

# Inform

News from your  
Industry Super Fund

December 2010

**hip**  
Health Industry Plan

## Inside

Important insurance  
changes explained

.....  
Performance update

.....  
New additional benefits  
for members

## Message from the Chairman

### Great insurance offer, don't miss out

I was recently pleased to announce a significant increase in insurance benefits available to HIP members effective from November 1, 2010. HIP members now have the opportunity to increase their level of death cover up to 4 times the basic level of cover without the need to provide medical evidence.

Inside this edition of *Inform* are details of the increased cover as well as the introductory offer. Please note that members have until January 31, 2011 to apply for this one-off offer.

In addition, there has been a further significant increase in the amount of benefit per unit for members at no additional cost to members. These include a 20% increase in the benefit for each unit of death cover and an increase in the maximum benefit level now up to \$10 million.

Income protection cover for members has also been increased from \$770 to \$1,500 per month, per unit of cover, which will provide an even greater level of protection for members should they be unable to work due to injury or illness.

HIP also continues to offer total and permanent disability insurance to members who apply for and would like added protection.

Remember, insurance arranged through your HIP membership is both cost-effective as premiums are calculated on group rates and simple because premiums are automatically deducted from your super account.

New members will also have the opportunity to enjoy this improved insurance cover upon joining HIP, creating an ever better reason to consider joining HIP, your industry super fund.

These great insurance benefits coupled with low fees, strong long-term investment returns and a commitment

to building the retirement savings of members continues to underline HIP as a provider of quality super for those working in the health and associated industries.

I encourage you to review your insurance needs and if appropriate take advantage of applying to increase your cover.



**Anthony Wallace**  
Chairman, HIP



## Good start to 2010/2011 CEO's review

Following a return to positive market conditions in 2009/10 after the peak of the effects of the Global Financial Crisis (GFC), HIP has continued to 'produce the goods' with a return for the Growth Option of 6.3% for the first four months of the new financial year.

This quite pleasing return places HIP amongst the best performing funds in the industry survey. Of course, this is really quite a short snapshot of investment performance but it is a pleasing progression after seeing the effects of the GFC on all superannuation funds and their members.

While pleased with the performance of HIP for the start of this reporting year there is always the cautionary note that current and past returns do not guarantee future performance.

Added to this the lingering effects of the GFC, and in particular, government debt and the cost of stimulus packages, which will continue to be an influence for some time to come.

We are now seeing some improvement in some underlying economic fundamentals, with growth forecasts throughout the world improving slowly together with investor sentiment. However, there remains an air of caution about the continued movement to more normal market conditions with a significant divergence of view, about the spread and consistency of the recovery process.

One point analysts have agreed on is to expect ongoing market volatility. We have seen in recent weeks the geopolitical landscape oscillate with

continued concerns about sovereign debt in Ireland, Spain, Italy and other European countries and the instability created by the hostilities between North and South Korea. It is a little bit like two steps forward and one step back and sometimes more.

In summary, at this stage HIP has started 2010/11 really well, but it's acknowledged that there will be more challenges to meet as we go forward. HIP's commitment is to do our best to keep you up to date as we meet these challenges together.

**Ross Bernays,**  
CEO Chief Executive Officer

*\*Returns quoted are interim returns.  
Part performance does not guarantee future returns.*

# What are the changes to HIP's Insurance?



All HIP members received a letter along with their annual statement and HIP annual report announcing significant changes to the levels of income protection and death cover provided to members.

It is important to understand how these changes affect you, and to ensure that you have adequate levels of cover and understand what you need to do should you wish to change your level of cover.

Members should refer to the Product Disclosure Statement (PDS), namely the *HIP Insurance Booklet* dated 1 November 2010 and available online at [www.hipsuper.com.au](http://www.hipsuper.com.au) or by calling **1300 654 099**.

**This is your opportunity to increase level of death cover up to 4 units by 31 January without providing additional medical evidence.**

## Death cover

Every member of HIP automatically receives one unit of death cover upon joining the Fund.

As of 1 November 2010, the benefit per unit has increased by 20% (see table below) with no increase in unit cost, based on your age next birthday. The unit of death cover costs \$1 per week and remains unchanged.

**For all existing members, you now have the option to apply for up to a total of 4 units (including existing cover) of death cover without providing supporting medical evidence, subject to you being 'At Work' on 1 December 2010.**

If you are not 'At Work' but meet the other conditions then you will be eligible for limited death cover, this means you will only be covered for claims arising from an injury which first occurred or an illness that first became apparent on or after the day you first became eligible for cover. You will receive full cover once you have been 'At Work' for 60 consecutive days.

'At Work' means you were at work for the normal daily hours of work and were actively performing the full, unrestricted or unmodified duties of your normal occupation for which you are employed or would have been had the day not been a day of leave (other than due to illness or injury), public holiday or weekend day.

**This offer is valid until 31 January 2011.**

New members who join the Fund automatically receive 1 unit of death cover and can also apply for an additional 3 units of cover (4 units in total) within 60 days of joining without the need to provide medical evidence.

### What do I need to do to accept this offer?

Simply complete the form at the back of this newsletter and return it to HIP no later than 31 January 2011. After this date, you will have to complete a full application including the *Request for Additional Insurance Form*. If you would like to increase your level of cover above 4 units, then you will need to complete a *Request for Additional Insurance Form*.

### What if I do not want to increase my level of death cover?

If you don't wish to take advantage of this offer to increase your level of death cover, then you do not need to do anything. Your level of cover will remain unchanged apart from the increase in the benefit amount.

### Terminal Illness benefit

HIP members will now have a terminal illness benefit available as part of their death cover. In the event that you suffer a terminal illness, an advance payment of the death benefit may be paid. This benefit allows members to make adequate financial arrangements for themselves and their family during a very difficult period.

Death Benefit Table

Age Next Birthday	Insurance Benefit for 1 Unit	Age Next Birthday	Insurance Benefit for 1 Unit
16 to 36	\$154,560	51	\$60,120
37	\$146,880	52	\$55,560
38	\$139,080	53	\$49,440
39	\$132,840	54	\$44,760
40	\$126,720	55	\$38,640
41	\$118,920	56	\$33,960
42	\$112,800	57	\$30,960
43	\$106,560	58	\$27,720
44	\$ 98,760	59	\$23,160
45	\$ 93,480	60	\$20,040
46	\$ 86,520	61	\$16,920
47	\$ 80,280	62	\$13,800
48	\$ 75,600	63	\$9,240
49	\$ 71,040	64	\$6,120
50	\$ 64,920	65	\$3,000

You should carefully consider your own financial situation and needs and read the relevant Product Disclosure Statements before making a decision regarding the products discussed in this newsletter. In assessing your needs in regard to insurance cover you should take into account your own personal circumstances and you may wish to seek the advice of a qualified independent financial planner.



## Income Protection

Income Protection or 'salary continuance' cover can assist you to meet your financial obligations if you are unable to work due to illness or injury.

**From 1 November 2010, the amount of monthly benefit that members receive for each unit of income protection cover increased from \$770 to \$1,500 per unit. There has been no increase to the unit cost for members. The table below shows the improvement in benefits to members.**

For all existing members you now have the option to apply for up to 4 units of cover total (including any existing units of cover) without providing supporting medical evidence, subject to you meeting the eligibility conditions outlined below.

**This offer is valid until 28 February 2011.**

### How do I know what my current level of cover is?

Your annual statement shows the number of units and the income protection amount per month that you have as at 30 June 2010. You now need to refer to the table below to see what the new improved amount of monthly benefit is.

For example if your statement shows a monthly benefit of \$3,080 then you have 4 units ( $\$3,080/4 \text{ units} = \$770$  per unit) of cover. The amount of cover you now have has increased to \$6000 ( $\$6,000/4 \text{ units} = \$1,500$  per unit) per month up to a maximum 75% of your salary plus 9% superannuation contributions.

### I don't have income protection cover but I would like to add this benefit to my HIP membership.

Read the eligibility conditions below and if you satisfy these conditions simply complete the form included in this newsletter and return to HIP by 28 February 2011.

If you wish to apply for more than 4 units of income protection cover you will need a copy of the HIP insurance Booklet and application form.

### Eligibility conditions

You may apply for income protection cover at any time provided you are:

- a HIP member
- in active employment with a HIP employer
- having your on-time employer superannuation contributions paid into your HIP account
- a permanent employee with an annual income of more than \$10,000
- not over age 65
- 'At Work' on the day you commence employment with a HIP participating employer.

If you are not 'At Work' but meet the other conditions then you will be eligible for limited income protection cover, this means you will only be covered for claims arising from an injury which first occurred or an illness that first became apparent on or after the day you first became eligible for cover. You will receive full cover once you have been 'At Work' for 60 consecutive days.

Each unit of income protection costs 91 cents per week, and you can nominate the required number of units up to 84% of your salary (which includes 9% SG contributions). HIP will send you an insurance booklet with an application form to complete. The insurance booklet contains a table to help you determine the maximum number of units to cover your salary. Your cover commences from the date that the insurer accepts your application.

### I have income protection cover and would like to increase/decrease my level of cover

You can increase your level of income protection cover above 4 units by completing a *Request for Additional Insurance Form*. Complete the form beside and send to HIP and you will receive an application form to change the level of cover contained within the HIP insurance booklet.

To decrease your level of cover you will need to advise us in writing, stating the number of units that you wish to be covered for and remember to include your membership number and to sign and date your letter.



## Total and Permanent Disability Cover

HIP offers total and permanent disability (also known as TPD) cover to members. This extra cover provides a lump sum benefit of up to \$250,000 in the event of a member becoming totally and permanently disabled. You should refer to the HIP insurance booklet regarding the cost of monthly premiums and benefit payable according to your age next birthday. If you wish to apply for TPD cover, please complete the form overleaf or contact HIP on **1300 654 099** for a copy of the HIP insurance booklet and *Request for Additional Insurance Form*.

### QUESTIONS?

Go to our website [www.hipsuper.com.au](http://www.hipsuper.com.au) to download a copy of the insurance booklet or call on **1300 654 099**.

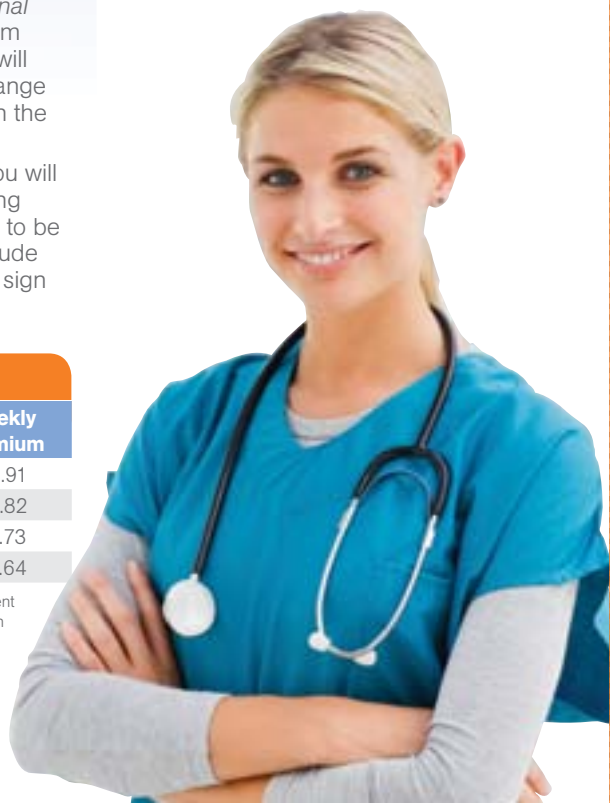
**One unit of income protection now increases your cover from \$770 to \$1,500.**

### Income Protection

Default cover Up to 4 units	Current Monthly Benefit	New Monthly Benefit	Increase in benefit	Weekly Premium
1 unit	\$ 770	\$1,500	\$730	\$0.91
2 units	\$1,540	\$3,000	\$1,460	\$1.82
3 units	\$2,310	\$4,500	\$2,190	\$2.73
4 units	\$3,080	\$6,000	\$2,920	\$3.64

Subject to a maximum monthly benefit of 75% of the member's monthly income. Default cover available to permanent employees at the time of joining the Fund. To increase cover above the default, members must complete application (and are subject to insurer's acceptance).

You should carefully consider your own financial situation and needs and read the relevant Product Disclosure Statements before making a decision regarding the products discussed in this newsletter. In assessing your needs in regard to insurance cover you should take into account your own personal circumstances and you may wish to seek the advice of a qualified independent financial planner.



# HIP Super Pension & Transition to Retirement Pension

HIP's allocated pension allows members to continue to keep their retirement savings in the superannuation environment and ensure that their savings maximise long-term investment returns.

## Key features of the HIP Super Pension

- Flexible income stream – frequency and amount\*
- Tax-effectiveness
- Investment earnings are tax-free\*\*
- Flexible payment options
- Investment choice
- Ability to draw down additional lump sums
- Low management fees
- Transition to Retirement option available

\* legislative minimum amounts apply

\*\*past performance should not be taken as an indication of future performance

Refer to the HIP Super Pension Product Disclosure Statement for full information



## Discounted insurance products for HIP members



 Car insurance discounts

 Home and contents insurance discounts

 Travel insurance discounts

For more information call **1300 133 024** or go to **[www.hipsuper.com.au](http://www.hipsuper.com.au)**

Insurance issued by QBE Insurance (Australia) Ltd (ABN 78 003 191 035 AFSL 239545). To decide if a policy is right for you, please read the Product Disclosure Statement available from QBE.

Online flowers  
**15% discount on all purchases**

For full details go to **[www.hipsuper.com.au](http://www.hipsuper.com.au)**

## Want to receive the latest super news and investment performance?

Register your email at **[www.hipsuper.com.au](http://www.hipsuper.com.au)**

Call **1300 654 099** anywhere in Australia

Email **[hipsuper@superpartners.com.au](mailto:hipsuper@superpartners.com.au)**

Mail **Locked Bag 23, Haymarket NSW 1236**

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# REQUEST FOR ADDITIONAL INSURANCE

Name

HIP Membership Number

Date of Birth

Address

Email

## Death cover

All HIP members automatically have at least 1 unit of death cover. Indicate below the number of units that you would like to be covered for in addition to your existing 1 unit of cover:

- 1 extra unit     2 extra units     3 extra units  
 more than 3 extra units - HIP will send you an insurance booklet and application form.

## Income Protection Cover

All current HIP members can apply for up to 4 units of income protection cover (including any existing cover) provided they have met the eligibility conditions outlined in this newsletter by completing this application. (You may also like to refer to the HIP insurance booklet.)

Please indicate the number of extra units (in addition to any current units of cover) you would like to apply for below:

- 1 extra unit                       2 extra units  
 3 extra units                       4 extra units  
  
 I would like to apply to increase my level of income protection cover in excess of 4 units of cover. Please send me an insurance booklet and application form.

## Total and Permanent Disability (TPD) cover

- I would like to apply for TPD cover. Please send me an insurance booklet and application form.  
 I would like to receive a copy of the HIP insurance booklet.

## Declaration

I confirm that I am not applying for more than the 4 units of death cover (in total) available to me within the 60 day offer period ceasing 31 January 2011.

I confirm that I am not applying for more than 4 units in total of Income Protection available to eligible members within the 120 day offer period ceasing 28 February 2011.

I understand that should I wish to apply for more than 4 units of either Death or Income Protection cover I will need to complete the relevant application form available from HIP.

I understand that for TPD cover I need to contact HIP for the relevant application form.

The information outlined in this newsletter does not replace the policy terms outlined in the PDS and/or policy available at [www.hipsuper.com.au](http://www.hipsuper.com.au).

Signed

Date:

## **Death cover**

Applications for increased cover must be received by HIP by **31 January 2011.**

## **Income Protection**

Applications for increased cover must be received by HIP by **28 February 2011.**



### **Send completed forms to:**

Health Industry Plan  
Reply Paid 1038  
Haymarket NSW 1239