

ADVISER GUIDE



April 2019



PPS MUTUAL

Share in our success

Because PPS Mutual operates on a mutual model, it exists solely for the benefit of Members.

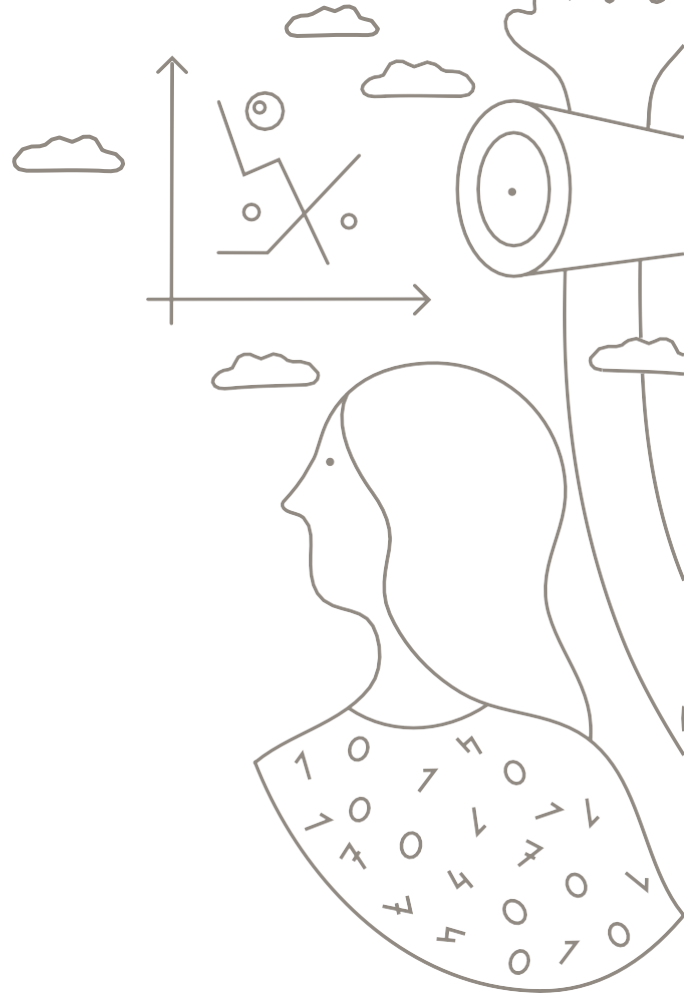
This means your clients who take insurance Plans with PPS Mutual are Members of the company and they share in its ownership.

PPS Mutual has partnered with the world's largest multi-disciplinary group of professionals, an APRA regulated insurer and one of the world's largest reinsurers. These partnerships enable PPS Mutual Members to share in the profits generated by the insurance they buy.

Membership is offered to the market exclusively through selected Advisers – who will be accredited by PPS Mutual. We believe, that professionals should receive professional advice without any direct sales to compete with you for the right to protect their financial future.

We want you to share in the success of a model that we believe can have a major impact on how a defined group of professionals buy their insurance. This model offers Advisers a unique and high-value alternative to traditional protection products.

We believe it will strengthen your valuable client relationships and help make your practices more profitable and efficient.



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Our global partners and company structure

To achieve the benefits of mutuality, PPS Mutual has partnered with NobleOak Life Limited to insure the product, PPS South Africa to administer the product, and one of the world's largest reinsurers.

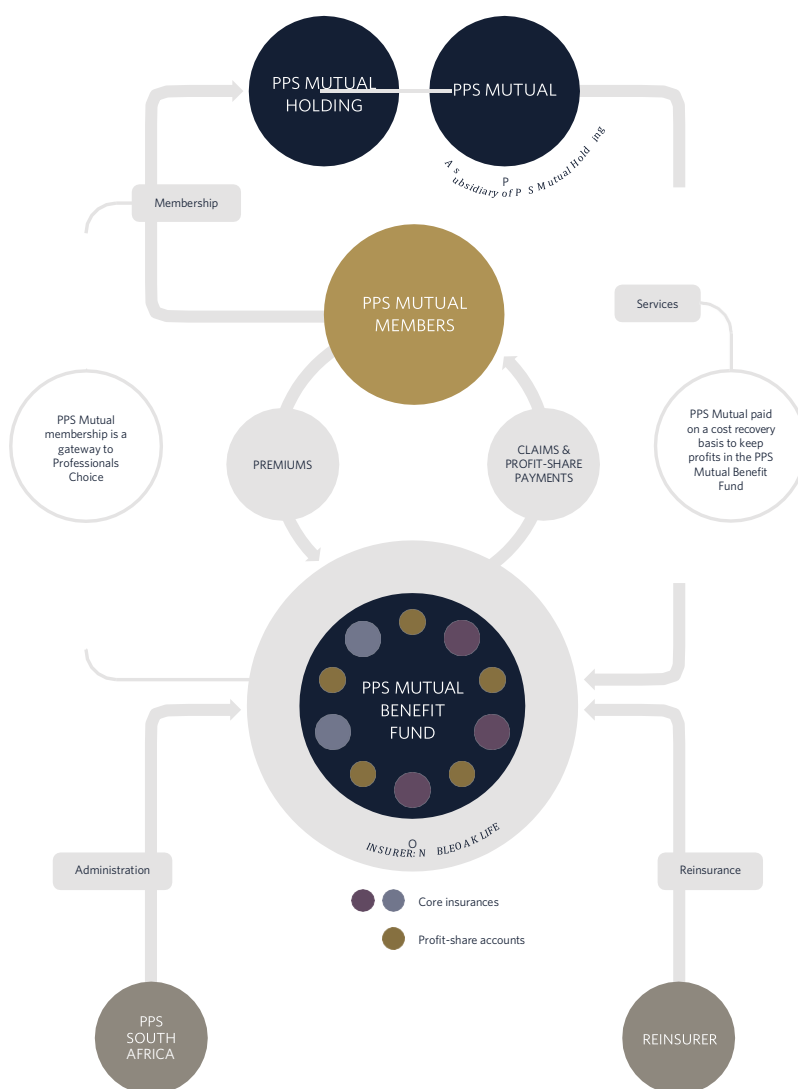
PPS Mutual products are issued by the insurer from the PPS Mutual Benefit Fund which is approved and regulated by APRA.

When PPS Mutual was looking for a partner to launch its mutual model in Australia, we found that benefit funds offered a lot more flexibility in sharing profits with Members than traditional life insurance statutory funds. The PPS Mutual Benefit Fund has been established solely for PPS Mutual products.

Member premiums are paid directly into the PPS Mutual Benefit Fund and claims are paid directly from the Benefit Fund to Members.

PPS Mutual provides services in relation to product and business development, distribution support, and the underwriting of applications. The insurer pays PPS Mutual fees for providing these services. These fees are limited to a cost recovery basis to ensure that the profits remain with the insurer in the PPS Mutual Benefit Fund and can be distributed to Members. Profit-Share Account payments are paid directly from the Benefit Fund to Members.

PPS South Africa provides administration and systems for the PPS Mutual products. PPS South Africa is a specialist administrator of insurance products incorporating a Profit-Share Account. All Member data will be held in Australia.



The management team

PPS Mutual's management group brings a wealth of global experience and specialist insurance sector expertise to the company.



Michael Pillemer

Chief Executive

Michael was the founder and CEO of Centric Wealth and founding Managing Director of Investec Private Advisers.



Brian Pillemer

Director of Distribution

Founder and Director of Australian Life Insurance. Previously National Manager Business Development, Westpac Insurance.



Matthew Pilcher

Director of Proposition

Formerly Head of Client Solutions responsible for Business Development, Portfolio Management and Product & Pricing at Munich Re Australasia.



Zalman Ratzemore

Chief Financial Officer

Finance Director of Unim Income Benefits Ltd in the UK. Various senior financial roles in Australia including Centric Wealth and Perpetual Ltd.



Marcello Bertasso

Head of Underwriting & Claims Management

Chief Underwriter and Head of Client Markets at Swiss Re Life and Health South Africa. Most recently Underwriting Manager at Macquarie Life.

ELIGIBILITY

To be eligible to apply for PPS Mutual's Professionals Choice, your client must meet the professional eligibility criteria.

They must:

1. Be an Australian citizen or a permanent resident of Australia:
2. Be currently practicing in, or be eligible to practice in, one of the following eligible professions as defined below:



MEDICAL

Audiologist

An audiologist Australia Accredited Audiologist

Chinese Medicine Practitioner

Registered with the Chinese Medicine Practitioners Board of Australia

Chiropractor

Registered with the Chiropractic Board of Australia

Dentist, Dental Specialist

Registered with the Dental Board of Australia as a Dentist or Dental Specialist

Doctor, GP or Specialist

Registered with the Medical Practitioners Board in any Australian State or Territory

Medical Radiation Practitioner

Registered with the Medical Radiation Practice Board of Australia

Occupational Therapist

Registered with the Occupational Therapy Board of Australia

Optometrist

General registration with the Optometry Board of Australia

Osteopath

Registered with the Osteopathy Board of Australia

Pharmacist

Registered with the Pharmacy Board of Australia

Podiatrist

Registered with the Podiatry Board of Australia

Psychologist

General registration with the Psychology Board of Australia

Physiotherapist

Registered with the Physiotherapists Registration Board

Speech Pathologist

A Certified Practising Member of Speech Pathology Australia

Veterinarian

Registered to practise with the Veterinary Registration Board in any Australian State or Territory



INDUSTRIAL

Architect

Registered with the Architects Board in any State or Territory of Australia

Engineer

Accredited as an Engineering Technologist or Professional Engineer of Engineers Australia, Board of Professional Engineers of Queensland or Professionals Australia or a Member/ Fellow of the Australian Institute of Mining and Metallurgy

Quantity Surveyor

Member or Fellow of the Australian Institute of Quantity Surveyors

Surveyors

Registered or licensed with the Surveyors Board in any Australian State or Territory

Town Planner

A Full Member or Registered Planner of the Planning Institute of Australia



COMMERCIAL & LEGAL

Accountant

Member of Chartered Accountants Australia and New Zealand, CPA Australia or Institute of Public Accountants.

Actuary

Associate Actuary or Fellow of the Institute of Actuaries of Australia

Barrister, Solicitor, Judge

Admitted to practice by the Supreme Court of an Australian State or Territory

Chartered Financial Analyst

Charterholders
Registered as a Chartered Financial Analyst Charterholder

CLAIMS

Claims philosophy

PPS Mutual Professionals Choice exists to secure a financial future for our professional Members by providing them with access to products and services that are tailored specifically for their needs.

Whilst the hope is that Members may remain healthy and reap the rewards of our shared profits, we recognise that unfortunate circumstances arise and Members or their beneficiaries may need to make a claim on their valuable insurance benefits.

When this arises, we commit to expediently assess every claim and

pay all genuine claims that meet the Benefit Fund Rules and plan eligibility criteria.

We, like our professional members believe that working and wellness are closely linked. When a disabling event occurs, it is critical to align the factors which will support the professional's return to wellness. At PPS Mutual we are committed to providing the necessary assistance to enable Members to regain their best possible health and return to their professional careers and full daily activities.

Our claims approach is to set up an appropriate pathway to deliver on this, through full engagement with the Member, their treating physician/s, their workplace and you, their Adviser.

How to make a claim

Step 1 – Notify us of the claim

In the event of a claim, please notify PPS Mutual directly, within 14 days or as soon as practically possible, on 1300 401 607 or e-mail us at claims@ppsmutual.com.au.

Members can call PPS Mutual directly on 1300 401 436 or e-mail us at the same e-mail address.

Step 2 – Claims pack

Within 24hrs of us being notified of a claim, the Claimant, or yourself if requested, will be sent a claims kit. The claims kit includes information on our claims process, the relevant claim form, and confirms what information we need to process the claim.

Step 3 – Claims assessment

Once you or the Claimant return the information to us, a Case Manager will begin to assess the claim.

Step 4 – Claims communication

Naturally, we'll update you regularly on the progress of the claims assessment and let you know the outcome as soon as we can. If the claim meets the eligibility and assessment criteria, we'll pay the benefit. Throughout the process we will be in regular communication with the Claimant, and the Claims Administrator or Case Manager will be available to help you with any enquiries.

Claims requirements

We require specific documentation to assess and settle a claim. The minimum evidence required to complete the claims process is detailed in the table below. Additional evidence to investigate and/or support a claim will be requested by the Case Manager and advised to you and the Claimant.

Requirements	Life Insurance and Terminal Illness	Total and Permanent Disability Insurance and Premium Waiver Option	Trauma Insurance, Child Insurance Option and Blood Borne Disease Option	Income Protection Insurance and Business Expense Insurance
Claim form to be completed by the Life Insured and Attending Doctor	✓	✓	✓	✓
Employer Form	✗	✓	✗	✗
Original Plan Schedule and Memorandum of Transfer (where applicable)	✓	✓	✓	✗
Certified copy of birth certificate / passport / drivers licence / marriage certificate	✓	✓	✓	✓
Certified copy of death certificate	✓ ¹	✗	✗	✗
Certified copy of deceased will	✓ ¹	✗	✗	✗
Probate or letters of administration (if sum insured >\$50,000)	✓ ¹	✗	✗	✗
Financial evidence (partial disability and certain benefit types)	✗	✓	✗	✓

¹ Does not apply to Terminal Illness

Frequently asked questions

What is a certified copy?

It is a stamped/written statement with a signature on a copy of an original document, where the stamp or written statement certifies that the original document has been sighted and the copy is a true and complete copy of the original. The certifier must also state their position title on the copy.

A document can be certified by number of officials, including a Justice of the Peace, Commissioner of Affidavits, Notary Public, solicitor, accountant, doctor, pharmacist, police officer or bank manager. The certifier cannot be a member of family or the Plan Owner or Life Insured

Where can a copy of a birth or marriage certificate be obtained?

If the Member was born or married in Australia, copies of birth or marriage certificates can be obtained from the Registrar of Births, Deaths and Marriages in the appropriate state or territory.

If the Member was born outside of Australia, the following can be accepted as evidence of age, an Australian naturalisation or citizenship certificate, a current Australian passport, an Australian Permanent Resident's Visa, a translated (if appropriate) certified copy of the birth certificate from the country of birth.

Why is the original Plan Schedule required?

The Plan Schedule and Memorandum of Transfer is required as proof that the Plan ownership has not been transferred or assigned to another party.

What if the Plan Schedule is lost?

We can still assess the claim. However, given the Plan Schedule has been lost we are required under the current legislation to advertise the loss of a Plan Schedule and wait 10 days from that date prior to issuing a replacement Plan Schedule. A Plan Schedule processing fee may be payable.

What happens to the Plan if the claim is accepted?

Depending on your benefits, the Plan may cease once the benefit has been paid, or it may need altering to reflect the remaining cover in place. The Case Manager will advise either way.

What happens if the claim is not accepted?

The Case Manager will contact you to explain our decision and will also provide our reasons in writing.

Who will be paid the sum insured?

It is the Plan Owner whom we have registered on our records. If the Plan Owner is deceased, we will either pay the nominated beneficiary or the executor of the estate according to the Plan Schedule and the Plan rules. If the Plan is held within the superannuation environment additional considerations will apply.

When will the claim be paid?

The Plan Owner will be paid within a few days of the claim being accepted. In respect of Income Protection Insurance, benefits will begin to accrue after the expiration of the waiting period and the claim will be paid monthly in arrears.

How much will be paid?

If we accept the claim, we will pay the sum insured or a portion of the sum insured, in the event of partial payments. For Income Protection we will pay a monthly benefit in accordance with the Benefit Fund Rules. The Case Manager will confirm the amount payable.

How will the claim be paid?

All claims will be paid in Australian dollars by a direct credit to the nominated account.

Do the Plan premiums need to be paid while the claim is being assessed?

Yes, the Plan Owner needs to continue paying premiums while the claim is being assessed. Once a claim is admitted, any excess premiums paid will be refunded together with the claim payment.

Do the Plan premiums need to be paid once the claim is accepted and the benefit paid?

Depending on the particulars of the Plan, all cover (and hence the Plan) may cease once the benefit has been paid. If this is the case, no further premiums need to be paid. However, when there is continuing cover, then premiums for that cover must continue to be paid, unless a waiver applies. The Case Manager will advise if ongoing premiums are required to be paid and how much these premiums are.

Are the premiums of the Plan Owner's other plans with PPS Mutual automatically waived?

No, not all benefits and Plans contain a Premium Waiver Benefit. The Case Manager can advise whether a Premium Waiver Benefit is applicable to the Plan.

Is tax deducted from the benefit payments?

Tax will only be deducted if your insurance is held within super however you may be required to pay tax on other benefits you receive (such as Income Protection benefits). We recommend that independent tax advice is sought.

When will we seek additional claims information?

Additional claims information will be required when a claim needs to be reviewed further against claim eligibility and assessment criteria.

Who pays for the claims requirements?

The Plan Owner is responsible for meeting the costs of satisfying the claim requirements. Where we request a medical examination, assessment or financial audit by a person we nominate, we will meet the costs incurred.

What happens if you decline my claim?

Decisions to decline a claim are reviewed by the Claims Committee prior to the decision's communication to yourself and the claimant. In certain instances where additional information or evidence comes to light that may alter the decision to decline, this additional information or evidence will then be reviewed by the Claims Committee and may also be reviewed by the Claims Review Committee.

What happens if the Life Insured is out of Australia when a benefit is paid?

For Income Protection and Business Expenses Insurance, benefits are only payable for up to six months while the Life Insured is outside of Australia. In some circumstances, we may continue to pay benefits beyond six months if the Life Insured returns to Australia or attends a regional medical facility approved by us.

How are advanced payments due to death paid?

For any advanced payments due to death, where there are multiple beneficiaries, the benefit will be split commensurate with the benefit allocation.

CLAIMS DISPUTE RESOLUTION PROCESS

What is the internal dispute resolution process?

If the Plan Owner (or beneficiary) is dissatisfied with our decision in relation to a claim, they can request a review under our internal dispute resolution process. Under this process their concerns will be reviewed by a third party who was not the initial decision maker. They can request a review of the claim decision through contact with the Claim Case Manager or by contacting us on the numbers or addresses provided in the Key Contacts section of this Adviser Guide.

What is the external dispute resolution process?

If the Plan Owner remains dissatisfied following a review under our internal dispute resolution process, they may wish to contact the Australian Financial Complaints Authority.

Australian Financial Complaints Authority
GPO Box 3, MELBOURNE VIC 3001

Phone: 1800 931 678

INTOUCH

InTouch is the Adviser's electronic portal into PPS Mutual. It facilitates interaction with your client's (Member's) portfolios and within it you can take key actions to apply for cover, plus maintain and service your client's insurance Plans.

InTouch is available 24 hours a day and you or your support team can access InTouch from any device or location.

InTouch provides:

- Functionality to confirm Plan Owner and Member eligibility
- A bespoke quotation interface which can be used in the consultation process and will improve your practice efficiency
- Access to request an underwriting pre-assessment, supply the appropriate information to the underwriters, a record of the outcome and an automated link to any application that results from the pre-assessment
- The ability to apply for cover, directly following the quotation, reducing the need to re-input information
- View, edit or access your personal details, allowing PPS Mutual to remain InTouch with you. You can also pre-set your remuneration preference. This is editable on individual benefits should you wish to change your preference at that stage
- View your client portfolio from a single access point called 'My Members'. This is the core function on InTouch. With My Members, you can view your Members details and portfolio information and submit service requests on their behalf. You will also be able to quote and submit applications online as well as retrieve statements
- Resources may be downloaded or ordered online.

Should you require any assistance to access InTouch, please call the Adviser Services team on 1300 401 607 or e-mail us at adviserservices@ppsmutual.com.au

NEW BUSINESS & ALTERATIONS

Our new business processes can be described in five easy steps.

STEP 1 – Underwriting Pre-assessment

By using our online pre-assessment enquiry functionality, which is accessed through InTouch, you will improve your client engagement and reduce completion times.

When undertaking an underwriting pre-assessment, the following sections need to be completed:

- Life Insured's details (if height and weight is not known, enter approximate details and mention this in the comments)
- Benefit details
- Details of the reasons for pre-assessment, be it Medical, Occupational, Hazardous activity or Financial

Any supporting documents can be uploaded for the pre-assessment process.

InTouch will provide a reference number for the submission of a pre-assessment.

It may be necessary for the Underwriter to discuss the assessment details with you telephonically. Thereafter you will be provided with the outcome in writing and a pre-assessment reference number.

The reference number should be quoted at application stage.

Should you require assistance, please contact our Adviser Services team on **1300 401 607**, who will assist you in completing the enquiry.

STEP 2 – PPS Mutual Membership Eligibility

On completion of your client's personal details and professional registration information, you are able to obtain confirmation of eligibility for a prospective PPS Mutual member.

The following information is required:

- Personal Details - title, first name, last name, date of birth, gender and state
- Eligibility Criteria- These questions are dynamic and will come into view based on the Life Insured's answers to the Profession and registration as well as a professional association or institute. InTouch will confirm eligibility and provide a reference number whether your client is eligible or not.

To discuss any eligibility matters please contact our Adviser Services team on **1300 401 607**

STEP 3 – Insurance Benefits Quotation

New member quotes can be initiated by selecting the New Member Quote option on InTouch.

When creating a New Member Quote

- Eligibility does not necessarily have to precede the quoting process, these two processes can be performed independently and in any sequence. Personal details completed in either one of these processes will be prepopulated when moving to the next step. If, however eligibility is done preceding the quotation, then gender, smoking status, employment status and occupation would need to be completed when generating the quote
- The Add Plan section needs to be completed. The search functionality allows for an existing Plan Owner to be linked to either the Super or Non-Super plan
- Select the appropriate benefits using the drop and drag functionality
- Use linking functionality to ensure the benefit structure is as the Life Insured has been advised
- Quote structure/s can be saved and deleted, they can also be set for future use
- Benefit details (sum insured / monthly benefits, premium type and frequency etc.) can be added by selecting the benefit bubble on your product structure canvas

Use the tool tips and InTouch display messages to guide you through business and product rules.

When creating quotes for any existing Members, this can be done by searching for the Member and selecting the Quote Member option. Your client's current portfolio information and personal details will be prepopulated, the functionality will allow you to update information that has changed, as well as increase or restructure your client's benefits.

Should you require any assistance, you can contact the Adviser Services team on **1300 401 607**

STEP 4 – Apply for Insurance Benefits

To proceed with submitting an application, the Eligibility and Quote details must be completed, this is indicated with a tick mark on the tool bar.

The following information will be required at the Apply for Insurance Benefits point:

- Plan Owner
- Address and contact details
- Beneficiary details
- Payment details
- Additional information, pre-assessment information, preferred contact time and details, Accountants details
- InTouch will display the application summary, allowing you as the user an opportunity to quality assure the data captured thus far
- The Personal Statement, can be completed either Online (via InTouch), by tele-interview or on paper:
 - Online - allows you to complete the Personal Statement with your client present or from a hard copy application form
 - Tele-interview - gives your client the opportunity to answer the questions telephonically at their convenience, by indicating the most convenient time for PPS Mutual to contact him/her
 - Paper - the Personal Statement can be uploaded onto InTouch, emailed or posted
- Paper applications can be uploaded directly onto InTouch or e-mailed to **newbusiness@ppsmutual.com.au**
- Declarations by the Life Insured and Plan Owner/s (where applicable).
- Declaration by the Adviser.
- InTouch will confirm the Application number and submission.

STEP 5 – Additional Information or Requirements

To ensure prompt processing, in addition to automatically generated advices on what is required to finalise the application, we will contact you via telephone regarding outstanding administrative requirements. Outstanding requirements can be emailed to **underwriting@ppsmutual.com.au**

PPS will confirm receipt of all requirements received.

*Please refer to the Underwriting section for further information regarding Medical and Financial Requirements.

PREMIUM INFORMATION

You can choose between 3 premium structures:

- **Stepped:** premiums generally increase with age
- **Level:** premiums are based on the age at the start of the insurance, unlike a stepped premium, level premiums will not increase each year with age. Where there is an increase in cover:
 - If this is due to an increase under the Indexation for Professionals benefit, then this will be based on the age of your client at time of original application.
 - For other increases this will be based on the age of your client at the date of the increase.
- **Flexible:** allows you to have both a stepped and level premium structure applied to the one insurance type. For example, if there is \$3million of Life Insurance you could have \$1M on stepped premium and \$2million on level premium

You can make different selections for different types of insurance (e.g. level for Life insurance and stepped for Income Protection insurance).

NOTE: The premium rates are not guaranteed and can be changed provided the change is made for all Plans of that series.

Factors that affect the premiums

Large Sum Insured Discount

Sum Insured	Life and TPD	Trauma
\$0 to \$249,999	0%	0%
\$250,000 to \$499,999	5%	2.5%
\$500,000 to \$749,999	15%	5.0%
\$750,000 to \$999,999	20%	7.5%
Greater than \$1,000,000	20%	10%

- For Income Protection and Business Expenses there is a large sum insured discount of 12.5% on monthly benefits of \$5,000 per month or more
- The Large Sum Insured Discounts apply to the entire sum insured, not just on the cover above the sum insured brackets

Multi-benefit discount

This will provide a 10% premium reduction on Life, TPD and Trauma premiums where there is a matching dollar of Income Protection premium. (Note - this excludes the impact of frequency loadings, stamp duty and Plan fees).

So, for example a client who pays \$4,000 on Life and TPD premiums (without the discount) and \$3,000 on income protection will receive a \$300 discount on their lump sum premiums which will now drop to \$3,700.

Rollover Rebate

For insurances paid by rollover through the PPS Mutual Super a 15% Rollover Rebate will apply from year 1 and each subsequent year where premium is funded annually via rollover. This means the member only needs to rollover 85% of premium per the application quote and anniversary letter. The 15% rebate represents the tax deduction claimed by the Fund for insurance premiums paid.

Occupational Factors

	TPD		IP		BE	
	Male	Female	Male	Female	Male	Female
AE, AP, AL	100%	100%	100%	100%	100%	100%
AM	100%	100%	105%	105%	100%	100%
A	100%	100%	100%	100%	100%	100%
B	120%	120%	135%	150%	135%	150%
C	120%	120%	300%	200%	300%	200%
HD	100%*	100%*	100%*	100%*	100%*	100%*
D	200%	200%	345%	250%	345%	250%
E	Refer to UW					

* Lives with occupation category of Home Duties will only be offered Home Duties or General Cover definitions for TPD, or Home Duties Income Protection

Discount Factors

TPD Definitions	Non-Super	Super
Own Occupation	100%	N/A
Any Occupation	75%	70%
Home Duties	90%	N/A
General Cover	60%	55%

Type of IP	Non-Super	Super
Agreed Value ²	100%	N/A
Indemnity	70%	65%
Home Duties	Independently rated	N/A

²If the Agreed Value Premium Saver Discount applies this reduces to 90%

Extra Cost Options

Lump Sum	Lump Sum	
Business Increases	10%	
Life Insurance Reinstatement after 14 days with Premiums Waived	25%	
Trauma Reinstatement	10%	
IP and BE	IP	BE
Indexed Benefit While on Claim:		
▪ 2-year benefit period	2%	N/A
▪ 5-year benefit period	5%	N/A
▪ Benefit period to age 65 or age 70	12%	N/A
Day 1 Accident	Independently rated	
Extras Package	12.5%	12.5%
TPD Commutation	2%	N/A

Stamp Duty

A loading for stamp duty is applied to premiums (including Plan fees) as follows:

Type of Insurance	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Life Insurance	0%	0%	0%	0%	1.5%	0%	0%	0%
TPD or Trauma that is linked to and in the same Plan as Life Insurance	0%	0%	10%	0%	11%	0%	0%	10%
TPD or Trauma that is not linked to or not in the same Plan as Life Insurance	0%	5%	10%	9%	11%	10%	0%	10%
Child Insurance	0%	0%	0%	0%	1.5%	0%	0%	0%
Blood Borne	0%	5%	10%	9%	11%	10%	0%	10%
Premium Waiver Option	0%	5%	10%	9%	11%	10%	0%	10%
Income Protection or Business Expenses	0%	5%	10%	9%	11%	10%	0%	10%

Plan Fee

There is a Plan Fee that is applied to each Plan. The Plan Fee is updated each year.

There is no Plan Fee on the Profit-Share Plan.

Frequency Loading

Premiums paid on a monthly basis are charged a 6% loading compared to premiums paid on an annual basis.

Commission Sacrifice Discount

Every dollar that PPS Mutual saves as a result of the Adviser sacrificing commission is passed on to the Plan Owner by means of a discount. This excludes GST. Hence if all the commission is sacrificed this will result in a 25% reduction in premium (see Commission section for more information).

Minimum Premium

There is minimum premium of \$500 per annum per Plan across all benefits. This applies at entry and whenever cover is altered by the Member. (It does not apply when future cover levels are reduced as a result of a claim or where a Member has utilised the Career Break Benefit.)

Payment information

Methods of payment

Premiums may be paid by:

- Direct debit
- Credit Card (Visa, MasterCard, Amex³)
- B Pay – annual only
- Cheque – annual only
- Rollover to PPS Mutual Super Fund
– annual only

³For premiums paid by Rollover, we offer a 15% Rollover Rebate, which reduces the Rollover Amount.

³There is a 1.6% surcharge for paying by American Express

Plan renewal dates

- The annual renewal date for all insurances held under a single Plan will be on the original anniversary of the Plan.
- The premium frequency for all benefits under Plan must be the same.
- For other combinations of related benefits, see the table below.

Relationship	Anniversary Dates	Frequencies allowed
Split TPD or Split IP	Must be the same	Can be different
Benefits linked across different Plans	Must be the same	Can be different

- Where benefits with the same anniversary date start at different times, the pro rata premium will be payable during the first year until the anniversary date. Subsequent premiums will be calculated on an annual basis as and from each anniversary date.

Non-payment, lapse and reinstatement

- Upon non-payment/dishonour of premium, the Plan Owner will be in default.
- A dishonour notice will be sent upon non-payment/dishonour of premium requiring payment within the required time of 30 days.
- The following table outlines the rules for lapse and reinstatement, including the option for the Life Insured to take over ownership of the insurance.

	Core Insurance Plan (from the Plan Owner perspective)	Core Insurance Plan (from the Life Insured perspective if Life Insured is different to the Plan Owner)	Profit-Share Plan
30 days	A statutory notice of non-payment/dishonour will be sent.	Not applicable	No impact
60 days after the premium due date	Lapses if premiums not paid. A lapse notice is sent to the Plan Owner informing them it has lapsed and of their options to reinstate.	Life Insured is informed that the Plan has lapsed and that if not reinstated by the Plan Owner by the end of 90 days they will have the option to take out new cover.	No impact
60 days to 90 days after the premium due date	May be reinstated without the need for any additional health evidence if all the outstanding premiums are paid	No impact	No impact
90 days after premium due date on last remaining core insurance on the Life Insured	Option to reinstate passes to Life Insured who has the option to take out a new Plan.	No impact	Life Insured is informed that the core insurance Plan has lapsed, and is invited to take out a new core insurance Plan (with no underwriting) ⁴ . Has 30 days to apply.
90 days to 120 days after premium due date	Has no options to reinstate Plan in capacity as Plan Owner.	Life Insured can take out a new Plan with no underwriting. Any restrictions on this new Plan are below ⁴ .	No impact
120 days after premium due date on last remaining core insurance on the Life Insured	No impact	Option to reinstate passes back to Plan Owner.	The Profit-Share Plan lapses if all core insurances on that Life Insured have lapsed. Any accessible balance will be paid out.
120 days to 1 year after premium due date	Plan can be reinstated subject to: - All outstanding premiums being paid - Underwriting - Life Insured not having taken out new cover under the replacement option	No impact	Not reinstated. If core insurance on this Life Insured is reinstated a new Profit-Share Plan is issued.

⁴Restrictions on new Plan when exercising the replacement option:

Up to \$2m of cover with no financial underwriting, portion over \$2m may request financial justification

Definitions – same or less generous than previously

Sum insured – same or less than previous Plan

Loadings / exclusions – as previous Plan

Premiums – recalculated as new business (whether previous Plan was level or stepped)

Adviser – Default is it remains the same, Life Insured can move to new adviser (provided they are accredited)

Commissions – No year 1 commission. Adviser continues getting renewal commission % as per previous Plan (on new premium)

PLAN OWNERSHIP

Single Plan Owner

Where there is only a single Plan Owner who owns the Plan, that person is the sole owner of the Plan. Should the Member die (who is not also the Life Insured), then ownership will revert to the Member's estate.

Multiple Plan Owners

Where there is more than one Plan Owner, then the insurances provided by the Plan are jointly owned by those persons.

The ownership of the Plan is on a joint tenancy basis and therefore where a Plan Owner dies (who is not also the Life Insured) and they are joint owners of the Plan, then the ownership of that Plan will revert to the surviving owner(s).

Number of Lives Insured

Only one Life Insured is permitted per Plan, except for the Child Insurance Option (where multiple Child Insureds are permitted).

Change of Plan Ownership

At the request of the Plan Owner, the ownership of their Plan may be transferred to another person once the Plan is in force. The transfer will only be effective when:

- The Plan Owner has met NobleOak's requirements, including arranging for the execution of all documentation required by NobleOak and the payment of any applicable stamp duty.
- The transferee must apply for Membership of the PPS Mutual Benefit Fund
- NobleOak has registered the transfer

Where there are joint Members:

- The Plan Owners may choose to transfer their interest in the Plan to another Member of that Plan or to any other person and
- All Plan Owners must agree to the transfer.

Plan Re-issue

Where the Plan can't be assigned e.g. the Member wishes to assign the Plan to a super fund, but some of the terms of the current Plan do not meet superannuation regulations, then a lapse and re-issue can be applied for.

In this case one or more Plans will be issued to replicate the current Plan. The terms of this re-issue are:

- Like for like product terms
- No underwriting
- Continuing Plan for commission purposes i.e. pay renewal commission as it was paid before
- If level premium, the premium continues (subject to any differences between premium calculations for the two environments e.g. if we offer a discount in Super that we apply if going in to Super or be taken away if leaving Super).
- A new Plan will be issued
- Same Sum Insured will be available – i.e. new business maximum sums insured limits waived
- If moving from Super to non-Super then a new non-Super Profit-Share Plan will be issued to the Life Insured (unless one already exists). If moving from non-Super to Super, then a new Super Profit-Share Plan will be issued to the trustee of the Super fund. For accessibility purposes both Profit-Share Plans will remain in-force and be credited with the period that the old Profit-Share Plan had been in-force.

Ownership and Life Insured of Profit-Share Plans

The intention is that the profits are returned to the PPS Mutual Members, who are the Life Insured under the Core Insurances.

Non-Superannuation

The Profit-Share Plan will be owned by the Life Insured under the Core Insurances.

UNDERWRITING

Underwriting philosophy

PPS Mutual's underwriting risk assessment philosophy is to offer a sustainable and best assessment service, whilst considering the individual circumstances of the Life Insured.

Underwriting decisions are evidence based and thus will vary depending on the individual circumstances of each Life Insured.

Underwriting decisions will be made as early as possible and on the appropriate information required to complete the assessment.

Pre-assessments

A pre-assessment is invaluable to ascertain if cover may be available to a Life Insured and what the possible terms may be offered.

A comprehensive pre-assessment service for unusual medical conditions, occupations or hazardous activities is available via InTouch. Should you choose to proceed with an application for cover for a Life Insured, the application will be linked with the previously submitted information. Please note that pre-assessment results are indicative only and the final terms can only be confirmed on completion of the full underwriting process.

Tele-underwriting

Tele-underwriting is a process of the Underwriter having a direct, recorded conversation with the Life Insured. The purpose of tele-underwriting is to gather information in a time efficient manner. Information gathered will include additional information not provided in the personal statement, clarifications of disclosures and the verbal completion of underwriting questionnaires.

The benefits of tele-underwriting include a reduction in the need to obtain additional medical evidence in the form of tests, examinations and reports. Tele-underwriting significantly improves the overall application cycle time. Tele-underwriting also allows for information to be collected at a convenient time and location for the client. It provides a completely confidential conversation to gather sensitive information that the Life Insured may not wish conveyed through a third party.

Please note that tele-underwriting is not suitable for persons under the age of 18 and persons who are not conversant and literate in English.

Mandatory underwriting evidence

In addition to the health, occupation and hazardous activities disclosed within the Personal Statement, any mandatory underwriting evidence will be the minimum medical and financial information needed to assess an application. These mandatory evidence requirements are based on the exposed amount of cover, the benefit type and the age of the Life Insured⁵.

Mandatory medical screening requirements

To determine the mandatory medical requirements, only the cover with PPS Mutual needs to be included. Any existing cover with another Life Office will not be included.

The aggregated amount of the PPS Mutual cover for each benefit will need to be cross-referenced with the Life Insured's age on the set of tables overleaf ⁶. The aggregation of cover will include any existing cover the Life Insured already has in place with PPS Mutual added to the new cover amount. Where the Business Increases Option is included, the sum insured will be multiplied by three (3) to determine the evidence required.

⁵Age as referred in this reference guide is the current age of the individual

⁶The medical evidence required will be a combination of the requirements for each benefit type being applied for

Key

Codes	Evidence
1	Personal Statement
2	Quick Check Medical
3	Quick Check Medical & Bloods
4	Quick Check Medical & Bloods & PMAR
5	Quick Check Medical & Bloods & PMAR (male) or Mammogram (female)
6	Quick Check Medical & Bloods & PMAR & Full Blood Count
7	Quick Check Medical & Bloods, PMAR & Full Blood Count
8	Medical Examination, Exercise ECG, Bloods, PSA (male) or Mammogram (female)
9	Medical Examination, Bloods, Full Blood Count & ESR, MSU (lab urinalysis), PMAR
10	Medical Examination, Exercise ECG, Bloods, Full Blood Count & ESR, MSU (lab urinalysis), PMAR
11	Medical Examination, Exercise ECG, Bloods, Full Blood Count & ESR, PSA (male) or Mammogram (female), MSU, PMAR
12	Medical Examination, Exercise Echocardiogram, Bloods, Full Blood Count & ESR, MSU (lab urinalysis), Chest x-ray, PMAR
13	Medical Examination, Exercise Echocardiogram, Bloods, Full Blood Count & ESR, MSU (lab urinalysis), PSA (male) or Mammogram (female), Chest x-ray, PMAR
14	Medical Examination, Exercise Echocardiogram, Bloods, Full Blood Count & ESR, Cotinine (non-smoker), MSU (lab urinalysis), Urinary Drug Screen, Pulmonary Spirometry, Chest X-Ray, PMAR
15	Medical Examination, Exercise ECG, Bloods, Full Blood Count & ESR, PSA (male) or Mammogram (female), PMAR
16	Medical Examination, Exercise Echocardiogram, Bloods, Full Blood Count & ESR, Cotinine (non-smoker), PSA (male) or Mammogram (female), MSU (lab urinalysis), Urinary Drug Screen, Pulmonary Spirometry, PMAR

Bloods: MBA20 with lipids, HIV, Hepatitis B & C

Life Insurance and Total and Permanent Disability Insurance

Sum Insured (\$)	Age						
	18-45	46-50	51-55	56-60	61-65	66-70	71+
100,000-250,000	1	1	1	1	1	1	1
250,001-500,000	1	1	1	1	1	2	2
500,001-750,000	1	1	1	1	2	3	3
750,001-1,000,000	1	1	1	3	3	3	3
1,000,001-1,500,000	1	1	3	3	3	3	3
1,500,001-2,000,000	1	3	3	3	3	3	3
2,000,001-2,500,000	1	3	3	3	3	3	3
2,500,001-3,000,000	3	3	3	3	3	3	3
3,000,001-5,000,000	4	4	4	4	4	4	4
5,000,001-10,000,000	9	10	11	11	11	11	11
10,000,001-20,000,000	12	12	13	13	13	13	13
>20,000,000	14	14	14	14	14	14	14

Trauma Insurance

Sum Insured (\$)	Age				
	18-45	46-50	51-55	56-60	61-65
100,000-500,000	1	1	1	1	2
500,001-1,000,000	1	1	1	3	3
1,000,001-1,500,000	2	3	5	8	8
> 1,500,000	6	7	15	15	14

Income Protection Insurance and Business Expenses Insurance

Sum Insured (\$)	Age			
	18-45	46-50	51-55	56-60
4,000 -10,000	1	1	1	1
10,001-15,000	2	3	3	3
15,001-20,000	3	3	3	3
20,001-30,000	4	4	4	4
30,001-40,000	4	4	4	4
>40,000	16	16	16	16

Mandatory financial screening requirements

To determine the mandatory financial requirements, the aggregated amount of cover for each PPS Mutual benefit is cross-referenced with the purpose of cover in the tables below⁷. ALSO, ANY EXISTING COVER THAT IS IN PLACE WITH ANY OTHER LIFE OFFICES will influence the requirements.

Life Insurance	Personal Cover/ Family Protection	Business Cover Loan Protection	Business Cover Buy/Sell	Business Cover Key Person	Business Cover Key Person- Venture Capital
\$0 - \$2,500,000	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement
\$2,500,001 - \$7,500,000	<ul style="list-style-type: none"> Financial Questionnaire (FQ) or Statement of Advice (SoA) 	<ul style="list-style-type: none"> FQ or SoA Business Entity Tax Return(s) (BETRs) including Profit and Loss Statements & Balance Sheets for all entities Evidence of Loan 	<ul style="list-style-type: none"> FQ or SoA including methodology & details as to how business value was derived BETRs including Profit and Loss Statements & Balance Sheets for all entities 	<ul style="list-style-type: none"> FQ or SoA BETRs including Profit and Loss Statements & Balance Sheets for all entities Statement to demonstrate key person status of the Life Insured 	<ul style="list-style-type: none"> FQ or SoA BETRs including Profit and Loss Statements & Balance Sheets for all entities Statement to demonstrate key person status of the Life Insured
\$7,500,001 - \$25,000,000	<ul style="list-style-type: none"> FQ or SoA Personal Income Tax Return BETRs including Profit and Loss Statements & Balance Sheets for all entities (if self-employed or business owner) 	<ul style="list-style-type: none"> FQ or SoA BETRs including Profit and Loss Statements & Balance Sheets for all entities Evidence of Loan 	<ul style="list-style-type: none"> FQ or SoA including methodology & details as to how business value was derived BETRs including Profit and Loss Statements & Balance Sheets for all entities 	<ul style="list-style-type: none"> FQ or SoA BETRs including Profit and Loss Statements & Balance Sheets for all entities Statement to demonstrate Key Person status of insured 	<ul style="list-style-type: none"> FQ or SoA BETRs including Profit and Loss Statements & Balance Sheets for all entities Statement to demonstrate Key Person status of insured

Life Insurance	Personal Cover/ Family Protection	Business Cover Loan Protection	Business Cover Buy/Sell	Business Cover Key Person	Business Cover Key Person- Venture Capital
>\$25,000,000	<ul style="list-style-type: none"> ▪ FQ to be signed by an independent third party (Solicitor, Auditor, Accountant, Bank Manager) ▪ Business accounts (full copies of audited company financial statements for the past 3 years) 	<ul style="list-style-type: none"> ▪ FQ to be signed by an independent third party (Solicitor, Auditor, Accountant, Bank Manager) ▪ Business accounts (full copies of audited company financial statements for the past 3 years) ▪ Copy of full and final loan offer from Principal Lender ▪ Where the loan is to purchase an asset, a copy of the asset valuation certificate ▪ The business plan, prospectus or presentation to lender 	<ul style="list-style-type: none"> ▪ FQ to be signed by an independent third party (Solicitor, Auditor, Accountant, Bank Manager) ▪ Business accounts (full copies of audited company financial statements for the past 3 years) ▪ Copy of the company valuation detailing how the valuation has been determined (carried out by an appropriately qualified independent third party) 	<ul style="list-style-type: none"> ▪ FQ to be signed by an independent third party (Solicitor, Auditor, Accountant, Bank Manager) ▪ Business accounts (full copies of audited company financial statements for the past 3 years) ▪ Statement from the board of the business (where applicable) on why the Life Insured is key to the business ▪ Copy of the Life Insured's Curriculum Vitae or Résumé 	<ul style="list-style-type: none"> ▪ FQ to be signed by an independent third party (Solicitor, Auditor, Accountant, Bank Manager) ▪ Business accounts (full copies of audited company financial statements for the past 3 years) ▪ Statement from the board of the business (where applicable) on why the Life Insured is key to the business ▪ Copy of the Life Insured's Curriculum Vitae or Résumé

⁷ The financial evidence required will be a combination of the requirements for each benefit type and purpose of cover being applied for.

Total and Permanent Disability Insurance

TPD Insurance	Personal Cover/ Family Protection	Business Cover Loan Protection	Business Cover Share Purchase or Buy/Sell	Business Cover Key Person	Business Cover Key Person- Venture Capital
<\$2,000,000	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement
\$2,000,001-\$3,000,000	<ul style="list-style-type: none"> Financial Questionnaire (FQ) or Statement of Advice (SoA) 	<ul style="list-style-type: none"> FQ or SoA Evidence of Loan 	<ul style="list-style-type: none"> FQ or SoA including methodology & details as to how business value was derived 	<ul style="list-style-type: none"> FQ or SoA Statement to demonstrate key person status of the Life Insured 	<ul style="list-style-type: none"> FQ or SoA Statement to demonstrate key person status of the Life Insured
\$3,000,001-\$5,000,000	<ul style="list-style-type: none"> FQ or SoA Personal Income Tax Return BETRs including Profit and Loss Statements & Balance Sheets for all entities (if self-employed or business owner) 	<ul style="list-style-type: none"> FQ or SoA Personal Income Tax Return BETRs including Profit and Loss Statements & Balance Sheets for all entities Evidence of Loan 	<ul style="list-style-type: none"> FQ or SoA including methodology & details as to how business value was derived BETRs including Profit and Loss Statements & Balance Sheets for all entities 	<ul style="list-style-type: none"> FQ or SoA Personal Income Tax Return BETRs including Profit and Loss Statements & Balance Sheets for all entities Statement to demonstrate Key Person status of insured 	<ul style="list-style-type: none"> FQ or SoA Personal Income Tax Return BETRs including Profit and Loss Statements & Balance Sheets for all entities Statement to demonstrate Key Person status of insured

Trauma Insurance

Trauma Insurance	Personal Cover/ Family Protection	Business Cover Loan Protection	Business Cover Share Purchase or Buy/Sell	Business Cover Key Person	Business Cover Key Person- Venture Capital
\$0 - \$1,500,000	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement 	<ul style="list-style-type: none"> Income details from the Personal Statement
\$1,500,001-\$2,000,000	<ul style="list-style-type: none"> Financial Questionnaire (FQ) or Statement of Advice (SoA) 	<ul style="list-style-type: none"> FQ or SoA Evidence of Loan 	<ul style="list-style-type: none"> FQ or SoA including methodology & details as to how business value was derived 	<ul style="list-style-type: none"> FQ or SoA Statement to demonstrate key person status of the Life Insured 	<ul style="list-style-type: none"> FQ or SoA Statement to demonstrate key person status of the Life Insured

Income Protection Insurance and Business Expenses Insurance

Income Protection Insurance (Agreed)	Practicing PPS Eligible Professional	White Collar	Blue Collar
Employed	Monthly benefit >\$15,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns 	Monthly benefit >\$10,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns 	Monthly benefit >\$5,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns
Self-employed	Monthly benefit >\$15,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns BETRs including Profit and Loss Statements & Balance Sheets for all entities 	Monthly benefit >\$10,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns BETRs including Profit and Loss Statements & Balance Sheets for all entities 	Monthly benefit >\$5,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns BETRs including Profit and Loss Statements & Balance Sheets for all entities

Income Protection Insurance (Indemnity)	Practicing PPS Mutual Eligible Professional	White Collar	Blue Collar
Employed	Monthly benefit >\$20,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns 	Monthly benefit >\$15,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns 	Monthly benefit >\$10,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns
Self-employed	Monthly benefit >\$20,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns BETRs including Profit and Loss Statements & Balance Sheets for all entities 	Monthly benefit >\$15,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns BETRs including Profit and Loss Statements & Balance Sheets for all entities 	Monthly benefit >\$10,000 - \$40,000 <ul style="list-style-type: none"> FQ or SoA Personal Income Tax Returns BETRs including Profit and Loss Statements & Balance Sheets for all entities

- Where Endorsed Agreed Value Income Protection Benefits are applied for, Mandatory Financial Screening Requirements will be required irrespective of the sum insured
 - Where Personal Income or Business Entity Tax Returns are required, these should be provided for the last 3 years
 - Where Business Entity Tax Returns are required, these should include all associated entities that the insured has control over or an interest in
 - Where an application for both Income Protection Insurance and Business Expense Insurance is received, the financial evidence requirements will be based on the highest benefit applied for
 - Where the Life Insured is not self-employed, 3x Group Certificates (PAYG Summary Statements) or a letter from the Employer setting out the Life Insured's remuneration over the past 3 years can be accepted in lieu of Personal Income Tax Returns
- NB** – Benefit amounts >\$40,000 per month will require the following additional evidence
- Financial Questionnaires to be signed by an independent third party (Solicitor, Auditor, Accountant, Bank Manager)
 - Business accounts must be full copies of audited company financial statements for the past 3 years

TRANSFER TERMS

Where existing eligible insurances are being replaced by a new like-for-like application for Professionals Choice benefits, the mandatory medical evidence may be waived.

In all instances, a full Personal Statement will be required, upon the assessment of which PPS Mutual may call for additional underwriting requirements or insist upon the mandatory medical evidence.

In order for an application to be considered under these concessional terms the following criteria all apply.

Eligible cover types

Cover	Age limit	Maximum sum insured
Life Insurance	65 age next birthday	\$5,000,000
Total and Permanent Disability Insurance	60 age next birthday	\$2,000,000
Trauma Insurance	60 age next birthday	\$1,000,000
Income Protection Insurance and Business Expenses Insurance	60 age next birthday	\$15,000 per month (total combined cover)

- The existing insurance must have been fully underwritten (i.e. not accepted under modified or limited underwriting requirements or on prior transfer terms) within the previous 5 years
- A new full Personal Statement to be provided
- A copy of the qualifying insurances original Personal Statement to be provided
- A copy of a current Plan Schedule schedule/benefit statement validating the currency of cover and the cover terms
- The qualifying insurances should not have loadings or exclusions that exceed
 - Life / TPD / IP / BE: +100% or two exclusions.
 - Trauma: +50% or one exclusion.
- The qualifying insurances must be 'like-for-like' cover. For example, existing Trauma Insurance must cover equivalent (or lessor) conditions
- The new insurance application cover amounts must not exceed the existing cover, currently in force, and which are being replaced (including indexation)

Medical providers

PPS Mutual, have retained the services of Medical Record Exchange (MRE), who are part of Zedmed Pty Ltd, to gather any required medical history reports (i.e. PMAR'S and BMR'S) and Lifescreen Australia to arrange the various medical screening tests, such as Medical Exams, Quick Check Medicals and Blood Tests. These providers will be utilised as the default providers until or unless otherwise advised or exceptional situations arise.

Advisers may also retain the services of their own preferred medical testing collectors.

The approval of payment for these medical tests will be subject to the provider charging reasonable rates. The underwriter will reserve the right to reject any collection agency that does not deliver according to the industry standards for medical screening.

Please refer any enquiries in this regard to the Adviser Services team on 1300 401 607.

Contact details

Medical Record Exchange

Telephone: **1300 933 833**
Fax: **(03) 8687 0610**
Email: **support@mrexchange.com.au**

Lifescreen

Telephone: **1800 686 000**
Fax: **1800 804 758**
Email: **lifescreen@lifescreen.com.au**

OCCUPATIONAL UNDERWRITING

This section of the Adviser Guide deals with the application of PPS Mutual's occupation classification.

PPS Mutual Membership is contingent on the Life Insured's eligibility to practice as a professional in an exclusive selection of professions (refer to page 4 for details).

However, the Life Insured, whilst eligible to practice may actually be working in a different role. Thus, the Life Insured's occupational classification will be determined based on the actual occupational duties and not only the profession or job title or eligible profession

that they are qualified in. It is important to provide full detail regarding the Life Insured's occupational duties at time of application so that the appropriate occupational classification can be determined.

PPS Mutual has the following occupational classifications:

Occupation Class	Occupation Class Description
AE, AP, AL, AM	PPS Mutual professions working in their eligible profession.
A	White collar workers where the nature of the work is sedentary
B	White collar workers where the nature of the work includes non-sedentary tasks
C	Light blue-collar workers
D	Heavy blue-collar workers
E	Occupations with special features or increased risk exposure
HD	Home Duties

If the Life Insured has a second or additional occupation, the occupation classification may be based on the more hazardous of the occupations, dependant on the nature and extent of involvement in the other occupations.

The full list of occupations is available via the quotation on InTouch.

For certain occupations it will not be possible to predetermine the occupation classification. These occupations should be referred to the underwriter for assessment and rate determination prior to a quotation being prepared. Please refer to the section on Underwriting Pre-assessments in this guide.

Armed forces

Income Protection Insurance, Business Expenses Insurance and Total and Permanent Disability Insurance are not available for full time armed forces personnel.

Life Insurance and Trauma Insurance will be considered (except for certain roles e.g. special forces).

All cover can be considered for members of the Australian Army Reserve. The occupation classification will be based on their normal primary occupation.

If there are known plans of pending active duty, cover may not be available.

Expatriates

PPS Mutual will consider insuring members who are temporary residents outside the borders of Australia. Each application will be subject to underwriting of the individual circumstances.

Minimum criteria for the consideration of cover will apply, these are:

An expatriate clause will be applied to the Plan

The Member must hold valid Australian Citizenship or Permanent Residency status

The period of stay outside the borders of Australia or New Zealand should be 5 years or shorter, with the Life Insured providing sufficient evidence of ties back to Australia which confirms their intentions to return to Australia

Proof of contract terms and period of stay to be supplied

The territory of temporary residence should have a status on the Department of Foreign Affairs and Trade, Travel Advisory service (or equivalent) of DFAT 2 or better

Normal new business, underwriting and claim practices will apply to any Plan issued to an expatriate Member:

All insurance medical examinations must be completed in English and reasonable costs will be reimbursed in Australian Dollars. To ensure the costs of the medical evidence will be met by PPS Mutual in the event of high fees, please contact the Adviser Services team prior to engagement

All premiums must be paid from an Australian bank account

/ credit card in Australian Dollars

Any claims will be paid into an Australian bank account in Australian Dollars

All benefit types will be considered, with the following additional criteria for Income Protection Insurance and Business Expense Insurance:

Minimum waiting period will be 90 days

Only Indemnity cover will be considered

Eligible items for the Life Insured's Personal Exertion Income will be limited to –

Salary and Superannuation (or equivalent)

Regular commissions (minimum 2-year average) and regular bonuses (minimum 2-year average)

Hours worked

Individuals who regularly work long hours present a risk from a health and income perspective and where the Life Insured works more than 60 hours per week on a regular basis, we may reduce the level of cover that we are prepared to insure on a pro-rata basis or modify the benefit period available.

More than one occupation

Many people have more than one occupation, so they can supplement their main income. This is generally for personal economic reasons.

We will assess each of these applications on an individual basis and the following guidelines will usually be followed:

- the occupation rating that will be used will be based on the highest risk occupation
- from a financial underwriting perspective, if the two occupations are not related we will in most cases only consider the income earned from the principal occupation
- if the two occupations are related, we may be able to consider covering both sources of income
- we will only consider covering the income from both occupations if the Life Insured has been working in the second occupation for at least 12 months

Part-time employment

Consideration may be given to permanent part-time employees working regular hours, away from home and for at least 20 hours per week.

It will be preferable if the Life Insured has established a pattern of ongoing regular part-time work for a period of at least 12 months.

Special consideration will be given to waiving this 12-month requirement for qualified professionals returning to part-time work after maternity or paternity leave.

Working from home

A Life Insured who works from his or her place of residence could present a number of challenges at the time of an Income Protection Insurance claim.

It may be difficult for the claims assessor to gauge the level of ongoing disability and the amount of work which may actually still be able to be performed.

Should a Life Insured work from their place of residence, the following information will be useful for the Underwriter and should be provided with the application:

- if the office has a separate entrance open to the public
- if the office is separate to the living areas in the home
- If there is a separate phone line dedicated to the business
- the frequency and the nature of contact with clients
- the percentage of the client contact that is face to face
- how often and for what reasons the Life Insured needs to leave the premises in order to conduct business

Where the Life Insured has a separate office from the main living area, and is dependent on regular face to face customer contact, a 30-day waiting period and a benefit period to age 65 may be available. Other applications may be considered for 90-day waiting periods only, with a maximum benefit period of two years.

FINANCIAL UNDERWRITING

Purpose

The overall purpose of financial underwriting is to:

- determine that the Insurance Plan proceeds, cover any financial losses and liabilities in effect at the time of the death, disability or the occurrence of a traumatic event of the Life Insured
- minimise the 'moral' risk by ensuring that the Life Insured or their beneficiaries are not in a significantly better financial position after the occurrence of the insured event
- minimise the risk of early lapse of the policy by ensuring that the level of insurance cover is appropriate, and the premiums are affordable

Financial underwriting is not just about the sum insured, the Underwriter must also consider other factors, such as requested Plan type, term and beneficiary.

Such considerations could result in various outcomes, including:

- full acceptance of the application as proposed
- accepting the sum insured as proposed, but reducing the term of the cover
- reducing the sum insured and / or the term of the cover
- limiting indexation or other rider benefits
- requesting further clarification or evidence
- declining the cover

Common terms

There are several common terms that are abbreviated in the guidelines. Use the key below as a reference guide to understand these abbreviations:

- **ABN** – Australian Business Number
- **Accounts** – BETRs, PL& BS for all entities the Life Insured has an ownership interest in (directly or otherwise)
- **ATO** – Australian Tax Office
- **AV** – Agreed Value
- **BE** – Business Expenses Insurance
- **BS** – Balance Sheet
- **BETR** – Business Entity Tax Return
- **IP** – Income Protection Insurance
- **EAV** – Endorsed Agreed Value
- **LI** – Life Insured
- **OIC** – Ongoing Income Clause
- **PITR** – Personal Income Tax Return
- **PL** – Profit & Loss
- **SoA** – Statement of Advice
- **TFN** – Tax File Number
- **TPD** – Total and Permanent Disability Insurance
- **RR** – Replacement Ratio (IP cover only) as follows,

75% of the first \$320,000 per annum of their Personal Exertion Income, plus

50% of the next \$240,000 per annum, plus

20% of the balance of income, subject to an overall maximum of \$60,000 per month (from all sources).

Maximum cover amounts

Life Insurance

Generally, there is no maximum cover amount, but all cover is subject to financial underwriting

Total and Permanent Disability Insurance - Home duties definition

- \$2,000,000 from all sources (cover amounts above \$1,000,000 require financial substantiation)

General cover definition

- \$3,000,000 from all sources (subject to financial justification)

Own and Any Occupation definition

- \$5,000,000 from all sources (subject to financial justification)

Trauma Insurance

- \$2,000,000 (from all sources)
- Non-income earning Life Insured's are generally restricted to \$1,000,000 (from all sources)

Personal insurance

The purpose of personal insurance is to protect the Life Insured's dependants against any financial loss arising from the Life Insured's death, disability or the occurrence of a traumatic event.

Personal insurance generally includes insurance for:

- Personal and/or family protection
- Personal loan protection (that is, loans that are repaid using personal income).

Financial evidence may be requested if the income disclosed does not appear to support the benefit proposed based on basic multiples.

The following table may be used as a guide for calculating an appropriate amount of Life Insurance and TPD Insurance.

Age	Multiple of personal exertion income ⁸
< 41	15 – 30
41 – 50	15 – 25
51 – 60	10 – 15
> 60	5 – 10

⁸Sliding scale multiples for Life cover apply based on number of dependants and ages. Multiples at the lower end of the range in each case will be applied for TPD cover

The underwriters will also take into consideration factors such as the:

- Life Insured's net worth including any liabilities
- Age/s and number of dependants, if any of these dependents have long term disabilities
- Occupations where income is likely to increase at a higher than average rate

The following table can be utilised as a guide for calculating an appropriate level of Trauma Insurance

Age	Multiple of personal exertion income
< 41	7 – 10
41 – 50	7 – 10
51 – 60	5 – 7
> 60	2 – 5

Non-income earning Life Insured

These lives include homemakers and tertiary students. Cover will be generally limited to an amount up to \$1,000,000 in respect of Life, Trauma and TPD benefits. If justification for cover above this level is supplied, it will be considered on a case-by-case basis.

Such justification could be in the form of a statement from the Life Insured detailing the following:

- the need for the cover and how the cover amount was determined
- the personal exertion income of the income generating spouse/partner, if applicable
- unearned income details (e.g. interest, rent or dividends)
- assets and liabilities of the overall family
- the number of dependants and their ages
- any existing insurance in force on both the income-generating spouse and their partner⁹
- any other helpful information (e.g. a child with a severe disability who requires full time care)

⁹NB if appropriate levels of cover are not in place or being proposed on the other business partner/s, the application will be treated with care and further substantiation obtained

Business insurance

Business insurance includes insurance for:

- Key person protection
- Business protection – shareholder and partnership protection

Key person protection – Life and Total and Permanent Disability Insurance

This cover is intended to protect a business from the negative effects on business activity caused by the Death or Total and Permanent Disablement of any person whose presence is considered vital for its continued wellbeing.

These key people are employees to whom profits can be directly attributable. They may possess sound knowledge and experience in a specific field of business and have valuable customer and industry / business contacts.

Key person insurance is intended to cover such things as:

- The loss of profitability within the business
- The cost of recruitment of a replacement
- The training of replacement staff with specialised skills or knowledge
- The repayment of venture capital which was made available based on the business opportunity or the specialist knowledge or skill of the Life Insured

The need for Key person cover is particularly important in the

small to medium-sized business sector. Generally, the larger the business, the less vulnerable the business is to the loss of one important employee.

Some important considerations for Key person protection cover are:

- the type of business and performance of that business (and sector of industry) over the last two years
- details of the management structure
- who are the key people and why they are key within the business
- the total salary bill for the business compared to the remuneration of the key person
- if all key people are being insured
- if any other insurance cover is in place on the key people
- significant shareholders are not automatically key personnel¹⁰
- Often Key person cover turns out to be business loan protection. These applications can be assessed under the guidelines for business loan cover, however, we need to understand in these circumstances why the Life Insured is not the company owner

¹⁰The individual would need to be active in the company and essential for its continued existence

Calculating the sum insured for Key Person protection

There are different methods for calculating the sum insured for Key person insurance covers:

Key Person – replacement cost

1. Multiple of remuneration:

The most common method is to adopt a multiple of remuneration method. This is a sensible calculation basis for employees with no ownership in the business, as in many cases their salary should reflect their value to the company.

Multiply the Key Person's annual remuneration package by 5 to 10 times¹¹.

2. Estimated replacement costs:

An alternative method is to base the sum insured on the sum of various cost impacts including:

- recruitment and relocation costs
- any training costs
- costs associated with short term contractors
- advertising expenses, and
- replacement salary to attract an appropriate replacement

Key Person – venture capital

Consider up to the full amount of the loan if the purpose of the loan is for working capital.

Where funds are obtained to fund the purchase of an asset, the asset value over time should provide coverage for the loan. Cover should therefore be based on the value to maintain payments on the asset until it is opportune to dispose of it.

Key Person – loss of profits

Either¹²:

- 2x the average of the previous 2 years gross profit x the proportion of profits attributable to the Key person
- 5x the average of the previous 2 years net profit x the proportion of profits attributable to the Key Person

¹¹ This depends on the size of the company, the age of the Key Person and the time it will take to replace them. If the insurance proceeds are taxable to the company, then a higher multiple may be used

¹² It is believed that gross profit (turn over less cost of sales) is the more appropriate method

Business protection – Share Purchase / Buy and Sell

The basic principle behind this insurance is to provide cover on all partners involved in a business.

The cover on each shareholder or partner should be proportionate to his or her respective shareholding in the business.

On death or disablement, the plan proceeds provide a lump sum to allow the remaining partners to purchase the deceased or disabled partner's share in the business.

This form of insurance enables the business to continue with a minimum of disruption by:

- supplying an amount of cash for purchase of the insured's share of the business, and/or
- excluding the involvement of the Life Insured's beneficiaries in the day-to-day running of the operation (for which they may not possess the knowledge or skill)

Important considerations for business protection:

- each partner's percentage share in the business
- the value of the business including the method used in deriving the valuation
- details of any other business partners insurance cover
- if all shareholders/partners are being insured
- the business must be profitable with positive net assets
- financial evidence must be recent and freely available
- the value of company shares if listed on the stock market
- existence of a buy-sell agreement as part of an overall business succession plan
- existence of a cross-purchase agreement between partners

Calculating the sum insured for business protection

- the value of the business and the valuation method used will be required
- we will only cover the percentage of the business that the Life Insured owns
- we may reduce the sum insured where the application overlaps with other in-force coverage, or if there are other underwriting considerations
- allowances can be made for tax implications

Income Protection Insurance

The purpose of Income Protection cover is to provide the Life Insured with replacement income when an accident or sickness prevents them from working.

The benefit offered is subject to a Replacement Ratio (RR) calculated on the following formulae¹³:

- 75% of the first \$320,000 per annum of their Personal Exertion Income, plus
- 50% of the next \$240,000 per annum, plus
- 20% of the balance of income, subject to an overall maximum of \$60,000 per month (from all sources).

Any Income Protection Insurance benefits in excess of \$30,000 per month will be offered on a 2-year benefit period.

There are three benefit types of Income Protection Insurance, these are:

- Endorsed Agreed Value
- Agreed Value
- Indemnity

Endorsed Agreed Value

If the benefit type is an Endorsed Agreed Value Income Protection Plan, the monthly benefit will be the amount that is shown in the most recent Plan schedule, less any offsets.

Agreed Value

If the benefit type is an Agreed Value Income Protection Plan, the monthly benefit will be the amount that is shown in the most recent Plan schedule, less any offsets. Financial evidence may be required at claim time to justify the monthly benefit amount at the commencement of the Plan or in the intervening period.

Agreed Value Premium Saver

Under an Agreed Value or Endorsed Agreed Value Income Protection Plan the Life Insured will automatically receive a 10% discount to the premium at the commencement of the Plan.

If we receive satisfactory financial evidence every 3 years, the Life Insured will continue to receive the 10% discount.

Indemnity

If the benefit type is an Indemnity Income Protection Plan, the monthly benefit payable will be calculated based on the pre-disability earnings, less any offsets.

Pre-disability monthly earnings or pre-disability earnings

- For agreed value this is the highest average monthly earnings for any consecutive 12-month period between 1 year prior to commencement of the Plan and the date of the disability.

- For indemnity, this is the highest average monthly earnings for any consecutive 12-month period in the 3 years prior to the disability. If the Life Insured is on sabbatical, maternity or paternity or long service leave, this will be based on the average monthly earnings in the 12 months prior to the date of commencement of the period of leave.

Once on claim, the Pre-disability monthly earnings will increase by the rate of CPI at each claim anniversary.

¹³ At inception of the insurance benefits (i.e. before any indexation)

Bankruptcy

Please refer to Underwriting before submitting an application for Life Insurance or Trauma Insurance.

For Total and Permanent Disability Insurance, Income Protection Insurance and Business Expenses Insurance, any Life Insured who is an undischarged bankrupt will not be eligible.

Any Life Insured who has been declared a discharged bankrupt will have their applications considered where they have been operating a profitable business for a minimum of three years or working as an employee for a minimum of 12 months. Any Life Insured will be assessed on the circumstances of the bankruptcy and full financial evidence.

On Income Protection Insurance, offers of cover may be restricted to an Indemnity definition and reduced benefit periods. Total and Permanent Disability Insurance benefit amounts may be restricted.

Insurable income

A life insurance or disability insurance contract is designed and priced to provide benefits to replace income that would no longer be paid to the Life Insured if they were unable to work through death, illness or injury. In order to determine if the benefit amounts sought by the Life Insured are appropriate, the Underwriter or Claim Assessor must determine the 'insurable income'. In underwriting and claim assessment insurable income is also referred to as personal exertion income (PEI).

PEI differs from the generally accepted, by society, definition of income, in that it does not include income that is earned passively by the Life Insured. Examples of passive income include dividends, rental income and gifts. It should also be noted that insurable income for a particular period does not necessarily equate to the Life Insured's taxable income. This is because taxable income for a particular period will include one off items as well as unearned income.

Determining insurable income

Employed persons

For employed persons, this can include the Life Insured's total package from employment, including commissions*, bonuses*, fringe benefits*, employer superannuation contributions and any other items relating to their own efforts.

*Commissions, bonuses and overtime will only be included if they have been part of the insured person's income for the past 3 years. If these have fluctuated over the past 3 years you may utilise an average amount, unless the trend for these benefits is downward then the lowest figure shall be used.

Determining insurable income

Self-employed persons

For self-employed persons (where the Life Insured owns all or part of the business or practice), income is determined from their share of income earned from the business as a result of their personal exertion, less their share of the business expenses incurred in earning that income (net profit). The calculations must include all entities in the business structure that the Life Insured owns or has an ownership interest in, either directly or indirectly. In addition, certain expenses are deemed to be incurred on behalf of the Life Insured and may contribute to their insurable income. We refer to these expenses as Addbacks as we accept that they are added back to the Life Insured's share of net profit in determining their insurable income.

In determining the insurable income, the underwriter/claim assessor will follow these steps

1. Establish the business structure. For example, if the business is a single entity or multi-entity business.
 2. Determine the Life Insured's ownership interest in each of the business entities.
 3. Review the financial evidence (Profit and Loss statements, Individual and Business Entity Tax returns) to calculate the net profit.
 4. Ignore entities where the sole income results from dividends, distributions or drawings and review the source entity of those items and calculate the net profit of those entities.
 5. Identify any management fees, service fees or administration fees and determine if the Life Insured has any ownership interest in the entities that these fees are paid to.
 6. If the insured holds any ownership interest in any associated management/service or admin entity calculate the net profit.
 7. Determine eligible Addbacks and include them to the Life Insured's share of net profits.
8. Review the past three years personal exertion income:
 - a. Where the income is increasing, use an average of the three years for agreed value cover and the highest for indemnity.
 - b. Where the income fluctuates, determine if these fluctuations are reasonable and use an average, if the most recent year is higher than the previous year, if lower use the lower amount.
 - c. Where income is decreasing, the Underwriter will seek understanding of what the reasons are before determining a benefit amount or if an application will be accepted.
 9. NOTE: Where net losses have been recorded in any business or associated entities, the Life Insured's respective share of these losses needs to be included in any income calculations.

Eligible addbacks

Eligible addbacks only apply to business owners and not employees.

A number of legitimate business expenses that are routinely processed through a business' Profit and Loss accounts reduce the profit figure attributable to the business. This impacts on the calculation of personal exertion income. The Underwriter and Claims Assessor will allow certain of these expenses to be added back to the calculations in determination of the Life Insured's (the business owner) personal exertion income.

These addbacks can be grouped generally into three categories:

1. Personal addbacks
 - a. Director's fees of the Life Insured
 - b. Salary/wages of the Life Insured
 - c. Superannuation of the Life Insured
 - d. Motor vehicle expenses incurred for personal use
 - e. Donations made by the Life Insured
 - f. Income splitting (including director's fees, salary/wages and superannuation)
2. Business addbacks
 - a. One-offs (e.g. losses on sale of assets)
 - b. Depreciation
 - c. Amortisation
3. Miscellaneous addbacks¹⁴
 - a. Administration/management/consultancy fees or other fees paid to related parties
 - b. Rent paid to related parties above the market related, arms-length rental

¹⁴ Adequate evidence of the payment of these fees and how they relate to the personal exertion income of the Life Insured must be provided for them to be included as an addback

Agreed Value Premium Saver

If the Life Insured has an Agreed Value or Endorsed Agreed Value Income Protection Plan they will automatically receive a discount to the premium at the commencement of the Plan.

If they provide us with satisfactory financial evidence every 3 years, they will continue to receive a discount. The Plan will be assessed on whether the evidence supports their current monthly benefit or a higher or lower monthly benefit.

If the financial evidence supports the current monthly benefit, then:

- The premium discount continues to apply
- The level of monthly benefit continues
- The Plan will be Endorsed Agreed Value.

If the financial evidence supports a higher monthly benefit, then automatically:

- The premium discount continues to apply.
- The level of monthly benefit stated under the Plan continues,
- The Plan will be Endorsed Agreed Value.

Alternatively, the Life Insured has the option to increase their monthly benefit either using the Future Increases Benefit (up to the Future Increase Benefit limits), or via medical underwriting above these limits:

- The premium discount continues to apply.
- The level of monthly benefit increases,
- The Plan will be Endorsed Agreed Value.

If the financial evidence supports a lower monthly benefit, then automatically:

- The premium discount ceases
- The level of monthly benefit stated under the Plan will continue.
- If the Plan has been Endorsed Agreed Value, then it will remain Endorsed Agreed Value
- If the Plan has been Agreed Value, then it will remain Agreed Value

Note: If the Life Insured retains an Agreed Value or Endorsed Agreed Value Income Protection Plan (but the discount ceases) and if they submit financial evidence at any time in the future that supports the monthly benefit, we will reinstate the discount.

Alternatively, the Life Insured has the options to either reduce the monthly benefit to the level supported by the financial evidence, if they do so:

- The premium discount continues to apply
- The level of monthly benefit under the Plan insured will decrease
- The Plan will be Endorsed Agreed Value.

Note: If the Life Insured reduces their monthly benefit, they will only be able to increase their benefit via the usual increase methods (e.g. via Financial Increase Benefit or medical and financial underwriting).

Or

The Life Insured can move to an Indemnity Income Protection Plan:

- The Income Protection Insurance Plan premiums will be recalculated to Indemnity premium rates with the same or lower monthly benefit.

Note: If the Life Insured moves to an Indemnity Income Protection Insurance Plan, they will only be able to revert to an Agreed Value or Endorsed Agreed Value in the future via medical and financial underwriting.

New in business / newly self-employed

Income Protection Insurance is usually not available to people who are newly self-employed in their field of expertise, or who are starting a business in a new field.

In these situations, the success of the new business and the ongoing income are uncertain. A person who is successful in their field will not necessarily be competent in running a business as a self-employed person.

Income Protection cover can be considered on newly self-employed clients where that person has had previous and well-established experience in a similar occupation and there are factors to support that business failure is a reduced possibility. The Underwriter may restrict cover to a maximum benefit period of two years¹⁵ and will apply a 'new in business' clause¹⁶.

¹⁵This can be reviewed in 24 months' time – subject to evidence of business profitability and stability

¹⁶This means that if the Life Insured becomes totally or partially disabled within twelve months, the monthly benefit payable will be based on the average monthly earnings since the commencement date of the Plan and the date of disability

Newly qualified professionals

Newly qualified professionals as shown below are eligible for insurance without the need for mandatory financial evidence up to the limits shown.

Eligibility:

- the Life Insured must have registered or received their licence within the last three years, and
- working full time, and
- generating an income

Occupation	Life Insurance	TPD Insurance	Trauma Insurance	Income Protection Insurance (Endorsed Agreed Value)
Accountant graduate	\$2,500,000	\$2,000,000	\$1,000,000	\$4,500 per month
Accountant CPA / CA	\$3,000,000	\$2,500,000	\$1,500,000	\$6,250 per month
Actuarial graduate	\$2,500,000	\$2,000,000	\$1,000,000	\$4,500 per month
Actuarial fellow	\$3,000,000	\$2,500,000	\$1,500,000	\$6,250 per month
Architect	\$2,500,000	\$2,000,000	\$1,000,000	\$4,500 per month
Barrister	\$3,000,000	\$2,500,000	\$1,500,000	\$6,250 per month
Pharmacist	\$2,500,000	\$2,000,000	\$1,000,000	\$6,250 per month
Chiropractor	\$2,500,000	\$2,000,000	\$1,000,000	\$6,250 per month
Dentist	\$3,000,000	\$2,500,000	\$1,500,000	\$10,000 per month
Dental specialist	\$5,000,000	\$2,500,000	\$2,000,000	\$15,000 per month
Doctor (Intern / Registrar)	\$3,000,000	\$2,500,000	\$1,500,000	\$10,000 per month
Doctor specialist¹⁷	\$5,000,000	\$2,500,000	\$2,000,000	\$15,000 per month
Engineer	\$2,500,000	\$2,000,000	\$1,000,000	\$6,250 per month
Optometrist	\$2,500,000	\$2,000,000	\$1,000,000	\$6,250 per month
Physiotherapist	\$2,500,000	\$2,000,000	\$1,000,000	\$6,250 per month
Quantity surveyor	\$2,500,000	\$2,000,000	\$1,000,000	\$4,500 per month
Solicitor	\$3,000,000	\$2,500,000	\$1,500,000	\$6,250 per month
Veterinarian	\$2,500,000	\$2,000,000	\$1,000,000	\$6,250 per month

¹⁷Must have completed a post-graduate specialist qualification (appropriate to their speciality) in the past 3 years

MEDICAL UNDERWRITING

Build - Body Mass Index

Build refers to the height and weight of an individual. Build is usually measured by Body Mass Index (BMI), which is calculated by dividing the weight in kilograms by height in meters squared. The guidelines set by the World Health Organisation (WHO) for build as classified by BMI are shown below.

Build class	BMI range
Underweight	<18.5
Normal	18.5 - 24.9
Overweight	25.0 - 29.9
Obese class 1	30.0 - 34.9
Obese class 2	35.0 - 39.9
Obese class 3 (morbid obesity)	>=40.0

For insurance risk assessment purposes utilising the Body Mass Index is the standard, generally accepted method.

As an independent risk factor, if the BMI is 35 or greater, a Mini Check paramedical examination and a blood profile (MBA20) will be required.

Where co-morbid features (for example, hypertension, hyperlipidaemia, diabetes or where there is a family history of any of these conditions or cardio-vascular disease) the threshold for medical screening may need to be reduced.

Pending surgery

If the Life Insured has a surgical procedure pending, cover may be deferred until a full recovery has been made and the Life Insured has returned to normal duties.

If the Life Insured is undergoing minor procedures which do not require general anaesthesia, cover will be considered on a case by case basis.

Pending investigations

If during the course of underwriting, the Life Insured is undergoing investigation:

- due to recent symptoms or changes to health
- a doctor/specialist is going to be consulted or a repeat visit is scheduled
- results are pending, or a diagnosis has not been reached

Then the application may be declined and re-assessed when the investigations have been completed, specialist consults have been completed or a diagnosis has been made.

Pregnancy at time of underwriting

Life and Trauma Insurance

These covers will be considered up to the due date of delivery, subject to no medical complications being apparent in current or past pregnancies.

Total and Permanent Disability Insurance

TPD cover will be considered up to the due date of delivery, subject to no medical complications in current or past pregnancies being apparent. If the life insured does not intend to return to work or intends to return to work less than 20 hours per week, within 12 months of delivery the occupation classification will be altered to 'Home Duties'. If the insured intends to return to work more than 20 hours week within 12 months of delivery, Any or Own occupation definition can be considered.

Income Protection and Business Expenses Insurance

We may consider these covers without restriction up to the last month prior to the due date on the proviso:

Life Insured is currently working a minimum of 20 hours per week in their occupation and this does not involve working from home.

There are no medical complications in current pregnancy or complications in past pregnancies.

Intends to return to work for a minimum of 20 hours per week within 12 months of the delivery date.

Plan must be completed up to one month prior to expected date of delivery

Up to 27 weeks gestation: Income Protection cover may be considered on an agreed value basis with a monthly benefit commensurate to expected hours working and level of income expectations.

27 weeks gestation and over: Cover is considered on an indemnity basis with a monthly benefit being commensurate to expected hours working and level of income expectations.

MAINTENANCE & ALTERATIONS

How a maintenance / alteration request is submitted

All forms that are required for the maintenance / alteration of a Plan are available on InTouch. They have been created to make servicing your client as efficient as possible.

Alternatively:

All adviser requests can be emailed to adviserservices@ppsmutual.com.au

All member requests can be emailed to memberservices@ppsmutual.com.au

A request can also be initiated via the contact centre number on **1300 401 607**

Opposite is a detailed listing of how changes can be made to Plans and their respective processes and requirements.

Changes to Insurance

Process	Evidence / Approval required	Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Reduction of waiting period due to change of employer:	<ul style="list-style-type: none"> Proof of change of employment Proof of loss of Income Protection / Salary continuance cover Underwriting 	Yes	Yes	Yes	No	AS
Request to reassess medical loadings:	<ul style="list-style-type: none"> Medical questionnaire Supporting medical evidence Underwriting 	Yes	No	Yes	No	AS
Request to reassess medical exclusions:	<ul style="list-style-type: none"> Medical questionnaire Supporting medical evidence Underwriting 	Yes	No	Yes	No	AS
Request to reassess other loadings/exclusions:	<ul style="list-style-type: none"> Contact underwriting 	Yes	No	Yes	No	AS
Occupation change:	<ul style="list-style-type: none"> Occupational questionnaire Underwriting 	Yes	Yes	Yes	No	AS
Starting Career Break Option:	<ul style="list-style-type: none"> Career Break Form 	Yes	Yes	Yes	No	AS
Ending Career Break Option:	<ul style="list-style-type: none"> Career Break Form Financial evidence 	Yes	Yes	Yes	No	AS
Applying for Agreed Value Premium Saver:	<ul style="list-style-type: none"> Financial evidence 	Yes	No	Yes	No	AS
Exercise the Life Insurance Reinstatement after one-year Option:	<ul style="list-style-type: none"> Return of reinstatement offer letter within 30 days of receipt 	Yes	No	Yes	No	AS

AS: Adviser services

Process	Evidence / Approval required	Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Exercise the Life Insurance Reinstatement after 14 days with Premiums Waived Option:	<ul style="list-style-type: none"> Return of reinstatement offer letter within 30 days of receipt 	Yes	No	Yes	No	AS
Exercise the Trauma Reinstatement Option:	<ul style="list-style-type: none"> Return of reinstatement offer letter within 30 days of receipt 	Yes	Yes	Yes	No	AS
Waiting Period Reduction Benefit:	<ul style="list-style-type: none"> Evidence of new employer Underwriting 	Yes	Yes	Yes	No	AS
Reducing the waiting period:	<ul style="list-style-type: none"> Underwriting 	Yes	Yes	Yes	No	AS
Increasing the benefit period:	<ul style="list-style-type: none"> Underwriting 	Yes	Yes	Yes	No	AS
Agreed value to indemnity:	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS
Indemnity to agreed value:	<ul style="list-style-type: none"> Underwriting Financial evidence may be required 	Yes	Yes	Yes	No	AS

AS: Adviser services

General Plan Changes

Process	Evidence required	Can an Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Change of premium frequency	<ul style="list-style-type: none"> Written request Balance of premium if required 	Yes	No	Yes	No	AS
Change mode of payment	<ul style="list-style-type: none"> Written request TBA 	Yes	No	Yes	No	AS
Change of bank details	<ul style="list-style-type: none"> Written request TBA 	Yes	No	Yes	No	AS
Credit card expiry Update	<ul style="list-style-type: none"> TBA 	Yes	No	Yes	No	AS
Title change/Change of Ownership	<ul style="list-style-type: none"> Written request 	Yes	No	Yes	No	AS
Change a Plan from Super to Ordinary	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS
Change a Plan from Ordinary to Super	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS
Removal of a benefit	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS
Suspending cover benefit	<ul style="list-style-type: none"> Written request 	Yes	No	Yes	No	AS
Increasing the waiting period benefit on Income Protection and/or Business Expenses	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS
Smoker to non-smoker rates	<ul style="list-style-type: none"> Non-smoker declaration Underwriting 	Yes	Yes	Yes	No	AS
Reducing the benefit period	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS

AS: Adviser services

Future Increases Form

Process	Evidence required	Can an Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Future increases	<ul style="list-style-type: none"> Evidence to support the event 	Yes	Yes	Yes	No	AS

Business Increases Option Form

Process	Evidence required	Can an Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Future increases	<ul style="list-style-type: none"> Financial evidence of the event to be provided 	Yes	Yes	Yes	No	AS

Beneficiary Nomination Form

Process	Evidence required	Can an Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Nomination of beneficiaries	<ul style="list-style-type: none"> To be signed by insured person and two witnesses 	No	No	Yes	No	AS

AS: Adviser services

Re-instatement Form

Process	Evidence required	Can an Adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
60 days to 90 days after premium due date	May be reinstated without need for any additional health evidence if all the outstanding premiums are paid	No	No	Yes	No	AS MS
90 days after premium due date on last remaining core insurance on the Life Insured	Option to reinstate passes to Life Insured having option to take out a new Plan	No	No	Yes	No	AS MS
90 days to 120 days after premium due date	Has no option to reinstate Plan in capacity as Plan Owner Life Insured can take out a new Plan with no underwriting (LINP). Any restrictions on this new Plan are below	No	No	Yes	No	AS MS
120 days after premium due date on last remaining core insurance on the Life Insured	No impact. Option to reinstate passes back to Plan Owner	No	No	Yes	No	AS MS
120 days to 1 year after premium due date	Plan can be reinstated subject to: <ul style="list-style-type: none"> All outstanding premiums being paid Underwriting Life Insured not having taken out new cover under the LINP option 	No	No	Yes	No	AS MS

AS: Adviser services

MS: Member Services

Letter/No form required

Process	Evidence required	Can an adviser initiate this request on the Member's behalf?	Quote required?	Method		Send to
				Email	Phone	
Change from stepped to level premium:	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS MS
Change from level to stepped premium:	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS MS
Reduction of sum insured:	<ul style="list-style-type: none"> Written request 	Yes	Yes	Yes	No	AS MS
Change of address:	<ul style="list-style-type: none"> Written or verbal request 	Yes	No	Yes	Yes	AS MS
Change of name:	<ul style="list-style-type: none"> Certified copy of marriage certificate Certified copy of passport Certified copy of birth certificate Certified evidence of divorce Certified evidence of change of name Underwriting 	No	No	Yes	No	AS MS
Rejecting CPI increases:	<ul style="list-style-type: none"> Written request 	Yes	No	Yes	No	AS MS
Cancelling whole or part of a Plan:	<ul style="list-style-type: none"> Written request 	Yes	No	Yes	No	AS MS
Change of date of birth:	<ul style="list-style-type: none"> Certified copy of passport Certified copy of birth certificate Underwriting 	No	Yes	Yes	No	AS MS

AS: Adviser services

MS: Member Services

ADVISER REMUNERATION

Commission - Levels and Structures

The adviser can choose between two commission levels:

	Year 1	Year 2 Onwards
Level	27.5%	27.5%
Hybrid	66.0%	22.0%

- Rates include GST of 10%
- For Plans where the Life Insured is older than Age 60 at entry (i.e. they are 61 or over) only Level Commission is available

Commission payments

Commissionable premium excludes stamp duty loadings, any other government charges, trustee fees, any rollover discounts, Plan fees and premium frequency loadings.

For new business, commission will be paid once, in the next "commission run" following acceptance of the application, commencement of the Plan and payment of the first premium and will be paid based on the first year's new annual commissionable premium. This is for all cases irrespective of the frequency premiums are being paid, or whether level or hybrid commission is selected.

From the start of the second Plan year, commission will be paid in the next "commission run" following payment of a premium. The amount of commission payable will be a percentage of the commissionable premium paid.

Commission runs are made on the 3rd of the following month for business issued between the 1st and the 15th month, and on the 25th of the following month for business issued between the 16th and the end of the month.

Commission is only paid on premiums that are paid. Hence, no commission is paid during premiums in arrears, suspension of cover etc.

Clawback

There is a responsibility period that applies to new business in relation to the Year 1 commission that has been paid.

The responsibility period is detailed in the table below.

Premium paid for	Clawback
12 months or less	100%
24 months to 12 months	60%

Premium paid for	Clawback
12 months or less	100%
24 months to 12 months	60%

If insurance cancels or lapses or a change results in a premium reduction within the responsibility period shown we will deduct the appropriate proportion from the next commission due to the Adviser, or (in the event that there is no commission due or not sufficient commission due) we will request a return of the appropriate amount from the dealer group.

For commission payable from Year 2 onwards, we will reverse any commission that relates to a premium that is refunded.

NobleOak reserves the right to adjust these periods and clawback percentages to ensure that the Distributor's commission does not include 'conflicted remuneration' within the meaning of that term in the Corporations Act 2001 (Cth).

Sacrifice

Year 1 and Year 2 onwards commission (exclusive of GST) can be partially or fully sacrificed. This will lead to a lower commission payable and a lower premium payable. Each dollar saved as a result of the commission sacrifice will be passed back as a percentage reduction across all premiums received throughout the lifetime of the PPS Mutual Plan using the following formula:

Hybrid: Premium Discount = (7.5% * Initial Sacrifice %) + (17.5% * Renewal Sacrifice %)

Level: Premium Discount = (3.125% * Initial Sacrifice %) + (21.875% * Renewal Sacrifice %)

Premium reduction

% Commission sacrificed		% Premium reduction	
Year 1	Year 2 onwards	Level commission	Hybrid commission
0%	0%	0.0%	0.0%
25%	25%	6.3%	6.3%
50.0%	50%	12.5%	12.5%
75.0%	75%	18.8%	18.8%
100.0%	0%	3.1%	7.5%
0.0%	100%	21.9%	17.5%
100.0%	100%	25.0%	25.0%

KEY CONTACTS

PPS Mutual Management Team

Street Address: Level 10, 45 Clarence Street, Sydney NSW 2000

Postal Address: PO Box H337, Australia Square NSW 1215

Office number: 02 8292 2900

Website: ppsmutual.com.au

Sales

Email

Brian Pillemer
Director of Distribution

T: 02 8292 2911
M: 0409 042 705

General enquiries to:
professionalschoice@ppsmutual.com.au

Directly to Brian Pillemer:
bpillemer@ppsmutual.com.au

Product

Matt Pilcher
Director of Proposition

T: 02 8292 2913
M: 0410 280 075

General enquiries to:
professionalschoice@ppsmutual.com.au

Directly to Matt Pilcher:
mpilcher@ppsmutual.com.au

Underwriting and Claims

Marcello Bertasso
Head of Underwriting and
Claims Management

T: 02 8292 2916

General enquiries to:
claims@ppsmutual.com.au
underwriting@ppsmutual.com.au

Directly to Marcello Bertasso:
mbertasso@ppsmutual.com.au

Adviser and Member Services Teams

Teams of Professional Service Agents dedicated to servicing the comprehensive needs of Members and Advisers, including:

- Plan information and enquiries
- Plan maintenance
- New business application enquiries
- Changed business application enquiries
- Lodging a new claim
- Claims enquiries
- Underwriting enquiries
- Assistance with online ordering of PDS and other marketing brochures
- Assistance with online connectivity

Contact us

Telephone Number/s:

Adviser Services: **1300 401 607**

Monday to Friday (Australian Eastern Time)

Member Services: **1300 401 436**

Hours of service: 8:00am to 8:00pm

Adviser Services Team

Email

adviserservices@ppsmutual.com.au

Online access

www.ppsmutual.com.au

Dedicated to servicing the needs of Advisers when you or your team is making a general enquiry, including when on behalf of your client

T: 1300 401 607

Log onto InTouch to access:

- My Members (Member information & new Member application details)
- Resources (to order PDS and other product material)

Claims

The Adviser Services Team will initially assist you with claims enquiries.

- Lodging a new claim
- Existing/active claims enquiries

T: 1300 401 607

claims@ppsmutual.com.au

When the enquiry is about a new or existing claim

Underwriting

Underwriting enquiries

T: 1300 401 607

underwriting@ppsmutual.com.au

When the enquiry is about new or existing underwriting

InTouch to access:

- Resources (download underwriting questionnaires & forms)

New Business

The Adviser Services Teams will assist you with new business enquiries, including:

- New business application enquiries
- Changed business application enquires

Email

adviserservices@ppsmutual.com.au

For enquiries relating to new or changing business

Online access

Log onto InTouch to access:

- Check PPS Mutual Member Eligibility
- Prepare quotations Apply for New Business)

T: 1300 401 607

Remuneration

The Adviser Services Team will assist you any commission and Adviser account enquiries

adviserservices@ppsmutual.com.au

Log onto InTouch to access:

- My Details (Adviser accounts and commissions)

T: 1300 401 607

Member Services Team

Dedicated to servicing the needs of members when the Plan Owner and/or Life Insured is making an enquiry directly

- General plan information and enquiries
- Plan maintenance

memberservices@ppsmutual.com.au

www.ppsmutual.com.au

Navigate to the contact us section

T: 1300 401 607

Have Your Say

The Adviser and Member Services Teams will initially assist you with enquiries and escalate when appropriate:

- Claim resolution enquires
- Complaints
- Compliments
- Suggestions

haveyoursay@ppsmutual.com.au

When you may wish to complain or compliment, suggest or engage the internal dispute resolution process

CONTACT US

Should you have any queries please contact
the Adviser services contact centre by phone or email:
1300 401 607
adviserservices@ppsmutual.com.au