

Life Insurance

# ACCELERATED PROTECTION POLICY

Product Disclosure Statement

# ACCELERATE

FIRST RATE COVER + FAST



**Product Disclosure Statement**  
Dated: 1 July 2007

**TOWER Australia Limited**  
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## Important note

TOWER Australia Limited (TOWER, we, us, our) is the issuer of the insurance cover outlined in this Product Disclosure Statement (PDS). If insurance cover is taken through the TOWER Superannuation Fund, TOWER Australian Superannuation Limited will, as Trustee, issue an interest in the TOWER Superannuation Fund. Both TOWER Australia Limited and TOWER Australian Superannuation Limited take full responsibility for the whole of this PDS, however neither is responsible for the products issued by the other.

The information in this PDS is current at the date of issue. From time to time we may change or update information that is not materially adverse by providing a notice of any such changes on our website, [accelerate.toweraustralia.com.au](http://accelerate.toweraustralia.com.au). A printed copy of information updated may also be obtained free of charge by contacting our Accelerate Customer Service team on 1800 064 159.

We reserve the right to make changes to the Policy and premium rates in response to any taxation or other legal changes.

The information contained in this PDS is general information only. It does not take into account your individual objectives or financial situation. You should consider how appropriate the insurance is in regards to your objectives, financial situation and needs. You should seek advice from your financial adviser before deciding on appropriate insurance cover.

Applications for an Accelerated Protection Policy may only be made by using the Accelerate online platform. You need to read and consider this PDS before making an application.

To be eligible to purchase the Accelerated Protection Policy the Life Insured must be an Australian resident.

You will see that there a number of terms in this PDS that have been capitalised. These terms have a particular definition when used in the PDS or Policy Document. We have included some of the most important definitions on page 27 of the PDS. All of the defined terms are explained fully in the Policy Document. It's important that you refer to these definitions and read them carefully because the meaning of the terms are relevant to your decision to apply for cover, our assessment of your application, your eligibility for insurance cover, your ability to make a claim and our decision in relation to any claim you may make. You should seek advice from your financial adviser if you're unsure of any of the definitions or what they mean for your insurance cover.

Additionally, in this PDS, **Policy** means the Accelerated Protection Policy and the **Policy Owner** means the person who legally owns the Policy. We use **Life Insured** to refer to the person whose life is insured under the Policy. **You** and **your** refer to either the Policy Owner or the Life Insured as required by the context. If you are in any doubt, please speak to your financial adviser and read the Policy Document.



FINANCIAL REVIEW  
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HAVE YOU GOT  
BETTER THINGS  
TO DO THAN SIT  
AROUND + WAIT  
FOR NEWS ON  
YOUR INSURANCE?

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Good, then you've come to the right place.

# Introducing the Accelerated Protection Policy

We know you've got better things to do than sit around and wait for news on your insurance.

So we've created the Accelerated Protection Policy – a high quality life insurance product that's fast and easy to apply for. We believe it's the fastest, safest and most simple way to get the right level of life insurance for your needs.

We've created an online application process which means your financial adviser submits your application details electronically. The benefits of our approach are simple:

- **save time** – we only ask questions that are relevant to the cover you're applying for, making the application process shorter
- **hassle free** – we don't automatically request reports from your doctor which saves you the hassle of chasing up your medical history
- **immediate cover** – the online application process means you may be accepted for cover immediately, and if we can't give you an instant decision or if you'd prefer to answer your additional underwriting questions privately, an experienced consultant will contact you within days to collect additional information, finalising your application faster.

The Accelerated Protection Policy comprises the Life Plan and the Income Plan. In combination these Plans provide you and your family with comprehensive protection. In this PDS you'll find summaries of the benefits available under each plan. We've tried to make your choice as easy as possible by highlighting your options and indicating what is covered and what isn't covered.

We hope you like our 'keep it simple' style. We suggest you take the time to read the information in this PDS carefully and discuss it with your financial adviser to work out the combination of options that will best meet your needs. If you want more information, a copy of the Policy Document or a copy of any important changes please ask your financial adviser, or call the Accelerate Customer Service team on 1800 064 159.

The Accelerated Protection Policy is provided by TOWER Australia Limited, one of Australia's largest and most trusted life insurance companies. When you purchase the Accelerated Protection Policy you're provided with worldwide insurance cover 24 hours a day – it's the type of protection you can expect from TOWER.

We think you'll find our approach to insurance a refreshing change, because we know you not only want cover, but you want to get on with life – fast!

## What you need to know, including our 28 day 'cooling off' period

If we accept your application, your cover will be set out in the Policy Schedule which outlines your specific cover details, and the Policy Document which contains the formal terms and conditions of insurance. Together the Policy Schedule and Policy Document form your contract with us, to which you agree to be bound. We're not bound to accept your application for insurance, but if we do, you'll receive these documents once you've been accepted for cover.

At TOWER we offer a 28 day 'cooling off' period. The 28 day period starts on the Policy Commencement Date. If you do happen to change your mind before the end of the 'cooling off' period, you can return the Policy Document and Policy Schedule to us with a written request to cancel the policy. Naturally your premium will be promptly refunded in full.

## Accelerated Protection Policy – Life Plan

The Accelerated Protection Policy Life Plan provides a cash lump sum in the event of your death, ensuring peace of mind and financial security for your loved ones.

The Life Plan also gives you the option to add other important protection to this cover, including the Total and Permanent Disability Benefit and the Critical Illness Benefit. These benefits are explained in more detail over the following pages.

This section of the PDS covers the benefits provided under the Life Plan. The PDS also covers some circumstances under which a benefit will not be paid. These exclusions are covered in the section titled Limitations and Exclusions on page 16. Your Policy Document will contain the formal terms and conditions.

Your Life Plan can be owned in one of two ways:

- individually, through the Accelerated Protection Policy, or
- under superannuation, through the Accelerated Protection Policy (Super).

There are some important differences between owning your insurance yourself and purchasing your insurance through superannuation. For example, if you do elect to purchase your Life Plan under the Accelerated Protection Policy (Super) some benefits will not apply. Given your financial circumstances purchasing the Life Plan through superannuation may be more advantageous. We've provided a table below of the standard and optional benefits to allow a quick comparison of the choices available to you.

The Accelerated Protection Policy (Super) can be owned through the TOWER Superannuation Fund, or through any other complying superannuation fund. For more information on owning your insurance through superannuation, please refer to the sections titled Accelerated Protection Policy (Super) and The TOWER Superannuation Fund.

To be eligible to purchase the Life Plan, you must be between the ages of 16 and 70 on your next birthday.

We know you've got better things to do than read endless details on insurance options, so this PDS only gives you the important information about each benefit. If you want more details, or if you have any questions around your Life Plan ownership or any of the benefits explained here, please speak to your financial adviser and ask for a copy of the Policy Document.



## Life Plan Standard Benefits

The following benefits are standard in the Life Plan. Check the table to see which of these benefits are not available through superannuation.

Life Plan		Area covered	Benefit provided
Accelerated Protection Policy	Accelerated Protection Policy (Super)		
✓	✓	<b>Life Plan Benefit</b>	A lump sum payment of up to \$2,500,000 paid if the Life Insured dies.
✓	✓	<b>Terminal Illness Benefit</b>	Early payment of the Life Plan Benefit if the Life Insured is diagnosed (by two doctors) with a Terminal Illness, and we are satisfied this illness is likely to result in their death within 12 months.
✓	✗	<b>Multiple Lives Insured</b>	Inclusion of up to two persons under the one policy with insurance cover maintained independently. This saves you money as only one Policy Fee is payable.
✓	✓	<b>Advanced Payment Benefit</b>	On receipt of the death certificate for the Life Insured, we will pay a \$10,000 advance payment on the Life Plan Benefit to cover immediate expenses, like funeral expenses and outstanding bills. The balance of the Life Plan Benefit will be paid after our claim requirements are met.
✓	✓	<b>Financial Planning Benefit</b>	Working out how best to use a large claim payment from us can be tricky. This benefit gives you freedom to seek professional advice. We will reimburse up to \$1,000 toward the cost of a financial plan prepared by a financial adviser within 12 months of the date we finalise your claim. We reserve the right to see a copy of the financial plan.
✓	✓	<b>Accommodation Benefit</b>	Accommodation costs of an immediate family member will be met, up to \$150 per day and for a period of up to 14 days, if we pay the Terminal Illness, Total and Permanent Disability or Critical Illness Benefit, and the Life Insured is confined to bed more than 100km from home.
✓	✓	<b>Guaranteed Future Insurability Benefit</b>	As life changes, insurance needs change too, so we make it easy for you to increase your cover when you take a significant step in your life. We call these life steps 'Allowable Events', things like getting married, having a baby, obtaining a loan to buy your own home or increasing your stake in a business in which you are a key person. Until you turn 55, you can apply for additional insurance cover without giving us current health information when an Allowable Event happens. You must apply within certain time periods and there are limits that apply each time, for example the lesser of 25% of your original cover or \$200,000. This benefit is not available if a loading or exclusion applies to your cover.
✓	✓	<b>Inflation Protection Benefit</b>	This automatically increases the sum insured for each benefit under the Life Plan by CPI (or not less than 5%) each year until the expiry of cover. You can notify us if you want your cover amount to remain unchanged. As your premiums will increase over time, choosing not to exercise this benefit may reduce the size of your premium increases.

## Life Plan Optional Benefits

The Life Plan offers several Optional Benefits at an extra cost. To be eligible for the Optional Benefits, the Life Insured must be aged between 16 and 60 on their next birthday. Before applying to add any Optional Benefits, you should consider your personal needs and talk to your financial adviser about your individual requirements. Some Optional Benefits may not be available if you purchase your insurance through superannuation. These Optional Benefits are listed in the table below.

Optional Benefits only apply to your Accelerated Protection Policy if they are noted on your Policy Schedule.

### Total and Permanent Disability (TPD) Benefit

The Total and Permanent Disability Benefit provides a cash lump sum that is paid upon the Life Insured's Total and Permanent Disability. This lump sum can help ease the financial burden of having to make lifestyle changes because of the total and permanent disablement.

Life Plan		Area covered	Benefit provided
Accelerated Protection Policy	Accelerated Protection Policy (Super)		
✓	✓	<b>Total and Permanent Disability (TPD) Benefit</b>	<p>A lump sum benefit paid out upon the Life Insured's Total and Permanent Disability. The assessment is made after the Life Insured has been prevented from working for three consecutive months. The definition of Total and Permanent Disability depends on which of the following definitions applies to the Life Insured under the Policy:</p> <ul style="list-style-type: none"> <li>• Any Occupation definition</li> <li>• Own Occupation definition (not available under the Accelerated Protection Policy (Super)), or</li> <li>• Long Term Care definition.</li> </ul> <p>You may choose between the Any Occupation definition or the Own Occupation definition when you apply for cover. When you turn 65, your definition is replaced with the Long Term Care definition. Further information on these definitions can be found on page 28.</p>
✓	✓	<b>TPD Single Benefit</b>	<p>This option means that the Life Plan Benefit is reduced by any amount paid under the TPD Benefit. If the TPD Benefit is the same as the Life Plan Benefit, cover for the Life Insured ends.</p>
✓	✗	<b>TPD Double Benefit</b>	<p>This option means that payment of a TPD Benefit will not reduce the Life Plan Benefit, however, the Guaranteed Future Insurability Benefit or Line of Cover Option (if applicable) will be cancelled when the TPD Benefit is paid.</p>
✓	✓	<b>Death Buy Back on TPD</b>	<p>An option to allow Single Benefit TPD Policy Owners to purchase back the level of Life Plan Benefit held prior to the payment of the TPD Benefit, 12 months after the payment of the TPD Benefit. The cover will be issued on the same terms as the original policy, but current premium rates will apply. The Guaranteed Future Insurability Benefit and Line of Cover Option do not apply on the re-purchased cover. Please see page 11 for a description of the Line of Cover Option.</p>



### Critical Illness Benefit Option

The Critical Illness Benefit Option pays you a cash lump sum if you suffer from any of the Critical Illness conditions listed in the table on page 10. This benefit can be used to help pay medical bills or to pay off any debts such as a mortgage. For some Critical Illness conditions, we will pay less than 100% of the sum insured, for example payments for Angioplasty are limited to 10% of the sum insured up to a maximum of \$25,000. Once a Critical Illness Benefit is paid, the benefits payable in relation to the Life Plan Benefit and TPD Benefit will be reduced by the amount paid under the Critical Illness cover.

Your Policy Document contains a comprehensive list of the Critical Illness conditions that may be covered under the Policy and the medical terms associated with those conditions. It is important that you read and understand those definitions as they determine what you will and won't be covered for. As with all benefits, we suggest you speak to your financial adviser and ask for a copy of the Policy Document if you require further information. Please note, the Critical Illness Benefit Option is only available under the Accelerated Protection Policy. It is not available under superannuation.

Area covered	Benefit provided
<b>Critical Illness Benefit Option</b>	Provides a lump sum payment for a range of conditions listed in the table on page 10. The Life Plan Benefit is reduced by any amount paid relating to Critical Illness.
<b>Death Buy Back on Critical Illness</b>	An option to repurchase the Life Plan Benefit 12 months after the payment of 100% of the Critical Illness Benefit. The repurchased cover is subject to any conditions in the original Policy.
<b>Advancement Benefit</b>	An advance payment of 25% of the Critical Illness Benefit up to a maximum payment of \$25,000 to cover immediate expenses. This benefit is only paid on the first occurrence of one of the following: <ul style="list-style-type: none"> <li>• diagnosis of Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Parkinson's Disease or Primary Pulmonary Hypertension, or</li> <li>• suffering Carcinoma In Situ, Chronic Lymphocytic Leukaemia or Melanoma, or</li> <li>• the Life Insured is placed on a waiting list to receive a major organ transplant.</li> </ul> The Critical Illness Benefit is reduced by the amount paid.
<b>Critical Illness Buy Back Option</b>	An option to repurchase up to 100% of the Critical Illness Benefit 12 months after the payment of a Critical Illness Benefit. This option ensures you're protected against the future threat of any other Critical Illness. The Critical Illness condition originally claimed on, and related Critical Illness conditions are excluded on the repurchased cover.

## Life Plan Optional Benefits

The Critical Illness conditions covered are:

- Heart conditions
  - Angioplasty\*<sup>+</sup>
  - Angioplasty – Triple Vessel\*
  - Cardiomyopathy
  - Coronary Artery Bypass Surgery\*
  - Heart Valve Surgery\*
  - Major Abdominal Aortic Surgery\*
  - Myocardial Infarction (Heart Attack)\*
  - Primary Pulmonary Hypertension
- Neurological conditions
  - Alzheimer’s Disease
  - Cerebrovascular Accident (Stroke)\*
  - Coma
  - Dementia
  - Encephalitis and Meningitis
  - Major Head Trauma
  - Motor Neurone Disease
  - Multiple Sclerosis
  - Muscular Dystrophy
  - Paralysis
  - Parkinson’s Disease
- Blood disorders
  - Aplastic Anaemia
  - Occupationally and Medically Acquired HIV
- Cancer
  - Benign Brain Tumour
  - Cancer\*
  - Carcinoma In Situ\*<sup>+</sup>
  - Chronic Lymphocytic Leukaemia\*<sup>+</sup>
  - Melanoma\*<sup>+</sup>
- Organ disorders
  - Chronic Liver Failure
  - Chronic Lung Failure
  - Chronic Renal Failure (Kidney Failure)
  - Major Organ Transplant
  - Severe Burns
- Permanent conditions
  - Loss of Independent Existence
  - Loss of Limbs
  - Loss of Speech
  - Total Blindness
  - Total Deafness

\* These conditions are not covered until 90 days after the commencement of the Policy and are not covered under the Accelerated Protection Policy Interim Cover. For more information on Interim Cover refer to page 20 or speak to your financial adviser and ask for a copy of the Interim Cover Certificate.

<sup>+</sup> These conditions have a maximum payment of \$25,000.

### Line of Cover Option

The Line of Cover Option means if you take out cover on a key person in your business you have the flexibility to increase the Life Plan Benefit sum insured, and TPD Benefit sum insured if applicable, when certain specified events happen. Please note, the Line of Cover Option is not available under the Accelerated Protection Policy (Super).

Area covered	Benefit provided
<b>Line of Cover Option</b>	Up to \$2,500,000 or three times the original sum insured (whichever is the lesser) can be added to the value of the Life Plan Benefit and TPD Benefit (if applicable) without the need for additional health information on the occurrence of a nominated business event.

The Line of Cover Option is available for the following business events:

- business value – an increase in the Life Insured’s share or value of the business for which the cover was originally established
- key person value (employee with no ownership or financial interest in the business) – an increase in the value of the Life Insured key person to the business entity for which the cover was originally established, or
- loan guarantee – an increase in level of a business loan for which the Life Insured is a guarantor.

When you apply for this option, you choose the business event you want covered. If that event occurs, you have 30 days from the business event taking place to notify us and apply to increase your cover.

Any increase to a TPD Benefit will prompt an increase to the Life Plan Benefit of the same amount.

The Line of Cover Option expires at age 65 and in certain other circumstances. For more information on the Line of Cover Option and to ensure you have the right cover to meet your business needs, you should speak to your financial adviser and ask for a copy of the Policy Document.

### Waiver of Premium on Total Disability

Life Plan	Area covered	Benefit provided
Accelerated Protection Policy	Accelerated Protection Policy (Super)	<b>Waiver of Premium Option on Total Disability</b>
✓	✓	This option helps when your Total Disability lasts for 90 days or longer. Premiums for the Life Plan will be waived while the Life Insured is Totally Disabled and under the age of 65.

## Accelerated Protection Policy – Income Plan

An Accelerated Protection Policy Income Plan covering up to 75% of your income and up to 10% of your income contributed to superannuation, protects your income and retirement benefits when Sickness or Injury prevents you from working.

There are two types of Income Plan cover – Standard and Comprehensive. We’ve provided a table of benefits on pages 12 and 13 to allow a quick comparison of your options. To be eligible to purchase the Income Plan, you must be between the ages of 19 and 60 on your next birthday (for certain occupations it may be between 19 and 55 on your next birthday).

This section of the PDS covers the benefits provided through the Income Plan. The PDS also covers some circumstances under which a benefit will not be paid. These exclusions are covered in the section titled Limitations and Exclusions on page 16. Your Policy Document will contain the formal terms and conditions.

You should refer to page 27 of this PDS for some important definitions relating to Income Plan cover. Please also note that further terms are defined in the Policy Document. For any further information about the Income Plan, you should speak to your financial adviser and ask for a copy of the Policy Document.

In addition to choosing the level of cover that’s right for you, you should also consider the Waiting Period and the Benefit Period applied to your Accelerated Protection Policy Income Plan.

The Waiting Period refers to the amount of time you must be unable to work before being entitled to receive claim payments. Waiting Periods available under the Income Plan are:

- 14 days
- 30 days
- 90 days, or
- 730 days.

The Benefit Period determines how long your Income Plan benefits may be paid. Benefit Periods available under the Income Plan are:

- 2 years
- 5 years, or
- until age 65 (not available for all occupation classes).

Income Plan		Area covered	Benefit provided
Standard	Comprehensive		
✓	✓	<b>Total Disability Benefit</b>	A Monthly Benefit up to 75% of normal ongoing income paid in arrears upon the Life Insured suffering Total Disability.
✓	✓	<b>Partial Disability Benefit</b>	A Monthly Benefit paid when the Life Insured is only able to work in a reduced capacity due to Sickness or Injury. The amount paid will take into account the amount of your Pre-Disability Earnings and any Monthly Earnings during the month.
✓	✓	<b>Inflation Protection Benefit</b>	This automatically increases the Monthly Benefit for each benefit under the Income Plan by CPI each year until the expiry of cover. You can notify us if you want your cover amount to remain unchanged. As your premiums will increase over time, choosing not to exercise this benefit may reduce the size of your premium increases.
✓	✓	<b>Concurrent Disability Benefit</b>	If Total or Partial Disability results from separate Sickness or Injury, benefit payments are calculated according to the Sickness or Injury which provides the highest payment. This ensures you are always receiving the maximum benefit to which you are entitled.
✓	✓	<b>Recurrent Disability Benefit</b>	If a disability recurs from the same or related cause within 12 months of a claim ending, it will be treated as a continuation of the original claim. This means no Waiting Period before benefits recommence. Please note that all claim periods will be added together to calculate the maximum Benefit Period for the particular disability.

Income Plan		Area covered	Benefit provided
Standard	Comprehensive		
✓	✓	<b>Waiver of Premium Benefit</b>	Premiums for your Income Plan cover will be waived while the Life Insured is receiving a benefit payment for Total or Partial Disability.
✓	✓	<b>Recovery Support Benefit</b>	Benefit to assist in rehabilitation and directed toward spending on items such as artificial limbs, prosthetic devices, travelling and education expenses, and house and car modifications. Maximum limit of six times the Monthly Benefit.
✓	✓	<b>Scheduled Injury Benefit</b>	Established payment periods are provided for certain events based on the nature of the injury. This is explained in more detail on page 14.
x	✓	<b>Rehabilitation Benefit</b>	Cover provided to allow participation in an approved Rehabilitation Program. The amount paid will be 50% of the Monthly Benefit but excludes medical consultations or therapy.
x	✓	<b>Overseas Assistance Benefit</b>	Reimbursement of up to \$5,000 for airfare costs for emergency transportation back to Australia if the Life Insured suffers Total Disability overseas which lasts for at least 30 consecutive days.
x	✓	<b>Accommodation Benefit</b>	Reimbursement of accommodation costs for your family of up to \$250 per day, for a maximum of 30 days, when the Life Insured is Totally Disabled, or required to travel for treatment, more than 100km from home.
x	✓	<b>Bed Confinement Benefit</b>	A specified percentage of the sum insured can be paid under certain circumstances for each day that you are confined to bed on the advice of a Medical Practitioner where that confinement continues for three days or more during the Income Plan Waiting Period.
x	✓	<b>Carer's Benefit</b>	If you are Totally Disabled for 30 consecutive days, the Carer's Benefit will cover costs for a registered nurse or family member to look after you. The amount payable is limited to the lesser of the amount paid to the nurse (or loss of earnings of your Immediate Family Member), your Monthly Benefit or \$3,000 per month. Any amounts reimbursed from elsewhere will be deducted from these amounts.
x	✓	<b>Death Benefit</b>	A lump sum payment of six times the Monthly Benefit will be paid if the Life Insured dies.
x	✓	<b>Child Care Benefit</b>	A Child Care Benefit is available for a maximum of three months to reimburse costs incurred in relation to providing outside care for any children under the age of 12 required as a result of your Sickness or Injury.
x	✓	<b>Child's Critical Illness Benefit</b>	If your child suffers a Critical Illness condition, a lump sum payment of four times the Monthly Benefit up to a maximum of \$50,000 will be made. This is explained in more detail on page 14.

## Income Plan Benefits

### Scheduled Injury Benefit

The Scheduled Injury Benefit provides payment for a specific period for certain events, based on the nature of the injury and their potential impact to your lifestyle and ability to earn an income.

If you should happen to suffer a scheduled injury, no Waiting Period will apply to your benefit payments and the payment period is outlined in the table below. Under the Scheduled Injury Benefit, you can choose to receive your benefit payments monthly in arrears or in advance for the first six months of any payment period.

If the scheduled injury makes you eligible for a benefit payment under the Accident Benefit Option or the Critical Illness Benefit Option as described under Optional Benefits on page 15, and/or the Scheduled Injury Benefit, the greater of these benefit payments will be paid.

Insured Event	Payment period (in months)
Paralysis*	60
Loss of:	
• Both feet or hands or sight in both eyes	24
• Any combination of two of, a hand, a foot and sight in one eye	24
• One leg or arm	18
• One foot or hand or sight in one eye	12
• The thumb and index finger of the same hand	6
Fracture of the:	
• Thigh or pelvis	3
• Leg (between the knee and foot), knee cap, upper arm, shoulder bone or jaw	2
• Forearm (above the wrist), collarbone or heel	1

\* If you have selected the 2 year Benefit Period, and the Life Insured suffers Paralysis, the Payment period will be reduced to 24 months.

### Child's Critical Illness Benefit

The Child's Critical Illness Benefit provides a lump sum payment of up to four times the Income Plan Monthly Benefit if your child is diagnosed with a Critical Illness condition. The benefit is payable up to a maximum of \$50,000 and ends on your child reaching 18 years of age. The Child's Critical Illness Benefit is only payable once and only in relation to one child.

The Child's Critical Illness conditions covered are the same as those under the Critical Illness Benefit Option under the Life Plan, as listed in the table on page 10.



## Income Plan Optional Benefits

Whether you choose the Standard or Comprehensive cover, the Income Plan offers several Optional Benefits that will help you to create the Income Plan cover that best suits your needs.

Your premium may increase with each Optional Benefit you choose. More information is contained within the Policy Document, which is available from your financial adviser.

Optional Benefits only apply to your Accelerated Protection Policy Income Plan if they are noted on your Policy Schedule.

An overview of these options is provided below. Before applying to add any Optional Benefits, you should consider your personal needs and talk to your financial adviser about your individual requirements.

### Optional Benefits

Income Plan		Area covered	Benefit provided
Standard	Comprehensive		
✓	✓	<b>Increasing Claim Option</b>	This option ensures that your benefit payments keep up with inflation. While you are receiving payments, we will increase the benefit payments in line with the CPI on the anniversary of the commencement of continuous benefit payments.
✓	✓	<b>Accident Benefit Option</b>	A proportionate percentage of your overall sum insured will be paid for each day you are disabled if you are injured and Totally Disabled for three consecutive days during the Waiting Period. Only available under 14 and 30 day Waiting Periods.
✓	✓	<b>Critical Illness Benefit Option</b>	A lump sum payment of six times the Income Plan sum insured may be provided for a range of conditions including Cancer, Stroke and Heart Attack. This is explained in more detail below.
✓	✓	<b>Retirement Protection Option</b>	This option helps you to ensure that your superannuation savings continue to grow while you are disabled. We will reimburse superannuation contributions made into a complying superannuation fund during the period the Life Insured is receiving benefit payments.

### Critical Illness Benefit Option

The Critical Illness Benefit Option will provide you with a cash lump sum of six times the Income Plan Monthly Benefit if you're diagnosed with a Critical Illness condition such as Cancer. This payment helps cover the financial impact of medical treatments and expenses.

The Critical Illness conditions covered are the same as those under the Critical Illness Benefit Option within the Life Plan, as listed in the table on page 10.

# Limitations and Exclusions

Each benefit available under the Accelerated Protection Policy is subject to terms and conditions that, amongst other things, help us to make decisions on payments in a consistent and fair manner. These terms and conditions will be contained in the Policy Document sent to you once your application for insurance is accepted. A copy is also available from your financial adviser or by calling the Accelerate Customer Service team on 1800 064 159.

When deciding on the right protection for your needs, please consider the limitations and exclusions outlined below and how they apply to certain benefits. For more information, please speak to your financial adviser and read the Policy Document.

Please be aware that if you are purchasing the Accelerated Protection Policy to replace an existing policy, until you cancel that other policy your cover under the Accelerated Protection Policy will be reduced by the amount you are entitled to claim under that other policy.

## Life Plan

<p><b>Life Plan Benefit and Terminal Illness Benefit</b></p>	<p>Benefits will not be paid if the Life Insured dies or is Terminally Ill as a result of:</p> <ul style="list-style-type: none"> <li>• An intentionally self-inflicted act, which occurs within 13 months of:                             <ul style="list-style-type: none"> <li>– the Policy Commencement Date</li> <li>– an increase in cover other than under the Inflation Protection Benefit (but only in respect of the amount of the increase), or</li> <li>– the most recent reinstatement of the Accelerated Protection Policy, or</li> </ul> </li> <li>• any other specific event or cause agreed between you and us.</li> </ul>
<p><b>Total and Permanent Disability Benefit</b></p>	<p>Benefit will not be paid if the Total and Permanent Disability occurs as a result of:</p> <ul style="list-style-type: none"> <li>• an intentionally self-inflicted act by the Life Insured, or</li> <li>• any other specific event or cause agreed between you and us.</li> </ul> <p>If you select the TPD Benefit and the Critical Illness Benefit under the same Accelerated Protection Policy, irrespective of whether Single or Double Benefit is chosen, any payments under the TPD Benefit will reduce the Critical Illness Benefit.</p>
<p><b>Waiver of Premium on Total Disability</b></p>	<p>The Waiver of Premium will not apply if Total Disability occurs as a result of:</p> <ul style="list-style-type: none"> <li>• an intentionally self-inflicted act or injury</li> <li>• war or any act of war, whether declared or not, or</li> <li>• any other specific event or cause agreed between you and us.</li> </ul>
<p><b>Adjustment of Critical Illness Benefit</b></p>	<p>When a TPD Benefit is paid under the Life Plan, this can impact other applicable benefits.</p> <p>If a Critical Illness Benefit is included in your Accelerated Protection Policy, the payment of a TPD Benefit will reduce the amount of cover you have under the Critical Illness Benefit. This will still be the case if you have taken the TPD Double Benefit.</p>
<p><b>Critical Illness Buy Back</b></p>	<p>The Critical Illness Buy Back Option cannot be exercised where:</p> <ul style="list-style-type: none"> <li>• a TPD or Terminal Illness Benefit has been paid</li> <li>• a benefit is paid for Angioplasty</li> <li>• a benefit is paid under the Advancement Benefit, or</li> <li>• the Life Insured has turned 65.</li> </ul>

## Income Plan

### Income Plan Standard and Comprehensive

Reductions to the Income Plan only apply to payments under Total and Partial Disability Benefits.

A reduction will only be made if the Life Insured:

- receives a payment through any other individual or group disability income insurance, credit or mortgage insurance not disclosed at the time of underwriting, or
- has an occupation class shown on the Policy Schedule that is not 1 or 1.5 and receives a payment through workers' compensation, common law or statute where such payments are in respect of the disability of the Life Insured and in calculating the payment the relevant authority did not, or could not, take into account payments due under this Plan.

If the workers' compensation, common law, or statute payment is received as a lump sum, we will deem it to be income on the basis of 1% of the lump sum for each month that a disability benefit is paid.

The disability payment will be calculated taking this figure into account for a maximum of eight years.

If a reduction applies, it will be to ensure that the Monthly Benefit plus the other payments, including any lump sum payments deemed as income, is not greater than 75% of the first \$20,833 of Pre-Disability Earnings, 50% of the next \$12,500 and 25% of the balance.

No benefit will be paid when the other payments plus the Monthly Earnings of the Life Insured in the month to be paid, is greater than or equal to 100% of Pre-Disability Earnings.

In those months that a benefit payment is reduced, a proportionate refund of premiums paid for the Life Insured will be made. The refund will be  $A \times B$ , where:

A = the percentage reduction in the benefit payment

B = the average monthly Income Plan premium (less the premium for benefit options or packages under it) over the 12 months prior to the claim starting.

The maximum period for which a refund will apply is the lesser of 12 months or the number of months the Income Plan was current prior to the claim starting.

In addition, no payments will be made under the Income Plan or any benefit or option attached to it, if the event giving rise to the claim is caused directly or indirectly by:

- an intentional self-inflicted act or injury by the Life Insured, or
- pregnancy, unless disability continues for longer than three months after the pregnancy ends, in which case disability will be considered to have started the date the pregnancy ends, or
- war or an act of war at any time, even if the disability manifests itself after the war or warlike activity.

No payments will be made under the Critical Illness Benefit Option unless the Life Insured survives a Critical Illness condition for at least 14 days.

## Premiums and charges

The cost of the insurance cover under the Accelerated Protection Policy is made up of premiums, fees and charges. The following information is applicable to all Plans.

### Premium payable

All premiums are due and payable in advance. The premium payable in the first year of the Accelerated Protection Policy will be shown on the Policy Schedule. The premium payable in subsequent years will be advised to you before each Policy anniversary.

### Premium frequency and payment method

The premium frequency will be shown on the Policy Schedule and you can choose to pay your premiums either annually or monthly. You may apply in writing at any time to change your method and/or frequency of payment. If premiums are paid annually, a discount of 4.75% will apply.

Premiums may be paid by direct debit from a bank account or by credit card (MasterCard or Visa). We do not accept payments via cheque or cash.

### Grace Period

A 30 day period of grace beyond the premium due date will be allowed for payment, without interest. During this period your cover under the Accelerated Protection Policy will continue.

### Non-payment of premiums

If premiums are not paid by the due date, you will be notified in writing that we will cancel your Accelerated Protection Policy if we do not receive payment of the premiums by the end of the Grace Period. If the overdue premium is not paid by the end of the Grace Period your Accelerated Protection Policy will be cancelled with effect from the end of the Grace Period.

### Age Based Premium Rates

Premium rates are based on the Life Insured's age. On each anniversary of the Policy Commencement Date, the premium rate will change (usually increases) in line with the age of the Life Insured.

### Changes to premium rates

Your premium rates can only be increased after we have provided you with 30 days notice in writing. No one individual policy can be singled out for an increase in premium rates because of adverse change in the health or circumstances of the Life Insured.

### Policy Fee

In addition to your premium, a Policy Fee is payable under the Accelerated Protection Policy. This fee is included in the premium payment described in the Policy Schedule. The Policy Fee amount included in each premium payment depends on the premium frequency, as shown in the table below.

Premium payment frequency	Policy Fee from 1 July 2007
Yearly	\$44.00
Monthly	\$3.85

The Policy Fee will be increased on each subsequent Policy anniversary to allow for inflation. The rate of increase in the Policy Fee will be the greater of CPI and 3%.

### Commission

We may pay commissions and other benefits to your financial adviser. Any amounts paid are factored into the cost of the insurance, and are not additional amounts you have to pay.

# Important information about your cover

## Duty of Disclosure

Before you enter into an insurance contract with us, you are required to provide us with the information we need to decide whether and on what terms your application for insurance is acceptable, and to calculate the premium payable.

Your Duty of Disclosure applies from the moment you start completing the Accelerated Protection Policy application questions, even though you don't have to provide us with your signature until we have accepted your insurance.

The Duty of Disclosure also applies to the period between your application being submitted and when we receive and accept your Customer Confirmation Pack which is explained below.

Finally, your Duty of Disclosure also applies if you apply to vary or replace your Accelerated Protection Policy.

Everyone who is insured under the Accelerated Protection Policy must comply with the Duty of Disclosure.

You must answer all of our questions honestly and completely. You must tell us everything you know and everything that a reasonable person in the circumstances could be expected to know is relevant to our decision whether to insure you and whether any special conditions need to apply to your Accelerated Protection Policy.

You do not need to tell us about any matter that diminishes our risk, is of common knowledge, that we know or should know as an insurer, or that we tell you we do not need to know.

If you have not disclosed all relevant matters to us and we would not have entered into the contract of insurance on any terms had we known about those matters, we may avoid the Accelerated Protection Policy from commencement. This means that we can treat your Accelerated Protection Policy as if it never existed and pay nothing. Alternatively, we may decide to reduce the sum insured for your cover to an amount we would have been prepared to cover for the premium amount paid, had you disclosed all the relevant facts to us.

## Your cover – when it starts and ends and some important things for you to do

In many cases we are able to make an immediate decision based on your online application. If we accept your application, your cover will start immediately.

If you are accepted for the Accelerated Protection Policy you'll receive a number of important documents. The first document will be the Customer Confirmation Pack which includes your answers to the questions we have asked during the application process. When you receive the Customer Confirmation Pack you need to read it carefully, approve it with your signature and return it to us within 30 days. If there is any information contained within the Customer Confirmation Pack that you don't

agree with or is incorrect, please mark up any changes on the Policy Declaration form and send back to us so we can make the necessary adjustments to your application.

At or around the same time you'll receive your Accelerate Welcome Pack. This pack includes your Policy Document and Policy Schedule setting out the terms of the contract of insurance between TOWER Australia Limited and you as the Policy Owner. The Policy Schedule spells out who the Policy Owner is at the date the Accelerated Protection Policy is issued and also identifies the Lives Insured under the policy.

You'll need to provide both the Policy Document and the Policy Schedule to us if you have to make a claim under the Accelerated Protection Policy, so it's essential that you keep them together in a safe place.

The date at which cover ends depends on the conditions outlined below.

### Life Plan

Cover for a Life Insured ends as soon as:

- the Life Insured reaches the age of 99\*
- the Policy Owner writes asking us to cancel the policy or cover as outlined in the Policy Document
- the policy lapses as a result of non-payment of the premium
- the Life Plan Benefit sum insured, in respect of the Life Insured, is reduced to nil because the Terminal Illness Benefit or the Total and Permanent Disability Benefit or the Critical Illness Benefit becomes payable, or
- the Life Insured dies.

\* if the Life Plan is purchased through superannuation, cover will end when the Life Insured reaches the age of 75, after which the Policy Owner has the option of continuing cover under an Accelerated Protection Policy.

### Income Plan

Cover for a Life Insured ends as soon as:

- the Life Insured reaches the age of 65
- the Policy Owner writes asking us to cancel the policy or cover as outlined in the Policy Document
- the policy lapses as a result of non-payment of the premium, or
- the Life Insured dies.

In some instances cover for a particular benefit may end earlier under the Life Plan. When this happens it is explained in the Life Plan Benefits section of the Policy Document, available from your financial adviser. Under the Life Plan, cover for some conditions under the Critical Illness Benefit Option starts 90 days after cover for the Critical Illness Benefit Option starts.

# Important information about your cover

## Interim cover

If we're unable to make an immediate decision on your application, we will give you Interim Cover. Interim Cover is limited cover, but the protection it provides may give you some peace of mind before your application has been finalised. It applies from the date your financial adviser submits your Accelerated Protection Policy application online and is provided in accordance with the terms and conditions of the Interim Cover Certificate, which your financial adviser can give you.

Interim Cover is subject to the Accelerated Protection underwriting guidelines. This means the amount of Interim Cover (if any) can't be verified until we either complete our assessment of your application (subject to any special terms or conditions) or we decide that assessment is not possible. A claim during the interim cover period may also affect our assessment of your application and the terms of any Policy that we may subsequently issue to you.

For more information, please read the Interim Cover Terms and Conditions that your financial adviser will give you.

## Taxation

If you are considering the tax implications of purchasing cover it is important that you seek independent, professional taxation advice. The complexity of taxation laws and rulings is such that this advice should be specific to your circumstances regarding any tax implications of purchasing a policy, or investing in or contributing to superannuation. The following information is provided as a general statement only to assist in your consideration of some of the relevant issues in obtaining appropriate cover for your needs.

We reserve the right to make changes to the Accelerated Protection Policy and premium rates in response to any taxation or other legal changes.

### Goods and Services Tax

The Accelerated Protection Policy is treated as input taxed under the Goods and Services Tax Act 1999 and any cost of GST will be included in the premium rates. An input tax credit will not be available to the policyholder.

### Tax deductions

For the Income Plan, premiums are generally tax deductible and benefits paid are generally assessable as income. This is not the case for the Life Plan. A different position may apply if the Life Plan is effected for business purposes and you should seek professional taxation advice.

Contributions to a superannuation fund may also be eligible for tax deductions.

## Capital Gains Tax

Benefits payable under the Life and Income Plans may be assessed under the capital gains provisions if you are not the original beneficial owner of the Accelerated Protection Policy (as defined under the Income Tax Assessment Act 1997), and you acquired the Accelerated Protection Policy for consideration. We usually do not deduct or remit tax from claim payments, unless required to by law.

## Privacy

Personal information will be collected from or in respect of you to enable TOWER to provide or arrange for the provision of the Accelerated Protection Policy. Further personal information may be requested from you at a later time, such as if you want to make alterations to the policy or at claim time. If you do not supply the required information, we may not be able to provide the product or service requested or pay the claim.

By making the Policy Declaration you are agreeing to our collection, use and disclosure of your personal information as explained in our Privacy Policy. A summary of some of the important aspects of that policy is set out below.

In processing and administering your insurance (including at the time of claim) we may disclose your personal information (excluding health information) to a number of parties or such organisations to whom we outsource our mailing and information technology, the Insurance Reference Service, Government regulatory bodies and other companies within the TOWER group and accountants (if applicable).

We may also disclose your personal information (including health information) to other bodies such as the reinsurers, your adviser, health professionals, investigators, the administrator, lawyers, the trustee of any superannuation fund through which the policy is effected, external complaints resolution bodies and as required by law.

We would also like to provide you with information about other products and services that we or other companies within the TOWER group offer. To do so, we need to disclose personal information (excluding health information) to companies within the TOWER group, authorised TOWER advisers or financial planners and the distributors and suppliers who are commissioned by us to perform certain tasks such as market research.

If you do not want to be informed of other products or services, please notify the Accelerate Customer Service team on 1800 064 159. You may also be entitled to gain access to personal information we may have on file in respect of you. If you wish to obtain access please make your request to our Accelerate Customer Service team on 1800 064 159.

For privacy access requests, or information on TOWER's Privacy Policy, please contact:

TOWER Privacy Officer  
PO Box 142  
Milsons Point NSW 1565



### **Making a claim**

When it comes to making a claim you need to follow the requirements set out in your Policy Document.

After you become aware of any claim or potential claim under the Accelerated Protection Policy you have 30 days in which to notify us.

Claims will only be paid if the requirements in the Policy Document have been met. We will tell you what information we need at each stage of your claim. First, we will usually require you to complete a claim form. We will also require certain claim information. You must prove your claim in such a manner as we may reasonably request. Furthermore, we may require proof of any continuing entitlement from time to time, medical examinations at our expense and assistance (for Income Plan claims) in the ongoing management of the claim including participation in recovery and rehabilitation support programs.

No benefit will be payable under this Policy without proof of age being submitted to us. Since age and status as a smoker or non-smoker affect our underwriting of the Policy, claims may be affected if this information is not consistent with your application.

### **Guaranteed renewal of cover**

As long as you and the Life Insured have complied with the Duty of Disclosure, answered all our questions accurately and fully paid your premiums when due, the Accelerated Protection Policy continues until all cover ends. See the section titled 'Your cover – when it starts and ends and some important things for you to do' on page 19 for more information. Importantly this guarantee of renewal applies regardless of any change in the Life Insured's health or personal circumstances.

### **Commitment to upgrade policies**

At TOWER our commitment is that when improvements to benefits are made to new policies we also look to upgrade existing policies. Where improvements are made to new policies without increasing the premium rates, these improvements will be offered to you as an existing Policy Owner whenever possible.

Naturally if there is any disadvantage as a result of upgrading, then your previous Accelerated Protection Policy conditions will be applied.

### **No cash value**

None of the policies outlined in this document – Life Plan, Life Plan (through superannuation) or Income Plan - have a cash value if cancelled. The premiums paid represent the amounts due for undertaking the risk of the insured event occurring.

# Accelerated Protection Policy (Super)

## Accelerated Protection Policy (Super)

It is possible to obtain Life Plan cover (but not Income Plan cover) through superannuation by purchasing the Accelerated Protection Plan (Super). You may choose to take out insurance either through the TOWER Superannuation Fund or through another complying superannuation fund, such as a Self Managed Superannuation Fund.

If you are self-employed and purchase the Accelerated Protection Policy (Super) you may be able to claim a tax deduction for the contributions made into the complying superannuation fund. Please see Tax Information on page 24 for more information.

If you are an employee and are an existing member of a complying superannuation fund, you may be able to fund the cost of the insurance from your existing or ongoing superannuation contributions.

If you decide to purchase the Accelerated Protection Policy (Super), you will first need to be a member of a complying superannuation fund.

If you are already a member of a complying superannuation fund you may be able to purchase the Accelerated Protection Policy (Super) under that fund, but you should first check with the Trustee to see whether they are able to pay us insurance premiums from your member account. This would be the case for most Self Managed Superannuation Funds, but may not be the case if you are a member of a large superannuation fund, such as a retail master trust, a corporate scheme or industry fund.

If you are not a member of a complying superannuation fund, or you are a member of a fund which cannot pay us insurance premiums from your member account, we can simply set you up as a member of the TOWER Superannuation Fund.

Either way, there may be taxation benefits and consequences for you in choosing to take out your Life Plan cover under the Accelerated Protection Policy (Super), and it is important that you seek financial advice. The complexity of superannuation laws is such that this advice should be specific to your circumstances regarding any implications of purchasing a policy, or investing in or contributing to superannuation. The information above is provided as a general guide only to assist in your consideration of some of the relevant issues in obtaining appropriate cover for your needs.

The following section describes the situation where insurance cover is taken out through the TOWER Superannuation Fund. A similar process will apply if you take out insurance cover through a different superannuation fund but you should contact your superannuation fund or financial adviser for more information on the precise requirements that will apply to you.

# The TOWER Superannuation Fund

## The TOWER Superannuation Fund

### Joining the Fund

The first and most obvious requirement if you choose to take out cover through superannuation is that you must become a member of the superannuation fund. The TOWER Superannuation Fund (Fund), RSE Licence Number L0000642, is a resident regulated superannuation fund in accordance with the Superannuation Industry (Supervision) Act 1993 (SIS).

The first step in the joining process is for your financial adviser to submit your application for membership online. If your application is accepted, and the Trustee is able to accept your contributions, you will then become a member of the Fund. At this point the Fund is able to apply for insurance cover through the Accelerated Protection Policy (Super).

### Insurance cover under the Fund

Once you are a member and if TOWER has agreed to issue cover to the Trustee in respect of you, TOWER will issue the Accelerated Protection Policy to the Trustee. The Trustee will be the Policy Owner and you will then be the Life Insured through the Fund.

### Providing your tax file number (TFN)

TOWER has agreed with the Trustee of the Fund not to issue any policy in respect of a Member who has not provided the Trustee with their tax file number. This means that to be eligible for cover through the Fund you must be prepared to quote your TFN to the Trustee.

The Trustee is authorised to collect individuals tax file numbers under superannuation law and will request that you supply your TFN. Your tax file number will only be used for lawful purposes which include administering the Fund and may only be disclosed as permitted by the applicable laws. The purposes for which we are able to use your TFN may change in the future as a result of legislative change. You are under no obligation to provide your tax file number and declining to quote your tax file number is not an offence.

You should note however that if you elect not to provide the tax file number you may pay more tax initially on superannuation benefits and contributions (you may be able to reclaim this amount from the Australian Tax Office at a later date). The Fund does not accept personal contributions unless you have quoted your tax file number. Providing the tax file number will allow withdrawals from the Fund to be taxed at a concessional rate.

### Death Benefit Beneficiary

As a member of the Fund you may elect to make either a non-binding or binding death benefit nomination as to who receives any benefits (including your Life Plan benefit) in the event of your death.

If no binding nomination is held at the time of death, the Trustee will pay the benefit to the member's legal personal representative (estate).

If you make a non-binding nomination, the nomination will be made under category 6 of the Trust Deed, which means that the Trustee will consider your wishes but will consider each case individually to ensure that any benefits are paid appropriately.

If you make a binding nomination, the Trustee will pay the member's benefit to each nominee entitled to receive a benefit.

When making (or amending) a binding nomination, superannuation law requires the application to be signed in the presence of two witnesses. Both of these witnesses need to be over the age of 18 and cannot be beneficiaries under the binding nomination.

Each binding nomination remains valid for only three years, so if you do choose this option it is your responsibility to renew your nomination and advise the trustee of appropriate changes. If a portion of a benefit cannot be paid to a specified beneficiary for any reason, then that portion of the benefit will be paid to the member's legal personal representative (estate).

## General information about superannuation

The following information is provided to assist you in understanding your options. It is general information only and is not intended to be a comprehensive statement of the laws applying to superannuation. You should talk to your financial adviser about your personal circumstances.

### Trust Deed

A superannuation fund is governed by rules set out in the Trust Deed. While the Trustee is able to amend these rules (under certain restrictions) the Trust Deed may not be amended to reduce your accrued benefits without your consent. The only exception to this is if the reduction is allowed under superannuation law.

Under the Trust Deed, the Trustee is not generally liable to you for any act or omission other than where the Trustee has failed to act honestly, or where the Trustee has intentionally and/or recklessly failed to exercise the degree of due care and diligence that it was required to exercise.

The Trustee has the right to indemnity from the Fund for all liabilities it may incur, except in the case of fraud, wilful neglect or misconduct. The Trustee has arranged appropriate indemnity insurance to cover potential liability in this regard.

### Contributions to the Fund

Contributions can only be made to the Fund in accordance with superannuation law. Superannuation law stipulates the way in which employer, personal and spouse contributions can be made as well as work requirements and age limits in relation to the member for which the contribution has been made.

# The TOWER Superannuation Fund

## Payment of a death benefit

Superannuation law specifies that a death benefit can only be paid to the following:

- member's spouse (married or de facto)
- child of the member of any age (including adopted child, step-child and ex-nuptial child)
- the member's legal representative
- any person who was financially dependent on the member at the time of death, and
- any person with whom the member had an interdependency relationship.

From 1 July 2007, legislative change means that only certain types of dependants of the deceased will be able to receive a superannuation death benefit in the form of an income stream. All other dependants will need to receive any death benefit payments as a lump sum. Dependants for the purposes of being permitted to receive the death benefit as an income stream are a member's spouse, child under 18 years of age, a financially dependant child between 18 and 25 years of age, or a child of any age with a disability (as defined in superannuation law).

Superannuation income stream death benefits paid to a dependant will be tax free (for elements taxed in the fund), or taxed at marginal tax rates less a 10% tax offset (for elements untaxed in the fund, such as insurance proceeds) if either the deceased or recipient is 60 or over.

## Payment of superannuation benefits

Other than death benefits, a superannuation benefit can only be paid where the member meets a condition of release under applicable superannuation law. In a general sense these circumstances include permanent incapacity, retirement (or the person has reached their preservation age), the termination of employment after age 60, leaving Australia after holding an eligible temporary resident visa, financial hardship or compassionate grounds. Rules relating to when superannuation benefits can be accessed are complex so you should consult your financial adviser for further information.

## Superannuation and family law

Provisions in the Family Law Act enable parties who are married to require superannuation fund trustees to carry out certain actions in relation to superannuation entitlements. Members (married persons only) should note that their spouse will be able to request the Trustee to disclose information in relation to the member's benefit entitlements ('Request for Information'). Members must understand that the Trustee is prohibited by law from informing them that such a request was made. The Trustee will not pass any information in relation to your present whereabouts to the person making the Request for Information.

## Spouse contribution arrangements

Under current rules, you are allowed to contribute to superannuation on behalf of your spouse and for your spouse to contribute to superannuation for you. A spouse can make 'eligible spouse' contributions into a superannuation fund, as long as the spouse for whom contributions are being made (i.e. the receiving spouse) is either:

- under age 65, or
- aged from 65 to age 69, and has worked at least 40 hours in a consecutive 30 day period in the financial year that contributions were made.

Eligible spouses (including a married or de facto spouse) who make superannuation contributions may be entitled to a tax offset of up to \$540 per annum for superannuation contributions made, provided that the spouse in respect of whom they are made is on a low income or not working.

It is your responsibility to maintain a record of eligible spouse contributions made for the purpose of claiming the offset.

## Superannuation – Further points to consider

- The laws governing the application of superannuation are complex and the statements provided here are general in nature and based on current law.
- You should obtain your own independent advice on the taxation implications of joining the Fund and in maintaining insurance cover through the Fund.
- As your circumstances change, so may the tax treatment of your contributions and any other payments made through the Fund.

## Tax Information

### Individual Members

If you are self-employed, substantially self-employed or are a person with no superannuation support you may be eligible for a tax deduction for your personal superannuation contributions. In the past this eligibility has been subject to certain maximum limits, however the government has amended the rules relating to the tax deductibility of contributions to superannuation.

Self employed people are now eligible to claim a full tax deduction for contributions (up to the concessional contribution limit) made to superannuation on their own behalf, until age 74.

A 'concessional contribution' limit of \$50,000 per person per year applies. This is the maximum amount for which a person can receive a tax deduction. You will be taxed on concessional contributions over the \$50,000 cap at a rate of 30%, plus the Medicare levy.

Between 1 July 2007 and 30 June 2012, a transitional concessional contributions cap will apply. During this time, the annual cap will be \$100,000 for people aged 50 or over.

There are also limits on the amount of post-tax or 'non-concessional contributions' that can be made on behalf of a member. Non-concessional contributions include personal contributions for which you do not claim an income tax deduction. If you choose to make personal, non-concessional contributions to superannuation, you may be eligible for a government co-contribution payment.

From 1 July 2007, non-concessional contributions made to super will be subject to an annual cap of \$150,000. You will be taxed on non-concessional contributions over the cap at the rate of 45%, plus the Medicare levy.

As a transitional arrangement, there will be a 'bring-forward' option available, meaning that people under 65 years of age can make non-concessional contributions of up to \$450,000 over a three-year period.

If your income is less than \$58,000 annually, you may also benefit from Government co-contributions if you make a personal after tax contribution to your superannuation.

The Government co-contribution is a payment made by the Federal Government to the superannuation account of eligible members who make personal non-concessional super contributions. The Government will match a member's personal non-concessional (after tax) contributions, at the rate of \$1.50 for each \$1.00 of contributions, up to the maximum amount designated for that person's total income.

For more information contact your financial adviser or the Australian Tax Office (ATO) Super Hotline on **13 10 20**.

### **Employers**

Employer contributions are tax deductible to the employer where they are made for the purpose of providing superannuation benefits for an employee or the employee's dependants.

Employers are entitled to claim a full deduction for contributions to complying funds for employees aged:

- under 75 years, or
- 75 and over, where contributions are required under relevant industrial awards.

Where tax deductible (concessional) contributions exceed \$50,000 per person in a financial year, the amount in excess of this limit will be taxed at an additional 30%, plus the Medicare levy.

A transitional period applies for people aged 50 or over to be able to contribute up to \$100,000 annually until 30 June 2012. As part of this process, deductible contributions will be allowed up to age 75.

### **Tax paid on withdrawals**

Superannuation withdrawals (apart from withdrawals made by people who hold an eligible temporary resident's visa and are permanently departing Australia) are generally referred to as superannuation lump sum payments, and have two different components which are taxed differently on withdrawal.

The two components are:

- Tax free (concessional) component – this component is tax free when taken as a lump sum, and
- Taxable (non-concessional) component – this component is the balance of your superannuation benefit after deducting the tax free component. The tax treatment of this component depends on your age at the date of withdrawal, the amount withdrawn, and whether the benefit consists of untaxed or taxed elements.

### **Tax paid on death benefits**

All lump sum death benefits are tax free if paid to a dependant (for tax purposes). Lump sum death benefits paid to non-dependants (for tax purposes) are taxed at 15% plus the Medicare levy (for elements taxed in the fund) or taxed at 30% plus the Medicare levy (for elements untaxed in the fund, such as insurance proceeds).

## Complaints

# Complaints

### Complaints Process

If you wish to make a complaint relating to your privacy or in relation to our product or service, please contact:

TOWER Complaints Manager  
PO Box 142  
Milsons Point NSW 1565

We will attempt to resolve your complaint within 45 days of the date it is lodged. If we can't resolve your complaint within that period, we will inform you of the delay and ask for your consent to resolve the complaint within 90 days of the date it was lodged.

### Complaints to the Financial Industry Complaints Service (FICS)

If you are not satisfied within 45 days of lodging your initial complaint to TOWER, (or if you have agreed, within 90 days) you may also contact the Financial Industry Complaints Service. This is an industry sponsored service that provides free advice and assistance to consumers with complaints against financial services companies, including assisting Policy Owners to resolve complaints with their life insurance company. It's an independent and impartial body whose decisions are binding on us however it does not deal with issues relating to superannuation. FICS can be contacted on:

- Freecall 1300 780 808
- Email [fics@fics.asn.au](mailto:fics@fics.asn.au)
- Writing to:

The General Manager  
Financial Industry Complaints Service  
PO Box 579 Collins Street West  
Melbourne VIC 8007

### Superannuation Complaints Tribunal

If the Accelerated Protection Policy has been issued through the TOWER Superannuation Fund or another superannuation fund you can also choose to have your complaint addressed through the Superannuation Complaints Tribunal. The Tribunal may be contacted if, after 90 days of lodging your complaint with the Trustee, you're not satisfied with the resolution.

The Tribunal is an independent body established by the Federal Government to provide free advice and assistance to you and your beneficiaries to resolve certain superannuation complaints. The Tribunal can be contacted on:

- Freecall 1300 884 114
- Fax (03) 8635 5588
- Writing to:

Superannuation Complaints Tribunal  
Locked Bag 3060  
GPO Melbourne VIC 3001



# Definitions

Words used in this PDS that are capitalised have the meaning given to them in the Policy. Some of the relevant definitions are extracted from the Policy and repeated below. You should read your Policy Document for these and any other defined terms.

## General Definitions

**Monthly Benefit** under the Income Plan Standard and Income Plan Comprehensive and benefit options attached to them, means the Monthly Benefit as shown in the Policy Schedule. The amount we pay you is determined by which option you have chosen (“agreed value” or “indemnity”) at the time of application.

If you have chosen “agreed value” as specified in the Policy Schedule, the Monthly Benefit we will pay is the Income Plan Standard or Income Plan Comprehensive Monthly Benefit shown in your Policy Schedule, inclusive of any indexation increases, and less any Plan Adjustments if applicable.

If you have chosen “indemnity” as specified in the Policy Schedule, the Monthly Benefit we pay is the lesser of the following amounts:

- the Income Plan Standard or Income Plan Comprehensive Monthly Benefit shown in the Policy Schedule, inclusive of increases under the Inflation Protection Benefit, or
- 75% of the first \$20,833 of Monthly Earnings, 50% of the next \$12,500 and 25% of the balance of Monthly Earnings, earned by the Life Insured in any consecutive 12 month period in the 36 months immediately prior to the Sickness or Injury occurring, less any Plan Adjustments if applicable.

**Monthly Earnings** generally includes salary, awards, superannuation contributions, bonuses, commission, fees, fringe benefits and regular overtime payments.

When the Life Insured does not directly or indirectly own all or part of the business in which the Own Occupation of the Life Insured is performed (ignoring shares in publicly listed companies), Monthly Earnings is the monthly value of the remuneration paid by the employer in respect of the work performed by the Life Insured. This will be determined by calculating the amount the Life Insured would have to receive if total remuneration was received as a salary or wage (before income tax is deducted).

When the Life Insured does directly or indirectly own all or part of the business in which the Own Occupation of the Life Insured is performed (ignoring shares in publicly listed companies), Monthly Earnings are:

- the monthly value of remuneration paid by the business to the Life Insured as a result of personal exertion, and

- the Life Insured’s share of the profits of the business, generated through work performed by the Life Insured, after the deduction of business expenses, both of which are determined in line with the usual manner that the profits and/or losses of the business are divided between the Life Insured and any co-owners of the business.

**Own Occupation** under the Life Plan is the occupation in which the Life Insured was working immediately prior to the Sickness or Injury causing disability.

If the Life Insured had been working in more than one occupation, “Own Occupation” will include all of those occupations.

**Own Occupation** under the Income Plan is the occupation in which the Life Insured was working immediately prior to the Sickness or Injury causing disability, unless the Life Insured was unemployed or on sabbatical, long service, maternity or paternity leave for more than 12 months, in which case “Own Occupation” will be any occupation for which the Life Insured is suited by training, education or experience.

If the Life Insured had been working in more than one occupation that meets these criteria, “Own Occupation” will include all of those occupations.

**Partial Disability** and **Partially Disabled** mean that, solely because of a Sickness or Injury the Life Insured:

- is working or is capable of working,
- is following the advice of a Medical Practitioner, and
- is:
  - unable to perform one or more of the important income producing duties in his or her Own Occupation, or
  - working in his or her Own Occupation or any Gainful Occupation for more than 10 hours per week, or
  - unable to generate 20% of his or her Monthly Earnings from personal exertion in his or her Own Occupation.

**Pre-Disability Earnings** means:

If you have chosen “agreed value”, the highest average Monthly Earnings of the Life Insured for any 12 consecutive months between the date three years before the Policy Commencement Date and the start of the Waiting Period.

If a claim occurs in the 12 months subsequent to an underwritten increase in the Monthly Benefit of the Income Plan, Pre-Disability Earnings will then have a minimum value of the Monthly Benefit (excluding any benefit options) divided by 0.75.

If the Life Insured suffers a Sickness or Injury while in a Gainful Occupation and Monthly Earnings reduce as a direct result of the Sickness or Injury, while this continues Pre-Disability Earnings will be the value we agree would have applied at the time the reduction started, provided we are advised within 30 days of the reduction starting.

# Definitions

If you have chosen “indemnity”, the highest average Monthly Earnings of the Life Insured for any consecutive 12 months in the 36 months immediately prior to the Sickness or Injury causing disability.

If the Life Insured is disabled, Pre-Disability Earnings will be increased by the Indexation Factor every 12 months, if Total or Partial Disability benefits have been paid continuously for 12 months, following the date disability started.

**Total Disability** and **Totally Disabled** mean that, solely because of a Sickness or Injury the Life Insured:

- is not in any Gainful Occupation,
- is following the advice of a Medical Practitioner, and
- is unable to:
  - perform one or more of the important income producing duties in his or her Own Occupation, or
  - perform the important income producing duties of his or her Own Occupation for more than 10 hours per week, or
  - generate at least 80% of his or her Monthly Earnings from personal exertion in his or her Own Occupation.

**Waiting Period** means the period of time between the Life Insured suffering disability and disability benefits starting to accrue.

If the Life Insured does not consult a Medical Practitioner concerning the Sickness or Injury causing disability within seven days of the Sickness starting, or the Injury occurring, the Waiting Period will start when the Life Insured consults a Medical Practitioner.

Neither Total nor Partial Disability Benefits are paid during the Waiting Period. Some benefits are paid during the Waiting Period (e.g. Bed Confinement) and this is specifically mentioned within the description of those benefits.

## TPD Definitions

If the **Any Occupation** definition applies **Total and Permanent Disability** means we are satisfied that:

- solely because of a Sickness or Injury, the Life Insured has not worked in any occupation for three consecutive months and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the Life Insured’s earnings during their last twelve months of work, or

- solely because of a Sickness or Injury, the Life Insured has suffered a permanent impairment of at least 25% Whole Person Function and has not been working in any occupation, and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience, or
- the Life Insured suffers the loss of:
  - both feet, both hands or sight in both eyes, or
  - any combination of two of a hand, a foot or sight in an eye.

‘Loss’ in this instance means the total and permanent loss of:

- the use of the hand or foot from the wrist or ankle joint, or
- sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60, or

- the Life Insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

If the **Own Occupation** definition applies **Total and Permanent Disability** means that we are satisfied that:

- solely because of a Sickness or Injury, the Life Insured has not been in any occupation for three consecutive months and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in their Own Occupation, or
- solely because of a Sickness or Injury, the Life Insured has suffered at least a permanent 25% impairment of Whole Person Function and has not been working in any occupation, and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in their Own Occupation, or
- the Life Insured suffers the loss of:
  - both feet, both hands or sight in both eyes, or
  - any combination of two of: a hand, a foot or sight in an eye.

‘Loss’ in this instance means the total and permanent loss of:

- the use of the hand or foot from the wrist or ankle joint, or
- sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60, or

- the Life Insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

## Definitions

If the **Long Term Care** definition applies **Total and Permanent Disability** means we are satisfied that the Life Insured has become so disabled by bodily Sickness or Injury that he or she is unlikely ever to be able to perform at least two of the following five numbered Activities of Daily Living, without the physical assistance of another person:

1. Bathing – the ability to shower and bathe,
2. Dressing – the ability to put on and take off clothing,
3. Toileting – the ability to get on and off, and use, the toilet,
4. Mobility – the ability to get in and out of bed and a chair, or
5. Feeding – the ability to get food from a plate into the mouth.

# Direct Debit Arrangements

## Direct Debit Request Service Agreement

The Direct Debit Request (DDR) Service Agreement is issued to enable you to understand your rights and responsibilities when making premium payments by direct debit. Under the Agreement money will be debited from your nominated account to meet the premiums for your Policy. It is a simple and effective method of ensuring that your premiums are automatically deducted at the appropriate time. It is recommended that you keep this Agreement in a safe place for future reference.

If any changes are made to the terms of this Agreement you will be provided with at least 14 days notice to allow you to consider any implications. Under the terms of this Agreement all information relating to your nominated financial institution account is guaranteed to be kept confidential, except where required for the purposes of conducting direct debits with your financial institution, or otherwise by law.

### Your commitment

If you do commit to a Direct Debit Request Service Agreement you will need to ensure that:

- the account you have nominated can accept direct debits
- all account holders for this nominated account consent to this Agreement, and
- that there are sufficient funds available in the nominated account, on the due dates, to cover premiums. If there is not, you may incur dishonour fees from your financial institution and your Policy may lapse. Dishonour fees will only be charged by your financial institution.

Where the premium deduction date falls on a weekend or a public holiday, you should understand that the debit will automatically occur on the next business day.

### How to make changes

If you wish to make any changes relating to the Agreement you will need to provide at least seven days notice to us before your next premium due date. This period of notice is applicable to changes such as:

- altering any of your direct debit or financial institution details, or
- stopping or suspending any debits, or cancelling the Agreement completely.

Of course if you do choose to make any changes to the Agreement you will subsequently need to make alternative arrangements for future premiums to continue your Policy.

## Contacting us

If you wish to make any of the changes as outlined above, or wish to dispute a debit you should do so in writing. The address for any correspondence is:

TOWER Australia Limited or TOWER Australian Superannuation Limited  
PO Box 142  
Milsons Point NSW 1565.

We will always respond to your query or dispute in the first instance.

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TOWER Australia Limited  
ABN 70 050 109 450 AFSL 237 848  
80 Alfred Street Milsons Point NSW 2061  
Call 02 9448 9000 Fax 02 9448 9100  
[www.toweraustralia.com.au](http://www.toweraustralia.com.au)