



# Cutting through the Red Tape

**BT Life Protection Plans  
Adviser Enhancements Guide**

April 2009

 **BT** Insurance

**You can't  
predict the  
future, but  
BT Life  
Protection  
Plans can  
help your  
clients  
prepare  
for it.**



# Life is full of the unexpected and it's not always possible to know what lies ahead. Life insurance helps your clients be prepared and assists them to manage the impact unexpected events may have on their lives.

BT Life Protection Plans provide real benefits to your clients, their families and businesses by offering an integrated package of comprehensive and competitively priced life insurance solutions — seamlessly integrated into the Wrap Platform.

## In response to adviser feedback we are 'Cutting through the Red Tape'

To improve the service we provide you and your clients, we have introduced significant changes to our application and underwriting processes.

We've reduced unnecessary paperwork and streamlined our life insurance application and underwriting process. This has been achieved by enhancing our underwriting rules, overhauling the questions we need answered and implementing improved navigation to our online tools.

These changes demonstrate our ongoing commitment to making it easier for you to do business with us and provide you with market leading life insurance solutions enabling more of your clients to get quicker cover.

Now, that's life insurance made easy!

## Major changes

### Enhanced Underwriting Rules

- increasing the mandatory medical limits and reducing the medicals required
- reducing the financial requirements
- expanding and improving occupation categories
- simplifying Takeover Terms
- increasing the maximum benefit limits.

### Enhanced features on the DeskTop

- Introducing Reflex Questions to the travel, previous insurance, smoking, alcohol and detailed medical history sections.
- Improving the navigation by introducing a Navigation Menu allowing you to move between sections while completing Applications and Personal Statements.
- Hiding the 'Back' button in the Application and Personal Statement sections, improving user experience.

### What do these changes mean for you?

- They highlight our commitment to continual refinement of our underwriting process, making us easier to do business with.
- They demonstrate our ongoing response to adviser and client feedback.
- They strengthen our position as a life insurance market leader.
- They reduce underwriting turnaround times and also significantly increase the amount of policies being offered immediate cover.

# Enhancements to Underwriting Rules

## Improved mandatory medical limits and requirements for Lump Sum Cover

We've overhauled the medical limits and mandatory medical tests we require your clients to complete when applying for Lump Sum Cover<sup>1</sup>. These changes highlight our ongoing commitment of providing access and appropriate life insurance cover to suit your clients' needs.

### Some of the changes include:

- no mandatory medical tests for Term Life and Total and Permanent Disablement (TPD) insurance cover up to \$2.5 million and \$1 million for Living Insurance cover for applicants less than 45 years of age
- improving the non-medical limits for Term Life, TPD and Living insurance cover for all ages
- introduction of Mammograms and Stress Echocardiograms for large sum insured applications
- introduction of specific Living Insurance medical requirements for cover above \$1 million.

### Medicals required are calculated based on the sum insured applied for

In the case of concurrent policies (ie Term Life, Standalone TPD and Standalone Living Insurance), the medical requirements calculation will take the higher of either the Death Benefit, or the sum of the Standalone TPD and Standalone Living Benefit, and add it to 50% of the lower benefit amount.

If your client has existing insurance cover with Westpac Life Insurance Services, it will also need to be included in the Lump Sum calculation (if it is not being replaced by the new cover). However, existing cover with other insurers will be ignored for medical requirement purposes.

Example 1 (47 year old applicant)	
Proposed cover	\$800,000 Term Life & TPD + \$400,000 Standalone Living Insurance.
Existing cover	\$600,000 Term Life under superannuation (not being replaced)
Total risk	\$800,000 + \$200,000 + \$600,000 = \$1,600,000
Medical requirements	BLOX, EMAR, MEDXAM
Example 2 (57 year old applicant)	
Proposed cover	\$600,000 Term Life + \$1,100,000 Standalone Living + \$400,000 Standalone TPD
Existing cover	\$400,000 Term Life with external insurer
Total risk	\$300,000 + \$1,100,000 + \$400,000 = \$1,800,000
Medical requirements	BLOX, EMAR, MEDXAM, ECG_EX, PSA or MAM

Although mandatory medicals may not be required, our usual underwriting assessment process will apply and assessment of your client's Personal Statement may lead to additional requirements.

## Medical requirements for Term Life, TPD and Living Insurance

Sum insured	Age next birthday					
	Up to 45	46-50	51-55	56-60	61-65	66-70
\$0-\$100,000						
\$100,001-\$350,000						
\$350,001-\$500,000						
\$500,001-\$750,000						
\$750,001-\$1,000,000						
\$1,000,001-\$1,500,000						
\$1,500,001-\$2,000,000						
\$2,000,001-\$2,500,000						
\$2,500,001-\$3,000,000						
\$3,000,001-\$5,000,000						
\$5,000,001-\$10,000,000						
\$10,000,000+						

The black line represents where previously mandatory medical tests were necessary. The red line represents the new limits where medicals will be required.

# medical requirements



**Additional medical requirements for Living Insurance**

In addition to the previous table, the following medicals must also be included for any Living Benefit applied for (either as a rider or standalone).

Sum insured	Age next birthday					
	Up to 45	46–50	51–55	56–60	61–65	66–70
Minimum sum – \$1,000,000						
\$1,000,001 – \$1,500,000	BLOX, MEDXAM	BLOX, MEDXAM	BLOX, EMAR, MEDXAM, PSA or MAM	ECG_R, PSA or MAM	ECG_EX, PSA or MAM	BLOX, EMAR, SPX, ECG_EX
\$1,500,001 – \$2,000,000	BLOX, MEDXAM, MAM (if applicable)	BLOX, MEDXAM, ECG_R, PSA or MAM	ECG_EX, PSA or MAM	ECG_EX, PSA or MAM	ECG_EX, PSA or MAM	BLOX, EMAR, SPX, ECG_EX

If there is a duplication of requirements as a result of the two tables, only one test is required. If both ECG\_R and ECG\_EX appear, only an ECG\_EX is required. Similarly, if MEDXAM and SPX appear, only a SPX is required.

**Additional BMI related requirements**

If your client is applying for more than \$1 million cover and has a BMI of 33 or more, a medical exam (MEDXAM) and blood test (BLOX) will be required.

**Income Protection requirement changes**

**Medical requirements for Income Protection**

We have made changes to the list of medical tests required for Income Protection (IP).

Sum insured	Age next birthday	
	Up to 45	Over 46
Minimum sum – \$7,500		
\$7,501 – \$10,000	BLOX, EMAR	BLOX, EMAR
\$10,001 – \$15,000	BLOX, EMAR, MEDXAM	BLOX, EMAR, MEDXAM
\$15,001 – \$20,000	BLOX, SPX, ECG_R	BLOX, SPX, ECG_R, PSA or MAM
> \$20,000	BLOX, SPX, ECG_EX	BLOX, SPX, ECG_EX, PSA or MAM

# Enhancements to Underwriting Rules

## Medical requirement acronyms

To assist you in determining which medicals will be required, please refer to the list of acronyms and descriptions below.

Code	Description
BLOX	Blood Tests (FBC, MBA20, Hepatitis B and C and HIV).
CXR	Chest X-ray
ECG_EX	Stress (exercise) Electrocardiogram.
ECG_R	Resting Electrocardiogram.
ECHOEX	Stress Echocardiogram
EMAR	Extended Medical Attendants Report (If the applicant has not known their doctor for more than two years, or has not consulted a doctor within two years, a medical exam may be required). This report may be in the format of an EMAR or an SPX.
MAM	Mammogram test or latest mammogram test results acquired within the last 12 months (females only).
MEDXAM	Medical Exam (If the applicant has a pre-existing or current condition, it is usually preferable for their own GP to do the exam).
MSU	Microscopic Urinalysis.
PSA	Prostate Specific Antigen (PSA) test, including a free PSA test when the PSA test reading is greater than 4.0 ng/ml (males only).
SPX	Specialist Physician Exam (preferably a cardiologist to perform the examination. If it is not possible for a specialist physician to conduct an exam, two GP exams will suffice, except for sums insured greater than \$2,000,000). Please note: if a client does have a history of heart disorders, an underwriter must be consulted before the two (2) general practitioner medicals are being requested in lieu of a specialist medical (SPX).

## Extended financial limits

To better meet the growing insurance needs of your clients, our financial limits have been extended to cater for more customers, allowing them to get larger amounts of cover more easily.

Applicants<sup>1</sup> up to age 45 (next birthday) will not be required to provide additional financial information when applying for:

- Term Life benefit up to \$2.5 million (previously capped at \$1.5 million)
- TPD benefit up to \$2.5 million (previously capped at \$1.5 million)
- Living benefit up to \$1.5 million.

## Amended occupation categories

We have conducted a review of our occupational ratings to offer a better designed life insurance solution for your clients. This has included the addition of new occupations and improving existing occupation categories.

### New occupations

We have introduced new occupation classifications for Total & Permanent Disablement (TPD) and Income Protection (IP) in order to offer cover for more of your clients. Applicants working in these occupations would previously have been uninsurable by Westpac Life.

#### TPD

The 'General' definition for TPD has been offered to some occupations which were previously uninsurable. The 'General' TPD definition is:

- *The Insured Person has suffered either:*
  - *loss of independent existence, which means as a result of sickness or injury, the Insured Person:*
    - i) has a permanent and irreversible inability to perform, without assistance, any two of the Activities of Daily Living; or*
    - ii) suffers cognitive impairment that requires permanent and constant supervision, which must be established and the diagnosis reaffirmed after a continuous period of at least 6 months of such impairment; or*
  - *Total and permanent loss of use of two limbs, use of one limb<sup>1</sup> and sight in one eye or sight in both eyes.*

#### IP

A new 'E' occupational category for IP has now been introduced to cover previously uninsurable occupations. This category is limited to 2 or 5 year benefit periods (for example an E2 code will mean your client can only have a 2 year benefit period), with a waiting period of 90 days. In addition, only indemnity contracts are available to these clients.

Occupation	Life	Living	TPD	IP
Abattoir Worker – Not qualified Butcher or Supervisor	A	A	General	E2
Aerobics Instructor (full time, min 3 yrs exp)	A	A	General	E5
Asphalt Layer	A	A	General	E2
Aviation Industry – ground staff – Air Traffic Controller	A	A	General	E2
Butcher – Slaughterman	A	A	General	E2
Cable Maker/Wire Maker	A	A	General	E5
Casino Worker – Bar Attendant	A	A	General	E5
Cleaner				
Brick	A	A	General	E5
Window – home or shops, less than 10m	A	A	General	E2
Clothing Industry – Clothing Machinist	A	A	General	E5
Club Worker – Bar Staff	A	A	General	E2
Concrete Worker – Concreter	A	A	General	E5

<sup>1</sup>Limb means an arm or leg, including the whole hand or the whole foot.

# Enhancements to Underwriting Rules

Occupation	Life	Living	TPD	IP
Crane Operator – Crane Operator/Derrickman: Onshore	A	A	General	E2
Driver –				
Armoured Car	A	A	General	E2
Bus/coach driver – Long Distance/Interstate	A	A	General	E2
Garbage collector - driver	A	A	General	E2
Logging Driver	A	A	General	E5
Removalist Driver	A	A	General	E2
Taxi – Not owner and full time	A	A	General	E2
Truck Driver: > than 100km radius from base, minimum 2 yrs experience, regular contracts	A	A	General	E2
Fencing Contractor – Agricultural/rural	A	A	General	E2
Fire fighter – Fireman – not snr officer	A	A	General	E2
Fitness Centre – Instructors	A	A	General	E5
Form worker/Concreter	A	A	General	E5
Foundry worker	A	A	General	E5
Garbage Collector/Driver	A	A	General	E2
Gas Pipe Layer	A	A	General	E5
Geologist – Using Explosives	\$2.00	\$2.00	General	E2
Grave Digger	A	A	General	E2
Hospital Orderly/Porter	A	A	General	E2
Hotel/Motel Industry – Porter	A	A	General	E2
Marine worker/crew/seaman – Ocean Going (in Australian Waters)	A	A	General	E2
Motor Vehicle – assembly worker	A	A	General	E2
Oil & Gas Industry				
Onshore – Crane Driver	A	A	General	E2
Onshore – Derrickman	A	A	General	E2
Onshore – Repairmen/Trench workers	A	A	General	E2
Parking Station Attendant –Parking cars	A	A	General	E2
Quarry Worker – Semi-skilled, plant operator	A	A	General	E2
Railway workers				
Porter	A	A	General	E2
Train/Tram Driver	A	A	General	E2
Sheetmetal worker – not trade qualified	A	A	General	E2
Shop Assistant/Keeper – Supermarket – shelf stockist	A	A	General	E5
Slaughterman	A	A	General	E2
Store person	A	A	General	E2
Swimming Pool Builder – in ground, concrete, licensed	A	A	General	E2
Tiler – Roof tiler – Unqualified or working over 10m	A	A	General	E2
Tree Surgeon	A	A	General	E2
Zoo Worker – Unqualified	A	A	General	E2

## Improved occupations

Some occupations have been re-classified and have been given better occupation ratings. These improvements may signify better premium rates for your clients who are employed in these occupations.

If any of your existing clients' occupation categories have changed and you wish to transfer them to the new rate, you will need to complete the employment section of the Personal Statement, sign and return to us for processing.

Occupation	Life	Living	TPD	IP
<b>Acupuncturist</b>				
Member of Australian Acupuncturist Association	A	A	A	A
Not a Member of Australian Acupuncturist Association (minimum 3 yrs experience)	A	A	HDPT	D
<b>Armed Services</b>				
<b>Air Force</b>				
All ranks – office duties – civilian	A	A	A	A
<b>Barber/Hairdresser</b>				
Barber/Hairdresser (not working from home)	A	A	B	BB
<b>Clothing Industry</b>				
Clothing/Fashion Designer, qualified – not based at home	A	A	A	A
Clothing/Fashion Designer: Unqualified	A	A	C	C5
<b>Coach (sports)</b>				
Swimming – full time, with multiple clients/squads	A	A	B	B5
Tennis – full time, with multiple clients/squads	A	A	B	B5
<b>Department Store Staff</b>				
Deliveries	A	A	C	C5
<b>Farming Industry (proprietor/owner/manager)</b>				
Farmer/Grazier owner	A	A	C	C5
<b>Film Industry</b>				
<b>Non-Studio</b>				
Cameraman (on location – Australia only)	A	A	B	B
<b>Nurse</b>				
Unit Managers (no manual duties)	A	A	A	A
<b>Poultry Farmer</b>				
Other than manager	A	A	C	C5
<b>Scaffold worker</b>				
Up to 10 metres	A	A	C	C2
<b>Shop Assistant/Keeper (sales/managerial duties only)</b>				
Furniture – sales only	A	A	A	A
Video/DVD/Record shop	A	A	A	A
<b>Stock/Station agent</b>				
Manual	A	A	B	B5

# Enhancements to Underwriting Rules

## Takeover Terms

We have broadened the financial limits on takeover terms to make transferring existing external business as easy and straightforward as possible. It may now be possible to takeover life insurance business for your clients up to the following sum insured amounts:

- Term Life — to age 60 up to \$3 million
- TPD — to age 55 up to \$2 million between 56 to 60 up to \$1 million
- Living — to age 60 up to \$1 million.

We have introduced takeover applications for IP, subject to a maximum benefit of \$10,000 per month.

To take advantage of these new limits, your clients need to complete an Application form, a Declaration of Continued Good Health (Takeover) form and supply us with the policy schedule of the existing external cover we will be replacing.

## Increased maximum benefit limits

We have increased our maximum benefit limits to a range of benefit types, including:

- Home Duties benefit limits
- IP monthly benefit limit
- Maximum benefit for TPD
- New 'Multiples of Income' to determine benefit amount for Term Life policies.

### Home Duties benefit limits

With more clients engaging in Home Duties, we have increased the maximum amount of benefit that can be applied for. The following new limits will apply:

Benefit	Limit
Term Life	\$2 million (justification <sup>1</sup> for any amount over \$1 million)
TPD	\$1.5 million (justification <sup>1</sup> for any amount over \$1 million)
Living	\$750,000

### Income Protection monthly benefit

The maximum monthly benefit for IP has also been increased. It is now possible to apply for cover as follows:

Insurable income	Max % covered
Up to \$320,000	75%
From \$320,001 to \$560,000	\$20,000 + 50% of excess > \$320,000

### Maximum benefit for TPD

The maximum benefit available for clients applying for TPD cover has been increased to \$5 million. The Activities of Daily Living Definition<sup>1</sup> will apply to any sum insured over \$3 million. Each of these applications will be subject to assessment by the reinsurer.

### New Multiples of Income to determine benefit amount for Term Life policies

The 'multiples of income' rule used to determine the maximum amount of amount of cover possible for Term Life applications has been improved. The following table reflects the new multiples of income to be used to calculate your clients proposed benefit amount.

Age next birthday	Multiple of Income
Up to 40	25
41 to 45	20
46 to 50	17
51 to 55	14
56 to 60	11
61 to 65	5

The Income referred to in the table above is generally up to \$150,000 per annum. Cover in excess of the amount determined using the table above may be provided, subject to obtaining financial justification from your client.



<sup>1</sup>The Insured Person has a permanent and irreversible inability to perform, without assistance, any two of the Activities of Daily Living.

# Changes to the Insurance Functionality on the DeskTop

We're committed to continually improving your user experience whilst using the Insurance Functionality on the DeskTop. In response to recent adviser feedback and to ensure that we can cover more of your clients quickly and easily, we have made 2 significant changes to our online Quote, Application and Personal Statement software.

- Changes include:
- Introducing reflex (logical) questions
  - Improving navigation.

## Introducing reflex (logical) questions

In order to make getting on-the spot cover more easily for more of your clients, we have introduced reflex (logical) questions to the Insurance Functionality on the DeskTop. Reflex questions ask your clients for additional information, based on the initial information supplied by them in the Personal Statement.

Asking these questions in the Insurance Functionality on the DeskTop enables the system's intelligent online underwriting tool to assess applications and determine at the click of a mouse if cover can be provided without the need for additional underwriting or medical tests.

These underwriting rules were developed in conjunction with the reinsurers and are based on the existing underwriting practices within BT Insurance.

The sections that have had these reflex questions applied to them include:

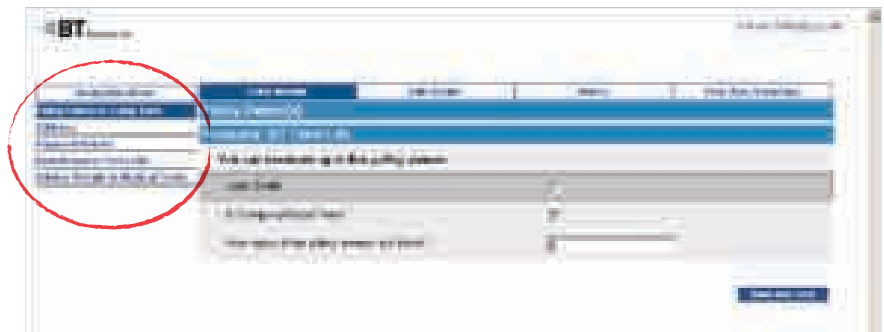
- Travel and Residency
  - *Travel (ie travel to DFAT 1 and 2 countries under 60 days and non work purposes)*
- Insurance and Claims Details
  - *Previous insurance (ie BT/Westpac and Non BT/Westpac without any other referrals)*
- Smoking
- Alcohol
- Detailed Medical History (including mini questionnaires)
  - *High blood pressure*
  - *High cholesterol*
  - *Gout*
  - *Joint Conditions – Strains and Sprains*
  - *Anxiety, Stress, Depression and Panic Attacks*
  - *Cyst or Skin Lesion*
  - *Back and/or Neck Pain, Injury, Strain or Sprain*
  - *Asthma*
  - *Short/Long sighted*
  - *Female*
  - *General (changes to catch all questions).*

Once the Personal Statement has been completed, the system will notify you and your client if the application is approved (receiving conditional cover), or if additional information needs to be supplied and further underwriting is required. Approved applications will receive a conditional letter of cover, which provides cover for them on the spot, the minute they walk out of your office (subject to terms and conditions set out in the letter).

Your client still needs to sign and return the necessary paperwork to us for the Application process to be complete and the policy to go into force.

## New Navigation Menu

We've listened to your feedback and developed a new Navigation Menu in the Insurance Functionality on the DeskTop.

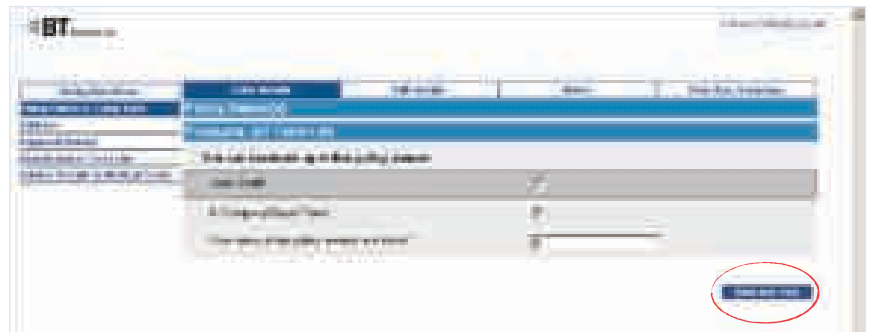


The menu will allow you and your clients to seamlessly move between different sections within the Application and Personal Statement. It's now easy to move forward and backwards between the various areas and complete them as you have the relevant information to supply.

# Changes to the Insurance Functionality on the DeskTop

## Select 'save and next'

In order to ensure you don't lose any information when moving between sections, it is important that you select 'Save and next' before moving to another areas within the Application or Personal Statement.



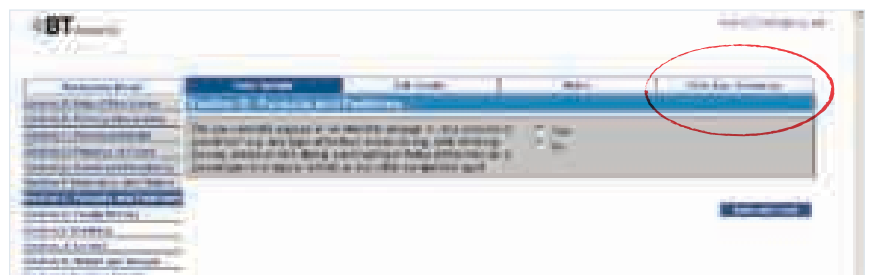
## Completed sections are easy to identify

Once a section has been completed, it will be highlighted in grey to be easily identified. You can go back to completed sections at any time by selecting the relevant section on the navigation menu.



## Move between Application and Personal Statement

You can also move freely between the Application and Personal Statement. To move from the Personal Statement to the Application select 'View App Summary' then select 'Continue'. This will take you to the first unanswered question in the Application.



To return to the Personal Statement select 'View App Summary' then select 'Continue' to take you to the first unanswered question in the Personal Statement.



#### Incomplete Section prompts

You will not need to check every section for completeness; the system will prompt you to complete any outstanding sections.

navigation  
menus

# New Personal Statement, Forms and Questionnaires

To support the changes made in the Insurance Functionality on the DeskTop, we have overhauled the paper-based Personal Statement, Short Form and Questionnaires. These changes mean you will benefit from our new processes even if do not you complete your client's Application on the DeskTop.

## Personal Statement

Our new-look Personal Statement is designed to help improve the speed of your client's Application. The new Personal Statement is comprehensive and details more easily any extra requirements.

Changes to the Personal Statement include:

- Inclusion of reflex questions — where some conditions will ask further questions to rule out common ailments without the need for further questionnaires. These questions cover illness and disorders such as asthma, spine, back or neck pains, strains or disorders, skin lesions, gout, vision impairments, joint problems, and mental health conditions.
- Prompts for new questionnaires — If your client answers positively to the reflex questions, or to the other general medical questions, the Personal Statement will indicate any subsequent questionnaires that your client must complete.

## Forms

### Short Form

The Short Form has been updated with the new medical questions to mirror the full Personal Statement.

### Declaration of Continued Good Health (Reinstatement and Takeover)

The Declaration of Continued Good Health forms have been redesigned for improved ease of use and understanding. The Declaration of Continued Good Health (Takeover) form has also been updated to allow for the improved limits offered under Lump Sum cover and the takeover of IP policies.

## Questionnaires

### Medical

There are new comprehensive Medical questionnaires covering 13 common illnesses. They will reduce underwriting having to request further requirements from your client.

### Pursuits and Pastimes

There are new comprehensive pursuits and pastimes questionnaires covering 10 activities that could be potentially hazardous. They will reduce underwriting having to request further requirements from your client.

### Financial

The IP Financial questionnaire and the Lump Sum Financial questionnaire have been combined into one form to make it easier to complete and to reduce duplication.

**Working from Home**

If your client works from home, they will need to complete the Working from Home questionnaire so that underwriting can establish the nature of the business.

**Need copies?**

The Personal Statement, Forms and Questionnaires can be downloaded from the Forms Page on the Westpac Intranet. Sample copies of each of these new forms have also been supplied with this brochure in your toolkit.

**Adviser Tools**

It is important that you have all the right tools to help you sell Life Insurance. A toolkit has been developed for you to use in the Application process with your clients.

The Toolkit includes:

- Guide to April 2009 enhancements (this brochure)
- Field Underwriting Guide
- Personal Statement, Forms and Questionnaires booklets
- DeskTop Insurance Functionality Quick Reference Guide, which includes tips and tricks for using the new navigation
- Comprehensive DeskTop (Insurance Functionality) User Guides
- Post-it note reminders and checklist for Medicals and Questionnaires your clients will need
- A Handy Hints card for a quick snap shot of the medicals your clients will require
- BMI Tape Measure and BMI wheel.

**Need copies?**

The items in the Toolkit are available from your BDM or from the Wrap Adviser Relations Line on 1300 360 899 to order.



### **For more information**

BT Life Protection Plans come with a wide range of support services available to you. You can:

- Talk to your Business Development Manager
- Call the Wrap Adviser Relations Line on 1300 360 899 and speak to a dedicated consultant about your insurance queries
- Visit the DeskTop for user notices and updates
- Get access to Life Insurance specialists and underwriters to discuss complex issues (this can be organised via the Wrap Adviser Relations Line).

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