



Living Security Program – Superannuation

Product Disclosure Statements

Life Protection Superannuation Plan

Issue No. 3

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AC&L

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About Australian Casualty & Life

At Australian Casualty & Life (AC&L) we are committed to the long-term financial security of our clients. To fulfil this commitment we offer a competitive range of Life and Recovery plans, as well as a wide range of Income Protection plans. What's more, we are committed to providing a standard of service and support that's second to none.

In October 1990, ACC Life (established 1960) and the Australian Casualty Company (established 1971) amalgamated and Australian Casualty & Life was born. Australian Casualty & Life (AC&L), trademark of The National Mutual Life Association of Australasia Limited ABN 72 004 020 437, is part of a worldwide financial services group, the Global AXA Group. AXA operates in over 60 countries with total Group assets under management, administration and advice in excess of approximately AUD\$1,295 billion (€755 billion)¹. The Group prides itself on growth, service and advice.

This booklet contains the Product Disclosure Statement for the Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd issued by N.M. Superannuation Pty Ltd ABN 31 008 428 322 AFS Licence No. 234654 and the Product Disclosure Statement for the Life Protection Superannuation Plan – External Trustees issued by The National Mutual Life Association of Australasia ABN 72 004 020 437 AFS Licence No. 234649.

¹ As at 30 June 2003.

Insurance overview

Living Security Program

Living Security Program

AC&L offers you a choice of simple, flexible and cost effective insurance products to provide you with financial security when you need it most.

The Living Security Program can protect:

- a family from the financial effects of losing the main income earner;
- a family from the loss of the primary homemaker – allowing the partner to continue working and use the benefits payable to fund childcare or home services; and
- a family from debts – such as a mortgage, personal loan or investment loan.

Information contained in this document

This booklet describes two products designed to provide insurance cover through a super fund.

The Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd provides life cover through an AXA superannuation fund, the Super Directions Fund.

The Life Protection Superannuation Plan – External Trustees, provides life cover to trustees of funds seeking to provide life benefits for a single member.

This booklet is a summary of some of the important terms and conditions of the plans available under the Living Security Program. There are sections specific to each plan as well as sections with information that applies to both Plans.

This information will help you to decide whether these products will meet your needs, as well as assist you in comparing the types of cover available with others that you may be considering.

Although each section details the key information you should know about the benefits and features offered, including optional benefits, you should read this information in conjunction with your Plan Document (issued once cover commences), which sets out in detail the terms and conditions of the benefits under your plan.

In this booklet and relevant Application forms, any references to 'us', 'we', 'our' or 'the insurer' means AC&L.

Unless otherwise specified in this booklet, 'you' means any potential customer who is likely to become either the person insured or the plan owner. However in the Application form, including the Personal Statement, 'you' means the person insured, unless the context requires it to be the plan owner.

Talk to your financial planner

It is also important to note that the plans contained in each Product Disclosure Statement are not investment products and are not designed to provide a cash value except when paying a claim. If you have investment needs, we recommend you discuss your needs with your financial planner.

Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd

Product Disclosure Statement

This section forms part of the PDS for this Plan and should be considered in conjunction with the 'Additional information' section on page 13.

The Plan

This PDS is issued by N.M. Superannuation Pty Ltd (the Trustee). This Plan provides death cover for members within the Super Directions Fund.

Ownership of the plan

This plan is held under the Super Directions Fund ('the Fund'). Upon acceptance of your Application for membership of the Fund, N.M. Superannuation Pty Ltd will purchase a Life Protection Superannuation Plan from NMLA to provide the benefits you have requested, subject to acceptance of the Application by AC&L. The Trustee is an 'approved trustee' under the Superannuation Industry Supervision (SIS) Act 1993 and has an appropriate level of indemnity insurance.

In the event of a death claim being admitted, AC&L will pay the sum insured to the Trustee who will then provide the proceeds of the plan to one or more of your dependants or to your legal personal representative. Where a claim has been admitted for Terminal Illness or for Total and Permanent Disablement, the Trustee will, subject to the claim satisfying superannuation laws, provide you with the proceeds of the plan in respect of a Total and Permanent Disability or Terminal Illness claim.

The Trustee will need to be satisfied that a permanent incapacity condition of release, as defined under superannuation law, has been met prior to making any payment from the Fund.

If you do not meet the permanent incapacity condition of release, the Total and Permanent Disablement Benefit or Terminal Illness benefit must remain in the Fund until a condition of release has been met.

Membership of the Fund

As the person insured under the plan, you will become a member of the Fund. The Fund is a regulated complying superannuation fund under SIS and Part IX of the Income Tax Assessment Act 1993. Your membership will be governed by the terms and conditions of the Trust Deed of the Fund (as amended from time to time).

The premium you pay for life cover is the only cost to you; you pay no other fee or charge for being a member of the Super Directions Fund. The benefits to which you are entitled are limited to those specified under the Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd. Payments of any benefit to you by the Trustee is subject to acceptance of a claim by AC&L.

Further information relating to the Fund can be obtained by requesting a copy of the Trust Deed or the last Trustee's Annual Report to Members.

Availability of cover

Under the Life Protection Superannuation Plan, entry ages are:

- 11 to 60 next birthday (with the plan renewable to age 70 for stepped premiums);
- 25 to 60 next birthday (with the plan renewable to age 70 for level premiums).

Benefits

Under the plan the Trustee will pay you or your dependants a lump sum amount if you:

- die whilst this plan is in force; or
- are terminally ill with 12 months or less to live.

Death Benefit

The amount the Trustee will pay, as a lump sum, in the event of your death is the sum insured that is noted in your Plan Schedule.

The following lists the additional benefits of the Life Protection Superannuation Plan:

- Terminal Illness Benefit
- 24 Hour Cover Benefit
- Indexation of Cover Benefit
- Nominated Events Benefit
- Right to Automatically Upgrade this Plan

Terminal Illness Benefit

On our approval of a doctor's diagnosis that you are terminally ill, with 12 months or less to live, AC&L will make an advance payment of the sum insured, up to \$2,000,000. Any balance will be payable on death.

In addition, you must have ceased gainful employment and we must receive a certificate from two doctors stating that you are unable to ever again follow any occupation that you would be reasonably suited by education, training or experience.

Terminal Illness

Any illness, which in AC&L's opinion, will result in the death of the person insured within 12 months, regardless of any treatment that might be undertaken. AC&L's decision will be based on medical evidence provided to us by the person's insured doctor, and any other medical evidence that we may require.

24 Hour Cover Benefit

On acceptance of your plan, you are covered 24 hours a day, and AC&L will also cover you if you travel overseas.

Indexation of Cover Benefit

Every year up to age 65, AC&L will increase your sum insured by the increase in the Consumer Price Index (CPI) or 5 per cent – whichever is greater – unless you decline the increase in writing. We will not increase it if we have paid you a benefit under the plan, or you are not required to pay premiums. The maximum amount of additional cover provided through the Indexation Benefit is:

- \$3,000,000 for the Life Protection Superannuation Plan; and
- \$1,500,000 for the Total and Permanent Disablement Option.

Nominated Events Benefit

This benefit allows you to increase your sum insured, without giving us any new medical evidence, if one of the following nominated events occurs:

- you take out or increase a first mortgage to buy or improve your home;
- you get married;
- you get divorced;
- you or your partner give birth to a child;
- you adopt a child; or
- your salary increases by at least 25 per cent as a result of a promotion or a move to another job.

You cannot increase your benefit as a result of a salary increase, if the increase is a result of changes to your salary packaging arrangements, you are self-employed, a controlling director, or you are able to decide on the amount of your salary.

'Partner' means:

- your legal spouse; or
- a person living with you as your spouse on a domestic basis in good faith. This person can be the same sex as you.

You can only increase your sum insured under this benefit once in any 12 month period. You can increase your sum insured by 25 per cent or \$100,000, whichever is lower. However, the maximum total amount you can increase your sum insured under this benefit over the period you have your plan is the lesser of:

- the amount of the sum insured under your plan excluding any previous Nominated Events Benefit increases and CPI increases; and
- \$1,000,000.

You can't make the increase:

- if the nominated event happens on or after your 50th birthday;
- if you are entitled to make or have made a claim under any plan you hold with us; or
- during any period in which we are not requiring you to pay the premium for your plan.

You must apply for the increase within 30 days from the first renewal date after the nominated event happens. We will require proof of the nominated event.

During the first 6 months after the date of an increase, we limit your cover for the increase in the sum insured to accidental death cover only. That is, death as a result of bodily injury caused directly and solely by violent, accidental, external and visible means, independent of any other cause. Also, death must occur within 90 days of the injury occurring.

The Nominated Events Benefit does not apply under your plan if we impose any special conditions under your plan, for example, occupation loadings, premium loadings for medical conditions or pastime activities or any other exclusions.

Right to Automatically Upgrade this Plan

If, in a later enhancement of the plan series, we add to, improve or alter the benefits of the plan series, the Trustee has agreed that we will automatically pass these changes on to you without you having to provide us with any medical evidence, or evidence regarding your occupation, pursuits, pastimes or place of residence.

You will not be detrimentally affected by this automatic upgrade.

Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd

Product Disclosure Statement

Options available

For an extra premium, you may choose one or more of the following options to add to your plan:

- Total and Permanent Disablement Option
- Future Care Option

Total and Permanent Disablement Option

Under the Total and Permanent Disablement Option entry ages are:

- for yearly-stepped plans, 18 to 60 next birthday for expiry age 65; or
- for level plans, 25 to 60 next birthday for expiry age 65.

The option sum insured is payable if you become totally and permanently disabled. The definitions of total and permanent disablement will depend on whether you have the 'own occupation' version or the 'any occupation' version.

You are totally and permanently disabled if you:

- A Suffer a specific loss
- B Are unable to work
- C Require future care

A 'specific loss' refers to the total and permanent loss of use of:

- both hands;
- both feet;
- one hand and one foot;
- the entire sight in both eyes;
- one hand and the entire sight in one eye; or
- one foot and the entire sight in one eye.

B 'unable to work' depends on which version of the option you hold:

- (i) if you hold the 'own occupation' version, the following applies:
 - you are unable to follow your own occupation for a continuous period of 6 months and are unlikely to ever be able to follow your own occupation; or

In the event of a claim being admitted under the 'own occupation' version of the Option, we will pay the benefit amount to the Trustee. The amount may not automatically be paid by the Trustee to you immediately, as the Trustee will have to consider whether you meet the permanent incapacity test under superannuation law (an 'any occupation' test).

If you do not meet this test, the amount will be held in the Fund on your behalf, until such time as entitlement to the benefit is triggered as permitted by superannuation laws, for example, on your permanent retirement from the workforce on or after age 55 or any later preservation age that applies if you were born after 30 June 1960, or on your death.

(ii) if you hold the 'any occupation' version, the following applies:

- you are unable to follow your own occupation for a continuous period of 6 months and are unlikely to ever be able to follow your own occupation or any occupation you could reasonably be suited to by education, training or experience.

C 'future care' refers to the permanent inability to perform at least two of the 'activities of daily living' listed below, without assistance:

- bathing/showering;
- dressing/undressing;
- eating/drinking;
- using the toilet to maintain personal hygiene;
- getting in and out of bed, a chair or wheelchair or moving by walking, a wheelchair or with a walking aid.

Additionally, you must have ceased gainful employment and must be unable to ever again follow any occupation that you could reasonably be suited to by education, training or experience.

On the first renewal date after age 64, the total and permanent disablement definitions outlined opposite in paragraphs A and B no longer apply. However, provided you continue to pay your premium, future care, outlined in paragraph C, continues to apply until the first renewal date after you turn 69.

You may choose a single or double Total and Permanent Disablement Option. You should note that if you choose the double option, this will only apply up to the first renewal date after age 64. After that, for the purposes of future care, outlined in paragraph C, the single option will apply.

In the case of the single option, any payment under the option reduces the amount of the sum insured for death or terminal illness under the Life Protection Superannuation Plan by the option sum insured. This may mean the end of your cover if the sum insured under your plan and Total and Permanent Disablement Option are the same.

In the case of the double option, any payment does not reduce the sum insured under your plan for death or terminal illness. In fact, you will not need to pay any further premiums to your plan, except on the portion of the plan sum insured for death or terminal illness, if any, which is more than the Option sum insured.

Future Care Option

Under the Future Care Option entry ages are:

- 18 to 60 next birthday for stepped premium plans; or
- 25 to 60 next birthday for level plans.

The Option ceases:

- at age 69; or
- when the last option is offered or exercised, whichever is earlier.

The Option sum insured is payable if you require future care. You require future care if you are permanently unable to perform at least two of the 'activities of daily living' (outlined on page 4), without assistance.

In addition, you must have ceased gainful employment and we must receive a certificate from two doctors stating that you are unable to ever again follow any occupation that you would be reasonably suited to by education, training or experience.

Any payment made under the Option reduces the amount of the sum insured for death or terminal illness under the Life Protection Superannuation Plan by the Option sum insured.

Exclusions

Your plan may contain certain exclusions or unusual terms such as those set out below. You should check your Plan Document to see which, if any, exclusions or unusual terms apply.

We will not pay a claim under the plan if you commit suicide within 13 months of:

- the date your plan starts; or
- your plan being restored.

If death was due to suicide committed within 13 months after an increase in the sum insured – not including automatic CPI increases – we will not pay the increase in the sum insured.

In addition, if you hold an Option under your plan, we will not pay a claim under the Option if it was caused by:

- you on purpose; or
- war or any act of war whether war is declared or not.

* This information is current at the issue date and is dependent on the continuation of present laws.

† Generally, special conditions apply to contributions when made by a person over age 70, but are not relevant to this product because the plan ceases at age 70.

Statutory Fund

Life Protection Superannuation Plans are written in a sub-fund of AC&L's No. 4 Statutory Fund.

When your plan will end

Your plan will end as soon as one of the following happens:

- your premium is more than 30 days late (see under 'Payment of premiums' on page 14);
- you are paid the full sum insured under the plan for terminal illness;
- a payment under the single Total and Permanent Disablement Option or Future Care Option reduces the sum insured under the plan to nil;
- on the first renewal date after you reach age 69;
- you no longer meet the employment conditions outlined on this page under 'Special employment conditions' for superannuation plans;
- you make a fraudulent claim; or
- you die.

Under the Life Protection Superannuation Plan, termination of your plan will also terminate your membership of the Fund.

Special employment conditions*

Any person aged under 65 can make contributions to a superannuation fund (which are used to fund the insurance premiums).

If aged between 65 and 70[†] you must have worked 40 hours in 30 (or fewer) consecutive days in the financial year in which the contribution is made. If this may affect you, please speak to your financial planner for further details.

Interim Accidental Death Cover

To offer you some protection while we are assessing your Application for life cover, we provide interim insurance cover to you for your accidental death. Death must occur within 90 days of the accident. You do not have to pay any extra premium for this cover. Conditions apply. For details see page 19 of this Product Disclosure Statement.

Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd

Product Disclosure Statement

Death Benefit Options

As a member of the Super Directions Fund, you can choose from three Options for distribution of your death benefit.

Option 1 – Nomination of dependants

If you choose this Option, the Trustee has discretion to pay your death benefit to one or more of your dependants or your legal personal representative (as defined in the governing rules of the Fund) in proportions it determines. You can nominate on the Application form who you would like the Trustee to consider when paying your death benefit. However, the Trustee will not be bound by this nomination.

A dependant who is selected by the Trustee as a beneficiary of your death benefit can ask to receive payment in lump sum or pension form or a combination of both. This may depend on the financial and taxation situation of your dependant or dependants, who should seek taxation advice at the time the benefit is payable.

Option 2 – Make a category selection under the Super Category Solutions facility

If you make a category selection under the Super Category Solutions facility, the Trustee will be required to pay your death benefit in accordance with the terms of the category you have chosen.

Under the Super Category Solutions facility, your death benefit can be paid to combinations of your spouse (as defined under the category selection facility), children, minor children and estate according to the category you choose. The form in which your death benefit is paid will also be determined under your category and can include lump sum and pension payments depending on your circumstances.

Option 3 – Make a Binding Nomination

If you choose to make a binding nomination the Trustee will pay your benefit to the person(s) you have nominated as long as your nomination:

- is valid;
- has been made in the prescribed manner;
- is received by the Trustee before your death;
- has not expired; and
- the nominated person(s) is a dependant or legal personal representative.

If your nomination is no longer valid or has expired, the Trustee will have discretion to determine to whom your death benefit is paid.

To be valid, a nomination must:

- be fully completed and signed by you;
- be witnessed by two people who are over 18 years of age and neither of whom are nominated on the form. Each witness must also sign and date the Witness Declaration section; and
- nominate one or more dependants or your legal personal representative and provide the percentage of the death benefit for each nominee to receive in the event of your death. The proportional entitlements must total 100 per cent.

Your nomination expires after three years. We strongly recommend that you review your nomination regularly and update your nomination as your personal circumstances change. The Trustee will send you a form before the end of three years to allow you to review your nomination. You may update your nomination by completing a new Binding Nomination form or by contacting our Customer Service Centre.

The following are some examples of what will occur if you do not update your binding nomination when your circumstances change:

- If an intended beneficiary has predeceased you and you have not updated your nomination, the Trustee will pay that nominee's portion of the benefit to their estate. There will be no re-apportionment to your other nominees.
- If you divorce, the Trustee will pay the benefit in accordance with your nomination, provided the nominee is a dependant.
- If you nominate your child as your beneficiary and then have another child, the Trustee will only pay the benefit to the nominated child. Children not nominated will not receive any of your benefit.

If you wish to revoke a nomination, you must ensure that this notice is signed by two adult witnesses. The Binding Nomination form provides an option to revoke your nomination. Unless you replace a revoked nomination with a new nomination, the Trustee will have discretion to determine to whom your death benefit is paid.

Complaint resolution

If you have a complaint, please advise the Trustee in writing, stating the precise nature of your complaint and the name and number of the plan. The address is:

Australian Casualty & Life
GPO Box 5339
Sydney NSW 2001.

The Fund has formal procedures in place, to deal with any enquiries and complaints. If you are not satisfied with the Trustee's resolution, or handling of your complaint, you may then contact the Superannuation Complaints Tribunal (SCT) from anywhere in Australia on 1300 884 114, for the cost of a local call. The Tribunal is an independent body set up by the Federal Government to help members or dependants to resolve superannuation complaints.

The Tribunal may be able to assist you to resolve your complaint, but only after you have made use of the Fund's own complaint handling process. Once the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting the parties to come to a mutual agreement. If conciliation is unsuccessful, the complaint is formally referred to the Tribunal for a determination, which is binding on all parties. The Tribunal's address is:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001
Telephone 1300 884 114.

Life Protection Superannuation Plan – External Trustees

Product Disclosure Statement

This section forms part of the PDS for this Plan and should be considered in conjunction with the 'Additional information' section on page 13.

The Plan

This PDS is issued by The National Mutual Life Association of Australasia (AC&L).

Ownership of the plan

This plan is owned by a trustee of a superannuation fund of which you are a member.

In the event of a death claim being admitted, we will pay the sum insured to the trustee of your plan who will then provide the proceeds of the plan to one or more of the deceased member's dependants or to the deceased member's legal personal representative. Where a claim has been admitted for terminal illness or for total and permanent disablement, the trustee will, subject to the claim satisfying superannuation laws, provide the member with the proceeds of the plan.

The trustee will need to be satisfied that a permanent incapacity condition of release, as defined under superannuation law, has been met prior to making any payment from the fund.

If you do not meet the permanent incapacity condition of release, the Total and Permanent Disablement Benefit must remain in the fund until a condition of release has been met.

Availability of cover

Under the Life Protection Superannuation Plan, entry ages are:

- 11 to 60 next birthday (with the plan renewable to age 70 for stepped premiums); or
- 25 to 60 next birthday (with the plan renewable to age 70 for level premiums).

Benefits

Under the plan the trustee will pay you or your dependants a lump sum amount if you:

- die whilst this plan is in force; or
- are terminally ill with 12 months or less to live.

Death Benefit

The amount we will pay, as a lump sum, in the event of your death is the sum insured that is noted in your Plan Schedule.

The following lists the additional benefits of the Life Protection Superannuation Plan:

- Terminal Illness Benefit
- 24 Hour Cover Benefit
- Indexation of Cover Benefit
- Nominated Events Benefit
- Right to Automatically Upgrade this Plan

Terminal Illness Benefit

On our approval of a doctor's diagnosis that you are terminally ill with 12 months or less to live, we will pay an advance payment of the sum insured, up to \$2,000,000. Any balance will be payable on death.

In addition, you must have ceased gainful employment and we must receive a certificate from two doctors stating that you are unable to ever again follow any occupation that you would be reasonably suited by education, training or experience.

Terminal Illness

Any illness, which in our opinion, will result in the death of the person insured within 12 months, regardless of any treatment that might be undertaken. Our decision will be based on medical evidence provided to us by the person's insured doctor, and any other medical evidence that we may require.

24 Hour Cover Benefit

On acceptance of your plan, you are covered 24 hours a day, and we will also cover you if you travel overseas.

Indexation of Cover Benefit

Every year up to age 65, we will increase your sum insured by the increase in the Consumer Price Index (CPI) or 5 per cent – whichever is greater – unless you decline the increase in writing. We will not increase it if we have paid you a benefit under the plan, or you are not required to pay premiums. The maximum amount of additional cover provided through the Indexation Benefit is:

- \$3,000,000 for the Life Protection Superannuation Plan; and
- \$1,500,000 for the Total and Permanent Disablement Option.

Nominated Events Benefit

This benefit allows you to increase your sum insured, without giving us any new medical evidence, if one of the following nominated events occurs:

- you take out or increase a first mortgage to buy or improve your home;
- you get married;
- you get divorced;
- you or your partner give birth to a child;
- you adopt a child; or
- your salary increases by at least 25 per cent as a result of a promotion or a move to another job.

You cannot increase your benefit as a result of a salary increase, if the increase is a result of changes to your salary packaging arrangements, you are self-employed, a controlling director, or you are able to decide on the amount of your salary.

'Partner' means:

- your legal spouse; or
- a person living with you as your spouse on a domestic basis in good faith. This person can be the same sex as you.

You can only increase your sum insured under this benefit once in any 12 month period. You can increase your sum insured by 25 per cent or \$100,000, whichever is lower. However, the maximum total amount you can increase your sum insured under this benefit over the period you have your plan is the lesser of:

- the amount of the sum insured under your plan excluding any previous Nominated Events Benefit increases and CPI increases; and
- \$1,000,000.

You can't make the increase:

- if the nominated event happens on or after your 50th birthday;
- if you are entitled to make or have made a claim under any plan you hold with us; or
- during any period in which we are not requiring you to pay the premium for your plan.

You must apply for the increase within 30 days from the first renewal date after the nominated event happens. We will require proof of the nominated event.

During the first 6 months after the date of an increase, we limit your cover for the increase in the sum insured to accidental death cover only. That is, death as a result of bodily injury caused directly and solely by violent, accidental, external and visible means, independent of any other cause. Also, death must occur within 90 days of the injury occurring.

The Nominated Events Benefit does not apply under your plan if we impose any special conditions under your plan, for example, occupation loadings, premium loadings for medical conditions or pastime activities or any other exclusions.

Right to Automatically Upgrade this Plan

If, in a later enhancement of the plan series we add to, improve or alter the benefits of the plan series, we will automatically pass these changes on to you without you having to provide us with any medical evidence, or evidence regarding your occupation, pursuits, pastimes or place of residence.

You will not be detrimentally affected by this automatic upgrade.

Life Protection Superannuation Plan – External Trustees

Product Disclosure Statement

Options available

For an extra premium, you may choose one or more of the following options to add to your plan:

- Total and Permanent Disablement Option
- Future Care Option

Total and Permanent Disablement Option

Under the Total and Permanent Disablement Option entry ages are:

- for yearly-stepped plans, 18 to 60 next birthday for expiry age 65; or
- for level plans, 25 to 60 next birthday for expiry age 65.

The option sum insured is payable if you become totally and permanently disabled. The definitions of total and permanent disablement will depend on whether you have the 'own occupation' version or the 'any occupation' version.

You are totally and permanently disabled if you:

- A Suffer a specific loss
- B Are unable to work
- C Require future care

A 'specific loss' refers to the total and permanent loss of use of:

- both hands;
- both feet;
- one hand and one foot;
- the entire sight in both eyes;
- one hand and the entire sight in one eye; or
- one foot and the entire sight in one eye.

B 'unable to work' depends on which version of the option you hold:

- (i) if you hold the 'own occupation' version, the following applies:
 - you are unable to follow your own occupation for a continuous period of 6 months and are unlikely to ever be able to follow your own occupation; or

In the event of a claim being admitted under the 'own occupation' version of the Option, we will pay the benefit amount to the trustee of the superannuation fund. The amount may not automatically be paid by the trustee to you immediately, as the trustee will have to consider whether you meet the permanent incapacity test under superannuation law (an 'any occupation' test). If you do not meet this test, the amount will be held in the fund on your behalf, until such time as entitlement to the benefit is triggered as permitted by superannuation laws, for example, on your permanent retirement from the workforce on or after age 55 or any later preservation age that applies if you were born after 30 June 1960, or on your death.

(ii) if you hold the 'any occupation' version, the following applies:

- you are unable to follow your own occupation for a continuous period of 6 months and are unlikely to ever be able to follow your own occupation or any occupation you could reasonably be suited to by education, training or experience.

C 'future care' refers to the permanent inability to perform at least two of the 'activities of daily living' listed below, without assistance:

- bathing/showering;
- dressing/undressing;
- eating/drinking;
- using the toilet to maintain personal hygiene;
- getting in and out of bed, a chair or wheelchair or moving by walking, a wheelchair or with a walking aid.

Additionally you must have ceased gainful employment and must be unable to ever again follow any occupation that you could reasonably be suited to by education, training or experience.

On the first renewal date after age 64, the total and permanent disablement definitions outlined in paragraphs A and B no longer apply. However, provided you continue to pay your premium, future care, outlined in paragraph C, continues to apply until the first renewal date after you turn 69.

You may choose a single or double Total and Permanent Disablement Option. You should note that if you choose the double option, this will only apply up to the first renewal date after age 64. After that, for the purposes of future care, outlined in paragraph C, the single option will apply.

In the case of the single option, any payment under the option reduces the amount of the sum insured for death or terminal illness under the Life Protection Superannuation Plan, by the option sum insured. This may mean the end of your cover if the sum insured under your plan and Total and Permanent Disablement Option are the same.

In the case of the double option, any payment under the Option does not reduce the sum insured under your plan for death or terminal illness. In fact, you will not need to pay any further premiums to your plan, except on the portion of the plan sum insured for death or terminal illness, if any, which is more than the Option sum insured.

Future Care Option

Under the Future Care Option entry ages are:

- 18 to 60 next birthday for stepped premium plans; or
- 25 to 60 next birthday for level plans.

The Option ceases:

- at age 69; or
- when the last option is offered or exercised, whichever is earlier.

The Option sum insured is payable if you require future care. You require future care if you are permanently unable to perform at least two of the 'activities of daily living' (outlined on page 10), without assistance.

In addition, you must have ceased gainful employment and we must receive a certificate from two doctors stating that you are unable to ever again follow any occupation that you would be reasonably suited to by education, training or experience.

Any payment made under the Option reduces the amount of the sum insured for death or terminal illness under the Life Protection Superannuation Plan by the Option sum insured.

Exclusions

Your plan may contain certain exclusions or unusual terms such as those set out below. You should check your Plan Document to see which, if any, exclusions or unusual terms apply.

We will not pay a claim under the plan if you commit suicide within 13 months of:

- the date your plan starts; or
- your plan being restored.

If death was due to suicide committed within 13 months after an increase in the sum insured – not including automatic CPI increases – we will not pay the increase in the sum insured.

In addition, if you hold an Option under your plan, we will not pay a claim under the Option if it was caused by:

- you on purpose; or
- war or any act of war whether war is declared or not.

Statutory Fund

Life Protection Superannuation Plans are written in a sub-fund of our No. 4 Statutory Fund.

When your plan will end

Your plan will end as soon as one of the following happens:

- your premium is more than 30 days late (see under 'Payment of premiums' on page 14);
- you are paid the full sum insured under the plan for terminal illness;
- a payment under the single Total and Permanent Disablement Option or Future Care Option reduces the sum insured under the plan to nil;
- on the first renewal date after you reach age 69;
- you no longer meet the employment conditions outlined on this page under 'Special employment conditions' for superannuation plans;
- you make a fraudulent claim; or
- you die.

Under the Life Protection Superannuation Plan, termination of your fund membership will be dependant on the governing rules of the fund.

Life Protection Superannuation Plan – External Trustees

Product Disclosure Statement

Interim Accidental Death Cover

To offer you some protection while we are assessing your Application, we provide interim insurance cover to you for your accidental death. Death must occur within 90 days of the accident. You do not have to pay any extra premium for this cover. Conditions apply. For details see page 17 of this Product Disclosure Statement.

Additional information

Special employment conditions*

Any person aged under 65 can make contributions to a superannuation fund (which are used to fund the insurance premiums).

If aged between 65 and 70† you must have worked 40 hours in 30 (or fewer) consecutive days in the financial year in which the contribution is made. If this may affect you, please speak to your financial planner for further details.

Complaint resolution

If you have a complaint, please advise our Service Centre in writing, stating the precise nature of your complaint and the name and number of the plan. The Service Centre address is:

Australian Casualty & Life
GPO Box 5339
Sydney NSW 2001.

If you are not satisfied with our handling of your complaint, the Financial Industry Complaint Service is available to you. The Financial Industry Complaint Service is governed by an independent council which reports directly to the Federal Minister of Consumer Affairs. The Complaint Service can be contacted on (03) 8623 2000 in the Melbourne Metropolitan area or toll free on 1300 780 808. Alternatively, you can write to:

Financial Industry Complaint Service
PO Box 579
Collins Street West Post Office
Melbourne VIC 8007.

* This information is current at the issue date and is dependent on the continuation of present laws.

† Generally, special conditions apply to contributions when made by a person over age 70, but are not relevant to this product because the plan ceases at age 70.

Additional information

Living Security Program

This section forms part of the PDS for each of the plans described in this booklet and should be considered in conjunction with the individual part of the PDS for each plan.

Applying for cover

How to apply for cover

To apply for either of the products contained in this document, you will need to complete a current Application form.

To assess your Application we need to obtain medical and financial information relevant to the type of cover you have selected to help us determine the following:

- if you are eligible for cover;
- the premium that is appropriate to your Application; and
- whether any special conditions or exclusions should apply.

Our assessment of your Application will take into account such matters as the health, occupation, income, residence and travel details of the person insured, as well as factors such as sporting and recreational pastimes.

As this type of information is key to our assessment of your Application, it is important that all questions on the Application form, including the Personal Statement, are completed accurately and in full.

In some instances it may not be possible to provide you with the cover you originally applied for but it may be possible for us to offer you revised terms. In this situation we shall send you a Revised Terms letter advising the terms we are able to offer you. You may be required to pay an additional premium, or an exclusion may be applied to your plan.

Incomplete, missing or inaccurate information may result in you not being eligible to claim for benefits or for your plan to be altered, made void or cancelled. It is important that you and the person insured read and understand your duty of disclosure and the implications of non-disclosure or misrepresentation, when completing your Application.

Your duty of disclosure

Before you enter into a contract of life insurance with an insurer, you have a duty under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could be reasonably expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary, or reinstate a contract of life insurance.

Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of business, ought to know; and
- as to which compliance with your duty is waived by the insurer.

Non-disclosure

If you fail to comply with your duty of disclosure (or make a misrepresentation to us) and the insurer would not have entered into the contract on any terms if the failure (or misrepresentation) had not occurred, the insurer may avoid the contract within three years of the commencement date. If your non-disclosure (or misrepresentation) is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within three years of the commencement date, elect not to avoid it but to reduce the sum that you have been insured for, in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

Requests for additional information

In some instances it may be necessary for us to obtain further medical or financial information before your Application is finalised.

By providing a contact number in the Personal Statement, we can speed up your assessment by contacting you directly to obtain the additional information or to obtain clarification of information contained in your Application. If you prefer not to be contacted by telephone we will forward any requests for additional information in writing.

Although in many cases, completion of the Personal Statement at the back of the Application form is sufficient, it may be necessary to obtain medical or financial evidence, especially for large sums insured, or where we need further details of your medical history.

Any additional details that you believe will assist us in assessing your Application can also help minimise our need to request additional information.

Additional information

Living Security Program

If you find there is insufficient space when completing any section(s) of the Application form, you may attach a page(s) containing further information to the Application. Where additional pages are attached please ensure you sign and date each page.

Completing an Application form

To ensure your Application is processed efficiently, please ensure all information and details have been completed where requested. Your financial adviser will be able to assist you with this process.

The following checklist will also assist us to quickly process your Application:

- all relevant Application form questions have been answered;
- the Personal Statement and (where applicable) Supplementary Personal Statement have been completed;
- the Medical Authority form has been signed and completed;
- any alterations have been initialled;
- the Application has been signed and dated by you and the person insured;
- an instalment premium has been included with your Application; and
- if applicable, you have completed the Direct Debit Authority.

Where to send your Application

Once completed, please send your completed forms to our Customer Service Centre:

Australian Casualty & Life
GPO Box 5339
Sydney NSW 2001

Privacy

As part of the Application process it is necessary to collect personal, medical and financial information.

Our use and disclosure of the personal information you provide us in order to assess your Application is outlined on page 16 of this brochure.

Information about your plan

Once we have processed and accepted your Application and first premium, you will receive the following:

- a Plan Document, setting out the terms and conditions of your plan;
- a Plan Schedule, outlining the regular premiums and the cover you have chosen.

You should read these documents carefully and contact your financial adviser or us, if you have any concerns.

Cooling-off period

After you sign up for your plan and receive your Plan Document, you have 14 days to check the plan meets your needs – this is known as the cooling-off period.

Within this time you may cancel the plan and we will refund to you the premium paid. We require that your request be in writing.

Alterations

It is recommended you review your cover on a regular basis. Once your cover commences you can apply to make an alteration to your plan or increase your benefits.

In this instance, you may be required to provide additional information. Your financial planner can assist you at this time.

Premiums and charges

Minimum premium

The minimum annual premium is \$200. This includes the plan fee and other charges.

Premium tables

Your premium depends on the benefits you have chosen and your age, sex, smoking status, medical history and general health.

For Income Protection and Business Expense plans, your premium also depends on the waiting period and benefit period you choose.

Copies of our standard premium rate tables are available on request.

Payment of premiums

Once your Application has been accepted, and provided all premiums are paid when due, we guarantee to continue your plan until its expiry date.

For the plan to remain current, you must pay the premium, including any charges, when they are due.

We may end the plan if the premium is more than 30 days late. However, we will give you a further 20 business days written notice before we end it for this reason.

You can pay yearly, half yearly or by monthly* instalments.

* Please refer to page 16 of this Product Disclosure Statement for full details of the Direct debit request service agreement.

Premium structure

There are 2 premium structures available to you:

Stepped premiums

The premium is adjusted each year at the renewal date according to your age.

However, you may choose to activate the 'Premium Freeze' facility at any time.

By exercising this facility, your premium stays the same each year while your cover reduces, rather than your premiums increasing to maintain the same level of cover. The Premium Freeze can be removed at any time without further health evidence.

Level premiums

Premiums, excluding charges, remain the same for a given level of cover throughout the term of the plan.

The plan term is specifically defined at commencement.

Premiums will only change if:

- you request a change in your sum insured;
- you choose to have your sum insured automatically increased to keep pace with inflation (refer to the Indexation of Cover Benefit); or
- we review the premium rates for all plans of this type.

Packaging

The Life Protection Superannuation Plan or any plan from the Living Security Program can be bundled together as one package, either at the time this insurance is applied for or at a later date. You can do this, provided that either the person insured or the plan owner under all plans is the same, and there are not more than five different persons insured in the package.

There must also be a common premium payment method (direct debit or cheque), premium payment frequency and plan renewal date. In this case, we will charge only one plan fee, regardless of the number of plans in the package.

What are the charges?

All of the charges that apply to our plans are fully described in this section. We undertake not to apply any new charges, other than government taxes and charges, without your specific consent.

Plan fee

A plan fee is charged for each plan you hold with us unless you have packaged your plans together. In this case, we will charge only one plan fee per package.

The amount and the frequency of the plan fee depend on how frequently you pay the premium, as shown below:

| Frequency | Plan fee |
|-------------|----------|
| Yearly | \$75.00 |
| Half-yearly | \$41.50 |
| Monthly | \$7.50 |

The plan fee may be increased each year at renewal time by any percentage increase in the Consumer Price Index (CPI).

Instalment fee

An instalment fee applies if you choose to pay more frequently than annually. The instalment fee is 6 per cent of the premium (excluding the plan fee) for half yearly payments and 8 per cent of the premium (excluding the plan fee) for monthly payments.

Government stamp duty

A government stamp duty is imposed on all of the plans outlined in this document.

Variations

We reserve the right to vary charges as described below:

- the plan fee may be increased to account for the effects of inflation;
- we can revise the premium rates for cover, however, any such changes to premium rates will be part of a general review that will apply to all plans of that type;
- the premium rates for cover may increase with age, depending on the type of plan selected.

Additional information

Living Security Program

In the event of a material change to fees and charges, we will provide notification to you at least 3 months prior to the change occurring. All other changes, including those resulting from indexation or market variations will be advised in writing, following the change.

We can change the standard premium tables, fees or charges at any time to take account of any change to taxation or revenue laws.

Direct debit request service agreement

This charter outlines our and your responsibilities to ensure the smooth and secure operation of our direct debit agreement.

Our responsibilities

- We will only deduct premiums from your chosen account. Your Plan Schedule shows the premium amount and how often we have agreed to deduct it.
- We assure you that we will not disclose your bank details to anyone else, unless you have agreed in writing that we can, or unless the law requires or allows us to do this.
- If the payment date is a weekend or public holiday, we will debit your account on the next business day following the public holiday.
- We will give you at least 14 days notice when changes to the initial terms of this arrangement are made.

Your responsibilities

- Before sending us your account details, please check with your bank or financial institution that direct debit deductions are allowed on the account you have chosen.
- Please make sure that you have enough money in your account to cover payment of your premiums when due. Your bank or financial institution may charge a fee if the payment cannot be met.
- The bank or financial institution may charge a small fee for the direct debit arrangement. This will be reflected in your account statement.

Changing your payment details

- You may cancel or change direct debit deductions at any time by contacting our Customer Service Centre on 1300 366 066 or your financial adviser.

Can we help?

- If you have any queries about your direct debit agreement please contact our Customer Service Centre on 1300 366 066 or your financial adviser.
- We undertake to respond to queries concerning disputed transactions within 5 working days of notification.

Taxation

The taxation information outlined in this document is based on the continuation of present laws and their interpretation and is a general statement only.

Individual circumstances may vary. You should consult your professional tax adviser for advice regarding your personal situation.

Depending on your circumstances, tax deductions or rebates for premiums may be available.

As the plan is written as a superannuation plan, the taxation aspects are complex and depend on individual circumstances at the time. The following is a brief summary:

- contributions made by an employer to a superannuation fund to secure cover for the benefit of employees, or to provide benefits for dependants of employees, may be tax deductible.
- contributions made by an individual to a superannuation fund to secure personal cover may in certain circumstances be tax deductible if the person is self-employed, substantially self employed or an employee who is ineligible for any employer superannuation support. If the person is an employee who receives employer superannuation support, then contributions by an individual would not ordinarily be tax deductible.
- Contributions made by an individual are not tax deductible after age 70.
- if a benefit becomes payable, any tax must be deducted by the Fund's Trustee before a benefit is paid. Generally, death and disablement benefits receive concessional tax treatment. In certain circumstances (for example, a death benefit paid to a dependant, where the death benefit is within the deceased's Reasonable Benefit Limit), benefits may be paid free of tax.
- if a claim is paid to the trustee of the superannuation fund, any investment earnings in the superannuation fund before the benefit is paid by the trustee may be subject to tax at the prevailing rate applicable to superannuation funds (currently a maximum of 14.5 per cent).

Superannuation Surcharge

A contribution surcharge tax applies to certain types of contributions and rollover amounts made by or on behalf of investors with and 'adjusted taxable income (ATI)' in excess of the surcharge threshold. The surcharge thresholds and rates vary for each financial year. For specific information speak to your financial planner or visit www.ato.gov.au.

If your plan is issued under the Super Directions Fund, currently, we pay the surcharge tax for you. This may change in the future and you may be required to pay this tax.

If you are a member of a fund other than the Super Directions Fund, the trustee of your fund may require you to meet the surcharge obligations.

Goods and Services Tax (GST)

You do not have to pay GST on your premiums or any benefits you receive.

Applying for benefits

We are committed to paying genuine claims. In doing so we make certain we will be here to pay any future claims and can continue to offer affordable premiums to our clients not claiming benefits.

How to apply for benefits under your plan

To apply for benefits for a plan held under the Living Security Program, you can contact your financial adviser or our Customer Service Centre on 1 300 366 066 from anywhere in Australia for the cost of a local call.

When contacting us, you will be asked to provide the following details:

- Plan number(s);
- full name of plan owner (the Trustee);
- full name of person insured;
- nature of claim; and
- name and address for correspondence.

Your Plan Document outlines important information regarding when you will be required to notify us.

Once we have been notified, we will send you information about our claims process and a claim form for the type of benefits you are applying for.

Completing a claim form

Before we can assess your eligibility for benefits, we will need you to complete a claim form. A claim form provides us with key information regarding the nature of your application.

To avoid delays, it is important that you complete and return the relevant forms as soon as possible.

Please ensure that all details requested on the claim form are complete and accurate, and where requested, any supporting documentation is attached to your application for benefits. Submission of an incomplete form will result in delays in your application being assessed.

Should you require assistance in completing a claim form, please contact our Customer Service Centre on the number listed above.

Assessing your application for benefits

When assessing an application for benefits, we will review the circumstances surrounding your claim, in conjunction with the terms and conditions of your Plan Document.

Information regarding the benefits, definitions and exclusions that apply to your plan are contained in the Plan Document you received at the time your cover commenced.

Depending on the type of plan you have selected, and the information you provided at the time you applied for cover, it may be necessary for us to obtain further information in order to assess your claim. This may include such things as information about your health, financial and business affairs, other insurance claims or any other matter that we consider relevant to your claim.

Depending on the circumstances, we may review your previous medical history and financial information relating to the type of cover you have, and so it is important that you completed the Application form and Personal Statement accurately as this may impact your eligibility for benefits. Please read the sections on page 13 outlining Your Duty of Disclosure.

In accordance with the conditions of the type of cover you have selected, it will be your responsibility to provide financial information or satisfactory documentation when requested.

Where possible, we will notify you of any outstanding requirements to avoid lengthy delays in your application for benefits being processed. Additionally, we may access our network of qualified medical and financial specialists and consultants to assist you through the claims process. This may include arranging for one of our trained staff to visit you by appointment or to attend a specialist facility relevant to your application for benefits.

Additional information

Living Security Program

Benefit payments

Once we have established that your application for benefits has met the terms and conditions of your plan, we will arrange for your benefits to be paid.

It is important to note that before a payment can be made under superannuation plans, the trustee of the fund must approve the benefit payment. In such cases payment is made to the trustee.

We will notify you once your application for benefits has been approved.

Enquiries and privacy

Enquiries

If you have an enquiry about your Living Security Program, please contact your financial adviser or our Customer Service Centre on 1300 366 066 from anywhere in Australia for the cost of a local call.

Privacy – use and disclosure of personal information

The privacy of your personal information is important to you and also to AC&L. We will only collect information about you and your immediate family background, that is necessary for the purposes of assessing your Application for insurance or for the purposes of assessing any claim you may make under the plan. This includes information about health, financial situation, occupation and lifestyle.

If the information you give us is not complete or accurate we may not be able to provide you with the products and services you have applied for. In assessing your Application for insurance and any subsequent claim, AC&L may need to disclose your personal information to other parties, such as reinsurers, medical and financial professionals, judicial or dispute resolution bodies, and AXA Australia Group companies.

You are entitled to request reasonable access to information we have about you. AC&L reserves the right to charge an administration fee for collating the information you request.

Interim Accidental Death Cover Certificate

Living Security Program

This certificate applies to the Life Protection Superannuation Plan – N.M. Superannuation Pty Ltd and the Life Protection Superannuation Plan – External Trustees.

Person to be insured

Application dated

The insurer gives INTERIM INSURANCE COVER to the person applying for the Life Protection Superannuation Plan for the accidental death of the person to be insured on the terms and conditions set out below. You do not have to pay any extra premium for this cover. All the relevant conditions of the Life Protection Superannuation Plan you applied for relating to payment of a claim apply to this cover, to the extent that they are relevant.

Please note, this cover does not apply if the plan you applied for is to replace an existing plan held with us.

1 What cover is provided?

- A The amount payable on accidental death is the amount of the benefit payable for death that you applied for, up to a maximum amount of \$500,000.
- B The cover is for death of the person to be insured as a result of bodily injury caused directly and solely by violent, accidental, external and visible means, independent of any other cause. Death must occur within 90 days of the injury occurring.

2 Commencement of Interim Cover

This cover commences on the date your Application form and first premium payment, or an effective deduction authority for that amount, are received at AC&L's Customer Service Centre.

3 Length of Interim Cover

This cover automatically ends as soon as one of the following happens:

- we notify you of our acceptance, rejection or acceptance with conditions of your Application;
- we advise you that this cover has been cancelled;
- you withdraw your Application; or
- 60 days pass from the date this cover commences.

No benefit will be payable under this cover for accidental death which occurs after cover ends.

4 Exclusions

No benefit is payable under this cover if accidental death is caused or contributed to by:

- suicide, whether sane or insane;
- intentional self injury, including intentional contraction of bacteria or virus;
- an accident which occurred before the commencement date of this interim cover;
- war or invasion; or
- engaging in any sport, pastime or occupation which would not normally be covered by Australian Casualty & Life at standard rates.

5 We rely on what you tell us

You acknowledge that you have read the section on page 2 of the Application form for this Product Disclosure Statement headed 'Important information for valued plan holders' and you acknowledge that the section also relates to this cover.

If you or the person to be insured did not follow those instructions, you may not be entitled to any cover under this certificate.

Signature of financial planner

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AC&L

Australian Casualty & Life

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