERENCES BETWEEN ACCUMULATION 1 AND THE DEFINED BENEFIT DIVISION

Insurance through super can protect your employees and their loved ones in case the unexpected happens. Here we explain the key differences between insurance cover in Accumulation 1 and inbuilt benefits in the Defined Benefit Division (DBD) to help clarify what cover your employees may automatically receive, and what options are available to them.

KEY DIFFERENCES BETWEEN INSURANCE COVER IN ACCUMULATION 1 AND INBUILT BENEFITS IN THE DBD		
Scenario	Accumulation 1 and Defined Benefit Division	Defined Benefit Division only
Death (and terminal illness)	Death cover (includes terminal illness)	Inbuilt death benefit Inbuilt terminal medical condition benefit
	Available to age 75	Available to age 60
	Value of cover is set based on employee's age (unitised cover) or a fixed amount.	Value of cover is based on a formula that includes employee's age and salary.
Unable to work temporarily due to illness or injury	Income protection cover	Inbuilt temporary incapacity benefit
	Paid as a monthly benefit	Paid as a monthly benefit
	Available to age 65	Available to age 75
	Waiting periods of 30, 60 or 90 days.	Waiting period is generally 60 working days in a 12-month period for a full-time employee.
	Benefit periods of 2 years, 5 years or 'to age 65'	Benefit period is 2 years.
Unable to work permanently due to illness or injury	TPD cover	Inbuilt disablement benefit
	Available to age 70	Available to age 65
	Paid as a single amount	Paid as a monthly benefit to age 65
	Value of cover is set based on employee's age (unitised cover) or a fixed amount.	Benefit amount is determined according to a formula that is linked to employee's salary + UniSuper continues to contribute to their DBD component as if they continued to work.

## KEY DIFFERENCES BETWEEN INSURANCE COVER IN ACCUMULATION 1 AND INBUILT BENEFITS IN THE DBD CONT.

<i>Automatic default cover</i>	<i>Accumulation 1</i>	<i>Defined Benefit Division</i>
Automatic default cover is insurance cover provided to a member without them having to provide evidence of health.	<p>If eligible, employees <b>may receive default insurance cover, otherwise they must elect to receive it.</b></p> <p>By law, we can't provide insurance cover automatically to an Accumulation 1 member unless they're aged at least 25 years and have an account balance of \$6,000 or more. Once these criteria are met, members could be eligible to receive our base level of external insurance cover (known as <b>default insurance cover</b>) automatically.</p>	<b>Most new DBD members are provided external default insurance cover automatically</b> , regardless of age and account balance, as well as inbuilt benefits, all without providing health evidence.

## Cost of cover

The cost of external insurance cover and inbuilt benefits differs quite significantly.

### COST OF COVER FOR EXTERNAL INSURANCE AND INBUILT BENEFITS

<i>External insurance cover Accumulation 1 and Defined Benefit Division</i>	<i>Inbuilt benefits Defined Benefit Division only</i>
Calculated according to employee's age and the type and level of cover they hold. Insurance <b>premiums are deducted from their accumulation account</b> balance each month.	Cost is 'built in' to the DBD design, so there is <b>no charge deducted</b> from the employee's account.
Employees can expect to pay more for the same insurance cover as they get older.	Employees won't have to worry about the cost of inbuilt benefits changing over time.
Insurance premiums will change from time to time, as we set the insurance premiums according to what it costs to provide them.	

## Further considerations

From 1 November 2021, Accumulation 1 became the default product for your employees (it was previously the DBD). This means that eligible employees no longer automatically receive the inbuilt benefits provided through the DBD. If they're eligible—receiving 14% or 17% employer contributions—these employees can apply to join the DBD. They should consider all features of the DBD before choosing to join - not just the inbuilt benefits, (inbuilt benefits are provided by UniSuper and are not insurance but have similar features).

### HOW MUCH COVER DO YOUR EMPLOYEES NEED?

Everyone's situation is different. As employees' circumstances change, so too could their insurance needs. Our Insurance calculator could help determine their needs.

### OUR SUPER CONSULTANTS CAN HELP

Insurance is a complex topic. Our super consultants can provide information and general advice on a range of super topics, including insurance. We recommend your employees [book an appointment](#) in-person, online or over the phone if they would like to know more about their insurance options, or are considering transferring to the DBD.

### MORE INFORMATION

Our website explains the different types of cover, how to apply for cover, how to make a claim, and much more.

If your employees have any questions about insurance and inbuilt benefits, they can:

- call us on **1800 331 685**
- email [enquiry@unisuper.com.au](mailto:enquiry@unisuper.com.au)
- visit [unisuper.com.au](https://unisuper.com.au)

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Trustee: UniSuper Limited, ABN 54 006 027 121 AFSL 492806  
Date: June 2022 US22-0016 0622