

Manildra Flour Mills Retirement Fund

New options available for Death and Total & Permanent Disablement insurance in the Manildra Flour Mills Retirement Fund

The Trustee of the Manildra Flour Mills Retirement Fund (ABN 32 448 411 930) is pleased to announce that you can now take advantage of new, flexible insurance cover through your superannuation fund.

The Death and Total and Permanent Disablement benefits provided by the Fund include a Company-funded insured component¹ to help protect you and your family against the financial burdens that would arise if you die, become terminally ill, or can no longer work due to being totally and permanently disabled.

Now, if the standard insurance does not meet your needs, you can apply to increase your insurance cover to a level that's right for you and your family.

New option for additional voluntary insurance

The standard life insurance provided by the Fund is suitable for many members. However, some members may need more insurance.

The Trustee is pleased to announce that members can now apply for additional voluntary Death and Total & Permanent Disablement (TPD) insurance within the Fund. This means that you can increase your level of cover to meet your personal circumstances, subject to meeting the Fund's insurer's conditions.

Now, if you need more cover, you can have all of your Death and TPD insurance in the one place, with your premiums paid from your superannuation account not from your cash salary.

The Fund's death and TPD benefits are now equal to

1. Your Total Account Balance *plus*
2. Your Standard Insured Benefit *plus*
3. Your Voluntary Insured Benefit (if any).

Continuous cover

While you are a member of the Fund, your insurance cover applies 24 hours a day, 7 days a week, not just when you are at work. When you leave Manildra, you can choose to continue your Death insurance cover at your own expense, but your TPD insurance cover will stop.

Any questions?

For more information, please contact Mr Gilbert Bratby, Fund Secretary, Manildra Flour Mills Retirement Fund on (02) 8863 6261 or by email to manildra@manildra.com.au.

¹ The Fund's insurer is MetLife Insurance Limited (ABN 75 004 274 882, AFSL 238 096)

How much insurance do I need?

That depends on your personal circumstances, such as:

- what debts you have (e.g. credit cards, mortgage)
- what expenses you have (e.g. rent, food, school fees, clothing)
- what other income and assets you have (e.g. savings, investments, partner's income)

You should think about your insurance needs carefully. If you need help, you should speak to a licensed financial adviser. Neither the Fund's trustee, nor your employer, nor the Fund's insurer is licensed to provide you with any financial advice.

What are the main features of insurance in the Fund?

The following table summarises² how insurance works in the Fund, including the main differences between standard and voluntary insurance. For more information, please contact the Fund Secretary (see above for contact details).

	Standard Insured Benefit	Voluntary Insured Benefit
Who is covered?	All members automatically receive standard insurance when they join the Fund. You do not need to provide evidence of health ³ .	Any member can apply for voluntary insurance. You will need to provide evidence of health, which may require completing a form or undergoing a medical examination. The Fund's insurer (Metlife) will assess your application and may contact you to discuss this before making a decision on whether or not to provide you with voluntary insurance cover.
How much will I be insured for?	An amount calculated by a formula: $x\% \times \text{Salary} \times \text{Period to Age 65}$, where: <ul style="list-style-type: none">• x is 20% for Category A members and 15% for Category B members• <i>Salary</i> is calculated at the Fund's latest review date (i.e. 1 July) prior to the date of your death or disablement and• <i>Period to Age 65</i> is the number of years and whole months from the date of disablement or death to your 65th birthday. Your insured amount is shown on your <i>Member's Annual Statement</i> as at 1 July each year.	A fixed dollar amount chosen by you. You can cancel, reduce or apply to increase this amount at any time. You can only choose an insured amount up to a total (including both standard and voluntary insurance) of \$5 million death cover and \$3 million TPD cover.

² This table does not include full terms and conditions of insurance in the Fund. More details are available in the Product Disclosure Statement (available from the Fund Secretary).

³ This applies if you join the Fund when you start work with Manildra. If you delay joining the Fund, you may be required to provide the Fund's insurer with satisfactory evidence of health before you can receive any insurance cover.

	Standard Insured Benefit	Voluntary Insured Benefit
When are insured amounts paid?	The insured amount is paid to your dependants if you die, or to you if you become totally and permanently disabled. See the Fund's Product Disclosure Statement for more details, including the definition of "total and permanent disablement".	Same as for standard insurance
How much does it cost?	The Manildra Group pays for the insurance premium. No insurance premiums are paid by members for standard insurance ⁴ .	Insurance premiums for voluntary insurance are deducted from your Company Accumulation Account in the Fund. They are based on your age, sex and occupation, as shown in the attached tables.
Will I still be insured if I leave Manildra?	Most members have the option after leaving the Manildra Group to continue death only cover at their cost without needing to provide medical evidence. Terms and conditions apply: see the Fund's Product Disclosure Statement for details. TPD cover will cease when you leave Manildra. You may still apply to the insurer for TPD cover, but you would need to meet its normal requirements for evidence of health.	Same as for standard insurance
Am I covered all the time? ⁵	You are covered 24 hours a day, 7 days a week, even when you are not at work. You are covered both in Australia or overseas. You will continue to be covered while on paid leave. You will continue to be covered while on maternity or other employer-approved leave without pay, for up to 12 months.	Same as for standard insurance, except that voluntary insurance will cease if there is not enough money in your accounts to pay the premium.

How to apply for voluntary insurance

First, read the new Product Disclosure Statement (available from the Fund Secretary) so that you understand the terms and conditions of insurance in the Fund.

Then just contact the Fund Secretary. We will send you an application form.

⁴ Under a long-standing policy, the Manildra Group meets all Fund expenses, other than investment management fees, including insurance premiums. The Manildra Group reserves the right to change this in the future. You would be advised in advance of such a change.

⁵ Some conditions apply to overseas travel and leave without pay: contact the Fund Secretary for more details. In particular, you are not covered in relation to war outside Australia or for travel to certain dangerous places. All cover will cease if you join the armed forces (other than the Australian Armed Forces Reserve while you are not on active duty outside Australia).

Depending on the amount of cover you are requesting and your personal details, you may need to complete a more detailed form for the insurer or undergo a medical examination.

What happens next?

The insurer will then review your application. When the insurer has accepted your application, we will contact you to advise you that your additional insurance cover has commenced. We will then deduct the appropriate insurance premiums from your Company Accumulation Account in the Fund monthly.

If the insurer declines your application for voluntary insurance, this will not affect your standard insurance in the Fund.

The insurer may accept your application for voluntary insurance subject to special conditions (e.g. with an exclusion for certain pre-existing illnesses). If this happens, you can choose whether or not to proceed.

Limited accident cover

If you are injured in an accident within 90 days after you have applied for voluntary insurance, but before the insurer has decided whether or not to accept your application, you will be covered for Death by Accident or Death and TPD by Accident, depending upon the type of voluntary insurance you have applied for. Accident cover does not protect you against death or disablement as a result of illness.

This insurance cover will pay the amount of voluntary insurance you have applied for, up to a maximum of \$1.5 million, subject to certain terms and conditions.

Example premium calculation

A member of the Fund is a male lab technician (and so is classed as a light-blue collar worker), aged 35, with a salary of \$80,000 at the previous 1 July. He has Standard Insurance of:

$$\begin{aligned} &15\% \times \text{salary} \times \text{years to age 65} = \\ &15\% \times \$80,000 \times 30 = \\ &\$360,000 \end{aligned}$$

The Company pays for the cost of this insurance.

He has calculated that he needs \$1,000,000 of insurance to meet his family's needs, so he applies for a Voluntary Insured Benefit \$640,000 in addition to his Standard Insured Benefit in the Fund.

Based on the tables below, the annual cost for this insurance in the first year would be:

$$\begin{aligned} &\text{Rate per } \$1,000 \times \text{Insured amount in thousands} \times \text{Occupational loading} \\ &= \$0.81 \times 640 \times 140\% \\ &= \$725.26 \end{aligned}$$

Premiums will change each year based on the premium rate shown in the table below for the member's age.

Premium rates for Voluntary Insurance

The following table shows the annual premium per \$1,000 of insurance.

Age	Male Death & TPD	Female Death & TPD	Male Death Only	Female Death Only
15	0.42	0.20	0.40	0.18
16	0.48	0.21	0.46	0.19
17	0.60	0.27	0.58	0.25
18	0.70	0.28	0.68	0.26
19	0.72	0.28	0.68	0.26
20	0.70	0.27	0.68	0.25
21	0.68	0.29	0.63	0.25
22	0.69	0.27	0.60	0.25
23	0.65	0.25	0.58	0.23
24	0.65	0.23	0.56	0.19
25	0.63	0.23	0.54	0.19
26	0.61	0.23	0.49	0.18
27	0.59	0.23	0.47	0.18
28	0.61	0.25	0.47	0.18
29	0.63	0.26	0.47	0.19
30	0.63	0.30	0.47	0.23
31	0.65	0.30	0.47	0.23
32	0.68	0.34	0.49	0.25
33	0.72	0.37	0.53	0.26
34	0.75	0.42	0.54	0.30
35	0.81	0.48	0.56	0.32
36	0.86	0.56	0.58	0.35
37	0.95	0.63	0.60	0.40
38	1.04	0.72	0.67	0.44
39	1.14	0.80	0.72	0.47
40	1.28	0.94	0.77	0.54
41	1.42	1.09	0.84	0.60
42	1.59	1.19	0.91	0.63
43	1.81	1.31	1.02	0.68
44	2.05	1.40	1.12	0.70
45	2.30	1.53	1.23	0.74
46	2.57	1.66	1.33	0.75
47	2.91	1.85	1.47	0.82
48	3.26	2.07	1.61	0.88
49	3.68	2.36	1.77	0.96
50	4.15	2.64	1.94	1.03
51	4.66	3.03	2.14	1.17
52	5.25	3.45	2.33	1.31
53	5.85	3.87	2.52	1.45
54	6.55	4.30	2.77	1.59
55	7.23	4.72	3.01	1.73
56	8.00	5.18	3.29	1.91
57	8.91	5.67	3.59	2.08
58	9.95	6.17	3.94	2.28
59	11.13	6.73	4.34	2.47
60	12.47	7.29	4.78	2.68
61	13.94	7.96	5.25	2.92
62	15.49	8.77	5.74	3.22
63	17.25	9.82	6.27	3.62
64	19.10	11.06	6.81	4.06

Loadings

The following table demonstrates of how different occupations are treated for the purposes of calculating insurance premiums. The occupations listed are examples only; when you request voluntary cover, the insurer will tell you which occupation class will apply for your particular job.

Occupation Class	General description	Manildra Group Examples	Loading
Professional*	Executives, Legal, IT specialists, Academics, Science, Engineering, Economics	<ul style="list-style-type: none"> Managers / executives with base salary over \$100,000 p.a. Engineers, accountants, with base salary over \$70,000 per annum 	85%
White Collar	Similar to Professional, but not all criteria met. Managerial/supervisory in office/department store, Medical doctors, brokers, Surveyors, clerical admin, computer professionals.	<ul style="list-style-type: none"> Office workers Sales representatives (office environment) <ul style="list-style-type: none"> Chemists Clerks 	100%
Light Blue Collar	Qualified technicians, Managerial, Supervisory in manufacturing, agriculture(admin only), jeweller, Sales, shops, hairdresser, photographer, Sales Reps (no delivery) etc.	<ul style="list-style-type: none"> Lab technicians Mill / Factory supervisors Sales representatives (travelling) 	140%
Medium Blue Collar	Skilled manual & other technical, including Chef, Nurse, Teacher, Dentist, Managerial/supervisory in industry, mining (no manual), lecturer, printer, driver (no delivery).	<ul style="list-style-type: none"> 	200%
Heavy Blue Collar	Skilled workers in heavy industry, building, motor manufacture; Semiskilled workers in light or engineering industry. Assembly line, mechanic, gardener, plasterer. Many of these occupations will only have ADL definition available for TPD.	<ul style="list-style-type: none"> Farm workers Mill / factory / warehouse employees / storemen <ul style="list-style-type: none"> Rail staff Truck / Forklift drivers 	250%
Special Risk	All other occupations not meeting above criteria, high accident risk, long term health risk, high pressure occupations, irregular or seasonal income, freelance work, heavy manual, mining, police, prison guards, commodity brokers.	<ul style="list-style-type: none"> Boating staff Pilot and staff on corporate jet 	550%

* White collar workers are classed as "Professional" (with lower premiums) if they are working in an office environment and performing no manual duties, usually with a tertiary qualification or registered with a professional body and earn a base salary greater than a certain level.

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