asteron

Product Disclosure Statement

Issue no. 3

Life Insurance

- Term Life
- Stand Alone Total and Permanent Disablement
- Recovery
- Stand Alone Recovery
- Income Protector
- Income Advantage
- Business Expenses

PERSONAL investor MAGAZINE AWARDS FOR EXCELLENCE IN FINANCIAL SERVICES 2005

Asteron – Trauma Product of the Year*

* joint winner in this category

Issued 7 November 2005

Contents

Important note

The information in the Product Disclosure Statement (PDS) does not take into account your personal circumstances. You should consider the appropriateness of the information having regard to your objectives, financial situation and needs.

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. 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.

Personal Investor Magazine has consented to the Trauma Product Award being referred to on the front cover 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, fostering long lasting and mutually rewarding partnerships.

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

At the end of June 2005, the life insurance portfolio of Asteron in Australia comprises more than 275,000 policies and $329 million 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
- Stand Alone Total and Permanent Disablement (Stand Alone TPD)
- 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.

The obligations of Asteron and the Trustee are not guaranteed by any company within the Promina Group.

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.

How to apply

Information about how to apply for any of the products referred to in this PDS is set out on page 81. The application form is in the inside back cover of the PDS.

Please read the duty of disclosure notice on the front page of the application form before applying. There is a risk that a benefit will not be paid under a policy if you do not comply with the duty of disclosure. Cover is subject to our acceptance.

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 77.

No savings component

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.

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 77.

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

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

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?

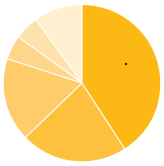
Will they have the financial ability to:

- maintain the family home?
- pay for your children's education?
- meet the 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?

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

During 2004, the common causes of Term Life claims paid by Asteron under our various policies were as follows:

Cancer	41%
Diseases of the circulatory system (eg. Heart disease)	22%
Accidents	17%
Diseases of the digestive system (eg. Liver failure)	5%
Diseases of the respiratory system (eg. Acute respiratory infections)	5%
Other (eg. Natural causes)	10%



A guide to finding important information about Term Life

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, occupation or pastimes, 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 63 - 67.

Who we pay

If the policy owner has nominated one or more beneficiaries to receive the Death Benefit, then (apart from any advanced payment under the Terminal Illness Benefit or the Funeral Advancement Benefit) the benefit will be paid in accordance with a valid nomination (explained on page 7).

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 minimum and maximum sums insured you can apply for are:

Benefit	Sum Insured	
Death Benefit	minimum	subject to minimum premium
	maximum	no maximum
Single TPD Payout	minimum	subject to minimum premium
	maximum	$2,500,000*
Double TPD Payout	minimum	subject to minimum premium
	maximum	$1,500,000*

* at policy commencement.

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 72 - 74.

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 72 - 74).

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 - 8:		
Death and Terminal Illness Benefit	✓	✓
Funeral Advancement Benefit	✓	✖
Automatic Increase Benefit	✓	✓
Premium Freeze Option	✓	✓
Financial Planning Benefit	✓	✓
Nominated Beneficiaries	✓	✖
Special Events Increase Benefit	✓	✓
Guarantee of Upgrade	✓	✓
The following in-built benefits are included as indicated and are explained on pages 63 - 67:		
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 9 - 13:		
Total and Permanent Disablement Option	✓	✓
Business Security Option	✓	✖
Waiver of Premium Option	✓	✓
Child Recovery Option	✓	✖

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
Child Recovery		2-20	21

^ 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 modified definition on a stepped basis on the policy anniversary when you are age 65.

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 63 - 67.

Benefits are payable if an insured event occurs while cover is in place, except in the circumstances explained on page 13.

Before we pay a benefit, you must meet our claim requirements which are explained on page 75.

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 any amount paid under the Single TPD Payout Benefit, if applicable, or the Funeral Advancement Benefit.

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.

Funeral Advancement Benefit

The Funeral Advancement Benefit is not available if the policy is owned through a superannuation fund.

The Funeral Advancement Benefit is intended to allow prompt payment to assist in meeting funeral expenses and other immediate costs.

This benefit will provide a payment of $10,000:

- in the event of your accidental death during the first 3 years after the policy commencement date (or the date the policy was most recently reinstated); and
- thereafter on your death from all causes.

accidental death means death solely and directly caused by injury.

The only document that needs to accompany the claim form is a certified copy of the death certificate. If the claim is made under the Funeral Advancement Benefit, the Death Benefit sum insured will be reduced by $10,000.

Payment of this benefit does not mean that any other benefit under this policy will be admitted.

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.

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.

The Automatic Increase Benefit will not apply to the Child Recovery sum insured, if applicable.

For example, if the sum insured is $500,000 and the indexation factor is 2%, an increase in sum insured of 3% will be offered, which is $15,000. If however, the indexation factor is 5%, an increase in the sum insured of 5% will be offered, which is $25,000.

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 fix premiums at the same amount within 30 days of a policy anniversary if they are paying premiums on a stepped basis.

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.

The following table provides an example of what would happen to an initial sum insured of $500,000 over a 15-year period if a male, non-smoker, aged 45, who is paying premiums on a monthly basis exercised the Premium Freeze Option. While premiums rates can increase, this illustration has been prepared using premium rates as at November 2005 (and includes the policy fee, which has been assumed to index at 3% per annum).

Age	Monthly Premium	Sum Insured
45	$61.20	$500,000
46	$61.20	$422,435
47	$61.20	$380,425
48	$61.20	$346,015
49	$61.20	$318,782
50	$61.20	$273,242
60	$61.20	$74,119

Financial Planning Benefit

If the Death Benefit, Terminal Illness Benefit or Total and Permanent Disablement Benefit 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 and TPD (if applicable) we currently offer a Grief Support Service (explained on page 78).

Nominated beneficiaries

Nominated Beneficiaries is not available if the policy is owned through a superannuation fund.

If you and the policy owner are the same, you can nominate beneficiaries (such as your partner or children) to receive the Death Benefit (apart from any advanced payment under the Terminal Illness Benefit or the Funeral Advancement Benefit).

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.

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 page 8 occur to you, and you are age 60 or under when the event occurs.

The benefit does not apply if:

- the policy owner is entitled to make a claim, or a claim has been paid for death or terminal illness;
- the Business Security Option applies; or
- premiums are being waived under the Waiver of Premium Option (explained on page 12).

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

Minimum increase per special event	$25,000
Maximum increase per special event	the lowest of: • $200,000; • 50% of the Death Benefit sum insured at the policy commencement date; • 5 times the increase in your annual salary (if applicable); • the amount of the new mortgage or the amount of increase in the mortgage (if applicable); and • the actual amount of increase in the financial interest in the business (if applicable).
Total increases	Cannot exceed the Death Benefit sum insured at the policy commencement date.

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.
You become a carer for the first time.	A statutory declaration from the person being cared for (dependant), or the dependant's legal representative, detailing the nature of the dependency, the close personal relationship held with you, that the dependant permanently resides with you, and that you are personally providing financial and domestic (eg. bathing and dressing them and cooking for them) support to the dependant. A statement from the dependant's doctor verifying the need for and nature of the care required, and that such care is required for at least 6 months.
Every 5th anniversary of the commencement date, if the policy owner has held the policy continuously since that date.	No evidence is required.

For example, if the sum insured at commencement was $700,000 and you have a child after the policy commencement, you would be able to increase the sum insured by $200,000, as this is the lower of $200,000 and $350,000 (50% of the sum insured).

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.

If the increase in cover is related to a mortgage or increase in the financial interest in the business, for the first 6 months after cover for the increase in sum insured starts, any increase amount in excess of $100,000 is only payable in the event of your accidental death.

Guarantee of upgrade

If we make any future improvements to Term Life without any increase in our standard premium rates, we will, at the date these improvements become available, provide them to the policy owner without charging an extra premium.

If you are suffering a pre-existing condition at the time the improvement is provided, the improvement will not apply when assessing any claim affected by that pre-existing condition.

pre-existing condition is a sickness or injury for which:

- symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care or treatment from a registered doctor; or
- medical advice or treatment was recommended by, or received from, a registered doctor.

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.

You can apply for 1 of 3 types of TPD definition according to your individual needs. The type of coverage provided by each definition is different, as is the cost. The 3 TPD definitions available are:

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

These TPD definitions (including any limitations and exclusions) are explained on pages 68 - 69.

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

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

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 a modified TPD definition. 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.

Permanent Disability Increase Benefit

This benefit which is included under the TPD Option enables you to change your level of cover with your circumstances.

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.

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

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

The benefit does not apply if:

- the policy owner is entitled to make a claim for TPD or Terminal Illness, or a Terminal Illness Benefit has been paid;
- the Business Security Option applies;
- premiums are being waived under the Waiver of Premium Option (explained on page 12); or
- the maximum TPD sum insured has been reached (explained on page 4).

The TPD Benefit sum insured can only be increased once in any 12-month period under the Permanent Disability Increase Benefit.

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

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

Premiums will be adjusted to reflect the increase in cover.

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.
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.
You become a carer for the first time.	A statutory declaration from the person being cared for (dependant), or the dependant's legal representative, detailing the nature of the dependency, the close personal relationship held with you, that the dependant permanently resides with you, and that you are personally providing financial and domestic (eg. bathing and dressing them and cooking for them) support to the dependant. A statement from the dependant's doctor verifying the need for and nature of the care required, and that such care is required for at least 6 months.
Every 5th anniversary of the commencement date, if the policy owner has held the policy continuously since that date.	No evidence required.

Minimum increase per increase event	$25,000
Maximum increase per increase event	the lowest of: • $200,000; • 25% of the TPD sum insured at the commencement date; • 5 times the increase in your annual salary (if applicable); • the amount of the new mortgage or the amount of increase in the mortgage (if applicable); and • the actual amount of increase in the financial interest in the business (if applicable).
Total increases	Cannot exceed the TPD sum insured at the commencement date.

For the first 6 months after cover for the increase in sum insured starts, any increase amount in excess of $25,000 is only payable in the event of your accidental total and permanent disablement.

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 commencement date and $2,000,000.

For example, if your original Death Benefit sum insured is $500,000, the sum insured can be increased up to $1,500,000 (3 times $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.

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.

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

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

injury means physical damage to your body caused solely and directly by an accident which occurs while cover for the applicable benefit was in force under this policy.

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, Permanent Disability Increase Benefit, Financial Planning Benefit, Buy Back Option on TPD, Double TPD Payout Benefit, the Waiver of Premium Option and Child Recovery 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 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.

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.

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 an intentional self-inflicted act, 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.

Child Recovery Option

The Child Recovery Option is not available if the policy is owned through a superannuation fund.

If the Child Recovery Option applies, the Child Recovery sum insured will be paid as a lump sum if the insured child:

- dies;
- suffers a terminal illness; or
- suffers an insured condition (for example cancer) or undergoes an insured procedure (for example, major organ transplant).

You can apply for cover between $10,000 and $200,000 per child.

The features and benefits of the Child Recovery Option (including limitations and exclusions) are explained on pages 70 - 71.

When we will not pay a benefit

We will not pay a benefit on death if death is caused directly or indirectly by an intentional self-inflicted act, within 13 months of:

- the 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 to you or an insured child if:

- the death cover under a policy replaces death cover on that person's 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 death, 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.

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.

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About Stand Alone Total and Permanent Disablement

Because long-term disability can be devastating…

An Asteron Stand Alone Total and Permanent Disablement (Stand Alone TPD) policy can't change what has happened, but it may help your family meet the financial consequences that result from having to provide ongoing care for many years.

Stand Alone TPD has a number of benefits and options to give you peace of mind of knowing that in the event of you becoming totally and permanently disabled, you will have assistance in meeting your financial responsibilities.

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

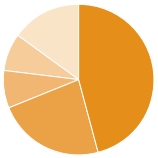
Irrespective of whether you are the main contributor of the household or are the home-maker performing all the vital domestic duties, the impact of becoming totally and permanently disabled could be financially devastating.

Would you have the financial ability to:

- maintain the family home along with clearing any debts?
- pay for your children's education?
- meet the costs of medical assistance, home modifications and rehabilitations? or
- continue any business commitments you have?

During 2004, the common causes of Total and Permanent Disablement claims paid by Asteron under our various policies were as follows:

Accidents	46%
Mental Illness (eg. Depression)	23%
Musculo–skeletal condition (eg. Osteoarthritis)	8%
Cancer	8%
Other (eg. Nerve damage)	15%



A guide to finding important information about Stand Alone TPD

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).

Stand Alone TPD at a glance

Stand Alone TPD is not available if the policy is owned through a superannuation fund.

Stand Alone TPD is designed to pay a lump sum in the event that a sickness or injury results in you being totally and permanently disabled. For an additional premium, optional benefits such as the Child Recovery Option can be added to the policy.

The consequences of total and permanent disablement 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.

Stand Alone TPD 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, occupation or pastimes, 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.

Who we pay

If the policy owner has nominated one or more beneficiaries to receive the Limited Death Benefit (explained on page 17), then the benefit will be paid in accordance with a valid nomination (explained on pages 18 - 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 the Total and Permanent Disablement (TPD) Benefit is called the sum insured. The minimum and maximum sums insured you can apply for are:

TPD Benefit	Sum Insured
Minimum	Subject to minimum premium
Maximum	$2,500,000*

* at policy commencement.

Premiums

Detailed information about the premium and other charges is explained on pages 72 - 74.

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 72 - 74).

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
Stand Alone TPD	Stepped Level	17-59 24-59	65 65
Child Recovery		2-20	21

What are the benefits and options?

The following benefits are included as indicated and are explained on pages 17 – 20:	
Total and Permanent Disablement Benefit	✓
Limited Death Benefit	✓
Automatic Increase Benefit	✓
Premium Freeze Option	✓
Financial Planning Benefit	✓
Future Cover Benefit	✓
Nominated Beneficiaries (Limited Death Benefit only)	✓
Permanent Disability Increase Benefit	✓
For an additional premium, the following optional benefits are available and are explained on pages 20 – 21:	
Waiver of Premium Option	✓
Child Recovery Option	✓

Benefits in detail

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

Benefits are payable if an insured event occurs while cover is in place, except in the circumstances explained on page 21.

Before we pay a benefit, you must meet our claim requirements, which are explained on page 75.

Total and Permanent Disablement Benefit

The Total and Permanent Disablement (TPD) Benefit sum insured will be paid as a lump sum if you become totally and permanently disabled.

Within Stand Alone TPD you can apply for 1 of 2 types of TPD definition, according to your individual needs. The type of coverage provided by each definition is different, as is the cost. The 2 TPD definitions available are:

- own occupation TPD; and
- any occupation TPD.

These TPD definitions (including any limitations and exclusions) are explained on pages 68 - 69.

Limited Death Benefit

If you die, and the TPD 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 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.

For example, if the sum insured is $500,000 and the indexation factor is 2%, an increase in sum insured of 3% will be offered, which is $15,000. If however, the indexation factor is 5%, an increase in the sum insured of 5% will be offered, which is $25,000.

The Automatic Increase Benefit will not apply if the Premium Freeze Option applies, and will not apply to the Child Recovery Benefit sum insured, if applicable.

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.

Premium Freeze Option

The policy owner can tell us to fix premiums at the same amount within 30 days of a policy anniversary if they are paying premiums on a stepped basis.

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.

The following table provides an example of what would happen to an initial sum insured of $500,000 over a 15-year period if a male, non-smoker, aged 45, who is paying premiums on a monthly basis exercised the Premium Freeze Option. While premium rates can increase, this illustration has been prepared using premium rates for Qualified Accountants with an own occupation definition, residing in Qld, as at November 2005 (and includes the policy fee, which has been assumed to index at 3% per annum).

Age	Monthly Premium	Sum Insured
45	$97.01	$500,000
46	$97.01	$440,481
47	$97.01	$379,371
48	$97.01	$331,228
49	$97.01	$291,728
50	$97.01	$262,049
60	$97.01	$40,935

Financial Planning Benefit

If the TPD Benefit 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.

Future Cover Benefit

If the TPD Benefit has not become payable before the policy anniversary when you are age 65, the policy will automatically convert to a Term Life policy with death and terminal illness cover and Single TPD Payout Benefit (see page 9) with a modified TPD definition (see page 68).

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

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

The benefits of the Term Life policy will be the same as those offered under our Term Life policies at that time (and stepped premiums, including any loadings which applied under this policy, will apply).

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 Limited Death Benefit.

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.

Grief Support Service

To assist you or your immediate family members come to terms with their reaction to grief which arises from your disability, we currently offer a Grief Support Service (explained on page 78).

Permanent Disability 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 Permanent Disability Increase Benefit.

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

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

The benefit does not apply if:

- the policy owner is entitled to make a claim (other than for Child Recovery) under the policy;
- premiums are being waived under the Waiver of Premium Option (explained on pages 20 - 21); or
- the maximum sum insured has been reached (explained on page 16).

The TPD Benefit sum insured can only be increased once in any 12-month period under the Permanent Disability Increase Benefit.

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.
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.
You become a carer for the first time.	A statutory declaration from the person being cared for (dependant), or the dependant's legal representative, detailing the nature of the dependency, the close personal relationship held with you, that the dependant permanently resides with you, and that you are personally providing financial and domestic (eg. bathing and dressing them and cooking for them) support to the dependant. A statement from the dependant's doctor verifying the need for and nature of the care required, and that such care is required for at least 6 months.
Every 5th anniversary of the policy commencement date, if the policy owner has held the policy continuously since that date.	No evidence required.

pre-existing condition is a sickness or injury for which:

- symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care or treatment from a registered doctor; or
- medical advice or treatment was recommended by, or received from, a registered doctor.

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

injury means physical damage to your body caused solely and directly by an accident which occurs while cover for the applicable benefit was in force under this policy.

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

Minimum increase per event	$25,000
Maximum increase per event	the lowest of: • $200,000; • 25% of the TPD Benefit sum insured at the policy commencement date; • 5 times your increase in salary (if applicable); • the amount of the new mortgage or the amount of increase in the mortgage (if applicable); and • the actual amount of increase in the financial interest in the business (if applicable).
Total increases	Cannot exceed the TPD sum insured at the policy commencement date.

For example, if the sum insured at commencement was $500,000 and you have a child after the policy commencement, you would be able to increase the sum insured by $125,000, as this is the lower of $200,000 and $125,000 (25% of the sum insured).

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

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

Premiums will be adjusted to reflect the increase in cover.

For the first 6 months after cover for the increase in sum insured starts, any increase amount in excess of $25,000 is only payable in the event of your accidental total and permanent disablement.

Guarantee of upgrade

If we make any future improvements to Stand Alone TPD without any increase in our standard premium rates, we will, at the date these improvements become available, provide them to the policy owner without charging an extra premium.

If you are suffering a pre-existing condition at the time the improvement is provided, the improvement will not apply when assessing any claim affected by that pre-existing condition.

Optional benefits in detail

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

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 an intentional self-inflicted act, 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 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 when you stop being disabled.

When does the option end?

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

Child Recovery Option

If the Child Recovery Option applies, the Child Recovery sum insured will be paid as a lump sum if the insured child:

- dies;
- suffers a terminal illness; or
- suffers an insured condition (for example cancer) or undergoes an insured procedure (for example, major organ transplant).

You can apply for cover between $10,000 and $200,000 per child.

The features and benefits of the Child Recovery Option (including limitations and exclusions) are explained on pages 70 - 71.

When we will not pay a benefit

The TPD Benefit will not be paid if total and permanent disablement is directly or indirectly caused by an intentional self-inflicted act.

We will not pay a benefit on death if it is caused directly or indirectly by an intentional self-inflicted act, within 13 months of:

- the 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 to you or an insured child if:

- the death cover under a policy replaces death cover on that person's 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 death, 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.

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;
- payment of the TPD sum insured;
- the policy anniversary when you are age 65; and
- your death.

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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.

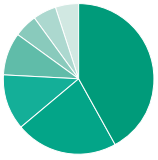
Recovery and Stand Alone Recovery have a number of benefits and options to give you the confidence and the peace of mind of knowing that if you suffer from a listed traumatic event, you will have assistance in meeting your financial responsibilities.

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 medical costs as well as your other day to day expenses, especially if you are not working.

During 2004, the common causes of trauma claims paid by Asteron under our various trauma policies were as follows:

Cancer	42%
TPD	22%
Heart attack	12%
Heart conditions (eg. Coronary Artery Angioplasty)	9%
Death	5%
Stroke	5%
Other (eg. Multiple Sclerosis)	5%



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 24 - 25
Benefits in detail	Each policy's in-built benefits.	Pages 26 - 31
Optional benefits in detail	Each policy's optional benefits available for an additional premium.	Pages 31 - 33
When we will not pay a benefit	The circumstances in which we will not pay a benefit.	Page 33
When does the policy end	The circumstances in which cover under the policy will end.	Page 33
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 72 - 74
Claim requirements	The steps to be taken to claim a benefit.	Page 75
Taxation impacts	General information about how tax may impact on premiums and benefits.	Page 76
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 77
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 77
Our Privacy Statement	Information about how we handle your personal information.	Pages 79 - 80
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 81
Interim cover	Cover that is available while your application is being assessed.	Pages 82 - 85
Glossary	Definitions of the conditions and procedures listed under both policies.	Pages 86 - 90

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

The policies are not available if owned through a superannuation fund.

There are important differences between Recovery and Stand Alone Recovery as explained in 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, occupation or pastimes, 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.

Who we pay

If the policy owner has nominated one or more beneficiaries to receive a benefit in the event that you die, then (apart from any payment under the Funeral Advancement Benefit) the benefit will be paid in accordance with a valid nomination (explained on page 30).

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 maximum and minimum sum insured you can apply for are:

Recovery Benefit	Sum Insured
Minimum	$10,000
Maximum	$2,000,000*

* at policy commencement

Premiums

Detailed information about the premium and other charges is explained on pages 72 - 74.

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 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 72 - 74).

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
TPD**	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.

** Any or Own Occupation TPD definition will automatically convert to the modified TPD definition on the policy anniversary when you are age 65.

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

What are the benefits and options?

	Recovery	Stand Alone Recovery
The following in-built benefits are included as indicated and are explained on pages 26 - 31:		
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
Funeral Advancement Benefit	✓	✖
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	✓	✓
Guarantee of Upgrade	✓	✓
For an additional premium, the following optional benefits are available to either policy as indicated and are explained on pages 31 - 33:		
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 page 33.

Before we pay a benefit, you must meet our claim requirements, which are explained on page 75.

Recovery Benefit

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

Recovery	Stand Alone Recovery
The Recovery Benefit sum insured will be paid as a lump sum once only if, you: • die; • suffer a terminal illness (defined on page 90); • are diagnosed as having one of the listed conditions on this page; • undergo one of the listed procedures on this page; or • become totally and permanently disabled (whether or not you are totally and permanently disabled is explained on pages 68 - 69).	The Recovery Benefit sum insured will be paid once as a lump sum only if, you: • are diagnosed as having one of the listed conditions on this page and survive at least 14 days; • undergo one of the listed procedures on this page and survive at least 14 days; or • become totally and permanently disabled (whether or not you are totally and permanently disabled is explained on pages 68 - 69).

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

- aplastic anaemia
- blindness
- cancer*
- cardiomyopathy
- chronic kidney (renal) failure
- chronic liver failure
- chronic lung failure
- coma
- coronary artery angioplasty – triple vessel*
- coronary artery surgery*
- deafness
- dementia
- encephalitis
- 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
- meningitis
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- out of hospital cardiac arrest*
- paralysis
- Parkinson's Disease
- primary pulmonary hypertension
- repair or replacement of aorta*
- repair or replacement of valves*
- severe burns
- stroke*

These conditions and procedures are defined on pages 86 - 90.

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, out of hospital cardiac arrest 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.

Partial Recovery Benefit

A Partial Recovery Benefit will be paid if you:

- are diagnosed with carcinoma in situ*;
- 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 86 - 90.

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.

For example, if the Recovery Benefit sum insured is $90,000, then we will pay $10,000 (which is the greater of $10,000 and 10% of the sum insured). However, if the sum insured is $500,000 we will pay $50,000 (which is 10% of the sum insured).

The benefit will be paid once only for:

- carcinoma in situ;
- serious accidental injury; and
- single loss of limb or eye.

Unless you are applying for the policy as a replacement policy, cover does not start for coronary artery angioplasty or carcinoma in situ 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 carcinoma in situ must first be diagnosed; or
- the disease or condition which the coronary artery angioplasty is intended to address must first be diagnosed,

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

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.

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.

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.

accidental death means death solely and directly caused by injury.

Funeral Advancement Benefit

This benefit only applies to Recovery.

The Funeral Advancement Benefit is intended to allow prompt payment to assist in meeting funeral expenses and other immediate costs.

This benefit will provide a payment of $10,000:

- in the event of your accidental death during the first 3 years after the policy commencement date (or the date the policy was most recently reinstated); and
- thereafter on your death from all causes.

The only document that needs to accompany the claim form is a certified copy of the death certificate. If a claim is made under the Funeral Advancement Benefit, the Recovery Benefit sum insured will be reduced by $10,000.

Payment of this benefit does not mean that any other benefit under this policy will be admitted.

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%.

The Automatic Increase Benefit will not apply to the Child Recovery sum insured, if applicable.

For example, if the sum insured is $500,000 and the indexation factor is 2%, an increase in sum insured of 3% will be offered, which is $15,000. If however, the indexation factor is 5% an increase in the sum insured of 5% will be offered, which is $25,000.

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 fix premiums at the same amount within 30 days of a policy anniversary if they are paying premiums on a stepped basis.

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.

The following table provides an example of what would happen to an initial Recovery sum insured of $500,000 over a 15-year period if a male, non-smoker, Qualified Accountant, aged 45, who is paying premiums on a monthly basis exercised the Premium Freeze Option. While premium rates can increase, this illustration has been prepared using premium rates as at November 2005 (and includes the policy fee, which has been assumed to index at 3% per annum).

Age	Monthly Premium	Sum Insured
45	$299.24	$500,000
46	$299.24	$414,629
47	$299.24	$365,955
48	$299.24	$323,419
49	$299.24	$286,291
50	$299.24	$254,289
60	$299.24	$77,809

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 or the Funeral Advancement Benefit have 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 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 become payable 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 total and permanent disablement cover is not excluded under this policy, the new policy will include the Single TPD Payout Benefit modified definition.

The terms and premiums payable on the Term Life policy will be based on those offered under 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 78).

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. The nomination will not apply to the Funeral Advancement Benefit, if applicable.

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.
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.
You become a carer for the first time.	A statutory declaration from the person being cared for (dependant), or the dependant's legal representative, detailing the nature of the dependency, the close personal relationship held with you, that the dependant permanently resides with you, and that you are personally providing financial and domestic (eg. bathing and dressing them and cooking for them) support to the dependant. A statement from the dependant's doctor verifying the need for and nature of the care required, and that such care is required for at least 6 months.
Every 5th anniversary of the commencement date, if the policy owner has held the policy continuously since that date.	No evidence 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 (other than for child Recovery);
- premiums are being waived under the Waiver of Premium Option (explained on pages 32 - 33); or
- the maximum Recovery Benefit sum insured has been reached (explained on page 24).

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

Minimum increase per event	$25,000
Maximum increase per event	the lowest of: • $200,000; • 25% of the Recovery Benefit sum insured at the policy commencement date; • 5 times your increase in salary (if applicable); • the amount of the new mortgage or the amount of increase in the mortgage (if applicable); and • the actual amount of increase in the financial interest in the business (if applicable).
Total increases	Cannot exceed the sum insured for the Recovery Benefit sum insured at the policy commencement date.

For example, if the sum insured at commencement was $900,000 and you have a child after the policy commencement, you would be able to increase the sum insured by $200,000, as this is the lower of $200,000 and $225,000 (25% of the sum insured).

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.

For the first 6 months after cover for the increase in sum insured starts, any increase amount in excess of $25,000 is only payable for the Recovery Benefit or Partial Recovery Benefit as a result of an injury.

Guarantee of upgrade

If we make any future improvements to Recovery or Stand Alone Recovery without any increase in our standard premium rates, we will, at the date these improvements become available, provide them to the policy owner without charging an extra premium.

If you are suffering a pre-existing condition at the time the improvement is provided, the improvement will not apply when assessing any claim affected by that pre-existing condition.

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 - 13) except that the Grief Support Service, Financial Planning Benefit, Funeral Advancement 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.

injury means physical damage to your body caused solely and directly by an accident which occurs while cover for the applicable benefit was in force under this policy.

pre-existing condition is a sickness or injury for which:

- symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care or treatment from a registered doctor; or
- medical advice or treatment was recommended by, or received from, a registered doctor.

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

injury means physical damage to your body caused solely and directly by an accident which occurs while cover for the applicable benefit was in force under this policy.

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 26; or
- you underwent the procedure listed on page 26; 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

If the Child Recovery Option applies, the Child Recovery sum insured will be paid as a lump sum if the insured child:

- dies;
- suffers a terminal illness; or
- suffers an insured condition (for example, cancer) or undergoes an insured procedure (for example, major organ transplant).

You can apply for cover between $10,000 and $200,000 per child.

The features and benefits of the Child Recovery Option (including limitations and exclusions) are explained on pages 70 - 71.

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.

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 an intentional self-inflicted act, 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 an intentional self-inflicted act.

When a death benefit will not be paid

We will not pay a benefit on death if death is caused directly or indirectly by an intentional self-inflicted act, within 13 months of:

- the 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 to you or an insured child if:

- the death cover provided under a policy replaces death cover on that person's life that has been in place longer than 13 months (but only up to the amount insured under the policy being replaced); or
- before death, 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 (Note: If there is any Additional Term Life and no benefit has been paid under this Term Life, then the Term Life cover does not end);
- 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 and 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?

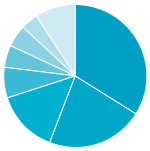
Everything depends on your ability to earn a regular income:

- 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 2004, the common causes of income protection claims paid by Asteron under our various policies were as follows:

Accidents	34%
Musculo-skeletal condition (eg. Arthritis)	22%
Mental Illness (eg. Depression)	14%
Cancer	7%
Diseases of the nervous system (eg. Parkinsons Disease)	5%
Diseases of the circulatory system (eg. Heart disease)	5%
Diseases of the digestive system (eg. Kidney disease)	4%
Other (eg. Chronic Fatigue)	9%



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 36
Tailoring a policy to suit your needs	A brief outline of some key points to consider when deciding on an income protection policy.	Pages 36 - 38
Benefits in detail	Each policy's in-built benefits.	Pages 39 - 47
Optional benefits in detail	Each policy's optional benefits available, in most cases, for an additional premium.	Pages 48 - 51
When we will reduce the benefit payable	The circumstances in which we will limit a benefit.	Page 52
When we will not pay a benefit	The circumstances in which we will not pay a benefit.	Page 53
When does the policy end	The circumstances in which cover under the policy will end.	Page 53
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 72 - 74
Claim requirements	The steps to be taken to claim a benefit.	Page 75
Taxation impacts	General information about how tax may impact on premiums and benefits.	Page 76
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 77
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 77
Our Privacy Statement	Information about how we handle your personal information.	Pages 79 - 80
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 81
Interim cover	Cover that is available while your application is being assessed.	Pages 82 - 85
Glossary	Definitions of the conditions and procedures listed under the Crisis Benefit.	Pages 86 - 90

The 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

The policies are not available if owned through a superannuation fund.

There are important differences between Income Protector and Income Advantage as explained in 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 your health, occupation or pastimes.

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, which you control, 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.

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 72 - 74.

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 72 - 74).

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 and Income Advantage	Stepped	20-59**	64*
	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 38 - 53.

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 45)).
- 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 45)); or
  - 75% of your pre-disability income (explained on page 42).

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 39 - 41.

How long do I wait before I start receiving payments?

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.

How long will I be paid for?

We 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 are available to help you build the level of cover to best suit your needs. These optional benefits are explained on pages 48 - 51.

The waiting period is:

- the period of the time which a benefit will not be paid. Note: any benefits are paid monthly in arrears.

The waiting period will not start before you consult a registered doctor for a sickness on injury giving rise to the relevant claim.

What happens to the policy if I become unemployed?

If you become unemployed we continue to cover you provided that cover does not end due to any of the circumstances outlined on page 53. After a period of 12 months unemployment your definition of disablement for the Severely Disabled Benefit will change as outlined on pages 39 and 40. It is important to note that we do not consider sabbatical, long service, maternity or paternity leave as unemployment.

Additionally if you choose the optional Extras Package you may be entitled to have your premiums waived for up to 6 months under the Unemployment Benefit (see page 50).

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 39 - 47:		
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	✓	✓
Guarantee of Upgrade	✓	✓
For a discounted premium, the following option is available as indicated and explained on page 48:		
Indemnity Option	✓	✓
• Income Update Benefit	✓	✓
For an additional premium, the following optional benefits are available as indicated and are explained on pages 48 - 51:		
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 52 - 53. 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 75.

Severely Disabled Benefit

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

Income Protector	Income Advantage
The Severely Disabled Benefit will be paid 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 43), you have been continuously disabled since the end of the waiting period; and • you are severely disabled.	The Severely Disabled Benefit will be paid if: • you have been continuously severely or partially disabled for the waiting period; • unless your disablement is a recurring disability (explained on page 43), 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.

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

If you have been unemployed for 12 months or more immediately before your disability started, we will treat "your usual occupation" as being "any occupation for which you are reasonably suited by education, training or experience".

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

– 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 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

This definition applies if you chose it under Income Advantage.

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 damage to your body caused solely and directly by an accident which occurs 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.

If you have been unemployed for 12 months or more immediately before your disability started, we will treat "your usual occupation" as being "any occupation for which you are reasonably suited by education, training or experience".

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

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

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 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 42).

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

We do not deduct any income earned while you are working for 10 hours or less per week when paying the Severely Disabled Benefit if you are severely disabled under the 10 Hours definition.

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 53).

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.

Partially Disabled Benefit

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

Income Protector	Income Advantage
The Partially Disabled Benefit will be paid 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 43), you have been continuously disabled since the end of the waiting period; and • you are partially disabled. 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.	The Partially Disabled Benefit will be paid if: • you have been continuously severely or partially disabled for the waiting period; • unless your disablement is a recurring disability (explained on page 43), 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 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 at full capacity, 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 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 at full capacity, 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 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 sabbatical, long service, maternity or paternity 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 sabbatical, long service, maternity or paternity 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

For example, let's assume that:

- the monthly benefit is $5,000 (C);
- your monthly income while partially disabled is $2,000 (B); and
- your pre-disability income is $7,500 (A).

Then the monthly benefit we will pay (assuming no reductions, see page 52) is:

$$\frac{\$7500 - \$2000}{\$7500} \times \$5{,}000 = \$3{,}666$$

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 based on what you could reasonably be expected to earn if you were working to the extent of your capability.

In determining what you could reasonably be expected to earn if you were working to the extent of your capability, we will take into account available medical evidence (including the opinion of your registered doctor) and any other relevant considerations directly related to your medical condition (including information provided by you).

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 53).

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
If you suffer from the same or a related sickness or injury within: • 6 months of a disability claim ending, we will consider your disablement as being recurring.	If you suffer from the same or a related sickness or injury within: • 12 months of a disability claim ending if the benefit period is longer than 5 years; or • 6 months of a disability claim ending if the benefit period is 5 years or less, we will consider your disablement as being recurring.

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
If you are disabled outside Australia or New Zealand and can still meet our claim requirements (explained on page 75), the policy owner will continue to be paid whilst you remain outside Australia or New Zealand for up to 3 months. Benefits will recommence without a new waiting period when you return to Australia or New Zealand if: • your disablement has been continuous since we ceased payments; and • you are still disabled from the same cause when you return to Australia or New Zealand.	If you are disabled while overseas and can still meet our claim requirements (explained on page 75), the policy owner will continue to be paid whilst you remain overseas.

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 health care professional; 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, paternity 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%.

For example, if the monthly benefit is $5,000 and the indexation factor is 2%, an increase in monthly benefit of 3% will be offered, which is $150. If however, the indexation factor is 5%, an increase in monthly benefit of 5% will be offered, which is $250.

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
If we are paying a benefit because you are disabled, the premiums payable under the policy will be waived until: • you are no longer disabled; or • the policy owner is not entitled to a benefit under the policy.	If we are paying a benefit because you are disabled, the premiums payable under the policy will be waived until: • you are no longer disabled (even if the benefit period expires earlier).

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.

pre-existing condition is a sickness or injury for which:

- symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care or treatment from a registered doctor; or
- medical advice or treatment was recommended by, or received from, a registered doctor.

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 43), 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 will 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 53). We will do this without applying the waiting period, even if you are working.

Specific injury	Payment period
Paralysis	60 months
Total and permanent loss of use of:	
– 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
A fracture, requiring immobilisation of your:	
– 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 78).

Guarantee of upgrade

If we make any future improvements to Income Protector or Income Advantage without any increase in our standard premium rates, we will, at the date these improvements become available, provide them to the policy owner without charging an extra premium.

If you are suffering a pre-existing condition at the time the improvement is provided, the improvement will not apply when assessing any claim affected by that pre-existing condition.

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 42).

For example, if your schedule states the monthly benefit is $5,000 and:

- your average monthly income in the 12 months prior to the start of the waiting period is $8,000 (75% of this amount is $6,000);
- the monthly benefit payable is $5,000.

However if:

- your average monthly income in the 12 months prior to the start of the waiting period is $4,000;
- the monthly benefit payable is $3,000, based on 75% of $4,000 (assuming no reductions, see page 52).

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 1/30th 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 43), 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.

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 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.

The conditions and procedures covered are:

- aplastic anaemia
- blindness
- cancer*
- cardiomyopathy
- chronic kidney (renal) failure
- chronic liver failure
- chronic lung failure
- coma
- coronary artery angioplasty – triple vessel*
- coronary artery surgery*
- deafness
- dementia
- encephalitis
- 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
- meningitis
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- out of hospital cardiac arrest*
- paralysis
- Parkinson's Disease
- primary pulmonary hypertension
- 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 86 - 90.

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.

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, out of hospital cardiac arrest 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.

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.

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 1/30th 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.	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 1/30th 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. This Option is not available if your occupation is classified by us as S.

injury means physical damage to your body caused solely and directly by an accident which occurs while cover for the applicable benefit was in force under this policy.

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 1/3rd 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 43) 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
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: • sick leave entitlements; • any compulsory insurance scheme such as Workers' Compensation or Accident Compensation scheme for loss of income; or • other disability, group, sickness or accident insurance cover, including cover under a mortgage repayment insurance policy or through a superannuation fund. 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: • 75% of your pre-disability income; and • the benefit otherwise payable.	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: • other disability, group, sickness or accident insurance cover, including cover under a mortgage repayment insurance policy or through a superannuation fund. 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: • sick leave entitlements; or • any compulsory insurance scheme such as Workers' Compensation or Accident Compensation scheme for loss of income. 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: • 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 • the benefit otherwise payable.

If any of the payments listed above (other than sick leave) are received in the form of a lump sum then, if all or part of that lump sum is a payment in compensation for loss or earnings, we will convert that part of the lump sum which is compensation for loss of earnings to income on the basis of 1% of the loss of earnings component for each month that we pay the benefit, for a maximum of 8 years. The balance of the lump sum, if any, will not be offset.

If we are paying you the Severely Disabled Benefit under the 10 Hours definition and you are working for 10 hours or less per week in a gainful occupation, your income attributable to such work will not be included in your monthly income when we recalculate the benefit having regard to the payments above.

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);
- an intentional self-inflicted act;
- your voluntary 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.

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.

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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.

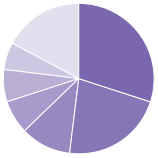
Business Expenses allows you to cover 100% of your allowable business expenses. This will ensure you can meet the day to day expenses of your business.

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 2004, the common causes of claims paid by Asteron under our various Business Expenses policies were as follows:

Accidents	30%
Musculo-skeletal condition (eg. Arthritis)	22%
Cancer	11%
Mental Illness (eg. Depression)	7%
Diseases of the genito-urinary system (eg. Ovarian cyst)	7%
Diseases of the circulatory system (eg. Heart attack)	6%
Other (eg. Malaria)	17%



A guide to finding important information about Business Expenses

Business Expenses at a glance

This policy is not available if owned through a superannuation fund.

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, occupation or pastimes.

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.

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 59) 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.

The benefit period is 12 months.

What are the Benefits?

The policy has the following in-built benefits as explained on pages 57 - 62:

- 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 72 - 74.

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 72 - 74).

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 the classification of your occupation.

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).

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 62. 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 75.

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;
- unless your disablement is a recurring disability (explained on page 60), 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 59).

If the benefit is payable for less than one month it will be calculated as 1/30th 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:

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 damage to your body caused solely and directly by an accident which occurs 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.

- 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 62).

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:

- 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 62).

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

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 60), 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 at full capacity, 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 60)

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 59)

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 1/30th 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 60)	Yes	Yes

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 62).

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.

If, for example, the locum fees in a month were $2,500 and gross billings generated by the locum were $1,500, then the $1,000 net cost of the locum is an eligible business expense.

However, if the locum fees were $2,500 and gross billings generated were $3,000 ($500 profit), there would be no net cost for the locum and in addition we would not reduce eligible business expenses by the profit.

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.

For example, if the monthly benefit is $5,000 and the indexation factor is 2%, you will be offered an increase in the monthly benefit of 3%, which is $150. If however, the indexation factor is 5%, you will be offered an increase in the monthly benefit of 5%, which is $250.

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 78).

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 outside Australia or New Zealand and can still meet our claim requirements (explained on page 75), the policy owner will continue to be paid whilst you are outside Australia or New Zealand for up to 3 months.

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

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

Premium and Cover Suspension Benefit

The policy owner can tell us to suspend premiums and cover 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.

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

pre-existing condition is a sickness or injury for which:

- symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care or treatment from a registered doctor; or
- medical advice or treatment was recommended by, or received from, a registered doctor.

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.

Guarantee of upgrade

If we make any future improvements to Business Expenses without any increase in our standard premium rates, we will, at the date these improvements become available, provide them to the policy owner without charging an extra premium.

If you are suffering a pre-existing condition at the time the improvement is provided, the improvement will not apply when assessing any claim affected by that pre-existing condition.

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:

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.

- a war or an act of war, whether or not war has been declared (this exclusion does not apply to the Death Benefit);
- an intentional self-inflicted act;
- your voluntary 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.

Asteron Life Superannuation Fund

This section 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 (superannuation) insurance cover on your behalf. To do this you will need to complete a membership application form included in the insurance application form in this PDS. Please see pages 3 – 13 of this PDS for information about Term Life.

Your Term Life cover will commence once you have become a member of the Fund and Asteron has confirmed to you that it has accepted your application. The Trustee is the policy owner and can 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 superannuation contributions (or have them made on your behalf). Please contact your financial adviser or Customer Service at that time to discuss options to transfer your cover outside the Fund.

Your policy will lapse if you do not pay your premiums. (The Trustee will not pay premiums for you). If this happens, we will provide you with notice (to the latest address notified to us) before your policy lapses.

Who can join and contribute to the Fund?

You can apply to become a member of the Fund if you are eligible to make superannuation contributions or have them made on your behalf. Contributions will be used to pay the premiums for your Term Life cover.

The Trustee can receive contributions for you if:

- you are eligible to apply for Term Life (explained on pages 4 - 5); and
- the superannuation eligibility contribution rules set out below are satisfied.

Eligibility to contribute

Generally, you are eligible to contribute to superannuation (or have contributions made on your behalf) if you are either:

- under age 65; or
- aged 65 - 74 and have worked at least 40 hours in a 30 consecutive day period within the financial year in which contributions are made.

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, as the policy owner. The benefits will then form part of your superannuation entitlements.

The Trustee will only pay a benefit from the Fund if it receives a benefit from Asteron. Payment of the benefit from the Fund is subject to you meeting a condition of release as defined under superannuation law.

Benefits

Death Benefit

If you die while covered under Term Life, and Asteron pays a benefit 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 (please see 'Who can receive your Death Benefit?' on pages 65 - 66 for more information).

Your beneficiaries may pay less tax, if the benefit is paid fully or partly as an allocated pension, through our Super Estate Option (please see page 65).

To help minimise the amount of tax that may be payable, it is important that your beneficiaries seek financial planning advice before any benefit is paid to them.

Terminal Illness Benefit and Total and Permanent Disablement Benefit

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

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

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

If the Insurer pays a benefit, but you do not satisfy a 'condition of release', the Trustee will retain the benefit in your superannuation account until you are able to satisfy a 'condition of release'.

Please note that Asteron also offers Total and Permanent Disablement as non-superannuation cover, outside of the Fund. The conditions of release, set out below, do not apply to benefits paid from this type of cover. There may also be tax advantages that apply to Total and Permanent Disablement benefits paid from non-superannuation cover compared to benefits paid from cover within a superannuation fund. We recommend that you discuss with your financial adviser the type of cover which is most appropriate to your circumstances.

Conditions of release

One of the conditions of release is 'permanent incapacity' which is similar to (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 as:

> '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.'

Other conditions of release are:

- permanent retirement from the workforce after reaching your 'preservation age' as shown in the following table:

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
After 30 June 1964	60

- ceasing work with your employer after age 60;
- reaching age 65;
- severe financial hardship as defined by superannuation regulations and having received certain social security benefits for a specified period. In some cases a limit may apply to how much you can access;
- specified compassionate grounds (defined by superannuation regulations);
- if you are a temporary resident on a certain class of visa and have permanently departed from Australia; and
- your death.

How are Death Benefits paid?

Any Death Benefits paid from your Term Life (super) cover can be paid as a lump sum, an allocated pension, or a combination of both.

- You can nominate the beneficiaries whom you wish to receive your insured benefits (please see the information about binding and non-binding Death Benefit nominations on pages 65 - 66);
- your beneficiaries can nominate the form of benefit (lump sum or allocated pension) at the time of payment (based on financial planning advice considering their own circumstances at the time); and/or
- the Trustee may use its discretion to determine the form of benefit payment.

What is a lump sum?

A lump sum benefit is where your Death Benefit is paid as a single payment. If you nominate your estate as your beneficiary or your beneficiaries do not request that benefits be paid as an allocated pension, the Trustee will pay any Death Benefit as a lump sum.

What is an Allocated Pension?

An allocated pension provides beneficiaries with a regular income stream, rather than a lump sum benefit. Depending on their circumstances, an allocated pension may be a more tax effective way for your beneficiaries to receive their benefits.

Super Estate Option Allocated Pension

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

The Super Estate Option Allocated Pension enables all or part of your Death Benefit to be paid from the Fund as an allocated pension. The Trustee can also set up separate allocated pensions to make separate payments to more than one beneficiary.

Your Death Benefit can be invested in a choice of investment portfolios within the Super Estate Option Allocated Pension to provide your beneficiaries with a regular income stream. The minimum amount to start a Super Estate Option Allocated Pension is $10,000.

The Trustee also has discretion to retain benefits in trust for child beneficiaries (under age 18), and then pay those benefits to the child as an allocated pension.

Allocated pensions paid from a superannuation fund are governed by laws which set limits to the maximum and minimum amount of pension payments in a financial year.

The terms of the Super Estate Option Allocated Pension, including features, benefits, fees and charges, are set out in the Super Estate Option Allocated Pension PDS. You can obtain a copy from your financial adviser or by calling us (our contact details are on page 2).

Who can receive your Death Benefit?

You may nominate your dependants and/or your estate to receive part or all of your benefit in the event of your death. You can make either a binding or non-binding beneficiary nomination.

A dependant includes any of the following:

- your spouse (including a de facto spouse);
- your children (including a step, adopted or ex-nuptial child) regardless of their age;
- any person financially dependent on you; and/or
- a person in an interdependent relationship with you (includes same sex spouse).

An interdependent person is defined as someone with whom you:

- have a close personal relationship;
- live with;
- provide or receive financial support; and
- provide or receive domestic support and personal care.

If a person with whom you have a close personal relationship is unable to fulfil these criteria as a result of emotional, physical or psychiatric disability, then they may also be deemed to be interdependent.

Binding Death Benefit nomination

If you make a binding Death Benefit nomination, the Trustee is required to pay the benefits according to your nomination, provided it is valid at the time of your death.

You can nominate what percentage of your total Death Benefit is to be paid to each person you nominate. Providing your nomination is valid at the time of your death, this nomination is binding on the Trustee. You may also nominate how you wish the benefit to be paid to each beneficiary (as a lump sum, an allocated pension, or a combination of both), however, this nomination of how the benefit is to be paid is not binding on the Trustee.

Binding nominations are valid for three years from the date they are made, amended or confirmed. You must contact us to update or confirm your nomination at least every three years for it to remain valid. You can also cancel your nomination at any time by writing to us.

If your binding nomination is not valid at the time of your death, the benefit (or a relevant part of it) will be paid according to the Trustee's discretion. Also, 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) will be paid according to the Trustee's discretion.

Over time your circumstances may change (eg. you marry or have a child). Because the Trustee is bound to pay the Death Benefit according to your valid nomination, regardless of changed circumstances, it is important that you review your direction regularly to keep it up to date to ensure that any Death Benefits are paid according to your wishes. To assist you, the Trustee will forward details of your current nomination to you each year.

Non-Binding Death Benefit nomination

If you make a non-binding Death Benefit nomination, the Trustee will take into account the nomination you have made. However, the Trustee is not bound by it and will use its discretion as to:

- who it pays your benefit;
- in what proportions; and
- how it is paid (as a lump sum, allocated pension or a combination of both).

If you do not wish to make a binding Death Benefit nomination, we recommend that you complete the 'Non-binding direction' section in your Application for Membership to assist the Trustee to determine who should receive any Death Benefits.

Again, as your circumstances may change over time, we recommend that you regularly review your nomination to ensure that it remains up to date in relation to your personal circumstances. You can change your non-binding Death Benefit nomination at any time by contacting us to obtain a nomination form and then making a new nomination. You can also cancel your nomination at any time by writing to us.

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

If this happens and the Death Benefit cannot be paid to your estate, the Trustee can use its discretion, in accordance with superannuation law, to pay another person.

This may happen if:

- a nominated beneficiary is no longer a dependant at the time of your death;
- 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.

Tax

Contributions

Contributions tax of 15% is payable on all employer or deductible personal superannuation contributions. However, the effect of the tax deductions available to the Fund is that you pay no contributions tax on superannuation contributions to pay Death and TPD insurance premiums.

Tax on Benefits

No lump sum tax is payable on a Death Benefit if it is paid to your spouse or dependants and, when added to your other assessable superannuation benefits, it does not exceed the pension RBL ($1,297,886 for the 2005/2006 financial year).

Adult children (over age 18) are not dependants for tax purposes unless they are financially dependent on you at the time of your death, although they are still eligible to receive a superannuation Death Benefit. Where a Death Benefit is paid to a person other than a 'tax dependant', such as an adult child, it is taxed as an Eligible Termination Payment (with no Post June 1983 tax free component).

A Reasonable Benefit Limit (RBL) is the maximum benefit that can be received from a complying superannuation fund on a concessionally taxed 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	$648,946*
Pension	$1,297,886*

*Note: These amounts relate to the 2005/2006 financial year and are indexed annually.

Amounts paid as a lump sum that exceed the pension RBL will be taxed at a rate of up to 47% plus Medicare.

If you are paid a total and permanent disablement benefit, a portion of your benefit may be paid to you as a tax free Invalidity Component.

Your financial adviser can provide you with further information relating to your circumstances.

Management fees and charges

The Trustee applies no management fees or costs to members or their benefits. The only amounts payable are contributions to meet premiums and other charges for Term Life (please see pages 3 – 13 for more information).

Regular reports

Updated information about the management and financial condition of the Fund is included in the Fund's Annual Report. A copy of the most recent Annual Report is available free of charge on request from your financial adviser or from us. We will also send you an Annual Report each year.

We will also send you an Annual Statement confirming your current benefits within the Fund, including your current level of insurance cover.

Cooling off period

A cooling off period applies if the Trustee has purchased Term Life on your behalf. Please see page 77 for details.

Enquiries

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

Complaints resolution

Please see page 77 for details about the Trustee's complaints process.

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. It is a complying superannuation fund, able to accept employer Superannuation Guarantee contributions.

The Trust Deed

The rights and obligations of the members under the Fund are set out in the Trust Deed. The Trust Deed 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 Asteron Portfolio Services Limited.

Our Total and Permanent Disablement (TPD) Definition

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

injury means physical damage to your body caused solely and directly by an accident which occurs while cover for the applicable benefit was in force under this policy.

unemployed means you are not in regular employment for income.

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.

We have a range of insurance products that give you the flexibility to tailor your TPD cover in a way that suits you. The type of coverage provided will vary according to the TPD definition you apply for, as will the cost.

TPD is an in-built benefit under:

- the Stand Alone TPD policy;
- the Recovery policy; and
- the Stand Alone Recovery Policy.

Alternatively, TPD can be added to your Term Life policy for an additional premium.

For Term Life, Recovery and Stand Alone Recovery, you can apply for 1 of the following 3 types of TPD definition:

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

For Stand Alone TPD, you can apply for 1 of the following 2 types of TPD definition:

- own occupation TPD; or
- any occupation TPD.

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 an intentional self-inflicted act.

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; or
- 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.

Under Stand Alone TPD, we will only consider you to be totally and permanently disabled as a consequence of loss of limbs or sight if you survive at least 14 days after that loss.

For Term Life, Recovery and Stand Alone Recovery, 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:

- 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 12 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 12 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; and
  - engage in any occupation for which you are reasonably suited by education, training or experience.

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

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.

Our Child Recovery Option

The Child Recovery Option is an additional premium option which is available under the following policies:

- Term Life;
- Stand Alone TPD;
- Recovery; and
- Stand Alone Recovery.

You can apply for cover between $10,000 and $200,000 per child. The sum insured must be in multiples of $10,000. The maximum sum insured for an insured child across all policies with Asteron is $200,000.

Payment of the Child Recovery sum insured does not reduce the sum insured paid under any other benefit.

Child Recovery Benefit

We will pay the Child Recovery sum insured 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 86 - 90.

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.

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.

These conditions are defined on pages 86 - 90.

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.

The Automatic Increase Benefit, Premium Freeze Option, Special Event Increase Benefit, Permanent Disability Increase Benefit and Recovery Increase Benefit do not apply to the Child Recovery Option.

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.

Child Recovery Increase Benefit

Under the Child Recovery Increase Benefit, the policy owner can increase the sum insured for an insured child by $10,000, without the need for further medical evidence when the insured child turns:

- 6;
- 10;
- 14;
- 18.

Proof required will be a certified copy of the child's birth certificate or passport.

The Child Recovery Increase Benefit does not apply if the policy owner has made or is entitled to make a claim for the insured child under the policy.

The total of all increases to the sum insured for the insured child under the Child Recovery Increase Benefit cannot exceed the sum insured for that insured child at the commencement date of their cover. The maximum that the sum insured can be increased to for the insured child is $200,000.

The policy owner can exercise a Child Recovery Increase Benefit by writing to us (including the proof of age) within:

- 60 days of the insured child's relevant birthday; or
- 30 days either side of a policy anniversary if the relevant birthday occurred with the previous 12 months.

The premium will be adjusted to reflect the increase in cover.

New policy option

Cover will end on the policy anniversary when the insured child is age 21. At this time, if no benefit has become payable for the insured child, the policy owner can continue the child's 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 we will not pay a Child Recovery Benefit

A benefit under the Child Recovery Option will not be paid if the event giving rise to the claim (including death) was caused, directly or indirectly, by:

- a congenital condition; or
- the intentional act of the insured child's parent or guardian or of someone who lives with or supervises the insured child.

When does the Child Recovery Option end?

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

- the date we receive the policy owner's written request to cancel the policy;
- 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 for Term Life on page 13, Stand Alone TPD on page 21, Recovery and Stand Alone Recovery on page 33); and
- the insured child dies.

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 premium 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 are 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 (premiums usually increase with age, if premiums are stepped);
- your sex (Term Life premiums are higher for males and Income Protection and Business Expenses premiums are higher for females);
- your smoking status (premiums are higher if you smoke);
- your occupation;
- your health and lifestyle;
- in the case of Income Protector, Income Advantage or Business Expenses:
  - the monthly benefit;
  - the waiting period (the longer the waiting period, the lower the premium); and
  - the benefit period (the longer the benefit period, the higher the premium); and
- in the case of Term Life, Stand Alone TPD, 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.

Stepped and level premiums

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 on page 73).

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

The following table provides an example of stepped versus level premiums for a male, non-smoker, aged 45 with a $500,000 Term Life sum insured. While premium rates can increase, this illustration uses premium rates as at November 2005 (and includes the policy fee, which has been assumed to index at 3% per annum) and assumes the sum insured remains at $500,000.

Age	Stepped Premiums	Level Premiums
45	$61.20	$140.84
46	$68.85	$141.01
47	$76.95	$141.19
48	$85.06	$141.38
49	$92.72	$141.56
50	$108.76	$141.76
60	$391.34	$144.06

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, Stand Alone TPD, Recovery, Stand Alone Recovery or Child 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, Stand Alone TPD, Recovery or Stand Alone Recovery, the policy owner can tell us to fix premiums at the same amount within 30 days of a policy anniversary if they are paying premiums on a stepped basis (explained on page 6 for Term Life, page 18 for Stand Alone TPD and page 28 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	$65.47
Half-yearly	$33.72
Quarterly	$17.28
Monthly	$5.76

The policy fee stated in this PDS has been set at 1 March 2005 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.

For example, if:

- Term Life and Stand Alone Recovery are taken out - the policy fee will only apply to Term Life;
- Term Life (self-owned) and Term Life (through a superannuation arrangement) are taken out – the policy fee will only apply to one of the Term Life policies;
- Term Life and Stand Alone TPD 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 that may be charged in addition to the premium. 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?

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

The table above 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.

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 (equivalent to $257.50 per year) based on 3.0% frequency loading;
- quarterly, the premium will be $66 (equivalent to $264 per year) based on 5.6% frequency loading; or
- monthly, the premium will be $22 (equivalent to $264 per year) based on 5.6% frequency loading.

What happens if the premium is not paid?

Premiums (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 any time 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.

Only limited claim requirements apply to the Funeral Advancement Benefit (if applicable).

Otherwise 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 health care professional of our choice);
- specific financial requirements, including a statement of financial performance 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 and when it occurred, 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 issue 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.

Currently, Goods and Services Tax (GST) is not charged on life insurance premiums.

Information about the tax treatment of premium contributions and benefits paid from the Asteron Life Superannuation Fund are explained on pages 66 - 67.

Product	Premium Impact	Benefit Impact
Term Life	Premiums are not normally tax deductible. If the policy is taken out by a business for a revenue purpose, these premiums may be deductible.	Payment of the Death Benefit sum insured is normally free of personal income tax, unless the insurance was taken out by a business for a revenue purpose. Capital gains tax is not normally payable if the Death Benefit sum insured is paid to: • the original beneficial owner; or • a person who acquires the policy for no consideration.
Recovery, Stand Alone Recovery, Stand Alone TPD and TPD Option	Premiums are not normally tax deductible. If the policy is taken out by a business for a revenue purpose, the premiums may be tax deductible.	Payment of the sum insured is normally free of personal income tax. Tax may be payable if the policy was taken out by a business for a revenue purpose. Capital gains tax is not normally payable if the sum insured is paid to: • the person who suffers the condition or undergoes the procedure; or • that person's spouse, child or other relevant relative.
Income Protector and Income Advantage	All premiums are normally fully tax deductible whether you are employed or self-employed.	Any monthly benefits received are normally taxed as income and should be declared in your annual tax return and where applicable, included in a Business or Instalment Activity Statement. We do not deduct any tax from monthly benefits prior to payment.
Business Expenses	All premiums are normally fully tax deductible.	Any monthly benefits received are normally taxed as income and should be declared in your annual tax return and where applicable, included in a Business or Instalment Activity Statement. We do not deduct any tax from monthly benefits prior to payment.

Client Satisfaction

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 telephone or write to the Manager, Customer Service (our contact details are on page 2).

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). Please quote Asteron's FICS membership number which is A-1234.

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
E-mail fics@fics.asn.au

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 telephone or write to the Trustee (our contact details are on page 2).

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 780 808
Internet site 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?

For all policies 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 if we have accepted your Recovery, Stand Alone Recovery, terminal illness or TPD claim.

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.

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.

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
• Spouse • De facto spouse (including same sex partner) • Fiance • Children • Parents • Siblings	• Spouse • De facto • Children • A person with whom you have an interdependency relationship* • Other financial dependents

*as defined in superannuation law.

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.

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.

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, or other members of the Promina Group.

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 care professionals;
- other insurance companies and reinsurers;
- mailing houses and direct marketing providers*;
- research and telephone service providers (who help us with our service delivery);
- government departments and as required by law;
- 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;
- service providers;
- accountants; or
- document 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

Who do I contact if I have questions about privacy?

Please direct enquires to:

The Manager
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

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 we are unable to accept your application on standard terms, we will contact you or your financial adviser to discuss whether we are able to offer you modified terms, for example, we may offer you a policy subject to a loading being payable on your premium.

If you have any further queries on the application process, please speak with your financial adviser or contact us (our contact details are 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
• welcome letter; • the policy schedule; and • the policy document.	If a request is made to alter the policy and we accept the alteration, we will confirm the change to you with a: • confirmation letter; and • policy endorsement.	The policy owner will receive a notice from us showing: • the current policy details; and • premiums payable.	When we are notified of a claim, you will receive: • a letter; and • a claims kit outlining the information we require.

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

Certificate of interim cover

Protection while your application is being considered

Asteron Life Limited

is pleased to provide interim cover for:

Insured Person

Policy Owner

About interim cover

We will provide you with interim cover while your application for one or more policies referred to in this PDS is being assessed.

The terms and conditions of interim cover are set out in this certificate and pages 83 - 85 of the PDS.

Interim cover is not available if an application for a similar type of policy with any insurer has been declined.

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.

When cover commences

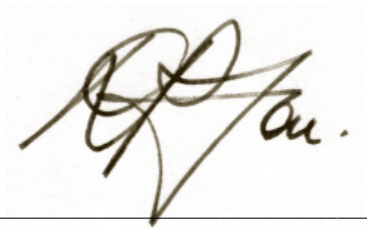
Interim cover commences when the completed application form and initial premium (or completed deduction authority) are lodged at one of our State Offices or our Head Office.

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:

- 90 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.



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 the Application for Life Insurance Products).

Interim cover is issued from our No. 1 Statutory Fund.

Meanings of words and expressions

Under interim cover, words and expressions which have a particular meaning are set out below:

- For Income Protection and Business Expenses what we mean by severely disabled and allowable business expenses is described in the relevant sections of this PDS.
- Trauma means:
  - blindness
  - coma
  - deafness
  - intensive care
  - major head trauma
  - paralysis
  - severe burns.

These conditions are described on pages 86 – 90 except that under interim cover these conditions must be as a result of an injury.

- Totally and permanently disabled means:
  - the modified definition (see page 68) if you apply for, or are only eligible for, the modified definition; or
  - otherwise, the any occupation definition (see page 69).

Maximum benefit payable

If the application is for a combination of any two or more of Term Life, Stand Alone TPD, Recovery or Stand Alone Recovery, an interim cover benefit is payable once only on the first insured event to occur and the maximum payable is:

- $1,000,000 for death;
- $500,000 for total and permanent disablement; and
- $500,000 for trauma.

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;
- an intentional self-inflicted act;
- 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 (full details are available on request);
- a war or an act of war (unless a Death Benefit is payable);
- any sickness or injury that occurs as a result of your voluntary participation in a criminal activity; or
- 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; or
  - 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.

injury means physical damage to your body caused solely and directly by an accident.

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.

Term Life

If the application is for Term Life, the benefit will be paid if you die during the period of the interim cover.

Interim cover continued

sum insured is the amount applied for.

If the application is also for the Total and Permanent Disablement Option the benefit will be paid on the earlier of:

- your death; or
- you becoming totally and permanently disabled as a result of sickness which first became apparent, or injury occurring, during the period of interim cover.

The amount payable will be the lowest of:

- $1,000,000 if you die, or $500,000 if you become totally and permanently disabled;
- the proposed sum insured; and
- the sum insured we would accept for you under our normal underwriting guidelines based on the proposed premium.

Stand Alone TPD

If the application is for Stand Alone TPD the benefit will be paid if you become totally and permanently disabled as a result of sickness which first became apparent, or injury occurring, during the period of the interim cover.

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.

Recovery

If the application is for Recovery, a benefit will be paid on the earliest of:

- your death;
- you becoming totally and permanently disabled as a result of sickness which first became apparent, or injury occurring, during the period of interim cover; or
- you suffering a trauma directly as a result of an injury occurring during the period of the interim cover.

The amount payable will be the lowest of:

- $1,000,000 if you die, or $500,000 if you become totally and permanently disabled or suffer a trauma;
- the proposed sum insured; and
- the sum insured we would accept for you under our normal underwriting guidelines based on the proposed premium.

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 which first became apparent, or injury occurring during the period of interim cover; or
- you suffering a trauma directly as a result of an injury occurring during the period of interim cover, and you survive at least 14 days after the 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.

Child Recovery

If the application for Term Life, Stand Alone TPD, 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 occurring during the period of interim cover:
  - blindness
  - brain damage
  - deafness
  - intensive care
  - loss of limbs or sight
  - major head trauma
  - paralysis
  - severe burns

These conditions are defined on pages 86 - 90, except that under interim cover these conditions must be as a result of an injury.

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.

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.

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 which first became apparent, or injury 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 lowest 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.

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.

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 which first became apparent, or injury 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 lowest 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.

monthly benefit for Business Expenses means the amount applied for.

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.

aplastic anaemia means permanent bone marrow failure that results in anaemia, neutropenia and thrombocytopenia requiring treatment by at least one of the following:

- blood product transfusion
- marrow stimulating agents
- immunosuppressive agents
- bone marrow transplantation.

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 the Insured Child either:

- suffering at least 25% permanent impairment of whole person function*, or
- being permanently unable to perform at least 1 of the numbered activities of daily living without the physical assistance of someone else.

* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 5th Edition.

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:

a) 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.

b) melanomas which are both less than Clark Level 3 and less than 1.5mm depth of invasion as determined by histological examination;

c) all other types of skin cancers unless they have metastasised; and

d) prostatic cancers which are both histologically described as TNM Classification T1 or lesser (or any other equivalent or lesser classification) and have a Gleason score of 5 or less.

carcinoma in situ means carcinoma in situ characterised by a focal autonomous new growth of carcinomatous cells, which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane.

Carcinoma in situ of the following sites is covered:

- prostate, where the tumour is confined within the prostate and is histologically described as TNM Classification T1 or a Gleason score of either 2, 3, 4 or 5 or another equivalent classification.

- breast, where the tumour must be classified as TIS according to the TNM staging method or FIGO* Stage 0.
- fallopian tube, where the tumour must be limited to the tubal mucosa and classified as TIS according to the TNM staging method or FIGO* Stage 0.
- vagina, where the tumour must be classified as TIS according to the TNM staging method or FIGO* Stage 0.
- vulva, where the tumour must be classified as TIS according to the TNM staging method or FIGO* Stage 0.

* FIGO refers to the staging method of the International Federation of Gynaecology and Obstetrics

cardiomyopathy means the impaired ventricular function of variable aetiology, resulting in permanent and irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

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.

chronic liver failure means end stage liver failure resulting in permanent jaundice, ascites and/or encephalopathy.

chronic lung failure means end stage respiratory failure permanently requiring continuous oxygen therapy and with FEV 1 test results of consistently less than one litre.

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.

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 three or more coronary arteries within the same procedure.

Angiographic evidence, indicating at least 50% obstruction of three 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 you either:

- suffering at least 25% permanent impairment of whole person function*, or
- being permanently unable to perform at least 1 of the numbered activities of daily living without the physical assistance of someone else.

* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 5th Edition

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 the diagnosis of a heart attack will include either of the following:

- confirmation of new electrocardiogram (ECG) changes or a left ventricular ejection fraction of less than 50%; and

- elevation (other than as a result of cardiac or coronary intervention) of; cardiac enzymes CK-MB above standard laboratory levels of normal, or levels of Troponin I greater than 2.0 ug/l or Troponin T greater than 0.6 ug/l, or their equivalent.

If a diagnosis cannot be made on the basis of that criteria, we will pay a claim based on satisfactory evidence that you have unequivocally been diagnosed as having suffered a heart attack resulting in:

- a reduction in the left ventricular ejection fraction to less than 50%, measured 3 months or more after the event, or
- new pathological Q waves.

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 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 results in you either:

- suffering at least 25% permanent impairment of whole person function*, or
- being permanently unable to perform at least 1 of the numbered activities of daily living without the physical assistance of someone else.

* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 5th 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 results in you either:

- suffering at least 25% permanent impairment of whole person function*, or
- being permanently unable to perform at least 1 of the numbered activities of daily living without the physical assistance of someone else.

* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 5th Edition.

major organ transplant means you either undergo the organ transplant, or upon specialist medical advice you are placed on an official Australian acute care hospital waiting list to undergo organ transplant, from a human donor 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 you either:

- suffering at least 25% permanent impairment of whole person function*, or
- being permanently unable to perform at least 1 of the numbered activities of daily living without the physical assistance of someone else.

* as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 5th Edition

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.

Muscular Dystrophy means the unequivocal diagnosis of Muscular Dystrophy.

out of hospital cardiac arrest means cardiac arrest that is not associated with any medical procedure, is documented by an electrocardiogram, occurs out of hospital, and is either:

- cardiac asystole (heart stoppage) or
- ventricular fibrillation (the muscle fibres of the ventricle beating rapidly without pumping any blood) with or without ventricular tachycardia.

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).

primary pulmonary hypertension means primary pulmonary hypertension with right ventricular enlargement established by investigations including cardiac catheterisation resulting in permanent and irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

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 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.

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.

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.

Notes

Notes

Direct Debit Request Service Agreement

This Direct Debit Request (DDR) Service Agreement is only applicable if you choose to authorise Asteron Life Limited to debit premiums in relation to your policy from your nominated financial institution account. This agreement must be read when completing the DDR Form.

This Direct Debit Request (DDR) Service Agreement is issued by Asteron Life Limited (ABN 64 001 698 228). You should direct all enquiries about your direct debit to Customer Service on 9978 9999 or if outside Sydney on 1800 221 727.

1. Our commitment to you

a) Asteron will give you at least 14 days notice in writing before changing the terms of the debiting arrangements, unless you agree to an earlier change.

b) Asteron will keep information relating to your nominated financial institution account confidential, except where required for the purposes of conducting direct debits with your financial institution.

c) Where the debiting date is not a business day, Asteron will draw from your nominated financial institution account on the next business day.

2. Your commitment to us

It is your responsibility to:

- ensure your nominated financial institution account can accept direct debits.
- ensure there are sufficient funds available in the nominated financial institution account to meet each instalment.
- advise us if the nominated account is transferred or closed, or the account details change.
- ensure that all account holders on the nominated financial institution account agree to the debiting arrangement.

3. Your rights

a) Subject to the terms and conditions of your Asteron policy, you may alter the debiting arrangements. Such advice should be received by us at least 7 working days before the debiting date for any of the following:

- altering the DDR.
- deferring a drawing.
- suspending the DDR.
- cancelling the debiting arrangement completely.

If you do any of these things, you must make alternative arrangements to pay outstanding amounts and, if applicable, future amounts.

b) Where you consider that a debit has been initiated incorrectly, you should contact Asteron on 9978 9999 or if outside Sydney on 1800 221 727. In the unlikely event of a complaint not being resolved satisfactorily, you can address a formal complaint to: "The Customer Service Manager, Asteron Life Limited, Locked Bag 5000, Chatswood NSW 2057".

4. Other information

a) The details of your debiting arrangements are contained in the DDR.

b) Asteron reserves the right to ask that instructions from a customer, to stop or in any way alter the debiting arrangement are in a written, verbal or electronic form.

c) The terms and conditions of your Asteron policy govern your instalments. The policy allows us to cancel it after writing to you if debits are dishonoured by your financial institution and your premium is overdue by 30 days or more.

d) Asteron may vary the amount subject to the terms and conditions of your policy to be deducted from the account or the frequency of future debits by giving at least 14 days notice to you, in writing. All future amounts payable by you under the policy will be debited to the bank account shown in the DDR unless you tell us you wish to cancel the arrangement.

e) Financial institution fees (including dishonour charges) may also apply to this debiting arrangement.

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.life.asteron.com.au**

NSW/ACT
Level 23 2 Market Street
Sydney NSW 2000
GPO Box 4252
Sydney NSW 2001

Telephone 02 8275 3411
NSW callers outside
Sydney 1800 805 241

VIC/TAS
Level 10 15 William Street
Melbourne VIC 3000
PO Box 256 440 Collins St West
Melbourne VIC 8007

Telephone 03 9245 8500
VIC callers outside
Melbourne 1800 803 628

QLD
67 Grey Street
South Brisbane QLD 4101
PO Box 5229
West End QLD 4101

Telephone 07 3011 8600
QLD callers outside
Brisbane 1800 177 716

SA/NT
66 Greenhill Road
Wayville SA 5034
PO Box 429
Unley Business Centre
Unley SA 5061

Telephone 08 8373 0177

WA
Level 2 15-17 William Street
Perth WA 6000
PO Box 444
West Perth WA 6872

Telephone 08 9211 4077
WA callers outside
Perth 1800 199 130

asteron

AT YOUR FINANCIAL SERVICE

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