

# Priority Protection

Supplementary Product Disclosure Statement  
Issued 24 May 2010

The Power of We

AIA.COM.AU



**This Priority Protection Supplementary Product Disclosure Statement ('SPDS') supplements information contained in the Priority Protection Product Disclosure Statement ('PDS'), version 8, issued 1 December 2009.**

This SPDS is issued by:

1. AIA Australia Limited (ABN 79 004 837 861 AFS Licence No. 230043), who is the insurer of the Life Cover Plan, Crisis Recovery Stand Alone Plan, Income Protection Plan, Business Expenses Plan, and the Superannuation Life Cover Plan (when acquired by a trustee of a self managed superannuation fund); and
2. CCSL Limited, ABN 51 104 967 964, AFS Licence no. 287074, who is the trustee of the AIA Superannuation Fund ABN 78 757 377 348 and the issuer of a risk-only superannuation product with benefits referable solely to the Superannuation Life Cover Plan.

AIA Australia and CCSL each take full responsibility for the entirety of this SPDS. This SPDS must be read together with the PDS.

This SPDS has been issued to inform you of the following important amendments to the PDS as a result of changes to the insurance policy for the Life Cover Plan, the Crisis Recovery Plan and the Income Protection Plan. The changes relate to features of the Total and Permanent Disablement benefit and the Crisis Recovery benefit and Income Protection benefit. Some of the definitions relating to these benefits have also been changed. In addition, there is a change to one of the Complimentary Interim Certificates. There are no changes to the insurance policy for the Superannuation Life Cover Plan.

## Total and Permanent Disablement benefit

### Partial and Permanent Disablement benefit

(page 11 of the PDS)

The second paragraph is deleted and replaced with the following:

'We will pay the lesser of:

- 25% of the Total and Permanent Disablement Sum Insured, and
- \$750,000.'

## Crisis Recovery benefit

### Chronic Diagnosis Advancement benefit

(page 17 of the PDS)

The second paragraph, together with sub-paragraphs (a) and (b) are deleted and replaced with the following:

'An appropriate specialist Medical Practitioner acceptable to us must confirm that you have suffered or been medically diagnosed with one of the following Crisis Events:

- Motor Neurone disease,
- Multiple Sclerosis,

- Muscular Dystrophy, and
  - Parkinson's Disease,
- but have not yet met the definition of that Crisis Event (please refer to pages 69 to 70 for the above definitions).'

### Complimentary Child Crisis Recovery benefit

(page 18 of the PDS)

This whole section is deleted and replaced with the following:

If the life insured's Child is aged at least 2 years and younger than 18 years at the time of positive diagnosis we will pay a lump sum benefit if the life insured's Child is diagnosed, and we confirm the diagnosis, with one or more of the serious illnesses listed in the table on page 18 or if the life insured's Child dies. This benefit covers all of the life insured's Children. The maximum benefit we will pay in respect of a Child will be the lower of \$20,000 and the Crisis Recovery or the Crisis Recovery Stand Alone Sum Insured at the time of positive diagnosis.

Only one payment will be made per Child, regardless of the number of policies that cover the Child. A claim on one Child will not negate this benefit for the life insured's other Children.

The sum of all payments under this benefit cannot exceed the Crisis Recovery or the Crisis Recovery Stand Alone Sum Insured.

There is no benefit indexation for this benefit.

The Complimentary Child Crisis Recovery benefit will not be paid if the life insured's Child is diagnosed with a Crisis Event or dies within 3 months of this benefit being activated.

If, prior to the policy commencement date or the date of reinstatement of this benefit or reaching the age of 2 years, the life insured's Child has:

- a) suffered a listed Crisis Event; or
- b) experienced any symptoms, consulted a Medical Practitioner or undergone any investigation leading to a diagnosis of a listed Crisis Event after the commencement date or the date of reinstatement of this benefit or after reaching the age of 2 years or leading to the life insured's Child's death;

the Complimentary Child Crisis Recovery benefit will not be paid in respect of that Crisis Event or any associated Crisis Event or of the Child's death.

No payment will be made if the event causing death or the Crisis Event was caused by

- a congenital condition; or
- an intentional act of the Child's parent or guardian; or
- an intentional act of someone who lives with or supervises the Child; or
- an intentional act of the policy owner.

This benefit is only available if the Comprehensive Crisis module is selected. This benefit is not available under the Superannuation PLUS benefit.

This benefit will terminate when the Crisis Recovery benefit or the Crisis Recovery Stand Alone benefit is terminated or reduced to nil. This benefit does not give the Child the right to purchase a separate Crisis Recovery benefit or Crisis Recovery Stand Alone benefit on standard terms and conditions without evidence of health.

## Income Protection benefit

### Specified Injury benefit (pages 29 and 30 of the PDS)

The word 'Paralysis' in the first row of the table on page 30 of the PDS is deleted and replaced with:

'Paralysis (Quadriplegia, Paraplegia, Diplegia and Hemiplegia)'.

### Crisis Recovery benefit (page 30 of the PDS)

The 8th paragraph:

'Payment of the remainder of the total or partial disablement benefit will commence six months after the end of the Waiting Period under the policy provided you are then totally or partially disabled.'

is deleted and replaced with the following:

'If the Income Protection Waiting Period is 14, 30 or 90 days payment of the disablement monthly benefit may commence 6 months after the assessed date of loss if you are still unable at that time to work due to disablement. If the Income Protection

Waiting Period is one or two years payment of the disablement monthly benefit may commence at the end of the Income Protection Waiting Period if you are still unable at that time to work due to disablement.'

## Definitions

### 'Activities of Daily Living' (page 60 of the PDS)

The following paragraph is added at the end of the Activities of Daily Living definition:

'In respect to all of the activities described above, the life insured would be required to be under continuous care and supervision by another adult person for at least six consecutive months. At the end of that six month period, the life insured must, in our opinion on the basis of the medical evidence, require ongoing continuous care and supervision by another adult person.'

### 'Bacterial Meningitis' (page 61 of the PDS)

The definition is deleted and replaced with the following:

'BACTERIAL MENINGITIS' means the diagnosis of the life insured with bacterial meningitis. The meningitis must produce neurological deficit causing permanent and significant functional impairment. 'Significant functional impairment' shall mean that the life insured is either:

- totally and permanently unable to perform any one of the Activities of Daily Living (see page 60 for definition); or
- suffering at least a 25% impairment of whole person function as defined in *Guides to the Evaluation of Permanent Impairment (Guides) 5th edition*, American Medical Association.

Diagnosis must be confirmed by a consultant neurologist. Bacterial meningitis in the presence of HIV infection is excluded. All other forms of meningitis, including viral, are excluded.'

### 'Benign Brain Tumour' (page 61 of the PDS)

The definition is deleted and replaced with the following:

'BENIGN BRAIN TUMOUR' means a non-cancerous tumour on the brain or spine giving rise to symptoms of increased intracranial pressure such as papilloedema, mental symptoms, seizures and sensory or motor skills impairment. The tumour must result in permanent neurological deficit, resulting in the life insured either;

- being totally and permanently unable to perform any one of the Activities of Daily Living (see page 60 for definition); or
- suffering at least a 25% impairment of whole person function as defined in *Guides to the Evaluation of Permanent Impairment (Guides) 5th edition*, American Medical Association.

The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging).

Cysts, granulomas, cholesteatomas, malfunctions in or of the arteries or veins of the brain, haematomas and tumours in the pituitary gland are not covered.

Diagnosis must be confirmed by a consultant neurologist.

**'Cancer'** (page 62 of the PDS)

The definition is deleted and replaced with the following:

'CANCER' means the presence of one or more malignant tumours including Hodgkin's disease, leukaemia and other malignant bone marrow disorders, and characterised by the uncontrolled growth and spread of malignant cells and the invasion and destruction of normal tissue, but does not include the following:

- all hyperkeratoses or basal cell carcinomas of the skin;
- cutaneous squamous cell carcinomas of T2N0M0 and below grade tumours, where the tumour is less than 5 cm in greatest diameter;
- Polycythemia Rubra Vera requiring treatment by venesection alone; and
- Tumours treated by endoscopic procedures alone.

'Skin cancer' – where diagnosed by an appropriate specialist Medical Practitioner acceptable to us, we will pay:

- the greater of 15% of the Sum Insured and \$10,000 for any melanoma measuring less than 1.5mm in Breslow's depth of invasion. The amount of the payment cannot exceed the Sum Insured;
- 100% of the Sum Insured for melanomas where the tumour is with ulceration or is diagnosed as 1.5mm or greater in Breslow's depth of invasion;
- 10% of the Sum Insured for cutaneous squamous cell carcinomas where the tumour is diagnosed stage T3N0M0 under the TNM Classification system; and
- 100% of the Sum Insured for cutaneous squamous cell carcinomas where the tumour is diagnosed at greater than T3N0M0 or any T N1, 2 or 3 or metastases are present.

**'Carcinoma in situ'**

Carcinoma in situ refers to a primary uncontrolled growth of cells that remains in the original location and has not invaded or destroyed neighbouring tissues nor penetrated the basement membrane. Carcinoma in situ covered by this policy must be confirmed by histopathology.

Staging of carcinoma in situ is based on FIGO\* classification and TNM classification.

The disease of Carcinoma in Situ covered by this policy must be confirmed by a biopsy and is limited only to the following sites:

- Vagina, vulva, ovary, fallopian tube where the tumour must be classified as TIS according to the TNM staging method or FIGO\* Stage 0.

We will pay the greater of \$10,000 and 10% of the Sum Insured of the Crisis Recovery or Crisis Recovery Stand Alone benefit. The amount of the payment cannot exceed the Sum Insured.

- The full Sum Insured will be paid for carcinoma in situ of the breast where the entire breast is removed specifically to arrest the spread of malignancy, and this procedure is the appropriate and necessary treatment as confirmed by an appropriate specialist Medical Practitioner acceptable to us.

We will pay the greater of \$10,000 and 10% of the Sum Insured for carcinoma in situ of the breast where no mastectomy is performed. The amount of the payment cannot exceed the Sum Insured.

After any payment for cancer the Sum Insured will be reduced by the payment made.'

\*FIGO refers to the staging method of the Federation Internationale de Gynecologie et d'Obstetrique.

**'Carcinoma In Situ'** (page 62 of the PDS)

The definition is deleted.

**'Chronic Liver Disease'** (page 63 of the PDS)

The definition is deleted and replaced with the following:

'CHRONIC LIVER DISEASE' means end stage liver failure, together with two of the following conditions:

- Permanent jaundice,
- Ascites, and
- Hepatic encephalopathy.

**'Dementia'** (page 65 of the PDS)

The definition is deleted and replaced with the following:

'DEMENTIA' means the diagnosis of dementia as confirmed by a consultant neurologist or geriatrician resulting in significant cognitive impairment. Significant cognitive impairment means deterioration in the life insured's mini-mental state examination, or equivalent thereof, scores to 20 or less.

**'Major Burns'** (page 68 of the PDS)

The definition is deleted and replaced with the following:

'MAJOR BURNS' means third degree burns or full thickness burns to at least:

- 20% of the body surface area as measured by the Lund and Browder Body Surface Chart;
- 50% of both hands, requiring surgical debridement and/or grafting; or
- 50% of the face, requiring surgical debridement and/or grafting.

**'Major Head Trauma'** (page 68 of the PDS)

The definition is deleted and replaced with the following:

'MAJOR HEAD TRAUMA' means an accidental head injury resulting in permanent neurological deficit, resulting in the life insured either:

- being totally and permanently unable to perform any one of the Activities of Daily Living (see page 60 for definition); or
- suffering at least a 25% impairment of whole person function as defined in *Guides to the Evaluation of Permanent Impairment (Guides) 5th edition*, American Medical Association.

Diagnosis must be confirmed by a consultant neurologist.

**'Major Organ Transplant'** (page 69 of the PDS)

The definition is deleted and replaced with the following:

'MAJOR ORGAN TRANSPLANT' means having received, from a human donor, a medically necessary transplant involving one or more of the following organs: kidney, heart, liver, lung, bone marrow, pancreas and small bowel.

The full Sum Insured under the Crisis Recovery and Crisis Recovery Stand Alone benefit will be paid if the life insured has been placed on the Australian or New Zealand waiting list to receive a major organ transplant of the kind described above for the Major Organ Transplant crisis event and that the procedure is unrelated to any previous procedure or surgery undergone by the life insured.

**'Multiple Sclerosis'** (page 69 of the PDS)

The definition is deleted and replaced with the following:

'MULTIPLE SCLEROSIS' means the unequivocal diagnosis of Multiple Sclerosis confirmed by a consultant neurologist.

**'Parkinson's Disease'** (page 70 of the PDS)

The definition is deleted and replaced with the following:

'PARKINSON'S DISEASE' means the unequivocal diagnosis of idiopathic Parkinson's disease as confirmed by a consultant neurologist. All other types of Parkinsonism are excluded (e.g. secondary to medication).

**'Partial Disablement – Income Protection Capability Clause'** (page 70 of the PDS)

The definition is deleted and replaced with the following:

'PARTIAL DISABLEMENT – INCOME PROTECTION CAPABILITY CLAUSE'

Partial Disablement Benefit Amount (Agreed Value and Indemnity) will be:

$$(A - B)/A \times C,$$

where

A = Pre-disablement Income,

B = Monthly Income while partially disabled; and

C = Insured Monthly Benefit

If the life insured's monthly income while partially disabled is negative, we will treat it as zero.

If there is a delay between the time the life insured generated the monthly income and when the life insured actually received it, we will deem the income to have been received in the month in which it was actually generated and this income will form the basis of our calculation of 'B'.

If the life insured is partially disabled and is not working to the extent of His/Her capability as a result of causes other than Injury or Sickness and this situation continues for at least 2 months, then 'B' will be calculated based on what the life insured could reasonably be expected to earn if he/she were working to the extent of his/her capability.

In determining what the life insured could reasonably be expected to earn if he/she were working to the extent of his/her capability, we will take into account available medical evidence (including the opinion of the life insured's Medical Practitioner) and any other relevant considerations directly related to the life insured's medical condition (including information provided by the life insured).

If we are making monthly benefit payments and intend to adjust future payments due to a change in how we calculate 'B', we will notify you 30 days prior to this taking place.

If the life insured is unable to perform the important income-producing duties of his/her usual occupation for more than 10 hours per week then we will not change how we calculate 'B'.

The amount of benefit payable will be adjusted for any claim offsets (see page 32).

If the life insured is earning 25% or less of pre-disablement income during any of the first three months immediately after the end of the Waiting Period, we will pay the total disablement benefit for that month.

**'Viral Encephalitis'** (page 77 of the PDS)

The definition is deleted and replaced with the following:

'VIRAL ENCEPHALITIS' means severe inflammation of the brain resulting in permanent neurological deficit resulting in the life insured either:

- being totally and permanently unable to perform any one of the Activities of Daily Living (see page 60 for definition); or
- Suffering at least a 25% impairment of whole person function as defined in *Guides to the Evaluation of Permanent Impairment 5th edition*, American Medical Association.

Diagnosis must be confirmed by a consultant neurologist.

**Complimentary Interim Accidental Income Protection Cover certificate**

(page 80 of the PDS)

The table containing 'The monthly amount payable on your total disablement under this cover due to an accidental injury' is deleted and replaced with the following:

**The monthly amount payable on your total disablement under this cover due to an accidental injury**

<b>Income Protection Cover</b>	The lesser of:
	1. the Income Protection Insured Monthly Benefit proposed as shown in the application;
	2. \$10,000; and
	3. the amount that would normally be acceptable under our underwriting rules (medical and financial).
	The Complimentary Interim Accidental Income Protection Cover will be paid for a maximum of 6 months.'

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