

PRODUCT SUMMARY

The following information provides a summary of some of the main features and terms of AIG Life's Priority Protection benefits. For full details, please refer to Priority Protection Product Disclosure Statement, dated 1 February 2008.

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This information is current as at 19 March 2008 and may be subject to change without notice.

TERM LIFE INSURANCE

What are some of the uses for Term Life cover?

- It can be used to settle debt, outstanding loans, estate duty and other financial costs in the event of death.
- It can pay out a lump sum that can be used to provide financial security for loved ones when the life insured no longer can.
- It allows business partners to continue running the business without added capital strain.

Preparing for the inevitable is preparing for life!

On the death of the Life Insured, AIG Life's Term Life policy will pay a **Funeral Cash Advance benefit** to the policy owner or nominated beneficiary at the time of death up to \$10,000. The Funeral Cash Advance benefit is not a payment in addition to the Term Life sum insured.

On the payment of a claim for the full Term sum insured for either the death or the Terminal Illness of the life insured, AIG Life under the **Financial Planning Reimbursement benefit** will reimburse the policy owner or the nominated beneficiary up to \$3,000 for the cost of obtaining advice from a financial planner as to how the claim proceeds are to be managed or invested.

The policy provides a **Guaranteed Future Insurability benefit** which allows the life insured to apply for increases in the Term Life / Permanent Disablement sum insured (limits apply) on the occurrence of certain 'Business Events' or 'Personal Events'. The life insured is not required to supply further evidence of health or insurability when these options are exercised. The personal events and business events covered and conditions applying are explained in the Priority Protection Product Disclosure Statement.

PERMANENT DISABLEMENT (TPD)

Should the Life Insured's accident or illness not be fatal, the permanent disablement policy will act as a safety net. The lump sum proceeds can then be used to; replace future income that is lost, settle debt and to pay for lifestyle adjustments, e.g. wheelchairs, ramps, manual car controls etc.

There are four different definitions of Total and Permanent Disablement which cover:

- All duties,
- Any occupation,
- Home duties, and
- Own occupation

The definitions have 3 components comprising; physical impairment, the inability to perform occupations/duties and loss of independence, of which only one has to be satisfied. The 'all duties' definition, however, does not comprise loss of independence as a disability criteria.

CRISIS RECOVERY

What are some of the uses for Crisis Recovery cover?

- Crisis Events such as heart attacks, strokes and cancer happen without discrimination.
- Physical impairments, such as the loss of use of arms, legs or eyes, will change a client's lifestyle completely.
- When an unpredictable event happens, there is an immediate need for financial help.

Making sure that on diagnosis of a crisis event, cover is available to pay for any lifestyle adjustments.

This policy provides a lump sum payment on diagnosis of up to **39 crisis (medical) events** covered under the plan.

Male Cancer

The policy will provide the full trauma benefit for all types of malignant prostate cancers including those classified as T1a (or its equivalent).

Female Cancer

The policy provides the full trauma benefit for all invasive cancers of female organs.

The policy will make a full payment for carcinoma in situ of the breast when the removal of the entire breast (mastectomy) is required to arrest the spread of malignancy and is deemed necessary treatment by an appropriate medical specialist. Alternatively, a 25% benefit, up to a maximum of \$25,000, is payable for the simple confirmed diagnosis of carcinoma in situ of the breast, where no mastectomy is performed.

Re-instatement Benefit Option

One year following a payment for a crisis event under the Crisis Recovery or Crisis Recovery Stand Alone benefit, you have the opportunity to re-purchase 100% of the Crisis Recovery or Crisis Recovery Stand Alone sum insured at standard rates. This option excludes the crisis event already claimed on. It also excludes any future claim under Loss of Independence.

Financial Planning Reimbursement

On the payment of a claim for the full Crisis Recovery or Crisis Recovery Stand Alone sum insured, AIG Life will reimburse the policy owner the cost of obtaining financial advice (up to \$3,000) from a financial planner as to how the claim proceeds are to be managed or invested.

Death Benefit

If the life insured dies prior to the expiry date of the Crisis Recovery Stand Alone benefit and no benefit is payable in respect of a Crisis Event, a lump sum of \$5,000 will be payable.

Loss of limb or sight of one eye (Partial benefit)

This policy will pay a partial benefit in the event of the total and permanent loss of use of one hand or one foot or sight in one eye. The amount payable will be the greater of \$10,000 and 25% of the sum insured of the Crisis Recovery or Crisis Recovery Stand Alone benefit. This benefit will only be paid once and cannot exceed the sum insured.

Chronic Diagnosis Advancement Benefit

The policy includes a **Chronic Diagnosis Advancement benefit** which provides an advanced payment of 25% of the Crisis Recovery or Crisis Recovery Stand Alone sum insured (maximum \$25,000). This payment will be made if the life insured has suffered or been diagnosed with Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy or Parkinson's Disease but has not yet met the definition of that crisis event, or been placed on a waiting list to receive a major organ transplant.

DISABILITY INCOME

What are some of the uses for Income Protection cover?

- To provide an income when you cannot earn one because you have become disabled or severely ill.
- To ensure that business continuity is catered for even when you, the owner, can no longer run the business.

Get paid an income – even when you cannot earn one!

This cover is **Guaranteed Renewable** provided the appropriate premium is paid in full when due. The cover will continue to be guaranteed renewable each year until the expiry date of that benefit regardless of changes in the life insured's health, occupation or pastimes.

This cover has a broad '**Agreed Value**' definition. This means that the life insured's highest average monthly income will be used to calculate the Disability Income benefit amount.

This cover provides **no offsets** to the insured monthly benefit for White Collar Professionals and Medical Professionals (AAA or AA occupation) with regard to worker's compensation payments or motor accident claims.

PLUS optional benefits

Death benefit

If the life insured dies while the Disability Income Plan is in force, AIG Life will pay a **death benefit** of six times the insured monthly benefit up to a maximum of \$60,000.

No Claim Bonus

Periods without a claim against this plan will be rewarded, at no additional cost, with a special '**no-claim bonus**' that will increase the insured monthly benefit by the percentage shown below if you do subsequently claim. The increased benefit will be paid for up to 12 months while claim payments are being made.

Claim Free years	Bonus
3	5%
4	10%
5	15%

Crisis Recovery Benefit

Upon diagnosis by a medical practitioner of any of the 39 listed crisis events, AIG Life will pay a lump sum benefit equal to six times the insured monthly benefit.

Guaranteed Future Insurability Benefit

Whenever the life insured's salary package increases the **Guaranteed Future Insurability** benefit provides an option to increase the insured monthly benefit, without medical underwriting. This is restricted to employees only, i.e. a self-employed person is unable to exercise this benefit.

BUSINESS EXPENSES

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 insured monthly benefit, payments will continue subject to the earliest to occur of the:

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