

Group Salary Continuance Insurance

Employee guide

Caterpillar of Australia Pty Ltd

1 July 2024

Insurer: AIA Australia Limited
Policy No. MP 8389



Group Salary Continuance Insurance

What is Salary Continuance Insurance?

Group Salary Continuance Insurance (“GSC”) covers you in the event of sickness or injury where you meet the policy’s definition for Total Disability or Partial Disability. The insurance policy will have a Waiting Period that applies before any benefit starts to accrue. During this period you may be paid any accumulated sick leave and annual leave entitlements.

Who provides this insurance cover?

Caterpillar of Australia Pty Ltd (“Caterpillar”) provides this insurance policy for all nominated employees and currently meets the costs associated with this insurance cover. The policy insurer is AIA Australia Limited (“AIA”) and Mercer Marsh Benefits™ (“MMB”) is Caterpillar’s appointed broker to administer the policy.

Who is eligible for cover?

Caterpillar provides GSC cover to nominated Permanent Employees including Fixed Term Employees working a minimum of 15 hours per week upon commencement of employment. You must be an Australian citizen/resident or holder of a valid visa to work in Australia, at least 15 years of age, and aged less than 65 years when cover commences to receive automatic cover. Casuals and Contractors are not eligible for cover.

If you meet this eligibility criteria, you will automatically be included for cover from the date you commence employment with your respective company, or the date of first becoming eligible. You do not need to complete an Application Form for cover to start.

What am I covered for?

Your Benefits at a Glance	
Benefits Provided	Total Disability or Partial Disability, Specific Injury, Trauma
Benefit Design	50% of Base Salary (<i>Automatic Acceptance Limit cap applies</i>)
Automatic Acceptance Limit (“AAL”)	\$15,000 per month insured benefit (equivalent to a base salary of \$360,000 per annum)
Waiting Period	180 days
Benefit Period	To Age 65# # <i>Fixed term employees employed on a minimum contract period of 12 months or less are limited to a 2 year benefit period.</i>
Indexation	Lesser of 5% or CPI
Ceasing Age	Age 65 years
Maximum Benefit Limit	\$30,000 per month
Employers	<ul style="list-style-type: none"> • Caterpillar of Australia Pty Ltd • Caterpillar Financial New Zealand Ltd • Solar Turbines New Zealand Ltd • Solar Turbines International Company

Marsh Pty Limited (Australian Financial Services Licensee # 238983) trading as Mercer Marsh Benefits™ is the broker and administrator for the GSC insurance policy of Caterpillar of Australia Pty Ltd. The information contained in this summary is to be used as a guide only and it does not take into account your particular financial situation. Any group insurance benefit you may be entitled to will be governed by the terms and conditions of the insurance policy under which the benefit is provided.

How the Salary Continuance policy works

When does cover start?

Cover starts on the date you commence employment with Caterpillar or first become eligible under the policy as long as you are "At Work" on the day cover is to commence i.e. engaged in normal duties, working normal hours, without limitation or restriction due to sickness or injury.

If you were not 'At Work' on your first day, cover will be limited to new events only. AIA will only pay a benefit if a sickness or injury first becomes apparent or first occurs on or after the date your cover started. Limited cover conditions apply until you are 'At Work' for 30 consecutive days, at which point full cover will be provided.

What is my monthly benefit?

If you meet the eligibility conditions above, you will automatically receive cover of 50% of your Insured Income, up to the policy Automatic Acceptance Limit ("AAL").

The AAL is the maximum level of cover the insurer will provide without requiring any evidence of good health. The AAL under this policy is \$15,000 per month (base salary equivalent of \$360,000 p.a.). If your cover amount 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. AIA will assess your application and provide a decision in writing, with any conditions, if accepted.

Mercer Marsh Benefits™ will liaise with Caterpillar annually in relation to employees who are over the AAL.

When does cover cease?

Cover under this policy will cease on the earliest of the following events:

- You reach the Ceasing Age of 65;
- On your death;
- You cease employment with Caterpillar ("refer to Extended Cover");
- You cease to meet the eligibility criteria;
- You no longer meet the conditions for continuation of cover while on leave without pay or cover while overseas;

- AIA accepts or decline your application for continuation option;
- If you are not an Australian Resident and you are no longer permanently in Australia or not eligible to work in Australia; or
- The policy is terminated by the employer or the insurer.

Cover while on leave of absence

If you are granted a period of leave of absence (including parental leave) by Caterpillar and there is a documented 'return to work' date, your cover will continue for up to 24 months provided premiums continue to be paid by your employer.

If you don't return to work by the expected 'return to work' date, your cover will cease unless Caterpillar has obtained an extension from the insurer.

Cover whilst overseas

You are provided with cover 24 hours a day, seven days a week whilst travelling or holidaying overseas on a temporary basis.

If you are working overseas for Caterpillar, cover will continue as long as Caterpillar continues to pay premiums for you and informs AIA of your location annually.

If a claim is lodged whilst you are overseas, disability benefits may be paid for up to 12 months after which time you may be required to return to Australia, at your own expense for further assessment.

Benefits

What benefits can I claim?

You will be eligible for a disability benefit if you are:

- Are Totally Disabled for at least 7 out of 12 consecutive days during the waiting period; and
- Continuously Disabled for the balance of the waiting period; and
- Continue to be Totally or Partially disabled after the expiry of the waiting period.

Total Disability

You are considered to be “Totally Disabled” if solely as a result of sickness or injury you are:

- Unable to perform at least one Important Duty* of your usual occupation; and
- Under the regular care of, and are following the advice and treatment of a medical practitioner in relation to your sickness or injury; and
- Not working in any occupation (whether paid or unpaid)

* *Important Duty means a duty that involves 20% or more of your overall occupational tasks.*

Partial Disability

You are considered to be “Partially Disabled” if solely as a result of sickness or injury you are:

- Unable to work in your usual occupation at full capacity after being Totally Disabled; and
- Working in your usual occupation in a reduced capacity or working in an alternative occupation; and
- Earning an income which is less than your pre-disability income; and
- Under the regular care of, and are following the advice of a medical practitioner in relation to your sickness or injury.

Death Benefit

If you die while you're entitled to a Total or Partial Disability benefit, an additional lump sum benefit equal to three times your monthly benefit may be payable.

Rehabilitation Expense Benefit

If AIA approve a rehabilitation program that is part of a structured return to work program and is necessary to assist you to return to your pre-disability occupation or to be retrained into another occupation, they will pay the cost (directly to the service provider) as long as these expenses are not reimbursed from any other source. Pre-approval from AIA is required.

Workplace Modification Benefit

If you are receiving disability benefits and AIA agrees that your place of work requires modification

in order for you to return to work, AIA may pay for modification expenses (directly to the service provider). The maximum payment is three times your monthly benefit and this benefit is only available once to you.

Rehabilitation Incentive Benefit

If you return to your full pre-disability duties and hours with Caterpillar for twelve (12) consecutive months after attending a rehabilitation program approved by AIA, AIA will pay a Rehabilitation Incentive benefit equal to the lesser of 3 times your monthly benefit and \$20,000. Further terms apply.

Escalation Benefit

The monthly disability benefit will be increased each year by the lesser of the CPI increase and 5%, applied at each anniversary from the date when benefits first commenced, provided there has been 12 continuous months of disability payments.

Nursing Care Benefit

The insurer will pay you 1/30th of the Monthly Benefit for each day during the Waiting Period you are Totally Disabled and require nursing care by a registered nurse or hospitalisation at least once a day and remain in or near a bed for a substantial part of each day.

AIA will pay the benefit after you have been confined to a bed or hospitalised for more than two consecutive days until the end of the Waiting Period up to a maximum of 90 days.

The nursing care must be performed by a registered and qualified nurse who is not a family member, a business partner or your employee or employer.

This benefit is equal to 1/30 of your monthly benefit and may be paid for a maximum of 90 days, or until the expiry of the waiting period, whichever occurs first. This benefit is paid in addition to any other benefits that are paid during the waiting period.

Home Care Benefit

The insurer will pay this benefit after the waiting period, you are:

- Totally Disabled,

- confined to or near a bed other than in a hospital or a similar institution that provides nursing care, and
- totally dependent on a paid professional home carer (excluding relatives and immediate family members).

The insurer will reimburse the lesser of:

- \$150 a day, and
- 100% of the Monthly Benefit,

Up to 6 months, to help cover the cost provided you remain totally dependent upon the professional home carer.

This benefit will not be paid if you are already receiving the Nursing Care benefit.

Specific Injury Benefit

If you suffer one of the listed events set out in the table below as a result of an Injury¹, the insurer will pay you a monthly benefit for the payment period, or up to the earlier of your 65th birthday or death, if this occurs in the payment period. The benefit is payable during the waiting period and is paid instead of, not in addition to, a Total or Partial Disability Benefit.

Where you maybe entitled to a Trauma benefit under the Policy at the same time as a Specific Injury benefit, the insurer will only pay for the benefit with the longest Payment Period.

Specific Injury	Payment period
Paralysis (diplegia, hemiplegia, paraplegia, quadriplegia)	60 months
Loss ² of use of both feet, both hands or the sight of both eyes	24 months
Loss ² of use of a hand and a foot, a hand and an eye, or a foot and an eye	24 months
Loss ² of use of an arm or a leg	18 months
Loss ² of use of a foot, or a hand, or the sight in one eye	12 months

Specific Injury	Payment period
Loss ² of use of the thumb and the index finger on the same hand	6 months
Fracture ³ of the thigh (femur) above the knee, or the pelvis. Benefits will not be payable for fractures involving the knee joint or hip joint	3 months
Fracture ³ of the upper arm (humerus) or the shoulder blade (scapula). Benefits will not be payable for fractures involving the elbow joint or shoulder joint	2 months
Fracture ³ of the jaw (mandible or maxilla)	1.5 months
Fracture ³ of the collarbone (clavicle)	1.5 months

¹ "Injury" means physical bodily injury caused solely and directly by violent, external and visible means and is independent of any existing medical condition or other cause. Sickness directly resulting from medical or surgical treatment rendered necessary by the physical injury will not constitute an "Injury".

² "Loss" means the total and permanent loss of:

- Use of the hand from the wrist or the foot from the ankle joint,
- Use of the arm from the elbow or the leg from the knee joint,
- Use of the thumb and index finger from the first phalange joint, or
- Sight (to the of 6/60 or less) in the eye.

³ "Fracture" means any fracture that requires a pin, traction, a plaster cast or other immobilising structure but does not include a fracture which occurs as a result of, or during, surgical or medical treatment.

Trauma Benefit

This benefit is payable if you are diagnosed with a trauma event as set out in the table below and survive for 14 days following that diagnosis. The Trauma benefit payment is in the form of a lump sum equal to three times the Monthly benefit.

The benefit will be paid even if you are not disabled and applies irrespective of the waiting period.

Trauma Events Covered	
<ul style="list-style-type: none"> Accidental HIV Infection[^] Alzheimer's Disease Aplastic Anaemia Bacterial Meningitis Benign Brain Tumour[^] Blindness Cancer[^] Cardiomyopathy Chronic Liver Disease Chronic Lung Disease Coma Coronary Artery Bypass Surgery[^] Dementia Diplegia Heart Attack[^] Heart Valve Surgery[^] Hemiplegia Kidney Failure Loss of Hearing Loss of Independence Loss of Limbs and Sight of One Eye Loss of Speech 	<ul style="list-style-type: none"> Major Burns Major Head Trauma Major Organ Transplant[^] Motor Neurone Disease Multiple Sclerosis Muscular Dystrophy Occupationally Acquired Hepatitis B or Hepatitis C Infection[^] Other Serious Coronary Artery Disease[^] Paraplegia Parkinson's Disease Pneumonectomy Pulmonary Arterial Hypertension (primary)[^] Quadriplegia Rheumatoid Arthritis Stroke[^] Surgery to Aorta[^] Terminal Illness[^] Encephalitis

[^] 90-day Qualifying Period applies

When do disability benefits start?

Disability benefits begin to accrue after the end of the waiting period and are paid monthly in arrears.

The waiting period under this policy is 180 days. This is the period in which you must be continually unable to perform your duties at full capacity due to sickness or injury. The waiting period starts on the later of the date:

- A Medical Practitioner examines you and certifies that you are Totally Disabled in relation to an sickness or injury that gave rise to the claim; and
- The date after you stopped working due to that sickness or injury.

During the waiting period, you can return to work at full capacity for a maximum period of 10 consecutive days without the waiting period starting again,

provided this only occurs once. The days you work are then added to the waiting period.

When do disability benefits cease?

Disability benefits will stop on the earliest date of the following events:

- You are no longer disabled;
- You reach the end of the benefit period;
- You no longer meet the residency requirements;
- You reach the Ceasing Age of 65, or
- On your death.

What are the policy limitations or exclusions?

It is important to note that the benefits payable by AIA have some limitations and exclusions. No benefit is payable which is caused wholly or partly, directly or indirectly by:

- An act or activity of war,
- Active service or participation in the armed forces of any country, territory or foreign or international organisation,
- Engagement in (including planning or preparing for) any hostile activity or conflict in Australia or any foreign country,
- Normal pregnancy, miscarriage or uncomplicated childbirth,
- An attempted suicide or self-inflicted injury,
- Participation in criminal activity; or
- Any other exclusions imposed by AIA from an underwriting decision.

Are there any offsets to my monthly benefits?

Any disability benefit will be reduced by the following amounts:

- Other benefits or payments which are paid or required to be paid, in relation to your sickness or injury, under any:
 - Workers' Compensation, Motor Accident Compensation or similar legislation or scheme;
 - Social Security or similar legislation;

- Statute, or damages under common law, for loss of income, loss of earning capacity or any other economic loss (including any benefits or payments received for work injury damages), whether paid as a lump sum or not; or
- Disability income type insurance policy;
- Any other loss of income, loss of earning capacity or other economic loss component of a lump sum payment paid or required to be paid in relation to your sickness or injury;
- Any paid parental leave you receive where you continue to suffer a disability; or
- Any paid sick leave received.

The monthly disability benefit will also be reduced by any salary paid to you while you are on claim.

We recommend you contact your financial adviser or MMB to discuss your claim.

How will I get paid?

Benefits are paid monthly in arrears via Caterpillar payroll after the deduction of PAYG tax. Your monthly pay date will depend on the next scheduled pay cycle after the Insurer has remitted benefits to your employer.

How do I return to work after I recover?

Once you and your doctor are comfortable that your health has improved to a level to start thinking about returning to work, please contact MMB to discuss your Return to Work plan.

You may need to undertake a Return to Work program if it would assist you in carrying out the duties of your occupation which may include training and education, work or other experience, or employment assistance.

AIA and the team at MMB will work together with you, your doctor and Caterpillar to agree on the best arrangements for your transition back to the workplace.

How do I lodge a claim?

If you are likely to be absent from work for an extended period of time (in excess of 10 days) due to sickness or injury, please contact your HR Representative or MMB.

The policy not only provides financial support but also provides rehabilitation support to help you recover and return to work healthy. The success rate of returning to your best life, and returning to work from extended sickness or injury, increases dramatically with early intervention.

Please contact the team at MMB if you expect to be absent for more than 10 days to discuss your scenario and ascertain whether assistance or support may be available.

What claim forms will I need to provide?

MMB will provide you with the Claim Forms. For the initial assessment, you will need to provide Claim Forms from yourself and your doctor, certifying that you are unfit for performing the normal duties of your role. After you have submitted your Initial Claim Forms, the Insurer may ask you for a Progress Report from yourself and your doctor from time to time, which provides an update on your health status.

What if I already have Income Protection insurance in my own name?

You may already have an Income Protection policy in your own name. It is important to note that you are only ever able to claim up to 75% of your insured income from all sources whilst on GSC claim, regardless of whether you have multiple income protection policies.

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.

What if my disability recurs after I return to work?

If within 12 months of returning to paid full pre-disability duties, you become Totally Disabled or Partially Disabled due to the same or related sickness or injury, the waiting period will be waived and AIA will recommence the benefit as a continuation of the earlier claim, payable for any remaining benefit period.

What if my employment ceases whilst on claim?

If your role is terminated or made redundant whilst you are on claim, you will continue to be paid a monthly benefit (directly) by AIA until such time as your medical capacity allows you to return to work, or the benefit ceases under the policy.

AIA will assist you in job redeployment/ job seeking elsewhere if you have ceased employment with Caterpillar whilst on claim.

Leaving your Employer

What happens to my cover when I leave my employer?

Extended Cover

If your cover ends because you are leaving employment with Caterpillar and are not aged 65 years or more, AIA may extend cover for up to 60 days from the date the cover ceased. During the 60 day period, your cover will continue free of charge whilst you organise any personal cover or consider if you are eligible for the below continuation option.

The extended cover period ceases on the earlier of the following:

- 60 days after you cease to be eligible for cover, or
- the date AIA accepts or declines your Continuation Option application, or
- The date you reach the Ceasing Age of 65.

Retain your cover by applying for a Continuation Option

If you wish to maintain the same insurance cover previously provided by your employer, the insurer may give you the opportunity to purchase your own insurance up to the level of cover you held under your employer's plan. To be eligible to apply, you must meet the insurers' terms and conditions (including age limitations) to qualify for a Continuation Option.

You need to act promptly

The Continuation Option is available only for a limited period of time after leaving your employment. **Generally this period is up to 60 days.**

During this time you will need to complete an application form and pay the associated premiums that must be received by the insurer within the availability period. ***If this period has expired, a Continuation Option will, generally, no longer be available.***

How to apply for this continuation option?

Please contact MBS Insurance Pty Ltd, MMB's financial advisor partner, via email using the address below, prior to this deadline expiring.

E: continue@mbsinsurance.com.au

Alternatively, you may contact your employer's broker, Mercer Marsh Benefits™.

MORE INFORMATION

E: clientoperations@mercermarshbenefits.com
Ph 1300 265 741

All effort has been made to ensure that the above information is accurate and correct at the time prepared. The information contained in this summary is to be used as a guide only.

The terms and conditions of the applicable insurance policy will ultimately prevail at all times. The insurer and/or policy may change from time to time as determined by the policy owner.

