

# LSH Auto (Australia) Pty Ltd

## Group Salary Continuance Insurance Guide

July 2021

### Summary

The Salary Continuance Insurance (SCI) policy was established by LSH Auto (Melbourne) Pty Ltd ("LSH") to provide a monthly benefit to all eligible permanent employees of LSH in the event of illness or injury where you meet the policy's definition for Total Disability or Partial Disability. A waiting period applies before an insured benefit is paid (see below).

### Benefits Summary

FEATURE	DETAILS
<b>Benefits Provided</b>	Total and Partial Disability
<b>Benefit Amount</b>	75% Salary <sup>1</sup>
<b>Waiting Period</b>	90 days
<b>Benefit Period</b>	2 years
<b>Automatic Acceptance Limit</b>	\$17,500 per month or \$210,000 per annum
<b>Indexation</b>	Nil
<b>Maximum Cover age</b>	65 years
<b>Maximum Benefit Limit</b>	\$30,000 per month or \$360,000 per annum
<b>Premium Cost</b>	LSH currently meets all costs associated with the provision of this insurance cover
<b>Insurer</b>	OnePath Life Limited ("OnePath")
<b>Policy Administrator</b>	Marsh Pty Ltd trading as Mercer Marsh Benefits

1. Salary means base salary plus bonuses & commissions averaged over the last 3 years.

### Eligibility Criteria

You are eligible for these insurance benefits provided you are a salaried permanent employee working for LSH working a minimum of 15 hours per week. Cover will be available upon commencement of your employment.

Contractors and casuals are not eligible for cover under this arrangement.

### Insurance Benefits – Definitions

#### **Total Disability or Totally Disabled**

You are considered under the policy to be "**Totally Disabled**" if you are:

- medically certified as being incapable of performing one or more duties of your usual occupation necessary to produce salary,
- not engaged in any occupation, and
- following the advice of a medical practitioner in relation to your illness or injury for which you are claiming.

The total disability benefit will be paid if you have been:

- totally disabled for at least seven days out of the first 12 consecutive days of the waiting period,
- continuously disabled for the balance of the waiting period, and
- at the expiry of the waiting period, totally disabled.

#### **Partial Disability or Partially Disabled**

You are considered under the policy to be "**Partially Disabled**" if you are:

- totally disabled for at least seven out of the first 12 consecutive days of the waiting period,
- capable of performing your usual occupation in a reduced capacity, and only have capacity to earn a monthly income that is less than your monthly salary, or
- incapable of performing one or more duties of your usual occupation necessary to produce salary, gainfully working and receiving monthly income that is less than your monthly salary, and
- following the advice of a medical practitioner in relation to your illness or injury for which you are claiming.

You will be considered capable of performing your usual occupation in a reduced capacity even if such work is not made available to you.

The partial disability benefit is calculated using the monthly income you have earned in the month you were partially disabled and the monthly benefit. The partial disability benefit will be reduced by other disability income if the benefit payable plus the other disability income, plus the return to employment income exceeds your pre-disability income.

## Automatic Acceptance Limit (AAL)

The AAL is the maximum level of cover the insurer will provide before you are required to submit evidence of good health.

The AAL for SCI under this policy is \$17,500 per month or \$210,000 per annum. If your sum insured exceeds this limit, you will be invited to apply for your full entitlement of cover, by providing medical evidence on the state of your health. OnePath will assess your application and provide a decision in writing of any conditions, if accepted.

You will be sent further details if this applies to you.

## Ancillary Benefits

### Death Benefit

If you die while eligible for a disability benefit, the insurer will pay a lump sum benefit up to three times the monthly disability benefit amount paid in the month before your death.

### Specific Injury Benefit

If you were to suffer a specific injury (refer table below) within 180 days of the event that caused it, the insurer will pay you the monthly benefit for the nominated payment period. Only one Specific Injury Benefit can be paid. This benefit is paid regardless of whether you have taken any time off work and is payable during the Waiting Period. This benefit is paid instead of, not in addition to any Total or Partial Disability benefits you may claim as part of the (same) condition. The diagnosis of the specific injury must be made by a specialist medical practitioner.

Specific Injury (Please refer to the PDS for additional details)	Nominated Payment period
Paralysis	24 months
Loss of both feet or both hands	24 months
Loss of any combination of two of: • a hand • a foot • sight in one eye	24 months
Loss of one leg or one arm	12 months
Loss of one foot or one hand or sight in one eye	12 months
Loss of thumb and index finger of the same hand	6 months
Fractures of the: • thigh or pelvis • leg (between & not including the knee and foot), or knee cap • upper arm including the elbow and shoulder bone • skull (except bones of the nose or face) • lower arm (including wrist but excluding the elbow, hand and fingers) • jaw or collarbone	3 months 2 months 2 months 2 months 1.5 months 1.5 months

### Nurse Care Benefit

An amount equal to 1/30 of the monthly benefit is payable to you for each day, after the first three consecutive days, you are:

- Totally disabled during the waiting period
- Confined to bed for more than three consecutive days on the advice of your medical practitioner and
- In receipt of full-time nursing care which is certified by your medical practitioner as necessary for the treatment of your disability, provided the nursing care is performed by a registered and qualified nurse who does not normally reside in the same household and who is not your relative.

The Nurse Care Benefit is payable for a maximum of 30 days, or until the expiry of the waiting period, whichever occurs first.

### Emergency Domestic Travel Benefit

If you are in receipt of a Total Disability Benefit and require emergency transportation within Australia to a hospital, OnePath will reimburse the expenses you incur for emergency transportation. The amount reimbursed is the lesser of:

- the expenses actually incurred for the emergency transportation,
- your monthly disability benefit, or
- \$1000.

The benefit will be reduced by the amount of any payments recoverable from any other equivalent 'emergency transportation' benefit which you are entitled to or have utilised, of which you are obliged to inform OnePath.

### Trauma Recovery Benefit

This benefit is payable whether or not you are disabled. This benefit is payable during the waiting period.

Your monthly benefit will be paid in advance each month until the earlier of:

- The end of the payment period of six months for that trauma recovery event
- When your cover ceases.
- The date of your death.

The Trauma Recovery Benefit is payable only once in respect of any insured employee. The Trauma Recovery Benefit and the Specific Injury Benefit cannot be paid at the same time. The insurer will pay the benefit with the longest payment period.

The following events are included in the Trauma Recovery Benefit:

Trauma Recovery Events (42 conditions)	
Alzheimer's disease (diagnosed)†	heart valve surgery*
angioplasty - triple vessel*	HIV (medically acquired)
aortic surgery*	HIV (occupationally acquired)
aplastic anaemia (requiring treatment)	intensive care (prolonged)
benign brain tumour (permanent impairment or requiring surgical intervention)†	loss of independent existence (permanent)
blindness (permanent in both eyes)	loss of speech (permanent)
burns (severe)	loss or paralysis of limb (permanent)
cancer (excluding less advanced cases)*†	meningitis and/or meningococcal disease (permanent and irreversible)
cardiomyopathy (permanent and irreversible)	motor neurone disease (diagnosed)†
chronic kidney failure (end stage)	multiple sclerosis (diagnosed)†
chronic liver disease (end stage)	muscular dystrophy (diagnosed)†
chronic lung disease (end stage)†	open heart surgery*
cognitive loss (permanent)	organ transplant (major)
coma (of specified severity)	osteoporosis (before age 50)*†
coronary artery by-pass surgery*†	parkinson's disease (diagnosed)†
deafness (permanent in both ears)	pneumonectomy†
dementia (diagnosed)†	primary pulmonary hypertension (idiopathic pulmonary arterial hypertension with permanent impairment)
diabetes (severe)	rheumatoid arthritis (severe)*†
encephalitis (permanent and irreversible)	stroke (diagnosed)*†
head trauma (permanent and irreversible)†	systemic sclerosis (permanent and irreversible)*
heart attack (diagnosed)*†	terminal illness†

\* There is no Trauma Recovery Benefit payable if this trauma recovery event first occurs or is first diagnosed, or the symptoms leading to the trauma recovery event occurring or being diagnosed first become reasonably apparent, during the first 90 days that cover under the policy commences in respect of the insured member.

† This trauma recovery event must be diagnosed and certified by a specialist medical practitioner approved by the insurer.

## Other Policy Conditions

### Worldwide Cover & overseas employment

The insurer will provide worldwide, 24 hour cover for you as an insured member regardless of whether you are away on business or holiday. If you are an Australian Resident temporarily employed outside Australia and residing outside of Australia, your cover will continue provided premiums continue to be paid for you.

If you are a non-Australian Resident and hold a visa, and are temporarily employed overseas, you will only have cover for up to three (3) years from the date you leave Australia.

If you become ill or injured overseas, you may lodge a claim under this policy, but may be required to return to Australia after a period of time for ongoing benefits. All claim payments will be made in Australian dollars.

### Extended Cover

Cover will continue for a maximum of 60 days after you cease to meet the eligibility criteria under this Policy.

Extended cover will cease on the earlier of:

- The date you reach the benefit expiry age
- 60 days after the date you cease to meet the eligibility criteria
- The date cover your cover commences under a retail policy of insurance issued by the insurer
- The date you commence employment with a new employer

### Continuation Option

If your cover ends because you no longer satisfy the eligibility criteria (due to the cessation of gainful employment), you have the option to apply for a continuation option within 90 days of the date your cover ceased.

You may apply for an individual policy with the insurer with a waiting period, benefit period and monthly benefit which are no more favourable than those which applied for you under this Policy.

The monthly benefit under the individual policy will be for a maximum of 75% of your new salary from your gainful occupation, unless the insured benefit under this Policy is based on a percentage less than 75%, in which case the maximum shall be that percentage.

The monthly benefit is based on the average monthly earnings for the 12 months immediately prior to claim, or the nominated insured amount, whichever is the lesser.

OnePath will not require medical evidence to be provided but to exercise the Continuation Option, you must:

- Apply in writing by completing an application for the individual policy within 90 days from the date you cease to be an eligible person under the Policy as a result of ceasing employment
- Be 60 years of age or less

- Provide any information OnePath consider relevant (that does not relate to medical information)
- Be an Australian resident or holder of a visa and not be residing outside Australia
- Acknowledge that any restrictions, limitations or loadings that apply to your cover under this Policy will apply to the new policy
- Apply for an Indemnity contract only, and
- Not be eligible to receive disability benefits under this Policy or any other Policy issued by an insurer.

If you are receiving or are eligible to receive a benefit payment under this Policy, then OnePath will not issue the Continuation Option.

**Conditions apply and you should refer to the policy document or contact Mercer Marsh Benefits for further details.**

#### **MORE INFORMATION**

For policy, underwriting and claims, please email  
[clientoperations@mercermarshbenefits.com](mailto:clientoperations@mercermarshbenefits.com)  
 Or call **1300 265 741**

## **FREQUENTLY ASKED QUESTIONS**

### **How is a claim lodged?**

You should notify the local HR contact immediately if you think you may be eligible for a benefit. This will ensure the relevant paperwork is provided to initiate the claim as soon as possible.

### **What happens if the claim is admitted by the insurer?**

If you are entitled to a Salary Continuance Insurance benefit, this will be paid via LSH Australia payroll system and taxed as normal income.

### **When would benefits be reduced or offset?**

If you are on claim, your disability benefit will be reduced by amounts payable to you under:

- a statutory insurance scheme that pays amounts for, or calculated by reference to, loss of income or earning capacity e.g. Workers compensation or compulsory third-party motor vehicle insurance;
- loss of income or earning capacity as a result of injury or illness, whether payable under legislation or otherwise;
- by way of damages under common law;
- paid parental leave, where you suffer a disability during a period of parental leave;
- any other disability, injury or illness insurance policy for the purposes of income replacement.

We recommend you seek financial advice in relation to any other policy arrangements you have in place, if you are eligible to lodge a claim.

### **Who is the Death Benefit paid to?**

Any Death Benefit will be paid to the policy owner. LSH Australia has full discretion in determining where the benefit will be paid.

### **Why do I have to deal with Mercer Marsh Benefits and not the insurer or my employer?**

Mercer Marsh Benefits is engaged by LSH Australia to assist with the administration of its group SCI policy.

### **What if my SCI cover exceeds the AAL – what does this involve?**

Initially, you will need to complete the insurer's Personal Statement which is a disclosure of your current and historical medical background. This statement may lead to the insurance company asking for more information, which may include a medical examination, blood tests and a medical history from your GP

For insurance purposes, there is an acceptable standard of height to weight ratio according to your age, and acceptable levels of alcohol / nicotine / prescribed medication usage. If these standards are not met or exceeded, then insurance cover may only be offered on amended terms or declined altogether.

### **What happens if I already have a similar insurance arrangement elsewhere?**

If you have a personal policy elsewhere, you will need to check the terms and conditions of the policy. Generally in the case of an SCI claim, the benefit payable under the group policy may be offset against the personal policy, meaning that you may not receive more than 75% of your salary in total from both policies. This may mean that you are ineligible to receive