

Aviation Cover

Income Protection



CommInsure



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As a pilot, flight engineer or flight attendant, you are responsible for people's lives when they're up in the air. But down on the ground, it's all about you and your family. Maintaining a lifestyle can be a real challenge if things go wheels up.

The following is a product summary. Please refer to the Product Disclosure Statement for details.

What is Aviation Cover?

Aviation Cover forms part of CommInsure's Income Protection and is designed specifically for pilots, flight engineers and flight attendants. It helps by replacing up to 75 per cent of your income should you suffer sickness or injury. This cover offers a wide range of complementary and optional benefits, and can be customised to meet specific needs.

You should consider Aviation Cover if you:

- have a mortgage or other debt
- have a family and associated responsibilities
- have insufficient cash reserves to cover unexpected medical and hospital bills.

Surely it won't happen to me?

Let's hope not, but did you know every working Australian has a one in three chance of becoming disabled for more than three months before turning 65?¹

¹ Interim report of the Disability committee, Institute of Actuaries of Australia, 2000

What is provided under Aviation Cover?

Benefits	Commercial pilots and flight engineers	Flight attendants
Total disability based on 'own' occupation	Y	Y
Partial disability of two years	Y	Y
Choice of agreed value or indemnity	Y	Y
Automatic indexation benefit	Y	Y
Guaranteed insurability benefit	Y	Y
Worldwide cover	Y	Y
Premium waiver benefit	Y	Y
Recurrent disability benefit	Y	Y
Waiver of premium if unemployed or on maternity leave	Y	Y
Reward cover benefit	Y	Y
Rehabilitation benefit	Y*	Y*
Waiver of waiting period for specific conditions	Y	Y

* not available inside Super

Optional extras under Income Care Plus*	Commercial pilots and flight engineers	Flight attendants
Overseas assist benefit	Y	Y
Rehabilitation expense benefit	Y	Y
Death benefit	Y	Y
Specific injuries benefit	Y	Y
Crisis benefit	Y	Y
Bed confinement benefit	Y	Y
Accommodation benefit	Y	Y
Transport benefit	Y	Y
Family support benefit	Y	Y
Home care benefit	Y	Y

* not available inside Super

At a glance	Commercial pilots and flight engineers	Flight attendants
Minimum entry age	20 (next birthday)	20 (next birthday)
Maximum entry age	55 (next birthday)	55 (next birthday)
Expiry age	60 (minimum five year policy duration)	60 (minimum five year policy duration)
Minimum waiting period	30 days	60 days
Maximum cover	\$30,000 per month. \$2 million for duration of cover	\$30,000 per month. \$2 million for duration of cover
Benefit period	2 years, 5 years or to age 60	2 or 5 years
Available inside super	Yes	Yes

Eligibility

- Australian citizen residing permanently in Australia.
- Employed by a recognised fixed schedule commercial fare paying passenger airline operating within Australia.
- Holds an Australian Airline Transport Licence (Pilots) or Australian Flight Engineer Licence (Flight Engineers).
- Copy of current Civil Aviation Safety Authority (CASA) medical examination and any additional tests or reports.

Strategy: Combining Income Protection with loss of licence cover

Many pilots believe in the validity of loss of licence insurance, should they be grounded due to accident or illness. However, there can be some limitations to being protected by loss of licence alone. Like Income Protection, loss of licence insurance covers a pilot or flight engineer (it is not applicable to flight attendants) if unable to work in the capacity for which a licence is held due to accident or illness. Where the two types of cover differ significantly can be seen below.

Loss of licence offers:

- a maximum of 12 month benefit period
- lower maximum sums insured – \$500,000
- pays the lesser of 75% of income or \$10,000 per month
- waiting periods of 90 days or 180 days
- death benefit of \$100,000, but only if by accident
- cancellable policy – at discretion of insurance company every 12 months.

Income Care offers:

- benefit period of 2 years, 5 years or to age 60
- higher maximum sums insured – \$2,000,000
- pays the lesser of 75% of income (plus ancillary benefits) or \$30,000 per month
- waiting period of 30 days or 60 days
- yearly renewable policy – provided the client pays premiums the policy cannot be cancelled by the insurance company
- tax deductible premiums (outside of super).

A good strategy is to view loss of licence insurance as a form of TPD Cover for pilots that can pay up to \$500,000 if the pilot has permanent total disablement resulting in loss of licence. Income Care can then be used as a complementary insurance coverage that may replace salary up to age 60 (subject to maximum limits).

Jeremy's story



Occupation: Pilot

Age: 39 years

Income: \$150,000 per annum

Sum insured: \$9,375 per month

As a commercial pilot, Jeremy is the sole financial supporter of his wife and two young children. So when he fell from a ladder doing some work around his home, and suffered a compound fracture in his right forearm, Jeremy and his wife were understandably worried.

The fracture was severe enough to require an operation, and was further complicated by acute right forearm compartment syndrome. This meant Jeremy was left with mild nerve damage and muscle weakness – and no ability to pilot a plane for at least eight months.

But thanks to forward planning, Jeremy and his financial adviser had worked out a personal protection plan to combat any financial issues caused by injury or illness. The plan included income protection through CommInsure's Income Care together with Loss of Licence cover through another provider.

Jeremy and his adviser viewed the Loss of Licence insurance as a form of TPD cover that would pay up to \$500,000 if he suffered permanent total disablement, resulting in loss of licence. And his Income Care could then be used as a complementary insurance coverage that could replace his salary up to age 60.

After ten months of rehabilitation and a plan for continuing treatment, Jeremy was able to return to the cockpit. And with total payments of \$93,750 from his CommInsure Income Care, the family was still in a comfortable financial situation.

Anna's story

Occupation: Flight Attendant

Age: 34 years

Income: \$64,000 per annum

Sum insured: \$4,000 per month



Recently diagnosed with breast cancer, Anna began chemo and radiation therapy immediately following a lumpectomy to remove the offending tissues. The severe treatment plan means Anna hasn't been able to continue in her role as an international flight attendant.

Having previously spoken to her financial adviser about saving for the future, she was also advised to put in place an insurance plan to protect herself financially against accident or illness. So on top of her investments, Anna also took out income protection through CommInsure.

This means that during her treatment and recovery she will receive payments of \$4,000 for each month she is unable to work. While recovery has been slow, with continuing therapy, Anna hopes to return to work by the end of the year, less than 18 months after being diagnosed. And having selected a five year benefit period, her income protection payments will continue until she does return to work, helping Anna to meet her mortgage repayments and continue with the therapy she needs.

Frequently asked questions

What happens if I become unemployed or go on leave?

Cover will continue if you become unemployed or go on maternity, paternity or long service leave, as long as you continue to pay premiums. If you have been unemployed or on maternity, paternity or long service leave for twelve months or more immediately preceding a claim, then the definition of Total Disability and Totally Disabled changes to mean that, because of sickness or injury, you are unable to perform any occupation for which you are reasonably suited by education, training or experience.

As an additional benefit, if you become involuntarily unemployed Commlnsure will waive your premium for up to three months over the duration of your policy. We will also help cover your minimum monthly Commonwealth Bank loan repayments for up to three months.

What happens if I change jobs?

If you change jobs you are able to take your cover with you to any occupation provided you continue to pay your premiums and comply with policy conditions. The policy is guaranteed renewable up until the policy expiry date, which means that we will not cancel it or increase the premium as a result of a change in your circumstances.

What happens if I become disabled when I am overseas?

The policy provides cover 24 hours a day anywhere in the world.

What happens if I become disabled if I am not at work or in transit to or from work?

You are covered. This cover provides the protection you need, and is not restricted to workplace injuries.

Will an offset for permanent loss of licence apply?

In the event of a claim, your benefit payments will not be offset against any loss of licence payments due to permanent incapacity. We only offset temporary loss of licence incapacity payments.

Which airlines are included?

Commercial airlines such as Qantas, Virgin Australia, Jetstar and larger regional Australian commercial airlines which carry fare paying passengers on well-established routes. This offer does not apply to commercial pilots, flight engineers or flight attendants working on charter airlines.

Why can't pilots apply for TPD?

Due to the specialised nature of the occupation, pilots could not be reasonably expected to transfer their skills to a similar job.

Want to know more?

- Your financial adviser can show you whether Aviation Cover is right for you and how much cover you need.
- Call 13 1056 from 8 am to 8 pm (Sydney time), Monday to Friday.

13 1056

8 am–8 pm (Sydney time)

Monday to Friday

comminsure.com.au