

# Macquarie Life Adviser Guide

**Macquarie Adviser Services**



MACQUARIE

Dated 21 May 2011

**FORWARD** thinking

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The Adviser Guide is current as at 21 May 2011. This information is provided for the use of licensed financial advisers only. FutureWise, Sumo and Macquarie Life Active are offered by Macquarie Life Limited (MLL) ABN 56 003 963 773 AFSL 237 497. The information in this document is general information only. It does not take into account an individual's objectives, financial situations or needs. In deciding whether to acquire or continue to hold either product, the Product Disclosure Statement (PDS), which is available from us, should be considered.

MLL is not an authorised deposit taking institution for the purposes of the Banking Act (Cth) 1959 and MLLs obligations do not represent deposits or other liabilities of Macquarie Bank Limited (MBL) ABN 46 008 583 542. MBL does not guarantee or otherwise provide assurance in respect of the obligations of MLL.

There are some terms used which have a special meaning. These terms are shown in *italics* and are explained in the Glossary at the end of the relevant PDS. The information provided is intended as a guide only and MLL retains a discretion in relation to its procedures in making underwriting and claims assessments.

The Macquarie Life Adviser Guide focuses on the areas of administration, underwriting and claims in relation to FutureWise, Sumo and Active policies. It should be used in conjunction with the specific Product Disclosure Statements (PDSs) for each type of product.

## Our promise

The Client Charter and Adviser Charter have been developed to build trust and support the brand, reputation and values of Macquarie Life. It is our promise to you and your clients about our products and services, and what you can expect from us.

### Client Charter

Your clients can expect:

- exceptional service
- a quick decision regarding the cover that they have applied for
- requests for the minimum amount of financial and medical evidence required
- a decision using evidence based underwriting at all times
- to alter their policy cover as the need arises quickly and easily
- a speedy and transparent claims process.

### Adviser Charter

You can expect:

- exceptional service
- to be treated with respect and have your opinion valued
- the needs of your client to be placed first
- efficient processing of all applications
- to be kept informed at all times of potential adverse decisions
- that we will review any new information that you might provide
- to be kept informed during the application, administration and claims process
- all of our rules to be transparent and based on sound evidence.

# How to generate an insurance quote

## How Quick Quote works

The Macquarie Life Quick Quote allows you to create, track and manage your insurance quotes across your client base in the one place.

Download the Quick Quote at:

**[www.macquarielife.com.au](http://www.macquarielife.com.au)**

Navigate to the Quick Quote tab and download the tool from the Quick Quote web page. To assist you further the Quick Quote help guide is available to download on the same page. This guide has been designed to assist new users navigate the software and generate quotes for clients.

# How much cover can I give my client?

The amount of insurance that your client needs is dependent on their financial situation and needs. We use multiples of income as a guide to the maximum amount of cover that would be available. Circumstances vary for each client and if you have advised amounts outside of these maximums, please attach your Statement of Advice or supporting documentation.

## Minimum and maximum cover amounts:

Benefit	Product Suite	Minimum	Maximum
Life	FutureWise	\$100,000	Unlimited
	Sumo	\$2 million	Unlimited
	Active	\$100,000	\$3 million Unlimited additional death cover
Total and Permanent Disability (TPD)	FutureWise	\$100,000	\$3 million (or \$5 million for occupation classes 1E, 1P, 1M, 1L or 1) <i>own occupation, any occupation or superannuation optimiser</i> ; \$2 million modified \$1.5 million domestic duties
	Sumo	\$3 million	Maximum \$15 million (but not more than the Life sum insured) Cover will be structured using the following tiers of cover: <ul style="list-style-type: none"> <li>■ Standard TPD tier (up to \$5 million) <ul style="list-style-type: none"> <li>- <i>own occupation</i> definition or</li> <li>- <i>superannuation optimiser TPD</i> definition</li> </ul> </li> <li>■ Sumo TPD tier <ul style="list-style-type: none"> <li>- <i>any occupation TPD</i> definition (up \$10 million when combined with the Standard TPD tier), then</li> <li>- <i>activities of daily working TPD</i> definition</li> </ul> </li> </ul>
Health Events cover	Active	\$100,000	\$3 million

Benefit	Product Suite	Minimum	Maximum
Trauma	FutureWise	\$50,000	\$2 million
	Sumo	\$2 million	\$10 million (but not more than the Life sum insured) Cover will be structured using the following tiers: <ul style="list-style-type: none"> <li>■ Standard Trauma tier <ul style="list-style-type: none"> <li>- cover up to \$2 million for Standard Trauma Conditions</li> </ul> </li> <li>■ Sumo Trauma tier <ul style="list-style-type: none"> <li>- cover for Sumo Trauma Conditions</li> </ul> </li> </ul>
Child Trauma	FutureWise	\$10,000	\$250,000
	Active	\$10,000	\$250,000
Blood Borne Disease	FutureWise	\$50,000	\$1 million
Disability Income	FutureWise	\$1,250/month	\$60,000/month for the first two years \$30,000/month thereafter
	Sumo	\$30,000/month	\$60,000/month for up to ten years then \$30,000/month thereafter
Income Cover	Active	\$1,250/month	\$40,000/month for the first two years \$30,000/month thereafter
Business Expenses	FutureWise	\$1,250/month \$750/month if with Disability Income	\$60,000/month

### Multiples of income guidelines for Life and TPD\*

Up to age:	Guideline for multiples of annual earned income	
	(with dependants)	(no dependants)
40	20	10
45	17	8.5
50	14	7
55	11	5.5
60	8	4

\* These guidelines do not apply to Sumo. Please contact underwriting if you have a Sumo application.

## Trauma

Trauma Insurance and Blood Borne Disease Insurance are limited to seven times the annual earned income.

## Disability Income

For FutureWise and Active cover:

- the monthly equivalent of 75% of the first \$320,000
- then 50% for next \$240,000
- and 20% of the balance of your client's annual income, subject to the minimum and maximum cover amounts in the table.

For Sumo cover

- the monthly equivalent of 75% of the first \$320,000
- then 50% for next \$240,000
- and 25% of the balance of your client's annual income, subject to the minimum and maximum cover amounts in the table.

## Business Expenses Insurance

Provides an indemnity benefit that will cover the insured's share of most fixed business expenses for up to twelve times the monthly benefit if they are unable to work due to *illness* or injury and is *totally disabled* or *partially disabled* for longer than the specified waiting period.

The intention of this insurance is to ensure that an insured person has a business to return to in the event of a short-term period of disability.

## Child Trauma

The total amount of cover ie the Child Trauma sum insured multiplied by the number of children is limited to the highest of:

- the Life Insurance, Total and Permanent Disability Insurance, or Trauma Insurance for FutureWise; or
- the Active Cover and Additional Death Cover; or
- 24 times the Disability Income, Income Cover or Business Expenses monthly insured amounts

under the other policy held or being applied for by the policy owner.

## Minimum and maximum entry ages for cover

Benefit	FutureWise	Sumo	Active
Life and additional death cover	15-70 stepped premium 15-60 level premium	15-70	15-65 stepped premium 15-60 level premium
Total and Permanent Disability (TPD)	15-60 15-65 for modified TPD with stepped premium	15-60	–
Health Events cover	–	–	15-65 stepped premium 15-60 level premium
Trauma	15-65 stepped premium 15-60 level premium	15-65	–
Child Trauma	2-14	–	2-14
Blood Borne Disease	19-60	–	–
Disability Income/Income Cover	19-60	19-60	19-60
Business Expenses	19-60	–	–

## Cover expiry ages

Benefit	FutureWise	Sumo	Active
Life and Additional death cover	No expiry	No expiry	No expiry
Total and Permanent Disability (TPD)	99 TPD definition changes at age 65	99 TPD definition changes at age 65	–
Health Events cover	–	–	99 Health Events cover changes at age 70
Trauma	99 Trauma definition changes at age 70	99 Trauma definition changes at age 70	–
Child Trauma	21	–	21
Blood Borne Disease	65	–	–
Disability Income/Income cover	65 70 for the to age 70 benefit period or if cover extension applies.	65 70 if cover extension applies.	65 70 for the to age 70 benefit period or if cover extension applies.
Business Expenses	65 70 if cover extension applies	–	–

## Occupation classes

Macquarie Life has nine occupation classes. Various premium discounts and loadings are applied to some of these classes.

The occupation classes in the table below apply to Total and Permanent Disability cover and Disability Income Insurance for FutureWise and Sumo and to Health Events cover and Income Cover for Active.

Premium rating factors relating to different occupation classes can be found in Factors that affect Premiums section of this guide.

Certain occupations that are not eligible for Total and Permanent Disability cover may be eligible for Active Health Events cover.

Occupational Classes		
1E	Executive	White collar professionals performing no manual duties, who: <ul style="list-style-type: none"> <li>■ have a degree; or</li> <li>■ are senior executives or senior management and have been earning an average of at least \$100,000 per annum over the last three years.</li> </ul>
1M	Medical	Qualified medical professionals with membership of a professional or government body.
1L	Legal	Qualified legal professionals with membership of a professional or government body.
1P	Professional	White collar professionals performing no manual duties, who: <ul style="list-style-type: none"> <li>■ have been earning an average of at least \$80,000 per annum over the last three years; or</li> <li>■ are qualified professionals with membership of a professional or government body.</li> </ul>
1	White collar	White collar, administrative or clerical based occupations that do not involve any manufacturing or physically demanding duties. 100% sedentary.
2	Light manual skilled	Certain light manual skilled workers, business owners in non-hazardous industries involving light manual work and supervisors of blue collar workers, e.g. foreman.
2	Domestic duties	Homemakers who perform domestic duties and whose sole occupation is to maintain their family home.
3	Tradespeople	Skilled workers engaged and skilled in duties associated with a craft or manual occupation for which they are trade qualified, e.g. plumber, electrician.
4	Heavy manual	Heavy manual occupations of a semi-skilled nature or heavy blue trades, e.g. truck driver. Maximum benefit period of 5 years. Own occupation TPD not available.

A complete list of all the occupations with specific loadings and benefit availability is available in the Quick Quote and on our website for FutureWise and Active. Generally Sumo is only available to class 1 occupations, however, each case will be underwritten on its own merits. Please contact underwriting to discuss any Sumo applications.

### Additional loading for hazardous pursuits

Macquarie Life will give an additional rating or exclusion for certain hazardous pursuits or activities. A full list of all pursuits with specific loadings and exclusions is available for your reference in the Quick Quote.

# Transferring existing policies to Macquarie Life

To transfer existing policies to Macquarie Life you can either complete a new business paper application or complete the application online. In both cases a full personal statement will need to be included with the application.

Mandatory underwriting is waived when an existing policy is transferred to Macquarie Life.

For transfer terms to be applied, Macquarie Life will need the following documents attached:

- a copy of the original acceptance and cover schedule/certificate from the existing insurer (for Trauma cover, this includes a copy of the specific Trauma conditions covered either as full or partial payments)
- proof of existence of the current cover, for example, the most recent renewal notice.

Existing cover should not be cancelled until acceptance is confirmed by Macquarie Life and although an application may have been accepted, Macquarie Life will only be on risk once the existing policy is cancelled.

Macquarie Life reserves the right to request additional underwriting requirements at application stage if required, even though transfer terms have been requested.

Macquarie Life offers the following transfer terms:

## Transferring to FutureWise

- Must be under the age of 55 next birthday if transferring TPD, Trauma or DI
- Must be under the age of 60 next birthday if transferring Life cover
- Must have been fully underwritten in the last 5 years or if including Disability Income, in the last 3 years
- Must have been accepted at either standard rates or with a maximum of a 50% loading or with no more than one exclusion
- For Trauma cover, the existing insurance must cover the same conditions and be a like for like contract
- The cover being issued by Macquarie Life will be limited to the same amount of cover as the existing cover being transferred with maximums of:
  - Life = \$3 million
  - TPD = \$2 million
  - Trauma = \$1 million
  - Child Trauma Insurance = \$200,000
  - Disability Income = \$10,000/month
  - Business Expenses = \$10,000/month

## Transferring to Active

- Must be under the age of 55 next birthday
- Must be transferring with benefits similar to Active ie must have Life, TPD and/or Trauma (and income protection if including Income Cover)
- Must have been fully underwritten in the last 5 years or if including Income Cover, in the last 3 years
- Must have been accepted at either standard rates or with a maximum of a 50% loading or with no more than one exclusion
- Active cover will be limited to the highest existing amount of either the TPD or Trauma cover. Additional Death Cover can be transferred to equate to existing death cover with maximums of:
  - Active cover A to E of \$2 million if transferring Life, Trauma and TPD or Life and Trauma.
  - Active cover A to E of \$1.5 million if transferring Life and TPD
  - Additional Death Cover of \$1 million
  - Income Cover of \$10,000/month
  - Child Trauma of \$200,000

# Factors that affect premiums

The following information outlines the factors involved when deciding how premiums will be charged.

FutureWise general factors			
Policy Fee	\$86.04 p.a. per person insured per application; or \$7.17 per month per insured person per application if premiums are paid monthly. The policy fee is updated each year on 1 March.		
Frequency loading	6% loading for premiums paid on a monthly basis.		
Size discount for Life, TPD and Trauma	<b>Sum insured</b>	<b>Life and TPD</b>	<b>Trauma</b>
	\$0 – \$249,999	0%	0%
	\$250,000 – \$499,999	7%	3%
	\$500,000 – \$749,999	15%	7%
	\$750,000 – \$999,999	17%	10%
	\$1,000,000 – \$1,999,999	22%	12%
	\$2 million +	24%	12%
TPD 'own occupation' Definition	50% loading on top of the 'any occupation' rates.		
Size discount for Disability Income and Business Expenses	<b>Monthly insured amount</b>	<b>Discount</b>	
	\$0 – \$3,999	0%	
	\$4,000 – \$7,499	8%	
	\$7,500 – \$9,999	10%	
	\$10,000+	12.5%	

Occupational ratings	TPD	Health Events cover	Disability Income/Income Cover/Business Expenses (DI/IC/BE)
1E	15% discount	Std	25% discount
1M	15% discount	Std	15% discount
1L	15% discount	Std	15% discount
1P	15% discount	Std	15% discount
1	Std	Std	Std
2	50% loading	10% loading	50% loading
3	75% loading	15% loading	75% loading
4	150% loading	30% loading	150% loading

## Active general factors

Policy fee	No policy fee		
Frequency discount	A 6% discount is offered for premiums paid on an annual basis		
Size discounts for Active	<b>Amount of Cover</b>	<b>Death</b>	<b>Health Events</b>
	\$0 – \$249,000	0%	0%
	\$250,000 – \$499,000	7%	3%
	\$500,000 – \$749,000	15%	7%
	\$750,000 – \$999,000	17%	10%
	\$1,00,000 – \$1,999,000	22%	12%
	\$2 million+	24%	12%
Size discounts for Income Cover	<b>Monthly Amount of Cover</b>	<b>Discount</b>	
	\$0 – \$3,999	0%	
	\$4,000 – \$7,499	8%	
	\$7,500 – \$9,999	10%	
	\$10,000+	12.5%	

## Sumo general factors

Policy Fee	\$250 p.a. per person
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## Stamp duty

Below are the stamp duty rates that apply for each state where stamp duty is explicitly charged on the premium (and policy fee):

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Rate	5%	10%	7.5%	10%	11%	8%	10%	10%

### FutureWise and Sumo

Stamp duty is explicitly charged on the premium (and policy fee) for the following insurance covers and features:

- Life Insurance (for SA only, at 1.5%)
- TPD and Trauma Insurance included in a Life Insurance policy (WA and SA only)
- TPD and Trauma Insurance linked to Life Insurance under Flexible Linking
- TPD and Trauma Insurance policies (i.e. not linked to Life Insurance)
- Disability Income and Business Expenses Insurance
- Blood Borne Disease Insurance

### Active

Stamp duty is explicitly charged on the premium for the following insurance covers:

- Death and terminal illness cover (for SA only, at 1.5%)
- *Health Events* cover (WA and SA only)
- *Health Events* cover under the non-superannuation policy when Active is structured under Superannuation Optimiser
- Income Cover

# How to complete an application

Macquarie Life accepts both paper and online applications. By completing your applications online for FutureWise and Active only, you will experience a much faster processing rate and the opportunity for your application to be offered automatically due to our online underwriting rule set. Please note that online applications are not accepted for Sumo at this current point in time.

## The Macquarie Life online platform

The Macquarie Life online platform allows you to commence a new application, search for existing applications and completed cases. There are links to our reporting tool, where you can generate Remuneration, Client and Adviser reports. You can also access **[www.macquarielife.com.au](http://www.macquarielife.com.au)** for online resources such as forms, questionnaires, sales tools, product flyers and soft copy PDS.

By clicking on the Work In Progress tab, you are able to retrieve incomplete and submitted applications by name or reference number. You are able to view what cover has been applied for and also what recent activity has occurred through the adviser viewable case notes. Our underwriters and administrators are able to send you notifications about the status of your application as well as request any further requirements if needed. In return you are able to send them specific requests or notes about the application by making your own case note, which is done by clicking on Add New Note. A free text box will appear for you to type in and once completed will simultaneously add the note to your client's case and send a notification to the Macquarie Life inbox.

The Macquarie Life online platform displays a dashboard to the right of the screen, providing you with a snapshot and quick links to work in progress applications using a pre-filtered search. The dashboard details key information about your client's application, whether any recent notes have been made by our underwriters or administrators, as well as the amount of premium in suspense. The dashboard also alerts you to when interim cover and amended terms are due to expire and details the average amount of time it has taken to complete your business.

## Making declarations and authorisations for client online applications

When you complete an online application, you do so as the agent of the client. To support an application you make on behalf of your client, you should secure the various declarations and authorisations from your client as outlined in the PDS.

There are two methods to secure the signed declarations and authorisations from your clients:

- During the initial data collection and prior to entering the application information and disclosures into the online insurance platform. For this approach Declaration and Authorisation forms can be downloaded from [www.macquarielife.com.au](http://www.macquarielife.com.au).
- After entering the application information and disclosures into the online insurance platform. For this approach, the record of the online submission (PDF document) should be printed for the client to review and there after sign the declarations and authorisations which are part of this document.

Please consider the following when using either method mentioned above:

- You will confirm you have obtained these declarations and authorisations to Macquarie Life when authorising the application for submission. Please retain the originals for your records and you may also want to forward copies of the signed documents to Macquarie Life within 30 days of submitting the application for our records.
- When the online application is accepted by Macquarie Life, a copy of the information disclosed in the online application, along with any subsequent additional disclosures, will be sent to the Life Insured. When the Life Insured is also the Policy Owner this correspondence will be included with the Policy Schedule/Certificate of Insurance. The Life Insured will be asked to review the information carefully and let Macquarie Life know if there are any errors or omissions. This final review of disclosures will be in addition to your own confirmation you should have received from your client as to the accuracy of information submitted by you on their behalf.

Please note, where binding beneficiary nominations are required for policies owned by the Insurance-only division of the Macquarie Superannuation Plan, these can only be accepted in writing, signed by the client in the presence of two witnesses who are over 18 years of age and not named as beneficiaries in the nomination. For online applications, please have your client complete and sign the nomination as required using either the relevant section of online record of the online submission (PDF document) or a New Business Application Authorisation and Superannuation Beneficiary Nomination form available from [www.macquarielife.com.au](http://www.macquarielife.com.au).

## Tele-Interviewing with Macquarie LifeConnect

LifeConnect streamlines the insurance application process by giving your clients the option to complete their personal statement over the phone.

You benefit from:

- More choice – complete your client's personal statement online, or let the LifeConnect team take care of it over the phone.
- Greater productivity – less time on data entry and more time advising clients.
- Certainty – we speak directly with your clients, recording their responses, which can help minimise disputes at claim time.
- Transparency – clients' applications are accessible via the Macquarie Life Online adviser dashboard and Work in Progress tracking system.

Your clients benefit from:

- Convenience – clients can apply from their home or office phone from Monday to Friday between 8am to 8pm (AEST). For Western Australian residents, this service is available until 10pm (AEST) Monday to Thursday.
- Confidence – your clients will be dealing one-on-one with experienced professionals

## How LifeConnect works

1. Login to the Macquarie Life Online Platform and enter your client's personal, occupational and financial details, as well as their cover requirements and contact details to arrange their tele-interview (we recommend you brief them first using the LifeConnect brochure available on our website).
2. We will contact your client to arrange the tele-interview. During the interview we will ask the standard questions required by insurers, including:
  - residency and travel information
  - hazardous pursuits
  - personal and family medical histories
3. On completion of the interview, the application is either:
  - set up, if there are no mandatory requirements and no further underwriting is required or
  - the application is referred to our underwriting team to assess and advise you of the decision.

LifeConnect allows us to minimise the need for further medical evidence by asking specific questions relating to the information disclosed in the tele-interview. Mandatory underwriting requirements still apply when using LifeConnect.

# Mandatory underwriting requirements

Mandatory underwriting requirements are the minimum medical and financial information needed to assess an application. The requirements are based on the exposed risk or amount of cover your client has requested and their age.

Macquarie Life has split its mandatory medical requirements by two categories:

- if LifeConnect or teleinterviewing has been done or
- where the adviser has completed the personal statement.

LifeConnect has a more sophisticated online ruleset, which allows for a greater level of client disclosure and therefore only a basic check of certain medical parameters is needed in most cases.

If the adviser completes the personal statement, either by paper application or utilising the online system, a full set of medical questions will be required in addition to the medical examination in all cases.

How to determine what mandatory medical requirements are needed;

1. If individual standalone benefits are applied for, then just read the appropriate requirement against the age and exposed risk for that benefit
2. If Life cover is applied for with linked Trauma, then the exposed risk should be read against either the Life or Trauma cover column for the appropriate age and the highest medical requirement will apply
3. For multiple stand alone lump sum covers, then the exposed risk is calculated by:

**a. FutureWise – add together**

- All Life insurance (whether or not it has linked TPD/Trauma) and
- Stand alone TPD and
- Stand alone Trauma
- Plus any existing Life Insurance with Macquarie Life and/or standalone TPD and/or standalone Trauma except if existing cover is being replaced
- If Double TPD or Double Trauma is selected, add an additional 50% of the TPD or Trauma benefit to the Life sum insured
- If Business Increase Option is selected, multiply the sum insured with the option by three before calculating the exposed risk

**b. Active – add together**

- Any additional death cover
- the amount of benefit category AA and
- any existing Life Insurance with Macquarie Life and/or standalone TPD and/or standalone Trauma except if existing cover is being replaced
- The medical requirements will be the highest of the total lump sum exposed risk and any individual benefit selected.

4. For a combination of products – add together the exposed risk of all products to determine the total exposed risk.

**Terminology**

**Active and FutureWise**

**Bloods:** MBA20, FBC, HIV and Hepatitis studies

**PSA:** Prostate specific antigen (requested in males only)

**QC:** Quick check – BP, BMI and urine test

**SMR:** Short Medical Report – full medical history and BP, BMI and urine test

**ME:** Medical examination done by own doctor – full medical history and examination

**SE:** stress electrocardiograph (ECG)

\*Mammogram in females only

Standard Requirements with LifeConnect (teleinterviewing)

Exposed Risk	Age	Life	TPD	Trauma	Active	IP/DI/IC/BE
<\$500,000 <\$5,000/month	<46	nil	nil	nil	nil	nil
	46-55	nil	nil	nil	nil	nil
	>55	nil	nil	nil	nil	nil
\$500,001 – \$750,000 \$5,001 – \$7,500/month	<46	nil	nil	nil	nil	nil
	46-55	nil	nil	nil	nil	nil
	>55	Bloods, QC	Bloods, QC	Bloods, QC	Bloods, QC	Bloods, QC
\$750,001 – \$1,000,000 \$7,501 – \$10,000/month	<46	nil	nil	nil	nil	nil
	46-55	nil	nil	Bloods, QC	nil	Bloods, QC
	>55	Bloods, QC	Bloods, QC	Bloods, QC	Bloods, QC	Bloods, QC
\$1,000,001 – \$2,000,000 \$10,001 – \$20,000/month	<46	nil	nil	Bloods, QC	nil	Bloods, QC
	46-55	Bloods, QC	Bloods, QC	Bloods, ME	Bloods, QC	Bloods, QC
	>55	Bloods, QC	Bloods, QC	Bloods, ME, SE, PSA	Bloods, QC	Bloods, QC
\$2,000,001 – \$2,500,000 >\$20,001/month	<46	nil	nil	–	nil	Bloods, ME
	46-55	Bloods, QC	Bloods, QC	–	Bloods, QC	Bloods, ME, SE
	>55	Bloods, QC	Bloods, QC	–	Bloods, QC	Bloods, ME, SE, PSA
\$2,500,001 – \$5,000,000 >\$40,000/month	<46	Bloods, QC	Bloods, QC	–	Bloods, QC	Bloods, ME
	46-55	Bloods, QC	Bloods, QC	–	Bloods, QC	Bloods, ME, SE
	>55	Bloods, QC	Bloods, QC	–	Bloods, QC	Bloods, ME, SE, PSA/ Mammogram*
>\$5,000,000	<46	Bloods, QC	–	–	Bloods, QC	–
	46-55	Bloods, ME, SE	–	–	Bloods, ME, SE	–
	>55	Bloods, ME, SE	–	–	Bloods, ME, SE, PSA	–

## Standard requirements without LifeConnect (teleinterviewing)

Exposed Risk	Age	Life	TPD	Trauma	Active	IP/DI/IC/BE
<\$500,000 <\$5,000/month	<46	nil	nil	nil	nil	nil
	46-55	nil	nil	nil	nil	nil
	>55	nil	nil	nil	nil	nil
\$500,001 – \$750,000 \$5,001 – \$7,500/month	<46	nil	nil	nil	nil	nil
	46-55	nil	nil	nil	nil	nil
	>55	Bloods, SMR	Bloods, SMR	Bloods, SMR	Bloods, SMR	Bloods, SMR
\$750,001 – \$1,000,000 \$7,501 – \$10,000/month	<46	nil	nil	nil	nil	nil
	46-55	nil	nil	Bloods, SMR	nil	Bloods, SMR
	>55	Bloods, SMR	Bloods, SMR	Bloods, SMR	Bloods, SMR	Bloods, SMR
\$1,000,001 – \$2,000,000 \$10,001 – \$20,000/month	<46	nil	nil	Bloods, SMR	nil	Bloods, SMR
	46-55	Bloods, SMR	Bloods, SMR	Bloods, ME	Bloods, SMR	Bloods, SMR
	>55	Bloods, SMR	Bloods, SMR	Bloods, ME, SE, PSA	Bloods, SMR	Bloods, SMR
\$2,000,001 – \$2,500,000 >\$20,001/month	<46	nil	nil	–	nil	Bloods, ME
	46-55	Bloods, SMR	Bloods, SMR	–	Bloods, SMR	Bloods, ME, SE
	>55	Bloods, SMR	Bloods, SMR	–	Bloods, SMR	Bloods, ME, SE, PSA
\$2,500,001 – \$5,000,000 >\$40,000/month	<46	Bloods, SMR	Bloods, SMR	–	Bloods, SMR	Bloods, ME
	46-55	Bloods, ME	Bloods, ME	–	Bloods, SMR	Bloods, ME, SE
	>55	Bloods, ME	Bloods, ME	–	Bloods, SMR	Bloods, ME, SE, PSA/ Mammogram*
>\$5,000,000	<46	Bloods, ME	–	–	Bloods, SMR	–
	46-55	Bloods, ME, SE	–	–	Bloods, ME, SE	–
	>55	Bloods, ME, SE	–	–	Bloods, ME, SE, PSA	–

## Standard requirements for Sumo

Exposed Risk	Age	Life	TPD	Trauma	Disability Income 1yr, 2yr benefit period"	Disability Income 5yr, 10 yr, to age 65 benefit period
<b>\$2,000,000 to \$2,999,999</b>	<46	nil	–	Bloods, ME	–	–
	46-55	nil	–	Bloods, ME, SE	–	–
	>55	nil	–	Bloods*, ME, SE, PMAR	–	–
<b>\$3,000,000 to \$4,999,999</b> <b>\$30,000/month to 39,999/ month</b>	All	Bloods, ME, PMAR	Bloods, ME, SE, PMAR	Bloods*, ME, SE, PMAR***	Bloods, ME, SE, PMAR	Bloods, ME, SE, PMAR
<b>\$5,000,000 to \$7,499,999</b> <b>\$40,000/month - \$60,000/ month</b>	All	Bloods, ME, PMAR	Bloods, ME, SE, PMAR	Bloods*, ME, SE, PFT's, MSU, UDS, Cotinine**, PMAR****	Bloods, ME, SE, PMAR	Bloods, ME, SE, PFT's, MSU, UDS, Cotinine**, PMAR****
<b>\$7,500,000 to \$10,000,000</b>	All	Bloods, ME, PMAR	Bloods, ME, SE, PFT, MSU, UDS, Cotinine**, PMAR****	Bloods*, ME, SE, PFT's, MSU, UDS, Cotinine**, PMAR****	–	–
<b>\$10,000,001 to \$15,000,000</b>	All	Bloods, ME, PMAR	Bloods, ME, SE, PFT, MSU, UDS, Cotinine**, PMAR****	–	–	–

Exposed Risk	Age	Life	TPD	Trauma	Disability Income 1yr, 2yr benefit period"	Disability Income 5yr, 10 yr, to age 65 benefit period
\$15,000,000 to \$24,999,000	All	Bloods, ME, PMAR	–	–	–	–
> \$25,000,000	All	Bloods, ME, SE, PFT's, MSU, UDS, Cotinine**, PMAR****	–	–	–	–

**Bloods:** MBA20, FBC, HIV, Hepatitis B and C, blood film where appropriate (\*PSA in males >50yrs)

**SMR:** Short Medical Report – full medical history and BP, BMI and urine test

**ME:** Medical examination by own doctor, including 3 blood pressure readings

**SE:** stress electrocardiograph (ECG)

**MSU:** Mid stream urine examination

**UDS:** Urinary drug screen

**PMAR:** Personal Medical Attendants Report

\*\* Only in non-smokers

\*\*\* Mammogram required in females >40 yrs with a family history of breast cancer under the age of 60 yrs

\*\*\*\* Mammogram required:

- in females >40 yrs with a family history of breast cancer < 60 yrs,
- mammogram in all females > 50 yrs,
- faecal occult blood test >40 yrs with a family history of bowel cancer < 60yrs,
- PSA in all males >50 yrs,
- abdominal ultrasound in all cases > 60yrs

## Financial requirements

Financial requirements requested will be based on whether the individual is applying for personal cover or business cover. The aim of any requested financial information is to support the level of cover requested. In all applications it may be best to provide our underwriters with a copy of your SoA so that we can underwrite according to the advice that you have given the client.

Common terms used in the tables below:

- SoA – Statement of Advice, including asset/liability position, income, dependants, reason for cover, method of calculation of sum insured
- FQ – Financial Questionnaire (download from online resources page)
- ITR – Income Tax Returns (lodged with the ATO)
- NoA – Notices of Assessments (issued by the ATO)

### Total lump sum risk

Risk amount	Personal Cover		Business Cover	
	Occ 1,2,3,4	Occ 1E, 1P, 1M, 1L	Occ 1,2,3,4	Occ 1E, 1P, 1M, 1L
≤ \$2,500,000	Personal statement	Personal statement	Personal statement	Personal statement
≤ \$3,000,000	FQ or SoA	Personal statement	FQ or SoA	Personal statement
> \$3,000,000	– FQ – Last 2 years ITRs, including NOAs	FQ or SoA	– FQ – Last 2 years individual ITRs including NOAs – Last 2 years full company accounts <sup>3</sup>	FQ or SoA
> \$6,000,000	– FQ – Last 2 years ITRs, including NoAs	– FQ – Last 2 years ITRs, including NoAs	– FQ – Last 2 years individual ITRs including NOAs – Last 2 years full company accounts <sup>3</sup>	– FQ – Last 2 years individual ITRs including NOAs – Last 2 years full company accounts <sup>3</sup>
<b>Business Increase option</b>	FQ in all applications	FQ in all applications	FQ in all applications	FQ in all applications

<sup>3</sup> company accounts to include – profit and loss, balance sheets, company/business tax returns for all entities

## Trauma

Risk amount	Personal Cover: Occ 1,2,3,4	Business Cover: Occ 1,2,3,4
≤ \$750,000	Personal statement	Personal statement
≤ \$1,000,000	FQ or SoA	FQ or SoA
> \$1,000,000	<ul style="list-style-type: none"> <li>– FQ</li> <li>– Last 2 years ITRs, including NOAs</li> </ul>	<ul style="list-style-type: none"> <li>– FQ</li> <li>– Last 2 years individual ITRs including NOAs</li> <li>– Last 2 years full company accounts<sup>3</sup></li> </ul>

Occ 1E, 1P, 1M, 1L – personal statement to \$2,000,000

## Disability income/Income Cover

Risk amount	Employee	Sole trader	Partner	Self employed <sup>4</sup>
<ul style="list-style-type: none"> <li>– Indemnity &gt; \$15,000/month</li> <li>– Agreed value &gt; \$15,000/month</li> <li>– Endorsed agreed value – any amount</li> </ul>	<ul style="list-style-type: none"> <li>– Last 2 years ITRs, including NOAs or</li> <li>– Group certificate or</li> <li>– Letter from employer</li> <li>– In all applications a statement of assets and liabilities</li> </ul>	<ul style="list-style-type: none"> <li>– Last 2 years ITRs, including NOAs</li> <li>– In all applications a statement of assets and liabilities</li> </ul>	<ul style="list-style-type: none"> <li>– Last 2 years ITRs, including NOAs and</li> <li>– Partnership tax returns</li> <li>– In all applications a statement of assets and liabilities</li> </ul>	<ul style="list-style-type: none"> <li>– Last 2 years ITRs, including NOAs and</li> <li>– Last 2 years full company accounts<sup>5</sup> and</li> <li>– In all applications a statement of assets and liabilities</li> </ul>
Business Expenses >\$20,000		<ul style="list-style-type: none"> <li>– Last 2 years full business accounts<sup>5</sup></li> <li>– Last 2 years ITR, including NOA</li> </ul>	<ul style="list-style-type: none"> <li>– Last 2 years full business accounts<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>– Last 2 years full business accounts<sup>5</sup></li> </ul>

<sup>3</sup> company accounts to include – profit and loss, balance sheets, company/business tax returns for all entities

<sup>4</sup> self employed, employee of own company or working director

<sup>5</sup> company accounts to include – profit and loss, balance sheets, company/business tax returns for all entities

## Sumo Financial Requirements

Personal cover	
<b>All applicants</b>	Personal financial questionnaire, to include details of all in-force policies and any concurrent applications both within and outside country of residence
	Full details of personal assets and liabilities provided by an approved independent third party, e.g. solicitor, auditor, accountant, bank manager
	Number and age of dependents
<b>Upon request</b>	Copies of property deeds and estimation of market value
	Travel questionnaire
	Copy of loan offer on the lending institution's letterhead, where appropriate
<b>Employed</b>	Copies of personal Income Tax Returns (ITR) for the past 3 years <b>OR</b>
	Letter from employer, signed by the company secretary on company letterhead, detailing compensation package for each of the past 3 years, including commissions, bonuses and shares
<b>Self-employed</b>	Copies of last 3 years' ITRs and assessment notices <b>OR</b>
	If the main source of income is the applicant's company, 3 years' company reports and accounts
	A business structure diagram where the applicant has multiple business entities/trusts
<b>Business cover</b>	Business financial questionnaire, counter-signed by an independent third party, e.g. company official
	Full details of all in-force policies and any concurrent applications both within and outside country of residence
	Full details of all in-force policies and concurrent applications on other insured key persons, if applicable

## Personal cover

<b>Business cover</b>	Copy of Company audited financial statements for the past 3 years, to include: <ul style="list-style-type: none"><li>■ tax returns and assessment notices</li><li>■ balance sheet, to include:<ul style="list-style-type: none"><li>■ Statement of business assets and liabilities</li><li>■ Assets and liabilities should be shown at both book value and market value</li></ul></li><li>■ profit and loss account</li><li>■ cash flow statements</li><li>■ notes to the statements</li><li>■ auditors' reports, where available</li></ul>
	Percentage of shares the insured holds in the business,
	independently verified, if applicable
	A business structure diagram where the applicant has
	multiple business entities/trusts

## Superannuation cover

If the superannuation cover option is requested, then the following evidence will be needed:

- Employees – letter from employer or superannuation statement if contribution is greater than nine per cent
- Self employed – superannuation statement in all applications

## Organising your client's medical assessments

### Sumo

Macquarie Life will organise your clients medical requirements in conjunction with Executive Medicine.

### FutureWise and Active

You are able to organise your clients medicals with your own provider, but unless you inform us otherwise, medical requirements to assess your client's application will be organised by Macquarie Life in conjunction with Unified Healthcare Group (UHG). UHG is Australia's single largest solutions provider for Personal Medical Attendant Reports (PMARs) and Pathology referrals.

If you prefer to use an alternative pathology provider, please inform us at the time of application. Macquarie's preferred pathology providers and their contact details are as follows.

## **Unified Healthcare Group**

Phone 1800 101 984

Fax 1800 707 697

Email [adviserrelations@uhg.com.au](mailto:adviserrelations@uhg.com.au)

Online requests and fax request forms: <http://client.uhg.com.au/lifedata>

### **iMedicalLife**

Phone 0400 115 503

Fax 02 9787 4292

Email [chris@imedicallife.com.au](mailto:chris@imedicallife.com.au)

### **Prestige Pathology**

Phone 1800 442 844

Fax 02 9559 2973

Email [prestigep@optusnet.com.au](mailto:prestigep@optusnet.com.au)

### **Lifescreeen**

Phone 1800 673 123

Fax 1800 804 758

Email [lifescreeen@lifescreeen.com.au](mailto:lifescreeen@lifescreeen.com.au)

Only medical requirements requested by Macquarie Life will be paid for.

## **Accessing your client's medical information**

Macquarie Life is not able to release any medical reports to you as these have been provided to us by a third party with your client's consent. Your client can request their doctor to give you a report directly should this be required, but we cannot release this information to you.

On request, we can release the results of blood tests and medical examinations, undertaken by your client for Macquarie Life, to your client.

Please remind your client to notify the underwriters in the Consent and Disclosure section of the application should they not wish you to have access to their underwriting information.

# What happens after the application is submitted?

## Immediate cover

Immediate cover can be provided to your clients when you complete an online application. If the online insurance platform provides an assessment status as 'offered', your client will be fully covered as soon as the application form is submitted and authorised online, rather than relying on restricted interim cover.

It is important for you to know what disclosures and signature process your client will need to complete. For a full description of this process, please refer back to 'How to complete an application' section of this guide. Immediate cover is not available for clients who have their insurance linked to an eligible superannuation Wrap fund, until the superannuation account has been opened.

## Interim cover

If the application submitted is a paper application or has a status of 'pending underwriting' via the online insurance platform, interim cover for *accidental death* or injury will be provided.

Some conditions and limits apply to interim cover. Please refer to the PDS for full details.

## Decisions

There are four outcomes that any application can have:

- accepted – offered
- loaded or excluded – amended terms
- declined
- deferred.

A deferred decision means that we cannot make a decision based on the evidence provided and we might require the client to either wait a period of time before we can make a decision, or to undergo further investigation in order to reach a diagnosis that we can base a decision on.

All amended terms, deferred or declined decisions will be discussed with you by our underwriters before the final terms are submitted. Once a final decision is reached, an email will be sent to you detailing the terms of the cover. All applications with amended terms will need to be signed by the client and returned to us within 14 days. For amended term offers that are made by the online system and already signed by the client, these policies can be set up immediately.

## Discretionary requirements

Macquarie Life underwriters will try and use all available means at their disposal in order to make a decision with the evidence that they have, without requesting additional information. In certain cases, a request for an additional report from a doctor e.g. a histology report, can mean that a more favourable decision can be made. Where we do not have enough information to make the best evidence based decision, then additional medical, financial, occupational or a vocational information may be requested. You will be automatically requested by e-mail if additional information has been requested.

## Review procedure

To request a review, please contact your Macquarie Life underwriter to discuss the matter in detail. Once all the required evidence has been provided, the underwriter will be able to advise if the decision will be reviewed.

## Teleunderwriting

Teleunderwriting begins after you have completed the personal statement, there might be particular medical, occupational or financial questions that we would need a bit more information on in order to make a decision. Teleunderwriting occurs when a trained underwriter will contact a client with you and your client's permission, to ask for additional information in order to make a decision.

By Teleunderwriting, often no further investigations or evidence would be required and the application can be completed. Teleunderwriting is therefore specific to certain answers already obtained from your client when completing the Personal Statement. Teleunderwriting is an optional service.

# Adviser remuneration

Commission is generated as at the date the client's premium is received and can be paid monthly or weekly, depending on the arrangement between Macquarie and your current dealer group. If paid monthly, it is paid to the dealer group on the 7th business day of the following calendar month. For example, if the client's annual premium is drawn on the 15th of January, commission will be paid to your dealer group on the 7th business day of February. If paid weekly, the commission will generally be paid to the dealer group each Friday, for the previous Monday to Friday.

Macquarie Life offers three commission options under Active, FutureWise and Sumo. The rates of commission, inclusive of GST:

Commission structure	Year one	Renewal
Upfront	100%	18%
Hybrid	70%	25%
Level	42% (32% for Sumo)	32%

The commission structures available will be restricted for policies that commence within five years of the maximum entry age for any benefit type.

The maximum entry age is the stepped premium maximum entry age – the level premium entry age is disregarded for this purpose. The maximum entry age will be based on age at submission.

For the Life Insurance Policy, as it can include multiple benefits which have different maximum entry ages, the commission structure available for all benefits under a Life Insurance Policy will be applied based on the lowest common denominator of benefits being applied for under the policy. For example, if the client is 64 and is applying for Life and TPD, the restriction will be based on the benefit with the lowest entry age, being the TPD benefit and only the level commission structure will be available.

Age of insured person at application			Commission structure available
Life*	TPD Disability Income Income Cover Business Expenses Blood Borne	Trauma Modified TPD Active cover (Health Events)	
65	55	60	Upfront, hybrid and level
66	56	61	Hybrid and level
67	57	62	Hybrid and level
68	58	63	Level only
69	59	64	Level only
70	60	65	Level only

## Commission components

Commission is payable on the following components of the premium:

- base rates
- options
- loadings
- premium after size discount has been applied

It is not payable on:

- policy fee
- the extra cost of paying premiums monthly compared to yearly
- any explicit stamp duty charged.

You can use the Quick Quote to calculate the commission payable, alternatively the premium on which commission is payable can be calculated by following these steps:

- divide the premium by 1 + the relevant stamp duty rate (if stamp duty is applicable)
- deduct the annual policy fee of \$86.04 (if applicable) and
- if the premium is being paid monthly, multiply the premium by 12 and divide by 1 + the frequency loading

\* For a Life Insurance Policy with linked TPD and/or Trauma, the available remuneration types will depend on the TPD and/or Trauma.

The Child Trauma/Child Cover will not be affected by maximum entry age commission restrictions.

## Examples

- 1) A Life Insurance premium of \$549.39 p.a. paid annually, where there is no explicit stamp duty:

**Step 1:** Remove the policy fee =  $549.39 - 86.04$

Commissionable premium = 463.35

- 2) A Disability Income Insurance premium in NSW of \$4,155.61 p.a. paid monthly at \$367.08, where the premium includes a frequency loading of 6 per cent and NSW stamp duty of 5 per cent:

**Step 1:** Remove the stamp duty =  $367.08/1.05 = \$349.60$

**Step 2:** Deduct the policy fee =  $349.60 - 7.17 = \$342.43$

**Step 3:** Remove the frequency loading =  $342.43/1.06$

Commissionable premium = \$323.05

## Year one commission

Year one commission is payable on:

- new business
- underwritten increases to existing cover
- increases to existing cover made under the Future Increases feature

It is not payable on:

- business for which year one commission has already been paid
- business which replaces an existing Macquarie Life policy, including continuation options
- indexation increases (however, renewal commission will be paid)
- reinstatement of Life Insurance under Life Insurance Buy Back

For transfers between Macquarie insurance products, the renewal commission of the product being transferred to will apply.

## Commission Restrictions – Sumo only

When the annual premium value for Sumo exceeds certain thresholds, the default commission structure changes, as explained below:

- If the annual premium for the Sumo policy is > \$30,000 but < \$50,000, the commission structure will default to the Hybrid structure.
- If the annual premium for the Sumo policy is > \$50,000 the commission structure will default to the Level structure.

Annual Premium Value	Upfront	Hybrid	Level
<\$30,000	Yes	Yes	Yes
>\$30,000 but <\$50,000	No*	Yes	Yes
>\$50,000	No*	No*	Yes

\* If you wish to retain an upfront or hybrid commission structure for cases that exceed the premiums shown above, this can be provided with a three (3) year responsibility period replacing the standard 12 month responsibility period

## Commission rebates

Commission can be rebated in year one and ongoing in the following ways:

Commission structure	Year one rebate	Renewal rebate
Upfront	18%	100%
Hybrid	25%	100%
Level	100%	100%

This means that under the upfront structure, the maximum you can rebate in year one is the renewal commission rate, ie you must receive a minimum of 82 per cent commission in year one. For renewal commission you can rebate the full amount.

Under the level structure you can rebate up to the full amount of year one and renewal commission.

The corresponding premium discount is a direct reflection of the commission rebate (excluding GST) and is applied in the same year in which the commission is reduced.

## Responsibility period

There is a responsibility period that applies to new business in relation to the commission that has been paid.

The table below sets out these responsibility periods and shows the proportion of commission paid that will be reversed if cover lapses or is cancelled within the responsibility period shown.

Period for which premiums have been paid	Write back
Less than 6 months	100%
6–9 months	50%
More than 9 months (to end of 12th month)	25%

If cover lapses or is cancelled within the responsibility period shown, we will deduct the appropriate proportion of commission paid from the dealer group's commission payments at the next payment date.

For renewal commission paid more than 12 months after the commencement of the policy, commission will be reversed if a premium on which commission has been paid is refunded to the client.

### Three year responsibility period - Sumo only

Where the three year responsibility period applies, as explained above, the following percentages of year one remuneration, are subject to write back.

Period for which premiums have been paid	Write back
12 months or less	100%
More than 12 months but less than 36	100% less 4% for each months' premium paid beyond 12 months For example, if 18 months paid, write back is 76%, if 24 months paid, write back is 52%
36 months or more	0%

# How to make a change to a policy

We have a general policy administration form that will cater for all policy changes, but in many cases there may be a simpler way of doing this. Here is a breakdown of what we require to make a change.

## General policy changes

Change of address	Nominated in writing and signed by the client or from the Adviser by an online case note
Change of name	Nominated in writing with certified copy of change of name by the client
Replacement policy	Statutory declaration confirming loss of documents
Banking details	Direct Debit form or over the phone by the client

## Changes to cover

Reduction in cover	Written request from client, signed by all policy owners
Decline indexation request	Written request, signed by all policy owners or over the phone by the client
Smoker status	Non-smoking declaration
Increases to cover	Policy administration form required in all cases
Review of existing loadings/exclusions	Policy administration form with appropriate questionnaire in all cases (any extra medical information will be at client's expense)
DI Plus option	written request from client, signed by all policy owners and completion of the DI plus declaration
Addition of a new option or type of insurance	New business form required in all cases
Increase in benefit period or decrease in waiting period for DI/IC	Policy administration form required in all cases, except where a benefit period to age 70 is required in which case, a new business application form will need to be completed

## Switching between superannuation and non-superannuation cover

If cover is held under a non-superannuation policy, ownership of the policy can be transferred to another non-superannuation ownership arrangement by completing a Memorandum of Transfer, which must be signed by both the existing policy owner and the transferee and sent it to. The transferee must have an insurable interest in the insured person that is satisfactory to us.

If cover is to be moved from a non-super policy to superannuation, the trustee of the superannuation fund can apply for a new policy in respect of the cover on the insured person and the existing cover will be cancelled and issued under a new policy owned by the trustee, subject to superannuation laws.

If the trustee of a superannuation plan holds the policy, the member can request the trustee to transfer the policy to them subject to superannuation laws and the governing rules of the fund.

All transfers between policy owners and to new policies must be like for like cover, otherwise a full application and usual underwriting assessment will be required.

## Reinstatement of a lapsed policy

If a policy lapses due to non-payment of the premium, your client may apply to reinstate their policy within six months, based on the following:

Less than 6 months	Reinstatement form, including questions regarding health, occupation and pastimes, to be completed and payment of monies owing. Updated payment instructions should also be provided.
Over 6 months	Cannot be reinstated, new application required and re-underwritten

# Claims

We understand that this is often a difficult time for your client and their families so we make it our duty to not only pay out valid claims as quickly as possible, but also to take a holistic approach to case management. Our claims process has been developed to ensure claims are assessed as efficiently as possible and is based on a philosophy of providing you client with more than just financial relief at time of claim.

## What is the best way to notify us of a claim?

Either you or your client can notify us of a claim, or ask for a claim pre-assessment, by phone, online notification form, email, fax or post. All our contact details are on the back of this Adviser Guide and PDS for easy reference.

## ClaimsConnect

We have recently introduced a tele-claims process known as ClaimsConnect, whereby our skilled and empathetic nurses can complete your clients claim form with them over the telephone without the need for paper forms or wet signatures. All calls are security checked and recorded for your client's protection. Both initial and ongoing claim forms can be completed this way.

## Are all claims handled in the same way?

Because some claims are less complex than others, we have tailored our claims process according to the cause of the claim. Where the cause is a medical trigger, the International Classification of Diseases 9 (ICD9) coding system is used to refer the claim through to the most efficient process for that particular cause.

- 1) Fast Track claims – For some disability income/ income cover claims resulting from musculoskeletal injuries, certain operations or simple infections, the benefit amount can be paid quickly. We use the Medical Disability Adviser (MDA) disability duration guidelines to assess how long your client would be expected to be off work given the nature of the work performed. The expected claim amount is agreed to upfront and either paid as a lump sum or as a series of monthly payments. All we will need to approve this claim is a medical certificate or appropriate investigation report, for example, an X-ray or histology report, which can be either faxed or emailed through to us. Your client can return to work within the period that has been prepaid without forfeiting the amount already paid. Should your client suffer a complication, they can easily request for the claim to be re-opened.

- 2) Limited claims – for claims that are less complex or are simple lump sum payments, the process involves completion, with your client, of the claim form, using the ClaimsConnect service. Specific relevant body system medical claim forms will then be sent directly to the clients doctor or medical specialist. This means that your client does not need a separate appointment with their treating doctor and we can obtain exactly the information we need, as efficiently as possible. Macquarie Life will pay for the completion of the doctors forms.
- 3) Long-term claims – for all claims that are of a more complex nature, either lump sum, or monthly payments, a separate long term claims process will be initiated as soon as we have received notification of the claim and completed the initial assessment. With your clients consent a specialist claims assessor will contact the treating doctor, any allied medical professionals, the client's employer and any other parties involved with your clients claim as early in the claims process as possible. A personalised Claim Management Plan will then be drawn up in conjunction with both your client and treating doctor to assist the client in either returning to work or to increase your client's independence and day to day functioning as much as possible. Again in conjunction with the treating doctor, your client may be referred to alternative therapies, rehabilitation and vocational guidance that could aid in the overall functioning of your client.

### Is there any other help for my client at claim time?

Macquarie Life has introduced Case Management which is available to all claimants at any stage of the claims process. This includes:

- 1) 3 free counselling sessions for either the claimant or their immediate family
- 2) Information packs that include education material, dietary and physical therapy advice
- 3) Referral to self help clinics and groups
- 4) Alternative therapy referral, in conjunction with the treating doctor

## How do I know what is happening during the claims process?

Our claims assessors and claims administrators will keep you informed via telephone or email, depending on your preference, throughout the claims process. In addition, notes in relation to the claim can be viewed via our online Work in Progress tracking at any time.

## What can I do to help the process?

We believe that the claims process is one of partnership between you, your client and your clients treating doctor. To ensure that we can progress the claim as efficiently as possible:

- 1) Provide us with the cause of claim and treating doctors details at notification time
- 2) Allow us to speak directly to your client using ClaimsConnect and with follow up by our experienced claims assessors
- 3) Keep us updated with any new information you have
- 4) Allow us to manage your client with the care and expertise that we are able to offer during this stressful period.

# Underwriting guidelines

Please find the general underwriting rules applied by Macquarie Life outlined below.

## Allowable Business Expenses for FutureWise

The normal day to day expenses incurred in the insured person's business and include, but are not limited to:

- accounting and audit fees
- bank fees and charges
- cleaning costs
- electricity and gas charges
- property rates
- equipment hire
- motor vehicle leases, registration and insurance
- business related insurance premiums (not including this policy)
- interest payments on business loans and mortgages
- office leasing fees
- rents on business premises
- salaries including superannuation of employees and payroll tax not directly involved in the generation of income or revenue
- regular advertising costs
- telephone costs
- fees for professional associations
- cost of a locum less any earnings generated by the locum
- printing, postage and stationery costs
- contracted maintenance
- contracted advertising
- contracted security
- any other expenses agreed by us

The following expenses are specifically not included:

- the insured person's personal remuneration, salary, fees or drawings from the business
- cost of goods or merchandise
- repayment of capital on business loans and mortgages

- costs of implements of profession
- premiums payable on this policy
- salaries including superannuation of employees and payroll tax directly involved in the generation of income or revenue
- depreciation
- salaries of *immediate family members* (unless they were employed more than 30 days before the date of the insured person's *disability*)

## Armed forces

For members of the armed forces we will take into consideration the specific role of the individual to be insured.

No cover would be available for people who have orders to be deployed or who are currently deployed. If they have previously been deployed, we will consider each one on an individual basis, taking into account information around where they have been, length of tour, reason for tour ie peace keeping or war zone.

	FutureWise	Active
Available cover	Life Insurance and Trauma Insurance for office duties only <sup>6</sup>	Death, terminal illness and Health Events cover (AA-E) for office duties only <sup>6</sup>
Not available	TPD, DI	Income Cover

## Bankruptcy

We will in the first instance require a bankruptcy questionnaire to determine the reason for the bankruptcy, dates and other implications of the bankruptcy. If the person to be insured has been declared bankrupt and has not been discharged the following rules may apply:

	FutureWise	Active
Available cover	Life Insurance, Trauma Insurance	Death, terminal illness and Health Events cover (AA-E)
Not available <sup>7</sup>	TPD, DI	Income Cover

<sup>6</sup> Additional loadings for Life, Trauma and AA-E would be applied for dangerous duties e.g. aviation, bomb disposal, Special Forces. In some applications restrictions will be applied in addition to these loadings.

<sup>7</sup> Not available – after discharge, your client will need to demonstrate their employment and financial stability to be considered for these benefits

## Blood Borne Disease Insurance

Blood Borne Disease Insurance must be selected with at least one other type of FutureWise insurance, but is not limited to Disability Income or Trauma insurance.

Blood Borne Disease Insurance is only available to some occupations (generally medical professions and those occupations in which infection with HIV or the Hepatitis B or Hepatitis C virus is an occupational hazard). There are no additional medical or financial requirements.

## Business Increase option

At the time of underwriting an application with Business Increase Option, we will base medical requirements on three times the total sum insured being applied for. For example, if \$500,000 of Life Insurance is applied for with the Business Increase Option, we will medically assess the application as if it were an application for \$1.5 million.

We will require a fully completed financial questionnaire in all instances.

## Child Trauma benefits

Child Trauma/Cover may be applied for provided the policy owner also has, or is applying for, (as policy owner or insured person) at least one other type of policy issued by Macquarie Life, not including Blood Borne Disease Insurance or Child Trauma/Cover.

The total amount of cover (ie the Child Trauma sum insured multiplied by the number of children) is limited to the higher of:

- the Life Insurance, Total and Permanent Disability Insurance, or Trauma Insurance for FutureWise; or
- the Active Cover and Additional Death Cover; or
- 24 times the Disability Income, Income Cover or Business Expenses monthly insured amounts

under the other policy held or being applied for by the policy owner.

The payment of a claim does not reduce the benefits for the other cover of the policy owner, nor the Child Trauma Insurance provided for other insured children under the policy.

## Double TPD and Trauma

When Double TPD or Double Trauma is selected, we will add 50 per cent to the total sum insured for the purpose of calculating medical requirements.

### Example

If applying for \$500,000 Life and \$200,000 TPD with the Double TPD option Add 50 per cent TPD sum insured to Life sum insured.

Medical Requirements based on \$600,000.

This option has no impact on financial requirements.

## Disability benefits

	FutureWise		Sumo		Active	
	TPD	DI	TPD	DI	Income Cover	Health Events cover
<b>Minimum hours</b>	Must be gainfully employed for at least 20 hours per week at the time of application Modified TPD might be allowed if working less than this amount and some occupations will attract an additional loading for this definition		Must be gainfully employed for at least 30 hours per week at the time of application		Must be gainfully employed for at least 20 hours per week at the time of application	Not applicable <sup>8</sup>
<b>Maximum hours</b>	Further information will be requested if working > 60 hours per week					
<b>More than 1 occupation</b>	We will only cover a client for their principal occupation. However, the occupation rating will take into consideration the duties of any second occupation. Both occupations must be acceptable occupations to us in order to consider cover.					Not applicable <sup>8</sup>
<b>Less than 12 months in their current job</b>	For consideration of any disability benefit, we will require details of the last 5 years work history					Not applicable <sup>8</sup>
<b>Apprentices – second year onwards</b>	Any Occupation TPD only	Indemnity cover only	Not Available	Not Available	Indemnity cover only	Not applicable <sup>8</sup>

<sup>8</sup> Certain restrictions or additional loadings may be applied.

	FutureWise		Sumo		Active	
<b>Heavy manual occupations (Class 4)</b>			Not Available	Not Available	– Maximum benefit period available is 5yrs – No Accident option	

## Expatriates

- Must be an Australian citizen or permanent resident
- Must intend to return to Australia within 5 years of taking out cover
- Must be occupational class 1, 1E, 1P, 1L, 1M
- Only available in countries that are Australian Department of Foreign Affairs and Trade (DFAT) 3 or less
- All insurance medical investigations will be reimbursed in Australian dollars
- All premiums must be paid from a credit card or an Australian bank account in Australian dollars
- Any claims will be paid into an Australian bank account in Australian dollars
- Any medicals performed must be done by doctors or paramedics registered with the local health professional council and be English speaking
- Normal underwriting practices and rules will apply
- For Disability Income/Income Cover and Business Expenses cover – proof of the contract terms and length of stay will be needed
- For Disability Income/Income Cover
  - the minimum waiting period available will be 90 days
  - only indemnity cover will be available
  - the following table will apply to what can and can't be included in the income calculations:

Included	Not included
<ul style="list-style-type: none"> <li>■ Salary</li> <li>■ Superannuation (or equivalent)</li> <li>■ Bonuses and incentive payments (2–3yr average)</li> <li>■ Commission payments (2–3yr average)</li> </ul>	<ul style="list-style-type: none"> <li>■ Housing and accommodation benefits</li> <li>■ Living away from home allowance</li> <li>■ Motor vehicle allowance for principal and spouse</li> <li>■ School tuition fees</li> <li>■ Club membership</li> <li>■ Entertainment allowances</li> </ul>

## Farmers cover

Income Protection cover for farmers is designed to enable farmers to employ someone to do their duties during disablement.

The following cover only is available without any variation.

- IP up to \$3500/month for a maximum of a 5 year benefit period and 30 day waiting period
- Indemnity only
- Occupation Class 3

If they select to take Farmers cover, even though it is Indemnity, we will guarantee to pay the benefit at claim time, as long as the claimant continues working as a farmer.

Where income disclosures produce a negative average income and the income is trending downwards, financials will be required to consider cover.

In all cases we will always issue with the following clause:

*“This policy has been issued on an Indemnity basis. In the event of a claim, we agree to a monthly benefit of \$3,500 and any future indexation increases as long as you continue in your sole occupation as a farmer. The monthly benefit may be reduced by other regular payments you receive as outlined in the PDS.”*

Farmers who elect to provide financial evidence can do so for consideration of Agreed Value or Endorsed Agreed Value or a higher benefit, subject to normal underwriting requirements.

## Homemakers

Client must be involved in full time domestic duties

The maximum cover amount would be:

- FutureWise – Life Insurance, Total and Permanent Disability Insurance and Trauma up to \$1.5 million
- Active – Health Events cover and Additional Death Cover \$1.5 million

This amount may be increased to an absolute maximum based on the following financial evidence and factors:

- Number and age of dependants
- Residential mortgage
- Working spouse's income
- Client's future financial plan
- Return to work timing
- Previous income and occupation
- Child with special needs
- Working spouse with equal or greater level of cover on their life maximum

## Newly qualified professionals

Newly qualified professionals as shown in the table below are eligible to apply for the corresponding EAV monthly benefit regardless of current income level. Newly qualified professionals protection waives mandatory standard medical and financial requirements.

Newly qualified professionals and interns			
Occupation	Life	TPD/Trauma/ Health Events	Disability Income/ Income Cover
Accountant – CA & CPA	\$500,000	\$500,000	\$4,000
Actuarial Graduate	\$500,000	\$500,000	\$4,000
Actuarial Fellow	\$500,000	\$500,000	\$6,250
Architect	\$500,000	\$500,000	\$4,000
Barrister	\$500,000	\$500,000	\$6,250
Chiropractor	\$500,000	\$500,000	\$4,000
Dental – Specialist	\$1,000,000	\$1,000,000	\$10,000
Dentist	\$500,000	\$500,000	\$6,250
Doctor – GP	\$500,000	\$500,000	\$6,250

## Newly qualified professionals and interns

Occupation	Life	TPD/Trauma/ Health Events	Disability Income/ Income Cover
Doctor – Specialist	\$1,000,000	\$1,000,000	\$10,000
Engineer	\$500,000	\$500,000	\$4,000
Optometrists	\$500,000	\$500,000	\$4,000
Osteopath	\$500,000	\$500,000	\$4,000
Medical interns	\$500,000	\$500,000	\$4,000
Pharmacists	\$500,000	\$500,000	\$4,000
Physiotherapist	\$500,000	\$500,000	\$4,000
Quantity Surveyor	\$500,000	\$500,000	\$4,000
Solicitors	\$500,000	\$500,000	\$5,000
Vet	\$500,000	\$500,000	\$4,000

- No financial evidence required if cover within the above limits (financials will be required at time of claim if policy is issued on an indemnity basis)
- Provided on an endorsed agreed value or indemnity basis
- Ongoing income clause applies
- Up to \$500,000 Life Insurance and/or Trauma Insurance and \$1m for appropriately qualified Medical and Dental specialists
- Full Personal Statement, but mandatory medical and financials waived (unless answers in Personal Statement justify further information)
- Must have graduated within the last three years
- Must be accredited by the AMC (Australian Medical Council) or other appropriate body
- Must currently be working a minimum of 20 hours per week

## Newly self employed

Within the first 12 months of commencing a new business, special consideration is required for the availability of Disability Income Insurance. This is to ensure that there is sufficient time for the business to be established and running efficiently.

If the person to be insured is newly self employed only indemnity cover is available.

To consider the availability of benefit period to age 65 the following criteria apply:

- the person must not be working from home, unless a separate business area has been delegated
- purchase of an existing business that has been operating for a minimum of 12 months
- purchase of a franchise
- starting a new business with experience in the same field
- change of employment status only – employee to contractor or sub-contractor.

In all cases the insured needs to have experience in the same field of business and/or successfully run a business in the past.

Cover is limited to a 2 year benefit period under the following situations:

- if the business is not in the insured person's field of experience; or
- the insured person has no experience in running a business.

To determine the monthly insured amount we determine income as:

- average monthly net income earned in new occupation/activity;
- projected earnings as determined from business plan or contracts provided less business expenses; or
- generally we would consider the monthly insured amount to be calculated on no more than the previous year's earnings (as Indemnity), with a maximum benefit of \$3,000/month. We would be prepared to review to Agreed Value and higher benefit after 12 months (Endorsed Agreed Value after 2 years)

The following documentation may be requested by underwriting:

- copy of business plan
- Profit & Loss of existing entity (if available/applicable)
- copy of contract (if applicable)
- bank loan documents (if applicable) – if purchase of a business is dependent on a loan then copy of loan agreement must be provided.

## Overseas travel

Occasionally we will apply an exclusion if a client is travelling to a high risk region. These are driven by the Department of Foreign affairs travel advisories on [www.smartraveller.gov.au](http://www.smartraveller.gov.au) and are applied in line with the following guidelines:

DFAT 1 – No restriction for war and terrorism

DFAT 2 – Individual consideration. No restriction for war and terrorism.

DFAT 3/DFAT 4 – Individual consideration given depending on country visiting and purpose. War and Terrorism or Social Instability Exclusions may apply.

DFAT 5 – Decline

## Pregnancy

Further information will be requested about due/delivery dates and when the client intends to return to work. The following rules may apply:

	FutureWise	Active
Available cover	Life, Trauma, Home duties TPD	Death, terminal illness and Health Events cover
Not available	TPD (own/any), DI cover	Income Cover

## Professional sports people

	FutureWise	Active
Available cover	Life, Trauma, modified TPD cover	Death, terminal illness and Health Events cover
Not available*	TPD (own, any), DI	Income Cover

## Superannuation cover

For underwriting purposes, the amount of benefit taken under the Superannuation Cover option is included in the monthly amount for Disability Income or Income Cover and the financial and medical requirements are based on the total sum insured.

Evidence of superannuation contributions will be required for employees if they request the Superannuation Cover option on an amount that is greater than nine per cent of their income, and will be required for all self employed people.

The maximum Superannuation cover amount we will insure is 20% of annual earned income.

## Temporary residents

Generally, we will only offer cover to permanent Australian Residents. We will give consideration to individuals who have applied for residency. Please contact underwriting for individual consideration.

## Unearned income

Unearned income is taken into consideration for the purpose of calculating the monthly benefit only where the unearned income exceeds \$250,000 per annum.

Substantial net assets can also generate unearned income, creating the potential for over insurance. Whilst current income from net assets may be low where the insured person's assets include real estate, bonds or shares etc, in the event of prolonged disability the insured person could rearrange their portfolio to generate significant unearned income. Individual consideration is given to offset unearned income for high net assets.

Examples of net assets that are excluded are:

- family residence
- furniture and fittings in the family home excluding antiques or collectors items
- motor vehicles other than luxury and vintage cars
- Superannuation

Examples of investment income that would be included are:

- interest
- pensions
- rental properties
- shares
- bonds
- trust distributions
- capital gains
- dividends

## Working from home

For some occupations working from home, e.g. masseurs, beauticians, dressmakers, music teachers, Disability Income or Income Cover is not available. Business Expenses Insurance under FutureWise may be available on individual consideration.

Generally the maximum benefit period available will be 5 years.

When a person works from home it is difficult at claim time to establish disability and inability to work.

In order to consider cover for clients that work from home consideration is given to:

- the amount of weekly face-to-face contact with clients, customers or employers
- the nature of work/business
- other non-family employees
- regular work contracts and income stream over the last 12 months
- separate office/entrance to place of residence
- separate phone/fax for business

# Complaints

Complaints should be directed to the Complaints Officer at the following contact details:

Post: Complaints Officer  
GPO BOX 5216  
BRISBANE QLD 4001

E-mails: [insuranceclaims@macquarie.com](mailto:insuranceclaims@macquarie.com)  
Attention: Complaints Officer

Fax: 1800 812 175  
Attention: Complaints Officer

If the complaint is not satisfactorily resolved, it may be referred to The Financial Ombudsman Service, or for members of the Macquarie Superannuation Plan, the Superannuation Complaints Tribunal on the details below.

## **Financial Ombudsman Service (FOS)**

Address: GPO BOX 3  
MELBOURNE VIC 3001

Telephone: 1300 780 808

Fax: 03 9613 6399

E-mail: [info@fos.org.au](mailto:info@fos.org.au)

Website: [www.fos.org.au](http://www.fos.org.au)

## **Superannuation Complaints Tribunal (SCT)**

Address: Locked Bag 3060  
GPO MELBOURNE VIC 3001

Telephone: 1300 780 808

Fax: 03 8635 5588

E-mail: [info@sct.gov.au](mailto:info@sct.gov.au)

Website: [www.sct.gov.au](http://www.sct.gov.au)












## How to contact Macquarie Life

### Administration

 Freecall 1800 005 057

### Fax Gateway


 1800 812 175

 GPO Box 5216 Brisbane QLD 4001

 [insurance@macquarie.com](mailto:insurance@macquarie.com)


 [macquarielife.com.au](http://macquarielife.com.au)

### Claims

 Freecall 1800 208 130

 [insuranceclaims@macquarie.com](mailto:insuranceclaims@macquarie.com)

### Underwriting

 Freecall 1800 451 689

### Sumo

 Freecall 1800 005 057

 [sumo@macquarie.com](mailto:sumo@macquarie.com)

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