



Lumley Life Limited

ABN 20 000 017 194

Critical Illness Insurance

CUSTOMER INFORMATION BROCHURE
AND
POLICY DOCUMENT

- *Critical Illness Insurance and Life Insurance*

YOU SHOULD READ THIS BROCHURE CAREFULLY,
ESPECIALLY THE KEY FEATURES SECTIONS.
THIS CONTAINS THE IMPORTANT INFORMATION
YOU SHOULD KNOW ABOUT THE POLICY.

ISSUE DATE: 1ST MARCH 2003 EXPIRY DATE: 31ST DECEMBER 2003

Traditional Values ~ Innovative Ideas



Lumley Life Limited

ABN 20 000 017 194

The Lumley Group is a financial services group specialising in the design, marketing, underwriting, and management of life insurance and general insurance products, for a select network of quality financial intermediaries. Over the past eighty years in Australia, the Lumley Group has evolved from an insurance broking firm to a highly specialised insurance underwriter that operates in all states of Australia and in New Zealand. One of the largest privately-owned financial services groups operating in Australia, the Group currently provides a wide range of services on four continents, but its main focus has always been the needs of the Australian customer base. It is a combination of the Group's historical origination and involvement with the Australian insurance industry, the recognition of its customer's needs and the development of services to meet these needs that has resulted in the Lumley name being synonymous with *Traditional Values and Innovative Ideas*.

The Lumley Group of Companies in Australia is 100 per cent owned by Edward Lumley Holdings Limited which is incorporated in the United Kingdom. Lumley Life Limited was originally established in 1926 as Commonwealth Life (Amalgamated) Assurance Limited. In 1961, the name was changed to Security Life, and in December of that year, the Company acquired the life assurance business of the Citizens & Graziers Life Assurance Company Limited. In October 1986, the Company name was changed to Lumley Life.

The Lumley Commitment

By combining *Traditional Values and Innovative Ideas*, Lumley Life will continue to provide value and security for clients, while maintaining our uncompromising emphasis on service, sound investment and cost effectiveness.

CUSTOMER INFORMATION BROCHURE

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IMPORTANT NOTES

■ **POLICY DOCUMENT ALSO INCLUDED**

This booklet also includes the Policy Document which sets out the terms and conditions of the contract. It should therefore be kept in a safe place.

Once your application has been accepted and the first premium paid (or deemed to be paid) you will be issued with a Policy Information Statement and Schedule. A premium is deemed to be paid if Lumley Life has received an authorisation to collect the first premium from a financial institution.

Where the annual premium is \$500 or more, you will also receive a Customer Advice Record which details some of the important aspects of your dealings with our agent. These documents should be read and checked carefully by you to ensure the contract meets with your requirements. The documents are your evidence that the contract is in force and should therefore be kept with the Policy Document.

- *This brochure is dated 1st March 2003 and expires 31st December 2003. It can only be utilised during this period and cover can only be applied for by using an application form.*
- *Should there be any be any material alteration to the information contained in this Brochure which would result in it becoming misleading, then it will be withdrawn and a new one issued.*
- *A copy of this Brochure has been lodged with the Australian Securities and Investments Commission (ASIC).*
- *All statements made in this brochure in relation to taxation are based on Lumley Life's interpretation of current legislation and rulings which are subject to change from time to time. Any changes to the benefits under your Policy as a result of a change to taxation will be advised to you. The taxation information is of a generalised nature as individual circumstances may vary.*
- *This brochure gives information for the general public. Details about a Policy specifically tailored to your needs are available on request.*
- *Premiums paid are used to cover the risk and expenses incurred in managing the Policy and consequently there is no surrender or cash value at any time.*
- *All products in this brochure provide 24 hours a day cover, worldwide.*
- *The Policy is issued under Lumley Life's No.1 Statutory Fund and is a non participating policy. This means the Policyowner is not entitled to any allocation of operating profits or distribution of retained profits of the Statutory Fund.*

- *You should note that in respect of certain claims for heart attack, cancer and open chest surgery only 25% of the sum insured may be payable on diagnosis or occurrence. You should be aware that a degree of severity is required before a claim can be considered. The balance only becomes payable once further specified conditions are met. You should study the policy document carefully to ensure that you understand what these conditions are.*

KEY FEATURES STATEMENT

CRITICAL ILLNESS INSURANCE COVER

This Key Features Statement follows guidelines set down by the Australian Securities and Investments Commission. It will help you to:

- Decide whether this product will meet your needs; and
- Compare this product with others you may be considering.

IMPORTANT NOTICE

This is not a savings plan. The primary purpose of this policy is to provide a benefit in the event of death and or a specified Critical Illness or where applicable Total and Permanent Disability. If you terminate this policy after the cooling off period, you will not receive any money back.

► THE PRODUCT

Critical Illness Insurance Cover provides financial protection in the event of death, Terminal Illness or a specified Critical Illness. Other optional benefits such as Total and Permanent Disability may be added for the payment of an additional premium.

- **Guaranteed Renewal of Cover**
Lumley Life guarantees to offer renewal of the Policy each year until the expiry date of the cover selected.
- **Guaranteed Non-Cancellable**
Provided you have complied with the Duty of Disclosure and pay premiums when due, Lumley Life cannot cancel your Policy. This guarantee applies regardless of any change in your health or personal circumstances.

► THE PREMIUMS

Premiums depend on the type of insurance cover selected, age, sex, occupation, pastimes, smoking habits, state of health and family history. Premiums are payable yearly in advance (or more frequently by instalments as agreed with Lumley Life).

Premiums are based on the then current age next birthday of the Life Insured. This means that on each renewal of cover, the premium will increase as the age of the Life Insured increases.

The Premiums will attract annual increases automatically to reflect increases in the sum insured based on the rate of inflation. The Policyowner may decline these automatic increases.

Where a premium is not paid when it is due, then the protection provided by the Policy will lapse after a statutory period. Lumley Life will provide written notice before the Policy lapses.

No one individual policy can be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the Life Insured. Lumley Life reserves the right to increase premium rates for all policies after providing three months notice in writing.

Lumley Life reserves the right to alter the frequency loadings which apply to premiums paid more frequently than yearly and to increase premium rates as a result of Government charges. Three months written notification will be provided before the new charges prevail.

In the situation where a benefit of 25% of the sum insured has been paid then the premium payable will reduce proportionately for so long as the Policy remains in force.

(Note: Tables of premium rates for each type of benefit are available on request)

► THE BENEFITS

When is a benefit payable?

A Benefit is payable under this Policy if you:

- die or become Terminally Ill; or
- suffer a Critical Illness (as defined in Clause 5 of the Policy Document),

while the Policy is in force.

You must provide Lumley Life with proof, to its satisfaction, that one of the above events has occurred before a benefit is payable.

Critical Illnesses resulting from an intentionally self inflicted act or injury or from alcohol abuse in the case of some illnesses (see the Critical Illness definitions in clause 5 of the Policy Document) are not covered under the Policy. The death cover applies to death from any cause with the exception of death caused by any intentionally self inflicted act occurring within the first thirteen months following the commencement or reinstatement of the Policy. This exception applies to any increases in the sum insured (but not including those increases applying as a result of the annual automatic increase provisions of the Policy).

Lumley Life will consider multiple claimable illnesses or injuries as a single event and will be liable for payment of one Critical Illness Benefit only under this Policy. The event that gives rise to the largest benefit payment will be considered by Lumley Life to be the cause of the payment.

What are the Critical Illnesses and when does cover begin?

Your cover for death, Terminal Illness and the Critical Illnesses listed below (and defined in clause 5 of the Policy Document) begins immediately on our notifying you that we have accepted your application for cover.

The following conditions are covered immediately:

- Alzheimer's Disease
- Aplastic Anaemia
- Benign Brain Tumour
- Cardiomyopathy
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Coma
- Dementia
- Encephalitis
- Loss of Independent Existence
- Loss of Speech
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Occupationally Acquired HIV
- Paralysis:
 - > Diplegia
 - > Hemiplegia
 - > Paraplegia
 - > Quadriplegia
 - > Tetraplegia
- Parkinson's Disease
- Primary Pulmonary Hypertension
- Severe Burns
- Total Blindness
- Total Deafness

Your cover for the Critical Illnesses listed below begins after 90 days have elapsed since the commencement date of the Policy or reinstatement of the Policy. The symptoms must first manifest after the 90 days qualifying period.

- Cancer
- Cerebrovascular Accident (Stroke)
- Major Abdominal Aortic Surgery
- Myocardial Infarction (Heart Attack)
- Open Chest Surgery to correct:
 - > Coronary artery
 - > Valve

Note: Cover applies immediately if there was similar cover with another life insurance company (up to the amount of that cover) and this Policy replaces that cover.

What is the benefit?

If you die or become Terminally Ill as defined in the Policy Document, the benefit is the sum insured.

The sum insured called the Critical Illness Benefit is the amount identified in your Policy Information Statement and Schedule as adjusted in accordance with the Policy Document from time to time or as agreed to by Lumley Life and you, reduced by the amount of any benefit paid under this Policy.

If you suffer from a heart attack (as defined in the Policy Document under Myocardial Infarction) or from Localised Cancer or if you have Open Chest Surgery, the benefit is 25% of the sum insured.

If you suffered a heart attack and you have sustained severe impairment of cardiac function as defined in the Policy Document three months after the original heart attack, the balance of the original sum insured (called the Residual Critical Illness Benefit) at that date is payable.

If you had Localised Cancer and you suffer a recurrence of the Cancer or if you are diagnosed with a second unrelated Cancer (as defined in the Policy Document), the Residual Critical Illness Benefit is payable.

If you receive the 25% benefit described above and you subsequently suffer any Critical Illness, the benefit is the Residual Critical Illness Benefit. (Details are shown in Clause 2.4 of the Policy Document).

If you suffer from any other Critical Illness and you have never received a partial benefit under the policy, the full Critical Illness Benefit is payable.

The policy terminates when the sum insured is paid in full.

Is there a limit on the Critical Illness Benefit?

If you are entitled to a benefit on suffering a Critical Illness, Lumley Life will not pay a benefit under this Policy which would cause you to receive a total benefit in respect of the Critical Illness in excess of \$1,500,000 from this Policy and any other policy issued by another life insurance company which was in place at the commencement date of this Policy (called the existing policy). In this case, Lumley Life will reduce the sum insured otherwise payable to you by such amount as is necessary to ensure the total benefit payable to you under this Policy and any existing policies does not exceed \$1,500,000.

Payment of Benefit

The Benefit is payable in Australian currency as follows:

- To the Policyowner (where the Policyowner is the same person as the Life Insured, the death benefit is payable to that person’s estate), or
- Where a person or persons are nominated to receive the death benefit, the proceeds are payable to that person or persons in the proportion(s) nominated by the Policyowner (and will not form part of the Life Insured’s estate).

► **Premium Freeze Option**

Subject to Lumley Life’s minimum requirements in relation to premiums at the time this option is exercised, and provided the Life Insured is aged over thirty years, the Policyowner may elect to maintain the premium at the then current level. Under this option the premium will remain unchanged or be reduced as agreed between Lumley Life and the Policyowner. The Critical Illness Benefit or the Residual Critical Illness Benefit will decrease annually on the anniversary date, such decrease being calculated by Lumley Life using the age of the Life Insured at each anniversary date.

The Policyowner must exercise this option in writing to Lumley Life. Where this option is exercised any automatic sum insured increases, otherwise applicable under the Policy, will cease.

► **Automatic Sum Insured Increases on Anniversary**

On each anniversary of the Commencement Date of the Policy, Lumley Life will automatically increase the Critical Illness Benefit or the Residual Critical Illness Benefit, unless the Premium Freeze Option applies. The increase in cover which will be based on the Consumer Price Index (the primary inflation measure), will involve a corresponding increase in the premium. This facility will help maintain the purchasing power of the benefit payable.

Automatic increases will not be made once the Life Insured has attained the age of 65. Where the Critical Illness Benefit or the Residual Critical Illness Benefit reaches \$1,000,000 then future increases will be based on this amount.

► **OPTIONAL BENEFITS**

For an additional premium you may choose to add the following optional benefits:

► **Buy Back Option**

Following the payment of a Critical Illness Benefit or Total and Permanent Disability Benefit (the Benefit) under this policy the Policyowner may on any option date repurchase the equivalent death cover benefit without evidence of insurability. Upon exercising this option, Lumley Life will issue a new Policy. The first option date occurs one year after the date of payment of the Benefit. Further option dates will occur on the following two anniversaries of the first option date. The maximum amount that can be repurchased at each option date is one third of the Benefit paid.

The option is not exercisable when only 25% of the Critical Illness Benefit has been paid. It is only exercisable when all of the Critical Illness Benefit, Residual Critical Illness Benefit or a Total and Permanent Disability Benefit has been paid.

The Option requires the payment of an additional premium and only applies if shown in the Policy Information Statement and Schedule.

► **Total and Permanent Disability Benefit**

Critical Illness Insurance Cover allows the option of including a Total and Permanent Disability Benefit.

(Please refer to the Policy Document of this Brochure for an explanation of this coverage)

WHAT ARE THE CHARGES?

All the charges of the Policy are fully described in this section. Lumley Life undertakes not to apply any other charges without your specific consent.

The only fees and charges associated with the issue and management of the Policy are the premiums you pay.

Where premiums are paid more frequently than yearly a frequency loading will be applied to offset the costs of the additional transactions.

Frequency	Loading of Premium
Monthly	8%
Half Yearly	6%

Any increases to these loadings will be advised to the Policyowner in writing at least three months prior to the increase taking place.

TAXATION

► **Premiums**

Personal taxation deductions are not generally available in respect of premiums payable under this type of insurance policy.

► **Benefits**

Generally benefits payable under life insurance policies are not assessable for income tax.

You should consult your taxation or financial adviser for information relevant to your own personal situation.

Taxation information given in this brochure is based on Lumley’s interpretation of current Tax Legislation and its continuation. The information provided is only a brief summary and is intended as a general statement only. You should consult your taxation or financial adviser for information relevant to your own personal circumstances.

“COOLING OFF” PERIOD

If for any reason you are dissatisfied with the Policy once it is issued, or if you feel it does not meet your needs, you may return it to Lumley Life within twenty-eight days from the day you receive your Policy Information Statement and Schedule and receive a full refund of premium(s) promptly. Your request should be in writing.

GENERAL INFORMATION

► **EXPIRY OF COVER** (i.e. WHEN COVER CEASES)

The sum insured will be reduced by any claim amount paid. Cover will terminate on the occurrence of the earliest of the following:

■ **Death Cover**

- the policy anniversary immediately preceding age 99 or
- when the Life Insured dies or
- when the Policy is lapsed due to non-payment of a premium or
- when a Critical Illness or Residual Critical Illness claim is admitted, other than when only 25% of the Critical Illness Benefit is payable.

■ **Critical Illness Insurance Cover**

- the policy anniversary immediately preceding age 70 or
- when a Critical Illness or Residual Critical Illness claim is admitted, other than when only 25% of the Critical Illness Benefit is payable
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Total and Permanent Disability Claim is admitted.

■ **Total and Permanent Disability/Long Term Care**

- the policy anniversary immediately preceding age 65 or age 70, in the case of Long Term Care or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Critical Illness or Residual Critical Illness claim is admitted, other than when only 25% of the Critical Illness Benefit is payable.

ISSUE & EXPIRY AGES		
Type of Insurance	Issue Ages (Next Birthday)	Expiry Ages (Next Birthday)
Death Cover	16 – 74	99
Total and Permanent Disability/ Long Term Care	16 – 60	70
Critical Illness	16 – 60	70

— COMMITMENT TO UP-GRADE POLICIES —

Lumley Life will always seek to upgrade existing policies with future developments and improvements to benefits. When improvements to benefits are made to new policies without increasing the premium rates then those improvements will be offered to existing policyholders wherever possible. Should a situation arise where a policyholder is disadvantaged in any way as a result of an improvement, then the previous conditions will prevail.

► **BENEFICIARY**

A person or persons may be nominated under the Policy to receive the monies in the event of death.

A policy issued under this arrangement effectively protects the monies from the Life Insured’s creditors.

► **ENQUIRIES & COMPLAINTS**

Lumley Life will always seek to resolve complaints quickly and efficiently and with the fairest possible result. If you have any queries, please telephone Lumley Life on 1800 221 142 or write to the Complaints Officer, Lumley Life Limited, 309 Kent Street, Sydney, NSW, 2000. Every effort will be made to assist you. However if you are not satisfied you may then refer a complaint to the Manager of the Financial Industry Complaints Service, PO Box 579, Collins Street West, Melbourne 8007 or Telephone (03) 9629 7050. (Freecall on 1800 335 405, outside the Melbourne Metropolitan area). (Facsimile [03] 9621 2291).

The Financial Industry Complaints Service Limited is an industry sponsored company that has been set up to advise and assist policyholders to resolve complaints with their life insurance company. It is an independent and impartial company.

Before seeking to use the Service, a policyholder must try to resolve the complaint directly.

► **DEATH BY ACCIDENT COVER
INTERIM CERTIFICATE OF
INSURANCE**

No Cost Death Cover on the terms set out below is hereby given by Lumley Life Limited (Lumley Life) to the person from whom it receives a fully completed application (and personal statement) for Critical Illness Insurance (the Application) and payment of the first premium or instalment premium (the Premium). The first premium or instalment premium is deemed to have been paid if Lumley Life has received an authorisation to collect the first premium from a financial institution.

► **The Cover**

- An accidental event which causes the death prior to age 60 of the Life Insured named in the Application
- The total amount of cover applied for, or two hundred thousand dollars (\$200,000), whichever is the lesser amount. (This is the maximum cover applicable on any one Life Insured irrespective of the number of applications received.)

► **Duration of the Cover**

- Commences when Lumley Life receives the Application and the Premium (the Policy Application Date)
- Terminates
- When Lumley Life accepts or declines the Application or cancels the Cover
- If the Life Insured dies or leaves Australia
- 60 days from the Policy Commencement Date whichever happens first.

► **Exclusions**

Cover will not apply if death is caused by or results from:

- Intentionally self-inflicted act or injury
- Any medical or physical condition of the Life Insured existing at the Policy Commencement Date
- Engaging in any sport, pastime or occupation for which Lumley Life would not offer cover at standard rates
- War or acts of war whether declared or not

PRIVACY STATEMENT

At Lumley Life Limited* your right to privacy has always been important to us. This document explains why we collect your personal information and how we may use or disclose that information.

We collect information about you to provide our insurance products and services to you. We usually collect personal information such as name, age, contact details, payment details, occupation, family and medical history, and employment information. The full details of the types of personal information we collect can be found in the questions we ask and/or in the forms we ask you to complete.

In some situations we may collect your personal information from a third party such as your insurance representative, medical practitioner or health professional, accountant or employer. We will only do so with your consent.

If you do not provide information sought by Lumley from time to time, it may affect Lumley's ability to provide you with and administer our products or services. You are required by insurance law to disclose all relevant information to us when you apply for insurance. Please refer to your application form for further details of this duty, and the consequences of not complying with this duty.

We use your personal information to manage and administer all products and services we provide to you, including to assess and process your application for insurance, process and investigate claims made against your insurance, provide you with information about other products or services that may be of benefit to you; and to ensure our internal business operations are running smoothly (which may include fulfilling regulatory and legal requirements and confidential system testing).

Depending on the type of product or service we provide to you, we may need to disclose your information to certain third parties. If we do this we require these parties to protect your information in the same way we do. The types of organisations we may need to disclose your personal information to (as necessary only) include:

- external service providers that provide financial, legal, administrative or other services in connection with the operation of our business (for example our reinsurers, auditors, claims investigators, compliance consultants or mailing/archiving services for document mailing services and secure storage);
- medical practitioners or health professionals for the purpose of assessing your application or claim;
- government agencies (as part of our regulatory or statutory obligations);

- where we collect your information from someone else or another entity (such as a superannuation fund or employer), then we may disclose your personal information to that person or entity; and
- your insurance representative with your consent.

Your health or medical information will only be disclosed (as necessary only) to service providers or authorised personnel who are directly involved in the assessment or administration of your application or claim.

Your personal information will not be used or disclosed for any purpose without your consent, except where required by law.

By completing an application form or any other form, you consent to Lumley collecting, using, disclosing and handling your personal information as set out in this document.

You can request access to the personal information we hold about you. You may ask us at any time to correct this information where you believe it is incorrect or out of date.

There will be no fee for requesting access to your information, however we may charge you the reasonable cost of processing your request. To access personal information we hold about you, or to obtain more information about your rights or our Privacy Policy, please contact Lumley's Privacy Officer at:

Lumley Life Limited
Level 3
309 Kent Street
Sydney NSW 2000
Phone (02) 9248 1255 or
Fax (02) 9248 1101

* Includes Security and General Nominees Pty Limited as trustee for Lumley Life Limited Personal Superannuation Fund.



Lumley Life Limited

ABN 20 000 017 194

Critical Illness Insurance

POLICY DOCUMENT

- *Critical Illness Insurance and Life Insurance*

— IMPORTANT NOTE —

THIS POLICY DOCUMENT SETS OUT THE TERMS AND CONDITIONS OF THE CONTRACT BETWEEN THE POLICYOWNER AND LUMLEY LIFE. FOLLOWING ACCEPTANCE OF THE APPLICATION AND THE PAYMENT OF THE FIRST PREMIUM YOU WILL BE ISSUED WITH ADDITIONAL DOCUMENTATION WHICH WILL EVIDENCE THAT INSURANCE COVER EXISTS.

THIS ADDITIONAL DOCUMENTATION SHOULD BE PLACED WITH THIS BOOKLET.

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INTRODUCTION

THE DOCUMENT

This Policy Document will become your evidence of a contract of Life Insurance which exists between you and Lumley Life Limited. It is an important document and should be kept in a safe place.

Please read the Document carefully including the Policy Information Statement and Schedule which details the type and amount of cover and the premiums payable in the first year.

The Document is divided into separate sections detailing the conditions and definitions applying to different types of insurance cover. Some or all of these conditions may apply to you. Please check your Policy Information Statement and Schedule to identify them.

TWENTY-EIGHT DAY “COOLING OFF” PERIOD

We want you to be completely satisfied with your Policy. If you are not satisfied, then return it to Lumley Life for cancellation within twenty-eight days from the day you receive the Policy Information Statement and Schedule and your premium will be promptly refunded in full. Your request for cancellation should be in writing. During the “Cooling Off” Period full cover is provided.

COMMITMENT TO UPGRADE POLICIES

Lumley Life will always seek to upgrade existing policies with future developments and improvements to benefits. When improvements to benefits are made to new policies without increasing the premium rates then those improvements will be offered to existing policyholders wherever possible.

Should a situation arise where a policyholder is disadvantaged in any way as a result of an improvement, then the previous conditions will prevail.

DUTY OF DISCLOSURE

Before you enter into a contract of life insurance with an insurer, you have a duty under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer’s decision whether to accept the risk of insurance and, if so, on what terms. You have the same duty to disclose those matters to the insurer before you extend, vary or reinstate a contract of life insurance. Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be taken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of his business, ought to know;
- disclosure of which is waived by the insurer.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within three years of entering into it. If your non-disclosure is fraudulent, the insurer may avoid the contract at any time. An insurer who is entitled to avoid a contract of life insurance may within three years of entering into it, elect not to avoid it, but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

GENERAL PROVISIONS AND CONDITIONS

COVERAGE

The Policy provides insurance cover 24 hours a day world wide.

SPECIAL PROVISIONS

Where special provisions are shown in the Policy Information Statement and Schedule or are attached to the document they should be read carefully and understood because they alter the standard provisions elsewhere in the document.

AUSTRALIAN CURRENCY

All benefits payable under the Policy will be paid in Australian currency.

SURRENDER VALUE

Premiums paid are used to cover the risks and expenses incurred in managing the Policy and consequently there is no surrender or cash value.

NON-PARTICIPATING POLICY

The Policy is issued under Lumley Life's No 1 Statutory Fund and is a non-participating policy. This means the Policyowner is not entitled to any allocation of operating profits or distribution of retained profits of the Statutory Fund.

LEGAL INTERPRETATION

The Policy will be interpreted under the Laws of the State of New South Wales.

COMMENCEMENT OF THE POLICY

Cover under the Critical Illness Policy does not commence until the date of written notification of acceptance issued by Lumley Life and the first premium (or instalment of premium) has been received. This is known in this policy as the Policy Commencement Date.

PREMIUM PAYMENTS

The premiums shown in the Policy Information Statement and Schedule are due and payable in advance on each anniversary of the Policy commencement date (the Renewal Date). A period of grace beyond the anniversary date will be allowed for payment, without interest, of each premium and during this period the Policy shall remain in force. All cover shall cease when this policy is replaced by another or twenty eight days after written notice has been given by Lumley Life, whichever happens first.

With the agreement of Lumley Life, premiums may be paid by instalment subject to a frequency of payment loading and a method of payment acceptable to Lumley Life.

Premiums are based on the then current age next birthday of the Life Insured. This means that on each renewal of cover, the premium will increase as the age of the Life Insured increases.

In the event that 25% of the Critical Illness Benefit is paid in accordance with the terms of this Policy, the Critical Illness Benefit will be reduced by 25%. Premiums will continue to be payable but will be based on the Residual Critical Illness Benefit.

PREMIUM RATE GUARANTEE

No one individual policy can be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the Life Insured.

However, Lumley Life may increase its premium rates after providing three months notice in writing.

Lumley Life reserves the right to alter the frequency loadings which apply to premiums paid more frequently than yearly and to increase premium rates as a result of Government charges. Three months written notification will be provided before the new charges prevail.

AUTOMATIC INFLATION PROOFING

Unless otherwise stated in the Policy Information Statement and Schedule, Lumley Life will, on each Renewal Date, increase the Critical Illness Benefit (or Residual Critical Illness Benefit) at an annual rate determined by Lumley Life based on the Consumer Price Index published by the Australian Statistician from time to time (or such other index as Lumley Life considers appropriate) provided that the Life Insured has not attained the age of 65 years.

The Policyowner shall have the option of not effecting any increase provided such option is exercised in writing. Once the sum insured under all insurance policies issued by Lumley Life on the life of the Life Insured reaches \$1,000,000 (or such amount as determined by Lumley Life from time to time) then all subsequent indexation increases shall be based on this amount.

OPTIONS

Premium Freeze Option

Subject to Lumley Life's minimum requirements in relation to premiums at the time this option is exercised, and provided the Life Insured is aged over 30 years, the Policyowner may elect to maintain the premium at the then current level. Under this option the premium will remain unchanged. However, the Critical Illness Benefit (or Residual Critical Illness Benefit) will decrease annually on the anniversary date, such decrease being calculated by Lumley Life using the age of the Life Insured at each anniversary date. The Policyowner must exercise this option in writing to Lumley Life. Where this option is exercised any automatic increases to the Critical Illness Benefit (or the Residual Critical Illness Benefit), otherwise applicable under the Policy will cease.

GUARANTEED RENEWAL OF COVER

Lumley Life guarantees to offer renewal of the cover each year up to the expiry of the Policy.

GUARANTEED NON-CANCELLABLE

Provided you have complied with the Duty of Disclosure and pay the premiums when due, Lumley Life cannot cancel your Policy. This guarantee applies regardless of any change in the Life Insured's health or personal circumstances.

MIS-STATEMENT OF AGE

In the event that the age of the Life Insured has been mis-stated then the Critical Illness Benefit, or the premium payable, shall be adjusted, and the Policy varied, in accordance with the applicable legislative provisions.

SMOKER/NON-SMOKER RATES

If the Policy has been issued using non-smoker premium rates then those premium rates have been based on the Life Insured's statement that he or she has not smoked any substance in the twelve months prior to the Policy Commencement Date. If this statement is found to be untrue then the Benefit will be adjusted having regard to the premium rates that would have been payable had full information been known.

CLAIMS

Notification of Claim

Lumley Life must be notified in writing within thirty days or as soon as practically possible after you become aware of any claim or potential claim under this contract.

Extension of Time

If it can be shown that it was not possible to meet the time requirement for notification of the claim, then it must be provided as soon as is reasonably possible.

Our Requirements

When making a claim under this contract we must be satisfied of any liability for payment of a benefit.

For claims other than a death benefit, we may require the Life Insured to undergo a medical or other examination by a doctor of our choice.

When submitting a claim, we will require:

- satisfactory proof of the insured event, such as but not limited to histopathology results, and reports from the treating physician.
- the policy document
- proof of ownership of the policy
- proof of age of the Life Insured
- any requirement we reasonably consider is necessary to properly assess the claim

All amounts payable under this policy shall be paid in Australian currency.

CRITICAL ILLNESS INSURANCE

1 INTRODUCTION

Critical Illness Insurance provides for the payment of a benefit in the event of the death or Terminal Illness of the Life Insured or where the Life Insured suffers a specific illness or injury called a Critical Illness (see Clause 5 for definitions) prior to the expiry or termination of the Policy.

2 BENEFITS

2.1 Critical Illness Benefit

The Critical Illness Benefit is equal to the sum insured shown on the Policy Information Statement and Schedule, unless a limitation of benefit applies pursuant to Clause 3.

The value of the Critical Illness Benefit may be increased upon agreement of Lumley Life and the Policyowner, or in accordance with the terms of the Policy (for example, due to Automatic Inflation Proofing).

Conversely, the Critical Illness Benefit may be:

- (a) reduced when the Policyowner and Lumley Life agree;
- (b) reduced in accordance with the terms of the Policy (for example due to a misstatement of age); or
- (c) replaced by the Residual Critical Illness Benefit.

The proportion of the Critical Illness Benefit that is paid and the timing of it depends on the type of event which has occurred. The differences are described in Clause 2.2 and 2.4.

2.2 Residual Critical Illness Benefit

If a claim is for a particular type of Critical Illness and (as explained below) only 25% of the Critical Illness Benefit is paid, then the Critical Illness Benefit is reduced by 25% and is thereafter known in this Policy as the Residual Critical Illness Benefit. The Residual Critical Illness Benefit remains payable in accordance with Clause 2.4 and:

- (a) may be increased by Lumley Life in accordance with the Policy (for example, due to Automatic Inflation Proofing);
- (b) may be reduced in accordance with the terms of the Policy (for example due to the Premium Freeze Option); or
- (c) may be reduced from time to time as agreed between Lumley Life and the Policyowner.

When a Residual Critical Illness Benefit is payable, the Critical Illness Benefit ceases to be payable.

2.3 Terminal Illness Benefit

If the Life Insured is diagnosed as being Terminally Ill and death is likely to occur within twelve months:

- (a) the Critical Illness Benefit; or
- (b) if Lumley Life has already paid 25% of the Critical Illness Benefit in accordance with Clause 2.4, the Residual Critical Illness Benefit

may be paid providing the following conditions are met:

- (i) the Policyowner must agree to Lumley Life making payment of the benefit.
- (ii) two medical practitioners will be required to certify the extent of the illness (or injury), one being the doctor treating the condition and the other being a doctor nominated by Lumley Life who must confirm the diagnosis and prognosis.
- (iii) the maximum amount payable as the Terminal Illness Benefit, including all other amounts payable by Lumley Life in respect of the Life Insured is \$2,000,000 (or such other amount as advised by Lumley Life from time to time) with any unpaid balance being payable on death.

2.4 Payment of the Benefit

The Critical Illness Benefit is payable, if it has not been previously replaced by a Residual Critical Illness Benefit, when Lumley Life has received notification of a claim and is satisfied that the Life Insured has:

- a. suffered a Critical Illness, other than Localised Cancer, Myocardial Infarction or Open Chest Surgery; or
- b. died.

A Localised Cancer

If Lumley Life is satisfied that the Critical Illness with which the Life Insured has been diagnosed is Localised Cancer (and Lumley Life has not previously paid any benefit under the Policy) then Lumley Life will pay only 25% of the Critical Illness Benefit.

Important Note:

Localised Cancer is defined in clause 5 to mean the following: ... Means Cancer which when first diagnosed and made the subject of a claim under this Policy is contained within the organ or structure of origin (the part of the body in which the cancer began), irrespective of its size, grade or any other histological feature such as vascular invasion and has not spread to adjacent organs or structures or to other parts of the body either nearby or distant.

The Residual Critical Illness Benefit is payable when Lumley Life is satisfied that the first of the following events has occurred:

- a. the Life Insured has been diagnosed with a recurrence of the Localised Cancer;
- b. the Life Insured has been diagnosed with Regional or Distant Cancer;
- c. the Life Insured has been diagnosed with a further Cancer;
- d. the Life Insured has been diagnosed with another Critical Illness (including Myocardial Infarction) or the Life Insured subsequently undergoes Open Chest Surgery;
- e. the Life Insured has died.

B Heart Attack

If Lumley Life is satisfied that the Critical Illness with which the Life Insured is diagnosed is Myocardial Infarction (and Lumley Life has not previously paid any benefit under the Policy) then Lumley Life will pay only 25% of the Critical Illness Benefit.

The Residual Critical Illness Benefit is payable when Lumley Life is satisfied that the first of the following events has occurred:

- a. the Life Insured has been diagnosed with having sustained a severe impairment of cardiac function as evidenced by a left ventricular ejection fraction of under 40% measured by echocardiogram (or other comparable technique) at least three months after the original Myocardial Infarction;
- b. the Life Insured suffers a subsequent Myocardial Infarction at least three months after the original Myocardial Infarction.
- c. the Life Insured has been diagnosed with another Critical Illness (including Localised Cancer) or the Life Insured subsequently undergoes Open Chest Surgery;
- d. the Life Insured has died.

C Open Chest Surgery

If Lumley Life is satisfied that the Critical Illness suffered by the Life Insured is Open Chest Surgery (and Lumley Life has not previously paid any benefit under the Policy) then Lumley Life will pay only 25% of the Critical Illness Benefit.

The Residual Critical Illness Benefit is payable when Lumley Life is satisfied that the first of the following events has occurred:

- a. the Life Insured has undergone a subsequent Open Chest Surgery;
- b. the Life Insured has been diagnosed

Important Note: Open Chest Surgery is defined in Clause 5 to be surgery in respect of

- coronary artery ... being open chest surgery to correct or treat coronary artery disease. Angioplasty, intra-arterial procedures and other non-surgical techniques are excluded
- repair or replacement of valves ... being open chest surgery to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities

with another Critical Illness (including Localised Cancer and Myocardial Infarction);

- c. the Life Insured has died.

Example 1 Critical Illness Insurance Cover

First Critical Illness/Claim	Second Critical Illness/Claim	Total benefit paid
Death		<i>Full value of the Critical Illness Benefit</i>
A Critical Illness other than Localized Cancer, Myocardial Infarction or Open Chest Surgery, eg Head Trauma <i>Benefit: Critical Illness Benefit is paid in full. Policy ceases to provide cover.</i>	Localized Cancer <i>Benefit: Nil. The Critical Illness Benefit has already been paid in full and the policy is no longer in force.</i>	<i>Full value of the Critical Illness Benefit</i>
Localized Cancer, Myocardial Infarction or Open Chest Surgery <i>Benefit: 25% of Critical Illness Benefit. Policy continues to provide cover for the Residual Critical Illness Benefit.</i>	Regional or Distant Cancer, further cardiac illness as specified at clause 2.4B (b) or subsequent Open Chest Surgery (ie. a further development of the initial Critical Illness) Benefit: Residual Critical Illness Benefit.	<i>25% of the Critical Illness Benefit</i> <i>plus</i> <i>Residual Critical Illness Benefit</i>
Localized Cancer, Myocardial Infarction or Open Chest Surgery <i>Benefit: 25% of Critical Illness Benefit. Policy continues to provide cover for the Residual Critical Illness Benefit.</i>	Any other Critical Illness, eg: Multiple Sclerosis Benefit: Residual Critical Illness Benefit. (Note: Because the Residual Critical Illness Benefit is payable, a Critical Illness Benefit is not payable for this second Critical Illness.)	<i>25% of the Critical Illness Benefit</i> <i>plus</i> <i>Residual Critical Illness Benefit</i>
Localized Cancer, Myocardial Infarction or Open Chest Surgery <i>Benefit: 25% of Critical Illness Benefit. Policy continues to provide cover for the Residual Critical Illness Benefit.</i>	Death Benefit: Residual Critical Illness Benefit.	<i>25% of the Critical Illness Benefit</i> <i>plus</i> <i>Residual Critical Illness Benefit</i>

The benefit is payable in Australian currency as follows:

- To the Policyowner (where the Policyowner is the same person as the Life Insured, a benefit payable on death is payable to that the Policyowner’s estate), or
- To the nominated beneficiary(ies). The Policyowner may by notice in writing to Lumley Life nominate one or more persons to receive payment of the Critical Illness Benefit (which for the purpose of this clause includes the Residual Critical Illness Benefit) and in what proportion(s). Any such nomination may be revoked or changed by the Policyowner by notice in writing to Lumley Life).

3 COVERAGE

3.1 Coverage Summary

This Policy covers the death of the Life Insured and the following Critical Illnesses.

3.2 Coverage in Detail

From the Policy Commencement Date the following conditions will be considered Critical Illnesses for the purpose of Clause 2.4.

- Alzheimer’s Disease
- Aplastic Anaemia
- Benign Brain Tumour
- Cardiomyopathy
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)

- Coma
- Dementia
- Encephalitis
- Loss of Independent Existence
- Loss of Speech
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Occupationally Acquired HIV
- Paralysis:
 - ▶ Diplegia
 - ▶ Hemiplegia
 - ▶ Paraplegia
 - ▶ Quadriplegia
 - ▶ Tetraplegia
- Parkinson's Disease
- Primary Pulmonary Hypertension
- Severe Burns
- Total Blindness
- Total Deafness

Provided symptoms do not manifest in the first 90 days after the Policy Commencement Date, or in the first 90 days after its reinstatement the following conditions will be considered Critical Illnesses for the purpose of Clause 2.4.

This provision also applies to any increases in the Critical Illness Benefit with the exception of increases applying as a result of the Automatic Inflation Proofing provisions of the Policy.

Note: cover applies immediately if you had similar cover with Lumley Life or another life insurance company (up to the amount of that cover) and this Policy replaces that cover.

- Cancer, including Localised Cancer and Regional or Distant Cancer
- Cerebrovascular Accident (Stroke)
- Major Abdominal Aortic Surgery
- Myocardial Infarction (Heart Attack)
- Open Chest Surgery

Complete definitions of each of the Critical Illnesses are contained in Clause 5.

3.3 Critical Illness Insurance – Limitations and Exclusions of Benefit

Other Insurances

The benefit payable under this Policy is the lesser of:

- (a) the Critical Illness Benefit or the Residual Critical Illness Benefit; and
- (b) the difference between \$1,500,000 and the total amount payable under any existing policies where an existing policy is defined as a policy issued by another insurer that:
 - (a) was in force at the Policy Commencement Date; and
 - (b) results in a payment being made as a result of the event giving rise to the payment of the Critical Illness Benefit or the Residual Critical Illness Benefit.

Payment of Benefit in full

Payment of the Critical Illness Benefit, or if the Residual Critical Illness Benefit is payable then that Benefit, whether for death or Critical Illness, brings the Policy to an immediate end and all cover ceases.

Similarly, payment of the Terminal Illness Benefit equal to the Critical Illness Benefit or if the Residual Critical Illness Benefit is payable then that Benefit, brings the Policy to an immediate end and all cover ceases.

Multiple Benefits

Payment of any benefit under this Policy will reduce, by the amount so paid, all other benefits which may later become payable under the Policy.

Multiple Critical Illnesses

If the Life Insured is diagnosed to Lumley's satisfaction as suffering from multiple Critical Illnesses, a Critical Illness Benefit will only be paid for the Critical Illness which gives rise to the largest benefit, but in any event benefits will not exceed the value of the Critical Illness Benefit or the Residual Critical Illness Benefit, whichever is applicable.

Example 2: How Multiple Claims are treated:

Critical Illness/Claim	Simultaneous Critical Illness/Claim	Total benefit paid
Localized Cancer <i>Benefit: Nil</i>	Paraplegia <i>Benefit: Critical Illness Benefit is paid in full for multiple services.</i>	Full value of the Critical Illness Benefit
Multiple Sclerosis <i>Benefit: Critical Illness Benefit is paid in full. Policy ceases to provide cover.</i>	Localized Cancer <i>Benefit: Nil (The Critical Illness Benefit has already been paid in full for Multiple Sclerosis).</i>	Full value of the Critical Illness Benefit

Exclusion

The Policy will be void and all premiums paid shall be forfeited to Lumley Life if the Life Insured dies by his or her intentionally self inflicted act which occurred within thirteen calendar months of the Policy Commencement date or of the Policy’s last reinstatement. This provision also applies to any increase in the Critical Illness Benefit (or Residual Critical Illness Benefit) with the exception of increases applying as a result of the Automatic Inflation Proofing provisions of the Policy.

4. BUY BACK OPTION

For the payment of an additional premium the policyowner may add a Buy Back Option to the cover under the Policy. This Buy Back Option allows the Policyowner to repurchase death cover only for up to the value of the Critical Illness Benefit. The Option may only be exercised on the Option Dates and these arise only after Lumley has paid the whole of the Critical Illness Benefit or it is has paid the Residual Critical Illness Benefit. It is not exercisable when only 25% of the Critical Illness Benefit has been paid.

The Option Dates occur on the first, second and third anniversaries of the payment of the full value of the Critical Illness Benefit. The maximum amount of death cover that can be repurchased on each of the Option Dates is one-third of the total Critical Illness Benefit paid.

5. DEFINITIONS

5.1 Alzheimer’s Disease

Means the diagnosis of Alzheimer’s Disease by a consultant neurologist confirming dementia due to failure of the brain function with significant cognitive impairment for which no other recognisable cause has been identified.

Significant cognitive impairment is defined as a deterioration or loss of intellectual capacity as measured by clinical evidence and standardised testing, and which results in a requirement for continual supervision to protect you or others.

5.2 Aplastic Anaemia

Means bone marrow failure which results in anaemia, neutropenia and thrombocytopenia requiring treatment, with at least one of the following:

- bone marrow transfusions
- marrow stimulating agents
- immunosuppressive agents
- bone marrow transplantation

5.3 Benign Brain Tumour

Means a life threatening non-cancerous tumour in the brain which gives rise to characteristic symptoms of intracranial pressure such as papilledema, mental seizures and sensory impairment resulting in at least 25% permanent impairment of whole person function. The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging). Excluded are acoustic neuromas, cysts, granulomas and malformations in or of the arteries or veins of the brain, haematomas and tumours on the pituitary gland or spine.

5.4 Cancer

Means the first diagnosis of one or more malignant invasive tumours, including leukaemia and myeloma but excluding other myeloproliferative disorders. The following tumours are excluded:

- Tumours showing the changes of ‘carcinoma in situ’ (including cervical dysplasia, CIN1, CIN2 and CIN3) without stromal invasion.

- Malignant melanomas Clark Level 1 or 2 depth of invasion which are less than 1.5mm in thickness, as determined by histological examination
- All hyperkeratoses or basal cell carcinomas of the skin
- All squamous cell carcinomas of the skin unless they have spread to other organs
- Prostatic cancers which are histologically described as TNM Classifications T1 (including T1a, T1b and T1c) or are of another equivalent or lesser classification
- Chronic lymphocytic leukaemia Binet Stages A and B or Rai Stages 0, I and II

Localised Cancer

Means Cancer which when first diagnosed and made the subject of a claim under this Policy is contained within the organ or structure of origin (the part of the body in which the cancer began), irrespective of its size, grade or any other histological feature such as vascular invasion and has not spread to adjacent organs or structures or to other parts of the body either nearby or distant.

Regional or Distant Cancer

Means the tumour has spread outside the part of the body (or organ) where it began either to adjacent or nearby structures (regional spread) or distant organs (metastases).

Verification of occurrence or recurrence of disease outside the tissue of origin (regional lymph nodes or distant spread) would normally require histological confirmation as for the diagnosis of the primary tumour. However, under certain circumstances, information based only on clinical findings, imaging or laboratory tests may be acceptable if agreed by Lumley Life's Chief Medical Officer.

5.5 Cardiomyopathy

Means impaired ventricular function of variable aetiology, resulting in physical impairments to the degree of at least class 3 of the New York Heart Association Classification of cardiac impairment.

Cardiomyopathy directly related to alcohol abuse is excluded.

5.6 Cerebrovascular Accident (Stroke)

Means any cerebrovascular incident producing neurological sequelae, including infarction of

brain tissue, extracranial or subarachnoid hemorrhage, embolisation from an extracranial source, but excluding transient ischaemic attacks, migraine and reversible ischaemic neurological deficits.

5.7 Chronic Liver Failure

Means end stage liver failure. The diagnosis must be based on the following criteria:

- a rapidly decreasing liver size
- necrosis involving entire lobules
- rapid degeneration of liver function tests
- deepening jaundice

Liver disease secondary to alcohol usage or intravenous drug use is excluded.

5.8 Chronic Lung Failure

Means end stage lung disease requiring permanent oxygen therapy. The diagnosis will include an FEV1 test result of less than one litre.

5.9 Chronic Renal Failure (Kidney Failure)

Means end stage renal failure presenting as chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is instituted.

5.10 Coma

Means total failure of cerebral function characterised by total unarousable unresponsiveness to all external stimuli, persisting continuously with the use of a life support system for a period of at least four days. Coma directly related to alcohol abuse is excluded.

5.11 Dementia

Means the clinical confirmation of dementia (including Alzheimer's Disease) due to failing brain functions, resulting in the need for continual assistance in the activities of daily living, as confirmed by a medical practitioner specialising in neurology, psychogeriatrics, psychiatry or geriatrics. Dementia directly related to alcohol abuse is excluded.

5.12 Encephalitis

Means severe inflammation of brain substance which results in significant and permanent neurological sequelae as certified by a consultant neurologist.

5.13 Localised Cancer

See Cancer (Clause 5.4)

5.14 Loss of Independent Existence

Means a condition as a result of a disease, illness or injury whereby you are totally and irreversibly unable to perform at least two of the following five 'Activities of Daily Living'.

- bathing or showering;
- dressing and undressing;
- eating and drinking;
- using a toilet;
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

5.15 Loss of Speech

Means the total and permanent loss of the ability to produce intelligible speech as a result of permanent damage to the larynx or its nerve supply, or to the speech centres of the brain whether caused by injury, tumour or sickness. The above must be certified by two appropriate medical specialists not less than ninety days after the ability to speak was first lost.

5.16 Major Abdominal Aortic Surgery

Means the actual undergoing of surgery via a thoracotomy or laparotomy to repair or correct an aortic aneurysm, an obstruction of the aorta or a coarctation of the aorta. For the purpose of this definition aorta shall mean the thoracic and abdominal aorta but not its branches. Surgery performed using catheter techniques only are specifically excluded.

5.17 Major Head Trauma

Means neurological deficit resulting from trauma, causing at least 25% impairment of whole person function lasting more than three weeks from the date of the trauma, and likely to persist, as certified by a consultant neurologist.

5.18 Major Organ Transplant

Means the transplant to the Life Insured of one or more of the following organs:

- kidney
- heart
- lung
- liver
- pancreas
- the transplantation of bone marrow

5.19 Motor Neurone Disease

Means amyotrophic lateral sclerosis with significant persistent neurological deficit

resulting in at least 25% permanent impairment of whole person function as certified by a consultant neurologist.

5.20 Multiple Sclerosis

Means demyelination of nervous tissue. The diagnosis has to be made by a consultant neurologist confirming more than one episode of well defined neurological deficit with persisting permanent neurological abnormalities and with at least 25% impairment of whole person function (but not necessarily confined to a wheelchair). The diagnosis will be based on confirmatory neurological investigations eg. lumbar puncture, evoked visual responses, evoked auditory responses and NMR (Nuclear Magnetic Resonance) evidence of lesions of the central nervous system.

5.21 Muscular Dystrophy

Means the unequivocal diagnosis of muscular dystrophy by a consultant neurologist resulting in a permanent impairment of whole body function of at least 25%.

5.22 Myocardial Infarction (Heart Attack)

Means the occurrence of an acute myocardial infarction (that is the death of a portion of the heart muscle due to inadequate blood supply) as evidenced by new electrocardiograph changes associated with Myocardial Infarction and by the elevation of biochemical markers (such as Troponin or cardiac enzymes) of myocardial necrosis.

Lesser Acute Coronary Syndromes including unstable angina and acute coronary insufficiency are excluded as part of this definition

5.23 Occupationally Acquired HIV

Means infection by the Human Immunodeficiency Virus (HIV), acquired only via blood transfusion or accidental means during the course of carrying out the Life Insured's normal occupation with sero-conversion to HIV infection occurring within six months of the accident. Any accident giving rise to a potential claim must be reported to the Company within thirty days of the incident and be supported by a negative HIV antibody test within seven days of the incident. Transmission via any form of sexual activity or deliberate injection of a drug not prescribed by a medical practitioner is specifically excluded.

5.24 Open Chest Surgery

In respect of any of the following:

- coronary artery ... being open chest surgery to correct or treat coronary artery disease. Angioplasty, intra-arterial procedures and other non-surgical techniques are excluded
- repair or replacement of valves ... being open chest surgery to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities

5.25 Paralysis● **Diplegia**

Means the permanent and total loss of function of both sides of the body due to injury or disease.

● **Hemiplegia**

Means the permanent and total loss of function of one side of the body due to injury or disease.

● **Paraplegia**

Means the permanent and total loss of use of both legs resulting from injury or disease.

● **Quadriplegia**

Means the permanent and total loss of use of both arms and both legs resulting from injury or disease.

● **Tetraplegia**

Means the total and permanent loss of use of both arms and legs resulting from injury or disease.

5.26 Parkinson's Disease

Means fully developed, moderately disabling disease of the extrapyramidal system clinically confirmed by a consultant neurologist, and

requiring continual assistance in the activities of daily living.

Idiopathic Parkinson's supranuclear palsy and cortico-basal degeneration are included.

Iatrogenic parkinsonism and parkinsonism secondary to infection or trauma are excluded.

5.27 Primary Pulmonary Hypertension

Means primary pulmonary hypertension with right ventricular enlargement established by investigations including cardiac catheterisation.

5.28 Regional or Distant Cancer

See Cancer (Clause 5.4)

5.29 Severe Burns

Means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to 20% or more of the Body Surface Area as measured by the 'rule of 9' of the Lund and Browder Body Surface Chart.

5.30 Total Blindness

Means the complete and irrecoverable loss of sight in both eyes as currently defined by the Royal Blind Society and confirmed by an ophthalmologist.

5.31 Total Deafness

Means total, irreversible and irreparable loss of hearing both natural and assisted, in both ears as a result of disease, illness or injury.

OPTIONS

The following optional benefits apply provided they are shown on the Policy Information Statement and Schedule and provided an appropriate additional premium has been paid.

BUY BACK OPTION

For the payment of an additional premium the Policyowner may add a Buy Back Option to the cover under the Policy. This Buy Back Option allows the Policyowner to repurchase death cover only for up to the value of the Critical Illness Benefit or Total and Permanent Disability Benefit. The Option may only be exercised on the Option Dates and these arise only after Lumley has paid the whole of the Critical Illness Benefit or it has paid the Residual Critical Illness Benefit or Total and Permanent Disability Benefit. It is not exercisable when only 25% of the Critical Illness Benefit or Total and Permanent Disability Benefit has been paid.

The Option Dates occur on the first, second and third anniversaries of the payment of the full value of the Critical Illness Benefit. The maximum amount of death cover that can be repurchased on each of the Option Dates is one-third of the total Critical Illness Benefit or Total and Permanent Disability Benefit paid.

TOTAL AND PERMANENT DISABILITY BENEFIT

Benefit

Subject to the provisions of the Policy Information Statement and Schedule and the Life Insured not being in any employment, Lumley Life will pay the Benefit shown in the Policy Information Statement and Schedule to the Policyowner six months after the date of commencement of the Total and Permanent Disability of the Life Insured (Lumley Life may waive the six month waiting period at its discretion).. If this option is taken it will be shown by Lumley Life on the Policy Information Statement and Schedule and will be deemed for the purposes of the Policy to be an additional Critical Illness.

Definition – Any Occupation

Total and Permanent Disability means that Lumley Life is satisfied that:

- (i) the Life Insured has suffered total and irrecoverable loss of the:
 - sight of both eyes, or
 - use of two limbs, or
 - sight of one eye and the loss of the use of one whole hand, or whole foot, or
- (ii) the Life Insured has been absent from employment through illness or injury for an uninterrupted period of 6 months and in the opinion of Lumley Life becomes so disabled that he or she will never be able to perform his or her own occupation or other occupation for which the Life Insured is suited by education, training or experience.

➤ Home Duties

If the Life Insured is wholly engaged in full time unpaid home duties at the date of the event causing Total and Permanent Disability then for the purposes of determining if the Life Insured suffers Total and Permanent Disability, 'occupation for which the Life Insured is suited by education training or experience' shall be taken to include unpaid home duties. The Life Insured must be disabled to such an extent that he or she is confined to their place of principal residence.

Definition – Own Occupation

Where Lumley Life agrees part (ii) of the Definition of Total and Permanent Disability shall be substituted by the following definition, namely;

Total and Permanent Disability means that the Life Insured has been absent from employment through injury or illness for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as Lumley Life may require, has become incapacitated to such an extent as to render them unlikely ever to be able to engage in their own occupation.

Provided that

If the Life Insured's occupation immediately prior to the commencement of Total and Permanent Disablement can be described as 'Home Duties', or if the Life Insured was not engaged in a gainful occupation at the time of the event causing disablement then 'Total and Permanent Disablement of the Life Insured' shall mean that the Life Insured has, for an uninterrupted period of six months, been under medical supervision with complete inability to perform any normal duties or to move from the confines of the Life Insured's home without assistance, and, in our opinion, unlikely ever to recover.

Definition – Long Term Care Benefit

The definition of Total and Permanent Disability (any or own occupation) will, on the Policy anniversary immediately preceding the Life Insured's 65th birthday, be replaced by the following definition:

Total and Permanent Disability means that Lumley Life is satisfied that the Life Insured becomes so disabled by bodily injury or illness that he/she will never be able to perform at least two of the following activities of daily living:

- bathing or showering;
- dressing and undressing;
- eating and drinking;
- using a toilet;
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Any Benefit paid will be deducted from the sum insured otherwise payable under the Policy.

EXCLUSIONS

No Benefit shall be payable under this Schedule if Total and Permanent Disability occurs as a result of;

- (i) intentionally self inflicted act or injury, or
- (ii) war or any act of war, whether declared or not.

EXPIRY OF COVER **(i.e. when cover ceases)**

Cover will terminate on the occurrence of the earliest of the following:

■ **Death Cover**

- the policy anniversary immediately preceding age 99 or
- when the Life Insured dies or
- when the Policy is lapsed due to non-payment of a premium.
- when a Critical Illness or Residual Critical Illness claim is admitted
- when a Critical Illness or Residual Critical Illness claim is admitted, other than when only 25% of the Critical Illness Benefit is payable.

■ **Critical Illness Insurance Cover**

- the policy anniversary immediately preceding age 70 or
- when a claim (including a claim for Total and Permanent Disability) is admitted by Lumley Life except when only 25% of the Critical Illness Benefit is payable or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or

■ **Total and Permanent Disability/Long Term Care**

- the policy anniversary immediately preceding age 65 or (age 70 in the case of Long Term Care) or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Critical Illness or Residual Critical Illness claim is admitted, other than when only 25% of the Critical Illness Benefit is payable.

MEMORANDA OF TRANSFER

	MEMORANDUM OF TRANSFER	MEMORANDUM OF TRANSFER
Date of Transfer		
Signature of Transferor		
Witness		
Transferee's Name in Full		
Transferee's Address		
Transferee's Occupation		
Signature of Transferee		
Witness		
Date of Registration of Transfer by Company		
Signature of Principal Officer of Company or Person authorised by him		

DIRECTORY

The Company:
LUMLEY LIFE LIMITED
ABN 20 000 017 194

Head Office:
LUMLEY HOUSE
309 KENT STREET
SYDNEY NSW 2000
Telephone: (02) 9248 1255
Freecall: 1800 221 142
Facsimile: (02) 9248 1266

Directors:
R D SWADLING
G C BESSON
G M BLACK
F J CAMERON
R A CRICHTON-BROWN
B A EDWARDS
G R MASEL
F SMITH

Actuaries:
KPMG ACTUARIES PTY LTD
LEVEL 23
45 CLARENCE STREET
SYDNEY NSW 2000

Auditors:
PRICE WATERHOUSE COOPERS
201 SUSSEX STREET
SYDNEY NSW 1171



Lumley Life Limited

ABN 20 000 017 194