



## Product Disclosure Statement



# Life Insurance

### Issue no. 1

- Term Life
- Recovery
- Stand Alone Recovery
- Income Protector
- Income Advantage
- Business Expenses

**Issued** 1 March 2004

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All the information in this PDS is current at the time of issue. We may change or update information from time to time that is not materially adverse by preparing a Product Information Update. You will find Product Information Updates on our website at [www.life.asteron.com.au](http://www.life.asteron.com.au). You can also obtain a printed copy of any Product Information Update, at no cost, by contacting Customer Service using the details on page 2 of this PDS.

# About Asteron

Asteron has a long history of operating in Australasia, with our origins tracing back to 1833 in Australia and 1878 in New Zealand. Asteron is part of the Promina Group, which is listed on the Australian and New Zealand Stock Exchanges.

Our goal is to help people secure their financial future so that they can make the most of every stage of their life. Today, we provide life insurance, superannuation, retirement incomes, financial planning and trustee services to around one million clients in Australia and New Zealand.

At Asteron we combine decades of experience, knowledge and integrity with vision, creativity and vitality for a responsive approach that enables us to put the interests of our clients first, so fostering long lasting and mutually rewarding partnerships.

Our broad range of life insurance products has been designed to protect you, your family and your businesses against the financial impacts of death, sickness or injury.

At the end of 2003, the life insurance portfolio of Asteron in Australia comprised of more than 293,000 policies and \$294 million of in force annual premium.

# About this Product Disclosure Statement

A Product Disclosure Statement (PDS) is an important document that you should consider before deciding whether to buy or keep a financial product.

This PDS contains important information about the following Asteron life insurance products:

- Term Life
- Recovery
- Stand Alone Recovery
- Income Protector
- Income Advantage
- Business Expenses

Asteron Life Limited (Asteron) is the issuer of each of these insurance products.

This PDS also contains important information about the Asteron Life Superannuation Fund (Fund). If you become a member of the Fund, Asteron Portfolio Services Limited (Trustee) will buy a Term Life policy on your behalf. Asteron will pay any benefits under that policy to the Trustee, and the benefit amount will form part of your superannuation entitlements.

Both Asteron and the Trustee take full responsibility for the whole PDS.

## Company details

Asteron Life Limited  
ABN 64 001 698 228  
AFS Licence No. 237903\*  
465 Victoria Avenue Chatswood NSW 2067

Asteron Portfolio Services Limited  
ABN 61 063 427 958  
AFS Licence No. 237905\*  
Level 23 2 Market Street Sydney NSW 2000

\*AFS Licence is effective from 10 March 2004

The obligations of Asteron Life Limited and Asteron Portfolio Services Limited are not guaranteed by any company within the Promina Group.

The policies referred to in this PDS are not savings plans. This means unless the policy is cancelled during the cooling off period, there will be no refund of monies paid up to the date you cancelled. If you have paid premiums beyond the date you cancelled (for example, you pay yearly), a pro-rata refund will apply.

Throughout this PDS where we refer to:

- you or your in the context of death, disablement, a condition or procedure, income, expenses, occupation or age, we are referring to the insured person, who need not be the policy owner;
- we, us or our, we are referring to Asteron Life Limited.

## Cooling off

If you buy one of the products referred to in this PDS, you will have a cooling off period to decide whether the product is suitable for your needs.

Information about the cooling off period can be found on page 63.

## What to do if you have a complaint

Information about what to do if you have a complaint, including the external dispute resolution scheme that is available to you if you are not happy with the way Asteron or the Trustee deals with your complaint or the outcome of the complaint, can be found on page 64.

## Contacting Asteron or the Trustee

You can contact Asteron or the Trustee, via:

- Customer Service  
Locked Bag 5000  
Chatswood NSW 2057
- Ph 1800 221 727 (outside Sydney)  
02 9978 9999
- Fax 02 9978 9798
- E-mail  
life\_customerservice@asteron.com.au
- Web site at [www.life.asteron.com.au](http://www.life.asteron.com.au)

# About Term Life

Because lives depend on it...

An Asteron Term Life policy can't change what has happened but it may help your family become financially secure even if you are not able to be there to do it yourself...

Term Life has a number of benefits and options to cover your personal and business needs as well as the flexibility to tailor an individual package to meet your overall needs.

You should consider this PDS when deciding whether to buy, or keep, the Term Life policy issued by Asteron.

Have you asked yourself what would happen to your loved ones if you:

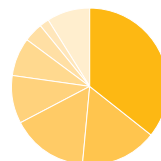
- die?
- become totally and permanently disabled\*? or
- are diagnosed with a terminal illness?

Will they have the financial ability to:

- maintain the family home?
- pay for your children's education?
- meet the rising costs of medical assistance if you become disabled or terminally ill?
- continue any business commitments you may have? or
- pay the costs of your funeral?

During 2003, the common causes of Term Life claims paid by Asteron under our various policies were as follows:

Cancer	36%
Diseases of the circulatory system (eg heart attack and stroke)	16%
Accidents	16%
Total & Permanent Disablement	10%
Diseases of the digestive system (eg renal failure)	7%
Diseases of the respiratory system (eg Asthma)	4%
Diseases of the nervous system and sense organs (eg Motor Neurone Disease)	2%
Other	9%



\* The Total & Permanent Disablement Option is available for an additional premium under Term Life.

## A guide to finding important information about Term Life

Information	What is explained?	Where?
Term Life at a glance	A brief overview of Term Life.	Page 4
Benefits in detail	The policy's in-built benefits.	Pages 5 - 7
Optional benefits in detail	The policy's optional benefits available for an additional premium.	Pages 7 - 11
When we will not pay a benefit	The circumstances in which we will not pay a benefit.	Page 11
When does the policy end	The circumstances in which cover under the policy will end.	Page 11
Term Life through Superannuation	Information about becoming a member of the Asteron Life Superannuation Fund.	Pages 52 - 57
How much will the policy cost	Information about calculating the premium and other charges, premium payment options, and the consequences of not paying premiums.	Pages 58 - 60
Claim requirements	The steps to be taken to claim a benefit.	Page 61
Taxation Impacts	General information about how tax may impact on premiums and benefits.	Page 62
Cooling off period	The period of time in which you can cancel the policy and obtain a refund if the policy does not suit your needs.	Page 63
What to do if you have a complaint	Who to contact if you have a complaint, and the external service you can access if you are not happy with the way your complaint is handled.	Page 64
Our Privacy Statement	Information about how we handle your personal information.	Pages 66 - 67
The duty of disclosure	Outlines information that a person must tell us when applying for the policy and the consequences of failing to do this.	Page 68
How to apply	Information that is important to know about when taking out a policy with us, including the application process and how often we will communicate with you.	Page 69
Interim cover	Cover that is available while your application is being assessed.	Pages 70 - 73

sum insured is the amount you apply for and we accept as varied (for example, through increases under the Automatic Increase Benefit or by agreement).

Term Life at a glance

Term Life is designed to pay a lump sum if an insured event occurs, for example, you die or become terminally ill. For an additional premium, optional benefits such as the Total and Permanent Disablement (TPD) Option can be added to the policy.

Term Life provides you with worldwide, 24 hour a day cover. We guarantee that we will not cancel the policy because of a change in your health or occupation, or in the event that you move, travel or become unemployed.

Who can own the policy?

The policy can be taken out on your own life, in which case you are the insured person as well as the policy owner. The policy can also be taken out to insure someone else's life, for example a family member or business partner. In this case, that person is the insured person. The policy owner has the rights of ownership and control of the policy.

If you want any benefit paid under Term Life to form part of your superannuation, a trustee (such as a trustee of a self managed superannuation fund) can buy the Term Life policy on your behalf. In this case, you will be the insured person and the trustee will be the policy owner.

Alternatively, you can become a member of the Asteron Life Superannuation Fund. This means that Asteron Portfolio Services Limited will buy a Term Life policy on your behalf. More information is explained on pages 52 - 57.

Who we pay

If the policy owner has nominated one or more beneficiaries to receive the Death Benefit, then the benefit will be paid in accordance with a valid nomination (explained on page 6).

Otherwise, all payments made by us under the policy (other than the Financial Planning Benefit and the Grief Support Service) will be paid to the policy owner or, if that person has died, his or her legal personal representative, or a person we are authorised to pay under the Life Insurance Act. All benefits will be paid in Australian dollars.

The amount we pay

The amount paid under most benefits and options, for example the Death Benefit, Terminal Illness Benefit and the TPD Option, is called the sum insured.

The maximum TPD Option (explained on page 7), sum insured you can apply for is:

- \$2,500,000 for the Single TPD Payout Benefit; or
- \$1,500,000 for the Double TPD Payout Benefit.

The TPD Benefit sum insured cannot exceed the Death Benefit sum insured.

Premiums

Detailed information about the premium and other charges is explained on pages 58 - 60.

Premiums can be stepped or level.

If stepped premiums apply, the premium will be recalculated (and will usually increase) on each policy anniversary based on your age at that time.

If level premiums apply, the premium is calculated at the start of the policy, based on your age at that time. The premium for any increase in the sum insured is calculated at the start date of the increase, based on your age at that time.

Irrespective of the premium type selected, a policy fee also applies, and the premium rate and policy fee can change (explained on pages 58 - 60).

Age limits

The entry and expiry age limits that apply to this policy are shown in the table below:

	Premium option	Entry ages	Expiry age
Term Life	Stepped Level*	17-74 24-59	99 65
Single TPD Payout^	Stepped Level*	17-59 24-59	99 65
Double TPD Payout**	Stepped Level*	17-59 24-59	65 65

^ Single TPD Payout Benefit will automatically convert to the modified TPD definition on the policy anniversary when you are age 65.

\* Level premiums will automatically convert to stepped premiums on the policy anniversary when you are age 65.

\*\* Double TPD Payout Benefit will automatically convert to Single TPD Payout Benefit on a stepped basis on the policy anniversary when you are age 65.

## What are the benefits and options?

	Term Life	Term Life through the Asteron Life Superannuation Fund
The following in-built benefits are included as indicated and are explained on pages 5 - 7:		
Death and Terminal Illness Benefit	✓	✓
Automatic Increase Benefit	✓	✓
Premium Freeze Option	✓	✓
Financial Planning Benefit	✓	✓
Nominated Beneficiaries	✓	✗
Special Events Increase Benefit	✓	✓
The following in-built benefits are included as indicated and are explained on pages 52 - 57:		
Binding and Non-Binding Nominations	✗	✓
Super Estate Option	✗	✓
For an additional premium, the following optional benefits are available as indicated and are explained on pages 7 - 11:		
Total and Permanent Disablement Option	✓	✓
Business Security Option	✓	✗
Waiver of Premium Option	✓	✓

### Benefits in detail

This section of the PDS sets out the benefits available under Term Life. If you wish to apply to become a member of the Asteron Life Superannuation Fund so that the Trustee of the Fund buys the Term Life policy on your behalf, you will also need to read the information about the Fund on pages 52 - 57.

Benefits are payable if an insured event occurs while cover is in place, except in the circumstances explained on page 11.

Before we pay a benefit, you must meet our claim requirements which are explained on page 61.

#### Death and Terminal Illness Benefit

The Death Benefit sum insured will be paid as a lump sum if you die.

If you become terminally ill, we will advance the Death Benefit up to a maximum of \$2,000,000. Future premiums will be waived for any remaining Death Benefit sum insured.

The Death Benefit sum insured will be reduced by a Single TPD Payout Benefit, if applicable.

#### Automatic Increase Benefit

To help keep cover in line with inflation, the sum insured will increase on each policy anniversary unless the policy owner tells us not to.

The increase in the sum insured will be the greater of the indexation factor and 3%.

Premiums will then be increased to reflect the indexed sum insured.

The Automatic Increase Benefit will not apply if:

- premiums are being waived because we have paid out under the Terminal Illness Benefit or the Double TPD Payout Benefit; or
- the Premium Freeze Option or Business Security Option applies.

#### Premium Freeze Option

The policy owner can tell us to freeze premiums within 30 days of a policy anniversary if they are paying premiums on a stepped basis.

terminally ill means

- in the opinion of a specialist medical practitioner who is a registered doctor; and
- if we require, in the opinion of one of our approved specialist medical practitioners,

your life expectancy is, due to sickness and regardless of any available treatment, not greater than 12 months.

indexation factor is the percentage change in the consumer price index which is:

- the weighted average of the 8 Australian capital cities combined;
- published by the Australian Bureau of Statistics or any body which succeeds it; and
- in respect of the 12 month period finishing on 30 September.

It will be determined at 31 December each year and applied from 1 March in the following year.

This means that future premiums will be fixed at the same amount as the premium immediately before the policy anniversary and the sum insured will usually reduce each year as you get older.

The policy owner can end the premium freeze by contacting us and the premium freeze will end on the next policy anniversary.

### Financial Planning Benefit

If the sum insured has been paid, the recipient of the benefit will be reimbursed up to \$1,500 (in total) in the event they obtain accredited financial planning advice.

If there is more than one recipient of the benefit, each recipient will be entitled to an equal share of the benefit. For example if there were 3 recipients, each recipient would be entitled to receive up to \$500.

The total amount payable is \$1,500 and it is only payable once.

Financial planning advice must be provided by an approved accredited Adviser and the Financial Planning Benefit claimed within 12 months of receiving the payment.

When requesting reimbursement, we will require proof of the advice received and the qualifications of the approved accredited Adviser. We will not reimburse any cost incurred when dealing with the claim or implementation of the financial plan.

Payment of the Financial Planning Benefit does not reduce the amount of any other benefit payable under the policy.

### Grief Support Service

To assist you or your immediate family members come to terms with their reaction to grief which arises from your death or terminal illness, we currently offer a Grief Support Service (explained on page 65).

### Nominated beneficiaries

If you and the policy owner are the same, you can nominate beneficiaries (such as your partner or children) to receive the benefit in the event of your death.

This does not apply if the policy owner owns the policy through a superannuation fund.

A nominated beneficiary must be an individual, a charitable foundation or a company. By validly nominating beneficiaries the possible delays of obtaining probate and administering the estate may be avoided. You can nominate up to 10 beneficiaries and change them at any time before your death.

A change to the nominated beneficiaries will take effect when we have confirmed it in writing. In some circumstances the amount paid to nominated beneficiaries may be subject to court review.

### Special Events Increase Benefit

Certain events in life such as marriage, the birth of a child, or an increase in your salary may have an impact on the need for insurance.

To enable your level of cover to change with your circumstances, the policy owner can exercise the Special Events Increase Benefit.

The benefit is available if you are age 55 or under when applying for the policy.

Special event	Evidence required
You get married.	An Australian Court must recognise the marriage as a legal marriage. We will require a copy of the marriage certificate.
You or your spouse gives birth to, or adopts, a child.	Copy of the birth or adoption certificate which must name you as a parent.
You take out or increase a loan secured over your own real estate or business of at least \$25,000.	Copy of the mortgage and loan documents.
Your annual salary increases by at least \$5,000.	Payslips or letter from your employer confirming the salary increase.
You are a working partner or a working director in a business and you increase your financial interest in the business by at least \$25,000.	Copy of minutes of partners' or directors' meetings confirming the amount and that the change has occurred.
Every 5th policy anniversary, if the policy owner has held the policy continuously since that date.	No evidence is required.



The policy owner can increase the Death Benefit sum insured, without the need for further medical evidence, if any of the special events in the table on the previous page occur to you, and you are age 60 or under when the event occurs.

You cannot increase the TPD Benefit sum insured (if applicable) under the Special Events Increase Benefit.

The benefit does not apply if:

- the policy owner is entitled to make a claim, or a benefit under the policy has been paid;
- the Business Security Option applies; or
- premiums are being waived under the Waiver of Premium Option (explained on pages 10 -11).

The Death Benefit sum insured can only be increased once in any 12 month period under the Special Events Increase Benefit.

<b>Minimum increase per special event</b>	\$25,000
<b>Maximum increase per special event</b>	the lowest of: <ul style="list-style-type: none"> <li>• \$100,000;</li> <li>• 50% of the Death Benefit sum insured at the policy commencement date;</li> <li>• 5 times the increase in your annual salary (if applicable);</li> <li>• the amount of new mortgage or the amount of increase in the mortgage (if applicable); and</li> <li>• the actual amount of increase in the financial interest in the business (if applicable).</li> </ul>
<b>Total increases</b>	Cannot exceed the Death Benefit sum insured at the policy commencement date.

The policy owner can exercise the benefit by applying in writing within:

- 60 days of the special event; or
- 30 days either side of a policy anniversary if the special event occurred within the previous 12 months.

Premiums will be adjusted to reflect the increase in cover.

## Optional benefits in detail

The following optional benefits are available under the policy for an additional premium.

### Total and Permanent Disablement (TPD) Option

The TPD option provides cover in the event that a sickness or injury results in you being totally and permanently disabled. The consequences of such an event are wide and varied, ranging from initial medical costs and financial burden, to the long-term issues of rehabilitation and the future financial security of you and your family.

Within our TPD option you can apply for 1 of 3 different definitions according to your individual needs. The type of coverage provided by each definition will vary, as will the cost.

The 3 types of TPD definition available are:

- modified TPD;
- own occupation TPD; or
- any occupation TPD.

The TPD sum insured applied for cannot exceed the Death Benefit sum insured.

The TPD cover ends if we pay the Terminal Illness Benefit.

#### Modified

If the modified definition of TPD applies, we will consider you to be totally and permanently disabled if:

- you suffer loss of limbs or sight;
- you are constantly and permanently unable to perform at least 2 of the numbered activities of daily living without the physical assistance of someone else (if you can perform the activity on your own by using special equipment we will not treat you as unable to perform that activity); or
- you suffer significant cognitive impairment.

Even if the policy owner has selected either the own occupation or any occupation definition of TPD, the definition will automatically change to the modified definition of TPD if the sickness or injury giving rise to your claim occurs:

sickness is an illness or disease you suffer while cover for the applicable benefit was in force under this policy.

injury means physical injury caused solely and directly by accidental, sudden, violent, external and visible means while cover for the applicable benefit was in force under this policy.

loss of limbs or sight means the total and permanent loss of use of:

- both feet;
- both hands;
- the sight in both eyes (to the extent of 6/60 or less); or
- any combination of two of: a hand, a foot or sight in an eye (to the extent of 6/60 or less).

activities of daily living are:

1. bathing and showering
2. dressing and undressing
3. eating and drinking
4. maintaining continence with a reasonable level of personal hygiene
5. getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or walking aids.

significant cognitive impairment means a permanent deterioration or loss of intellectual capacity that requires you to be under continuous care and supervision by someone else.

Significant cognitive impairment which is directly or indirectly caused by alcohol or drug abuse, is excluded.

unemployed means you are not in regular employment for income.

normal domestic duties are the domestic duties normally performed by a person who remains at home and is not working in regular employment for income, including:

- cleaning the home, doing the washing, shopping for food, cooking meals; and
- when applicable, looking after children.

- after you have permanently retired; or
- after the policy anniversary when you are age 65.

The premium for modified TPD will be lower than if the policy owner selects own occupation or any occupation TPD.

### Own occupation

If the own occupation definition of TPD applies, we will consider you to be totally and permanently disabled if you satisfy one of the modified TPD criteria or:

- you have suffered a sickness or injury while working in regular employment for income, or while unemployed for less than 6 months, and:
  - you have been absent from and unable to work because of the sickness or injury for a continuous period of at least 6 months; and
  - we believe, after consideration of medical and any other evidence, that you are incapacitated to such an extent that you are unlikely ever to be able to work again in the occupation in which you were last engaged before becoming unable to work.

If, you have been unemployed for more than 6 months immediately before suffering a sickness or injury, we will consider you to be totally and permanently disabled if:

- you have been absent from and unable to work because of the sickness or injury for a continuous period of at least 6 months; and
- we believe, after consideration of medical and any other evidence, that you are incapacitated to such an extent that you are unlikely ever to be able to work again in any occupation for which you are reasonably suited by education, training or experience which would pay remuneration at a rate greater than 25% of your earnings during your last 12 months of work.

### Any occupation

If the any occupation definition of TPD applies, we will consider you to be totally and permanently disabled if you satisfy one of the modified TPD criteria or:

- you have suffered a sickness or injury;
- you have been absent from and unable to work because of the sickness or injury for a continuous period of at least 6 months; and
- we believe, after consideration of medical and any other evidence, that you are incapacitated to such an extent that you are unlikely ever to be able to work again in any occupation for which you are reasonably suited by education, training or experience which would pay remuneration at a rate greater than 25% of your earnings during your last 12 months of work.

In recognition of the unique duties performed by people who remain at home full-time within both our own occupation or any occupation definition of TPD, we have a specific Home-maker definition.

### Home-maker

You are a home-maker if you have been engaged full-time in normal domestic duties in your own residence for more than 6 months.

We will consider you to be totally and permanently disabled if:

- you have suffered a sickness or injury;
- you are unable to engage in any normal domestic duties because of the sickness or injury for a continuous period of at least 6 months; and
- we believe, after consideration of medical and any other evidence, that you are incapacitated to such an extent that you are unlikely ever to be able to:
  - perform normal domestic duties; or
  - engage in any occupation for which you are reasonably suited by education, training or experience.

Irrespective of which TPD definition applies to the policy, no payment will be made if total and permanent disablement is directly or indirectly caused by a self-inflicted act, whether sane or insane.

### The amount we pay

The amount paid under the TPD Option is called the TPD Benefit sum insured, and it is paid once as a lump sum.

### What types of TPD Benefit are available?

There are 2 types of TPD Benefit available:

- Single TPD Payout; and
- Double TPD Payout.

#### – Single TPD Payout

If the Single TPD Payout Benefit applies, when we pay the TPD sum insured, the Death Benefit sum insured is reduced by the amount paid.

If the Death Benefit sum insured is reduced to nil, cover will end. Otherwise, the balance of the Death Benefit sum insured is payable if you die or become terminally ill.

Premiums will be reduced to reflect the reduced Death Benefit sum insured.

### Buy Back Option

If the Single TPD Payout benefit has been paid, the policy owner can effect a new Term Life policy (death and terminal illness cover only) without medical evidence. The new sum insured will be equal to the TPD sum insured paid. The policy owner can do this if the TPD sum insured was paid before the policy anniversary when you are age 65.

The option is only exercisable 12 months after the Single TPD Payout Benefit was paid, within 30 days of the anniversary.

We will notify the policy owner when the Buy Back Option is available.

#### – Double TPD Payout

If the Double TPD Payout Benefit applies, when we pay the TPD sum insured, the Death Benefit sum insured will not be reduced and all future premiums for the Death Benefit sum insured will be waived for the life of the policy.

The Double TPD Payout Benefit expires on the policy anniversary when you are age 65. Your TPD cover will then convert to the Single TPD Payout Benefit with modified TPD. The premium will be recalculated based on our rates for Single TPD Payout Benefit, with modified TPD.

We will notify the policy owner when this conversion takes place.

The Double TPD Payout Benefit is not available if the Business Security Option applies to the policy.

### Business Security Option

**The Business Security Option is not available if the policy is owned through a superannuation fund.**

The Business Security Option allows the policy owner to increase the Death Benefit sum insured or TPD Benefit sum insured for business purposes only (for example, loan cover, buy/sell purposes, key person or partnership insurance), without having to provide further medical evidence at the time of exercising the increase. Appropriate financial evidence will, however, need to be supplied at the time of the increase. This option is not available if you are buying a policy for personal cover purposes only.

The Business Security Option is available if you are age 55 or under when applying for the policy and the Death Benefit sum insured at the policy commencement date is at least \$250,000.

### Maximum increase on Business Security Option

The maximum the sum insured can be increased to under the Business Security Option is:

- for the Death Benefit sum insured, the lower of up to 3 times the sum insured at the policy commencement date and \$10,000,000; and
- for the TPD Benefit sum insured (if it applies), the lower of up to 3 times the sum insured at the policy commencement date and \$2,000,000.

For example, if your original Death Benefit sum insured is \$500,000, the maximum total Death Benefit sum insured will be \$1,500,000.

One increase can be made every 12 months by the policy owner. The reason for the change and the financial evidence required to substantiate the change must be consistent with that adopted when the Business Security Option was applied for.

accidental death means death solely and directly caused by injury.

accidental total and permanent disablement means total and permanent disablement caused solely and directly by injury.

The increase must not exceed the increase in value of the associated business purpose.

If the TPD Benefit sum insured is being increased, the Death Benefit sum insured must be increased by at least the same amount.

If the increase in cover is related to a loan, for the first 6 months after the cover for the increase starts, the increase is only payable in the event of your accidental death or accidental total and permanent disablement (if applicable).

Premiums will be adjusted to reflect the increase in cover.

### **Varied terms on the Business Security Option**

If the Business Security Option applies the following revised terms apply:

- the Automatic Increase Benefit does not apply but will apply on the first policy anniversary after expiry or cancellation of the Business Security Option; and
- the Special Events Increase Benefit, Financial Planning Benefit, Buy Back Option on TPD, Double TPD Payout Benefit, and the Waiver of Premium Option do not apply.

### **When does the option end?**

The Business Security Option will expire on the earliest of the following:

- when the maximum increase limit for the Death Benefit sum insured has been reached;
- when you are entitled to make a claim or we have paid a claim;
- the policy anniversary 3 years after the later of the last increase or reduction in the Death Benefit sum insured which you requested and we approved; and
- the policy anniversary when you are age 60.

### **Waiver of Premium Option**

If you are disabled for an extended period of time, you may find it difficult to meet your financial responsibilities. Purchasing the Waiver of Premium Option may assist in easing this burden.

The Waiver of Premium Option is available if you are age 59 or under when applying for the policy.

The premiums for any period while you are disabled and covered for this option, will be waived, provided you have been continuously disabled for the previous 6 months.

You are disabled if:

- you suffer a sickness or injury; and
- we believe that you are unable to work because of that sickness or injury in any occupation for which you are reasonably suited by education, training or experience.

If you suffer sickness or injury while you have been engaged full-time in normal domestic duties in your own residence, to determine if you are disabled, normal domestic duties is regarded as an occupation for which you are reasonably suited.

Premiums must be paid for the first 6 months while you are disabled, but will be refunded if the Waiver of Premium claim is accepted.

If your disability is directly or indirectly caused by a self-inflicted act, whether sane or insane, the premiums will not be waived.

### **Automatic increases while waiving premiums**

If premiums are being waived because you are disabled, we will continue to make annual increases to the Death Benefit sum insured and TPD Benefit sum insured under the Automatic Increase Benefit.

### **Recurring Disablement**

If you become disabled from the same or related cause within 6 months of a previous claim ending, we will recommence waiving premiums without requiring you to be disabled for a period of 6 months.

### **Recommencement of Premiums**

Payment of premiums must recommence on the earliest of when you stop being disabled or on the policy anniversary when you are age 65.

### **When does the option end?**

Cover under the Waiver of Premium Option will end on the policy anniversary when you are age 65.

### **When does the policy end**

All cover ends on the earliest of:

- the date we receive the policy owner's written request to cancel the policy;
- cancellation of the policy as a result of non-payment of the premium;
- reduction of the Death Benefit sum insured to nil following a payment under the Terminal Illness Benefit, or Single Payout TPD Benefit;
- the policy anniversary when you are age 99; and
- your death.

### **When we will not pay a benefit**

The Death Benefit will not be paid if it is caused directly or indirectly by a self-inflicted act, whether sane or insane, within 13 months of:

- the policy commencement date;
- an increase to the sum insured (in respect of the increased portion only); or
- the most recent reinstatement of the policy.

This exclusion does not apply if:

- the death cover under a policy replaces death cover on your life that has been continuously in place longer than 13 months (but only up to the amount insured under the policy being replaced); or
- before you die, there was a registered assignment of the policy to another person or company as part of a genuine business or genuine loan transaction entered into in good faith.

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# About Trauma

Because good health isn't guaranteed.....

An Asteron Recovery or Stand Alone Recovery policy can assist you when you least expect it - you don't plan on suffering from a traumatic event, but unfortunately these things do happen...

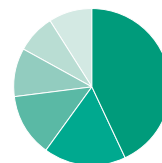
Recovery and Stand Alone Recovery have a number of benefits and options to give you the confidence and the peace of mind of knowing that if you suffer from a listed traumatic event, you will have assistance in meeting your financial responsibilities.

You should consider this PDS when deciding whether to buy, or keep, the Recovery or Stand Alone Recovery policies issued by Asteron.

Being diagnosed with a serious medical condition is enough to worry about without having to think about how you and your family will afford rising medical costs as well as your other day to day expenses, especially if you are not working.

During 2003, the common causes of trauma claims paid by Asteron under our various trauma policies were as follows:

Cancer	43%
Diseases of the circulatory system (eg heart attack and stroke)	17%
Total & Permanent Disablement	13%
Death	10%
Diseases of the nervous system and sense organs (eg Motor Neurone Disease)	8%
Other	9%



## A guide to finding important information about Recovery and Stand Alone Recovery

Information	What is explained?	Where?
Recovery and Stand Alone Recovery at a glance	A brief overview of Recovery and Stand Alone Recovery.	Pages 14 - 15
Benefits in detail	Each policy's in-built benefits.	Pages 16 - 20
Optional benefits in detail	Each policy's optional benefits available for an additional premium.	Pages 20 - 22
When we will not pay a benefit	The circumstances in which we will not pay a benefit.	Pages 22 - 23
When does the policy end	The circumstances in which cover under the policy will end.	Page 23
How much will the policy cost	Information about calculating the premium and other charges, premium payment options, and the consequences of not paying premiums.	Pages 58 - 60
Claim requirements	The steps to be taken to claim a benefit.	Page 61
Taxation Impacts	General information about how tax may impact on premiums and benefits.	Page 62
Cooling off period	The period of time in which you can cancel the policy and obtain a refund if the policy does not suit your needs.	Page 63
What to do if you have a complaint	Who to contact if you have a complaint, and the external service you can access if you are not happy with the way your complaint is handled.	Page 64
Our Privacy Statement	Information about how we handle your personal information.	Pages 66 - 67
The duty of disclosure	Outlines information that a person must tell us when applying for the policy and the consequences of failing to do this.	Page 68
How to apply	Information that is important to know about when taking out a policy with us, including the application process and how often we will communicate with you.	Page 69
Interim cover	Cover that is available while your application is being assessed.	Pages 70 - 73
Glossary	Definitions of the conditions and procedures listed under both policies.	Pages 74 - 77

sum insured is the amount you apply for and we accept as varied (for example, through increases under the Automatic Increase Benefit or by agreement).

Recovery and Stand Alone Recovery at a glance

There are important differences between Recovery and Stand Alone Recovery and these are explained in the rest of this section.

Recovery and Stand Alone Recovery are designed to pay a lump sum if an insured event occurs, for example, you are diagnosed with a listed condition. For an additional premium, optional benefits such as the Child Recovery Option, can be added to either policy.

Recovery and Stand Alone Recovery provide you with worldwide, 24 hour a day cover. We guarantee that we will not cancel the policy because of a change in your health or occupation or in the event that you move, travel or become unemployed.

Who can own the policy?

These policies can be taken out on your own life, in which case you are the insured person as well as the policy owner. The policies can also be taken out to insure someone else's life, for example, a family member or business partner. In this case, that person is the insured person. The policy owner has the rights of ownership and control of the policy.

The policies cannot be purchased through a superannuation fund.

Who we pay

If the policy owner has nominated one or more beneficiaries to receive a benefit in the event that you die, then the benefit will be paid in accordance with a valid nomination (explained on page 19).

Otherwise, all payments made by us under the policy (other than the Financial Planning Benefit and the Grief Support Service) will be paid to the policy owner or, if that person has died, his or her legal personal representative, or a person we are authorised to pay under the Life Insurance Act. All benefits will be paid in Australian dollars.

The amount we pay

The amount paid under most benefits and options, for example the Recovery Benefit, is called the sum insured.

The minimum sum insured amount is \$10,000 and the maximum sum insured at the policy commencement date is \$1,500,000.

Premiums

Detailed information about the premium and other charges is explained on pages 58 - 60.

Premiums can be stepped or level.

If stepped premiums apply, the premiums will be recalculated (and will usually increase) on each policy anniversary based on your age at that time.

If level premiums apply, the premiums is calculated at the start of the policy, based on your age at that time. The premium for any increase in the sum insured is calculated at the start date of the increase, based on your age at that time.

Irrespective of the premium type selected, a policy fee also applies, and the premium rate and policy fee can change (explained on pages 58 - 60)

Age limits

The entry and expiry age limits that apply to these policies are shown in the table below:

	Premium option	Entry ages	Expiry age
Recovery and Stand Alone Recovery	Stepped Level*	20-59 24-59	70 65
Child Recovery		2-20	21

\* Level premiums will automatically convert to stepped premiums on the policy anniversary when you are age 65.



## What are the benefits and options?

	Recovery	Stand Alone Recovery
The following in-built benefits are included in either policy as indicated and are explained on pages 16 - 20:		
Recovery Benefit	✓	✓ payable if you survive at least 14 days
Death Benefit	✓	✗
Terminal Illness Benefit	✓	✗
Partial Recovery Benefit	✓	✓ payable if you survive at least 14 days
Limited Death Benefit	✗	✓
Automatic Increase Benefit	✓	✓
Premium Freeze Option	✓	✓
Buy Back Option	✓	✗
Term Life Conversion	✓	✗
Financial Planning Benefit	✓	✓
Future Cover Benefit	✗	✓
Nominated Beneficiaries	✓	✓
Recovery Increase Benefit	✓	✓
For an additional premium, the following optional benefits are available to either policy as indicated and are explained on pages 20 - 22:		
Additional Term and TPD	✓	✗
Double Recovery Option	✓	✗
Child Recovery Option	✓	✓
Waiver of Premium Option	✓	✓

Benefits in detail

This section of the PDS sets out the benefits available under Recovery and Stand Alone Recovery.

Benefits are payable if an insured event occurs while cover is in place, except in the circumstances, explained on pages 22 - 23.

Before we pay a benefit, you must meet our claim requirements, which are explained on page 61.

Recovery Benefit

There are important differences under this benefit between Recovery and Stand Alone Recovery.

Recovery	Stand Alone Recovery
<p>The Recovery Benefit sum insured will be paid as a lump sum once only if, you:</p> <ul style="list-style-type: none"><li>die;</li><li>suffer a terminal illness (defined on page 77);</li><li>are diagnosed as having one of the listed conditions on this page;</li><li>undergo one of the listed procedures on this page; or</li><li>become totally and permanently disabled (whether or not you are totally and permanently disabled is explained on pages 7 - 8).</li></ul>	<p>The Recovery Benefit sum insured will be paid once as a lump sum only if, you:</p> <ul style="list-style-type: none"><li>are diagnosed as having one of the listed conditions on this page and survive at least 14 days;</li><li>undergo one of the listed procedures on this page and survive at least 14 days; or</li><li>become totally and permanently disabled (whether or not you are totally and permanently disabled is explained on pages 7 - 8).</li></ul>

The conditions and procedures listed under these policies are as follows:

- blindness
- cancer\*
- cardiomyopathy
- chronic kidney (renal) failure
- coma
- coronary artery angioplasty – triple vessel\*
- coronary artery surgery\*
- deafness
- dementia
- heart attack\*
- heart surgery (open)\*
- HIV – medically acquired
- HIV – occupationally acquired
- intensive care

- intracranial benign tumour
- loss of speech
- major head trauma
- major organ transplant
- Motor Neurone Disease
- Multiple Sclerosis
- paralysis
- Parkinson’s Disease
- repair or replacement of aorta\*
- repair or replacement of valves\*
- severe burns
- stroke\*

These conditions and procedures are defined on pages 74 - 77.

Unless you are applying for the policy as a replacement policy, cover does not start for conditions or procedures marked \* until the date 3 months after:

- the policy commencement date; or
- an increase to the sum insured (in respect of the increased portion only); or
- the most recent reinstatement of the policy.

This means that:

- the cancer must be first diagnosed;
- the heart attack or stroke must first occur; or
- the disease or condition which the coronary artery angioplasty – triple vessel, coronary artery surgery, heart surgery (open), repair or replacement of aorta, or repair or replacement of valves, as the case may be, is intended to address, must be first diagnosed,

after cover for that condition or procedure (or increase in the sum insured in respect of the increased portion) starts.

Unless you are applying for the policy as a replacement policy, cover does not start for coronary artery angioplasty until the date 3 months after:

- the policy commencement date; or
- an increase to the sum insured (in respect of the increased portion only); or
- the most recent reinstatement of the policy.

This means that the disease or condition which the coronary artery angioplasty is intended to address must first be diagnosed after cover (or increase in the sum insured in respect of the increased portion) for coronary artery angioplasty starts.

replacement policy means this policy is effected to replace a previous policy on your life which:

- has been in force for at least 3 months before the policy commencement date; and
- included a benefit which offers the same or similar terms as our Recovery Benefit and for a sum insured which is the same or greater than the sum insured under this policy.

For coronary artery angioplasty the benefit will be paid for:

- the first coronary artery angioplasty procedure to occur after the cover for this procedure starts; and
- each subsequent coronary artery angioplasty procedure to occur at least 6 months after the previous coronary artery angioplasty procedure.

### Partial Recovery Benefit

A Partial Recovery Benefit will be paid if you:

- undergo coronary artery angioplasty;
- suffer a serious accidental injury; or
- suffer a single loss of limb or eye.

These conditions and procedure are defined on pages 74 - 77.

If you choose Stand Alone Recovery, the Partial Recovery Benefit will only be paid if you survive at least 14 days after the occurrence of the listed conditions or procedure above.

The amount paid will be the greater of:

- 10% of the Recovery Benefit sum insured; and
- \$10,000.

The benefit will be paid once only for serious accidental injury and once only for single loss of limb or eye.

The Recovery Benefit sum insured will be reduced by each payment made under the Partial Recovery Benefit and your premiums will be recalculated based on the reduced sum insured.

### Limited Death Benefit

**This benefit only applies to Stand Alone Recovery.**

If you die and the Recovery Benefit is not payable, we will pay the Limited Death Benefit.

The amount paid is \$10,000.

### Automatic Increase Benefit

To help keep cover in line with inflation, the Recovery Benefit sum insured will increase on each policy anniversary unless the policy owner tells us not to.

The increase in the sum insured will be the greater of the indexation factor and 3%.

indexation factor is the percentage change in the consumer price index which is:

- the weighted average of the 8 Australian capital cities combined;
- published by the Australian Bureau of Statistics or any body which succeeds it; and
- in respect of the 12 month period finishing on 30 September.

It will be determined at 31 December each year and applied from 1 March in the following year.

Premiums will then be increased to reflect the indexed sum insured.

The Automatic Increase Benefit will not apply if:

- the Premium Freeze Option applies; or
- the Double Recovery Option applies and we have made a payment under the option.

### Premium Freeze Option

The policy owner can tell us to freeze premiums within 30 days of a policy anniversary if they are paying premiums on a stepped basis.

This means that future premiums will be fixed at the same amount as the premium immediately before the policy anniversary and the sum insured will usually reduce each year as you get older.

The policy owner can end the premium freeze by contacting us and the premium freeze will end on the next policy anniversary.

### Buy Back Option

**This option only applies to Recovery.**

This option allows the policy owner to purchase a new policy covering death and terminal illness after payment of the Recovery Benefit (other than for death and terminal illness), without further medical evidence. The new policy can have a sum insured equal to the Recovery Benefit payment.

The option can be exercised:

- if the Recovery Benefit was paid before the policy anniversary when you are age 65;
- 12 months after we have made the payment; and
- within 30 days of the claim anniversary.

We will notify the policy owner when the option is available.

The Buy Back Option does not apply if the Double Recovery Option applies.

### Term Life Conversion

**This benefit only applies to Recovery.**

Provided the Recovery Benefit has not been paid, the policy owner can request in writing to convert the policy to Term Life.

If the Recovery policy includes TPD, the new policy can include the Single TPD Payout Benefit and the definition of total and permanent disablement under the new policy will be equivalent of that applicable under the Recovery policy at the time of conversion.

To convert to the new Term Life, the Recovery policy must be cancelled. The terms and premiums payable on the Term Life policy will be based on those offered to our Term Life policies at that time.

The sum insured for Term Life will be the Recovery Benefit sum insured at the time of conversion.

Recovery will automatically convert to Term Life on the policy anniversary when you are age 70.

### Financial Planning Benefit

If the Recovery Benefit sum insured has been paid, the recipient of the benefit will be reimbursed up to \$1,500 (in total) in the event they obtain accredited financial planning advice.

If there is more than one recipient of the benefit, each recipient will be entitled to an equal share of the benefit.

For example if there were 3 recipients each recipient would be entitled to up to \$500.

The total amount payable is \$1,500 and it is only payable once.

Financial planning advice must be provided by an approved accredited Adviser and the Financial Planning Benefit claimed within 12 months of receiving the payment.

When requesting reimbursement, we will require proof of the advice received and the qualifications of the approved accredited Adviser. We will not reimburse any cost incurred when dealing with the claim or implementation of the financial plan.

Payment of the Financial Planning Benefit does not reduce the amount of any other benefit payable under the policy.

### Future Cover Benefit

This benefit only applies to Stand Alone Recovery.

If the Recovery Benefit has not been paid before the policy anniversary when you are age 70, the policy will automatically convert to Term Life with death and terminal illness cover.

The sum insured for Term Life will be the lesser of:

- the sum insured at the expiry date; and
- \$50,000.

If the Stand Alone Recovery policy includes TPD, the new policy can include the Single TPD Payout Benefit modified definition.

The terms and premiums payable on the Term Life policy will be based on those offered to our Term Life policies at that time.

### Grief Support Service

To assist you or your immediate family members come to terms with their reaction to grief which arises from your death or your traumatic event, we currently offer a Grief Support Service (explained on page 65).

### Nominated beneficiaries

If you and the policy owner are the same, you can nominate other beneficiaries (such as your partner or children) to receive the benefit in the event of your death.

A nominated beneficiary must be an individual, a charitable foundation or a company. By validly nominating beneficiaries the possible delays of obtaining probate and administering the estate may be avoided. You can nominate up to 10 beneficiaries and change them at any time before your death.

A change to the nominated beneficiaries will take effect when we have confirmed it in writing. In some circumstances the amount paid to nominated beneficiaries may be subject to court review.

### Recovery Increase Benefit

Certain events in life such as marriage, the birth of a child or an increase in your mortgage may have an impact on the need for insurance.

To enable your level of cover to change with your circumstances, the policy owner can exercise the Recovery Increase Benefit.

The benefit is available if you are age 55 or under when applying for the policy.

The policy owner can increase the Recovery Benefit sum insured, without the need for further medical evidence, if any of the recovery increase events in the table below occur to you, and you are age 60 or under when the event occurs.

Increase event	Evidence required
You get married.	An Australian Court must recognise the marriage as a legal marriage. We will require a copy of the marriage certificate.
You or your spouse gives birth to, or adopts, a child.	Copy of the birth or adoption certificate which must name you as a parent.
You take out or increase a loan secured over your own real estate or business of at least \$25,000.	Copy of the mortgage and loan documents.
Your annual salary increases by at least \$5,000.	Payslips or letter from your employer confirming the salary increase.
Every 5th policy anniversary if the policy owner has held the policy continuously since that date.	No evidence is required.

The benefit does not apply if:

- the policy owner is entitled to make a claim, or a benefit under the policy has been paid; or
- premiums are being waived under the Waiver of Premium Option (explained on pages 21 - 22).

The Recovery Benefit sum insured can be increased once only in any 12 month period under the Recovery Increase Benefit.

Maximum increase per event	the lower of: <ul style="list-style-type: none"><li>• the sum insured at the policy commencement date; and</li><li>• \$25,000.</li></ul>
Total increases	Cannot exceed the Recovery Benefit sum insured at the policy commencement date.

The policy owner can exercise the benefit by applying in writing within:

- 60 days of the recovery increase event; or
- 30 days either side of a policy anniversary if the recovery increase event occurred within the previous 12 months.

Premiums will be adjusted to reflect the increase in cover.

Optional benefits in detail

The following optional benefits are available under the policies for an additional premium.

Additional Term Life

This option only applies to Recovery.

You can purchase extra Term Life and total and permanent disablement cover to 'top up' Recovery by taking Additional Term Life. This will provide extra financial security in the event of death or TPD. The premiums, benefits and other details will be based on those offered under the Term Life policy (explained on pages 3 - 11) except that the Grief Support Service, Financial Planning benefit and Business Security Option do not apply to Additional Term Life. A second policy fee will not apply to the Additional Term Life if purchased.

Double Recovery Option

This option only applies to Recovery.

If the Double Recovery Option applies, and we have paid the Recovery Benefit (other than for death or terminal illness), rather than having to wait 12 months to buy back your death and terminal illness cover, we will reinstate this cover if you are alive and 14 days have passed since:

- you were first diagnosed with the condition listed on page 16; or
- you underwent the procedure listed on page 16; or
- the benefit due to your total and permanent disablement was paid.

We will reinstate the sum insured for death and terminal illness cover, and waive your premiums for the life of the policy.

The following revised terms will apply to the reinstated cover:

- cover will expire on the policy anniversary when you are age 99;
- all premiums payable will be waived; and
- the sum insured cannot be increased.

When does the option end?

Cover under the Double Recovery Option will end on the policy anniversary when you are age 65.

Child Recovery Option

You can apply for cover between \$10,000 and \$100,000 per child. The sum insured must be in multiples of \$10,000.

Child Recovery Benefit

If the Child Recovery Option applies, the Child Recovery sum insured will be paid in the event the insured child:

- dies;
- suffers a terminal illness; or
- suffers one of the following conditions or undergoes one of the following procedures:
  - blindness
  - brain damage

- cancer\*
- cardiomyopathy
- chronic kidney (renal) failure
- deafness
- encephalitis
- intensive care
- intracranial benign tumour
- loss of limbs or sight
- loss of speech
- major head trauma
- major organ transplant
- meningitis
- paralysis
- severe burns
- stroke\*

These conditions and procedures are defined on pages 74 - 77.

Unless you are applying for the policy as a replacement policy, cover does not start for the insured child under this option for conditions marked \* until the date 3 months after:

- the policy commencement date; or
- an increase to the sum insured (in respect of the increased portion only); or
- the most recent reinstatement of the policy.

This means that:

- the cancer must be first diagnosed; or
- the stroke must first occur,

after cover for that condition (or increase in the sum insured in respect of the increased portion) starts.

We will pay the total Child Recovery sum insured only once for an insured child.

The Automatic Increase Benefit and Recovery Increase Benefit do not apply to the Child Recovery Option.

### Partial Child Recovery Benefit

We will pay \$10,000 if the insured child suffers:

- a serious accidental injury; or
- single loss of limb or eye.

This benefit is paid once only in respect of each condition for each insured child.

The Child Recovery sum insured will be reduced by the amount paid under this benefit and the premium will change accordingly.

### New policy option

Cover will end on the policy anniversary when the insured child is age 21. At this time, the policy owner can continue their cover under a Recovery policy with modified total and permanent disability cover. The new cover will be provided by the policy we believe, at the time, is most like the current Recovery policy.

If the new policy is for the same or a lesser amount of cover than the original policy, you will not need to provide any medical evidence.

The policy owner must apply and pay the first premium within 30 days of the expiry date of the Child Recovery Option.

### When does the option end?

Cover for an insured child will end on the earliest of:

- when the Child Recovery sum insured is paid in full for that insured child;
- the policy anniversary when the insured child is age 21;
- the date cover under the policy ends (explained on page 23); and
- the insured child dies.

### Waiver of Premium Option

If you are disabled for an extended period of time, you may find it difficult to meet your financial responsibilities. Purchasing the Waiver of Premium Option may assist in easing this burden.

The Waiver of Premium Option is available if you are age 59 or under when applying for the policy.

replacement policy means this policy is effected to replace a previous policy on the life of the insured child which:

- has been in force for at least 3 months before the policy commencement date; and
- included a benefit which offers the same or similar terms as the Child Recovery Option and for a sum insured which is the same or greater than the Child Recovery sum insured under this policy.

sickness is an illness or disease you suffer while cover for the applicable benefit was in force under this policy.

injury means physical injury caused solely and directly by accidental, sudden, violent, external and visible means while cover for the applicable benefit was in force under this policy.

If this option is chosen, the premiums for any period while you are disabled will be waived, provided you have been continuously disabled for the previous 6 months.

You are disabled if:

- you suffer a sickness or injury; and
- we believe that you are unable to work because of that sickness or injury in any occupation for which you are reasonably suited by education, training or experience.

If you suffer sickness or injury while you have been engaged full-time in normal domestic duties in your own residence then, to determine if you are disabled, normal domestic duties is regarded as an occupation for which you are reasonably suited.

Premiums must be paid for the first 6 months while you are disabled, but will be refunded if the Waiver of Premium claim is accepted.

If your disability is directly or indirectly caused by a self-inflicted act, whether sane or insane, the premium will not be waived.

Automatic increases while waiving premiums

If premiums are being waived because you are disabled, we will continue to make annual increases to the Recovery Benefit sum insured under the Automatic Increase Benefit.

Recurring disablement

If you become disabled from the same or related cause within 6 months of a previous claim ending, we will recommence waiving premiums without requiring you to be continuously disabled for a period of 6 months.

Recommencement of premiums

Payment of premiums must recommence on the earliest of when you stop being disabled or on the policy anniversary when you are age 65.

When does the option end?

Cover under the Waiver of Premium Option will end on the policy anniversary when you are age 65.

When we will not pay a benefit

A benefit will not be paid:

- if the event (excluding death) giving rise to the claim was caused, directly or indirectly, by a self-inflicted act, whether sane or insane;
- in the case of an insured child, if the event giving rise to the claim (including death) was caused, directly or indirectly, by:
  - a congenital condition;
  - the intentional act of the insured child’s parent or guardian; or
  - someone who lives with or supervises the insured child.

When a death benefit will not be paid

A benefit on death will not be paid if it is caused directly or indirectly by a self-inflicted act, whether sane or insane, within 13 months of:

- the policy commencement date ;
- an increase to the sum insured (in respect of the increased portion only); or
- the most recent reinstatement of the policy.

This exclusion will not apply if:

- the death cover provided under a policy replaces death cover on your life that has been in place longer than 13 months (but only up to the amount insured under the policy being replaced); or
- before you die there was a registered assignment of the policy to another person or company as part of a genuine business or genuine loan transaction entered into in good faith.



Cover for the Recovery Benefit will not apply to:

- HIV - medically acquired, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the medical procedure giving rise to the claim; and
- HIV - occupationally acquired, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the accident or malicious act giving rise to the claim.

### **When does the policy end**

All cover ends on the earliest of:

- the date we receive the policy owner's written request to cancel the policy;
- cancellation of the policy for non-payment of the premium;
- full payment of the sum insured for the Recovery Benefit;
- the policy anniversary when you are age 70; and
- your death.

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# About Income Protection

Because the unexpected can happen...

An Asteron income protection policy doesn't replace your entire income, however, it can help you to concentrate on getting back to work...

Income Protector & Income Advantage have a number of benefits and options enabling you to tailor the products to suit your needs. Our policies are designed to replace up to 75% of your income if you are unable to work due to sickness or injury.

You should consider this PDS when deciding whether to buy, or keep, the Income Protector or Income Advantage policies issued by Asteron.

Did you know that your income is probably your most valuable asset?

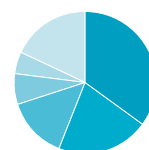
Everything depends on your ability to earn a regular income:

- your mortgage or rent;
- your bills;
- your children's education; and
- food and clothing.

What will happen if you are unable to work because you are sick or injured? How are you going to make ends meet on top of any medical expenses you may have as a result of your sickness or injury?

During 2003, the common causes of income protection claims paid by Asteron under our various policies were as follows:

Accidents	35%
Diseases of the musculoskeletal system and connective tissue (eg arthritis)	21%
Mental Disorder	14%
Cancer	7%
Diseases of the circulatory system (eg heart attack and stroke)	5%
Other	18%



## A guide to finding important information about Income Protector and Income Advantage

Information	What is explained?	Where?
Income Protector and Income Advantage at a glance	A brief overview of Income Protector and Income Advantage.	Page 26
Tailoring a policy to suit your needs	A brief outline of some key points to consider when deciding on an income protection policy.	Pages 27 - 28
Benefits in detail	Each policy's in-built benefits.	Pages 28 - 38
Optional benefits in detail	Each policy's optional benefits available, in most cases, for an additional premium.	Pages 39 - 42
When we will reduce the benefit payable	The circumstances in which we will limit a benefit.	Page 43
When we will not pay a benefit	The circumstances in which we will not pay a benefit.	Page 44
When does the policy end	The circumstances in which cover under the policy will end.	Page 44
How much will the policy cost	Information about calculating the premium and other charges, premium payment options, and the consequences of not paying premiums.	Pages 58 - 60
Claim requirements	The steps to be taken to claim a benefit.	Page 61
Taxation Impacts	General information about how tax may impact on premiums and benefits.	Page 62
Cooling off period	The period of time in which you can cancel the policy and obtain a refund if the policy does not suit your needs.	Page 63
What to do if you have a complaint	Who to contact if you have a complaint, and the external service you can access if you are not happy with the way your complaint is handled.	Page 64
Our Privacy Statement	Information about how we handle your personal information.	Pages 66 - 67
The duty of disclosure	Outlines information that a person must tell us when applying for the policy and the consequences of failing to do this.	Page 68
How to apply	Information that is important to know about when taking out a policy with us, including the application process and how often we will communicate with you.	Page 69
Interim cover	Cover that is available while your application is being assessed.	Pages 70 - 73
Glossary	Definitions of the conditions and procedures listed under the Crisis Benefit.	Pages 74 - 77

- monthly benefit is
- (a) if the Indemnity Option has not been selected, the amount applied for.
  - (b) if the Indemnity Option has been selected, the monthly benefit for the purposes of determining the amount payable under the Severely Disabled Benefit, is the lesser of:
    - the amount referred to in paragraph (a); and
    - 75% of pre-disability income.

Income Protector and Income Advantage at a glance

There are important differences between Income Protector and Income Advantage as explained in the rest of this section.

Income Protector and Income Advantage are designed to pay a benefit if an insured event occurs, for example, you are severely disabled due to sickness or injury. For an additional premium, optional benefits, such as the Increasing Claim Option are available.

Income Protector and Income Advantage policies provide you with worldwide, 24 hour a day cover. We guarantee that we will not cancel or modify the policy because of a change in health or occupation.

Who can own the policy?

These policies can be taken out to insure against your own disablement, in which case you are the insured person as well as the policy owner. The trustee of a family trust or a company can also take out the policy to insure against your disablement. In this case, you are the insured person and the policy owner is the trustee or company.

The policy cannot be purchased through a superannuation fund.

Who we pay

All payments made by us under the policy (other than the Grief Support Service) will be paid to the policy owner or, if that person has died, his or her legal personal representative, or a person we are authorised to pay under the Life Insurance Act. All benefits will be paid in Australian dollars.

Premiums

Detailed information about the premium and other charges is explained on pages 58 - 60.

Premiums can be stepped or level.

If stepped premiums apply, the premium will be recalculated (and will usually increase) on each policy anniversary based on your age at that time.

If level premiums apply, the premium is calculated at the start of the policy, based on your age at that time. The premium for any increase in the monthly benefit is calculated at the start date of the increase, based on your age at that time.

Irrespective of the premium type selected, a policy fee also applies and the premium rate and policy fee can change (explained on pages 58 - 60).

Age limits

The entry and expiry age limits that apply to these policies are shown in the table below:

	Premium option	Entry ages	Expiry age
Income Protector	Stepped	20-59**	64*
and Income Advantage	Level	20-59**	64*

\* Cover ends on the policy anniversary when you are 64, unless you choose a benefit period to age 60.

\*\* If you choose the benefit period to age 60, the maximum entry age is 54.

Asteron's income protection policies

Asteron offers 2 income protection policies:

- Income Protector; and
- Income Advantage.

Both policies are designed to pay you up to 75% of your income if sickness or injury prevents you from being able to work. The differences between the policies are explained on pages 28 - 44.

To apply for Income Protector, your occupation must be classified by us as AA, A1, A2, B, C or S.

To apply for Income Advantage, your occupation must be classified by us as AA, A1 or A2.

Your financial adviser will tell you the classification of your occupation.

## Tailoring a policy to suit your needs

Asteron's income protection policies are designed to provide flexibility so that you can build a policy to suit your needs. Depending on your circumstances you can choose:

- the amount of cover and the type of monthly benefit – agreed value or indemnity;
- the definition of disablement - under Income Advantage;
- the waiting period and the benefit period; and
- the optional benefits, which can be added to the policy.

The following information will help you to build your income protection policy.

### How much cover do I need?

You can apply to insure up to:

- 75% of the first \$250,000 of your annual insurable income;
- 50% of the next \$150,000; and
- 25% of any balance.

To determine your monthly benefit, these figures are divided by 12.

For example, if you earn \$100,000 per year, you can apply for a monthly benefit of up to \$6,250.

### Does an agreed value or an indemnity contract suit my needs?

Agreed value and indemnity are important concepts to understand when talking about income protection. Both income protection policies are agreed value unless you choose the Indemnity Option. By choosing the Indemnity Option you will pay a lower premium.

- Under **agreed value**, the monthly benefit is the amount applied for and we accept, as varied (for example, through increases under the Automatic Increase Benefit (explained on page 36)).
- Under **indemnity**, the monthly benefit will be the lower of:
  - the monthly benefit applied for and we accept as varied (for example, through increases under the Automatic Increase Benefit (explained on page 36)); or
  - 75% of your pre-disability income (explained on page 32).

### What definition of disablement can I choose?

Income Advantage gives you the flexibility of choosing between a 10 Hours and a 1 Duty definition. Income Protector provides a 10 Hours definition.

There may be a different outcome in the assessment of your claim depending on which definition applies to the policy.

The 10 Hours and 1 Duty definitions are explained on pages 29 - 32.

### How long do I wait before I start receiving payments and how long will I be paid for?

Most benefits under the policies start after a waiting period. The waiting period is the period of time during which a benefit will not be paid.

We offer a range of waiting periods. The longer the waiting period, the cheaper the premium will be. Unless we classify your occupation as S, the available waiting periods are 14, 30, 60, 90, 180, 365 or 730 days. If we classify your occupation as S, the 14 day waiting period is not available.

We also offer a range of benefit periods.

The benefit period is the maximum period of time for which we will pay a benefit while you are disabled. The shorter the benefit period, the cheaper the premium will be. Unless we classify your occupation as S, the available benefit periods are 2 years, 5 years, to age 60 or to age 65. If we classify your occupation as S, a 2 year benefit period is only available.

### Do I need any other benefits to suit my lifestyle?

An Extras Package which contains a number of additional benefits along with other individual options is available to help you build the level of cover to best suit your needs. These optional benefits are explained on pages 39 - 42.

### What are the benefits and options?

Income Protector		Income Advantage
The following in-built benefits are included in either policy as indicated and are explained on pages 28 - 38:		
Severely Disabled Benefit	10 Hours definition	Choice at application stage of 10 Hours or 1 Duty Definition
Partially Disabled Benefit	Continuously severely disabled for at least 7 consecutive days during the waiting period	✓
Recurring Disability	✓	✓
Payments whilst Overseas	Limited to 3 months whilst you remain overseas	✓
Overseas Assist Benefit	✓	✓
Elective Surgery Benefit	✓	✓
Premium and Cover Suspension Benefit	✓	✓
Automatic Increase Benefit	✓	✓
Premium Waiver Benefit	Your premium will be waived whilst receiving payments from us	✓
Retraining Benefit	✓	✓
Return to Work Benefit	✓	✓
Continuation of Cover beyond age 65	✗	✓ (subject to acceptance if we classify your occupation as AA)
Specific Injury Benefit	✓	✓
Death Benefit	✓	✓
For a discounted premium, the following option is available as indicated and explained on page 39:		
Indemnity Option	✓	✓
• Income Update Benefit	✓	✓
For an additional premium, the following optional benefits are available as indicated and are explained on pages 39 - 42:		
Extras Package	✓	✓
• Accommodation Benefit	✓	✓
• Bed Confinement Benefit	✓	✓
• Crisis Benefit	✓	✓
• Family Assist Benefit	✓	✓
• Transportation Benefit	✓	✓
• Unemployment Benefit	✓	✓
Accidental Injury Option	✓	✓
Accidental Injury Plus Option	✓	✓
Increasing Claim Option	✓	✓
Booster Option	✓	✓

### Benefits in detail

This section of the PDS sets out the benefits available under Income Protector and Income Advantage.

Benefits may be limited, or not payable in some circumstances, which are explained on pages 43 - 44. Otherwise, benefits are payable if an insured event occurs while cover is in place.

Before we pay a benefit, you must meet our claim requirements, which are explained on page 61.

## Severely Disabled Benefit

There are important differences under this benefit between Income Protector and Income Advantage.

Income Protector	Income Advantage
<p>The Severely Disabled Benefit will be paid if:</p> <ul style="list-style-type: none"> <li>• you have been continuously severely disabled for at least 7 days during the waiting period;</li> <li>• including the period you were severely disabled, you have been continuously disabled for the waiting period;</li> <li>• unless your disablement is a recurring disability (explained on page 34), you have been continuously disabled since the end of the waiting period; and</li> <li>• you are severely disabled.</li> </ul>	<p>The Severely Disabled Benefit will be paid if:</p> <ul style="list-style-type: none"> <li>• you have been continuously disabled for the waiting period;</li> <li>• unless your disablement is a recurring disability (explained on page 34), you have been continuously disabled since the end of the waiting period; and</li> <li>• you are severely disabled.</li> </ul>

### What does severely disabled mean?

The meaning of severely disabled depends on whether a 10 Hours or 1 Duty definition applies.

Income Advantage gives you the choice at application stage between a 10 Hours and 1 Duty definition. Income Protector has a 10 Hours definition.

#### – 10 Hours definition

Unless you have been unemployed for 12 months or more immediately before your disability started, we will consider you to be severely disabled if, solely due to sickness or injury:

- you are unable to perform the important income producing duties of your usual occupation for more than 10 hours per week; and
- you are not working for more than 10 hours per week in any gainful occupation,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

If you have been unemployed for 12 months or more immediately before your disability started, we will consider you to be severely disabled if, solely due to sickness or injury:

- you are unable to perform the important income producing duties of any occupation for which you are reasonably suited by education, training or experience for more than 10 hours per week; and
- you are not working for more than 10 hours per week in any gainful occupation,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

Sabbatical, long service or maternity leave is not considered as unemployment.

#### – 1 Duty definition

This definition applies if you chose it under Income Advantage.

Unless you have been unemployed for 12 months or more immediately before your disability started, we will consider you to be severely disabled if, solely due to sickness or injury:

- you are unable to perform one or more of the important income producing duties of your usual occupation; and
- you are not working in any gainful occupation,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

disabled or disablement means severely disabled or partially disabled.

sickness is an illness or disease you suffer while cover for the applicable benefit was in force under this policy.

injury means physical injury caused solely and directly by accidental, sudden, violent, external and visible means while cover for the applicable benefit was in force under this policy.

important income producing duties means those duties which could reasonably be considered primarily essential to producing your monthly income.

usual occupation is the occupation in which you were last engaged before becoming disabled.

gainful occupation means:

- you are an employee, working for salary, wages, or commission; or
- you are self-employed, working in a business or professional practice in a way that is capable of generating income for the business or professional practice.

registered doctor is a doctor who is legally qualified and properly registered. The doctor cannot be:

- you or the policy owner;
- a business partner of either you or the policy owner; or
- any members of the family of you or the policy owner.

full-time means you are working at least 30 hours per week.

If you have been unemployed for 12 months or more immediately before your disability started, we will consider you to be severely disabled if, solely due to sickness or injury:

- you are unable to perform the important income producing duties of any occupation for which you are reasonably suited by education, training or experience; and
- you are not working in any gainful occupation, as long as you are following the advice of a registered doctor in relation to that sickness or injury.

Sabbatical, long service or maternity leave is not considered as unemployment.

If you return to full-time work during the waiting period for 5 days or less (or 10 days or less if your waiting period is greater than 30 days), the days you returned to work will be added to the waiting period, but we will otherwise treat you as being continuously disabled. A longer return to full-time work means the waiting period starts again.

### What is monthly income?

Monthly income is the income earned each month by your own personal exertion, after deduction of any expenses incurred in earning that income but before tax.

Your monthly income includes your total remuneration package including:

- salary;
- wages;
- packaged fringe benefits;
- regular commissions;
- regular bonuses;
- overtime payments; and
- superannuation contributions.

If you are self employed, for example as a sole trader or as a partner in a business, monthly income also includes:

- your share of the net income of the business (after deduction of all business expenses), directly due to your personal exertion, but before tax; plus
- your share of any depreciation (excluding depreciation related to capital items used with the primary purpose of generating income) claimed as a business expense.

You are regarded as self-employed if you are an employee of your own company.

Monthly income does not include:

- income that you will continue to receive from your business, even if you are unable to work, including any ongoing profit generated by other employees of the business;
- other unearned income such as dividends, interest, rental income or proceeds from the sale of assets; or
- on-going commission or royalties.

### The amount we pay under the Severely Disabled Benefit

The amount payable for the Severely Disabled Benefit is the monthly benefit. If you have chosen the Indemnity Option, the monthly benefit is limited to 75% of your pre-disability income (explained on page 27).

If the benefit payable while you are severely disabled is payable for less than a month, the amount payable will be calculated as 1/30<sup>th</sup> of the amount payable for a full month for each day you are severely disabled.

### When the Severely Disabled Benefit starts and stops

Payments will commence following the waiting period and will be paid monthly in arrears.

Payment of the Severely Disabled Benefit will stop on the earliest of:

- the date you are no longer severely disabled;
- the end of the benefit period; or
- the date cover ends under the policy (explained on page 44).



## Partially Disabled Benefit

There are important differences under this benefit between Income Protector and Income Advantage.

Income Protector	Income Advantage
<p>The Partially Disabled Benefit will be paid if:</p> <ul style="list-style-type: none"><li>• you have been continuously severely disabled for at least 7 days during the waiting period;</li><li>• including the period you were severely disabled, you have been continuously disabled for the waiting period;</li><li>• unless your disablement is a recurring disability (explained on page 34), you have been continuously disabled since the end of the waiting period; and</li><li>• you are partially disabled.</li></ul> <p>We will waive the requirement for you to be continuously severely disabled for at least 7 days during the waiting period if, in our opinion, your partial disability is permanent, or you will be partially disabled for at least 12 months.</p>	<p>The Partially Disabled Benefit will be paid if:</p> <ul style="list-style-type: none"><li>• you have been continuously disabled for the waiting period;</li><li>• unless your disablement is a recurring disability (explained on page 34), you have been continuously disabled since the end of the waiting period; and</li><li>• you are partially disabled.</li></ul>

### What does partially disabled mean?

The meaning of partially disabled depends on whether a 10 Hours definition or a 1 Duty definition applies.

#### – 10 Hours definition

We will consider you to be partially disabled if:

- you are working in your usual occupation or a gainful occupation for more than 10 hours per week; and
- solely due to sickness or injury your monthly income is less than your pre-disability income,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

#### – 1 Duty definition

This definition only applies if you choose it under Income Advantage.

Unless you have been unemployed for 12 months or more immediately before your disability started, we will consider you to be partially disabled if, solely due to sickness or injury:

- you are unable to perform at least one of the important income producing duties of your usual occupation, but you are working in your usual occupation, or a gainful occupation; and
- your monthly income is less than your pre-disability income,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

If you have been unemployed for 12 months or more immediately before your disability started, we will consider you to be partially disabled if, solely due to sickness or injury:

- you are unable to perform at least one of the important income producing duties of any occupation for which you are reasonably suited by education, training or experience, but you are working in a gainful occupation; and
- your monthly income is less than your pre-disability income,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

If you return to full-time work during the waiting period for 5 days or less (or 10 days or less if your waiting period is greater than 30 days), the days you returned to work will be added to the waiting period but we will otherwise treat you as being continuously disabled. A longer return to full-time work means the waiting period starts again.

**What is pre-disability income?**

On the Partial Disability Benefit, there are important differences on how we calculate your pre-disability income between Income Protector and Income Advantage.

Your pre-disability income is dependant on whether you have chosen agreed value or indemnity.

**– Agreed Value**

Income Protector	Income Advantage
Pre-disability income is your highest average monthly income for any 12 consecutive months during the 3 years before the start of your waiting period.	Pre-disability income is your highest average monthly income for any 12 consecutive months between the date 2 years before the policy commencement date and the start of your waiting period.

**– Indemnity**

Irrespective of whether Income Protector or Income Advantage applies, if you are receiving a payment under the Partially Disabled Benefit and you have chosen the Indemnity Option, your pre-disability income will be calculated based on your average monthly income during the 12 months before the start of your waiting period.

If you become disabled while you are on maternity, long service or sabbatical leave and you choose the Indemnity Option, your pre-disability income will be calculated based on your average monthly income during the 12 months before you commenced maternity or sabbatical or long service leave.

Also, if you are self-employed, in determining your pre-disability income, we will consider your average monthly income during the most recent of the following 12 month periods prior to the commencement of disability:

- the previous tax year;
- the last 12 month period for which the accountant for your business has prepared a set of financial statements for your business; or
- the last 12 month period for which an accountant is able to prepare a set of financial statements for your business.

### The amount we pay under the Partial Disability Benefit

Irrespective of whether the 10 Hours or 1 Duty definition applies, if you are partially disabled, benefit payments will be calculated using the following formula:

$$\frac{A - B}{A} \times C$$

Where:

A = pre-disability income

B = monthly income while partially disabled

C = monthly benefit

If 'B' is negative in a month, we will treat 'B' as zero.

If there is a delay between the time you generated your monthly income and when you actually receive it, 'B' will be calculated in the month you actually generated the income.

If you are partially disabled and not working to your capability, 'B' will be calculated on what you could reasonably be expected to earn if you were working to the extent of your capability, having regard to medical advice, including the opinion of your registered doctor.

If you choose Income Advantage and you are continuously disabled for the first 3 months immediately after the end of the waiting period and 'B' is less than or equal to 20% of 'A', we will pay the monthly benefit for the first 3 months.

When you are disabled, your pre-disability income will be increased every 12 months following the date you become disabled by the indexation factor.

### When the Partial Disability Benefit starts and stops

Payments will commence following the waiting period and will be paid monthly in arrears.

Payment of the Partially Disabled Benefit will stop on the earliest of:

- the date you are no longer partially disabled;
- the end of the benefit period; and
- the date cover under the policy ends (explained on page 44).

indexation factor is the percentage change in the consumer price index which is:

- the weighted average of the 8 Australian capital cities combined;
- published by the Australian Bureau of Statistics or any body which succeeds it; and
- in respect of the 12 month period finishing on 30 September.

It will be determined at 31 December each year and applied from 1 March in the following year.

Recurring Disability

There are important differences between Income Protector and Income Advantage.

Income Protector	Income Advantage
<p>If you suffer from the same or a related sickness or injury within:</p> <ul style="list-style-type: none"><li>• 6 months of a disability claim ending, we will consider your disablement as being recurring.</li></ul>	<p>If you suffer from the same or a related sickness or injury within:</p> <ul style="list-style-type: none"><li>• 12 months of a disability claim ending if the benefit period is longer than 5 years; or</li><li>• 6 months of a disability claim ending if the benefit period is 5 years or less,</li></ul> <p>we will consider your disablement as being recurring.</p>

If we consider you to have a recurring disability, the monthly benefits will recommence without applying a new waiting period but only for any remaining part of the benefit period.

The benefit period is reduced by any previous periods for which benefits were paid for the disablement and each recurrence of the disablement.

If the benefit period is 5 years or less, and payments have been made for the full benefit period, you must return to full-time work for at least 6 continuous months and perform all of the important income producing duties of your usual occupation without restriction before becoming eligible to submit a new claim for the same or a related sickness or injury. A new waiting period and benefit period will then apply.

### Payments whilst Overseas

There are important differences under this benefit between Income Protector and Income Advantage.

Income Protector	Income Advantage
<p>If you are disabled while overseas and can still meet our claim requirements (explained on page 61), the policy owner will continue to be paid whilst you remain overseas for up to 3 months.</p> <p>Benefits will recommence without a new waiting period when you return to Australia if:</p> <ul style="list-style-type: none"><li>• your disablement has been continuous since we ceased payments; and</li><li>• you are still disabled from the same cause when you return to Australia.</li></ul>	<p>If you are disabled while overseas and can still meet our claim requirements (explained on page 61), the policy owner will continue to be paid whilst you remain overseas.</p>

### Overseas Assist Benefit

The Overseas Assist Benefit will be paid if you are overseas and become disabled and the policy owner is entitled to receive payments.

Reasonable expenses will be reimbursed for you and your immediate family members to return to either your home address or to a medical facility in Australia. We will reimburse up to \$10,000 over the life of the policy.

You must advise us in advance of your return journey to Australia. Payment will be made after appropriate evidence is received.

The Overseas Assist Benefit will not apply:

- if your journey overseas before becoming disabled was taken against the advice of a medical practitioner; or
- for expenses covered by any other policy of insurance, for example, travel insurance.

Also, if Income Protector is chosen, this benefit will not apply if your journey takes place when you have been disabled whilst overseas for more than 3 months after the end of the waiting period.

### Elective Surgery Benefit

The Severely Disabled Benefit or the Partially Disabled Benefit (as applicable) will be paid if, on the advice of a registered doctor, you have elective surgery to:

- transplant part of your body to someone else; or
- improve your appearance,

where the applicable benefit would otherwise have been payable except that your disability was due to surgery, rather than a sickness or injury.

The benefit will not be paid if your elective surgery took place within 6 months of:

- the policy commencement date;
- an increase in the monthly benefit but only in respect of that increase; or
- the most recent reinstatement of the policy.

Premium and Cover Suspension Benefit

If you are:

- unemployed; or
- on sabbatical, maternity or long-term leave from work,

the policy owner can tell us in writing to suspend premiums and cover under the policy.

The benefit is only available if premiums have been paid for at least 12 consecutive months. Cover and premiums will be suspended for a maximum of 12 months.

If cover is suspended, it can only be reinstated at the written request of the policy owner and after we have received the next premium.

If the policy owner does not ask us to reinstate the cover within 12 months, the policy will be cancelled.

If you are suffering a pre-existing condition at the time the cover is reinstated, no benefit is payable for any claim affected by that pre-existing condition.

Automatic Increase Benefit

To help keep cover in line with inflation, the monthly benefit will increase on each policy anniversary, unless the policy owner tells us not to.

The increase in the monthly benefit will be the greater of the indexation factor and 3%.

Premiums will then be increased to reflect the indexed monthly benefit.

The benefit will not apply if the policy owner is receiving payments under the policy (the Unemployment Benefit within the Extras Package is not considered to be a payment for this purpose).

Premium Waiver Benefit

There are important differences in the Premium Waiver Benefit between Income Protector and Income Advantage.

Income Protector	Income Advantage
<p>If we are paying a benefit because you are disabled, the premiums payable under the policy will be waived until:</p> <ul style="list-style-type: none"><li>• you are no longer disabled; or</li><li>• the policy owner is not entitled to a benefit under the policy.</li></ul>	<p>If we are paying a benefit because you are disabled, the premiums payable under the policy will be waived until:</p> <ul style="list-style-type: none"><li>• you are no longer disabled (even if the benefit period expires earlier).</li></ul>

If a benefit is payable after the end of the waiting period, the premium waiver is backdated to the first day of the waiting period.

The Premium Waiver Benefit will also apply during the payment period for the Specific Injury Benefit or the Crisis Benefit.

### Retraining Benefit

To assist you to return to a gainful occupation and help you recover, we will reimburse up to 9 times the monthly benefit for any retraining or rehabilitation expenses, if:

- we agree to your retraining or rehabilitation expenses before they are incurred;
- these expenses are incurred while we are making payments for disablement; and
- they are not being reimbursed from elsewhere.

Reimbursement will commence on the first day you meet the terms of this benefit and will be made monthly in arrears.

Retraining and rehabilitation expenses may include Government sponsored or approved rehabilitation program fees, vocational training expenses, travel expenses and special equipment.

If you are suffering from a recurring disability (explained on page 34), we will only reimburse expenses up to the remainder (if any) of the 9 months maximum payment under this benefit.

### Return to Work Benefit

The Return to Work Benefit may be paid if:

- we have agreed to pay the Retraining Benefit; and
- you commence a gainful occupation immediately following retraining or rehabilitation.

If you return to full-time work for:

- 3 continuous months, you will receive an amount equal to the monthly benefit; and after
- 6 continuous months, you will receive a further amount equal to two times the monthly benefit.

### Continuation of Cover beyond age 65

**This benefit only applies to Income Advantage.**

If you are working full-time within an occupation classified by us as AA at the time the policy expires, the policy owner may apply to continue the policy at that time and at each policy anniversary for a further period of one year, but not beyond the policy anniversary when you are age 74.

To continue the policy, the policy owner must contact us 30 days prior to when the policy would otherwise expire. We will require information about your occupation and assess the application based on that information and any other matters that we believe are relevant.

We may accept or decline the application.

If cover continues, it will be on the basis of the following revised terms:

- the waiting period will be the greater of 30 days and the then current waiting period;
- the benefit period will be 1 year;
- any benefits payable are determined on the basis that the Indemnity Option applies;
- the monthly benefit will be the lesser of \$20,000 or the then current monthly benefit; and
- the Automatic Increase Benefit, Increasing Claim Option, Booster Option, Accidental Injury Option and the Accidental Injury Plus Option do not apply.

### Specific Injury Benefit

The Specific Injury Benefit applies if you choose a 14, 30, 60 or 90 day waiting period.

If you suffer an injury listed under this benefit you will be treated as if you are severely disabled. Payments will be made for the payment period shown in the following table, unless the policy ends earlier (explained on page 44). We will do this without applying the waiting period, even if you are working.

Specific injury	Payment period
Paralysis	60 months
<b>Total and permanent loss of use of:</b>	
– both hands or both feet	24 months
– sight in both eyes	24 months
– one hand and one foot	24 months
– one hand and sight in one eye	24 months
– one foot and sight in one eye	24 months
– one arm or one leg	18 months
– one hand or one foot or sight in one eye	12 months
– thumb and one index finger of the same hand	6 months
<b>A fracture, requiring immobilisation of your:</b>	
– thigh shaft	3 months
– pelvis, except coccyx	3 months
– skull, except bones of the nose or face	2 months
– upper arm, including the elbow and shoulder	2 months
– shoulder blade	2 months
– leg, including the ankle but excluding the foot and toes	2 months
– knee cap	2 months
– collar bone	1 month
– lower arm, including wrist but excluding the elbow, hand and fingers	1 month

If you suffer from more than one specific injury at the same time, we will only pay for the injury with the longest payment period.

The policy owner can choose to have this benefit paid either as:

- monthly payments in advance. If you were to die before the end of the payment period, we will pay the remainder of the monthly payments up to the next anniversary of your claim together with the Death Benefit; or
- lump sum payment(s), of up to 12 monthly payments at any one time. If you were to die before the end of the payment period, we will pay the policy owner the Death Benefit.

The benefit will not be paid in conjunction with any other payment under the policy. If the Specific Injury Benefit and the Crisis Benefit are payable at the same time, the higher benefit, but not both, will be payable.

If you are disabled at the end of your payment period, other benefits will be determined under the appropriate terms of this policy.

### Death Benefit

If you die while covered under the policy, we will pay 3 times the monthly benefit.

### Grief Support Service

To assist your immediate family members to come to terms with their reaction to grief which arises from your death, we currently offer a Grief Support Service (explained on page 65).



## Optional benefits in detail

The following optional benefits are available under Income Protector and Income Advantage.

Apart from the Indemnity Option which, if selected, will result in a lower premium, these optional benefits are available for an additional premium.

### Indemnity Option

If the Indemnity Option is chosen, the monthly benefit for the purposes of determining the amount payable will be the lower of:

- the monthly benefit you applied for and we accept, as varied under the terms of the policy; and
- 75% of your pre-disability income (explained on page 32).

### Income Update Benefit

This benefit, which is only available under the Indemnity Option, gives you the flexibility to help keep your cover in line with your current income.

The Income Update Benefit is available if you are age 49 or under when you apply for the policy.

The benefit allows the policy owner to increase the monthly benefit, each year on the policy anniversary, without needing to provide further financial or medical evidence if you are age 54 or under. An increase can only be made under this benefit if no benefit is payable under the policy and premiums are not being waived.

The maximum increase is the lower of:

- 10% of the monthly benefit at the policy commencement date;
- \$1,000 per month; and
- the difference between the monthly benefit and \$20,000.

The total of all increases in the monthly benefit, under this benefit, cannot exceed the original monthly benefit at the policy commencement date.

This benefit is not available, or ceases to be available, if the monthly benefit is equal to or greater than \$20,000.

### Extras Package

The Extras Package is a group of additional benefits which you can add to either Income Protector or Income Advantage to extend your cover.

If the Extras Package is chosen, all the following benefits will apply.

### Accommodation Benefit

If you are bed confined as a result of being severely disabled and:

- you became severely disabled more than 100km from your usual place of residence; or
- on the advice of a registered doctor, you travel to a place more than 100km from your usual place of residence,

we will reimburse actual accommodation costs directly incurred by an immediate family member accommodated near where you are bed confined. The amount payable is up to \$200 per day (indexed by the indexation factor) for a maximum of 30 days in any 12 month period, less amounts that are reimbursed from elsewhere.

Payments will be made monthly in arrears.

### Bed Confinement Benefit

If you are bed confined for more than 72 hours in a row as a result of being severely disabled during the waiting period, we will pay 1/30<sup>th</sup> of the monthly benefit for each day (including the first 72 hours) you are bed confined during the waiting period, for up to 90 days.

If you become bed confined as a result of suffering from a recurring disability (explained on page 34), any further benefits will be determined after taking into account payments already made under this benefit.

The benefit is not paid in conjunction with any other payment under the policy.

Payments will be made monthly in arrears.

bed confined is when it is medically necessary for you to remain in or near a bed for a substantial part of each day. If confinement is at your usual place of residence, it is also necessary for you to be under the continuous care of a registered nurse, other than a member of your immediate family.

If confinement is not at your usual place of residence there must be reasonable grounds for this.

replacement policy means this policy is effected to replace a previous policy on your life which:

- has been in force for at least 3 months before the policy commencement date; and
- included a benefit which offers the same or similar terms as our Crisis Benefit and for a benefit amount and payment period which are the same or greater as the monthly benefit and payment period under this policy.

Crisis Benefit

The Crisis Benefit is only available if you choose a 14, 30, 60 or 90 day waiting period.

If you suffer from a condition or undergo a procedure listed under this benefit you will be treated as if you are severely disabled. We will make payments for the payment period shown in the table below, unless the policy expires earlier. We will do this without applying the waiting period, even if you are working.

Waiting period	Payment period
14 or 30 days	6 months
60 days	4 months
90 days	3 months

The conditions and procedures covered are:

- blindness
- cancer\*
- cardiomyopathy
- chronic kidney (renal) failure
- coma
- coronary artery angioplasty - triple vessel\*
- coronary artery surgery\*
- deafness
- dementia
- heart attack\*
- heart surgery (open)\*
- HIV - medically acquired
- HIV - occupationally acquired
- intensive care
- intracranial benign tumour
- loss of speech
- major head trauma
- major organ transplant
- Motor Neurone Disease
- Multiple Sclerosis
- paralysis
- Parkinson’s Disease
- repair or replacement of aorta\*
- repair or replacement of valves\*
- severe burns
- stroke\*
- modified total and permanent disability

These conditions and procedures are defined on pages 74 - 77.

Unless you are applying for the policy as a replacement policy, cover does not start under this benefit for conditions or procedures marked with \* until the date 3 months after:

- the policy commencement date; or
- an increase to the monthly benefit (in respect to the increased portion only); or
- the most recent reinstatement of the policy.

This means that :

- the cancer must be first diagnosed;
- the heart attack or stroke must first occur; or
- the disease or condition which the coronary artery surgery, heart surgery (open), coronary artery angioplasty – triple vessel, repair or replacement of aorta, or repair or replacement of valves, as the case may be, is intended to address, must be first diagnosed,

after cover for that condition or procedure (or increase in the monthly benefit in respect of the increased portion) starts.

The policy owner can choose to have this benefit paid either as:

- monthly payments in advance. If you die before the end of the payment period we will pay the remainder of the monthly payments together with the Death Benefit; or
- a lump sum payment calculated by multiplying the monthly benefit by the number of applicable monthly payments. If you die before the end of the payment period, we will pay the Death Benefit.

If you suffer from another condition under this benefit during the payment period, payment for the earlier condition will cease and a new payment period (adjusted for any advance payments made in respect of the earlier condition) will commence in respect to the subsequent condition.

This benefit is not paid in conjunction with any other benefit payment under the policy. If the Crisis Benefit and Specific Injury Benefit are payable at the same time, the higher benefit, but not both, will be payable.

If you are still disabled at the end of the payment period, other benefits will be determined under the appropriate terms of the policy.

#### **Family Assist Benefit**

If we have paid the Severely Disabled Benefit for at least 30 days and you continue to be severely disabled and need someone to look after you at home, we will pay for either:

- an immediate family member who was in a full-time gainful occupation immediately before you became severely disabled to cease all paid employment to care for you; or
- a registered nurse (who is not an immediate family member) to care for you at home at least 3 times per week.

We will pay the lower of:

- \$2,100 a month (indexed by the indexation factor); and
- the monthly benefit,

for up to 6 months over the life of the policy.

Payments will be paid monthly in arrears.

#### **Transportation Benefit**

If you become either severely or partially disabled and require emergency transportation (other than by ambulance) within Australia, we will reimburse the actual costs directly incurred for your transportation, other than for expenses for services which are regulated by the National Health Act, 1958 (Cth) and expenses reimbursed from elsewhere.

Up to 3 times the monthly benefit will be paid and the benefit is payable only once in any 12 month period.

#### **Unemployment Benefit**

While you are involuntarily unemployed for reasons other than you being disabled, for example, you are made redundant, and:

- you have registered with an accredited employment agency; and
- the unemployment did not occur within 6 months of:
  - the start of the policy; or
  - the most recent reinstatement of the policy,

the daily proportion of premiums will be waived monthly in arrears, from the first day of unemployment, for up to 6 months.

A total of 6 months premiums will be waived under this benefit during the life of the policy.

injury means physical injury caused solely and directly by accidental, sudden, violent, external and visible means while cover for the applicable benefit was in force under this policy.

Accidental Injury and Accidental Injury Plus Options

You can apply for either the Accidental Injury Option or the Accidental Injury Plus Option.

A benefit under these options is not paid in conjunction with any other benefit.

Both options are only available if you choose a waiting period of either 14 or 30 days.

Accidental Injury Option	Accidental Injury Plus Option
If as a result of injury, you are continuously severely disabled for the entire waiting period, we will pay 1/30 <sup>th</sup> of the monthly benefit for each day of your waiting period, less any payments made under the Bed Confinement Benefit, Specific Injury Benefit and Crisis Benefit.	<p>If as a result of injury, you are continuously severely disabled for longer than 3 consecutive days from the day you first seek medical advice for your injury, we will pay 1/30<sup>th</sup> of the monthly benefit for each day of your waiting period that you are continuously severely disabled after the first 3 days, less any payments made under the Bed Confinement Benefit, Specific Injury Benefit and Crisis Benefit.</p> <p>This option is not available if your occupation is classified by us as S.</p>

Increasing Claim Option

If the Increasing Claim Option is chosen, the monthly benefit will be increased at each policy anniversary whilst the policy owner is receiving payments (the Unemployment Benefit within the Extras Package is not considered to be a payment for this purpose).

The increase will be the lower of the indexation factor and 10%.

When you are no longer disabled, the indexed monthly benefit will not be reduced unless the policy owner asks for it to be reduced.

Booster Option

If the Booster Option is chosen and either the Severely Disabled or Partially Disabled Benefit is payable, we will pay an additional 1/3<sup>rd</sup> of the monthly benefit otherwise payable for the first 3 months. For example, if we pay a benefit of \$1,500 for a month, this option will increase it by \$500 to \$2,000 for that month.

If you suffer from a new disablement while you are covered under this Option, this Option will apply again. If you suffer from a recurring disability (explained on page 34) the option will only apply to the extent the booster payments have not been paid for 3 months.

### When we will reduce the benefit payable

There are some circumstances where we will reduce the amount payable under the Severely Disabled or Partially Disabled Benefits and the Accidental Injury Plus Option (if applicable). This will depend on whether Income Protector or Income Advantage is chosen. Under Income Advantage, it is also dependant upon how your occupation is classified by us.

Income Protector	Income Advantage
<p>For all occupations, the amount payable will be recalculated if you or the policy owner receive other payments in relation to the sickness or injury causing your disablement by way of:</p> <ul style="list-style-type: none"><li>• sick leave entitlements;</li><li>• any compulsory insurance scheme such as Workers' Compensation or Accident Compensation scheme for loss of income; or</li><li>• other disability, group, sickness or accident insurance cover, including cover under a mortgage repayment insurance policy or through a superannuation fund.</li></ul> <p>We will recalculate the benefit so that the amount we pay, when added to your monthly income and the other payments above, is no more than the greater of:</p> <ul style="list-style-type: none"><li>• 75% of your pre-disability income; and</li><li>• the benefit otherwise payable.</li></ul>	<p>For all occupations, the amount payable will be recalculated if you or the policy owner receive other payments in relation to the sickness or injury causing your disablement by way of:</p> <ul style="list-style-type: none"><li>• other disability, group, sickness or accident insurance cover, including cover under a mortgage repayment insurance policy or through a superannuation fund.</li></ul> <p>For occupations classified as A1 or A2, in addition to the above, the amount payable will also be recalculated if you or the policy owner receive other payments in relation to the sickness or injury causing your disablement by way of:</p> <ul style="list-style-type: none"><li>• sick leave entitlements; or</li><li>• any compulsory insurance scheme such as Workers' Compensation or Accident Compensation scheme for loss of income.</li></ul> <p>We will recalculate the benefit so that the amount we pay, when added to your monthly income and the other payments above, is no more than the greater of:</p> <ul style="list-style-type: none"><li>• 75% of your pre-disability income where the Severely Disabled Benefit or Accidental Injury Plus Option is payable, or 100% of your pre-disability income where the Partially Disabled Benefit is payable; and</li><li>• the benefit otherwise payable.</li></ul>

If payments (other than sick leave) are received in the form of a lump sum for loss of earnings, the lump sum will be converted to income on the basis of 1% of the lump sum for each month that we pay the benefit, for a maximum of 8 years.

war or an act of war means armed aggression by a country resisted by another country or international organisation.

criminal activity means any crime for which you are convicted where you could receive a jail sentence, whether or not you do in fact receive a jail sentence for that crime.

### When we will not pay a benefit

A benefit will not be paid, if the event giving rise to the claim is caused directly or indirectly by:

- a war or an act of war, whether or not war has been declared (this exclusion does not apply to the Death Benefit);
- a self-inflicted act, whether sane or insane;
- your participation in any criminal activity; or
- pregnancy, miscarriage or childbirth, unless you are disabled for more than 3 months from the later of the date your pregnancy finishes and your disablement commences, (the later date being the date we will consider your disablement to have started).

We will not pay for any period while you are in jail.

Cover for the Crisis Benefit will not apply to:

- HIV - medically acquired, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the medical procedure giving rise to the claim; and
- HIV - occupationally acquired, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the accident or malicious act giving rise to the claim.

### When does the policy end

All cover will end on the earliest of:

- the date you permanently leave the workforce other than because of disablement where benefits are still payable under the policy;
- the date we receive the policy owner's written request to cancel the policy;
- cancellation of the policy for non-payment of the premiums;
- the date on which all benefit entitlements under the policy end;
- the policy anniversary when you turn age 59, or age 64 if you choose a benefit period of 2 years, 5 years or to age 65\*;
- you turn age 65\*; and
- your death.

\* except under Income Advantage if cover continues under the Continuation of Cover Benefit.

# About Business Expenses

Because business expenses do not stop if you stop working...

An Asteron Business Expenses policy can help keep your business running so you can concentrate on getting yourself back on track...

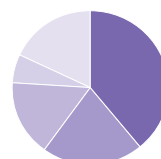
Business Expenses allows you to cover 100% of your allowable business expenses. This will ensure you can meet the day to day expenses of your business.

You should consider this PDS when deciding whether to buy, or keep, a Business Expenses policy issued by Asteron.

Losing your business for reasons outside of your control is any business owner's worst nightmare. How will you meet your business expenses if you are unable to work due to sickness or injury?

During 2003, the common causes of claims paid by Asteron under our various Business Expenses policies were as follows:

Accidents	39%
Mental Disorder	21%
Diseases of the musculoskeletal system and connective tissue (eg arthritis)	16%
Diseases of the circulatory system (eg heart attack and stroke)	6%
Other	18%



## A guide to finding important information about Business Expenses

Information	What is explained?	Where?
Business Expenses at a glance	A brief overview of Business Expenses.	Page 46
Benefits in detail	The policy's in-built benefits.	Pages 47- 51
When we will not pay a benefit	The circumstances in which we will not pay a benefit.	Page 51
When does the policy end	The circumstances in which cover under the policy will end.	Page 51
How much will the policy cost	Information about how we calculate the premium and charges, premium payment options, and the consequences of not paying premiums.	Pages 58 - 60
Claim requirements	The steps to be taken to claim a benefit under the policy.	Page 61
Taxation Impacts	General information about how tax may impact on premiums and benefits.	Page 62
Cooling off period	The period of time in which you can cancel the policy and obtain a refund if the policy does not suit your needs.	Page 63
What to do if you have a complaint	Who to contact if you have a complaint, and the external service you can access if you are not happy with the way we handle your complaint.	Page 64
Our Privacy Statement	Information about how we handle your personal information.	Pages 66 - 67
The duty of disclosure	Outlines information that a person must tell us when applying for the policy and the consequences of failing to do this.	Page 68
How to apply	Information that is important to know about when taking out a policy with us, including the application process and how often we will communicate with you.	Page 69
Interim cover	Cover that is available while we are assessing your application.	Pages 70 - 73

monthly benefit means the amount you apply for and we accept as varied (for example, through increases under the Automatic Increase Benefit or by agreement).

Business Expenses at a glance

Business Expenses is designed to pay an amount to reimburse business expenses if an insured event occurs, for example, you are severely disabled, while cover is in place.

Business Expenses provides you with worldwide, 24 hour a day cover. We guarantee that we will not cancel or modify the policy because of a change in your health or occupation.

Who can own the policy

The policy can be taken out to insure against your own disablement, in which case you are the insured person as well as the policy owner. The trustee of a family trust or a company can also take out the policy to insure against your disablement. In this case, you are the insured person. The policy owner is the trustee or company.

The policy cannot be purchased through a superannuation fund.

Who we pay

All payments made by us under the policy (other than the Grief Support Service) will be paid to the policy owner or, if that person has died, his or her legal personal representative, or a person we are authorised to pay under the Life Insurance Act. All benefits will be paid in Australian dollars.

The amount we pay

The amount we pay under the Business Expenses Benefit is reimbursement of the allowable business expenses (explained on page 49) up to the monthly benefit.

The Business Expenses Benefit is payable after the waiting period. The waiting period is the period of time during which a benefit will not be paid. The longer the waiting period, the cheaper the premium will be. The available waiting periods are 14, 30, 60 and 90 days.

What are the Benefits?

The policy has the following in-built benefits as explained on pages 47 - 51:

- Business Expenses Benefit
- Recurring Disability

- Locum Cover
- Automatic Increase Benefit
- Death Benefit
- Elective Surgery Benefit
- Payments whilst Overseas
- Premium and Cover Suspension Benefit
- Premium Waiver Benefit

Premiums

Detailed information about the premium and other charges is explained on pages 58 - 60.

Premiums can be stepped or level.

If stepped premiums apply, the premium will be recalculated (and will usually increase) on each policy anniversary based on your age at that time.

If level premiums apply, the premium is calculated at the start of the policy, based on your age at that time. The premium for any increase in the monthly benefit is calculated at the start date of the increase, based on your age at that time.

Irrespective of the premium type selected, a policy fee also applies, and the premium rate and policy fee can change (explained on pages 58 - 60).

Age limits

The entry and exit age limits that apply to this policy are shown in the table below:

	Premium option	Entry ages	Expiry age*
Business Expenses	Stepped	20-59	64
	Level	20-59	64

\* Cover ends on the policy anniversary when you are 64.

Occupation classes

To apply for Business Expenses, your occupation must be classified by us as AA, A1, A2, B or C.

Your financial adviser will tell you what your occupation class is.



## Benefits in detail

This section of the PDS sets out the benefits available under Business Expenses.

Benefits may be limited, or are not payable in some circumstances, which are explained on page 51. Otherwise, benefits are payable if an insured event occurs while cover is in place.

Before we pay a benefit, you must meet our claim requirements which are explained on page 61.

### Severely Disabled

We will pay the Business Expenses Benefit if:

- you have been continuously severely disabled for at least 7 days during the waiting period;
- including the period you were severely disabled, you have been continuously disabled for the waiting period; and
- unless your disablement is a recurring disability (explained on page 50), you have been continuously disabled since the end of the waiting period; and
- you are severely disabled.

### What does severely disabled mean?

The meaning of severely disabled depends on whether a 10 Hours or 1 Duty definition applies.

You can choose between the 10 Hours definition and the 1 Duty definition at the time of application if we classify your occupation as being AA, A1 or A2. Otherwise the 10 Hours definition will apply.

There may be a different outcome in the assessment of your claim depending on which definition applies to the policy.

#### – 10 Hours definition

We will consider you to be severely disabled if, solely due to sickness or injury:

- you are unable to perform the important business income producing duties of your usual occupation for more than 10 hours per week; and
- you are not working for more than 10 hours per week in any gainful occupation,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

#### – 1 Duty definition

We will consider you to be severely disabled if, solely due to sickness or injury:

- you are unable to perform one or more of the important business income producing duties of your usual occupation; and
- you are not working in any gainful occupation,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

If you return to full-time work during the waiting period for 5 days or less (or 10 days or less if your waiting period is greater than 30 days), the days you returned to work will be added to the waiting period but we will otherwise treat you as being continuously disabled. A longer return to full-time work means the waiting period starts again.

### The amount we pay

If the Business Expenses Benefit is payable while you are severely disabled, the amount payable is the lesser of:

- the monthly benefit; and
- allowable business expenses incurred for the applicable month (explained on page 49).

If the benefit is payable for less than one month it will be calculated as 1/30<sup>th</sup> of the amount for a full month for each day you are severely disabled.

### When the payments start and stop

Payments will commence following the waiting period and will be paid monthly in arrears.

Payment of the Business Expenses Benefit due to you being severely disabled will stop on the earliest of:

- the date you are no longer severely disabled;
- the end of the benefit period, unless the benefit period is extended; or
- the date cover ends under the policy (explained on page 51).

If you are severely disabled at the end of the benefit period, the benefit period can be extended while you continue to be severely disabled until the first to occur:

disabled means severely disabled or partially disabled.

sickness is an illness or disease you suffer while cover for the applicable benefit was in force under this policy.

injury means physical injury caused solely and directly by accidental, sudden, violent, external and visible means while cover for the applicable benefit was in force under this policy.

important business income producing duties means the duties of your usual occupation which could reasonably be considered primarily essential to producing business income.

usual occupation is the occupation in which you were last engaged before becoming disabled.

gainful occupation means:

- you are an employee, working for salary, wages, or commission; or
- you are self-employed, working in a business or professional practice in a way that is capable of generating income for the business or professional practice.

registered doctor is a doctor who is legally qualified and properly registered. The doctor cannot be:

- you or the policy owner;
- a business partner of either you or the policy owner; or
- any members of the family of you or the policy owner.

full-time means you are working at least 30 hours per week.

business income is the income of the business before expenses and before tax.

- we have paid 12 times the monthly benefit;
- the expiration of a further 6 months; and
- the date cover ends under the policy (explained on page 51).

**Partially Disabled**

We will pay the Business Expenses Benefit if:

- you have been continuously severely disabled for at least 7 days during the waiting period;
- including the period you were severely disabled, you have been continuously disabled for the waiting period;
- unless your disablement is a recurring disability (explained on page 50), you have been continuously disabled since the end of the waiting period; and
- you are partially disabled.

**What does partially disabled mean?**

The meaning of partially disabled depends on whether a 10 Hours or a 1 Duty definition applies.

**- 10 Hours definition**

We will consider you to be partially disabled if:

- you are working in your usual occupation or a gainful occupation for more than 10 hours per week; and
- solely due to sickness or injury your share of the business income in the applicable month is less than your pre-disability business income,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

**- 1 Duty definition**

We will consider you to be partially disabled if, solely due to sickness or injury:

- you are unable to perform at least one of the important business income producing duties of your usual occupation, but you are working in your usual occupation, or a gainful occupation; and
- your share of the business income in the applicable month is less than your pre-disability business income,

as long as you are following the advice of a registered doctor in relation to that sickness or injury.

**The amount we pay**

Irrespective of whether the 10 Hours or 1 Duty definition applies, if you are partially disabled, benefits will be calculated using the following formula:

$$\frac{A - B}{A} \times C$$

Where:

A = pre-disability business income (explained on page 50)

B = your share of business income during the applicable month before any benefit is payable under the policy

C = the lesser of the monthly benefit and the allowable business expenses incurred for the applicable month (explained on page 49)

If 'B' is negative in a month, we will treat 'B' as zero.

If the benefit is payable for less than a month, it will be calculated as 1/30<sup>th</sup> of the amount for a full month for each day you are partially disabled.

### What are Allowable Business Expenses?

Allowable Business Expenses are your share of those business expenses listed in the following table and any others which we specifically approve. Whether they are allowable may depend on whether your office is the same as or separate to your residential address.

Allowable business expenses do not include:

- salaries, fees or draws and related costs paid to or for:

- you; or
- any member of your family unless they were employed at least 30 days before you became disabled;
- repayment of loan principal;
- costs of equipment, books, fittings, fixtures, furniture, goods, implements, merchandise, stock or any other items of a capital nature; or
- expenses met or reimbursed under other insurances.

Allowable Business Expense item		office not at residential address	office at residential address
Premises	Rent or interest/fees on a loan to finance premises	Yes	No
	Insurance of premises (fire, etc)	Yes	No
	Property rates/taxes	Yes	No
	Security costs	Yes	No
	Repairs and maintenance	Yes	No
Services	Telephone	Yes	No
	Gas	Yes	No
	Electricity	Yes	No
	Water	Yes	No
	Mobile telephone	Yes	Yes
	Cleaning and laundry	Yes	No
Equipment	Lease or financing costs (excluding payments attributable to the initial cost) on equipment excluding any taxi or truck which can and will be let out to generate its own income	Yes	Yes
	Car Lease (excluding taxi)	Yes	Yes
	Registration and insurance of vehicles and equipment	Yes	Yes
	Repairs and maintenance of equipment	Yes	No
Salaries & Related Costs	Salaries of employees who do not generate any business income	Yes	Yes
	Payroll tax on the above salaries	Yes	Yes
	Superannuation in respect of the above salaries (Superannuation Guarantee Charge amounts only)	Yes	Yes
Other	Regular advertising costs	Yes	Yes
	Accounting and auditing fees	Yes	Yes
	Bank fees/charges and account transaction taxes	Yes	Yes
	Interest/fees on loan to finance the business	Yes	Yes
	Professional association dues and subscriptions	Yes	Yes
	Business insurance (liability, etc)	Yes	Yes
	Postage	Yes	Yes
Locum Cover	Net cost of employing a locum (explained on page 50)	Yes	Yes

## About Business Expenses continued

indexation factor is the percentage change in the consumer price index which is:

- the weighted average of the 8 Australian capital cities combined;
- published by the Australian Bureau of Statistics or any body which succeeds it; and
- in respect of the 12 month period finishing on 30 September.

It will be determined at 31 December each year and applied from 1 March in the following year.

### What is pre-disability business income?

If you are receiving a payment under the Partially Disabled Benefit, your pre-disability business income will be calculated as 1/12th of your share of business income before expenses and tax during the 12 months before your disablement.

### When the payments start and stop

Payments commence following the waiting period and will be paid monthly in arrears.

Payment of the Business Expenses Benefit due to you being partially disabled will stop on the earliest of:

- the date you are no longer partially disabled;
- the end of the benefit period; and
- the date cover ends under the policy (explained on page 51).

### Recurring Disability

If you suffer from the same or related sickness or injury within 6 months of a business expenses claim ending, your disablement will be considered recurring.

If we consider you to have a recurring disability the Business Expenses Benefit will recommence without a new waiting period.

The benefit period is reduced by any previous periods for which we paid benefits for the disablement and each recurrence of the disablement.

If we have made payments for the full benefit period, you must return to full-time work for at least 6 continuous months and perform all of the important business income producing duties of your usual occupation without restriction before becoming eligible to submit a new claim for the same or related sickness or injury. A new waiting period and benefit period will then apply.

### Locum Cover

If you employ a suitably qualified replacement (locum) for you while you are disabled, the net cost of the locum is an allowable business expense.

The net cost of the locum in a month is the amount by which the fees incurred for the locum during that month exceed gross sales, income or billings generated by the locum during that month.

If the gross sales, income or billings generated by the locum during that month exceed the fees incurred by the locum, we will not reduce any benefit payable because of these excess amounts.

### Automatic Increase Benefit

To help keep cover in line with inflation, the monthly benefit will increase on each policy anniversary, unless the policy owner tells us not to.

The increase in the monthly benefit will be the greater of the indexation factor and 3%.

Premiums will then be increased to reflect the indexed monthly benefit amount.

The benefit will not apply if the policy owner is receiving payments from us under the policy.

### Death Benefit

If you die while covered under the policy, we will pay 3 times the monthly benefit.

### Grief Support Service

To assist your immediate family members come to terms with their reaction to grief which arises from your death, we currently offer the Grief Support Service (explained on page 65).

### Elective Surgery Benefit

The Business Expenses Benefit will be paid if, on the advice of a registered doctor, you have elective surgery to:

- transplant part of your body to someone else; or
- improve your appearance,

where the benefit would otherwise have been payable except that your disability was due to surgery, rather than a sickness or injury.

The benefit will not be paid if your elective surgery took place within 6 months of:

- the policy commencement date;

- an increase in the monthly benefit, but only in respect of the increased portion; or
- the most recent reinstatement of the policy.

### Payments whilst Overseas

If you are disabled while overseas and can still meet our claim requirements (explained on page 61), the policy owner will continue to be paid whilst you are overseas for up to 3 months.

Benefits will recommence without a new waiting period when you return to Australia if:

- your disablement has been continuous since we ceased payments; and
- you are still disabled from the same cause when you return to Australia.

### Premium and Cover Suspension Benefit

The policy owner can tell us to suspend cover and premiums under the policy if you are not gainfully occupied in the business.

The benefit is only available if the policy has been continuously in place for at least 12 months. Premiums and cover will be suspended for a maximum of 12 months.

If cover is suspended, it can only be reinstated at the request of the policy owner and after we have received the next premium.

If the policy owner does not ask us to reinstate the cover within 12 months, the policy will be cancelled.

If you are suffering a pre-existing condition at the time the cover is reinstated, no benefit is payable for any claim affected by that pre-existing condition.

### Premium Waiver Benefit

If you are disabled, the premiums due under the policy will be waived until the first to occur of:

- you are no longer disabled; or
- the policy owner is not entitled to receive a benefit for that disability under the policy.

If the premium waiver applies after the end of the waiting period, the premium waiver is backdated to the first day of the waiting period for any premiums paid during the waiting period.

### When we will not pay a benefit

A benefit will not be paid, if the event giving rise to the claim is caused directly or indirectly by:

- a war or an act of war, whether or not war has been declared (this exclusion does not apply to the Death Benefit);
- a self-inflicted act, whether sane or insane;
- your participation in any criminal activity; or
- pregnancy, miscarriage or childbirth, unless you are disabled for more than 3 months from the later of the date your pregnancy finishes and your disablement commences, (the later date being the date we will consider your disablement to have started).

We will not pay for any period while you are in jail.

### When does the policy end?

All cover will end on the earliest of:

- the date you permanently leave the workforce other than because of disablement where benefits are still payable under the policy;
- the date we receive the policy owner's written request to cancel the policy;
- cancellation of the policy for non-payment of the premiums;
- the date on which all benefit entitlements under the policy end;
- the policy anniversary when you are age 64;
- you turn age 65; and
- your death.

war or an act of war means armed aggression by a country resisted by another country or international organisation.

criminal activity means any crime for which you are convicted where you could receive a jail sentence, whether or not you do in fact receive a jail sentence for that crime.

business means the business in which you are gainfully occupied as your usual occupation.

# Asteron Life Superannuation Fund

This section of this PDS contains information about the Asteron Life Superannuation Fund (Fund).

You should read this section if you want the trustee of the Fund, Asteron Portfolio Services Limited (Trustee) to buy Term Life on your behalf. You must first become a member of the Fund before the Trustee will do this. Information about Term Life is explained on pages 3 - 11. You will find an application for membership of the Fund within the application form at the back of this PDS.

You will not be covered under Term Life until you have become a member of the Fund and Asteron has confirmed acceptance of the Term Life policy. The Trustee is the policy owner and can, therefore, vary or replace the policy at any time in the interest of members. If the Trustee does this, it will give you 30 days written notice.

Your cover through the Fund will stop when you are no longer eligible to make contributions. Please contact the Trustee at that time to discuss options for cover outside the Fund.

## Who can join and contribute to the Fund?

You can apply to become a member of the Fund if you can make a contribution to the Fund or a person can make a contribution on your behalf. The contributions made will be used to pay the premiums payable under Term Life.

The Trustee can receive contributions for you if:

- you are eligible to apply for Term Life (explained on page 4); and
- the contribution rules set out below are satisfied.

## What are the contribution rules?

The table below explains the contribution rules that apply at the time that the Trustee accepts a contribution:

Who can contribute?	You	Employer	Spouse*	Other person
You are age 75+ and working 30+ hours a week		✓		
You have reached age 70 but are < 75 and working less than 10 hours a week		✓		
You have reached age 70 but are < 75 and working 10+ hours a week	✓	✓		
You have reached age 65 but are < 70 and working 10+ hours a week	✓	✓	✓	✓
You are age 18 – 65 and have worked 10+ hours at any time in the last 2 years	✓	✓	✓	✓
You are age 18 – 65 and not working due to ill-health	✓	✓	✓	✓
You are age 18 – 65 and on authorised parental leave for < 7 years	✓	✓	✓	✓
You are age 18 – 65 and otherwise not working			✓	

\*Spouse means a person who is legally married to you or a person who lives with you on a bona fide domestic basis as your husband or wife (but does not include a same sex partner). A spouse contribution must be a contribution for which the spouse will not be claiming a tax deduction (although a tax rebate may be available for some spouse contributions).

### When the Trustee pays a benefit

Asteron will pay any benefits under Term Life (other than the Financial Planning Benefit or Grief Support Service) to the Trustee, who will be the owner of the policy. The benefits will form part of your superannuation entitlements.

The Trustee will only pay a benefit out of the Fund if Asteron pays a benefit to the Trustee under Term Life.

### Benefits

#### Death Benefit

If you die while covered under Term Life, any amount payable under the policy will be paid by Asteron to the Trustee.

The Trustee will pay the Death Benefit to one or more of your beneficiaries as:

- a lump sum;
- an allocated pension; or
- a combination of both.

You can nominate to whom your Death Benefit is paid (explained on page 54).

Where a Death Benefit is paid to your beneficiaries as a lump sum and your superannuation entitlements exceed the pension Reasonable Benefit Limit (RBL), you may run the risk of some of it being taxed at the highest marginal tax rate (taxation of benefits is explained on page 62). If it is paid in part as a lump sum and part as an allocated pension, your beneficiaries may be in a better tax position thereby maximising your Death Benefit to them.

This may be achieved through our Super Estate Option (explained on page 54).

#### Terminal Illness Benefit and Total & Permanent Disablement Benefit

Asteron will pay an amount under Term Life to the Trustee if you:

- become terminally ill; or
- become totally and permanently disabled (if this optional cover is selected).

The Trustee will pay the Terminal Illness Benefit (less any tax) or Total and Permanent Disablement Benefit (less any tax) to you if you satisfy a 'condition of release'.

#### Conditions of release

One of the conditions of release is 'permanent incapacity' which is like (but not the same as) the any occupation definition of total and permanent disablement under Term Life. 'Permanent incapacity' is currently defined in superannuation law to mean:

'in relation to a member who has ceased to be gainfully employed ... ill-health (whether physical or mental), where the trustee is reasonably satisfied that the member is unlikely, because of the ill-health, ever again to engage in gainful employment for which the member is reasonably qualified by education, training or experience.'

The other conditions of release are:

- reaching age 65;
- reaching age 60 and ceasing work with your employer;
- reaching the preservation age (see below) and permanently retiring from work;
- dying;
- severe financial hardship (there are guidelines that the Trustee must follow to release of benefits on this basis);
- compassionate grounds (the Australian Prudential Regulation Authority must approve release of benefits on this basis); and
- if you are a temporary resident, permanently departing Australia.

#### – Preservation ages

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59

A Reasonable Benefit Limit (RBL) is the maximum benefit that can be received from a complying superannuation fund on a concessional tax basis.

There are two limits, depending on whether your benefits are taken as a lump sum or as a complying pension.

Type of benefit	RBL
Lump Sum	\$588,056*
Pension	\$1,176,106*

\*Note: These amounts relate to the 2003/2004 financial year and are indexed annually.



### Super Estate Option

To help maximise your Death Benefit, we offer you (and your beneficiaries) the Super Estate Option.

Everyone's financial circumstances are different, therefore, if you wish to take advantage of the Super Estate Option, it is important that you discuss the option with your financial adviser to ensure your Death Benefit is maximised for your beneficiaries.

### What is the Super Estate Option?

As a benefit under the Trust Deed, the Super Estate Option is available to all Term Life policies written through the Fund.

The Super Estate Option enables the distribution of your Death Benefit either as a lump sum, an allocated pension or a combination of both to your beneficiaries.

By using the Super Estate Option, you may be in a better position to plan for your estate by ensuring that any benefits paid to your beneficiaries are done so in a more tax effective manner.

Even as late as the time of claim, your beneficiaries will be in a position to request the way your Death Benefit is to be paid to them (ie. a lump sum, an allocated pension or a combination of both), based on their own circumstances.

### What is a lump sum?

A lump sum benefit is where your Death Benefit is paid as a single payment.

If you have nominated your beneficiary to be your estate or you do not nominate how you want your Death Benefit to be paid, your Death Benefit will be paid as a lump sum.

### What is an Allocated Pension?

An allocated pension provides beneficiaries with a regular income stream and may provide a means to reduce the tax impact on the beneficiaries following the payment of any Death Benefit on Term Life, of monies in excess of your Reasonable Benefit Limit (RBL). An allocated pension is invested in a choice of investment portfolios in order to fund regular pension payments for your beneficiaries.

Any pension paid must be done so from the Fund. Where there is more than one pension to be paid, the Trustee can pay separately. If the amount is less than the minimum deposit required to purchase an allocated pension (currently \$10,000), the benefit will be paid as a lump sum.

It will be at the discretion of the Trustee to allow allocated pension payments for dependants under the age of 18 to be made to a trustee for the child, even if paid under a binding direction.

Allocated pensions that are payable from the Fund are governed by laws, which limit, amongst other things, the amount of pension payments.

If an allocated pension is not available at the time of your death, the Trustee will determine a similar income stream facility from the Fund or it will pay the Death Benefit portion as a lump sum to the beneficiaries who would have been entitled to the allocated pension.

The terms of the Super Estate Option Allocated Pension, including features, benefits, fees and charges, can be found in the Asteron Life Insurance Super Estate Option Allocated Pension PDS. To obtain a copy of this PDS, please contact your financial adviser or us (our contact details are on page 2).

### Who can receive your Death Benefit?

#### Binding Direction to the Trustee

If you elect to make a binding direction, the Trustee is required to pay the benefits in accordance with your binding direction. You can nominate one or more of:

- your spouse,
- your children,
- any other person who is financially dependent on you, or
- your estate.

If you give a binding direction to the Trustee, you must specify the percentage of your total Death Benefit, which is to be paid to each person you nominate.



If you use the Super Estate Option to nominate how you want your Death Benefit to be paid, it is important to know that while you can bind the Trustee as to what percentage of your total Death Benefit is to be paid to each person you nominate, you cannot bind the Trustee as to how the benefit is paid to each beneficiary (ie. as a lump sum, an allocated pension, or a combination of both).

If, when you die, the Trustee does not hold a valid direction, the benefit (or relevant part of it) is paid in accordance with the Trustee's discretion. If a nominated person is not a dependant or is otherwise not permitted to receive a benefit under superannuation law, the benefit (or the relevant part of it) is paid in accordance with the Trustee's discretion.

Over time your circumstances may change (for example, you marry or have a child) and so it is recommended that you review your direction regularly to ensure that your benefits are paid in accordance with your wishes. You can confirm your direction at any time by simply giving written notice to the Trustee. If you need to change your direction at any time in the future then you need to complete a fresh direction. To assist you, each year the Trustee will forward details of your direction.

Any direction that you give, automatically ceases to have any effect 3 years after the date on which you sign and date the Binding Direction section in the Application for Membership, or the date you last confirmed the direction. If a direction ceases to have effect, and no subsequent direction is made, the Trustee will pay the Death Benefit in accordance with the Trustee's discretion.

If you need to change your binding direction at any time in the future, then you should contact us (our contact details are on page 2).

#### Non-Binding Direction to the Trustee

If you elect to make a non-binding direction, you can nominate payment to one or more of your beneficiaries, including:

- your spouse,
- your children,

- any other person who is financially dependent on you, or
- your estate.

The Trustee will take into account any nomination you have made, but as it is a non-binding direction, they are not legally bound to pay your benefit as per this direction.

If you give a non-binding direction to the Trustee, the Trustee can determine the proportion of the benefit to be paid amongst beneficiaries and how it is to be paid (ie. as a lump sum, an allocated pension or a combination of both).

In order to assist the Trustee to determine who should receive the benefits you are advised to complete the Non-Binding Direction section in your Application for Membership.

Over time your circumstances may change (for example, you marry or have a child) and so it is recommended that you review your non-binding direction regularly to ensure that the Trustee knows who you would like your benefits to be paid to. If you need to change your non-binding direction at any time in the future then you should contact us (our contact details are on page 2).

Please note that while the Trustee will take into account your non-binding direction, it is not bound by it.

#### What if my beneficiaries are not eligible or cannot be located?

The Trustee must make provision for the likelihood of not being able to locate or identify anyone who is entitled to receive your death benefit as nominated by you. Circumstances where this may be the case include the following:

- you have no surviving children at the date of your death,
- you have no spouse at the time of your death, or
- an intended beneficiary has predeceased you.

If for any reason the Death Benefit cannot be made to your estate, the Trustee can use its discretion in accordance with superannuation law and pay another person.

**Tax**

**Contributions tax and surcharge**

Contributions tax of 15% is payable on all employer contributions and, if you are eligible, also on those personal contributions where you provide the Fund with notice that they are being claimed as a tax deduction. However, as all contributions are used to pay premiums under Term Life and the Fund is entitled to a tax deduction on premiums paid, the contributions tax is reduced to nil.

Contributions may be subject to the contributions tax surcharge. The surcharge will apply if your adjusted taxable income exceeds \$94,691\*. The rate of the surcharge increases with your taxable income, and the maximum rate of 14.5% is payable if your adjusted taxable income exceeds \$114,981\*.

\*Note: These amounts relate to the 2003/2004 financial year and are indexed annually.

Recent changes to superannuation legislation will reduce the maximum contributions tax surcharge over three years beginning in 2003/2004. The maximum contributions tax surcharge rates are described below.

Financial year	Maximum contributions tax surcharge
2003/04	14.5%
2004/05	13.5%
2005/06	12.5%

If you have not supplied your tax file number to the Fund and the Australian Tax Office cannot match your contributions with your income tax records then the maximum rate of surcharge may apply to you.

The Trustee may invoice you for any surcharge payable.

**Tax on Benefits**

In the event of your death, no lump sum tax is payable on a benefit if it is paid to your spouse or dependants, and it (when added to your other superannuation entitlements) does not exceed your pension RBL (adult children are not dependants for tax purposes unless they are financially dependant).

Where the Death Benefit is paid to a person other than a dependant, it is taxed as an Eligible Termination Payment subject to certain adjustments based on your pension RBL.

In the event of your total and permanent disablement, a concessional rate of lump sum tax may apply to your benefit.

Your financial adviser can provide you with further details.

**Management fees and charges**

The Trustee charges no management fees or charges against members or their benefits. The only amounts payable are contributions to meet premiums and other charges payable under Term Life (explained on pages 3 - 11), and any contributions surcharge tax, if applicable.

**Regular reports**

Updated information about the management and financial condition of the Fund is contained in the latest Annual Report of the Fund, which is available free of charge on request from your financial adviser or us (our contact details are on page 2).

At least once a year you will be sent an Annual Statement confirming your current benefits within the Fund, including your current level of death and disablement cover.

You will also receive an Annual Report each year. A copy of the most recent Annual Report is available free of charge on request.

If you do not receive this information please contact us (our contact details are on page 2).

**Cooling off period**

For details about the cooling off period, if the Trustee has purchased Term Life on your behalf, please refer to page 63 of this PDS.

**Enquiries**

If you have any questions about the policy or your membership of the Fund, please call either your financial adviser or us (our contact details are on page 2).

## Complaints resolution

For details about our complaints process, please refer to page 64 of this PDS.

## Fund details

Fund name	Asteron Life Superannuation Fund (SFN 1400/429/47) ABN 98 350 952 022
Trustee	Asteron Portfolio Services Limited
Contact person	The Fund Manager

## Other things you should know

### About the Trustee

The Trustee of the Fund, Asteron Portfolio Services Limited, is an approved trustee under the Superannuation Industry (Supervision) Act 1993 (SIS).

### About the Fund

The Fund:

- is a resident regulated superannuation fund within the meaning of SIS; and
- is not subject to a direction from the Australian Prudential Regulation Authority under section 63 of that Act, not to accept any contributions made to the Fund by an employer-sponsor.

An employer can rely on the above statement for the purposes of making superannuation guarantee contributions to the Fund, on the basis that the Fund is a complying superannuation fund.

### The Trust Deed

The rights and obligations of the members under the Fund are set out in the Trust Deed. The Trust Deed is the document, which sets out the rules for the establishment and operation of the Fund and member rights and obligations. A copy of the Trust Deed is available on request.

Under the terms of the Deed that established the Fund, the Trustee has the power to amend any of the provisions of the Deed if permitted by law and approved by us.

# How much will the policy cost

## You will receive a premium illustration

The amount payable when the policy starts will be set out in a policy illustration that your financial adviser will provide and also attach to the application form. The illustration will set out the premium, policy fee and Government fees and charges (if any) which is payable in addition to the premium. You can also ask us to provide you with an illustration, or request our premium rates by contacting us (our contact details are on page 2).

If the first premium is paid with the application, we will deposit the money in an application money trust account while we are assessing the application. We retain the interest we earn on this account.

## How do we calculate the premium?

No matter which policy is selected, the premium will be based on a number of factors, including:

- the current premium rates for the policy;
- your age, sex, occupation, smoking status, health and lifestyle;
- in the case of Income Protector, Income Advantage or Business Expenses, the monthly benefit, the waiting period and the benefit period; and
- in the case of Term Life, Recovery or Stand Alone Recovery, the sum insured.

Your financial adviser can help you determine what level of cover you need and also how much it will cost.

## Your premium options

Premiums can be stepped or level.

If stepped premiums are selected, the premium will be recalculated (and will usually increase) on each policy anniversary based on your age at that time.

If level premiums are selected, the premium is calculated at the start of the policy, based on your age at that time.

Irrespective of the premium type selected, we may change the premium rates for all policies within the same series for example, all of our Income Protection rates (explained below).

Under Term Life, Recovery and Stand Alone Recovery, level premiums will convert to stepped premiums on the policy anniversary when you are age 65.

## When premiums may change

Premiums may vary if:

- the policy owner requests us to change the monthly benefit (for Income Protector, Income Advantage or Business Expenses);
- the policy owner requests us to change the sum insured (for Term Life, Recovery or Stand Alone Recovery);
- the Automatic Increase Benefit results in increases in the monthly benefit or sum insured each year to keep pace with inflation; or
- we review the premium rates.

For Term Life, Recovery or Stand Alone Recovery, if stepped premiums apply, the policy owner can freeze premiums. This means premiums will stay the same but the sum insured will change (usually decrease) as you get older (explained on page 5 for Term Life and page 18 for Recovery and Stand Alone Recovery).

## We may review the premium rates

We may review any of our premium rates, for any of our policies, at any time and as a result premiums may increase or decrease. For example, we may review them, following a review of our claims experience or on the advice of our Appointed Actuary.

Premium rates will only change if we review all our rates for a type of policy within the same series (for example, all our Income Protector rates), therefore you cannot be singled out for an increase.

## Are there any other charges?

### Policy fee information

A policy fee will be charged to contribute towards the costs of fixed expenses incurred by us to assess and administer the policy. The policy fee is payable in addition to the premium.

Depending on the payment frequency you choose, a policy fee will be payable as follows:

All policies	
Yearly	\$64.00
Half-yearly	\$32.96
Quarterly	\$16.90
Monthly	\$5.63

The policy fee stated in this PDS has been set at 1 March 2004 and will be increased each year in line with inflation.

We recognise that expenses may overlap when more than one policy is being applied for at the same time, on the same insured person. In these circumstances we may waive the policy fee on a policy.

If:

- Term Life and Stand Alone Recovery are taken out - the policy fee will only apply to Term Life;
- Recovery and Additional Term Life are taken out - the policy fee will only apply to Recovery; or

- a policy from our income protection range and Business Expenses are taken out - the policy fee will apply to the income protection policy.

Otherwise a policy fee will apply to each policy.

### Stamp duty information

Stamp duty is a Government fee charged in addition to the premium for Stand Alone Recovery, Income Protector, Income Advantage and Business Expenses. The stamp duty payable is based on the State where you reside. The rate of stamp duty varies from State to State.

We may also pass on any new or increased Government taxes and charges. These taxes and charges are outside of our control.

## Are there any minimum premiums?

The minimum premiums for each of the policies are as follows:

Minimum premiums (Including the policy fee* and stamp duty if applicable)		
Frequency	All policies	Child Recovery option
Yearly	\$200	\$12
Half-yearly	\$100	\$6
Quarterly	\$50	\$3
Monthly	\$20	\$1

\* if the policy fee is waived, the minimum premiums will still apply.

## How and when can you pay your premium?

The following table highlights the different payment methods and frequencies currently available, as well as the loading to the premium if you choose a frequency other than yearly.

Payment frequency	Frequency loading	Payment method		
		Cash/Cheque	Credit card	Direct debit
Yearly	nil	✓	✓	✓
Half-yearly	3.0%	✓	✓	✓
Quarterly	5.6%	✓	✓	✓
Monthly	5.6%	Not available	✓	✓

## How much will the policy cost? continued

For example, if the yearly premium was \$250 (including stamp duty and policy fee), and the premium is payable:

- half-yearly, the premium will be \$128.75 per half-year (equivalent to \$257.50 per year);
- quarterly, the premium will be \$66 per quarter (equivalent to \$264 per year); or
- monthly, the premium will be \$22 per month (equivalent to \$264 per year).

### **What happens if the premium is not paid?**

Premiums (and policy fee and Government fees and charges not included in the premium rates) are payable in advance, on the selected basis. The payment frequency and method can be changed at anytime by contacting us (our contact details are on page 2) and we will advise the revised amount payable.

If a payment is missed, we will send a notice to the policy owner specifying the date on which all cover will cease if the amount due is not paid. If payment is not made by that date we will cancel the policy by giving written notice of cancellation to the policy owner.

We will give at least 21 business days notice before we cancel the policy because of non-payment of premiums.

After the policy has been cancelled, the policy owner may request reinstatement at any time during the 12 months following the date of cancellation. We will consider such a request but do not guarantee reinstatement.

# Claim requirements

If you wish to make a claim you should notify us within 30 days of the event. This will enable us to assess your claim promptly and it will also ensure we can make appropriate payments as soon as possible.

As the products contained within this PDS provide cover for many different events, our claim requirements will vary depending on the type of, and reason for, the claim you are making. As the circumstances surrounding a sickness or injury (or death, if applicable) usually will be different, our claims requirements may also vary.

Our claim requirements may include (but are not limited to):

- completed claim forms;
- the original policy document and schedule;
- a certified copy of your birth certificate;
- medical evidence (we may require you to be examined by a medical practitioner of our choice);
- specific financial requirements, including profit and loss statement and regular monthly expense statements (we may require an accountant of our choice to verify income and/or expenses prior to and during your disablement);
- proof of diagnosis of condition or occurrence of the procedure for which the claim is being made, including copies of confirmatory investigations performed by a specialist;
- a signed authority to enable us to obtain information from the Health Insurance Commission Agency and other Government departments; or
- a certified copy of your death certificate (if applicable).

We may also ask for information relating to:

- your medical history;
- your business or personal income;
- your business or personal expenses;
- your activities; or
- other insurance policies and claims.

For further details on claim requirements, please contact our Claims Department on 1800 024 812.

# Taxation Impacts

The following information on taxation is based on the tax laws and rulings at the date of this PDS, the continuance of these laws and our interpretation of them.

These are general statements only, which highlight the possible tax implications associated with:

- the payment of premiums, and
- the receipt of benefits.

Individual circumstances may be quite different, therefore we strongly recommend that you consult a taxation adviser in regards to your own personal position.

Product	Premium impact	Benefit impact
Term Life	<p>Premiums are not normally tax deductible.</p> <p>If the policy is taken out by a business for a revenue purpose or by a superannuation fund, these premiums may be deductible.</p>	<p>Payment of the sum insured under Term Life is normally free of personal income tax, unless the insurance was taken out:</p> <ul style="list-style-type: none"> <li>• by a business for a revenue purpose; or</li> <li>• in connection with a superannuation fund (special rules apply).</li> </ul> <p>Tax is not normally payable on benefits provided the policy is taken out on your own or your spouse's life.</p> <p>Capital Gains Tax (CGT) may apply in circumstances where the benefits are paid other than to the insured person, their spouse, children or other dependants.</p> <p>Additional information about the taxation of benefits paid from the Asteron Life Superannuation Fund are explained on pages 52 - 57.</p>
Recovery & Stand Alone Recovery	<p>Premiums are not normally tax deductible.</p> <p>If the policy is taken out by a business for a revenue purpose (for example replacing income of the business if a key person dies), the premiums will be tax deductible.</p> <p>If the policy is taken out by a business for a capital purpose (for example to buy out a partner's share in the business), the premiums will not normally be tax deductible.</p>	<p>Payment of the sum insured under Recovery or Stand Alone Recovery is normally free of personal income tax if the policy is taken out on your own or your spouse's life. Tax may be payable if the policy was taken out by a business for a revenue purpose.</p> <p>If the policy was taken out by a business for a capital purpose the tax treatment will depend heavily on the arrangement between the owners of the business.</p> <p>Capital Gains Tax (CGT) may apply in circumstances where the benefits are paid other than to the insured person, their spouse, children or other dependants.</p>
Income Protector & Income Advantage	<p>All premiums are normally fully tax deductible whether you are employed or self-employed.</p>	<p>Any monthly benefits received are taxed as income and should be declared in your annual tax return and where applicable, included in a Business or Instalment Activity Statement.</p> <p>We do not deduct any tax from monthly benefits prior to payment.</p>
Business Expenses	<p>All premiums are normally fully tax deductible as a business expense.</p>	<p>Any monthly benefits received are taxed as income and should be declared in your annual tax return and where applicable, included in a Business or Instalment Activity Statement.</p> <p>We do not deduct any tax from monthly benefits prior to payment.</p>



# Cooling off period

## Contacting Asteron

After we have accepted your application and issued the policy document and schedule, there is a period of time in which you may cancel the policy and obtain a refund of the premium and other charges you have paid (other than any government taxes and charges for which we are unable to obtain a refund). This is known as the cooling off period.

During this time, you should check that the policy meets your needs. The cooling off period is 28 days and commences from the date we issue the policy document and schedule.

Your cooling off rights will not apply if there has been any claim during the cooling off period.

If you decide to cancel the policy in the cooling off period, you must return the policy document and schedule together with a written request to cancel the policy to us (our contact details are on page 2).

## Contacting the Trustee

If the Trustee, Asteron Portfolio Services Limited, has purchased Term Life on your behalf, you have 20 days from the date we confirm your membership of the Fund to cancel your membership and request that the Trustee cancel the Term Life policy. This is known as the cooling off period.

Any amount in the Fund that is subject to preservation will be repaid by way of transfer to another complying superannuation fund. You must make a nomination in writing of a complying superannuation fund no later than one month after notifying the Trustee of your decision to cancel the membership. The right is exercised on receipt by the Trustee of your nomination.

Your cooling off rights will not apply if there has been a claim under the policy .

If you decide to cancel the policy or membership of the Fund in the cooling off period, you must return the policy document and schedule together with a written request to cancel the policy to us (our contact details are on page 2).

# What to do if you have a complaint

## Contacting Asteron

If you have a complaint regarding the policy, you can contact us directly by calling (02) 9978 9999 for Sydney callers or 1800 221 727 for callers outside the Sydney metropolitan area or by fax on 02 9978 9798 or by writing to:

The Manager  
Customer Service  
Asteron Life Limited  
Locked Bag 5000  
Chatswood NSW 2057

You will receive a response within 10 working days of us receiving your complaint. Your complaint will be dealt with within 45 days.

In the unlikely event that your complaint is not resolved to your satisfaction, you may refer it to the Financial Industry Complaints Service Limited (ABN 64 068 901 904).

Their contact details are:

The Manager  
Financial Industry Complaints Service  
PO Box 579  
Collins Street West  
Melbourne Vic 8007

Telephone 1300 780 808

Fax 03 9621 2291

## Contacting the Trustee

If the Trustee has purchased Term Life on your behalf, and you or your beneficiaries have a complaint about the management of the Fund or decisions made by the Trustee, you or your beneficiaries can contact us (our contact details are on this page).

Superannuation law requires that complaints be properly considered and dealt with within 90 days.

In the unlikely event that your complaint is not resolved to your satisfaction, you or your beneficiaries may refer it to the Superannuation Complaints Tribunal if it does not relate to the general management of the Fund.

Their contact details are:

Superannuation Complaints Tribunal  
Locked Bag 3060  
GPO Melbourne Vic 3001

Telephone 1300 884 114

Internet site [www.sct.gov.au](http://www.sct.gov.au)

# Grief Support Service

Grief Support Service is available under all policies listed in this PDS.

The Grief Support Service (Service) helps you or your immediate family members to start to come to terms with a reaction to grief which arises from a traumatic event.

Under the Service we will pay a benefit equal to the cost of providing initial confidential grief counselling from an independently owned counselling organisation. This amount is paid to the provider of the counselling service.

If you or one of your immediate family members utilises the Service, up to 4 hours\* of counselling is available.

If more than one of your immediate family members (including you) utilises the Service the combined usage can be up to 6 hours\*.

The Service is only available in circumstances of grief. The counselling sessions are not for other forms of counselling.

\* Please note: Any travel time by the counsellor to visit you or your immediate family members is included in this time.

## When is the Service available?

If you die and we are notified of your death, the Service is available to your immediate family members.

In addition, the Service is available to you or your immediate family members under:

- Term Life, if you are terminally ill or totally and permanently disabled and we have admitted your claim; and
- Recovery and Stand Alone Recovery, if you are terminally ill (if applicable), suffer a condition, undergo a procedure or are totally and permanently disabled, and we have admitted your claim.

## Who can use the Service?

Who we classify as your immediate family, is dependent on whether or not the policy has been taken out through superannuation.

All other policies	Term Life through a superannuation fund
<ul style="list-style-type: none"><li>• Spouse</li><li>• De facto spouse (including same sex partner)</li><li>• Fiance</li><li>• Children</li><li>• Parents</li><li>• Siblings</li></ul>	<ul style="list-style-type: none"><li>• Spouse</li><li>• De facto</li><li>• Children</li><li>• Other financial dependants</li></ul>

## Other conditions of use

Initial use of the Service must commence within 13 months of when we have:

- been notified of your death, or
- accepted either your Recovery, Stand Alone Recovery, terminal illness or TPD claim (if applicable).

All counselling sessions must then be completed within 2 years of the date the Service was first used.

For Child Recovery claims, the Service is available to you, your child and immediate family.

Under Recovery and Stand Alone Recovery, the Service will not be available following Partial Recovery Benefit payments, for example, coronary artery angioplasty.

The policy owner will be notified at the time of claim that the Service is available. At the time of booking the Service, you will be told what hours are available.

Provision of the Service does not mean any admission or acceptance of any claim or liability regarding any payments (including future payments) that may be payable under any of our policies.

We may at any time amend or cancel the Service or change the provider of the grief counselling. These changes may affect the Service that is available to you.

For more details of the Service, including which independently owned counselling organisation we currently use, please contact your financial adviser or our Claims Department on 1800 024 812.

# Our Privacy Statement

Where we use the words 'we', 'our' or 'us' in this Privacy Statement it means Asteron Life Limited and/or Asteron Portfolio Services Limited (as Trustee of the Asteron Life Superannuation Fund (ALSF)) if you have applied for membership of the Fund.

## Why do we collect your personal information?

We collect personal information about you so we can provide you with the insurance you have applied for. As part of providing this insurance, the personal information can be used to:

- assess and decide on what terms (if any) we accept your application if you are applying for new insurance or you are increasing or amending your existing insurance;
- provide and manage the insurance after we have accepted the risk; or
- investigate and, if covered, manage and pay any claims made in relation to insurance you have with us.

In some circumstances we are also required to collect personal information to meet the requirements of superannuation and taxation law.

## What if I choose not to provide the personal information?

We only ask for personal information that is necessary for the purposes outlined above. If you don't provide us with the information we request, we are unlikely to be able to provide the insurance you apply for, and we won't be able to assess or pay any claim made under your insurance.

## Will my personal information be disclosed to others?

We will only disclose your personal information to people or organisations for the purposes outlined above. When appropriate and for these purposes, we may disclose your personal information to or collect it from:

- other members of the Promina Group ;
- a financial adviser;
- hospitals, medical and other health professionals;
- other insurance companies and reinsurers;
- mailing houses\*;
- research and telephone service providers (who help us with our service delivery);
- Government departments;
- if your insurance is in our superannuation fund or another fund, to the Trustees (and their advisers);
- loss assessors and claim investigators;
- claims reference providers;
- legal and other professional advisers;
- other service providers;
- accountants; or
- department storage facilities.

\* We use mailing houses to assist us in communicating with you. We do not sell your personal details to direct marketing businesses.

### **Is there anything else I need to know about how my personal information may be used?**

At times we may also use your personal information to provide you with additional information about your insurance benefits. Unless you have advised us to the contrary we may use your personal information to let you know about other products and services that we or other members of the Promina Group provide. To do so we may need to give relevant personal information about you to your financial adviser. Also, unless you have advised to the contrary, we can share your personal information with our corporate partners so that they can tell you about their products and services. We will only do this if there is a formal agreement in place between us and the corporate partner, and we agree with the information they provide to you in each case. The information we use or share for those purposes would never be of a sensitive nature, such as health information.

### **How do I request access to personal information you hold about me?**

You can request access to the personal information we hold about you by calling or writing to us. You will have to give us full details of what you would like to know or see. In some circumstances, however, we do not have to provide you with that information. In these cases we will give you reasons for our decision. If you contact us by telephone, we will ask you questions to help us identify you. In some cases we may ask for your request to be in writing. We do this to protect the confidentiality of your personal information.

### **Can this privacy statement alter?**

We can alter this statement in the future. Our latest statement applies to the way we deal with your personal information. To see our latest Privacy Statement, please visit our web site [www.life.asteron.com.au](http://www.life.asteron.com.au)

### **Who do I contact if I have questions about privacy?**

Please direct enquires to:

Asteron Life Limited (or Asteron Portfolio Services Limited)  
Locked Bag 5000  
Chatswood NSW 2057

Telephone 1800 221 727 (outside Sydney)  
Telephone 02 9978 9999 (within Sydney)

Fax 02 9978 9798

# The duty of disclosure

## The duty of disclosure

Before entering into a contract of life insurance with an insurer, the applicant for insurance has a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that they know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

This duty, however, does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer,
- that is of common knowledge,
- that the insurer knows, or in the ordinary course of its business, ought to know,
- as to which compliance with the duty is waived by the insurer.

## Non-disclosure

If the applicant fails to comply with the duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within 3 years of entering into it. If the non-disclosure is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within 3 years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if all relevant matters had been disclosed to the insurer.

The applicant has the same duty to disclose those matters to the insurer before they extend, vary or reinstate a contract of life insurance. This duty continues until the insurer notifies that it has accepted the risk of the insurance.

# How to apply

To apply for any of the policies referred to in this PDS, you (and the proposed policy owner if not you) will need to complete the application form which is at the back of this PDS.

We consider many factors (such as your health and your occupation) when making decisions about the application for insurance. We use the information in the application to:

- assess whether or not we can provide insurance cover; and
- calculate the cost of your insurance if we agree to cover you.

Sometimes we may need more detailed information than you provided in your application form.

We may ask you to complete a special health questionnaire, to attend a medical consultation or have a medical test. We will generally pay for any medical consultation or medical test that we request you to undertake for the purposes of assessing your application.

If you have any further queries on the application process, please speak with your financial adviser or contact us (our contact details are explained on page 2).

## How often will we communicate with you about the policy?

The following table shows what the policy owner will receive from us:

When the policy commences	When the policy is altered	At each policy anniversary	If you make a claim
<ul style="list-style-type: none"><li>• welcome letter;</li><li>• the policy schedule; and</li><li>• the policy document.</li></ul>	<p>If a request is made to alter the policy and we accept the alteration, we will confirm the change to you with a:</p> <ul style="list-style-type: none"><li>• confirmation letter; and</li><li>• policy endorsement.</li></ul>	<p>The policy owner will receive a notice from us showing:</p> <ul style="list-style-type: none"><li>• the current policy details; and</li><li>• premiums payable.</li></ul>	<p>When we are notified of a claim, you will receive:</p> <ul style="list-style-type: none"><li>• a letter; and</li><li>• a claims kit outlining the information we require.</li></ul>

If this information is not received, or if there are other transactions under the policy that we must confirm in writing, please contact us (our contact details are on page 2).

# Interim cover

**injury means physical injury caused solely and directly by accidental, sudden, violent, external and visible means while interim cover is in force.**

**war or an act of war means armed aggression by a country resisted by another country or international organisation.**

**sickness is an illness or disease you suffer while interim cover is in force.**

**criminal activity means any crime for which you are convicted where you could receive a jail sentence, whether or not you do in fact receive a jail sentence for that crime.**

While the application is being processed, we provide interim cover for you. This cover is issued from our Number 1 Statutory Fund.

What we mean by total and permanent disablement, severely disabled and allowable business expenses is described in the relevant sections of this PDS.

Interim cover is not available if an application for a similar type of policy on your life, with any insurer, has been declined.

## Commencement of interim cover

Interim cover commences when the completed application form and initial premium (or completed deduction authority) are lodged at one of our State Offices or our Head Office.

To confirm when your interim cover begins and ends, please call our State Office (our contact details are on the back cover of this PDS) and we will send you written confirmation.

## Period of interim cover

Your interim cover will end on the earliest of the following:

- 60 days from the date the interim cover commences;
- the date the application is accepted, declined, withdrawn; or
- the date we advise you that the interim cover is cancelled.

## The application process

If during the application process we decide to offer a modified policy, your interim cover will also be adjusted to incorporate the modified terms. If we require an additional premium due to your medical history, occupation or pastimes, your level of interim cover will be recalculated (and hence reduced) based on your proposed premium. If you are eligible to make a claim under the terms of the interim cover then, when we underwrite the application for insurance, we will take into account any change in the state of health as a result of the event entitling you to claim under interim cover.

## When we will not pay a benefit

We will not pay any benefits if the application is one which we would not normally accept under our standard underwriting guidelines and practices.

Benefits will also not be paid where death, disablement or conditions are caused by:

- suicide;
- a self-inflicted act whether sane or insane;
- any pre-existing condition ie. an illness or other condition relating to your health:
  - of which you were, or a reasonable person in your position would have been aware at any time before the date of the application;
  - for which you have consulted a qualified medical practitioner before the date of the application;
- participation in any occupation, sport or pastime which we would not normally cover on standard terms;
- a war or an act of war (unless a Death Benefit is payable); or
- any sickness or injury that occurs as a result of your participation in a criminal activity.
- any event giving rise to the claim (including death) on an insured child covered under Child Recovery interim cover, caused directly or indirectly by:
  - a congenital condition;
  - the intentional act of the insured child's parent or guardian; or
  - of someone who lives with or supervises the child.

We will not pay for any period you are in jail.

We will provide full details of the occupations, sports and pastimes, which are not covered on request.



## Term Life

If the application is for Term Life, the benefit will be paid if you die during the period of the interim cover.

If the application is also for the Total and Permanent Disablement Option the benefit will be paid on the earlier of:

- death; or
- you becoming totally and permanently disabled as a result of sickness or injury first occurring during the period of interim cover. The any occupation definition will be used for assessment purposes.

The amount payable will be the lowest of:

- \$500,000;
- the proposed sum insured; and
- the sum insured we would accept for you under our normal underwriting guidelines based on the proposed premium.

If the application is for a combination of Term Life, Recovery and/or Stand Alone Recovery, the maximum amount payable under interim cover is \$500,000.

## Recovery

If the application is for Recovery, a benefit will be paid on the earlier of:

- death;
- you becoming totally and permanently disabled as a result of sickness or injury first occurring during the period of the interim cover. The any occupation definition will be used for assessment purposes; or
- you suffering one of the following conditions directly as a result of an injury:
  - blindness
  - coma
  - deafness
  - intensive care
  - major head trauma

- paralysis
- severe burns

These conditions are defined on pages 74 - 77 except that under interim cover these medical conditions must be the result of an injury.

The amount payable will be the lowest of:

- \$500,000;
- the proposed sum insured; and
- the sum insured we would accept for you under our normal underwriting guidelines based on the proposed premium.

If the application is for a combination of Recovery, Term Life and/or Stand Alone Recovery, the maximum amount payable under interim cover is \$500,000.

## Stand Alone Recovery

If the application is for Stand Alone Recovery the benefit will be paid on the earlier of:

- you becoming totally and permanently disabled as a result of sickness or injury first occurring during the period of the interim cover. The any occupation definition will be used for assessment purposes, or
- you suffering one of the following conditions directly as a result of an injury and you survive at least 14 days after the occurrence of the condition:
  - blindness
  - coma
  - deafness
  - intensive care
  - major head trauma
  - paralysis
  - severe burns

sum insured is the amount applied for.

monthly benefit for Income Protection means

- (a) if the Indemnity Option has not been selected, the amount applied for.
- (b) if the Indemnity Option has been selected, the monthly benefit for the purposes of determining the amount payable under the Severely Disabled Benefit, is the lesser of:
  - the amount referred to in paragraph (a); and
  - 75% of pre-disability income.

monthly benefit for Business Expenses means the amount applied for.

These conditions are defined on pages 74 - 77 except that under interim cover these medical conditions must be the result of an injury.

The amount payable will be the lowest of:

- \$500,000;
- the proposed sum insured; and
- the sum insured we would accept for you under our normal underwriting guidelines based on the proposed premium.

If the application is for a combination of Stand Alone Recovery, Recovery and/or Term Life, the maximum amount payable under interim cover is \$500,000.

### Child Recovery

If the application for Recovery or Stand Alone Recovery includes the Child Recovery Option, a benefit will be paid on the earlier of:

- the insured child's death; or
- the insured child suffering one of the following conditions directly as a result of an injury:
  - blindness
  - brain damage
  - deafness
  - intensive care
  - loss of limbs or sight
  - major head trauma
  - paralysis
  - severe burns

These conditions are defined on pages 74 - 77.

The amount payable will be the lower of:

- the insured child's proposed sum insured, or
- the sum insured we would accept for the insured child under our normal underwriting guidelines based on the proposed premium.

### Income Protection

If the application is for Income Protector or Income Advantage, a monthly benefit will be payable if you become severely disabled as a

result of sickness or injury first occurring during the period of interim cover. You must be continuously severely disabled for longer than the proposed waiting period.

The amount payable will be the lower of:

- \$5,000 per month;
- the proposed monthly benefit, or
- the monthly benefit we would accept for you under our normal underwriting guidelines based on the proposed premium.

The payment will be made from the end of the proposed waiting period for the remainder of your period of severe disablement or for a period of 6 months, whichever is less.

### Business Expenses

If the application is for Business Expenses, a monthly benefit will be paid if you become severely disabled as a result of sickness or injury first occurring within the period of interim cover. You must be continuously severely disabled for longer than the proposed waiting period.

The amount payable will be the lower of:

- \$5,000 per month;
- the proposed monthly benefit;
- your share of the allowable business expenses actually incurred relating to the period of severe disability; or
- the monthly benefit we would accept for you under our normal underwriting guidelines based on the proposed premium.

The payment will be made from the end of your proposed waiting period, for the remainder of your period of severe disablement or for a period of 6 months, whichever is less.

# Certificate of interim cover

Protection while your application is being considered

**Asteron Life Limited**

is pleased to provide interim cover for:

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Insured Person

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Policy Owner

## Amount of cover

The level of cover and circumstances in which we will pay, vary according to the policy applied for and our standard underwriting guidelines and practices. Please refer to pages 70 -72 for full details and conditions of how interim cover applies for each type of insurance cover.

Interim cover is not available if an application for a similar type of policy with any insurer has been declined.

## When cover commences

This certificate is valid from the date we receive the following at our Head Office or any one of our State Offices:

- the completed application; and
- the initial premium or completed deduction authority.

If you wish us to confirm when your interim cover begins and ends, please call your State Office (contact details are on the back cover of this PDS) and we will send you written confirmation.

## When cover ends

Your interim cover will end automatically on the earliest of the following:

- 60 days from the date your interim cover begins;
- the date your application is accepted, declined, withdrawn; or
- the date we advise you that your interim cover is cancelled.

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Your financial adviser



Dennis Fox  
For Asteron Life Limited

## We rely on what you tell us

This certificate is dependent upon the insured person and the policy owner providing complete and truthful answers in the application for insurance and complying with the duty of disclosure (as shown on page 68).

# Glossary

References to 'you' in this Glossary include where applicable, an insured child.

**activities of daily living** are:

1. bathing and showering
2. dressing and undressing
3. eating and drinking
4. maintaining continence with a reasonable level of personal hygiene
5. getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or walking aids.

**blindness** means the total and permanent loss of sight in both eyes (as currently defined by the Royal Blind Society).

**brain damage** means that as a result of an accident, sickness or injury, the insured child suffers brain damage causing neurological and/or cognitive deficit, that results in a 6 week period of significant functional impairment, which is then likely to be permanent.

**cancer** means the presence of one or more malignant tumours including malignant lymphoma, Hodgkin's Disease, leukaemia, malignant bone marrow disorders and melanomas greater than or equal to Clark Level 3 or greater than or equal to 1.5mm depth of invasion as determined by histological examination.

The tumour must be characterised by:

- the uncontrolled growth and spread of malignant cells; and
- the invasion and destruction of normal tissue.

The tumour must also:

- require treatment by surgery, radiotherapy, chemotherapy, biological response modifiers, or any other major treatment; or
- be totally incurable.

The following tumours are excluded:

- tumours which are histologically described as pre-malignant or show the malignant changes of 'carcinoma in situ';

*carcinoma in situ of the breast is not excluded if the entire breast is removed specifically to arrest the spread of malignancy, and this procedure is the appropriate and necessary treatment.*

- melanomas which are both less than Clark Level 3 and less than 1.5mm depth of invasion as determined by histological examination;
- all other types of skin cancers; and
- prostatic cancers which are histologically described as TNM Classification T1 or are of another equivalent or lesser classification.

**cardiomyopathy** means the impaired ventricular function of variable aetiology, resulting in permanent and irreversible physical impairment to the degree of at least Class 4 of the New York Heart Association classification of cardiac impairment.

Cardiomyopathy as a result of alcohol or drug abuse is excluded.

**chronic kidney (renal) failure** means end stage renal failure presenting as chronic irreversible failure of the function of both kidneys, as a result of which regular renal dialysis is instituted.

**coma** means a state of unconsciousness in which you are incapable of sensing or responding to external stimuli or internal need, resulting in a documented Glasgow Coma Scale of 6 or less, for a continuous period of at least 72 hours.

Coma as a result of alcohol or drug abuse is excluded.

**coronary artery angioplasty** means undergoing of angioplasty, (with or without atherectomy, laser therapy or insertion of a stent) to the coronary arteries, to treat coronary artery disease.

Angiographic evidence to confirm the need to undergo this procedure is required.

**coronary artery angioplasty – triple vessel** means undergoing angioplasty, (with or without atherectomy, laser therapy or insertion of a stent) to 3 or more coronary arteries within the same procedure.

Angiographic evidence, indicating at least 50% obstruction of 3 or more coronary arteries, is required to confirm the need for this procedure.

**coronary artery surgery** means coronary artery surgery to treat coronary artery disease but does not include angioplasty, intra-arterial procedures or other non-surgical techniques.

**deafness** means the total and permanent loss of hearing, both natural and assisted, from both ears as a result of sickness or injury.

**dementia** means the diagnosis of Alzheimer's disease or other dementias confirmed as permanent irreversible failure of brain function and resulting in significant cognitive impairment.

**encephalitis** means the unequivocal diagnosis of encephalitis where the condition is characterised by severe inflammation of the brain, that results in a 6 week period of significant functional impairment, which is then likely to be permanent.

**heart attack** means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area. The basis for diagnosis of a heart attack will include **either**:

- confirmatory new electrocardiogram (ECG) changes, and elevation of cardiac enzymes CK-MB above standard laboratory levels of normal; **or**
- levels of Troponin I greater than 2.0ug/l, or Troponin T greater than 0.6ug/l, or their equivalent, and a left ventricular ejection fraction of less than 50%.

**heart surgery (open)** means the undergoing of open heart surgery for treatment of a cardiac defect, cardiac aneurysm or benign cardiac tumour.

**HIV - medically acquired** is the accidental infection with the Human Immunodeficiency Virus (HIV) which we believe, on the balance of probabilities, arose from one of the following medically necessary events which must have occurred to you, in Australia by a recognised and registered health professional:

- a blood transfusion;
- transfusion with blood products;
- organ transplant to the insured person;
- assisted reproductive techniques; **or**
- a medical procedure or operation performed by a doctor.

Notification and proof of the incident will be required via a statement from a Statutory Health Authority that the infection was medically acquired. HIV infection transmitted, other than occupationally acquired as defined below, by any other means including sexual activity or recreational intravenous drug use is excluded.

**HIV – occupationally acquired** means infection with the Human Immunodeficiency Virus (HIV) where the HIV was acquired as a result of:

- an accident arising out of your normal occupation; **or**
- a malicious act of another person or persons arising out of the your normal occupation; **and**
- sero-conversion to HIV occurs within 6 months of the accident or malicious act.

Any incident giving rise to a potential claim must:

- be reported to the relevant authority or employer within 7 days of the incident;
- be reported to us with proof of the incident within 7 days of the incident; **and**
- be supported by a negative HIV Antibody test taken within 7 days of the incident.

HIV infection transmitted, other than medically acquired, by any other means including sexual activity or recreational intravenous drug use is excluded.

**intensive care** means that a sickness or injury has resulted in you requiring continuous mechanical ventilation by means of tracheal intubation for 10 consecutive days (24 hours per day) in an authorised intensive care unit of an acute care hospital.

**intracranial benign tumour** means the diagnosis of a non-cancerous tumour either in the brain tissue or between the brain tissue and the cranium giving rise to:

- symptoms of increased intracranial pressure such as papilloedema, mental symptoms, seizures and sensory impairment; and
- at least 25% permanent impairment of whole person function\*.

Cysts, granulomas, malformations in or of the arteries or veins of the brain, haematomas and tumours in the pituitary gland or spine are excluded.

\* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4<sup>th</sup> Edition.

**loss of limbs or sight** means the total and permanent loss of use of:

- both feet;
- both hands;
- the sight in both eyes (to the extent of 6/60 or less); or
- any combination of two of: a hand, a foot or sight in an eye (to the extent of 6/60 or less).

**loss of speech** means the total loss of speech both natural and assisted as a result of sickness or injury for at least 6 months and the subsequent diagnosis that loss of speech both natural and assisted will be total and permanent.

Loss of speech related to any psychological cause is excluded.

**major head trauma** means that an injury to the head has resulted in at least a 25% permanent impairment of whole person function\*.

\* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4<sup>th</sup> Edition.

**major organ transplant** means the organ transplant from a human donor to you of one or more of the following: kidney, heart, liver, lung, pancreas, and bone marrow.

The transplantation of all other organs or parts of any organ or of any other tissue is excluded.

**meningitis** means the unequivocal diagnosis of meningitis where the condition is characterised by severe inflammation of the meninges of the brain, that results in a 6 week period of significant functional impairment, which is then likely to be permanent.

**modified total and permanent disability** means you:

- suffer loss of limbs or sight;
- are constantly and permanently unable to perform at least 2 of the numbered activities of daily living without the physical assistance of someone else, (if you can perform the activity on your own by using special equipment we will not treat you as unable to perform that activity); or
- suffer significant cognitive impairment.

**Motor Neurone Disease** means the unequivocal diagnosis of Motor Neurone Disease.

**Multiple Sclerosis** means a disease characterised by demyelination in the brain and spinal cord. Multiple Sclerosis must be unequivocally diagnosed. There must be more than one episode of well defined neurological deficit with persisting neurological abnormalities. Neurological investigations such as lumbar puncture, MRI (Magnetic Resonance Imaging) evidence of lesions in the central nervous system, evoked visual responses, and evoked auditory responses are required to confirm diagnosis.

**paralysis** means the total and permanent loss of use of one or more limbs resulting from spinal cord injury or disease, or from brain injury or disease.

Included in this definition are Paraplegia, Quadriplegia, Diplegia, and Hemiplegia.

**Parkinson's Disease** means the unequivocal diagnosis of degenerative idiopathic Parkinson's Disease as characterised by the clinical manifestation of one or more of the following: rigidity, tremor, akinesia, resulting in the degeneration of the nigrostriatal system.

All other types of Parkinsonism are excluded (eg secondary to medication).

**repair or replacement of aorta** means surgery to correct any narrowing, dissection, or aneurysm of the thoracic or abdominal aorta but does not include angioplasty, intra-arterial procedures or other non-surgical techniques.

**repair or replacement of valves** means surgery to replace or repair a cardiac valve or valves as a consequence of heart valve defects or abnormalities but does not include angioplasty, intra-arterial procedures or other non-surgical techniques.

**serious accidental injury** means an injury that has resulted in you being confined to an acute care hospital for a period of 30 consecutive days (24 hours per day) under the full-time care of a registered doctor.

Injury as a result of alcohol or drug intake, or other self-inflicted means is excluded.

**severe burns** means accidental full thickness burns to:

- at least 20% of the body surface area;
- both hands, requiring surgical debridement and/or grafting; or
- the face, requiring surgical debridement and/or grafting.

**significant cognitive impairment** means a permanent deterioration or loss of intellectual capacity that requires you to be under continuous care and supervision by someone else.

Significant cognitive impairment which is directly or indirectly caused by alcohol or drug abuse is excluded.

**single loss of limb or eye** means the total and permanent loss of use of:

- one foot;
- one hand; or
- sight in one eye (to the extent of 6/60 or less).

**stroke** means any cerebrovascular accident or incident producing neurological sequelae lasting more than 24 hours. This includes infarction of brain tissue, intracranial or subarachnoid haemorrhage, embolisation from an extracranial source, but excludes transient ischaemic attacks and cerebral events and symptoms due to reversible neurological deficits and migraine.

**terminal illness** and **terminally ill** means

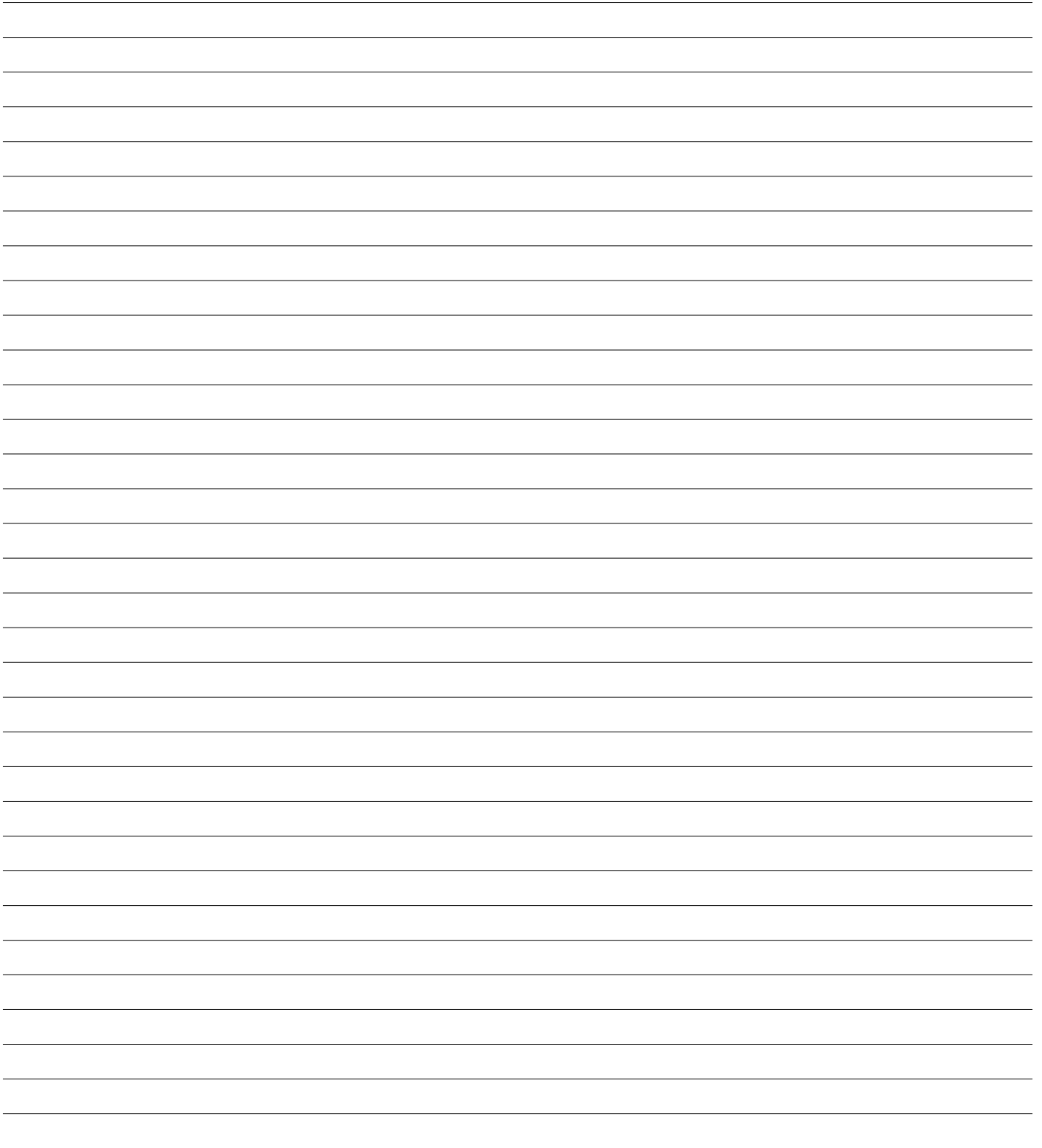
- in the opinion of a specialist medical practitioner who is a registered doctor; and
- if we require, in the opinion of one of our approved specialist medical practitioners,

your life expectancy is, due to sickness and regardless of any available treatment, not greater than 12 months.

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To find out more, talk to your financial adviser, call the Asteron office in your state or territory, or visit us on the internet at [www.asteron.com.au](http://www.asteron.com.au)

**NSW/ACT**

Level 23 2 Market Street  
Sydney NSW 2000  
Telephone 02 8275 3411

NSW callers outside  
Sydney 1800 819 499

**Vic/Tas**

Level 10 15 William Street  
Melbourne Vic 3000  
Telephone 03 9245 8500

VIC callers outside  
Melbourne 1800 803 628

**Qld**

67 Grey Street  
South Brisbane Qld 4101  
Telephone 07 3011 8600

Qld callers outside  
Brisbane 1800 177 716

**SA/NT**

66 Greenhill Road  
Wayville SA 5034  
Telephone 08 8373 0177

**WA**

Level 2 15-17 William Street  
Perth WA 6000  
Telephone 08 9211 4077

