

Income protection for farmers

Looking after you and your way of life



Your farm isn't just a business; it's a way of life for you and your family

However, every business and industry carries an element of risk; farming being no exception.

An unexpected accident or sickness could seriously risk the ongoing viability of your farm and your family's lifestyle.

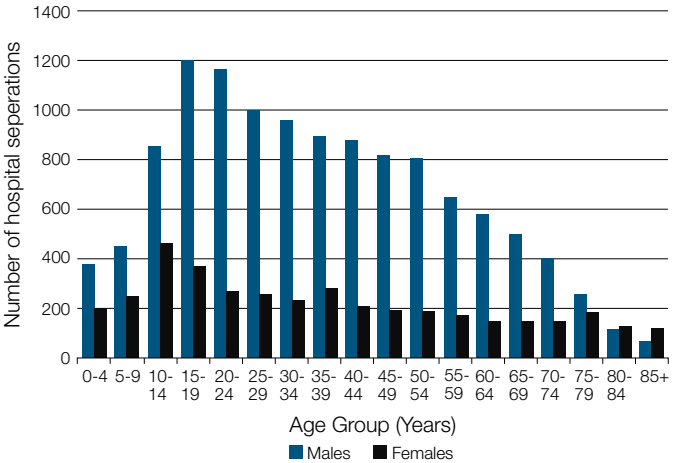
What plans have you made to protect your family?

Consider the following: a 30-year-old farmer, whose farm makes a net average income of \$80,000, stands to make a hefty \$2.8m before retiring at the age of 65 (and that's without taking account of inflation).

As well as MLC's Income Protection Standard and Income Protection Plus, MLC Income Protection Plus (Farmer Package) offers a personal and cost-effective solution to help you get cover for the costs of daily living if you're unable to work due to disability, while someone else looks after the farm.

The problem

Figure 1 Age and sex of people injured on farms and admitted to NSW hospitals, July 1990–June 2000.¹



- The average length of time off work was 7.35 weeks for an injury.¹
- Ten per cent of people injured on farms spent more than nine days in hospital.²

¹ RIRDC, The Health and Safety of New South Wales Farmers, Farm Families and Farm Workers, January 2005.

² Australian Centre for Agricultural Health and Safety, Injury on Farms in New South Wales, The Facts, 2005.

Machinery is the major cause of accidental injury on Australian farms¹

A drop in income is often inevitable when you aren't able to run the farming business because of an accident.

Such regrettable incidents happen more often than you may think.

Also, in rural and remote areas, lifestyle factors such as excessive exposure to the sun, higher smoking rates, and a tendency to put off going to the doctor are driving up cancer rates.²

¹ RIRDC, Preventing death and injury from farm machinery accidents, September, 2006.

² Australian Institute of Health and Welfare, 2007.



A solution

MLC's Farmer Package provides income protection cover designed specifically for the needs of the farming community.

As MLC provides other income protection cover that may also meet your needs, ask your adviser which option may best suit your needs.

MLC Income Protection Plus.¹

Up to \$30,000 per month. Agreed value or indemnity. Up to age 65. Extra benefits.

MLC Income Protection Standard.¹

Up to \$30,000 per month. Indemnity only. Up to age 65.

MLC Income Protection Plus (Farmer Package).¹

**Up to \$5,000 per month.
2 & 5-year benefit periods.
Agreed value.**

The MLC Income Protection Plus (Farmer Package) is different to many other income protection insurances in that your benefit isn't calculated as a percentage of your personal income.

To be eligible, all you need to show, in terms of your income, is that your farming business has had a positive balance sheet for each of the last two financial years prior to application.¹

A common sense approach

With MLC, you receive cover at an affordable price.

In return, you know that any insurance benefit that is paid can help your farm and income continue if you're unable to work due to sickness or a disability.

With MLC's Income Protection Plus (Farmer Package) you can choose a monthly income protection benefit up to \$5,000 per month for a two or five-year maximum benefit period that can cover you if you suffer sickness or injury and can't work.¹

Where a five-year maximum benefit period is chosen, the benefit amount is the smaller of up to 30% of the gross farm turnover and up to \$5,000 per month.²

With MLC's Income Protection Plus (Farmer Package), you can tailor the optional features to suit your budget.

¹ Terms, conditions and exclusions apply – refer to the MLC Personal Protection Portfolio and MLC Life Cover Super Product Disclosure Statement for details.

² Received in the financial year prior to your application for insurance being made.

MLC Income Protection Plus (Farmer Package)

Features and definitions

Income protection benefit payments of up to \$5,000 per month.

1, 3 or 12 month waiting period.

2 or 5 year maximum benefit period.¹

Total disability: if, as a result of an injury or sickness, you are continuously unable to perform at least one of the important duties of your occupation necessary to produce income, and are not working for earnings, payment or profit.

Partial disability²: if, as a direct result of injury or sickness, you remain continuously unable to fully perform the duties of your own occupation following a period of total disability, but you have returned to work in your own occupation or another occupation.

Note: MLC Income Protection Plus (Farmer Package) is subject to terms and conditions, and exclusions apply. Please read the MLC Personal Protection Portfolio and MLC Life Cover Super Product Disclosure Statement for details of the terms, conditions and exclusions applicable to this insurance.

Benefits for you

- ✓ Income received during the period of disability. Peace of mind that monthly personal outgoings can be made (from monthly income) during the period of your disability.
- ✓ Your business can continue to operate during your disability.

- ✓ Choose a term to suit you and your budget.
- ✓ The longer the waiting period, the lower your premium.

- ✓ Choose a period to suit you and your budget.
- ✓ The shorter your benefit period, the lower your premium.

- ✓ Comprehensive cover provided (for total disability – see below for partial disability and rehabilitation).

Rehabilitation²: if, as a direct result of injury or sickness, you remain continuously unable to fully perform the duties of your own occupation following a period of total disability, but begin a Government approved vocational rehabilitation program or another rehabilitation program that we approve.

- 1** Where a five-year maximum benefit period is chosen, the benefit amount is the lesser of up to 30% of gross farm turnover and up to \$5,000 per month.
- 2** The monthly partial disability and rehabilitation benefits are payable at 50% of the monthly total disability benefit for up to the first two years of partial disability or rehabilitation (as applicable). Thereafter, for five year periods, the benefit payable will be calculated as the lesser of the 50% benefit and that part of the monthly total disability benefit in proportion to the level of whole person impairment.

No partial disability benefit or rehabilitation benefit will be payable, after the first two years of partial disability, for any period of partial disability where the whole person impairment is less than 25%.

Sounds fine in theory, but how would it apply in practice?

Example 1

Gary, 43, and his wife Maureen, run a successful farm in Albury, New South Wales. In December 2005, Gary's tractor overturned on a crumbling embankment following heavy rain.

Suffering head and spinal injuries, Gary was unable to return to work. Fortunately, Gary had the foresight to arrange Income Protection through MLC's Income Protection Plus (Farmer Package).

To cover the personal costs of his family, despite his disability, he now receives \$5,000 in monthly benefits.¹ This allows him to hire help and maintain the farm, which is funded from the ongoing farm income.

Example 2

Richard, a 29 year-old single farmer, manages a small but profitable dairy farm near Timboon, Victoria.

While clearing leaves from the roof of his homestead, the guttering collapsed and Richard fell over six metres to the ground.

Like Gary, he also suffered spinal injuries. But with the support of his MLC Income Protection Plus (Farmer Package), Richard underwent a lengthy rehabilitation program and subsequent training with a computer college.

He now runs his own I.T. support and computer servicing business, and continues to receive 50%² of the \$5,000 monthly benefit¹ to supplement his income.

Note: These examples are for illustrative purposes only.

1 Maximum benefit period is five years.

2 The % of benefit depends on the proportion of impairment after the first two years of partial disability.

**MLC's Income
Protection Plus
(Farmer Package)
has played
a key role in
re-establishing
the lives and
livelihoods
of the beneficiaries.**

Who is eligible?

MLC's Income Protection Plus (Farmer Package) is available to farmers (aged 18–54) who are the principal owners of a farm, or farming business, which has been established and in operation for a minimum of two years.¹

The package is available for the following farming occupations only:

- Beef Cattle
- Dairy
- Sheep
- Cotton
- Wheat
- Grain
- Mixed farming (eg cattle + grain)

¹ The farm must show a positive balance sheet (ie total assets exceed total liabilities) over each of the past two financial years prior to application. Assets can be treated at market value to meet this financial requirement. Minimum monthly benefits apply.



Why MLC?

With proven financial strength and 120 years of dedicated insurance experience you can be confident in MLC.

We are part of the National Australia Group of companies, one of the nation's largest financial services organisations.

MLC has been given a very healthy 'AA-' Insurer Financial Strength assessment by international ratings agency Standard & Poor's.¹

With a wealth management division that has more than \$110 billion in funds under management², we are a household name.

Did you know?

Every working Australian has a one in three chance of becoming disabled for more than three months before turning age 65.

¹ As at March 2008. Ratings are subject to change. For the latest ratings information please visit www.standardandpoors.com

² As at November 2007.

Where next?

For further information, speak to a financial adviser who can help you select an MLC Income Protection solution to meet your needs.

You and your family's future are too precious to leave to chance.

Important information

This brochure has been prepared by MLC Limited (ABN 90 000 000 402, AFSL 230694) 105-153 Miller Street, North Sydney, NSW 2060. It is intended to provide general information only and should not be used as the basis for any financial or other decision and has been prepared without taking into account your objectives, financial situation or needs. You should, before acting on this information, consider the appropriateness of the information having regard to your personal objectives, financial situation or needs. You should consider the relevant Product Disclosure Document and obtain financial advice regarding your own circumstances before making any decision to acquire an insurance product.

MLC Income Protection Plus (Farmer Package) is offered under the MLC Personal Protection Portfolio product. The product information contained in this brochure must be read in conjunction with the MLC Personal Protection Portfolio and MLC Life Cover Super PDS as terms, conditions and exclusions apply. Applications for MLC Income Protection Plus (Farmer Package) or other income protection insurance are subject to acceptance by MLC and must be made on the Application Form contained in the PDS. A copy of the PDS is available upon request by phoning MLC on 132 652 or by visiting MLC's website at mlc.com.au.

MLC Limited, a member of the National Australia Group of companies, is the issuer of MLC Personal Protection Portfolio.

An MLC Personal Protection Portfolio policy does not represent a deposit with or liability of National Australia Bank Limited (ABN 12 004 044 937, AFSL 230686) or any of its related bodies corporate (other than a liability of MLC Limited as insurer). Neither National Australia Bank Limited, nor any of its related bodies corporate (other than MLC Limited as insurer) guarantees or accepts liability in respect of MLC Personal Protection Portfolio.

The information in this brochure is correct as at March 2008, but may change in the future.



MLC Insurance

How to contact MLC

For more information call MLC from anywhere in Australia on 132 652 or contact your adviser

Website: mlc.com.au

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