



Priority Protection

The Priority Protection product provides you with a selection of benefits to cater for all your life insurance needs.



Issued by:


American International Assurance Company
(Australia) Limited trading as **AIG Life**

ABN 79 004 837 861 AFS Licence No. 230043

Product Disclosure Statement

Version 2 – Issued 1 February 2005

Please read this Product Disclosure Statement carefully.
It contains important information about the above product.

 A Member of
American International Group, Inc.



WINNER 2004

AIG Life wins the Best Disability Product 2004 awarded by *Money Management/Dexx&r*. This is the second year running that we have won this prestigious award. AIG Life was also a finalist in the following categories: Risk Company of the Year; Best Term and TPD Product; Best Business Overheads Product.



WINNER 2004

AIG Life was awarded bronze at the 2004 *Personal Investor Magazine* Awards in the categories of Risk Manager of the Year, Trauma Product of the Year and Income Protection Product of the Year.



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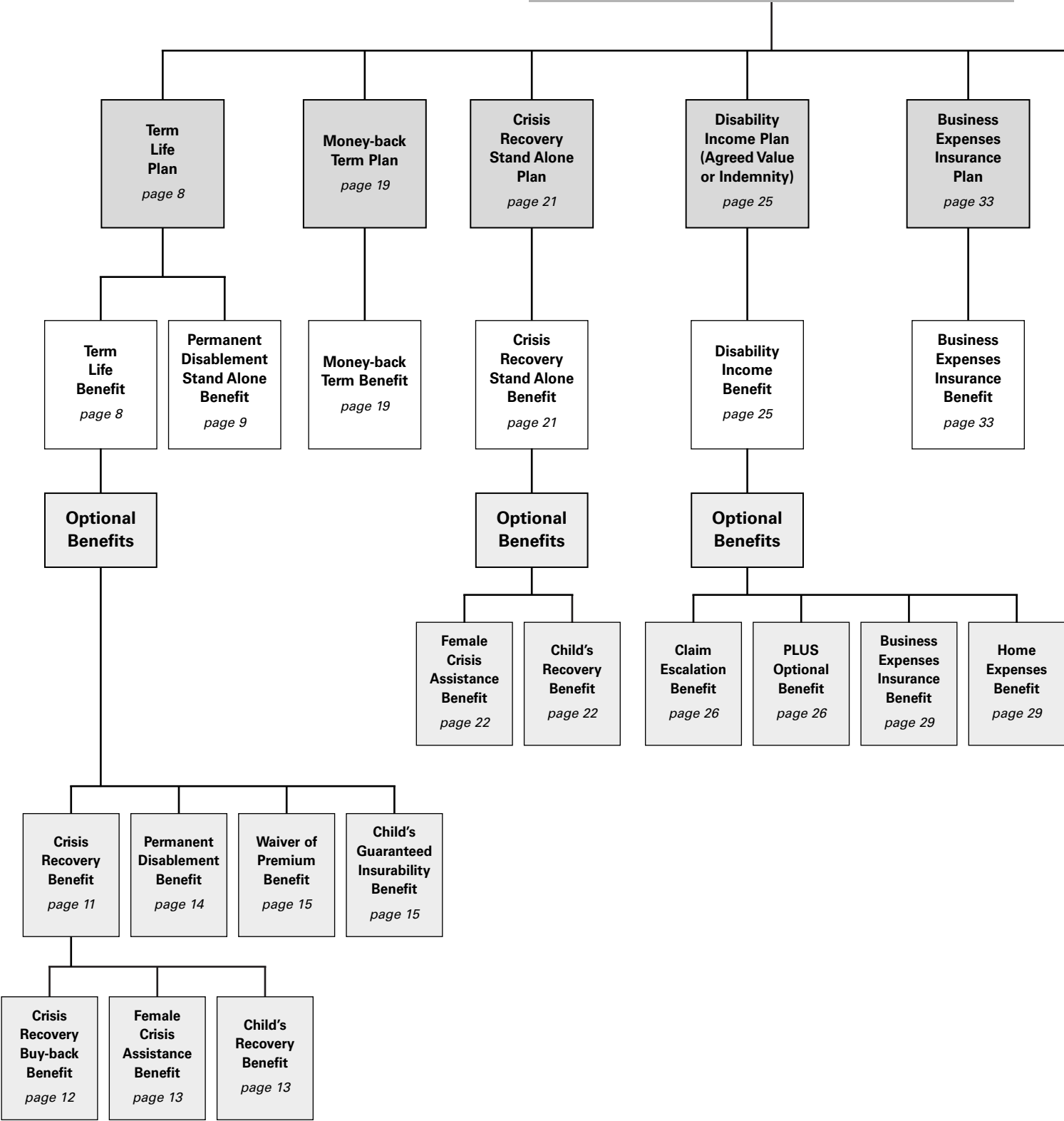
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In the Priority Protection Product Disclosure Statement (PDS) and Application Form, any reference to 'we', 'us', 'our' or 'the insurer' means the American International Assurance Company (Australia) Limited trading as AIG Life.

Priority Protection and Mortgage Protection Charts

Priority Protection Policy Structure



Mortgage Protection Policy Structure

Superannuation Term Life Plan
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Term Life Benefit
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Optional Benefit

Permanent Disablement Benefit
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Term Life Benefit
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Disability Income Plan (Agreed Value)
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Claim Escalation Benefit
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Summary of Priority Protection

Term Life Plan									Money-back Term Plan	
Term Life Benefit	Optional Benefits ¹							Permanent Disablement Stand Alone Benefit	Money-back Term Benefit	
	Crisis Recovery	² Crisis Recovery Buy-back	² Female Crisis Assistance	² Child's Recovery	Permanent Disablement	Waiver of Premium	Child's Guaranteed Insurability			
Benefits	<ul style="list-style-type: none"> • Death • Terminal Illness • Lump sum payment • Benefit Indexation 	<ul style="list-style-type: none"> • 35 crisis events • Lump sum payment 	<ul style="list-style-type: none"> • Option to repurchase death benefit 	<ul style="list-style-type: none"> • 5 events • Multiple payments but only one payment per event covered 	<ul style="list-style-type: none"> • 19 crisis events • Lump sum payment 	<ul style="list-style-type: none"> • Total and Permanent Disablement • Lump sum payment • Conversion to Loss of Independence at age 65 	<ul style="list-style-type: none"> • Premiums waived to age 65 upon Total and Permanent Disablement 	<ul style="list-style-type: none"> • Option for each nominated child to purchase life insurance up to \$300,000 without evidence of health 	<ul style="list-style-type: none"> • Total and Permanent Disablement • Lump sum payment • Conversion to Loss of Independence at age 65 • Benefit Indexation 	<ul style="list-style-type: none"> • Guaranteed premium refund at the end of the 10 year policy term equal to the total premium paid • Partial premium refund after five years • Terminal Illness • Lump sum payment • Continuation option
Entry Age Next Birthday between	11 and 70	16 and 60	16 and 60	16 and 60	16 and 60 (life insured) 2 and 15 (child)	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D and 'home duties' definition)	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D and 'home duties' definition)	16 and 49 (life insured) 4 weeks and 10 (child)	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D and 'home duties' definition)	11 and 70
Expiry Age – Policy anniversary prior to age	100	70	65	70	21 (nominated child) or 70 (life insured), if earlier	65 and 100 for Loss of Independence	65	25 (nominated child) or 65 (life insured), if earlier	65 and 100 for Loss of Independence	10th benefit anniversary
Maximum Sum Insured	None ⁴	\$1,500,000 ^{5,6} (age 16–55 next birthday); \$1,000,000 ^{5,6} (age 56–60 next birthday)	Crisis Recovery sum insured	\$25,000 ⁷	\$50,000 ⁸ (cannot exceed the Crisis Recovery sum insured)	\$2,500,000 ^{5,9} for occupation category AAA, AA & A; \$2,000,000 ^{5,9} for occupation category B, C & D; \$500,000 ^{5,9} for 'home duties' definition; \$1,000,000 ^{5,9} for Loss of Independence	N/A	One option of up to \$300,000 for each nominated child	\$2,500,000 ⁹ for occupation category AAA, AA & A; \$2,000,000 ⁹ for occupation category B, C & D; \$500,000 ⁹ for 'home duties' definition; \$1,000,000 ⁹ for Loss of Independence	None ⁴
Minimum Premium	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹
Sum Insured/ Monthly Benefit/ Indexation Increases	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	Yes	No

1. Term Life benefit must be purchased.
2. Crisis Recovery benefit must be purchased.
3. Crisis Recovery Stand Alone benefit must be purchased.
4. Subject to financial underwriting.
5. Cannot exceed Term Life sum insured.
6. Applies to the total sums insured for Crisis Recovery and Crisis Recovery Stand Alone and other similar benefits with us and other insurers.

Crisis Recovery Stand Alone Plan

Crisis Recovery Stand Alone Benefit	Optional Benefit ³	
	Female Crisis Assistance	Child's Recovery

<ul style="list-style-type: none"> • 35 crisis events • Death • Lump sum payment • Benefit Indexation 	<ul style="list-style-type: none"> • 5 events • Multiple payments but only one payment per event covered 	<ul style="list-style-type: none"> • 19 crisis events • Lump sum payments
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16 and 60	16 and 60	16 and 60 (life insured) 2 and 15 (insured child)
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70	70	21st birthday of the insured child or 70th birthday of the life insured, if earlier
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\$1,500,000 ⁶ (age 16–55 next birthday); \$1,000,000 ⁶ (age 56–60 next birthday)	\$25,000 ⁷	\$50,000 ⁸ (cannot exceed the Crisis Recovery sum insured)
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\$250 ¹¹	\$250 ¹¹	\$250 ¹¹
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Yes	Yes	No
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Disability Income Plan

Disability Income Benefit Agreed Value or Indemnity	Optional Benefits			
	Claim Escalation Benefit	PLUS Optional Benefit	Business Expenses Insurance Benefit	Home Expenses Benefit

<ul style="list-style-type: none"> • Monthly income upon total or partial disablement • Cover up to 75% of income • Death • Rehabilitation expenses • Waiver of premium • Recurrent disablement • AIDS cover • Benefit Indexation 	<ul style="list-style-type: none"> • Increase in benefit amount after 12 consecutive months of claim payment • Benefit automatically increases annually by 3.0% or the CPI (whichever is the greater) 	<ul style="list-style-type: none"> • No-claim bonus • Specified Injury • Crisis Recovery • Bed Confinement • Cosmetic or Elective Surgery • Accommodation • Family Care • Home Care • Relocation 	<ul style="list-style-type: none"> • Monthly income up to 12 months upon total or partial disablement • Cover up to 100% of business expenses • AIDS cover 	<ul style="list-style-type: none"> • Monthly income up to 12 months upon disablement of the insured spouse to perform domestic tasks
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16 and 60; (occupation category AAA, AA, A & B) 16 and 55 (occupation category C & D)	16 and 60; (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D)	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D)	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D)	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D); 16 and 55 (insured spouse)
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65	65	65	65	65th birthday of the life insured or the insured spouse, if earlier
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Refer to Maximum Monthly Benefit table on page 31	Disability Income benefit	Disability Income benefit	Refer to Maximum Monthly Benefit table on page 34	\$1,000, \$1,500, or \$2,000 ¹⁰ per month
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\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹	\$250 ¹¹
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Yes	Yes	Yes	Yes	No
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Business Expenses Insurance Plan

Business Expenses Insurance Benefit

<ul style="list-style-type: none"> • Monthly income up to 12 months upon total or partial disablement • Cover up to 100% of business expenses • AIDS cover • Benefit Indexation

16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D)
--

65

Refer to Maximum Monthly Benefit table on page 34

\$250 ¹¹

Yes

Superannuation Term Life Plan

Term Life Benefit	Optional Benefit ¹
	Permanent Disablement

<ul style="list-style-type: none"> • Death • Lump sum payment • Benefit Indexation 	<ul style="list-style-type: none"> • Total and Permanent Disablement • Lump sum payment
---	---

11 and 65	16 and 60 (occupation category AAA, AA, A & B); 16 and 55 (occupation category C & D)
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75	65
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None ⁴	\$2,500,000 ^{5,9} for occupation category AAA, AA & A; \$2,000,000 ^{5,9} for occupation category B, C & D
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\$250 ¹¹	\$250 ¹¹
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Yes	Yes
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7. Applies to the total sums insured for Female Crisis Assistance benefit with us.
 8. Applies to the total sums insured for Child's Recovery benefit under Crisis Recovery and Crisis Recovery Stand Alone and other similar benefits with us and other insurers.
 9. Applies to the total sums insured for Permanent Disablement and Permanent Disablement Stand Alone and other similar benefits with us and other insurers.
 10. The monthly benefit of the Disability Income (Agreed Value and Indemnity) benefit must be \$8,000 or greater.
 11. Minimum premium is \$250 per annum per policy. This includes the premium for all benefits chosen, the policy fee, any premium frequency charge and any stamp duty.

Summary of Mortgage Protection

	Term Life Plan		Disability Income Plan		
	Term Life Benefit	Permanent Disablement	Disability Income Benefit (Agreed Value)	Claim Escalation Benefit	
Benefits	<ul style="list-style-type: none"> • Death • Terminal Illness • Lump sum payment 	<ul style="list-style-type: none"> • Total and Permanent Disablement • Lump sum payment 	<ul style="list-style-type: none"> • Monthly income upon total or partial disablement • Death • Rehabilitation expenses • Waiver of premium • Recurrent disablement • AIDS cover 	<ul style="list-style-type: none"> • Increase in benefit amount after 12 consecutive months of claim payment • Benefit automatically increases annually by 3.0% or the CPI (whichever is the greater) 	Benefits
Entry Age Next Birthday between	20 and 50	20 and 50	20 and 50	20 and 50	Entry Age Next Birthday between
Policy Term	5 years	5 years	5 years	5 years	Policy Term
Maximum Sum Insured	Outstanding mortgage amount up to a maximum of \$500,000	Term Life sum insured	Outstanding monthly mortgage repayment up to a maximum of \$3,000 per month	Disability Income benefit (Agreed Value) sum insured	Maximum Sum Insured
Minimum Premium	\$250*	\$250*	\$250*	\$250*	Minimum Premium
Sum Insured/ Monthly Benefit/ Indexation Increases	No	No	No	No	Sum Insured/ Monthly Benefit Increases

* Minimum premium is \$250 per annum per policy. This includes the premium for all benefits chosen, the policy fee, any premium frequency charge and any stamp duty.

Priority Protection – Overview

■ Introduction

The Priority Protection product provides you with a selection of plans to cater for all your life insurance needs.

There are five plans available under the one policy. The plans are:

- Term Life Plan
- Money-back Term Plan
- Crisis Recovery Stand Alone Plan
- Disability Income Plan (Agreed Value or Indemnity), and
- Business Expenses Insurance Plan

You can purchase each plan separately or in combination with any other plan.

Also you can purchase the Superannuation Term Life Plan or Mortgage Protection which will be issued as a separate policy.

■ What Do The Plans Cover?

■ Term Life Plan (see page 8)

Under the Term Life Plan, you can choose a Term Life benefit, a Permanent Disablement Stand Alone benefit or both.

Optional benefits are available under the Term Life benefit. They are:

- Crisis Recovery benefit
 - Crisis Recovery Buy-back benefit
 - Female Crisis Assistance benefit (female only)
 - Child's Recovery benefit
- Permanent Disablement benefit
- Waiver of Premium benefit, and
- Child's Guaranteed Insurability benefit.

The Permanent Disablement Stand Alone benefit provides a lump sum in the event of the total and permanent disablement of the life insured.

■ Money-back Term Plan (see page 19)

The Money-back Term Plan provides you with a guaranteed premium refund after the end of the 10-year term.

■ Crisis Recovery Stand Alone Plan (see page 21)

This benefit eases the financial burden of the costs associated with recovering from a medical crisis (e.g. heart attack, cancer or stroke). We will provide you with a lump sum payment if the life insured is diagnosed with one of the 35 crisis (medical) events.

There are two optional benefits available under the Crisis Recovery Stand Alone Plan:

- Female Crisis Assistance benefit (female only), and
- Child's Recovery benefit.

■ Disability Income Plan (see page 25)

The Disability Income Plan can be either Agreed Value or Indemnity. Both plans provide an income stream in the event of the disablement of the life insured through injury or sickness. Either plan provides comprehensive cover for persons in a wide range of occupations.

There are four optional benefits available under each Disability Income Plan:

- Claim Escalation
- PLUS Optional benefit,
- Business Expenses Insurance benefit, and
- Home Expenses benefit.

■ Business Expenses Insurance Plan (see page 33)

The Business Expenses Insurance Plan provides a business owner with an income stream in the event of the disablement of the life insured through injury or sickness.

■ What Do The Benefits Cost?

Please refer to 'How Much Does The Policy Cost?' section on page 45.

■ What If I Travel Overseas?

Full cover is provided 24 hours a day, 7 days a week, anywhere in the world.

Term Life Plan

The Term Life Plan provides a:

- Term Life benefit,
- Permanent Disablement Stand Alone benefit, or
- Both.

You can also add a range of optional benefits to the Term Life benefit (see page 11).

■ Term Life Benefit

This benefit provides:

- a lump sum benefit on the death of the life insured prior to the latest policy anniversary preceding the life insured's 100th birthday (the expiry date);
- a lump sum benefit on the diagnosis of the life insured with a terminal illness;
- premium reductions for sums insured of \$500,000 or greater;
- a choice of stepped or level premiums (see page 45);
- discounted premium rates for non-smokers;
- discounted premium rates for professional occupations (occupation categories AAA and AA); and
- complimentary interim accidental death cover of up to \$500,000 (see pages 57 and 58).

Payment on Death?

Yes, the Term Life sum insured will be payable as a lump sum on the death of the life insured before the latest policy anniversary prior to the life insured's 100th birthday.

Payment on Terminal Illness?

Yes, the Term Life benefit provides for an advanced lump sum payment of 100% of the Term Life sum insured, up to a maximum payment of \$1,000,000, upon the life insured being diagnosed as terminally ill (defined on page 49). This maximum will apply to the total amount payable under this benefit and other similar benefits with us in respect of the terminal illness of the life insured.

Payment of the Terminal Illness benefit will reduce the Term Life sum insured and the sum insured under any Crisis Recovery, Permanent Disablement or Loss of Independence benefits (see pages 11 to 14) by the amount of the payment made.

Payment of the Terminal Illness benefit will not reduce the sum insured under any Female Crisis Assistance benefit (see page 13) or Permanent Disablement Stand Alone benefit (see page 9) selected.

The reduced Term Life sum insured will be subsequently payable upon the life insured's death prior to the Term Life expiry date. The reduced sum insured will also apply to any Crisis Recovery, Permanent Disablement or Loss of Independence benefits (see pages 11 to 14) selected. The premium for each benefit will be adjusted to reflect any reduction in the sum insured for that benefit.

■ Age Requirements

You can apply for a Term Life benefit on the life of a person aged between 11 and 70 years next birthday at the commencement date of the benefit.

■ Expiry Date

Premiums and cover for the Term Life benefit cease at the expiry date for that benefit. The expiry date is the latest policy anniversary prior to the life insured's 100th birthday.

■ What Is The Maximum Sum Insured?

There is no maximum sum insured for the Term Life benefit but financial underwriting will apply to a large sum insured.

■ Can I Increase My Term Life Cover If My Circumstances Change?

Yes, your **Guaranteed Future Insurability** benefit makes this possible. You may apply for increases in the Term Life sum insured on the occurrence of certain 'personal events' and 'business events' to the life insured without supplying further evidence of health or insurability.

The provision of this option is subject to the following conditions:

1. The original application for insurance cover was accepted by us on standard terms without any specific policy exclusions;
2. The Guaranteed Future Insurability option can only be exercised up to the latest policy anniversary prior to the life insured's 55th birthday;
3. The policy owner or life insured must not have made or are not eligible to make a claim on any policy issued by us;
4. The total increases made under this option cannot exceed the lesser of the original Term Life sum insured and \$1,000,000;
5. There is a maximum of one increase in any twelve month period, and a maximum of 5 increases in total; and
6. The application to increase the Term Life sum insured under this option must occur before that date which is 30 days after the occurrence of a 'personal event' and, for a 'business event', before that date which is 30 days after the first policy anniversary following a 'business event'.

■ What Are The Personal And Business Events Covered?

Personal Events covered are:

- Marriage;
- Birth or adoption of a child; and
- Effecting a first mortgage on the purchase of a home, or increasing an existing first mortgage for the purposes of building or renovation works on the home. (The mortgage must be on the life insured's principal place of residence with a registered mortgage provider.)

For 'marriage' and 'birth or adoption of a child' events, the Term Life sum insured of the life insured may be increased under this option by the lesser of:

- 25% of the original sum insured; and
- \$100,000.

Term Life Plan (continued)

For the 'effecting a first mortgage on a home, or increasing an existing first mortgage' event, the Term Life sum insured may be increased under this option by the lesser of:

- 50% of the original sum insured;
- the amount of the first mortgage;
- the amount of the increase of the first mortgage; and
- \$200,000.

A Term Life sum insured increase under this option will be approved upon satisfactory proof being received by us of the occurrence and the date of the 'personal event'.

Business Events covered are:

- Where the life insured is a key person in a business (e.g. working partner, director or significant shareholder), and the value of their financial interest in the business, averaged over the last three years, increases; and
- Where the life insured is a key person in a business, and the life insured's value to the business, averaged over the last three years, increases.

For a 'business event', the Term Life sum insured may be increased under this option by the lesser of:

- 25% of the original sum insured;
- the increase in the value of the life insured's financial interest in the business or of the life insured's value to the business, whichever is appropriate, averaged over the last three years; and
- \$200,000.

A Term Life sum insured increase under this option will be approved upon satisfactory proof being received by us of the occurrence and the date of the 'business event'.

The option to increase the Term Life sum insured must be exercised before that date which is 30 days after the first policy anniversary following a 'business event'.

During the first 6 months after an increase in the Term Life sum insured the cover for the increase will be death by accident only.

A suicide exclusion will apply to the increase in the Term Life sum insured in the first 13 months following the increase.

The maximum increase from all circumstances will be the lesser of:

- original sum insured, and
- \$1,000,000.

Are There Any Events For Which I Am Not Covered?

Yes, suicide of the life insured within 13 months from the commencement date, date of last reinstatement or date of last increase in the Term Life sum insured. For a benefit increase, the benefit is not payable only in respect of the increase in the sum insured.

Can My Sum Insured Be Reduced?

Yes, the Term Life sum insured will be reduced by any amount payable in respect of a terminal illness under the Term Life benefit, or payable under the Permanent Disablement, Crisis Recovery or Loss of Independence benefits.

When Do My Benefits And Cover Stop?

Benefit and cover under the Term Life benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of the full Term Life sum insured;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Definitions

For the definition of Terminal Illness see page 49.

Permanent Disablement Stand Alone Benefit

This benefit provides:

- a lump sum benefit on the total and permanent disablement of the life insured prior to the latest policy anniversary prior to the life insured's 65th birthday (the expiry date);
- a choice of stepped or level premiums;
- discounted premium rates for non-smokers; and
- 3 different definitions of 'total and permanent disablement'. The definition(s) you can choose from depend on the occupation category of the life insured (see below).

You can purchase a Permanent Disablement Stand Alone benefit on its own or in addition to the optional Permanent Disablement benefit under the Term Life benefit.

This benefit is not available for certain occupations or where the life insured is not working 'full-time' in an occupation acceptable to us.

The definition of 'full-time' is working a minimum of 20 hours per week and 48 weeks per year, excluding public holidays.

The standard definition of total and permanent disablement applying to acceptable occupations relates to the life insured's inability to perform 'any occupation'. You can elect for a life insured in a professional occupation or 'white collar' occupation (occupation category AAA, AA and A) to be covered by a definition that relates to his or her inability to perform his or her 'own occupation'. Also a 'home duties' definition can be selected for a person carrying out domestic duties in their own residence on a full-time basis. The premium that will be charged for the benefit depends on the definition you select. (See page 49 for the definitions.)

Payment on Total and Permanent Disablement?

Yes, if the life insured becomes totally and permanently disabled we will pay a lump sum equal to the Permanent Disablement Stand Alone sum insured. The payment of this benefit will not reduce the Term Life sum insured.

Term Life Plan (continued)

Age Requirements

The life insured under the Permanent Disablement Stand Alone benefit must be aged between (see below) at the commencement date of the benefit.

(Category AAA, AA, A & B)	16 and 60 next birthday
(Category C & D)	16 and 55 next birthday
'Home Duties' definition	16 and 55 next birthday

Expiry Date

Premiums and cover for the Permanent Disablement Stand Alone benefit cease at the expiry date of that benefit.

The expiry date for the Permanent Disablement Stand Alone benefit is the latest policy anniversary prior to the life insured's 65th birthday.

From the expiry date the Permanent Disablement Stand Alone benefit will automatically continue under the Loss of Independence definition (see page 51). The Loss of Independence benefit will expire at the latest policy anniversary prior to life insured's 100th birthday.

What Is The Maximum Sum Insured?

The maximum sum insured for the Permanent Disablement Stand Alone benefit is \$2,500,000 for a life insured in occupation AAA, AA or A, \$2,000,000 for a life insured in occupation B, C or D, and \$500,000 for the 'home duties' definition of total and permanent disablement.

The maximum sum insured will include the sum insured for any optional Permanent Disablement benefit under the Term Life benefit (see page 14), any Permanent Disablement Stand Alone benefit and will apply to the total sum insured for all similar benefits with us and other insurers.

Are There Any Events For Which I Am Not Covered?

Permanent Disablement Stand Alone

Any disablement directly or indirectly caused by intentional self-inflicted injury (whether illegal or not) or any attempt by the life insured while sane or insane.

Conversion to Loss of Independence at age 65

If the life insured is covered for Permanent Disablement Stand Alone and there has not been a claim under the policy, then the Permanent Disablement Stand Alone benefit will continue as a Loss of Independence benefit from the expiry date of the Permanent Disablement Stand Alone benefit until the expiry date of the policy.

We will pay a lump sum equal to the Loss of Independence sum insured if the life insured meets the Loss of Independence definition (see page 51). We will pay the Loss of Independence benefit once only.

The conditions applying to the Loss of Independence benefit are explained below.

Loss of Independence Benefit

Where the optional Permanent Disablement benefit under the Term Life benefit has not been selected, the sum insured for the Loss of Independence benefit, issued on conversion from the Permanent Disablement Stand Alone benefit, will be the lower of:

- Permanent Disablement Stand Alone sum insured at the time the Permanent Stand Alone benefit ceases; and
- \$1,000,000.

Where the optional Permanent Disablement benefit under the Term Life benefit has been selected and the Permanent Disablement sum insured at the time the Permanent Disablement benefit ceases exceeds \$1,000,000, the Loss of Independence benefit, issued on conversion from the Permanent Disablement Stand Alone benefit, will not be available.

Where the total sum insured under the optional Permanent Disablement benefit and the Permanent Disablement Stand Alone benefit exceeds \$1,000,000 and the sum insured under the optional Permanent Disablement benefit is less than \$1,000,000, the sum insured for the Loss of Independence benefit, issued on conversion from the Permanent Disablement Stand Alone benefit, will be \$1,000,000 less the sum insured under the optional Permanent Disablement benefit.

Where the total sum insured under the optional Permanent Disablement benefit and the Permanent Disablement Stand Alone benefit is less than \$1,000,000, the sum insured for the Loss of Independence benefit, issued on conversion from the Permanent Disablement Stand Alone benefit, will be the sum insured under the Permanent Disablement Stand Alone benefit.

In the event of a claim under the Loss of Independence benefit, issued on conversion from the Permanent Disablement Stand Alone benefit, any Term Life sum insured will not be reduced by any amount paid under this benefit.

The Loss of Independence sum insured, issued on conversion from the Permanent Disablement Stand Alone benefit, will not be reduced by any payment under any Term Life benefit or under any optional benefit under the Term Life benefit.

The Loss of Independence benefit will expire at the latest policy anniversary prior to the life insured's 100th birthday.

When Do My Benefits And Cover Stop?

Benefit and cover under the Permanent Disablement Stand Alone benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of the full Term Life sum insured;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Definitions

For definitions of total and permanent disablement see page 49.

Term Life Plan (continued)

■ Term Life Benefit – Optional Benefits

For an additional premium, you can add one or more optional benefits to the Term Life benefit under your Term Life Plan. You will gain the added security of cover for major medical crises, permanent disablement cover (lump sum payment) and waiver of premium in the event of the life insured being totally and permanently disabled before age 65. You can also protect your child/children against major medical crises.

You must have a Term Life benefit before you can add any Term Life optional benefit.

The optional benefits are:

- Crisis Recovery
 - Crisis Recovery Buy-back
 - Female Crisis Assistance (female only)
 - Child's Recovery
- Permanent Disablement
- Waiver of Premium
- Child's Guaranteed Insurability.

■ Crisis Recovery Benefit

This benefit eases the financial burden of the costs associated with recovering from a medical crisis (e.g. heart attack, cancer or stroke). We will provide you with a lump sum payment if the life insured is diagnosed with one of the 35 crisis (medical) events listed below and we confirm the diagnosis.

In the event of the payment of a claim, including a claim under the Chronic Diagnosis Advancement benefit (see below), the Term Life sum insured and the sum insured under any Permanent Disablement or Loss of Independence benefit will be reduced by the amount of the payment made under this benefit. The Crisis Recovery sum insured you choose cannot exceed the Term Life sum insured and cannot exceed \$1,500,000 or \$1,000,000 for the life insured aged 56–60 next birthday (see page 16).

Upon the payment of the full sum insured under the Crisis Recovery benefit in respect of a crisis event the benefit will cease and no further Crisis Recovery benefit will be paid for any subsequent crisis event.

The crisis events covered under the Crisis Recovery benefit are listed below and are defined on pages 50 to 53.

- Accidental HIV Infection
- Aplastic Anaemia
- Bacterial Meningitis
- Blindness
- Cancer
- Cardiomyopathy
- Chronic Liver Disease
- Chronic Lung Disease
- Coma
- Coronary Artery Angioplasty*
- Coronary Artery By-pass Surgery
- Dementia/Alzheimer's Disease
- Diplegia
- Heart Attack
- Heart Valve Surgery
- Hemiplegia
- Kidney Failure

- Loss of Hearing
- Loss of Independence
- Loss of Limbs and Sight of One Eye
- Loss of Speech
- Major Burns
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Other Serious Coronary Artery Disease
- Paraplegia
- Parkinson's Disease
- Pulmonary Arterial Hypertension (primary)
- Quadriplegia
- Stroke
- Surgery to Aorta
- Viral Encephalitis

*For Coronary Artery Angioplasty the benefit payable for angioplasty of one or two coronary arteries is limited to 25% of the Crisis Recovery sum insured subject to a maximum of \$25,000 under all policies we have issued covering the life insured. After any payment for the Coronary Artery Angioplasty, the Crisis Recovery sum insured will be reduced accordingly.

100% of the Crisis Recovery sum insured subject to a maximum of \$100,000 under all policies we have issued covering the life insured will be payable for three or more coronary arteries.

Once total payments under the Crisis Recovery benefit reach the Crisis Recovery sum insured the Crisis Recovery benefit will cease.

Qualifying Period

The Crisis Recovery benefit under the Term Life benefit will not be paid if the life insured sustains one of the crisis events listed below within three months after the benefit commencement date or the date of any increase or reinstatement of the benefit. These crisis events are:

- Accidental HIV Infection.
- Cancer
- Coronary Artery Angioplasty
- Coronary Artery By-pass Surgery
- Heart Attack
- Heart Valve Surgery
- Major Organ Transplant
- Other Serious Coronary Artery Disease
- Pulmonary Arterial Hypertension (primary)
- Stroke
- Surgery to Aorta

Pre-existing Medical Condition

If the life insured has consulted a medical practitioner or undergone an investigation in relation to a crisis event before the benefit commencement date and has not disclosed full details to us the Crisis Recovery benefit under this plan will not be paid in respect of that crisis event and any associated crisis events.

Term Life Plan (continued)

Chronic Diagnosis Advancement Benefit

The Chronic Diagnosis Advancement benefit is an advanced payment of the Crisis Recovery benefit. This benefit is payable upon our confirmation of the diagnosis of certain crisis events (see below).

The Chronic Diagnosis Advancement benefit will be paid if an appropriate specialist medical practitioner acceptable to us confirms that the life insured:

- (a) has suffered or been medically diagnosed with one of the following crisis events:
 - Motor Neurone Disease;
 - Multiple Sclerosis;
 - Muscular Dystrophy; or
 - Parkinson's Disease,but has not yet met the definition of that crisis event (see page 52); or
- (b) has been placed on a waiting list to receive a major organ transplant of the kind described for the Major Organ Transplant crisis event (see page 52) and that the procedure is unrelated to any previous procedure or surgery undergone by the life insured.

The payment is 25% of the Crisis Recovery sum insured, subject to a maximum of \$25,000 under all policies issued by us covering the life insured.

If the Chronic Diagnosis Advancement benefit is paid, the Crisis Recovery sum insured, the Term Life sum insured and any Permanent Disablement sum insured will be reduced by the amount paid. If the life insured subsequently qualifies for the Crisis Recovery benefit as defined in the policy document, the reduced Crisis Recovery benefit will be paid.

Only one Chronic Diagnosis Advancement benefit payment will be made in respect of the life insured under the policy.

Conversion to Loss of Independence at age 70

If the life insured is covered for the Crisis Recovery benefit and there has not been a claim under the policy, then the Crisis Recovery benefit will continue as a Loss of Independence benefit from the expiry date of the Crisis Recovery benefit until the expiry date of the policy.

We will pay a lump sum equal to the Loss of Independence sum insured if the life insured meets the Loss of Independence definition (see page 51). We will pay the Loss of Independence benefit once only.

The conditions applying to the Loss of Independence benefit are explained below.

Loss of Independence Benefit

The sum insured for the Loss of Independence benefit issued on conversion from the Crisis Recovery benefit will be the lesser of:

- Crisis Recovery sum insured at the time the Crisis Recovery benefit ceases; and
- \$1,000,000.

Where the life insured is covered under the Crisis Recovery benefit and the Permanent Disablement benefit, the Loss of Independence benefit will commence from the date of expiry of the Permanent Disablement benefit (i.e. the latest policy anniversary prior to the life insured's 65th birthday) with a sum insured determined as set out on page 14. From the date of expiry of the Crisis Recovery benefit (i.e. the latest policy anniversary prior to the life insured's 70th birthday) the Loss of Independence sum insured will increase to the Crisis Recovery sum insured at that time if greater, subject to a maximum sum insured of \$1,000,000.

In the event of a claim under the Loss of Independence benefit, issued on conversion from the Crisis Recovery benefit, the Term Life sum insured will be reduced by any amount paid under this benefit.

The Loss of Independence sum insured, issued on conversion from the Crisis Recovery benefit, will be reduced by any payment under the Term Life benefit.

The Loss of Independence benefit will expire at the latest policy anniversary prior to the life insured's 100th birthday.

Crisis Recovery Buy-back Benefit

The Crisis Recovery Buy-back benefit can only be purchased with the Crisis Recovery benefit. After a claim has been paid for the full sum insured on the Crisis Recovery benefit, the Crisis Recovery Buy-back benefit allows the decrease in the Term Life sum insured to be re-purchased on the first anniversary of the date of the payment of the Crisis Recovery benefit.

In the event of the payment of a claim for the full Crisis Recovery sum insured under the Crisis Recovery benefit, and after the Term Life sum insured (and any Permanent Disablement sum insured) have been reduced, the Term Life sum insured only may be re-purchased up to the previous amount (see below).

No further Crisis Recovery benefit will be payable and any reduction in the Permanent Disablement sum insured shall not be reinstated.

The Crisis Recovery Buy-back benefit ceases at the latest policy anniversary prior to the life insured's 65th birthday.

The repurchase of the death cover:

- will be subject to our premium rates applicable at the time of buy-back;
- will be available without evidence of health;
- will be provided on the same underwriting acceptance terms as were applied to the original Term Life benefit; and
- must occur within 30 days from the expiration of 12 months from the date of payment of the full sum insured under the Crisis Recovery benefit.

The Crisis Recovery Buy-back benefit does not apply where the reduction in the Term Life sum insured was due to the payment of a benefit for a Coronary Artery Angioplasty or the payment of the Chronic Diagnosis Advancement benefit.

Term Life Plan (continued)

Female Crisis Assistance Benefit

The Female Crisis Assistance benefit may be purchased for the female life insured under either the Crisis Recovery benefit or Crisis Recovery Stand Alone benefit. This benefit provides a payment in the event of the life insured being diagnosed as suffering one of the events listed below. This benefit is payable once only per event. That is, there can be multiple payments under the Female Crisis Assistance benefit but only one payment per event covered. Payment of this benefit does not reduce the sums insured for any of the other benefits under this policy. The sum insured selected for this benefit must be between \$10,000 and \$25,000 inclusive (see page 16). Premium for this benefit is payable on a **stepped** basis only.

The events covered are:

- Carcinoma-in-situ of Breast and Cervix (pre-invasive cancerous stage which is excluded from Crisis Recovery).
- Complications of Pregnancy. Complications include:
 - Disseminated Intravascular Coagulation
 - Ectopic Pregnancy
 - Hydatidiform Mole
 - Still birth
- Congenital Abnormalities of Child. Congenital Abnormalities include:
 - Down's Syndrome
 - Spina Bifida
 - Tetralogy of Fallot
 - Transposition of Great Vessels
 - Congenital Blindness
 - Congenital Deafness
- Osteoporosis
- Facial Reconstructive Surgery and Skin Grafting due to Accident.

The conditions applying to this benefit are explained below. Please see pages 53 to 54 for the full definitions of each of the Female Crisis Assistance events:

- *Carcinoma-in-situ of Breast or Cervix*
The benefit is payable on the first occurrence of Carcinoma-in-situ in the breast or cervix. This benefit is payable once only. This benefit will not be paid if the life insured suffers this event within one year of the commencement date or date of any increase or reinstatement of the Female Crisis Assistance benefit.
- *Complications of Pregnancy*
The benefit is payable if the life insured suffers a complication of pregnancy. This benefit is payable for one event only. This benefit will not be paid if the life insured suffers this event within one year of the commencement date or date of any increase or reinstatement of the Female Crisis Assistance benefit. Coverage is provided up to the policy renewal date prior to the life insured attaining age 46. Complications as a result of abortion are excluded.

- *Congenital Abnormalities of Child*

The benefit is payable if the life insured has a child who has congenital abnormalities as defined. The child must survive 30 days or longer after birth for this benefit to be paid. This benefit is payable for one event only. This benefit will not be paid if the life insured suffers this event within one year of the commencement date or date of any increase or reinstatement of the Female Crisis Assistance benefit.

- *Osteoporosis*

The benefit is payable on the occurrence of at least two vertebral body fractures or a fracture of the neck or femur, due to osteoporosis. This benefit will not be paid if the life insured suffers this event within 90 days of the commencement date or date of any increase or reinstatement of the Female Crisis Assistance benefit. Coverage is provided up to the policy renewal date prior to the life insured attaining age 51.

- *Facial Reconstructive Surgery and Skin Grafting due to Accident*

The benefit is payable if the life insured undergoes plastic or reconstructive surgery above the neck which is deemed medically necessary. This benefit is payable once only.

Child's Recovery Benefit

The Child's Recovery benefit can be purchased on the life of a child under either the Crisis Recovery or Crisis Recovery Stand Alone benefit. The child must be the natural child, the stepchild or the adopted child of the policy owner or of the life insured.

The sum insured per insured child under the Child's Recovery benefit cannot exceed the lower of:

- Crisis Recovery sum insured; and
- \$50,000.

The limits will apply to the total sums insured for any optional Child's Recovery benefit under the Term Life benefit and under the Crisis Recovery Stand Alone benefit (see page 22). The maximum number of insured children per policy is ten. Where more than one child is covered under the benefit, the sum insured must be the same for each child.

It is designed to pay a lump sum to the policy owner in the event of a crisis event being sustained by the child during the term of the benefit. The list of crisis events covered under the Child's Recovery benefit is listed below and the crisis events are defined on pages 49 to 53.

- Death
- Terminal Illness
- Crisis events
 - Accidental HIV infection
 - Aplastic anaemia
 - Bacterial meningitis
 - Blindness
 - Cancer
 - Cardiomyopathy
 - Coma
 - Loss of hearing
 - Loss of speech

Term Life Plan (continued)

- Kidney failure
- Loss of limbs or sight of one eye
- Major burns
- Major organ transplant
- Paralysis
 - * Diplegia
 - * Hemiplegia
 - * Paraplegia
 - * Quadriplegia
- Stroke
- Viral encephalitis

Upon the payment of the full sum insured under the Child's Recovery benefit in respect of a crisis event the Child's Recovery benefit will cease and no further Child's Recovery benefit will be paid for any subsequent crisis event.

Qualifying Period

The Child's Recovery benefit will not be paid if the insured child sustains one of the crisis events listed below within three months after the benefit commencement date or the date of any reinstatement of the benefit. These crisis events are:

- Cancer
- Major organ transplant
- Stroke
- Accidental HIV infection

Pre-existing Medical Condition

If the insured child has consulted a medical doctor or undergone an investigation in relation to a crisis event before the benefit commencement date and has not disclosed full details to us the Child's Recovery benefit will not be paid in respect of that crisis event and any associated crisis events.

Permanent Disablement Benefit

This benefit provides:

- a lump sum benefit on the total and permanent disablement of the life insured;
- discounted premium rates for non-smokers; and
- 3 different definitions of 'total and permanent disablement'. The definitions you can choose from depend on the occupation category of the life insured (see below).

This benefit can be purchased independently of the Permanent Disablement Stand Alone benefit under the Term Life Plan.

This benefit is not available for certain occupations or where the life insured is not working 'full-time' in an occupation acceptable to us.

The definition of 'full-time' is working a minimum 20 hours per week and 48 weeks per year, excluding public holidays.

The standard definition of total and permanent disablement applying to acceptable occupations relates to the life insured's inability to perform 'any occupation'. You can elect for a life insured in either a professional or 'white collar' occupation (occupation category AAA, AA and A) (see page 30) to be covered by a definition that relates to his or her inability to perform his or her 'own occupation'. Also a 'home duties' definition can be selected for a person carrying out domestic duties in their own residence on a full-time basis. The premium that will be charged for the benefit depends on the definition you select (see page 49).

The sum insured under the Permanent Disablement benefit cannot exceed the lower of:

- the Term Life sum insured; and
- \$2,500,000, \$2,000,000 or \$500,000 (see below).

Also the total sum insured under the Permanent Disablement benefit and any Permanent Disablement Stand Alone benefit selected cannot exceed \$2,500,000 for a life insured in occupation category AAA, AA or A, \$2,000,000 for a life insured in occupation category B, C or D, or \$500,000 if the 'home duties' definition of total and permanent disablement has been selected (see page 16).

Payment on Total and Permanent Disablement

If the life insured becomes totally and permanently disabled we will pay a lump sum equal to the Permanent Disablement sum insured.

In the event of the payment of a claim, the Term Life sum insured and any Crisis Recovery sum insured will be reduced by the amount paid under this benefit.

Conversion to Loss of Independence at age 65

If the life insured is covered for Permanent Disablement and there has not been a claim under the policy, then the Permanent Disablement cover will continue as a Loss of Independence benefit from the expiry date of the Permanent Disablement benefit until the expiry date of the policy.

We will pay a lump sum equal to the Loss of Independence sum insured if the life insured meets the Loss of Independence definition (see page 51). We will pay the Loss of Independence benefit once only.

The conditions applying to the Loss of Independence benefit are explained below.

Loss of Independence Benefit

The sum insured of the Loss of Independence benefit issued on conversion from the Permanent Disablement benefit will be the lesser of:

- Permanent Disablement sum insured at the time the Permanent Disablement benefit ceases; and
- \$1,000,000.

Term Life Plan (continued)

Where the life insured is covered under the Crisis Recovery benefit and the Permanent Disablement benefit, the Loss of Independence benefit will commence from the date of expiry of the Permanent Disablement benefit (i.e. the latest policy anniversary prior to the life insured's 65th birthday) with a sum insured determined in accordance with the paragraph above. From the date of expiry of the Crisis Recovery benefit (i.e. the latest policy anniversary prior to the life insured's 70th birthday) the Loss of Independence sum insured will increase to the Crisis Recovery sum insured at that time if greater, subject to a maximum sum insured of \$1,000,000 (see page 16).

In the event of a claim under the Loss of Independence benefit, issued on conversion from the Permanent Disablement benefit, the Term Life sum insured and any Crisis Recovery sum insured attached will be reduced by any amount paid under this benefit.

The Loss of Independence sum insured, issued on conversion from the Permanent Disablement benefit, will be reduced by any payment under the Term Life or Crisis Recovery benefit.

The Loss of Independence benefit will expire at the latest policy anniversary prior to the life insured's 100th birthday.

Waiver of Premium Benefit

The Waiver of Premium benefit can be selected as the only optional benefit or in conjunction with one or more of the other optional benefits under the Term Life benefit.

This benefit is not available for certain occupations or where the life insured is not working 'full-time' in an occupation acceptable to us.

The definition of 'full-time' is working a minimum 20 hours per week and 48 weeks per year, excluding public holidays.

The standard definition of total and permanent disablement applying to acceptable occupations relates to the life insured's inability to perform 'any occupation'. You can elect for a life insured in a professional or 'white collar' occupation (occupation category AAA, AA and A) to be covered by a definition that relates to his or her inability to perform his or her 'own occupation'. Also a 'home duties' definition can be selected for a person carrying out domestic duties in their own residence on a full-time basis. The premium that will be charged for the benefit depends on the definition you select. (See page 49 for the definitions.)

If the life insured becomes totally and permanently disabled we will waive the premiums under the:

- Term Life benefit;
- Other optional benefits under the Term Life benefit;
- Money-back Term benefit;
- Crisis Recovery Stand Alone benefit; and
- Other optional benefits under the Crisis Recovery Stand Alone benefit

up to the latest policy anniversary prior to the life insured's 65th birthday. Direct premium payments by the policy owner will then resume.

The waiving of premiums for these benefits will cease upon the earlier to occur of:

- the death of the life insured; and
- the latest policy anniversary prior to the life insured's 65th birthday.

Premiums for any voluntary increases in the sum insured for the Term Life, Crisis Recovery, Crisis Recovery Buy-back, Female Crisis Assistance, Child's Recovery, Child's Guaranteed Insurability and Crisis Recovery Stand Alone benefits including the re-purchase of any Term Life sum insured under the Crisis Recovery Buy-back option, the purchase of Term Life sum insured under the Guaranteed Future Insurability benefit and the addition of a child under the Child's Recovery benefit and Child's Guaranteed Insurability benefit after the start of the total and permanent disablement of the life insured will not be waived.

Premiums for indexation increases in benefits which occur after the start of the total and permanent disablement of the life insured will be waived.

You must pay premiums during the 6-month qualifying period and they will not be refunded if and when we accept the Waiver of Premium claim.

In event of disablement you must continue to pay premiums until the claim is assessed and accepted by us.

Child's Guaranteed Insurability Benefit

This benefit guarantees each nominated child the right to purchase a separate insurance policy providing life cover on their own life up to \$300,000 on standard terms and conditions without evidence of health (see page 16). A \$30 per annum premium applies for each nominated child, with a maximum of ten nominated children per benefit.

If the life insured is less than age 49 at commencement date you may purchase this benefit for any child of the policy owner or the life insured who is less than age 10. The nominated child may exercise this option on the policy anniversary prior to their 18th, 21st or 25th birthday or when they marry, buy a home or have a child of their own. This option can be exercised only once by the nominated child.

This benefit ceases on the latest policy anniversary prior to the 25th birthday of the nominated child or prior to the 65th birthday of the life insured, if earlier.

Term Life Plan (continued)

Age Requirements – Optional Benefits

You can apply for a Term Life benefit on the life of a person aged between and including 11 and 70 years next birthday. However, additional restrictions apply to the optional benefits under the Term Life benefit.

The minimum and maximum entry ages and the expiry age for each benefit is the latest policy anniversary prior to the life insured reaching a specific age. The specific ages for each benefit are as follows:

Optional Benefit	Entry Age between (next birthday)	Expiry Age
Crisis Recovery*	16 and 60	70
Crisis Recovery Buy-back	16 and 60	65
Female Crisis Assistance†	16 and 60	70
Child's Recovery	16 and 60 (life insured) and 2 and 15 (child)	70 (life insured) or 21 (child), if earlier
Permanent Disablement* (category AAA, AA, A & B)	16 and 60	65
Permanent Disablement* (category C & D)	16 and 55	65
Permanent Disablement ('home duties' definition)	16 and 55	65
Waiver of Premium (category AAA, AA, A & B)	16 and 60	65
Waiver of Premium (category C & D)	16 and 55	65
Waiver of Premium ('home duties' definition)	16 and 55	65
Child's Guaranteed Insurability	16 and 49 (life insured) and 4 weeks and 10 (child)	65 (life insured) or 25 (child), if earlier

* *Crisis Recovery and Permanent Disablement will automatically continue under Loss of Independence at ages 70 and 65 next birthday respectively to expiry of the policy.*

† *Female Crisis Assistance benefit is available to a female life insured only.*

What Are The Minimum Sums Insured?

There are no minimum sum insured requirements for all optional benefits under the Term Life benefit except the Female Crisis Assistance benefit. However, \$250 minimum premium requirement applies to the policy (see page 46).

The minimum sum insured for the Female Crisis Assistance benefit is \$10,000.

What Are The Maximum Sums Insured?

- Crisis Recovery* – \$1,500,000; (\$1,000,000 for the life insured age 56–60 next birthday)
- Female Crisis Assistance – \$25,000
- Child's Recovery** – \$50,000 for each child insured
- Permanent Disablement* – \$2,500,000 for occupation category AAA, AA and A; \$2,000,000 for occupation category B, C and D; \$500,000 for 'home duties' definition
- Loss of Independence* – \$1,000,000
- Child's Guaranteed Insurability – One option of up to \$300,000 for each nominated child.

* *Cannot exceed the Term Life sum insured selected.*

***Cannot exceed the Crisis Recovery sum insured selected.*

These maximums will apply to the total sums insured for all similar benefits on the life insured and the insured child with us and other insurers.

Can My Sum Insured Be Reduced?

Crisis Recovery

Yes, the Crisis Recovery sum insured will be reduced by any amount payable under the Term Life benefit in respect of a Terminal Illness, or payable under the Permanent Disablement or Loss of Independence benefits and also by any payments under the Crisis Recovery benefit such as Coronary Artery Angioplasty and the Chronic Diagnosis Advancement benefit.

Permanent Disablement

Yes, the Permanent Disablement sum insured will be reduced by any amount payable under the Term Life benefit in respect of a Terminal Illness or payable under the Crisis Recovery benefit.

Are There Any Events For Which I Am Not Covered?

The optional benefits under the Term Life benefit are not payable in the following circumstances:

Crisis Recovery

- Any crisis event directly or indirectly wholly or partly caused by intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane.

Female Crisis Assistance

- An event directly or indirectly caused by intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane;
- Complications of pregnancy as a result of abortion.

Term Life Plan (continued)

Child's Recovery

- Any crisis event directly or indirectly caused by intentional self-inflicted injury or any attempt by the insured child.
- General exclusions (until 10th birthday of insured child):
 - Crisis event caused by a congenital condition;
 - Crisis event intentionally caused by the insured child's parent, guardian or relative or someone who lives with or supervises the insured child.

Permanent Disablement, Waiver of Premium and Loss of Independence

- Any disablement directly or indirectly wholly or partly caused by intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane.

Definitions

For definitions of total and permanent disablement and crisis events see pages 49 to 54.

Essential Information

Can I Increase My Sum Insured?

Yes, you can increase your sum(s) insured each year in line with the increase in the Consumer Price Index (CPI) for that year or you can select a voluntary increase in your sum(s) insured.

This option is not available under the Child's Recovery benefit.

CPI Increases

You can choose to have your sum insured for each benefit automatically increased on each policy anniversary. The sum insured will increase by the percentage increase in the Consumer Price Index or 3%, whichever is the greater. Automatic increases of the sum insured will not be applied to any benefit where the total sum insured for all policies issued by us on the life insured exceeds \$2 million. Where the 'home duties' definition of total and permanent disablement applies this maximum sum insured is reduced to \$500,000. Your premium will also be adjusted to allow for the higher level of cover and the age of the life insured at that time.

Automatic increases for all benefits will cease at the policy anniversary prior to the life insured's 70th birthday.

Voluntary Increases

The sum insured may be increased at any time subject to underwriting and maximum sums insured.

Can I Decrease My Sum Insured?

Yes, you can decrease your sum(s) insured at any time. Where the sum insured is decreased any CPI indexation and Premium Freeze (see below) will continue based on the reduced sum insured and premium respectively for the plan.

What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

When Do My Benefits and Cover Stop?

Crisis Recovery and Loss of Independence

Benefit and cover under the benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of the full sum insured under the benefit;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Crisis Recovery Buy-back

Benefit and cover under the Crisis Recovery Buy-back benefit will stop on the earliest to occur of:

- the death of the life insured;
- 30 days after the expiration of 12 months from the date of payment of the full sum insured under the Crisis Recovery benefit;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Female Crisis Assistance

Benefit and cover under the Female Crisis Assistance benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of an amount for each event covered under the benefit;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Child's Recovery

Benefit and cover under the Child's Recovery benefit will stop on the earliest to occur of:

- the death of the insured child or life insured;
- the payment of the full sum insured under the benefit;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Term Life Plan (continued)

Permanent Disablement and Loss of Independence

Benefit and cover under the benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of the full sum insured under the benefit;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Waiver of Premium

Benefit and cover under the Waiver of Premium benefit will stop on the earliest to occur of:

- the death of the life insured;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Child's Guaranteed Insurability

Benefit and cover under the Child's Guaranteed Insurability benefit will stop on the earliest to occur of:

- the death of the nominated child or life insured;
- the exercise of the option under the benefit;
- the expiry date of the benefit;
- the cancellation of the benefit; and
- the lapse of the policy.

Can I Freeze My Premium?

Yes, provided the life insured is aged 35 or older at the start of the policy year. You may select to pay in a policy year and in all subsequent policy years, the same annual premium as you paid for the previous policy year. Any such advice to us must be in writing.

The sum insured for each benefit will decrease on the policy anniversary. This process will be repeated each year on the policy anniversary.

When the Premium Freeze option has been exercised, any CPI indexation will cease and you will be unable to exercise any of the Guaranteed Future Insurability options (see page 8).

If you wish to unfreeze your premium, you will need to write to us for our approval.

The Premium Freeze will not apply to the Female Crisis Assistance benefit.

What About Tax?

Usually tax is not payable upon death on any lump sum payment that may be made under this policy, as long as the ownership of the policy does not change. Conversely, premiums for a policy that provides lump sum benefits are not usually tax deductible. Different rules may apply in some circumstances. A tax professional will be able to clarify your particular position.

If the policy is owned in a business environment then the premiums may in some situations be deductible and the proceeds may then be assessable for taxation purposes.

This information is based on the continuance of present laws affecting taxation and our interpretation of them.

If I Die Before My Application Is Accepted, Do I Receive Any Payment?

Complimentary Interim Accidental Death Cover is provided on the life insured. The accidental death cover will be the Term Life sum insured or \$500,000 whichever is the lesser. Cover will be provided on the life insured, once a completed application and the premium have been received. Cover will stop after 90 days or when the application is accepted or declined, whichever occurs first. See pages 57 and 58.

Money-back Term Plan

Money-back Term Benefit

This benefit provides:

- a lump sum benefit on the death of the life insured prior to the expiry date of the benefit;
- a lump sum benefit on the diagnosis of the life insured with a terminal illness;
- a guaranteed partial premium refund payable after five years and after five years of premium have been paid for the Money-back Term benefit (subject to some conditions);
- a guaranteed premium refund at the end of the 10-year benefit term (subject to some conditions);
- premium reductions for sums insured of \$500,000 or greater;
- level premiums only (see page 45);
- discounted premium rates for non-smokers;
- discounted premium rates for professional occupations (category AAA and AA);
- complimentary interim accidental death cover of up to \$500,000 (see pages 57 and 58).

Payment on Death?

Yes, the Money-back Term sum insured will be payable as a lump sum on the death of the life insured before the expiry date of the Money-back Term benefit.

Payment on Terminal Illness?

Yes, the Money-back Term benefit provides for an advanced lump sum payment of 100% of the Money-back Term sum insured, up to a maximum payment of \$1,000,000, upon the life insured being diagnosed as terminally ill (defined on page 49). This maximum will apply to the total amount payable under this benefit and other similar benefits with us in respect of the terminal illness of the life insured.

Payment of the Terminal Illness benefit will reduce the Money-back Term sum insured by the amount of the payment made.

The reduced Money-back Term sum insured will be subsequently payable upon the life insured's death prior to the benefit expiry date.

Where a Terminal Illness benefit has been paid there will be no subsequent premium refund, partial or full, payable under the Money-back Term benefit.

Payment on Withdrawal?

Yes, the Money-back Term benefit provides for a guaranteed partial premium refund during the benefit term. The guaranteed partial premium refund is payable after five years provided premiums are paid in full when due and no Terminal Illness benefit has been paid. The guaranteed partial premium refund is 25% of the total premiums paid for the Money-back Term benefit. For the purposes of this calculation the total premium paid excludes all premium paid for this benefit by us under the Waiver of Premium benefit (see page 15) under the Term Life Plan.

Payment on End of the 10-year term?

Yes, a lump sum amount equal to 100% of the total premium paid for the Money-back Term benefit is payable at the end of the 10-year term provided premiums are paid in full when due and no Terminal Illness benefit has been paid. For the purposes of this calculation the total premium paid excludes all premium paid for this benefit by us under the Waiver of Premium benefit (see page 15) under the Term Life Plan.

Conversion Option

At or before the end of the 10-year benefit term you will have the option of converting the Money-back Term benefit to a Term Life benefit from us. The replacement policy must provide a benefit not greater than the sum insured under the Money-back Term benefit.

The conversion option must be exercised before the 70th birthday of the life insured and be effective from a policy anniversary of the Money-back Term benefit.

The conversion to the replacement Term Life benefit.

- will be subject to our Term Life premium rates at the time of the conversion;
- will be written on either a stepped or level premium basis;
- will be available without evidence of health; and
- will be provided on the same underwriting acceptance terms as were applied to the original Money-back Term benefit.

Essential Information

Age Requirements

You can apply for a Money-back Term benefit on the life of a person aged between 11 and 70 years next birthday.

Expiry Date

Premiums and cover for the Money-back Term benefit cease at the expiry date for the benefit. The expiry date is the 10th anniversary of the commencement date of the Money-back Term benefit.

Can I Increase My Sum Insured?

No.

Can I Decrease My Sum Insured?

No.

What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

Money-back Term Plan (continued)

■ When Do My Benefits and Cover Stop?

Covers under the Money-back Term Plan will stop on the earliest to occur of:

- the cancellation of the benefit;
- the death of the life insured;
- the payment of the withdrawal benefit;
- the payment of the full Money-back Term sum insured due to Terminal Illness;
- the lapse of the policy for any reason; and
- the expiry date of the benefit.

■ What Is The Maximum Sum Insured?

There is no maximum sum insured for the Money-back Term benefit but financial underwriting will apply to a large sum insured.

■ Are There Any Events For Which I Am Not Covered?

Yes. Suicide of the life insured within 13 months from the commencement date or date of last reinstatement of the plan.

■ What About Tax?

Usually tax is not payable upon death on any lump sum payment including premium refund and partial premium refund, that may be made under this policy, as long as the ownership of the policy does not change. Conversely, premiums for a policy that provide lump sum benefits are not usually tax deductible. Different rules may apply in some circumstances. A tax professional will be able to clarify your particular position.

If the policy is owned in a business environment then the premiums may in some situations be deductible and the proceeds may then be assessable for taxation purposes.

This information is based on the continuance of present laws affecting taxation and our interpretation of them.

■ Definitions

For the definition of Terminal Illness see page 49.

Crisis Recovery Stand Alone Plan

■ Crisis Recovery Stand Alone Benefit

The Crisis Recovery Stand Alone Plan eases the financial burden of a major medical crisis. The Crisis Recovery Stand Alone Plan provides a benefit upon our confirmation of the diagnosis of the life insured with one of the crisis events listed below.

The Crisis Recovery Stand Alone Plan provides:

- a lump sum benefit if the life insured is diagnosed as having sustained at least one of the 35 crisis (medical) events as defined;
- a lump sum benefit of up to \$5,000 if the life insured dies and no benefit is payable in respect of a crisis event;
- a choice of stepped or level premiums;
- premium rate discounts (see page 45);
- discounted premium rates for non-smokers; and
- complimentary interim accidental death cover of up to \$5,000 (see pages 57 and 58).

■ Crisis Events Covered

The crisis events covered under this plan are listed below and are defined on pages 50 to 53.

- Accidental HIV Infection
- Aplastic Anaemia
- Bacterial Meningitis
- Blindness
- Cancer
- Cardiomyopathy
- Chronic Liver Disease
- Chronic Lung Disease
- Coma
- Coronary Artery Angioplasty*
- Coronary Artery By-pass Surgery
- Dementia/Alzheimer's Disease
- Diplegia
- Heart Attack
- Heart Valve Surgery
- Hemiplegia
- Kidney Failure
- Loss of Hearing
- Loss of Independence
- Loss of Limbs and Sight of One Eye
- Loss of Speech
- Major Burns
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Other Serious Coronary Artery Disease
- Paraplegia
- Parkinson's Disease
- Pulmonary Arterial Hypertension (primary)
- Quadriplegia
- Stroke
- Surgery to Aorta
- Viral Encephalitis

*For Coronary Artery Angioplasty the benefit payable for angioplasty of one or two coronary arteries is limited to 25% of the Crisis Recovery Stand Alone sum insured subject to a maximum of \$25,000 under all policies we

have issued covering the life insured. After any payment for the Coronary Artery Angioplasty, the Crisis Recovery Stand Alone sum insured will be reduced accordingly.

Once total payments under the Crisis Recovery Stand Alone benefit reach the Crisis Recovery Stand Alone sum insured, the Crisis Recovery Stand Alone benefit will cease.

100% of the Crisis Recovery Stand Alone sum insured subject to a maximum of \$100,000 under all policies we have issued covering the life insured will be payable for three or more coronary arteries.

Survival Period

For the Crisis Recovery Stand Alone benefit to be paid the life insured must survive for 14 days after sustaining the crisis event.

Qualifying Period

The Crisis Recovery Stand Alone benefit under this plan will not be paid if the life insured sustains one of the following crisis events within 3 months after the plan commencement date or any increase or reinstatement. These crisis events are:

- Accidental HIV Infection.
- Cancer
- Coronary Artery Angioplasty
- Coronary Artery By-pass Surgery
- Heart Attack
- Heart Valve Surgery
- Major Organ Transplant
- Other Serious Coronary Artery Disease
- Pulmonary Arterial Hypertension (primary)
- Stroke
- Surgery to Aorta

Pre-existing Medical Condition

If the life insured has consulted a medical practitioner or undergone an investigation in relation to a crisis event before the plan commencement date and has not disclosed full details to us the Crisis Recovery Stand Alone benefit under this plan will not be paid in respect of that crisis event and any associated crisis events.

■ Chronic Diagnosis Advancement Benefit

The Chronic Diagnosis Advancement benefit is an advanced payment of the Crisis Recovery Stand Alone benefit. The benefit is payable upon our confirmation of the diagnosis of certain crisis events (see below).

The Chronic Diagnosis Advancement benefit will be paid if an appropriate specialist medical practitioner acceptable to us confirms that the life insured:

- has suffered or been medically diagnosed with one of the following crisis events:
 - Motor Neurone Disease;
 - Multiple Sclerosis;
 - Muscular Dystrophy; or
 - Parkinson's Disease,
 but has not yet met the definition of that crisis event (see page 52); or

Crisis Recovery Stand Alone Plan (continued)

(b) has been placed on a waiting list to receive a major organ transplant of the kind described for the Major Organ Transplant crisis event (see page 52) and that the procedure is unrelated to any previous procedure or surgery undergone by the life insured.

The payment is 25% of the Crisis Recovery Stand Alone sum insured, subject to a maximum of \$25,000 under all policies issued by us covering the life insured.

If the Chronic Diagnosis Advancement benefit is paid, the Crisis Recovery Stand Alone sum insured will be reduced by the amount paid. If the life insured subsequently qualifies for the Crisis Recovery Stand Alone benefit as defined in the policy document, the reduced Crisis Recovery Stand Alone benefit will be paid.

Only one Chronic Diagnosis Advancement benefit payment will be made in respect of the life insured under the policy.

Crisis Recovery Stand Alone Optional Benefits

For an additional premium, you can add one or more optional benefits to the Crisis Recovery Stand Alone benefit under your Crisis Recovery Stand Alone Plan. You will gain the added security of cover for major female medical crisis and crisis cover for one or more of your children.

You must have a Crisis Recovery Stand Alone benefit before you can add any Crisis Recovery Stand Alone optional benefits.

The optional benefits are:

- Female Crisis Assistance (female only); and
- Child's Recovery.

Female Crisis Assistance Benefit

Please see the sections entitled, Female Crisis Assistance Benefit on page 13.

Child's Recovery Benefit

Please see the sections entitled, Child's Recovery Benefit on page 13.

Essential Information

Age Requirement

The life insured under the Crisis Recovery Stand Alone Plan must be aged between 16 and 60 years next birthday inclusive at the commencement date of the plan.

The insured child under the Child's Recovery benefit must be aged between 2 and 15 next birthday inclusive of the commencement date of the benefit.

Expiry Date

The expiry date of the plan is the latest policy anniversary prior to the life insured's 70th birthday.

The expiry date of the Child's Recovery benefit is the latest policy anniversary prior to the 21st birthday of the insured child or the expiry date of the plan (70th birthday of the life insured [adult]), if earlier.

What Are The Minimum Sums Insured?

There are no minimum sum insured requirements for all benefits under the Crisis Recovery Stand Alone Plan except the Female Crisis Assistance benefit. However, \$250 minimum premium requirement applies to the policy (see page 46).

The minimum sum insured for the Female Crisis Assistance benefit is \$10,000.

What Is The Maximum Sum Insured?

Crisis Recovery Stand Alone Benefit

The maximum sum insured is \$1,500,000 (\$1,000,000 for the life insured age 56–60 next birthday). The maximum sum insured limits will apply to the total sums insured for all similar benefits on the life insured with us and other insurers including any Crisis Recovery Optional Benefit under the Term Life benefit (see page 11) and any Crisis Recovery Stand Alone benefit.

Female Crisis Assistance Benefit

The maximum sum insured is \$25,000. The limit will apply to the total sums insured for all similar benefits on the life insured with us and other insurers including any Female Crisis Assistance benefit under the Term Life benefit (see page 13) and any Crisis Recovery Stand Alone benefit.

Child's Recovery Benefit

The maximum sum insured is the lower of the Crisis Recovery Stand Alone sum insured and \$50,000. The limit will apply to the total sums insured for all similar benefits on the insured child with us and other insurers including any Child's Recovery Optional Benefit under the Term Life benefit (see page 13) and any Crisis Recovery Stand Alone benefit. The maximum number of insured children per policy is ten.

Where more than one child is covered under the benefit, the sum insured must be the same for each child.

Can I Increase My Sum Insured?

Yes, you can increase your sum insured each year in line with the increase in the Consumer Price Index (CPI) for that year or you can select a voluntary increase in your sum insured.

This option is not available under the Child's Recovery benefit.

Crisis Recovery Stand Alone Plan (continued)

CPI Increases

If you so choose, we will offer you each year the opportunity to increase the sum insured for the Crisis Recovery Stand Alone benefit in line with that year's percentage increase in the Consumer Price Index or 3%, whichever is the greater. Any sum insured increase for a year will be effective from the policy anniversary at the start of that year.

You can accept or refuse each year's offer of a CPI increase. Even if you refuse the offer in one year we will continue to offer you CPI increases in future years. If you want us to stop offering you CPI increases to your sum insured, you must write to us asking for the facility to be switched off and future CPI increases will not be offered to you.

Your premium will also be adjusted to allow for the higher level of cover and the age of the life insured at that time. In the case of level premiums, the age at the time of the increase is used to calculate the premiums payable on the CPI increase.

Offers of CPI increases for your benefit will cease at the policy anniversary prior to the life insured's 70th birthday.

CPI increases of the sum insured will not be applied to any benefit where the total sum insured for all policies issued by us and other insurers on the life insured exceeds \$2,000,000.

Voluntary Increases

You can increase your sum insured at any time subject to underwriting and any maximum sum insured applicable.

Can I Decrease My Sum Insured?

Yes, you can decrease the sum insured at any time. Where the sum insured is decreased any CPI indexation and Premium Freeze will continue based on the reduced sum insured and premium respectively for the plan.

What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

When Do My Benefits And Cover Stop?

Crisis Recovery Stand Alone

Benefit and cover under the Crisis Recovery Stand Alone benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of the full Crisis Recovery Stand Alone benefit sum insured;
- the expiry date of the benefit; and
- the lapse or cancellation of the benefit for any reason.

Female Crisis Assistance

Benefit and cover under the Female Crisis Assistance benefit will stop on the earliest to occur of:

- the death of the life insured;
- the payment of this benefit for each event covered under this benefit;
- the expiry date of the benefit; and
- the lapse or cancellation of the benefit for any reason.

Child's Recovery

Benefit and cover under the Child's Recovery benefit will stop on the earliest to occur of:

- the death of the insured child or life insured;
- the payment of the full Child's Recovery benefit sum insured;
- the expiry date of the benefit; and
- the lapse or cancellation of the policy for any reason.

Can I Freeze My Premium?

Yes, provided the life insured is aged 35 or older at the start of the policy year. You may choose to pay in a policy year and in all subsequent policy years, the same annual premium as you paid for the previous policy year. Any such request to us must be in writing.

The sum insured for each benefit will decrease on the policy anniversary. This process will be repeated each year on the policy anniversary.

When the Premium Freeze option has been exercised, any CPI indexation will cease.

If you wish to unfreeze your premium, you will need to write to us for our approval.

The Premium Freeze will not apply to the Female Crisis Assistance benefit.

Are There Any Events For Which I Am Not Covered?

Crisis Recovery Stand Alone

- Any crisis event directly or indirectly wholly or partly caused by intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane.

Female Crisis Assistance

- An event directly or indirectly caused by intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane;
- Complications of pregnancy as a result of abortion.

Child's Recovery

- Any crisis event directly or indirectly caused by intentional self-inflicted injury or any attempt by the insured child.
- General exclusions (until 10th birthday of insured child):
 - Crisis event caused by a congenital condition;
 - Crisis event intentionally caused by the insured child's parent, guardian or relative or someone who lives with or supervises the insured child.

Crisis Recovery Stand Alone Plan (continued)

■ What About Tax?

Usually tax is not payable upon death on any lump sum payment that may be made under this policy, as long as the ownership of the policy does not change. Conversely, premiums for a policy that provides lump sum benefits are not usually tax deductible. Different rules may apply in some circumstances. A tax professional will be able to clarify your particular position.

If the policy is owned in a business environment then the premiums may in some situations be deductible and the proceeds may then be assessable for taxation purposes.

This information is based on the continuance of present laws affecting taxation and our interpretation of them.

■ If I Die Before My Application Is Accepted, Do I Receive Any Payment?

Complimentary Interim Accidental Death Cover is provided on the life insured. The accidental death cover for Crisis Recovery Stand Alone Plan is the Crisis Recovery Stand Alone sum insured or \$5,000, whichever is the lesser. Cover will be provided on the life insured once a completed application and the premium have been received. Cover will stop after 90 days or when the application is accepted or declined, whichever occurs first. See pages 57 and 58.

■ Definitions

For full definitions of the crisis events see pages 50 to 54.

Disability Income Plan (Agreed Value or Indemnity)

Disability Income Benefit

The Priority Protection product offers you a choice between the Disability Income (Agreed Value) benefit and the Disability Income (Indemnity) benefit. Both Disability Income benefits (Agreed Value and Indemnity) provide income benefits in the event of the disablement of the life insured through injury or sickness. However, only one type of Disability Income benefit may be purchased.

There are four optional benefits available under each Disability Income Plan you can select. They are:

- Claim Escalation;
- PLUS Optional benefit;
- Business Expenses Insurance benefit; and
- Home Expenses benefit.

For full details see pages 26 to 30.

What is Agreed Value?

- The monthly benefit is guaranteed (offsets may apply);
- The disability income benefit payable is agreed with the client at the time of application and is based on the life insured's income at that time; and
- Is available to occupation categories AAA, AA, A, B and C.

What is Indemnity?

- The monthly benefit is not guaranteed;
- The disability income benefit payable is based on the lower of the life insured's income near the start of the life insured's disablement and the monthly benefit under the policy; and
- Is available to occupation categories AAA, AA, A, B, C and D.

What do the Disability Income Benefits Provide?

Each Disability Income Plan (Agreed Value or Indemnity) provides a disability income benefit. The Disability Income benefit provides:

- a monthly income upon total disablement of the life insured;
- a proportion of the monthly income upon partial disablement;
- income payments from the end of the waiting period you select to the end of the benefit period you select or until recovery (if earlier);
- initial cover up to 75% of the life insured's income;
- AIDS cover;
- a choice of 3 benefit periods – 2 years, 5 years and To Age 65. (The benefit period To Age 65 is not available for occupation category D);
- a choice of 6 waiting periods – 14, 30, 60, 90 days, 1 year and 2 years. (The 14-day waiting period is not available for occupation category D);
- a choice of stepped or level premiums; and
- premium discounts for a monthly benefit of \$3,000 or greater (see page 45).

The life insured under the Disability Income Plan (Agreed Value or Indemnity) must be in an occupation acceptable to us. Please refer to page 30 for descriptions of occupations acceptable to us.

What Is The Benefit Period?

The benefit period is the maximum period during which the monthly income benefit is payable. You have a choice of benefit periods of 2 or 5 years or the To Age 65. However, the To Age 65 benefit period is not available for category D occupation.

If you choose the benefit period To Age 65, the end of the benefit period is the latest policy anniversary prior to the life insured's 65th birthday.

What Is The Waiting Period?

The waiting period is the period that must expire after the life insured becomes disabled before payment of the monthly income benefit commences. You have a choice of 14, 30, 60, 90 days, 1 year and 2 years. However, the 14-day waiting period is not available for occupation category D.

The waiting period begins on the earliest to occur of the date:

- that the life insured first consults a medical practitioner about the condition that is causing the disablement; and
- that the life insured first ceases work due to the disablement as long as it is not more than 7 days before he or she first consults a medical practitioner and provides reasonable medical evidence about when the disablement began.

If during the waiting period the life insured returns to work for:

- 5 days or less for waiting period of 14 or 30 days; or
- 10 days or less for waiting period of 60, 90 days, 1 year or 2 years;

then the waiting period will not recommence but will be extended by the number of days worked.

What Are The Built-In Benefits?

The built-in benefits are:

- Total Disablement Benefit
- Partial Disablement Benefit
- Waiver of Premium Benefit
- Rehabilitation Expenses Benefit
- Recurrent Disablement Benefit
- Death Benefit
- Indexation of Benefit
- Worldwide Protection
- Complimentary Interim Accidental Death Benefit

Total Disablement Benefit

If the life insured is totally disabled for longer than the waiting period you select, the monthly benefit will be payable from the end of the waiting period and will continue throughout the benefit period you select as long as the life insured continues to be totally disabled. The benefit is calculated on a daily basis and is paid monthly in arrears. The amount of the total disablement benefit may be subject to offsets. For claim offsets, see page 31.

Disability Income Plan (Agreed Value or Indemnity) (continued)

Partial Disablement Benefit

If the life insured is partially disabled beyond the end of the waiting period you select, after having been totally disabled for at least 7 consecutive days during the waiting period, a partial disablement benefit will be payable. This benefit will be a proportion of the monthly benefit and will be payable from the first day the life insured is partially disabled after the end of the waiting period. The benefit will continue throughout the benefit period you select as long as the life insured continues to be partially disabled. The benefit will be calculated on a daily basis and will be paid monthly in arrears.

If the life insured is earning 25% or less of his or her pre-disablement income during the first 3 months of partial disablement after the end of the waiting period, the full total disablement benefit will be paid for those 3 months.

Waiver of Premium

If the life insured becomes totally disabled for longer than the waiting period, we will waive premiums from the end of the waiting period until the end of the benefit period or until total disablement ceases, whichever occurs first. Premium payments will recommence from the date on which the waiving of premiums ceases.

Rehabilitation Expenses Benefit

If a total disablement benefit has been paid for at least 3 months, we will reimburse any expenses that you may incur due to the life insured's participation in a rehabilitation program that is approved by us. The maximum benefit is 6 times the monthly benefit and is payable in addition to any other benefit received.

Recurrent Disablement Benefit

If the life insured has returned to work on a full-time basis after the payment of a disablement benefit and there is a recurrence of the life insured's disablement from the same or related causes within 12 months of recovery, we will recommence benefit payments immediately, waiving the waiting period.

Death Benefit

If the life insured dies, we will pay you 3 times the monthly benefit.

Indexation of Benefit

You can choose to have your level of cover automatically increased on each policy anniversary prior to the plan expiry date. The level of cover will increase by the greater of 3% and the CPI increase for that year. Your premium will also be adjusted to allow for the higher level of cover and the age of the life insured at that time.

Worldwide Protection

If you travel overseas, full cover is provided 24 hours a day, 7 days a week, anywhere in the world.

Complimentary Interim Accidental Death Cover

The Disability Income Plan will provide complimentary interim accidental death cover. The amount payable will be equal to 3 times the monthly benefit or \$30,000, whichever is the lesser. The benefit will be payable in the event of the death of the life insured by accident within 90 days of the application date or until the policy is issued or application declined, whichever is the earliest.

Disability Income Plan (Agreed Value or Indemnity) Optional Benefits

The optional benefits available are:

- Claim Escalation benefit
- PLUS Optional benefit. This includes the following:
 - Specified Injury benefit
 - Crisis Recovery benefit
 - Bed Confinement benefit
 - Cosmetic or Elective Surgery benefit
 - Accommodation benefit
 - Family Care benefit
 - Home Care benefit
 - No Claim Bonus
 - Relocation benefit
- Business Expenses Insurance
- Home Expenses benefit

The optional benefits are available to a life insured in the occupation categories AAA, AA, A, B and C under the Disability Income Plan (Agreed Value) or occupation categories AAA, AA, A, B, C and D under the Disability Income Plan (Indemnity).

The insured spouse under the Home Expenses benefit (see definition on page 55) must be not working or working no more than 25 hours per week (i.e. not eligible for disability income cover).

Claim Escalation Benefit

When you receive a benefit for more than 12 consecutive months the benefit will automatically increase annually by 3% or the Consumer Price Index increase (whichever is the greater) until the end of the benefit period.

PLUS Optional Benefit

This optional benefit is a package of benefits. See above for the list of benefits provided. Each benefit is described below.

Specified Injury Benefit

When the life insured suffers a listed event (see page 27) as the result of an injury, the monthly benefit payable will be paid for the payment period shown, even if he or she is working. Payments will begin from the date of the injury, regardless of the waiting period.

Disability Income Plan (Agreed Value or Indemnity) (continued)

If the life insured suffers another listed event during the payment period, only benefits for the event which has the longest payment period will be paid.

If you are eligible to claim a Crisis Recovery benefit (see below) at the same time as a Specified Injury benefit, you will be paid only for the benefit with the longest payment period.

The Specified Injury benefit will be paid instead of any Total or Partial Disablement benefit or the Bed Confinement benefit under the plan. If the life insured is still disabled at the end of the payment period, any other disablement payments will be determined in accordance with the terms of the plan.

Event	Payment Period (in months)
Paralysis	60*
Loss of:	
• both feet or both hands or sight in both eyes	24*
• any two of a foot, a hand and sight in one eye	24*
• one leg or one arm	18
• one foot or one hand	12
• sight in one eye	12
• the thumb and index finger of the same hand	6
Fracture of the:	
• thigh	3
• pelvis	3
• leg (between the knee and the foot)	2
• knee cap	2
• upper arm	2
• shoulder bone	2
• jaw	2
• forearm (above the wrist)	1.5
• collarbone	1.5
• heel	1
or the balance of the benefit period if less	

**If a 2 year benefit period has been selected, the payments will cease at the end of the benefit period.*

'Loss' for the purposes of this benefit means the total and permanent loss of:

- the use of the hand from the wrist or the foot from the ankle joint; or
- the use of the arm from the elbow or the leg from the knee joint; or
- the use of the thumb and index finger from the first phalange joint; or
- sight (to the extent of 6/60 or less) in the eye.

'Fracture' for the purposes of this benefit means any bone fracture requiring the application of a plaster cast or an immobilising device within 48 hours of the injury.

The Specified Injury benefit:

- starts from the date the life insured suffers the event as the result of an injury;
- is paid monthly in advance, and
- will stop when the payment period expires, the benefit period expires, the plan expires or the life insured dies, whichever occurs first.

Crisis Recovery Benefit

If the life insured is diagnosed with any one of 35 crisis events by a medical practitioner, we will pay a lump sum equal to 6 times the monthly benefit. Alternatively you can choose to receive the payment in monthly instalments.

The lump sum payment is in effect the payment of the first 6 monthly benefit payments under the Disability Income PLUS benefit which otherwise may have become payable as a result of the life insured's disablement.

The crisis events covered under this plan are listed below and are defined on pages 50 to 53:

- Accidental HIV Infection
- Aplastic Anaemia
- Bacterial Meningitis
- Blindness
- Cancer
- Cardiomyopathy
- Chronic Liver Disease
- Chronic Lung Disease
- Coma
- Coronary Artery By-pass Surgery
- Dementia/Alzheimer's Disease
- Diplegia
- Heart Attack
- Heart Valve Surgery
- Hemiplegia
- Kidney Failure
- Loss of Hearing
- Loss of Independence
- Loss of Limbs and Sight of One Eye
- Loss of Speech
- Major Burns
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Occupationally Acquired Hepatitis B or Hepatitis C Infection
- Other Serious Coronary Artery Disease
- Paraplegia
- Parkinson's Disease
- Pulmonary Arterial Hypertension (primary)
- Quadriplegia
- Stroke
- Surgery to Aorta
- Viral Encephalitis

If you are eligible to claim a Specified Injury benefit (see above) at the same time as a Crisis Recovery benefit, you will be paid only for the benefit equivalent to the longest payment period.

The Crisis Recovery benefit will be paid instead of the Total or Partial Disablement benefit or the Bed Confinement benefit under the plan.

The Crisis Recovery benefit is payable once only.

Payment of the disablement monthly benefit may commence 6 months after the start of the benefit period if the life insured is still unable at that time to work due to disablement.

Disability Income Plan (Agreed Value or Indemnity) (continued)

The benefit will not be payable unless the crisis event and the date thereof is confirmed in writing by medical practitioners and/or legally qualified pathologists, and who shall base their diagnosis solely on the definition contained herein of the particular crisis event after a study of the histological material and clinical presentation based on the medical history, physical examination, radiological studies, and results of any other diagnostic procedures performed on the life insured. Any such diagnosis must be confirmed by us.

Survival Period

For the Crisis Recovery benefit under this plan to be paid the life insured must survive for 14 days after sustaining the crisis event.

Qualifying Period

The Crisis Recovery benefit under this plan will not be paid if the life insured sustains one of the following crisis events within 3 months after the plan commencement date or any increases or reinstatement. These crisis events are:

- Accidental HIV Infection
- Cancer
- Coronary Artery By-pass Surgery
- Heart Attack
- Heart Valve Surgery
- Major Organ Transplant
- Occupationally Acquired Hepatitis B or Hepatitis C Infection
- Other Serious Coronary Artery Disease
- Pulmonary Arterial Hypertension (primary)
- Stroke
- Surgery to Aorta

On any increase in the sum insured under this Crisis Recovery benefit, the same provision applies from the date of the increase in relation to the amount of the increase.

Pre-existing Medical Condition

If the life insured has consulted a medical practitioner or undergone an investigation in relation to a crisis event before the plan commencement date and has not disclosed full details to us the Crisis Recovery benefit under this plan will not be paid in respect of that crisis event and any associated crisis events.

Bed Confinement Benefit

If during the waiting period the life insured is totally disabled, and is confined to bed and a medical practitioner certifies in writing that the life insured requires the continuous full-time care of a registered nurse for more than 3 days, we will pay 1/30 of the monthly benefit for each complete day he or she is confined to bed and is under the continuous full-time care of a registered nurse up to a maximum of 90 days or until the end of the waiting period, whichever occurs first.

The medical practitioner and the nurse cannot be the life insured or the policy owner, or a family member, business partner, employee or employer of either the life insured or the policy owner. The Bed Confinement benefit will not be paid if a benefit is being received under the Specified Injury benefit or the Crisis Recovery benefit.

Cosmetic or Elective Surgery Benefit

In the situation where total disablement arises as a result of cosmetic or other elective surgery or as a result of surgery to transplant an organ from the life insured into the body of another person, then the Total Disablement benefit is payable, provided that such surgery took place more than 6 months after the commencement date of the plan or any increases or reinstatement.

Accommodation Benefit

The Accommodation benefit will be payable if the life insured becomes totally disabled and is more than 100 kilometres from home, or on the advice of his or her doctor the life insured travels to a place more than 100 kilometres from home. The Accommodation benefit will assist an immediate family member to be accommodated near the life insured, provided the life insured is confined to bed. We will pay \$150 a day, for up to 30 days in any 12 month period, for each day the immediate family member has to stay away from home.

Family Care Benefit

This benefit is payable if, as a result of total disablement, the life insured is totally dependent on an immediate family member for his or her essential everyday needs and consequently the family member's income is reduced. We will pay the amount of the reduction in their pre-tax monthly income, or up to 50% of the monthly benefit (whichever is the lesser) for up to 3 months, starting from the end of the waiting period you select.

Home Care Benefit

The Home Care benefit will be payable if, after the waiting period, the life insured is totally disabled, confined to or near a bed, other than in a hospital or a similar institution that provides nursing care, and is totally dependent upon a paid professional home carer. We will reimburse the lesser of \$150 a day or 100% of the monthly benefit for up to 6 months to help cover the cost, provided the life insured remains totally dependent upon the professional home carer and you are not already receiving the Family Care benefit or Accommodation benefit.

No-Claim Bonus

Periods without a claim against your plan will be rewarded, at no additional cost to you, with a special 'no-claim bonus' that will increase your monthly benefit by the percentage shown below if you do subsequently claim.

Claim-Free Years	Bonus
3	5%
4	10%
5 or more	15%

The increased benefit will be paid for up to 12 months while claim payments are being made. This benefit can be payable once only during the life of the policy.

Disability Income Plan (Agreed Value or Indemnity) (continued)

Relocation Benefit

If, while the life insured is travelling or residing outside of Australia, the life insured suffers total disablement for a period in excess of 3 months, we will reimburse you the cost of the single standard economy airfare to Australia upon the most direct available route or 3 times the monthly benefit whichever is the lesser. The amount of this benefit will be reduced by any other reimbursements which the life insured is entitled to receive in respect of the transportation (such as benefits provided by private medical and health insurance and travel insurance).

Business Expenses Insurance Benefit

This benefit is specifically designed for the self-employed person who needs to ensure that the fixed expenses of the business or practice will still be paid even if he or she cannot work due to injury or sickness.

The life insured under the Business Expenses Insurance benefit must be in an occupation acceptable to us (i.e. category AAA, AA, A, B, C or D) as a self-employed practitioner, whether alone or in partnership with others, or a working director.

You can purchase Business Expenses Insurance under the Disability Income (Agreed Value or Indemnity) Plan as an optional benefit or as the basic and only benefit under the Business Expenses Insurance Plan.

For an explanation of the Business Expenses Insurance benefit see pages 33 to 35.

Home Expenses Benefit

This benefit is specifically designed for the life insured who needs to ensure that the family is well looked after even if his/her spouse is totally disabled due to either sickness or injury (see page 55 for the definition).

The life insured under this benefit is the life insured's spouse. The benefit will provide a monthly income for up to 24 months to enable the insured spouse to pay someone else to perform the tasks he/she is unable to perform themselves prior to the onset of total disablement.

The Home Expenses benefit provides a:

- monthly income upon total disablement of the insured spouse if he/she is totally disabled (see page 55);
- choice of 3 monthly benefits (see page 31);
- Recurrent Disablement benefit;
- 24 months benefit period;
- 30-days waiting period;
- choice of stepped or level premiums (see page 45).

Benefit Period

The benefit period is 24 months and is the period during which the monthly income benefit may be payable.

Repeat claims are allowed until a total of 24 months of benefits has been paid under the benefit.

Waiting Period

The 30-days waiting period is the period that must expire after the insured spouse becomes totally disabled before payment of the monthly income benefit commences.

The waiting period begins on the earliest to occur of the date:

- that the insured spouse first consults a medical practitioner about the condition that is causing the disability; and
- that the insured spouse first ceases performing domestic duties due to the condition that is causing the disability as long as it is not more than 7 days before he or she first consults a medical practitioner about the condition and provides reasonable medical evidence about when the disability began.

The extent to which the insured spouse is totally disabled will be certified by an Occupational Therapist or a suitable qualified Medical Practitioner acceptable to us.

If during the waiting period the insured spouse returns to performing domestic duties for 5 days or less then the waiting period will not recommence but will be extended by the number of days performed.

Total Disablement Benefit

The monthly benefit will be payable to the insured spouse if the insured spouse is totally disabled as defined on page 55 for longer than the 30-days waiting period. The amount of benefit paid will be paid monthly in arrears. Benefit will be paid to the insured spouse and not to the policy owner. It will be the Home Expenses monthly benefit selected subject to any claim offsets applicable (see page 31). The benefit starts to accrue from the end of the waiting period you select and may continue for up to 24 months.

The benefit will help to cover the cost of a domestic helper to perform domestic tasks that the spouse was performing himself/herself prior to the onset of total disablement.

Recurrent Disablement Benefit

If the insured spouse suffers a recurrence of the total disablement from the same or related cause within 6 months of recovery, we will recommence benefit payments immediately, waiving the waiting period.

Waiver of Premium Benefit

If the insured spouse becomes totally disabled for longer than the waiting period, we will waive premiums from the end of the waiting period until the end of the benefit period or until the disablement ceases, whichever occurs first. Premium payments will recommence from the date on which the waiving of premium ceases.

Disability Income Plan (Agreed Value or Indemnity) (continued)

Essential Information

Age Requirements

The life insured under the Disability Income Plan (Agreed Value or Indemnity) must be aged between 16 and 60 years next birthday inclusive (55 years for occupation category C and D) at the commencement date of the plan.

The insured spouse under the Home Expenses benefit must be aged between 16 and 55 years next birthday inclusive at the commencement date of the benefit.

Eligible Occupation Categories

The benefits for which you are eligible depend on the life insured's occupation category.

The life insured's occupation under the Disability Income Plan (Agreed Value) must be in occupation category AAA, AA, A, B or C and occupation category AAA, AA, A, B, C or D under the Disability Income Plan (Indemnity).

The insured spouse (see definition on page 55) can be:

- male or female, and
- must be not working or working less than 25 hours per week (i.e. not eligible for disability income cover).

Please see your adviser for which occupation category applies to you.

The following is a description of each occupation category:

Category AAA

Professional white collar workers, other than those in medical and allied occupations, who must have tertiary qualifications, e.g. lawyers and accountants. Other successful high income earning white collar workers such as senior executives who have long-standing experience in their field of business are also considered as category AAA. The working environment must present minimal injury or sickness risk.

Category AA

Professionals who must have tertiary qualifications in the medical and allied occupations, e.g. doctors, dentists, optometrists, physiotherapists and domestic veterinary surgeons.

Category A

Other white collar occupations that involve clerical and administrative work only (no manual work). These workers are generally office bound, e.g. managers, secretaries, sales people (no deliveries), clerical staff. The working environment must present minimal injury or sickness risk.

Category B

Those occupations which are not classified as white collar and which may involve some light manual work, e.g. shopkeepers, supervisors, hairdressers, beauticians. This category also includes supervisors of manual workers and persons in a totally administrative job within an industrial environment. The working environment may present slight injury or sickness risk.

Category C

Fully qualified, skilled tradespersons of various occupations who perform light to medium manual work, e.g. qualified electricians, chefs, mechanics. The working environment may present a moderate injury or sickness risk.

Category D

Unqualified tradespersons who perform medium manual work, e.g. cleaners, drivers, fencing contractors. The working environment may present a significant injury or sickness risk.

Expiry Date

Premiums and cover for each benefit under the Disability Income Plan (Agreed Value or Indemnity) cease at the latest policy anniversary prior to the life insured's 65th birthday.

The expiry date for the Home Expenses benefit is the latest policy anniversary prior to the 65th birthday of the insured spouse or life insured, if earlier.

What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

When Do My Benefits and Cover Stop?

Disability Income (Agreed Value or Indemnity) Benefit

Benefits in the course of payment under the Disability Income (Agreed Value or Indemnity) benefit will stop on the earliest to occur of:

- the death of the life insured;
- the recovery of the life insured;
- the end of the benefit period; and
- the expiry date of the benefit.

Cover under the Disability Income (Agreed Value or Indemnity) benefit will stop on the earliest to occur of:

- the cancellation of the benefit;
- the life insured's permanent retirement from the workforce, except when directly due to disablement;
- the death of the life insured;
- the lapse of the policy for any reason; and
- the expiry date of the benefit.

Claim Escalation

Same as Disability Income benefit (Agreed Value or Indemnity).

Business Expenses Insurance

Please see the section entitled, 'When Do My Benefits and Cover Stop?' on page 34.

Home Expenses

Benefits in the course of payment under the Home Expenses benefit will stop on the earliest to occur of:

- the death of the insured spouse or life insured;
- the insured spouse ceasing to be totally disabled;
- the end of the benefit period;
- the date on which no further payment of monthly benefit can be made (see 'Benefit Period' on page 29);

Disability Income Plan (Agreed Value or Indemnity) (continued)

- the expiry date of the benefit;
- the insured spouse, who is originally insured, ceasing to meet the definition of 'spouse'. (The Home Expenses benefit is not transferable to a replacement 'spouse', and must cease if the life insured under the original policy changes partners); and
- the cessation of the Disability Income (Agreed Value or Indemnity) benefit for any reason.

Cover under the Home Expenses benefit will stop on the earliest to occur of:

- the death of the insured spouse or life insured;
- the insured spouse ceasing to be eligible for the Home Expenses benefit (e.g. starts working 25 hours per week);
- the cancellation of the benefit;
- the lapse of the policy for any reason;
- the date on which no further payment of monthly benefit can be made (see 'Benefit Period' on page 29);
- the expiry date of the benefit;
- the insured spouse, who is originally insured, ceasing to meet the definition of 'spouse'. (The Home Expenses benefit is not transferable to a replacement 'spouse', and must cease if the life insured under the original policy changes partners); and
- the cessation of the Disability Income (Agreed Value or Indemnity) benefit for any reason.

What Is The Maximum Monthly Benefit?

Disability Income (Agreed Value or Indemnity) Benefit

The maximum monthly benefit you can purchase for the Disability Income benefit (Agreed Value or Indemnity) is one twelfth of your maximum annual benefit. This is based on the annual income of the life insured and is:

- 75% of first \$250,000 of income, plus
- 50% of the balance of income over \$250,000.

The maximum monthly benefits for each occupational category are listed below:

Category AAA and AA	\$25,000
Category A, B and C	\$22,500
Category D	\$15,000

The aggregate monthly benefit, where the Disability Income benefit and the Business Expenses Insurance benefit are both selected, cannot exceed a specified amount for each occupation category (see page 34).

Home Expenses Benefit

There is a choice of 3 monthly benefits:

- \$1,000,
- \$1,500, or
- \$2,000.

You can only select the \$2,000 monthly benefit if the monthly benefit of the Disability Income (Agreed Value or Indemnity) benefit to which it is a rider is \$8,000 or greater.

Can I Increase My Monthly Benefit?

Yes, you can increase your monthly benefit each year in line with the increase in the Consumer Price Index (CPI)

for that year, or you can apply for a voluntary increase in your monthly benefit.

This option is not available under the Home Expenses benefit.

CPI Increases

If you so choose, we will offer you each year the opportunity to increase the monthly benefit for each benefit under your plan in line with that year's percentage increase in the Consumer Price Index or 3%, whichever is the greater. Any monthly benefit increase for a year will be effective from the policy anniversary at the start of that year.

You can accept or refuse each year's offer. Even if you refuse the offer of a CPI increase in one year we will continue to offer you CPI increases in future years. If you want us to stop offering you CPI increases to your monthly benefits, you must write to us asking for future CPI increases not to be offered to you.

Your premium will also be adjusted to allow for the higher level of cover and the age of the life insured at that time. In the case of level premiums, the age at the time of the increase is used to calculate the premiums payable on the CPI increase.

This option is not available under the Home Expenses benefit.

Voluntary Increases

You can increase your monthly benefits at any time subject to underwriting. Maximum benefit limits will continue to apply.

This option is not available under the Home Expenses benefit.

Can I Decrease My Monthly Benefit?

Yes, you can decrease your monthly benefit at any time. Where the monthly benefit is decreased any CPI indexation will continue based on the reduced monthly benefit.

This option is not available under the Home Expenses benefit.

Claim Offsets

All Occupation Categories (see page 30)

In the event of a claim for a total disablement or partial disablement benefit we may reduce the amount of the benefit otherwise payable by amounts received from other sources for loss of income in respect of the life insured's injury or sickness.

Amounts that can be offset include:

- regular payments made under a worker's compensation or motor accident claim or any claim made under any similar state or federal legislation; and
- regular payments made from another insurance policy or from a superannuation/pension plan, but only if that policy/plan was not disclosed to us when you applied for this policy or when you applied for an increase in cover under this policy.

Disability Income Plan (Agreed Value or Indemnity) (continued)

If any of these regular payments are paid other than monthly or in the form of a lump sum or are exchanged for a lump sum, we will convert them to an equivalent monthly payment. A lump sum payment will be deemed to be the monthly equivalent of 1/60 of the lump sum payment. Any lump sum total and permanent disablement benefit received will not be offset against your total disablement or partial disablement benefit.

We will reduce the amount of a total disablement benefit or partial disablement benefit only to the extent that;

- the aggregate of the total disablement benefit and any other payments made (see (i) and (ii) above) cannot exceed the monthly equivalent of 75% of the first \$250,000 of the life insured's pre-disablement income, plus 50% of the balance of the life insured's pre-disablement income over \$250,000;
- the aggregate of the partial disablement benefit, the life insured's monthly income and any other payments made (see (i) and (ii) above) cannot exceed the monthly equivalent of 100% of the life insured's pre-disablement income.

If we reduce the amount of your total disablement or partial disablement benefit because of this condition, we will refund a proportion of the premium paid in the previous 12 months.

Home Expenses Claim

In the event of a claim we will pay no amount under the Home Expenses benefit if there is any amount of benefit received or receivable by the insured spouse from any other disability income or business expenses insurance benefit with us or other insurer due to the sickness or injury of the insured spouse.

Insured Spouse and Life Insured on claim at the same time

Where the life insured and insured spouse are both on claim, the Home Expenses benefit will be limited such that the total of the Disability Income benefit (life insured) and the Home Expenses benefit (insured spouse) do not exceed 85% of the life insured's pre-disablement income for the first 6 months of the Home Expenses benefit and does not exceed 75% of the life insured's pre-disablement income thereafter.

Are There Any Events For Which I Am Not Covered?

Disability Income Benefit (Agreed Value or Indemnity)

- Disablement due to intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane;
- Disablement due to engaging in or taking part in service in the armed forces of any country; or
- Normal pregnancy, uncomplicated childbirth or miscarriage.

Home Expenses Benefit

- Disablement due to mental illness (including depression and post-natal depression) of the insured spouse. No benefit will be payable for any mental health

disorder, including but not limited to anxiety disorders, depression, stress, fatigue, exhaustion, psychiatric complications of physical disorders, chronic fatigue syndrome, behaviour disorders, fibromyalgia, physical disorders related or attributable to stress, or any other mental or functional nervous disorder, their treatment or complications thereof;

- Disablement due to the direct and indirect effects of alcoholism of the insured spouse;
- Disablement due to the direct and indirect effects of drug abuse by the insured spouse;
- Disablement due to intentional self-inflicted injury or any such attempt by the insured spouse;
- Disablement due to the insured spouse engaging in or taking part in service of the armed forces of any country; and
- Normal pregnancy, uncomplicated childbirth and miscarriage of the insured spouse or abortion of the insured spouse's unborn child/foetus.

What About Tax?

The monthly benefit payable in the event of a claim is assessable for income tax purposes, but the part of the premium you pay to provide an income for yourself is generally tax deductible.

Usually tax is not payable upon death on any lump sum payment that may be made under this policy, as long as the ownership of the policy does not change. Conversely, premiums for a policy that provides lump sum benefits are not usually tax deductible. Different rules may apply in some circumstances. A tax professional will be able to clarify your particular position.

This information is based on the continuance of present laws affecting taxation and our interpretation of them.

Home Expenses Benefit

Generally premiums paid for the Home Expenses benefit will not be tax deductible to the payor and any benefit received will not be assessable for income tax in the hands of the insured spouse.

Definitions

See pages 54 to 55 for definitions of:

- Income
- Injury
- Manifests
- Partial Disablement
- Pre-disablement Income
- Sickness, and
- Total Disablement.

Home Expenses Benefit

See page 55 to 56 for definitions of:

- Spouse
- Marriage
- Common Law Marriage
- De Facto Relationship, and
- Total Disablement (Home Expenses).

Business Expenses Insurance Plan

Business Expenses Insurance Benefit

The Business Expenses Insurance benefit is specifically designed for the self-employed person who needs to ensure that the fixed expenses of the business or practice will still be paid even if he or she cannot work due to injury or sickness. This benefit helps you to keep your business or practice going while the life insured (usually you) is disabled.

The benefit covers the business expenses actually incurred less any amounts reimbursed from elsewhere, up to the Business Expenses Insurance monthly benefit under the policy, and as such is indemnity in nature. You cannot purchase an agreed value version of the Business Expenses Insurance benefit under the Priority Protection product.

The life insured under the Business Expenses Insurance benefit must be in an occupation acceptable to us (occupation category AAA, AA, A, B, C or D – see page 30) as a self-employed practitioner, whether alone or in partnership with others, or a working director.

You can purchase Business Expenses Insurance benefit on its own as the Business Expenses Insurance Plan, or as an optional benefit under the Disability Income Plan (Agreed Value or Indemnity).

The Business Expenses Insurance benefit provides:

- a monthly income for up to 12 months upon total disablement;
- an income for up to 12 months upon partial disablement;
- Initial cover up to 100% of business expenses;
- AIDS cover;
- a choice between a 14-day and a 30-day waiting period;
- a 12 month benefit period;
- a benefit period extension of up to 12 months;
- a choice of stepped or level premiums (see page 45); and
- premium discounts for monthly benefits of \$3,000 or more.

What Is The Benefit Period?

The benefit period is 12 months and is the period during which the monthly income benefit is payable. The benefit period may be extended in some circumstances (see Extension of Benefit Period below).

What Is The Waiting Period?

The waiting period is the period that must expire after the life insured becomes disabled before payment of the monthly income benefit commences.

You have a choice of 2 waiting periods:

- 14 days, and
- 30 days.

The waiting period begins on the earliest to occur of the date:

- that the life insured first consults a medical practitioner about the condition that is causing the disability; and

- that the life insured first ceases work due to the condition that is causing the disability as long as it is not more than 7 days before he or she first consults a medical practitioner about the condition and provides reasonable medical evidence about when the disability began.

If during the waiting period the life insured returns to work for 5 days or less then the waiting period will not recommence but will be extended by the number of days worked.

Total Disablement Benefit

The monthly benefit will be payable if the life insured is totally disabled for longer than the waiting period you select.

A life insured is totally disabled if due to injury or sickness, he or she:

- is unable to perform one of the important duties of his or her occupation that he or she must be able to perform to earn income; and
- is following the advice of a medical practitioner; and
- is not working.

However, if the life insured has been unemployed or on maternity or paternity leave for 12 months or longer immediately preceding the occurrence of an event giving rise to a claim, then total disablement means that, due to injury or sickness, the life insured:

- is unable to perform any occupation for which he or she is reasonably suited by education, training or experience; and
- is following the advice of a medical practitioner; and
- is not working.

If the life insured is on sabbatical leave it will not be considered as unemployment. Sabbatical leave must be for the purpose of research and cannot exceed 12 months or the sabbatical period specified in the Award covering the life insured, whichever is the shorter period.

Total Disablement Benefit Amount

The amount of benefit paid will be determined on a daily basis and will be paid monthly in arrears. It will be the Business Expenses Insurance monthly benefit, or the business expenses actually incurred which relate to the period during which the life insured is disabled less any amounts which are reimbursed from elsewhere, whichever is the lesser. The benefit starts to accrue from the end of the waiting period you select and may continue to the end of the benefit period.

Extension of Benefit Period

If at the end of the benefit period the life insured remains totally disabled and the total benefit paid is less than 12 times the monthly benefit, payments will continue until the earliest to occur of:

- the payment of 12 times the monthly benefit;
- the expiry of a further 12 months;
- the cessation of the total disablement; or
- the expiry date of the benefit.

Business Expenses Insurance Plan (continued)

Partial Disablement Benefit

If the life insured is partially disabled beyond the end of the waiting period you select, after having been totally disabled for at least 7 consecutive days during the waiting period, a Partial Disablement benefit will be payable.

Partially disabled means that, due to injury or sickness, the life insured:

- is unable to work in his or her own occupation at full capacity; and
- is working in his or her own occupation in a reduced capacity, or is working in another occupation; and
- is suffering a partial loss of business turnover; and
- is following the advice of a medical practitioner.

Partial Disablement Benefit Amount

The amount of benefit paid will be determined on a daily basis and will be paid monthly in arrears. It will be the lesser of:

- the Business Expenses Insurance monthly benefit; and
- the covered business expenses actually incurred which relate to the period the life insured is partially disabled less:
 - any amounts that are reimbursed from elsewhere; and
 - the business turnover for that period that the life insured is actually generating.

When the life insured is partially disabled and is not working, 'business turnover' will be determined by us. We will, in our determination consider the opinion of the life insured's medical practitioner, and what turnover could reasonably be expected to be generated if the life insured were working.

The Partial Disablement benefit:

- starts to accrue from the day after:
 - the life insured is no longer totally disabled; or
 - the end of the waiting periodwhichever is the later; and
- will stop at the end of the benefit period or upon the death or recovery of the life insured whichever occurs first.

Waiver of Premium

If the life insured becomes totally disabled for longer than the waiting period, we will waive premiums from the end of the waiting period until the end of the benefit period or until total disablement ceases, whichever occurs first. Premium payments will recommence from the date on which the waiving of premiums ceases.

Essential Information

Age Requirements

The life insured under the Business Expenses Insurance benefit must be aged between 16 and 60 years next birthday inclusive at the commencement date of the benefit.

Eligible Occupation Categories

The life insured is eligible for this benefit if he or she is in occupation category AAA, AA, A, B, C or D (see page 30 for descriptions of each occupation category).

Expiry Date

The expiry date of the benefit is the latest policy anniversary prior to the life insured's 65th birthday.

What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

When Do My Benefits and Cover Stop?

Benefits in the course of payment under the Business Expenses Insurance benefit will stop on the earliest to occur of:

- the death of the life insured;
- the recovery of the life insured;
- the end of the benefit period; and
- the expiry date of the benefit.

Cover under the Business Expenses Insurance benefit will stop on the earliest to occur of:

- the cancellation of the policy for any reason;
- the life insured's permanent retirement from the workforce, except when directly due to disablement;
- the death of the life insured;
- the lapse of the policy; and
- the expiry date of the benefit.

What Is The Maximum Monthly Benefit?

The maximum monthly benefit you can purchase is 100% of covered expenses and is listed below for each occupational category.

Category AAA, AA, A and B	\$25,000
Category C and D	\$15,000

The maximum combined monthly benefit for Disability Income and Business Expenses Insurance benefit for each occupational category is listed below.

Category AAA, AA, A and B	\$40,000
Category C and D	\$25,000

In determining the maximum monthly benefit acceptable to us we will have regard to the benefits payable under any other disability income or business expenses policy in force or proposed for in respect of the life insured. If any such benefits are not disclosed to us at the time of your application to us we may reduce the amount of the monthly benefit otherwise payable if a claim occurs.

Can I Increase My Monthly Benefit?

Yes, you can increase your monthly benefit each year in line with the increase in the Consumer Price Index (CPI) for that year, or you can apply for a voluntary increase in your monthly benefit.

Business Expenses Insurance Plan (continued)

CPI Increases

If you so choose, we will offer you each year the opportunity to increase the monthly benefit under your plan in line with that year's percentage increase in the Consumer Price Index or 3%, whichever is the greater. Any monthly benefit increase for a year will be effective from the policy anniversary at the start of that year.

You can accept or refuse each year's offer of a CPI increase. Even if you refuse the offer in one year we will continue to offer you CPI increases in future years. If you want us to stop offering you CPI increases to your monthly benefit, you must write to us asking for future CPI increases not to be offered to you.

Your premium will also be adjusted to allow for the higher level of cover and the age of the life insured at that time. In the case of level premiums, the age at the time of the increase is used to calculate the premiums payable on the CPI increase.

Voluntary Increases

You can increase your monthly benefit at any time subject to underwriting. Maximum benefit limits will continue to apply.

Can I Decrease My Monthly Benefit?

Yes, you can decrease your monthly benefit at any time. Where the monthly benefit is decreased any CPI indexation will continue based on the reduced monthly benefit.

Monthly Benefit Offsets

The Business Expenses Insurance benefit payable for a period will be reduced by the sum of:

- the life insured's portion of the income of the business derived from trading during that period;
- the income generated by an employee hired after the life insured became totally disabled, to perform the work normally performed by the life insured, and
- any amount received from any other insurance policy for reimbursement of business expenses that was not disclosed to us when the level of cover was applied for. The amount will only be reduced to the extent that the combined Business Expenses Insurance payments from the policy and other insurance would otherwise exceed 100% of the Business Expenses Insurance monthly benefit.

Business Expenses Covered

These are the normal operating expenses of the life insured's business or practice.

They include, but are not limited to, the following:

- Accounting and audit fees.
- Regular advertising costs, postage, printing and stationery.
- Electricity, gas, heating, water, telephone and cleaning costs.
- Security costs.
- Rent, property rates and taxes.
- Membership fees, publications and subscriptions to professional bodies.

- Leasing costs of plant and equipment.
- Bank charges, interest on business loans.
- Business related insurance premiums but not including premiums for this policy.
- Salaries and other related costs (e.g.: payroll tax, superannuation contributions, FBT) for non-income generating employees of your business.
- Net costs associated with employing a locum.

Business Expenses Not Covered

Business Expenses not covered under this Policy include, but are not limited to, the following:

- Salaries and other related costs (e.g.: payroll, tax, superannuation, FBT) for the life insured and income generating employees of the business other than a locum.
- Salaries and other related costs for any relatives of the life insured or the policy owner unless that person was employed for at least 60 consecutive days prior to the life insured's disablement.
- Commissions or bonuses payable to the life insured.
- Repayments of principal of any loan or other finance agreement.
- Any costs of a capital nature including the cost of any books, equipment, fittings, fixtures, furniture goods, implements, merchandise or stock.
- Depreciation on real estate.
- Losses on investments.
- Taxes, other than in respect of related costs for non income generating employees as above.
- Any payment which we determine on a fair and reasonable basis not to be a regular operating expense.

Are There Any Events For Which I Am Not Covered?

- Disablement due to intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane;
- Disablement due to engaging in or taking part in service in the armed forces of any country; or
- Normal pregnancy, uncomplicated childbirth or miscarriage.

What About Tax?

The monthly benefit payable in the event of a claim is assessable for income tax purposes, but the part of the premium you pay to provide an income for yourself is generally tax deductible.

Different rules may apply in some circumstances. A tax professional will be able to clarify your particular position.

This information is based on the continuance of present laws affecting taxation and our interpretation of them.

Definitions

See pages 54 to 55 for definitions of:

- Total Disablement, and
- Partial Disablement.

Superannuation Term Life Plan

Introduction

If you wish, you can include the Superannuation Term Life Plan as part of your superannuation arrangements. The information below should be read in conjunction with the Term Life Plan (see pages 8 to 18).

The Superannuation Term Life Plan provides a Term Life benefit on the death of the life insured. Permanent Disablement is also available as an optional benefit on an 'any occupation' definition of total and permanent disablement (see page 49). There is no option for the life insured to be covered on an 'own occupation' or 'home duties' definition of total and permanent disablement.

You can include the Superannuation Term Life Plan in your superannuation arrangements as a member of either the AIA Superannuation Fund (the Fund) or a private/self-managed superannuation fund (see pages 37 to 40). The terms and conditions relating to the Superannuation Term Life Plan do not vary depending on which superannuation fund you are a member of.

Age Requirements

The life insured under the Superannuation Term Life Plan must be aged between 11 and 65 years next birthday inclusive at the commencement date of the plan.

For the optional Permanent Disablement benefit the minimum entry age of the life insured is 16 years next birthday and the maximum entry age is 60 years next birthday for occupation categories AAA, AA, A and B. For occupation categories C and D the maximum entry age for the Permanent Disablement benefit is 55 years next birthday. See your adviser for full details.

Expiry Dates

Premiums and cover for each benefit cease at the expiry date of that benefit.

The expiry date for each benefit is the latest policy anniversary prior to the life insured attaining a specific age. The specific ages for each benefit are as follows:

Benefit	Age
Term Life	75
Permanent Disablement	65

Benefits

Your Superannuation Term Life Plan provides a Term Life benefit to which you can add an optional Permanent Disablement Benefit.

Please see the sections entitled Term Life Benefit on page 8 and Permanent Disablement Benefit on page 14.

Please note that the following benefits are not available under the Superannuation Term Life Plan:

- the Terminal Illness benefit;
- Crisis Recovery benefit;
- Crisis Recovery Buy-back benefit;
- Female Crisis Assistance benefit;
- Child's Recovery benefit;

- the option to convert to the Loss of Independence benefit under the Permanent Disablement benefit;
- the Waiver of Premium benefit;
- the Child's Guaranteed Insurability benefit; and
- Permanent Disablement Stand Alone.

What benefit is payable if I die or become disabled?

On the death or on the total and permanent disablement of the life insured we will pay a lump sum equal to the sum insured under the Term Life benefit or the Permanent Disablement benefit.

Who receives the benefit if I die or become disabled?

The trustee of the superannuation fund, of which you are a member, is the legal owner of the Superannuation Term Life Plan and receives the proceeds of any claim we admit under the policy.

The trustee of your superannuation fund will then pay the death benefit to your dependant(s) or legal personal representative as permitted under superannuation law. For the Permanent Disablement benefit, the trustee must satisfy itself that you have met the necessary requirements of the trust deed and superannuation law before making any payment to you.

Premiums

Please see pages 45 and 46 for information on premiums including:

- Regular Premiums
- Guaranteed Renewable
- Stepped or Level Premiums
- Guarantee of Continuation for Level Premium (Term Life only)
- Premium Freeze (see page 18)
- Premium Discounts
- Minimum Premium
- Payment of Premium
- Payments Made Easy
- Premium Guarantees.

What Are The Charges

All the charges of the Superannuation Term Life Plan are fully described in this section. We undertake not to apply any other charges (other than Government taxes and charges) without your specific consent.

Please see 'How Much Does The Policy Cost?' and 'What Are The Fees and Charges?' (pages 45 to 47) for a full description of the charges for your policy.

Please note that the trustee of your superannuation fund may be assessed for contributions surcharge on your behalf under this policy if your adjusted taxable income (taxable income plus surchargeable contributions and reportable fringe benefits) exceeds a certain level (see page 39). Where the trustee receives a contributions surcharge assessment on your behalf, the trustee will deduct the required amount from your account and pay it to the Australian Taxation Office or will pay the amount to the Australian Taxation Office on your behalf and require payment from you for that amount. Where you do not forward the required amount to the trustee, the trustee reserves its right to reduce or terminate your cover.

Superannuation Term Life Plan (continued)

Information On Your Policy

Please see page 48 for a description of information you will receive on your policy.

The information contained in this Superannuation Term Life Plan section contains details specific to the Superannuation Term Life Plan. For further general details, please read the Term Life Plan (pages 8 to 18).

AIA Superannuation Fund

If you want to be covered under a Superannuation Term Life Plan and you are not a member of a private/self-managed superannuation fund, you must first apply for and be accepted for membership of the AIA Superannuation Fund (the Fund). The application for membership of the AIA Superannuation Fund can be found in Section X of the Application Form.

Some of the special conditions that apply when you become a member of the AIA Superannuation Fund are:

- As a member of the Fund you must continue to meet the requirements under the Trust Deed and relevant law as to who can be a member of the Fund;
- The Trust Company Superannuation Services Limited (Trustco) (ABN 49 006 421 638) is the Trustee of the Fund and is the policy owner;
- There are currently no additional fees charged by the Fund. Trustco has been granted approved trustee status from the Australian Prudential Regulation Authority. The Fund will be operated as a complying superannuation fund pursuant to the requirements of the Superannuation Industry (Supervision) Act 1993. Further information relating to the Fund can be obtained by requesting a copy of the Trust Deed or the latest Trustee's annual report to members;
- The only insurance benefit you can select is the Term Life benefit with or without the optional Permanent Disablement benefit;
- Only you, the member, can be insured under the Superannuation Term Life Plan;
- In the event of a claim under the Superannuation Term Life Plan being accepted, we (the insurer) will pay the benefit to the Trustee. The Trustee will then pay the member, or in the case of a death claim, the member's dependants or legal personal representative;
- The Trustee can pay the Permanent Disablement benefit to you only in accordance with the superannuation law. Before the Trustee can pay you, the rules require that, in addition to satisfying the claim conditions in the Superannuation Term Life Plan policy document, you must demonstrate to the Trustee that:
 - you have had to retire from the workforce early because of ill health; and
 - you are unlikely to work again in a role for which you are reasonably qualified by education, training or experience because of ill health.

If you cannot satisfy the Trustee that you meet these requirements, then the claim amount will, unless rolled

over to another complying superannuation fund, be retained in the Fund until:

- the Trustee is satisfied that you have met these requirements; or
- you are in severe financial hardship; or
- you retire after age 55 years (or later, as required by legislation); or
- you reach age 65 years.

Subject to certain conditions and APRA approval, you may be able to access some or all of your benefits on compassionate grounds.

When can I contribute to a superannuation fund?

Generally contributions to a superannuation fund can be made if you are:

- under age 65 years and have been gainfully employed for at least 10 hours in any week during the last 2 years; or
- you are older than age 65 but less than age 75, and are working at least 10 hours per week in the week in which the contribution is made.

If you wish to maintain death cover under your Superannuation Term Life Plan after the latest policy anniversary prior to age 75 or after you retire from employment, you may transfer to a non-superannuation insurance plan.

Can my employer pay the contributions on my behalf?

Yes, if your employer agrees, they can pay contributions to the Fund towards your Superannuation Term Life Plan. They can do that from the start of the plan, or they can start paying later. If they do this, you must tell the Trustee when your employer takes over paying contributions or when they stop paying.

Nominating a Beneficiary

Under the terms of the trust deed governing the Fund, you may nominate one or more of your dependants or your legal personal representative to receive the benefit payable from the Fund on your death.

You can make a nomination by completing the Nomination of Beneficiary section of the 'AIA Superannuation Fund – Membership Application' (Section X of the Application Form) and lodging it with the Trustee.

The nomination you make may be either a:

- Binding nomination, or a
- Non-binding nomination.

Both are permitted under the Fund's trust deed.

If you do not give a nomination to the Trustee, your benefit will be paid to your legal personal representative and it will be distributed under your will as part of your estate.

Superannuation Term Life Plan (continued)

■ Binding Nomination

If you provide a valid binding nomination to the Trustee, the Trustee must pay the death benefit in accordance with your nomination as long as the person that you nominate to receive the benefit, or a share of the benefit, is a dependant or your legal personal representative.

Some conditions apply to binding nominations. They are:

- The person or persons that you nominate to receive the benefit must be a dependant under the superannuation laws which means that the person must be your spouse, de facto spouse, child or other person who is financially dependent on you at the date of your death. If anyone you nominate is not a dependant at the date of your death, they will not be entitled to receive a share of your benefit. In that case the Trustee, if it thinks that it is appropriate, will divide the share of that person between the other persons you have nominated in the percentages or shares in which they are entitled to your benefit. You may also nominate that your benefit be paid to your legal personal representative so that it is distributed under your will as part of your estate;
- To be a valid binding nomination it must be signed by you in the presence of two witnesses who must each sign and date the declaration where indicated and set out their full name and date of birth. **Each witness must be over 18 years of age and must not be one of your nominated beneficiaries;**
- A nomination is effective only when it is received by the Trustee;
- A binding nomination is valid for three years from the date that it is made. A valid binding nomination will become a non-binding nomination after three years unless you complete and sign a new binding nomination;
- Your remarriage will automatically revoke your binding nomination;
- The Trustee must notify you in writing before the end of the three-year period that the binding nomination is about to lapse and must provide you with the opportunity to lodge a replacement binding nomination;
- You may revoke or amend your nomination at any time by completing a new, valid Nomination of Beneficiary form and lodging it with the Trustee. You may also change your nomination from binding to non-binding at any time;
- An invalid binding nomination will be treated as a non-binding nomination by the Trustee and will not revoke or replace an existing, valid binding nomination; and
- The Trustee will contact you if your nomination is clearly invalid (completed incorrectly) and will give you the opportunity to re-submit a valid nomination.

■ Non-binding Nomination

If you provide a non-binding nomination to the Trustee, the Trustee will take your wishes into account, along with all other available information, but has complete discretion to determine who will receive the benefit payable from the Fund on your death and the amount that they will receive. The Trustee may pay the benefit to one or more of your dependants in whatever shares the Trustee thinks fit or may pay it to your legal personal representative to be distributed under your will as part of your estate.

Some conditions apply to non-binding nominations. They are:

- You can nominate your spouse, de facto spouse or child or other person who is financially dependent on you at the date of your death. If anyone you nominate is not a dependant at the date of your death, they will not be entitled to receive a share of your benefit;
- A non-binding nomination does not need to be witnessed to be a valid nomination;
- A nomination is effective only when it is received by the Trustee;
- A non-binding nomination is valid for the whole time that you are a member of the Fund, unless you lodge another valid nomination with the Trustee;
- You may revoke or change your nomination at any time by completing a fresh, valid Nomination of Beneficiary form and lodging it with the Trustee. You may also change your nomination from non-binding to binding at any time.

■ Taxation

The taxation laws are subject to change from time to time. How they may affect you will depend on your individual circumstances. The taxation information provided below is based on tax laws that were current at the date of publication. You should seek professional advice regarding your own personal situation.

■ Can I or my employer receive a tax deduction or rebate on the contributions?

Yes, it may be possible, in limited circumstances, for you to claim a tax deduction or rebate on all or part of the contributions that you pay. If your employer pays contributions on your behalf, then your employer may be able to claim a tax deduction on the contributions. Each year, the Trustee will send you a letter confirming the total amount of contributions paid by either you or your employer.

If you are eligible to claim a tax deduction, this process will also enable you to notify the Trustee that you intend to claim a deduction for your personal contributions. If you do, the Trustee will then send you an acknowledgement form that you will need to retain so you can claim the tax deduction in your tax return.

Superannuation Term Life Plan (continued)

Contributions Surcharge Tax

A contributions surcharge tax may be levied on the superannuation contributions paid by your employer or by you personally when you claim a tax deduction on the contributions where your adjusted taxable income (ATI) (taxable income plus surchargeable contributions and reportable fringe benefits) exceeds \$99,710* p.a. for the 2004/2005 financial year. The maximum contributions surcharge rate of 12.5%** will apply where your ATI is \$121,075* p.a. Where the Trustee receives a contributions surcharge assessment on your behalf, the Trustee will deduct the required amount from your account and pay it to the Australian Taxation Office or pay the amount to the Australian Taxation Office on your behalf and require payment from you for that amount. Where you do not forward the required amount to the Trustee, the Trustee reserves its right to reduce or terminate your cover.

If you do not quote your Tax File Number to the Trustee, you may be liable to pay the maximum contributions surcharge rate on your surchargeable contributions.

* These figures are indexed annually.

** The maximum contributions surcharge rate will be reduced to 10% in 2005/2006.

Is tax payable on a death benefit claim?

The tax payable on death benefits will depend on who receives the benefit and the amount received. If the benefit is below the deceased's pension Reasonable Benefit Limit, it will be received tax-free if paid to the deceased's dependants, i.e. spouse (legal or de facto), child under the age of 18, or person who was financially dependent on the deceased at the date of death.

If the benefit is paid to a non-dependant or legal personal representative, it will be taxed as an ordinary Eligible Termination Payment up to the deceased's pension Reasonable Benefit Limit. Where the benefit is paid to the estate of the deceased, it may be tax-exempt if the Commissioner of Taxation considers that the final distribution is payable to dependants who could have received a direct distribution tax-free. In both cases, where the death benefit exceeds the deceased's pension Reasonable Benefit Limit, the excessive component is taxed at the highest marginal rate plus Medicare Levy.

Is tax payable on a permanent disablement claim?

Disablement benefits are taxed as an Eligible Termination Payment with some components of the benefit taxed at concessional rates.

Annual Report

The annual report of the AIA Superannuation Fund can be obtained free of charge by contacting your adviser or us direct on 1800 333 613.

Collection of Tax File Numbers (TFN)

The Trustee is authorised under the Superannuation Industry (Supervision) Act 1993 collect your Tax File Number (TFN). You do not have to provide your TFN to the Trustee but you should be aware of the following information before deciding whether or not to provide it.

- We can only use the TFN lawfully, to help us identify your superannuation benefits, to help calculate any tax on those benefits, and to report it to the Australian Taxation Office.
- If you transfer benefits to another eligible superannuation fund or Retirement Savings Account, we can disclose your TFN to the trustee of that fund, unless you tell us in writing not to. We cannot disclose it to anyone else except the Australian Taxation Office. We will treat your TFN confidentially.
- You don't have to tell us your TFN. However, if you don't, or you give us an incorrect TFN, then:
 - we may have to deduct more tax from your benefits than we otherwise would (this may be reclaimed through the income tax assessment process);
 - we may not be able to locate all your benefits;
 - we may be slower to pay you as it may be harder for us to match up all your benefits; and
 - you may have to pay surcharge tax on your contributions unnecessarily. In some circumstances, you may be able to reclaim the contributions surcharge through the Australian Taxation Office.
- The ways in which the Trustee is authorised to use your TFN and the impact of not providing it may change if the tax law changes.

Trustee Indemnity Insurance

The Trust Company Superannuation Services Limited (Trustco) (ABN 49 006 421 638) as Trustee of the AIA Superannuation Fund has a trustee indemnity insurance policy which provides sufficient cover to protect members' interests.

Superannuation Term Life Plan (continued)

■ Private/Self-Managed Superannuation Fund

If you want to be covered under a Superannuation Term Life Plan and you are a member of a private/self-managed superannuation fund, the trustee of your private/self-managed superannuation fund can purchase the plan on your behalf.

When you are a member of a private/self-managed superannuation fund any payment to you or your dependants will be controlled by that fund's trust deed in accordance with superannuation law.

■ Nominating a Beneficiary

The trust deed of your private/self-managed superannuation fund may permit you to:

- direct the trustee to pay the death benefit directly to your nominated dependants or your personal representative with a binding nomination of beneficiary; or
- provide a non-binding nomination of beneficiary to the trustee, which will be taken into account when the trustee determines to whom to pay your death benefit.

The trustee of your private/self managed superannuation fund will be able to advise you on the type of nomination of beneficiary you are able to make under your fund and how you can change your nomination.

■ Essential Information (Superannuation Term Life Plan)

■ Can I Increase My Sum Insured?

Yes, you can increase your sum insured for each benefit each year in line with the increase in the Consumer Price Index (CPI) for that year or you can select a voluntary increase in your sum(s) insured.

Indexation of Benefit

If you so choose, we will offer you each year the opportunity to increase the sum insured for each benefit in line with that year's percentage increase in the Consumer Price Index or 3%, whichever is the greater. Any sum insured increase for a year will be effective from the policy anniversary at the start of that year.

You can accept or refuse each year's offer of an indexation. Even if you refuse the offer in one year we will continue to offer you indexation increases in future years. If you want us to stop offering you indexation increases to your sum insured, you must write to us asking for the facility to be switched off and future indexation increases will not be offered to you.

Your premium will also be adjusted to allow for the higher level of cover and the age of the life insured at that time. In the case of level premiums, the age at the time of the increase is used to calculate the premiums payable on the indexation increase.

Offers of indexation increases for your benefit will cease at the policy anniversary prior to the life insured's 70th birthday.

Voluntary Increases

The sum insured may be increased at any time subject to underwriting and maximum sums insured. Increases must be accompanied by a supplementary pro-rata premium up to the next policy anniversary.

■ Can I Decrease My Sum Insured?

Yes, you can decrease your sum(s) insured at any time. Where the sum insured is decreased any benefit indexation and Premium Freeze (see below) will continue based on the reduced sum insured and premium respectively for the plan.

■ What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

■ Can I Freeze My Premium?

Yes, provided the life insured is aged 35 or older at the start of the policy year. You may select to pay in a policy year and in all subsequent policy years, the same annual premium as you paid for the previous policy year. Any such advice to us must be in writing.

The sum insured for each benefit will decrease on the policy anniversary. This process will be repeated each year on the policy anniversary.

When the Premium Freeze option has been exercised, any benefit indexation will cease and you will be unable to exercise any of the Guaranteed Future Insurability options (see page 8).

If you wish to unfreeze your premium, you will need to write to us for our approval.

■ Are There Any Events For Which I Am Not Covered?

Term Life

- Suicide of the life insured within 13 months from the commencement date, date of last reinstatement or date of last increase in the Term Life sum insured. For a benefit increase, the benefit is not payable only in respect of the increase in the sum insured.

Permanent Disablement

- Any disablement directly or indirectly wholly or partly caused by intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane.

Superannuation Term Life Plan (continued)

■ If I Die Before My Application Is Accepted, Do I Receive Any Payment?

Complimentary Interim Accidental Death Cover is provided on the life insured. The accidental death cover will be the Term Life sum insured or \$500,000 whichever is the lesser. Cover will be provided on the life insured, once a completed application and the premium have been received. Cover will stop after 90 days or when the application is accepted or declined, whichever occurs first. See pages 57 and 58.

■ How to Apply

Starting your policy is easy! All you need to do is complete the Application Form for Priority Protection, sign it and return it to your adviser with premium for forwarding to:

ALG Life
549 St Kilda Road
Melbourne, VIC. 3004

In addition, if you are not a member of a private/self-managed superannuation fund, you must complete and sign Section X (AIA Superannuation Fund – Membership Application) of the Application Form.

If you are a member of a private/self-managed superannuation fund the trustee of that fund must complete and sign Section Y (Private/Self-Managed Superannuation Fund) of the Application Form.

Irrespective of which superannuation fund the life insured is a member of, insurance cover will not commence until the risk is accepted by us.

REMEMBER – Don't forget to keep your Complimentary Interim Accidental Death Cover Certificate.

■ Health Information Required

We will ask for medical information about the person to be insured. This evidence is required for us to assess the application. We will keep this medical information confidential. In assessing the application we may ask for further medical evidence.

■ Cooling-Off Period

Please see page 48 for a full description of the circumstances applying to the cooling-off period.

■ Ownership of the Plan

The plan is owned by the trustee of the superannuation fund. Where a death claim is admitted we will pay the proceeds to the trustee, who will provide the proceeds to one or more of the deceased member's dependants or to the deceased member's legal personal representative, taking into account the member's nominated beneficiaries (if any) and the type of nomination made.

■ Statutory Fund

The premiums for your policy will be allocated to our Statutory Fund No 1.

■ Any Questions or Concerns

If you should have any questions or concerns about your policy please contact your adviser in the first instance or us direct on 1800 333 613.

We will try to respond to any questions or complaints as soon as possible. In any event, complaints will be considered and processed within 90 days as required by legislation. In special circumstances we may take longer.

Should you still not be satisfied with our response to your concerns after they have been ruled on by the appropriate Internal Customer Dispute Resolution Committee, then you may take the matter up with 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 our 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 8009
Telephone: 1300 884 114.

Mortgage Protection

Introduction

Mortgage Protection provides a simplified risk product that can be purchased as a part of a mortgage application.

The product will cover mortgages on residential properties owned by individuals as their primary home or as an investment property. The product will not cover business loans of any type including loans on business properties.

Mortgage Protection is a package of benefits all of which must be taken.

- Term Life Plan
 - Term Life, and
 - Permanent Disablement.
- Disability Income Plan (Agreed Value)
 - Disability Income benefit
 - Claim Escalation benefit.

Mortgage Protection is only available to occupation categories AAA, AA, A, B and C and is available on a stepped basis only (see page 45).

Both plans must be purchased together under the Mortgage Protection policy.

What Do The Plans Cover?

Term Life Plan

The Term Life Plan provides a Term Life benefit (see page 8) with a Permanent Disablement benefit (see page 14).

The Permanent Disablement benefit provides a lump sum in the event of the total and permanent disablement of the life insured.

Please note that Guaranteed Future Insurability benefits and the option to convert to the Loss of Independence benefit under the Permanent Disablement are not available under Mortgage Protection.

Optional benefits are not available under Mortgage Protection.

Disability Income Plan (Agreed Value)

The Disability Income Plan has a Disability Income benefit (Agreed Value) (see page 25) which provides an income stream in the event of the disablement of the life insured through injury or sickness.

Please note that Indexation of Benefit is not available under the Disability Income benefit under Mortgage Protection.

Claim Escalation benefit (see page 26) is included under the Disability Income benefit (Agreed Value).

Optional benefits are not available under Mortgage Protection.

What Is The Benefit Period?

Five years. The benefit period is the maximum period during which the monthly income benefit is payable.

The Disability Income benefit payments can continue past the policy expiry date up to the end of the five years benefit period. Recurrent Disablement benefit will not be accepted after the policy expiry date.

What Is The Waiting Period?

The waiting period is the period that must expire after the life insured becomes disabled before payment of the monthly income benefit commences. A 30-day waiting period applies under the Disability Income benefit (Agreed Value).

The waiting period begins on the earliest to occur of the date:

- that the life insured first consults a medical practitioner about the condition that is causing the disablement; and
- that the life insured first ceases work due to the disablement as long as it is not more than 7 days before he or she first consults a medical practitioner and provides reasonable medical evidence about when the disablement began.

If during the waiting period the life insured returns to work for 5 days or less then the waiting period will not recommence but will be extended by the number of days worked.

What Does The Policy Cost?

Please refer to 'How Much Does The Policy Cost?' section on page 45.

This policy provides:

- Term Life benefit
 - premium discount (see page 45) when the Term Life sum insured is \$500,000;
 - discounted premium rates for non-smokers; and
 - discounted premium rates under Term Life Plan for professional occupations (occupation categories AAA and AA).
- Disability Income benefit (Agreed Value)
 - premium discounts (see page 45) when the Disability Income sum insured is \$3,000; and
 - discounted premium rates for non-smokers.

Multi-Plan discount is not available under a Mortgage Protection policy.

What If I Travel Overseas?

Full cover is provided 24 hours a day, 7 days a week, anywhere in the world.

Essential Information

Age Requirements

You can apply for a Mortgage Protection policy on the life of a person aged between 20 and 50 next birthday at the commencement date of the policy.

Expiry Date

Term Life Plan

Premium and cover for the Term Life Plan under the Mortgage Protection policy cease on the 5th anniversary of the commencement date of the Mortgage Protection policy.

Disability Income Plan (Agreed Value)

Premium and cover for the Disability Income plan (Agreed Value) under the Mortgage Protection policy cease on the 5th anniversary of the commencement date of the Mortgage Protection policy.

Mortgage Protection (continued)

What Happens If I Stop Paying Premiums?

If you do not pay premiums within 30 days from the premium due date your policy will lapse and cover will cease.

When Do My Benefits and Cover Stop?

Covers under this policy will terminate on the earliest to occur of:

- the cancellation of the policy for any reason;
- the death of the life insured;
- the lapse of the policy; and
- the expiry date of the policy.

Term Life Benefit

Cover under the Term Life benefit will stop on the earliest to occur of:

- the cancellation of the benefit for any reason;
- the payment of the full Term Life sum insured; and
- the terminate of the policy.

Permanent Disablement Benefit

Cover under the Permanent Disablement benefit will terminate on the earliest to occur of:

- the cancellation of the benefit for any reason;
- the payment of the full Permanent Disablement benefit sum insured; and
- the terminate of the policy.

Disability Income Benefit (Agreed Value)

Benefits in the course of payment under the Disability Income benefit (Agreed Value) will stop on the earliest to occur of:

- the death of the life insured;
- the recovery of the life insured; and
- the terminate of the benefit period.

Cover under the Disability Income benefit (Agreed Value) will stop on the earliest to occur of:

- the cancellation of the benefit for any reason;
- the life insured's permanent retirement from the workforce, except when directly due to disablement; and
- the terminate of the policy.

What Are The Sums Insured?

Term Life Plan

The sum insured is the outstanding mortgage amount up to a maximum of \$500,000 at the commencement of the policy.

Same sum insured applies to the Term Life benefit and Permanent Disablement benefit.

Disability Income Plan (Agreed Value)

The monthly benefit is the outstanding monthly mortgage repayment at the commencement of the policy up to a maximum of \$3,000 per month.

Same sum insured applies to the Disability Income benefit (Agreed Value) and Claim Escalation benefit.

Can I Increase My Sum Insured?

No, you can neither increase your benefit under any plan in line with the increases in the Consumer Price Index (CPI) nor voluntarily increase your benefit.

Claim Offsets

Disability Income Benefit (Agreed Value)

Please see the section entitled, Claim Offsets on page 31.

Are There Any Events For Which I am Not Covered?

Term Life Benefit

Suicide of the life insured within 13 months from the commencement date or the date of last reinstatement in the Term Life sum insured.

Permanent Disablement Benefit

Any disablement directly or indirectly caused by intentional self-inflicted injury (whether illegal or not) or any attempt by the life insured while sane or insane.

Disability Income Benefit (Agreed Value)

- Disablement due to intentional self-inflicted injury (whether illegal or not) or any such attempt by the life insured while sane or insane;
- Disablement due to engaging in or taking part in service in the armed forces of any country; or
- Normal pregnancy, uncomplicated childbirth or miscarriage.

What About Tax?

Usually tax is not payable upon death on any lump sum payment that may be made under this policy, as long as the ownership of the policy does not change. Conversely, premiums for a policy that provides lump sum benefits are not usually tax deductible. Different rules may apply in some circumstances. A tax professional will be able to clarify your particular position.

This information is based on the continuance of present laws affecting taxation and our interpretation of them.

Disability Income Plan (Agreed Value)

The monthly benefit payable in the event of a claim is assessable for income tax purposes, but the part of the premium you pay to provide an income for yourself is generally tax deductible.

Definitions

See pages 54 to 55 for definitions of:

- Income
- Injury
- Manifests
- Partial Disablement
- Pre-disablement Income
- Sickness, and
- Total Disablement.

What Are The Significant Risks?

There are some significant risks associated with life insurance:

■ Insurer Fails

Your insurer may become insolvent and therefore may not pay your claims. Life insurers are supervised by the Australian Prudential Regulation Authority and are regulated under the Life Insurance Act 1995. As at the date of this Product Disclosure Statement, the reserves in our Statutory Fund No. 1, which back this product, are in excess of the solvency and capital adequacy requirements that apply to life insurers.

When dealing with us you have confidence knowing you are dealing with the only Australian life insurance company that holds the highest rating possible (AAA) for 'Insurer Financial Strength', awarded by leading rating agency Standard & Poor's.

■ Selection of Wrong Product

You may choose an insurance product that does not meet your needs. You should read the Product Disclosure Statement and policy document for an insurance product carefully to prevent this. It may also be advisable to consult an adviser for assistance.

■ Inadequate Amount of Insurance

You may select the correct insurance product for your needs, but you might not choose enough cover. This might cause you to suffer financial hardship after receiving your benefit payment. You will need to assess your needs carefully to ensure that this does not occur. Again, an adviser may be able to help you.

■ Inability To Get Increases In Cover

You may not be able to obtain the cover that you need because of your particular health or circumstances, now or in the future. You should therefore ensure you do not allow your existing cover to lapse or to be cancelled until new insurance cover is firmly in place.

■ Premium Rates

Your premiums are not guaranteed and may be varied from time to time. A table of premium rates is available on request. Different premium rates apply to males and females and to non-smokers and smokers. The premium rates allow for the cost of cover and the life insurer's expenses, including commission payable to your adviser. Your premium rates may not be altered individually but only for all policies in a group. Your policy cannot be singled out for an increase.

■ Your Duty of Disclosure

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

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

■ Non-Disclosure

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

Additional Information

How Much Does The Policy Cost?

Regular Premiums

All plans under Priority Protection are available on a regular premium basis. The premiums you pay, excluding the premium for the Child's Recovery benefit and the Home Expenses benefit depend on the life insured's age, sex, smoking status, occupation category and state of health. The premium you pay for the Child's Recovery benefit will be a consistent amount which does not depend on the insured child's age and sex. The premium you pay for the Home Expenses benefit depends on the insured spouse's age, sex, smoking status and state of health.

Premiums are generally payable on a stepped or level basis. **All plans under a policy must be on the same premium basis unless a benefit is solely stepped or level.** Money-back Term must be **level** premium and Female Crisis Assistance benefit must be on a **stepped** basis.

Mortgage Protection is available on a regular premium basis. The premiums you pay depend on the life insured's age, sex, smoking status, occupation category and state of health. Premiums are payable on stepped basis only.

For more details about premiums, a copy of our premium rates or an indicative personalised quote, please contact your adviser or us.

Guaranteed Renewable

Provided you pay the appropriate premium in full when due, each benefit under Priority Protection or Mortgage Protection is guaranteed renewable each year to the expiry date of the benefit regardless of changes in the life insured's health, occupation or pastimes and in the case of the Disability Income Plan and the Business Expenses Insurance Plan, whether a claim has been made.

Policy Reinstatement

Reinstatement can occur within 6 months from the latest premium due date for the first unpaid premium. Underwriting will be required in some circumstances.

What Are Stepped or Level Premiums?

Stepped premium rates generally increase as the life insured's age increases, whereas level premium rates remain constant until the latest policy anniversary prior to the life insured's 65th birthday.

In addition, stepped or level premiums will change if:

- you request a change in your sum insured;
- you choose to have your sum insured automatically increased to keep pace with inflation (see 'Can I Increase My Sum Insured?' on page 17); or
- premium rates are reviewed (see Premium Guarantees on page 46).

You can switch between stepped and level premiums at any time unless specified by the policy/benefit.

Guarantee of Continuation for Level Premium

Term Life Plan and Crisis Recovery Stand Alone Plan

This guarantee applies only to benefits continuing beyond the life insured's 65th birthday. Where the policy has remained in force to the policy anniversary prior to the life insured's 65th birthday, these benefits will continue on a stepped premium basis until the expiry date of the benefit. The stepped premium will reflect the life insured's age at each policy anniversary, sex and smoking status and original terms of acceptance of the benefits.

Premium Discounts

Term Life Plan and Money-back Term Plan

If you purchase a Term Life benefit or a Money-back Term benefit or both, you may be entitled to a premium rate discount based on the sum insured for each benefit and the age of the life insured at the commencement date of the plan. Please refer to the table below for the discount that is applicable.

Term Life or Money-back Term Sum Insured	Discount to Rate per \$1,000 Sum Insured		
	Age next birthday at entry		
	Less than 45	45 – 54	55 or greater
\$500,000 to \$999,999	\$0.07	\$0.15	\$0.50
\$1,000,000+	\$0.15	\$0.25	\$0.60

A 5% discount applies to Term Life and Money-back Term premium rates for lives rated as occupation category AAA and AA. If applicable, this 5% discount applies prior to the above discounts.

Please consult your adviser for details of all discounts that may apply.

Crisis Recovery Stand Alone Plan

If your Crisis Recovery Stand Alone sum insured is \$300,000 or more and the life insured's age next birthday is 30 years or more at the commencement date of the plan you are entitled to a premium rate discount. Please refer to the table below for the discount that is applicable.

Crisis Recovery Stand Alone Sum Insured	Discount to Rate per \$1,000 Sum Insured		
	Age next birthday at entry		
	30 – 35	36 – 44	45 or greater
\$300,000 to \$499,999	\$0.10	\$0.15	\$0.50
\$500,000 to \$999,999	\$0.10	\$0.20	\$0.55
\$1,000,000 to \$1,500,000	\$0.15	\$0.25	\$0.60

Additional Information (continued)

Disability Income Plan and Business Expenses Insurance Plan

If you purchase a Disability Income benefit or a Business Expenses benefit or both, you may be entitled to a premium rate discount based on the monthly benefit for each benefit at the commencement date of the plan. The discount will apply to the yearly premium rate for the Disability Income (Agreed Value or Indemnity) benefit and the Business Expenses Insurance benefit.

Monthly Benefit	Premium Rate Discount
Up to \$2,999	Nil
\$3,000 to \$4,999	5%
\$5,000 to \$9,999	10%
\$10,000 or greater	15%

If a Claim Escalation or PLUS optional benefit is included in your Disability Income Plan, then the premium rate discount applying to the Disability Income benefit will apply to these optional benefits. The premium rate discount applying to an optional Business Expenses Insurance benefit will be separately determined.

Multi-Plan Discounts

Your Priority Protection policy will enjoy a premium discount (either 5% or 10%) if your policy contains two or more qualifying plans under Priority Protection. A plan is a qualifying plan if its contracted annualised premium, excluding the policy fee (see below), any stamp duty (see page 47) payable and any multi-plan discount applicable, is \$500 or greater. The contracted annualised premium for a plan will include the premium for all benefits under that plan and any premium frequency charge (see page 47) applicable.

If your policy includes two qualifying plans a 5% premium discount will apply; if your policy includes three or more qualifying plans a 10% premium discount will apply.

If your policy qualifies for a multi-plan discount, the discount will apply to all plans under the policy even if one or more of the plans is not a qualifying plan. The discount will apply to the contracted annualised premium, excluding the policy fee and any stamp duty payable.

The minimum yearly premium of \$500 will apply to both stepped and level premium cases for qualification purposes.

For the purposes of the Multi-Plan discount the Term Life Plan and the Money-back Term Plan are combined together and treated as the one single plan.

A plan may change from being a non-qualifying plan to a qualifying plan as a result of the premium increasing due to a CPI increase (stepped or level premium basis), an increase in the age of the life insured (stepped premium basis), the addition of a new benefit or the voluntary increase in a benefit. Conversely, the deletion of a benefit from a qualifying plan or the voluntary decrease in a benefit under a qualifying plan may result in the plan being re-classified as a non-qualifying plan.

Where the addition or deletion of a benefit or the voluntary increase or decrease in a benefit occurs during a policy year and results in a change to the plan's qualifying status, then the multi-plan discount will change from the effective date of the change in benefit (e.g. the voluntary increase in a benefit or the addition of a new benefit).

We can vary at any time the rules for this premium discount, including the discount percentages, for both new policies and policies in-force at the time of variation.

Minimum Premium

The minimum premium is \$250 per annum per policy. This includes the premium for all benefits chosen, the policy fee, any premium frequency charge and any stamp duty.

Payment of Premiums

Premiums must be paid monthly, half-yearly or yearly. Premium payments made more frequently than yearly are subject to a premium frequency charge. See page 47.

The first premium must be paid in advance and submitted together with the application form.

Payments Made Easy

Acceptable methods of payment that can be used are:

Deposit Premium Only	Yearly	Half-yearly	Monthly
Cheque	Yes	Yes	Yes
Credit Card	Yes	Yes	Yes

All Future Premiums	Yearly	Half-yearly	Monthly
Direct Debit (from Financial Institution)	No	No	Yes
Direct Debit (credit card)	Yes	Yes	Yes

Acceptable Credit Cards are Bankcard, MasterCard, Visa Card, Diners Card and American Express.

Premium Guarantees

The premium rates under all plans are not guaranteed and may be varied from time to time. A table of premium rates is available on request. Different premium rates apply to males and females, to smokers and non-smokers and to different occupations. The premium rates for Priority Protection and Mortgage Protection allow for the cost of insurance and our expenses, including commission payable to an adviser.

Premium rates may not be altered individually but only for all policies in a group. Your policy cannot be singled out for an increase.

Additional Information (continued)

What Are The Fees and Charges?

All the fees and charges of your Term Life Plan, Money-back Term Plan, Crisis Recovery Stand Alone Plan, Disability Income Plan (Agreed Value or Indemnity) and Business Expenses Insurance Plan are fully described in this section. We undertake not to apply any other charges without your specific consent.

For your Priority Protection and/or Mortgage Protection policy, we will charge a policy fee, any premium frequency charges if applicable and any appropriate government stamp duty (see below).

Policy Fee

A policy fee is charged per policy in addition to the premiums applicable per benefit and any stamp duty. The policy fee is currently \$60 per annum regardless of the number of plans or benefits purchased under the one policy. Two policy fees may apply – one for the Superannuation Term Life Plan and another for the non-superannuation plans.

The policy fee may be changed at our discretion. However, the policy fee at any date cannot exceed \$60 increased by the percentage increase in the Consumer Price Index since 1 October 2001 up to that date. You will be notified of any change in the amount of the policy fee prior to the change taking effect.

Premium Frequency Charge

There is no extra charge on yearly premiums.

Premiums payable more frequently than yearly (i.e. half-yearly or monthly) are subject to a charge to cover increased costs. This charge is expressed as a percentage of the yearly premium in the following table.

Premium Payment Frequency	Charge as a percentage of Yearly Premium
Half-yearly	5%
Monthly	8%

You will be notified of any change in the amount of charges prior to the change taking effect.

Taxation

Please refer to each plan's 'Taxation' section for information relating to that plan.

Tax Changes

Any material change to the taxation position of the policy will be notified to you in the first Annual Statement following the change.

Tax or Other Government Imposts

Where we are, or believe we will become, liable for any tax or other imposts levied by any Commonwealth or State government, authority or body in connection with the policy, we may reduce, vary or otherwise adjust any amounts (including but not limited to premiums, charges and benefits) under the policy in the manner and to the

extent we determine to be appropriate to take account of the tax or impost.

GST

The premium applicable to this policy is input taxed for the purposes of the Goods & Services Tax (GST). No GST is payable by you in respect of the purchase of this policy.

Stamp Duty

Stamp duty may be payable on this policy by us in accordance with the stamp duty rates applicable in the State or Territory in which the life insured is ordinarily resident. These rates vary between 0% and 11% depending on the State or Territory.

For some Optional Benefits the amount of stamp duty payable is included in the premium and is not an additional charge to you. For others, the amount of stamp duty payable is not included in the premium and is an additional charge to you. Your adviser can provide you with a personalised premium quotation showing the amount of any stamp duty payable as an additional charge to you.

Nomination of Beneficiary

You are entitled to nominate a beneficiary to receive all death claim proceeds arising from the non-superannuation plans under the Priority Protection policy or under the Mortgage Protection policy.

Where you have selected the Superannuation Term Life Plan, you can nominate beneficiaries direct to the trustee of your superannuation fund (see pages 36 to 41).

Statutory Fund

Your Priority Protection policy will be written in our Statutory Fund No. 1.

How To Apply

Starting your policy is easy! All you need to do is complete the Application Form, sign it and return it to your adviser with the first premium for forwarding to:

AIG Life
549 St Kilda Road
Melbourne, VIC 3004

An application to purchase a Priority Protection policy can proceed only on the application form attached to this Product Disclosure Statement.

REMEMBER – Don't forget to keep your Complimentary Interim Accidental Death Cover Certificate.

Health Information Required

We will ask for medical information about the person to be insured. This evidence is required for us to assess your application. We will keep this medical information confidential. In assessing your application we may ask for further medical evidence.

Additional Information (continued)

Information on Your Policy

Upon acceptance of your application and premium, we will mail or deliver to you:

- a policy document, containing policy terms and conditions; and
- a policy schedule which sets out the regular premium payable and the benefits purchased under your policy.

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

What Is A Cooling-off Period?

After you purchase a policy you will receive the policy document and policy schedule from us. You will then have 14 days to check that the policy and benefits meet your needs. This is known as the cooling-off period. Within this period you may cancel the policy and receive the full refund of all premiums paid. The cooling-off period starts from when you **received** the policy document from us or from the end of the 5th day after the day on which we **sent** the policy document to you, whichever is the earlier to occur.

To return your policy in the cooling-off period, please send us:

- your request to cancel the policy either by letter, fax or email or in any other manner permitted by law, and
- the policy document.

Note: You will lose the right to return your policy within the cooling-off period when you first exercise any right or power you have under the terms of your policy.

Policy Terms and Conditions

Please note that this Product Disclosure Statement provides only a basic outline of the coverage. For precise terms and conditions, you should refer to the policy document. This should be done within the cooling-off period, to satisfy yourself that the policy meets your expectations and needs, as discussed with the person who recommended it to you.

Transfer of Ownership (Assignment)

At any time, you may transfer ownership of this policy to another person or legal entity. This is achieved by assigning the policy to the other person or entity. You should be aware that by assigning the policy, you forfeit all rights to benefits payable under the policy and it may give rise to tax implications. Also assignment will revoke any previous nomination of beneficiary.

Please contact us if you wish to assign the policy. We will advise you of the process required to do so.

Policy Upgrade

Over time we will review the benefits provided under the policy. When the benefits under the policy change we may tell the policy owner that new benefits are available under the plan and offer the opportunity to upgrade the plan to the new plan. If the policy owner takes up this opportunity (by informing us in writing of acceptance) we will replace the policy document with a new policy document incorporating the upgrade. If the policy owner does not inform us that they accept the offer, the policy will not change. If the policy owner accepts, the new policy will be effective from the next policy anniversary. If the policy owner accepts our offer, the rights and obligations are then determined by the new policy document. In terms of any improvements under the new policy, these will only apply to future claims and not past or current claims or any claims resulting from health conditions or events which began or took place before the effective date of improvements.

Lost Policy Documentation

If your policy document is lost or damaged we will replace it but may charge to recover the costs involved. This charge is currently not greater than \$100 and covers the cost of reissuing the lost document, including advertising the loss – a statutory requirement. We may vary this charge from time to time.

Any Questions or Concerns

If you should have any questions or concerns about your Priority Protection policy please contact your adviser in the first instance or us direct on 1800 333 613 and we will promptly investigate your enquiry, referring it if necessary to our Internal Customer Dispute Resolution Committee.

Internal complaints are normally resolved within 45 days. In special circumstances we may take longer. If this is the case we will advise you.

Should you still not be satisfied with our response to your concerns after they have been ruled upon by the Committee, then you may take the matter up with the external dispute resolution body, the Financial Industry Complaints Service (FICS). Details as follows:

Financial Industry Complaints Service Ltd (FICS)
PO Box 579
Collins Street West
Melbourne, VIC 8007
Telephone: (03) 9629 7050, or
Free Call: 1800 335 405

Definitions

Medical Practitioner

'MEDICAL PRACTITIONER' means a legally qualified and registered medical practitioner other than the policy owner or the life insured, or a family member, business partner, employee or employer of either the policy owner or the life insured.

Term Life Plan

Terminal Illness

A life insured is terminally ill if that person is diagnosed with an illness and, in our opinion (after receiving medical evidence acceptable to us), will die within 12 months regardless of any treatment that may be undertaken.

Total and Permanent Disablement Definition (Any Occupation)

Total and Permanent Disablement (Any Occupation) means that:

- (a) the life insured has suffered the total and irrecoverable loss of the:
- sight of both eyes;
 - use of two limbs; or
 - sight of one eye and use of one limb;
- or
- (b) the life insured, where engaged in any business, profession or occupation, whether as an employee or otherwise:
- has been absent from employment solely as a result of injury, sickness or disease for an uninterrupted period of at least 6 consecutive months; and
 - is attending a medical practitioner and has undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease; and
 - at the end of the period of 6 months, after consideration of all the medical evidence and such other evidence as we may require, has become incapacitated to such an extent as to render him or her unable ever to engage in any business, profession or occupation for which he or she is reasonably suited by education, training or experience.

If the life insured was not engaged in any business, profession or occupation at the time of the injury, sickness or disease causing disablement then the 'Total and Permanent Disablement (Home Duties)' definition will apply.

Total and Permanent Disablement Definition (Own Occupation)

Total and Permanent Disablement (Own Occupation) means that:

- (a) the life insured has suffered the total and irrecoverable loss of the:

- sight of both eyes;
- use of two limbs; or
- sight of one eye and use of one limb;

or

- (b) the life insured, where engaged in any business, profession or occupation, whether as an employee or otherwise:
- has been absent from employment solely as a result of injury, sickness or disease for an uninterrupted period of at least 6 consecutive months; and
 - is attending a medical practitioner and has undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease; and
 - at the end of the period of 6 months, after consideration of all the medical evidence and such other evidence as we may require, has become incapacitated to such an extent as to render him or her unable ever to engage in his or her own occupation or profession.

Occupations of a specialised nature are covered on a broader definition of their occupation. For example, a barrister will be interpreted and covered as a legal practitioner, and a doctor or surgeon will be interpreted and covered as a medical practitioner.

If the life insured was not engaged in any business, profession or occupation at the time of the injury, sickness or disease causing disablement then the 'Total and Permanent Disablement (Home Duties)' definition will apply.

Total and Permanent Disablement Definition (Home Duties)

Total and Permanent Disablement (Home Duties) means that:

- (a) the life insured has suffered the total and irrecoverable loss of the:
- sight of both eyes;
 - use of two limbs; or
 - sight of one eye and use of one limb;
- or
- (b) the life insured, where wholly engaged in full-time unpaid domestic duties in his or her own residence:
- has been unable to perform normal domestic duties, leave home unaided and engage in any employment for an uninterrupted period of at least 6 consecutive months solely due to an injury, sickness or disease; and
 - is attending a medical practitioner and has undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease; and
 - at the end of the period of 6 months, after consideration of all the medical evidence and such other evidence as we may require, has become incapacitated to such an extent as to render him or her likely to require ongoing medical care and unable ever to perform normal domestic duties, leave home unaided and engage in any other form of employment.

Definitions (continued)

Crisis Events

The following definitions apply to the optional Crisis Recovery benefit, Female Crisis Assistance benefit and Child's Recovery benefit under the Term Life benefit and to the Crisis Recovery Stand Alone Plan.

'ACCIDENTAL HIV INFECTION' means infection with the human immunodeficiency virus (HIV) acquired by accident or violence during the course of the life insured's normal occupation or through the medium of a blood transfusion, transfusion of blood products, organ transplant, assisted reproduction technique or other medical procedure or operation performed by a doctor or at a recognised medical facility. Sero-conversion evidence of the HIV infection must occur within 6 months of the accident. HIV infection transmitted by any other means, including but not limited to sexual activity or non-medical intravenous drug use, is not Accidental HIV Infection under the policy.

Any accident giving rise to a potential claim must be reported to us within 30 days and be supported by a negative HIV Antibody Test taken within 7 days after the accident. We must be given access to test independently all blood samples used, if we require and we retain the right to take further independent blood tests or other medically accepted HIV tests.

'APLASTIC ANAEMIA' means permanent bone marrow failure that results in anaemia, neutropenia and thrombocytopenia requiring treatment by at least one of the following:

- blood product transfusion
- marrow stimulating agents
- immunosuppressive agents
- bone marrow transplantation.

'BACTERIAL MENINGITIS' means the diagnosis of the life insured with bacterial meningitis. The meningitis must produce neurological deficit causing permanent and significant functional impairment. Diagnosis must be confirmed by a consultant neurologist. Bacterial meningitis in the presence of HIV infection is excluded. All other forms of meningitis including viral, are excluded.

'BLINDNESS' means total irreversible loss of sight in both eyes certified by an ophthalmologist and as a result of disease or accident.

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

- tumours which are histologically described as pre-malignant or showing the changes of 'carcinoma in situ';
- melanomas of less than 1.5mm thickness as determined by histological examination and which are also less than Clark Level 3 depth of invasion;
- all hyperkeratoses or basal cell carcinomas of the skin;
- all squamous cell carcinomas of the skin, unless there has been spread to other organs;

- T1 N0 M0 papillary carcinoma of the thyroid less than 1 cm in diameter;
- Polycythemia Rubra Vera requiring treatment by venesection alone, and
- Tumours treated by endoscopic procedures alone.

'CARDIOMYOPATHY' means a condition of impaired ventricular function of variable aetiology (often not determined) resulting in significant physical impairment i.e. Class III on the New York Heart Association classification of cardiac impairment.

The New York Heart Association classifications are:

Class I – no limitation of physical activity, no symptoms with ordinary physical activity.

Class II – slight limitation of physical activity, symptoms occur with ordinary physical activity.

Class III – marked limitation of physical activity and comfortable at rest, symptoms occur with less than ordinary physical activity.

Class IV – symptoms with any physical activity and may occur at rest, symptoms increased in severity with any physical activity.

'CHRONIC LIVER DISEASE' means end stage liver failure, together with permanent jaundice, ascites, and hepatic encephalopathy. Such disease directly related to alcohol or drug abuse is excluded.

'CHRONIC LUNG DISEASE' means end stage respiratory failure requiring permanent oxygen therapy with FEV 1 test results consistently showing less than one litre.

'COMA' means total failure of cerebral function characterised by total unarousable, unresponsiveness to external stimuli, persisting continually with the use of a life support system for a period of at least 96 hours. It must result in significant permanent loss of cerebral function as determined by a recognised consulting neurologist acceptable to us.

For the purposes of this definition, 'significant' shall mean at least a 25% impairment of whole person function as defined in the American Medical Association's book *Guides to the Evaluation of Permanent Impairment (Guides) 5th edition*.

Excluded from this definition is coma resulting from alcohol or drug abuse.

CORONARY ARTERY ANGIOPLASTY' means the actual undergoing for the first time of either:

- balloon angioplasty;
- insertion of a stent;
- atherectomy; or
- laser therapy

to correct a narrowing or blockage of three or more coronary arteries within the same procedure. Angiographic evidence, indicating at least 50% obstruction of three or more coronary arteries is required to confirm the need for this procedure. The procedure must be considered necessary by a cardiologist to correct or treat coronary artery disease.

Definitions (continued)

'CORONARY ARTERY BY-PASS SURGERY' means the actual undergoing of by-pass surgery (including saphenous vein or internal mammary graft(s) for the treatment of coronary artery disease. The operation must be open chest, for the treatment of one or more coronary arteries and angioplasty contra-indicated and must be considered necessary by a consultant cardiologist.

'DEMENTIA/ALZHEIMER'S DISEASE' means the unequivocal diagnosis of Alzheimer's disease or other dementia as confirmed by a consultant neurologist, geriatrician, psychiatrist or psycho-geriatrician. The diagnosis must confirm dementia due to failure of global brain function for which no other recognisable cause has been identified. The condition must result in significant cognitive impairment and the permanent inability to perform at least two of the Activities of Daily Living (see definition of 'LOSS OF INDEPENDENCE').

Dementia or Alzheimer's disease as a result of alcohol or drug abuse is excluded.

'DIPLEGIA' means the total and permanent loss of function of both sides of the body due to spinal cord injury or disease, or brain injury or disease.

'HEART ATTACK' (Myocardial Infarction) means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis for this must be evidenced by:

- new and permanent ECG changes consistent with Myocardial Infarction; and
- elevation of biochemical markers (such as troponin or cardiac enzymes) consistent with Myocardial Infarction.

We will not pay for other causes of severe non-cardiac chest pain, heart failure or angina.

If the above tests are inconclusive, we will consider other appropriate and medically recognised tests in support of a diagnosis.

'HEART VALVE SURGERY' means the actual undergoing of open-heart surgery to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities occurring after the commencement date or last reinstatement date of the policy. Valvotomy is specifically excluded.

'HEMIPLEGIA' means the total and permanent loss of function of one side of the body due to spinal cord injury or disease, or brain injury or disease.

'KIDNEY FAILURE' means end stage renal failure, which presents as chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is initiated or renal transplantation carried out.

'LOSS OF HEARING' means complete and irrecoverable loss of hearing, both natural and assisted, from both ears as a result of injury or sickness, as certified by an appropriate medical specialist.

'LOSS OF INDEPENDENCE' means:

- (a) A condition as a result of Injury or Sickness, where the life insured is totally and irreversibly unable to perform at least two (2) of the following five (5) 'Activities of Daily Living'. The condition should be confirmed by a consultant physician.

Bathing

Means the ability of the life insured to wash himself or herself either in the bath or shower or by sponge bath without the standby assistance of another person. The life insured will be considered to be able to bathe himself or herself even if the above tasks can only be performed by using equipment or adaptive devices.

Dressing

Means the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them, without the standby assistance of another person. The life insured will be considered able to dress himself or herself even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.

Eating

Means the ability to get nourishment into the body by any means once it has been prepared and made available to the life insured without the standby assistance of another person.

Toileting

Means the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing without the standby assistance of another person. The life insured will be considered able to toilet himself or herself even if he or she has an ostomy and is able to empty it himself or herself, or if the life insured uses a commode, bedpan or urinal, and is able to empty and clean it without the standby assistance of another person.

Transferring

Means the ability to move in and out of a chair or bed without the standby assistance of another person. The life insured will be considered able to transfer himself or herself even if equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorised devices is used.

or

- (b) Cognitive impairment, meaning a deterioration or loss in the life insured's intellectual capacity which requires another person's assistance or verbal cueing to protect himself or herself or others as measured by clinical evidence and standardised tests which reliably measure the impairment in the following areas:
 - short or long term memory
 - orientation as to person (such as personal identity), place (such as location), and time (such as day, date and year)
 - deductive or abstract reasoning.

Definitions (continued)

'LOSS OF LIMBS AND SIGHT OF ONE EYE' means the total and irrecoverable loss by the life insured of any of:

- the use of both hands
- the use of both feet
- the use of one hand and one foot
- the use of one hand and the sight of one eye
- the use of one foot and the sight of one eye.

'LOSS OF SPEECH' means the complete and irrecoverable loss of the ability to speak as a result of Injury or Sickness which must be established and the diagnosis reaffirmed after a continuous period of three months of such loss by an appropriate medical specialist.

'MAJOR BURNS' means third Degree Burns (full thickness skin destruction) to at least 20% of the body surface area.

'MAJOR HEAD TRAUMA' means an accidental head injury resulting in neurological deficit, as certified by a consultant neurologist acceptable to us, causing at least a permanent 25% impairment of whole person function as defined in the current edition of 'Guides to the Evaluation of Permanent Impairment', American Medical Association.

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

'MOTOR NEURONE DISEASE' means the unequivocal diagnosis of Motor Neurone Disease by a consultant neurologist with persistent neurological deficit resulting in at least a permanent 25% impairment of whole person function as defined in the American Medical Association's book *Guides to the Evaluation of Permanent Impairment (Guides) 5th edition*.

'MULTIPLE SCLEROSIS' means the unequivocal diagnosis of Multiple Sclerosis by two consulting neurologists resulting in at least a permanent 25% impairment of whole person function as defined in the American Medical Association's book *Guides to the Evaluation of Permanent Impairment (Guides) 5th edition*.

Diagnosis must be based on all of the following:

- symptoms referable to tracts (white matter) involving the optic nerves, brain stem, and spinal cord, producing well defined neurological deficits;
- a multiplicity of discrete lesions; and
- a well documented history of exacerbations and remissions of said symptoms/neurological deficits.

'MUSCULAR DYSTROPHY' means the diagnosis of muscular dystrophy, confirmed by a consulting neurologist, based on a combination of some or all of the following:

- clinical presentation including absence of sensory disturbance, abnormal cerebro-spinal fluid and mild tendon reflex reduction;
- characteristic electromyogram;
- clinical suspicion confirmed by muscle biopsy, and which in our opinion confirms the diagnosis of muscular dystrophy.

'OCCUPATIONALLY ACQUIRED HEPATITIS B OR HEPATITIS C INFECTION' is a crisis event in the Crisis Recovery benefit under the PLUS Optional benefit under the Disability Income Plan.

The Crisis Recovery benefit will be payable if the life insured becomes infected with Hepatitis B or Hepatitis C as a result of an occupational accident. An occupational accident means an accident that happens whilst the life insured is performing the usual duties of his or her normal occupation and involves contact with a body substance which puts the life insured at risk of transmission of the infections.

This benefit will only be paid if all the following conditions for payment are satisfied. We require that:

- the life insured reports the accident to us within 48 hours after it happens;
- the life insured is tested for infections within 48 hours after the accident and the results are negative;
- a Medical Practitioner diagnoses the life insured to be:
 - positive to Hepatitis C within 180 days after the accident; or
 - positive to Hepatitis B within 180 days after the accident and still be positive within 180 days after the first diagnosis;
- the life insured complies with all infection control precautions that apply;
- the life insured is vaccinated or immunised for the infections as required by us; and
- all tests be carried out according to the procedures we specify.

'OTHER SERIOUS CORONARY ARTERY DISEASE' means the narrowing of the lumen of at least 3 coronary arteries by a minimum of 60%, as proven for the first time by coronary arteriography, regardless of whether or not any form of coronary artery surgery has been performed.

'PARAPLEGIA' means the total and permanent loss of function of the lower limbs due to spinal cord injury or disease, or brain injury or disease.

'PARKINSON'S DISEASE' means unequivocal diagnosis of Parkinson's Disease by a consultant neurologist where the condition:

- cannot be controlled with medication;
- shows signs of progressive impairment; and
- 'Activities of Daily Living' assessment confirms the inability of the life insured to perform without assistance 2 or more of the following: bathing, dressing, eating, toileting, transferring in or out of bed or a chair.

Only idiopathic Parkinson's Disease is covered. Drug-induced or toxic causes of Parkinsonism are excluded.

'PULMONARY ARTERIAL HYPERTENSION (PRIMARY)' means primary pulmonary hypertension associated with right ventricular enlargement established by cardiac catheterisation, resulting in significant irreversible physical impairment of at least Class III of the New York Heart Association classification of cardiac impairment.

Pulmonary Hypertension in association with chronic lung disease is specifically excluded.

Definitions (continued)

Other forms of hypertension (involving increased blood pressure) are specifically excluded.

The New York Heart Association classifications are:

Class I – no limitation of physical activity, no symptoms with ordinary physical activity.

Class II – slight limitation of physical activity, symptoms occur with ordinary physical activity.

Class III – marked limitation of physical activity and comfortable at rest, symptoms occur with less than ordinary physical activity.

Class IV – symptoms with any physical activity and may occur at rest, symptoms increased in severity with any physical activity.

‘QUADRIPLEGIA’ means the total and permanent loss of function of the lower and upper limbs due to spinal cord injury or disease, or brain injury or disease.

‘STROKE’ means an acute neurological event caused by a cerebral or subarachnoid haemorrhage, cerebral embolism or cerebral thrombosis, where the following conditions are met:

- There is an acute onset of objective and ongoing neurological signs that last more than 24 hours, and
- Findings on Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging techniques, demonstrate a lesion consistent with the acute haemorrhage, embolism or thrombosis.

Brain damage due to an accident, infection, vasculitis or an inflammatory disease is excluded.

‘SURGERY TO AORTA’ means the actual undergoing of surgery for a disease of the aorta needing excision and surgical replacement of the diseased aorta with a graft. For the purpose of this definition aorta shall mean the thoracic and abdominal aorta but not its branches.

‘VIRAL ENCEPHALITIS’ means the diagnosis of the life insured with encephalitis due to direct viral infection of the central nervous system. The encephalitis must produce neurological deficit causing permanent and significant functional impairment certified by a consultant neurologist. Encephalitis in the presence of HIV infection is excluded.

Female Crisis Assistance Events

‘CARCINOMA IN SITU OF BREAST OR CERVIX’ means a histologically proven, localised pre invasive lesion where cancer cells do not penetrate the basement membrane nor invade the surrounding tissues or stroma. ‘Invade’ means to infiltrate and/or actively destroy tissue or surrounding tissue. The disease of Carcinoma in Situ covered by this Policy is limited only to the following sites:

- Breast (ICD10 = D05).
- Cervix Uteri (at or above CIN III grading) (ICD10 = D06).

A Pap smear result is considered a preliminary diagnosis and must be confirmed by biopsy.

‘COMPLICATIONS OF PREGNANCY’ means one of the following:

1. Disseminated Intravascular Coagulation
Disseminated Intravascular Coagulation (DIC) where the following conditions are met:
 - There is a pregnancy related cause of the DIC; and
 - Excessive fibrin formation and fibrinolysis has caused the depletion of coagulation proteins and platelets; and
 - There is life threatening haemorrhage from multiple sites.
2. Ectopic Pregnancy
Pregnancy in which implantation of a fertilised ovum occurs outside the uterine cavity. The ectopic pregnancy must be terminated by laparotomy or laparoscopic surgery. The diagnosis of ectopic pregnancy must be confirmed by a medical specialist.
3. Hydatidiform Mole
The development of fluid-filled cysts in the uterus after the degeneration of the chorion during pregnancy which results in the death of the embryo. The diagnosis of Hydatidiform mole must be confirmed by a medical specialist.
4. Stillbirth
Foetal death in utero after 28 weeks of pregnancy. Elective termination of pregnancy and abortion are specifically excluded.

‘CONGENITAL ABNORMALITIES OF CHILD’ means one of the following:

1. Down’s Syndrome
A specific genetic abnormality caused by an extra chromosome 21 that causes mental retardation and physical abnormalities.
2. Spina Bifida
Defective closure of the spinal column due to a neural tube deficit with a resultant meningocele or meningocele and associated neurological deficit. The diagnosis must be confirmed by a medical specialist.
3. Tetralogy of Fallot
An anatomical abnormality with severe or total right ventricular outflow tract obstruction and a ventricular septal defect allowing right ventricular deoxygenated blood to bypass the pulmonary artery and enter the aorta directly. The diagnosis must be confirmed by a medical specialist and supported by an echocardiogram, and invasive surgery must be performed to correct the condition.
4. Transposition of Great Vessels
A congenital heart defect where the aorta arises from the right ventricle and the pulmonary artery from the left ventricle. The diagnosis must be confirmed by a cardiologist and supported by an echocardiogram, and invasive surgery must be performed to correct the condition.
5. Congenital Blindness
Complete absence of the sense of sight from birth. The diagnosis must be confirmed by a medical specialist.

Definitions (continued)

6. Congenital Deafness

Complete absence of the sense of hearing from birth. The diagnosis must be confirmed by a medical specialist.

‘FACIAL RECONSTRUCTIVE SURGERY OR SKIN GRAFTING DUE TO ACCIDENT’ means the actual undergoing of plastic or reconstructive surgery above the neck which is deemed medically necessary for the treatment of facial disfigurement as a direct result of an Accident requiring inpatient hospital treatment of the Life Insured.

‘OSTEOPOROSIS’ means severe osteoporosis* where the following conditions are met.

- At least two vertebral body fractures occurring before the age of 50 years or a fracture of the neck of the femur, due to osteoporosis.
- Bone mineral density measured in at least two sites by dualenergy x-ray densitometry (DEXA) or quantitative CT scanning is consistent with severe osteoporosis.

**Severe Osteoporosis is equivalent to the World Health Organisation (WHO) Definition of Osteoporosis: Bone Density reading with a T-score of less than -2.5 (i.e. 2.5 standard deviations below the peak bone density of a normal 25-30 year old adult).*

■ Money-back Term Plan

See page 49 for definition of Terminal Illness.

■ Crisis Recovery Stand Alone Plan

See pages 50 to 53 for definitions of Crisis Events.

■ Disability Income Plan

‘INCOME’ in the case of an employed person is the average monthly pre-tax remuneration paid by an employer, including salary, fees and fringe benefits, for the last 12 months. This will include any statutory superannuation contributions and any other superannuation contributions made by an employer including those that are part of a salary sacrifice arrangement between the employed person and the employer. Where commissions and bonuses form over 40% of the pre-tax remuneration for the last 12 months, we will take them into account. Where the employed person is a professional person employed by a professional practice company, income will include the monthly average of all commissions and bonuses paid, in addition to salary, fees, fringe benefits and superannuation contributions made by an employer, for the last 12 months.

‘INCOME’ in the case of a self-employed person, a working director or partner in a partnership, is the average monthly income generated by the business or practice due to his or her personal exertion or activities, less his or her share of necessarily incurred business expenses, for the last 12 months.

Income does not include:

- income that the life insured will continue to receive from the business, even if the life insured is unable to

work, including any ongoing profit generated by other employees of the business, and

- other unearned income such as dividends, interest, rental income, or proceeds from the sale of assets, or ongoing commission or royalties.

‘INJURY’ means a physical injury which occurs whilst this policy is in force and which results solely and directly and independently of pre-existing conditions or any other cause (except Sickness directly resulting from medical or surgical treatment rendered necessary by it), in Total or Partial Disablement within one year of the date of its occurrence.

‘MANIFESTS’ means that symptoms exist which would cause an ordinarily prudent person to seek diagnosis, care or treatment, or that medical advice or treatment has been recommended by or received from a Medical Practitioner.

‘PARTIAL DISABLEMENT’ means that, due to injury or sickness, the life insured:

- is unable to work in his or her own occupation at full capacity; and
- is working in his or her own occupation in a reduced capacity, or working in another occupation; and
- is earning a monthly income which is less than his or her pre-disablement income; and
- is following the advice of a medical practitioner.

‘PRE-DISABLEMENT INCOME’ for the Disability Income (Agreed Value) benefit is the greater of the:

- life insured’s average monthly earnings for the latest financial year preceding the commencement date of the plan; and the
- life insured’s highest average monthly earnings for any of the latest 3 financial years preceding the commencement of disablement.

During disablement the Pre-Disablement Income amount will be increased every 12 months, following the date of disablement, by 3% or the Consumer Price Index Increase (whichever is the greater).

‘PRE-DISABLEMENT INCOME’ for the Disability Income (Indemnity) benefit is the:

- life insured’s average monthly earnings for the latest 12 consecutive months preceding the commencement of disablement.

During disablement the Pre-Disablement Income amount will be increased every 12 months, following the date of disablement, by 3% or the Consumer Price Index Increase (whichever is the greater).

‘SICKNESS’ means illness or disease which Manifests itself after the Policy is in force and which results in Total or Partial Disablement.

‘TOTAL DISABLEMENT’ means that, due to injury or sickness, the life insured:

- is unable to perform one of the important duties of his or her occupation that he or she must be able to perform to earn income; and
- is following the advice of a Medical Practitioner; and
- is not working.

Definitions (continued)

However, if the life insured has been unemployed or on maternity or paternity leave for 12 months or longer immediately preceding the occurrence of an event giving rise to a claim, then total disablement means that, due to injury or sickness, the life insured:

- is unable to perform any occupation for which he or she is reasonably suited by education, training or experience; and
- is following the advice of a Medical Practitioner; and
- is not working.

If the life insured is on sabbatical leave it will not be considered as unemployment. Sabbatical leave must be for the purpose of research and cannot exceed 12 months or the sabbatical period specified in the Award covering the life insured, whichever is the shorter period.

Home Expenses Benefit

'COMMON LAW MARRIAGE' means a marriage recognised at common law as valid even though performed contrary to the law of the place where the marriage is celebrated. Regardless of its form, such a marriage must be based on the expressed agreement of the parties to take one another as husband and wife and be celebrated in circumstances where compliance with the forms of the local law is impossible or excused.

'DE FACTO RELATIONSHIP' means a relationship between two adult persons not of the same sex who live together as a couple and are not legally married or related by family.

'MARRIAGE' means the union of a man and a woman to the exclusion of all others, voluntarily entered into for life. (s.5 Marriage Act (Cth) 1961)

'OCCUPATIONAL THERAPIST' means a legally qualified and registered practitioner other than the policy owner, the life insured or the insured spouse, or a family member, business partner, employee or employer of the policy owner, the life insured or the insured spouse.

'SPOUSE' means the opposite sex partner of the life insured in a traditional 'marriage', 'common law marriage' or in a 'de facto relationship'.

'TOTAL DISABLEMENT (HOME EXPENSES)' means that, due to injury or sickness, the insured spouse under the benefit where wholly engaged in full-time unpaid domestic duties in his or her own residence:

- is unable to perform normal domestic duties, leave the home unaided by another person and engage in any employment solely as a result of injury, sickness or disease;
- is attending a medical practitioner and has undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease; and
- is not earning an income; and
- is not working.

Business Expenses Insurance Plan

See pages 54 to 55 for definitions of:

- Income
- Injury
- Manifests
- Partial Disablement
- Pre-disablement Income
- Sickness, and
- Total Disablement

■ Privacy Statement

American International Assurance Company (Australia) Limited, trading as AIG Life ABN 79 004 837 861 (AIA) follows the National Privacy Principles developed under the Privacy Amendment (Private Sector) Act 2000. We provide you with the following information regarding our privacy procedures and your rights. Our privacy policies and procedures may be found at www.aiaa.com.au.

■ Purpose of Collection

AIG Life collects personal information about you to:

- a) process your application(s);
- b) administer and manage your policy including claims;
- c) facilitate AIG Life's business operations; and
- d) market promotional material about products and services that we believe you may be interested in. (The Privacy Declaration contained in your Application allows you to elect whether you wish to receive direct marketing material from AIG Life.)

If you do not wish to provide us with all or part of the personal information we request from you, we may not be able to provide you with insurance cover.

■ Access to Your Information

You are entitled at any time to request access to your personal information held by AIG Life. All requests should be made in writing to the Policy Administration Manager, 549 St Kilda Road, Melbourne, VIC. 3004.

You can ask us to update your personal information at any time if it is inaccurate, incomplete or out of date.

In some circumstances, AIG Life may not permit access to your personal information. Circumstances where access may be denied include where access would be unlawful or denying access is authorised by law.

In these cases, AIG Life will provide you with written reasons for denial of access or a refusal to correct personal information.

■ Disclosure of Information

We may disclose your personal information to:

- a) another member of the AIG group of companies (whether in Australia or overseas);
- b) your adviser;
- c) our contractors and third party service providers, e.g. medical practitioners and reinsurers;
- d) your employer (for employee superannuation products);
- e) financial institutions you nominate;
- f) mail houses and archive companies.

We will only disclose your personal information to these parties for the primary purpose for which it was collected. In some circumstances we are entitled to disclose your personal information to third parties without your authorisation, such as law enforcement agencies or government authorities to protect our interests or to report illegal activities.

■ Any Questions or Concerns on Privacy

If you have any questions or concerns about your personal information, please write to the Compliance Manager, 549 St Kilda Road, Melbourne, Vic. 3004.

We have established an internal dispute resolution process for handling customer complaints about our compliance with the National Privacy Principles. This dispute resolution mechanism is designed to be fair and timely to all parties and is free of charge.

If you have a complaint about our handling of your personal information, you should submit it in writing to the Compliance Manager. You will receive a letter from us within 5 working days which documents our complaints handling process. Your complaint will be referred to AIG Life's Internal Disputes Resolution Committee who will try to resolve your complaint within 45 days of receipt.

Should your complaint not be resolved to your satisfaction by our internal dispute resolution process, you may take your complaint to the Privacy Commissioner. The Privacy Commissioner's contact details are: Office of the Federal Privacy Commissioner, GPO Box 5218, Sydney, NSW 1042 or call the Privacy Hotline on 1300 363 992.

Priority Protection

Complimentary
Interim Accidental Death Cover

We
will provide

.....
(name of policy owner)

with Interim Accidental Death Cover
in the event of the life to be insured's accidental death.*
(The amount payable is explained overleaf.)

This certificate is valid for 90 days from

.....
(date of application)

or

until the policy is issued or the application is declined,
whichever is the earliest to occur.

.....
Adviser's signature


.....
Managing Director's Signature



*Refer to back of certificate for definition

Complimentary Interim Accidental Death Cover

American International Assurance Company (Australia) Limited trading as AIG Life grants COMPLIMENTARY INTERIM ACCIDENTAL DEATH COVER on the life to be insured without any extra premium being charged.

This cover is provided from the EFFECTIVE DATE until an assessment decision is made or until 90 days after the date the application is signed or until the policy is issued or the application is withdrawn by the proposer, whichever is the earliest to occur. A deposit equal to the first yearly premium or instalment of premium must have been paid or be payable on issue of the policy.

This interim cover certificate is issued to you after completion of the application.

■ Complimentary Interim Accidental Death Cover

1. The amount payable on accidental death under this cover is:

(a) **Term Life Plan**

The lesser of:

- The Term Life sum insured proposed; and
- \$500,000

(b) **Money-back Term Plan**

The lesser of:

- The Money-back Term Life sum insured proposed; and
- \$500,000

(c) **Crisis Recovery Stand Alone Plan**

\$5,000

(d) **Disability Income Plan (Agreed Value or Indemnity)**

Three times the monthly benefit proposed under the Disability Income benefit up to a maximum payment of \$30,000.

The maximum payment under the Complimentary Interim Accidental Death Cover is \$500,000.

2. Accidental death means death which is caused solely and directly by violent, accidental, external and visible means and results solely and directly and independently of any other cause.

3. The following risks are NOT covered.

Death directly or indirectly caused by:

- (a) war (whether declared or not), invasion or civil war; and
- (b) intentional self-inflicted injury or suicide (whether illegal or not) while sane or insane.

■ Effective Date

Complimentary interim accidental death cover is effective from the issue date of the interim certificate if the application is received at our head office within five working days of the issue date with payment of the first instalment of premium. Otherwise cover commences once the application and payment are actually received at our head office.

■ Optional Benefits

Complimentary interim accidental death cover applies in respect of any optional benefit which provides death or accidental death cover but not in respect of any other optional benefit.

■ Claims Procedure

All the usual proofs in relation to a claim will be required (eg; death certificate, etc).



Direct Debit Request Service Agreement

The following two pages are relevant where you request premium payments to be debited from an account held at your financial institution. Please see application form at the back of this brochure.

1. Definitions

account means the account held at *your financial institution* from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Request Service Agreement between *you* and *us*.

business day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by *you* to *us* is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the Direct Debit Request between *us* and *you*.

us or *we* means American International Assurance Company (Australia) Limited trading as AIG Life ABN 79 004 837 861 (User ID 142).

you means the customer who signed the *direct debit request*.

your financial institution is the financial institution where *you* hold the *account* that *you* have authorised *us* to arrange to debit.

1. Debiting your account

- 1.1 By signing a *direct debit request*, *you* have authorised *us* to arrange for funds to be debited from *your account*. *You* should refer to the *direct debit request* and this *agreement* for the terms of the arrangement between *us* and *you*.
- 1.2 We will only arrange for funds to be debited from *your account* as authorised in the *direct debit request*.
- 1.3 If the *debit day* falls on a day that is not a *business day*, we may direct *your financial institution* to debit *your account* on the following *business day*. If *you* are unsure about which day *your account* has or will be debited *you* should ask *your financial institution*.

2. Changes by us

- 2.1 We may vary any details of this *agreement* or a *direct debit request* at any time by giving *you* at least fourteen (14) days written notice.

3. Changes by you

- 3.1 Subject to 3.2 and 3.3, *you* may change the arrangements under a *direct debit request* by contacting our Policy Administration Department on (03) 9009 4000.
- 3.2 If *you* wish to stop or defer a *debit payment* *you* must notify *us* in writing at least fourteen (14) days before the next *debit day*. This notice should be given to *us* in the first instance.
- 3.3 *You* may also cancel *your* authority for *us* to debit *your account* at any time by giving *us* fourteen (14) days notice in writing before the next *debit day*. This notice should be given to *us* in the first instance.

4. Your obligations

- 4.1 It is *your* responsibility to ensure that there are sufficient clear funds available in *your account* to allow a *debit payment* to be made in accordance with the *direct debit request*.
- 4.2 If there are insufficient clear funds in *your account* to meet a *debit payment*:
 - (a) *you* may be charged a fee and/or interest by *your financial institution*;
 - (b) *you* may also incur fees or charges imposed or incurred by *us*; and
 - (c) *you* must arrange for the *debit payment* to be made by another method or arrange for sufficient clear funds to be in *your account* by an agreed time so that *we* can process the *debit payment*.
- 4.3 *You* should check *your account* statement to verify that the amounts debited from *your account* are correct.
- 4.4 If AIG Life is liable to pay goods and services tax ('GST') on a supply made in connection with this *agreement*, then *you* agree to pay AIG Life on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.



Direct Debit Request Service Agreement

5. Dispute

- 5.1 If *you* believe that there has been an error in debiting *your account*, *you* should notify our Policy Administration Department directly on (03) 9009 4000 and confirm this in writing to *us* as soon as possible so that *we* can resolve *your* query more quickly.
- 5.2 If *we* conclude as a result of our investigations that *your account* has been incorrectly debited *we* will respond to *your* query by arranging for *your financial institution* to adjust *your account* (including interest and charges) accordingly. *We* will also notify *you* in writing of the amount by which *your account* has been adjusted.
- 5.3 If *we* conclude as a result of our investigations that *your account* has not been incorrectly debited *we* will respond to *your* query by providing *you* with reasons and any evidence for this finding.
- 5.4 Any queries *you* may have about an error made in debiting *your account* should be directed to *us* in the first instance so that *we* can attempt to resolve the matter between *us* and *you*. If *we* cannot resolve the matter *you* can still refer it to *your financial institution* which will obtain details from *you* of the disputed transaction and may lodge a claim on *your* behalf.

6. Accounts

You should check:

- (a) with *your financial institution* whether direct debiting is available from *your account* as direct debiting is not available on all accounts offered by financial institutions.
- (b) *your account* details which *you* have provided to *us* are correct by checking them against a recent *account* statement; and
- (c) with *your financial institution* before completing the *direct debit request* if *you* have any queries about how to complete the *direct debit request*.

7. Confidentiality

- 7.1 *We* will keep any information (including *your account* details) in *your direct debit request* confidential. *We* will make reasonable efforts to keep any such information that *we* have about *you* secure and to ensure that any of our employees or agents who have access to information about *you* do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 *We* will only disclose information that *we* have about *you*:
 - (a) to the extent specifically required by law; or
 - (b) for the purposes of this *agreement* (including disclosing information in connection with any query or claim).

8. Notice

- 8.1 If *you* wish to notify *us* in writing about anything relating to this *agreement*, *you* should write to:
Policy Administration Department
ALG Life
549 St Kilda Road
Melbourne Vic. 3004.
- 8.2 *We* will notify *you* by sending a notice in the ordinary post to the address *you* have given *us* in the *direct debit request*.
- 8.3 Any notice will be deemed to have been received two *business days* after it is posted.

Directory

American International Assurance Company (Australia) Limited
trading as AIG Life
Incorporated in Victoria, ABN 79 004 837 861 AFS Licence No. 230043

Directors

Chairman

E. Tse

Directors

D.C. Whyte, A.J. Belfer, J.G.G. Butselaar,
M.J.L. Royce, G.R.S. Crichton, H.F. Carne

Registered Office

549 St Kilda Road
MELBOURNE 3004
Phone: (03) 9009 4000
Fax: (03) 9009 4824
Free Call: 1800 333 613
www.aiglife.com.au

AIG Life: A Member Company of AIG

AIG Life is a registered trading name of American International Assurance Company (Australia) Limited (AIA). AIA has been operating in Australia for over 30 years and is a member company of the world's leading international insurance and financial services organisation, American International Group Inc (AIG), which has operations in approximately 130 countries and jurisdictions. The strength of the AIG brand is evidenced by its global assets which exceed A\$1 trillion and employs over 85,000 people.

AIG holds the highest ratings awarded by principal rating agencies, Standard & Poor's (AAA), Moodys' (Aaa) and AM Best (A++).

AIG Life in Australia is a specialist provider of financial products designed to offer comprehensive, affordable solutions to independent and insurance financial advisers, their clients and corporate Australia.



Standard & Poor's Security Circle, ratings and other opinions of creditworthiness and financial strength are not: a guarantee of an insurer's financial strength; an endorsement of an insurer; a recommendation to purchase or discontinue any policy or contract issued by an insurer; or a recommendation to buy, hold or sell any security issued by an insurer. Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of its ratings and is not responsible for any error or omission therein or in the results to be obtained from the use of such ratings. Financial Strength Rating as at February 2005. For complete rating criteria or for the most current rating of this insurer, contact Standard & Poor's at its web site: standardandpoors.com/ratings or at Standard & Poor's, Level 37, 120 Collins Street, Melbourne, Victoria, Australia, 3000.

