risk | superannuation

TOWER PROTECTION POLICY

Product Disclosure Statement
Date of Issue – 1 April 2005

TOWER Australia Limited
ABN 70 050 109 450
AFSL Number 237848

TOWER Australian Superannuation Limited
ABN 69 003 059 407
AFSL Number 237851

IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) includes details relating to two separate financial products, which are:

- a life insurance policy issued by the insurer, TOWER Australia Limited (TOWER); and
- an interest in a superannuation fund, the TOWER Superannuation Fund, issued by the trustee TOWER Australian Superannuation Limited (the Trustee).

TOWER and the Trustee are both fully owned subsidiaries of TOWER Limited (TOWER Limited).

TOWER and the Trustee take full responsibility for the whole of this PDS, however, neither TOWER nor the Trustee will be responsible for the products issued by the other.

This PDS was issued on 1 April 2005 (Issue Date). The information within this PDS is current as at the Issue Date. If any information contained in this PDS changes, the information will be updated and made available to you at www.toweraustralia.com.au. If the information changes to such an extent as to become materially misleading, this PDS will be withdrawn and replaced immediately or a Supplementary PDS will be issued.

You should read this PDS as it will help you to:

- decide whether either product will meet your needs; and
- compare the products with others that you may be considering.

The information contained in this PDS is of a general nature only. It does not take into account your individual needs and objectives. We recommend that you seek professional advice from a financial adviser before making any decision to purchase either product.

This PDS describes the important features of the TOWER Protection Policy. You may request further information about this product by contacting us at the address on the inside back cover, or the telephone number referred to below. We are obliged to give you further information which has previously been made generally available to the public and might reasonably influence your decision whether to acquire these products. We will tell you if there is a charge to provide you with this further information.

Both products will only be effective after completion of the Application Form. The Application Form is enclosed at the back of this PDS.

Unless otherwise indicated, 'we, 'us' or 'our' generally means the issuer(s) of the relevant financial products being TOWER and the Trustee and 'you' and 'your' means you, either as the Policy owner of the TOWER Protection Policy or as a member of the Fund.

NEED HELP?

If you need help with any financial product, we recommend that you speak to a licensed financial adviser. If you have questions about the products in this PDS, please contact a licensed financial adviser, TOWER on 1800 226 364, or visit our website www.toweraustralia.com.au.

If you do not have a financial adviser, please contact TOWER and we can put you in touch with someone who can help.

The Australian Securities and Investments Commission (ASIC) will be able to tell you if your financial adviser is licensed. ASIC can be contacted by telephone on (03) 5177 3988 or by email at info.enquiries@asic.gov.au.

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ABOUT TOWER

TOWER IN AUSTRALIA

The TOWER Group is a leading provider of financial services in Australasia. The parent company, TOWER Limited, is listed on both the Australian and New Zealand stock exchanges.

Founded over 130 years ago in New Zealand, TOWER established itself in Australia in 1990 with the purchase of Adriatic Life Limited. TOWER has since continued to grow strongly in Australia through both natural growth and the acquisition of other businesses.

Other acquisitions in Australia have included Friends Provident Life Assurance Company Limited, Austrust, Advance Life Limited's deferred annuity and bond business, FAI Life Insurance Society Limited and IOOF Trustees.

TOWER AUSTRALIA LIMITED

TOWER Australia Limited, a wholly owned subsidiary of TOWER Limited, is an innovative and competitive provider of risk, superannuation and retirement solutions. It is presently the largest operating company within the TOWER Group.

TOWER Australia Limited's objective is to deliver the right products, services and information to its customers to help them make informed decisions about their risk and superannuation needs. It delivers these services efficiently to customers primarily through a network of independent advisers.

TOWER FOR YOU

TOWER Australia Limited is focussed on being a provider of specialist risk and related superannuation products. To achieve this, it regularly reviews and enhances its product and service offerings to ensure they are competitive in terms of benefits, flexibility, choice and customer value. TOWER Australia Limited is strongly committed to ensuring that its areas of business are strongly customer focussed.

BENEFIT OVERVIEW

The TOWER Protection Policy is made up of the following types of insurance. You will need to refer to the relevant section of the PDS for further information. Each plan can be personally tailored to suit your needs through the inclusion of benefit options.

WHAT TYPE OF INSURANCE IS AVAILABLE?	WHAT RISKS ARE COVERED? *	WHAT DOES TOWER PAY?
Life Protection Plan	Death and Terminal Illness	A lump sum applicable at date of death or diagnosis of terminal illness
Total & Permanent Disability (TPD)	Severe, total and permanent disablement where you are unable to ever work again	A lump sum applicable after six months of total and permanent disablement
	Permanent disablement where you are unable to perform activities of daily living	A lump sum applicable at date of disablement
	Loss of Limbs and/or Sight	A lump sum applicable upon the event occurring
Crisis Protection Plan	34 listed insured events	A lump sum applicable upon the event occurring
	Death and Terminal Illness	A lump sum applicable at date of death or diagnosis of terminal illness
Crisis Protection Plan (stand-alone)	34 listed insured events	A lump sum applicable after survival of 14 days after the event occurring
Income Protection Plan	A permanent or temporary inability to work full time or part time as a result of sickness or injury	A monthly benefit of up to 75% of your lost income
Income Protection Plan Plus	A suite of additional benefits to enhance the Income Protection Plan	A monthly benefit up to 75% of your lost income with additional benefits
Business Expense Plan	Reimbursement of expenses of running your business while you are absent from work as a result of sickness or injury	A monthly benefit up to 100% of business costs.

* Definitions and conditions apply to these events. These definitions and conditions can be found in the corresponding section of the Product Disclosure Statement.

SECTION 1
| policy information |

The information contained in Section 1 relates to the products issued by both TOWER Australia Limited and TOWER Australian Superannuation Limited, the Trustee of the TOWER Superannuation Fund.

If a word is capitalised, you should consult the relevant Policy Conditions to obtain the relevant meaning.

OVERVIEW

If you take out the TOWER Protection Policy issued by TOWER Australia Limited (TOWER):

- you will become the Policy owner and will be responsible for paying the relevant premium applying to the Policy;
- there can be more than one Policy owner and life insured to the Policy;
- the Policy will cover a named life insured for benefits which apply to that life insured;
- there can be different amounts and different types of benefit cover for different lives insured;
- separate types of cover can end for different lives insured on different dates; and
- benefits for each life insured are separate and the terms of the Policy will apply separately to each life insured.

Full details of the Policy issued by TOWER are referred to in Section 2 of this PDS.

If you take out the TOWER Protection Policy offered through the TOWER Superannuation Fund (the Fund);

- you will become the life insured, TOWER Australian Superannuation Limited, the Trustee of the Fund (Trustee) will be the Policy Owner and TOWER Australia Limited (TOWER) will be the insurer of the Policy;
- you will be responsible for paying the relevant contributions applying to the Policy;
- there can only be one life insured in relation to this arrangement; and
- any benefit payable under the Policy will, in the first instance, be paid to the Trustee. The Trustee will only release the proceeds of the Policy when you meet a condition of release under the Superannuation Industry (Supervision) Act 1993 (SIS). If you do not meet a condition of release, the monies will continue to be held in the Fund for your benefit until such time as you satisfy a condition of release.

Full details of the benefits offered by the Trustee of the Fund and insured by TOWER are referred to in Section 3 of this PDS.

THE POLICY YOU RECEIVE

The Policy that you will receive is made up of:

- the Policy Conditions;
- the Policy Schedule; and
- the Policy Certificate/s.

The Policy Schedule and Policy Certificate/s are documents that will be sent to you when your application for insurance is accepted or when it is altered.

The Policy Certificate/s will indicate which benefits and options have been chosen by you.

If the Policy is owned by more than one person, it will be owned on a joint tenancy basis.

JURISDICTION

The Policy will be interpreted in accordance with New South Wales law.

REFERENCES TO DOLLAR AMOUNTS

References to dollar amounts in the Policy are references to Australian currency and all benefit payments to and from TOWER or the Trustee must be and are payable in Australian currency.

STATUTORY FUND

The Policy will be issued from TOWER's No. 1 Statutory Fund.

POLICY CONDITIONS

Benefit Amount

In reading the Policy Conditions referred to in this PDS, a reference to a Benefit Amount will be referring to the Benefit Amount under a particular Plan. If the reference is to a Benefit Amount under a benefit option, this will be stated.

If there is a split Benefit Amount under the Income Protection Plan, a reference to the Waiting Period, Benefit Period and Benefit Amount will, unless stated otherwise, refer to each component of the benefit or option.

Occupation Class

When reference is made to the occupation class of the life insured, initially this will be the occupation class at the start date of the Plan. The occupation class at the Plan start date will be shown in your Policy Certificate. Your financial adviser will inform you of the occupation class that will apply to you when determining the insurance cover that is applicable. An occupation class will depend on the type of work, and the duties involved.

HEADINGS

Headings in the Policy Conditions have been included to assist understanding but they do not alter how clauses are to be interpreted. Where the context provides for it, words indicating the singular can be taken to mean the plural and vice versa.

GUARANTEE OF UPGRADE

As time goes by, the Policy Conditions may be improved. These new conditions will be included in your Policy if, at the time of the improvement, there is no increase to the premium rate table as a result of the improved conditions.

Any new conditions will not be included in your Policy if the Policy owner (or the life insured if the Policy is owned by the Trustee) tells us not to include any improvements to your Policy.

If the life insured has any existing symptoms prior to an improved condition being included, payment under the improved condition may not be made.

CHANGES TO POLICY CONDITIONS

Policy Conditions can only alter if agreed to by you and TOWER (or the Trustee if applicable) and the change is made in writing by an authorised member of TOWER's staff.

If you received advice in relation to the purchase of a Policy, the person who gave that advice does not have authority to alter the Policy Conditions.

TERM OF POLICY AND PLAN

A Policy will become effective when TOWER receives and accepts your application for insurance and the first premium is paid. This will be known as the Policy or Plan start date, as applicable and will be shown in the Policy Schedule.

The term of your Policy is the period from the Policy start date until the earliest of:

- all Plans under the Policy ceasing for all lives insured;
- TOWER receiving a written request from an authorised person to cancel;
- the Policy lapsing for non-payment of the premium; or
- all accrued benefits having been paid and no further Plans apply.

The term of your Plan is the period from the Plan start date until the earliest of:

- the Plan end date;
- TOWER receiving a written request from an authorised person to cancel;
- the death of the life insured; or
- the full Benefit Amount being paid under the Life Protection Plan or the Crisis Protection Plan.

If your premiums are paid yearly or half-yearly and you cancel your Policy, you may be entitled to a refund of part of the premium as per TOWER's Refund Policy.

If it is indicated in the Application Form that a Plan is to replace all or part of existing insurance, cover under that Plan will not start until the existing insurance has been cancelled.

POLICY ALTERATIONS AND INCREASES

Policy alterations and increases can only be made if the facility or the Plan for which you are applying is available at the time and TOWER (or the Trustee if applicable) accepts the application for an alteration or increase.

HOW TO APPLY

You can only apply for the TOWER Protection Policy by completing the Application Form which is attached to this PDS. Once completed and signed, this should be handed to your financial adviser to be sent to TOWER.

Please keep this PDS as it provides you with important information relating to your Policy.

If the application is for insurance which is to replace an existing policy, you need to provide details of that policy. Cover under the TOWER Protection Policy will not start until TOWER has accepted your application and cover under the existing policy ceases.

All the information requested in the Application Form is important as it allows TOWER to assess your application for insurance promptly.

It is also important that you and the life to be insured (if applicable) understand and comply with the Duty of Disclosure set out following.

DUTY OF DISCLOSURE

Before your application for insurance can be accepted, the Policy owner and any life to be insured have a duty to inform us of any matter that the Policy owner or any life to be insured know, or could be reasonably expected to know, and which may affect our decision to grant insurance or the terms of that insurance. The same duty applies before the benefits are varied, extended or reinstated. This duty does not apply to a matter that reduces our risk, is common knowledge, that we know or ought to know in the ordinary course of business, or of which does not require disclosure.

The duty of disclosure applies even after your application is completed and submitted to us and we advise that we have accepted your application.

If the Policy owner or any life to be insured does not disclose relevant matters and, if we had known about them, and would not have granted insurance at all, the benefits can be cancelled or reduced within three years from the date of issue or any time if that non-disclosure is fraudulent. Alternatively, we may, within three years of the date, reduce the Benefit Amount to the figure which would have been granted for the premium charged, if all relevant matters had been disclosed.

PREMIUMS AND CHARGES

HOW MUCH WILL IT COST?

The cost of your insurance cover will depend on how much insurance cover you need, your age, your gender, whether or not you smoke and how often you choose to pay your premiums. We will also take into consideration your occupation, health and personal pastimes.

The Government imposes duties and charges which we will include in your premium. A Policy fee may also apply.

Discounts may become available from time to time but these may not apply for the full term of your Policy.

Our minimum premium is currently $220 a year for a new Policy and $110 a year for an increase to an existing Policy.

Your Policy Schedule will show you the first year's premium amount or the first instalment premium amount. Your premium amount will include any extra amounts charged to you which you would have first agreed to when we accepted your application or reinstated your Policy or a Plan under it.

We will provide you with a table of premium rates upon request.

DO I HAVE ANY OPTIONS REGARDING THE COST?

You can choose to have the costs calculated using either a stepped or level premium option.

If you select stepped premiums the amount you pay will be based on your age at each statement date. This generally means your premium will increase each year.

If you select level premiums the amount you pay will be based on your age at the start of the Plan. This generally means your premium will only increase if:

- you include a new Plan or benefit option in your Plan;
- your Benefit Amount increases;
- the Policy fee increases;
- the rates in the premium rate table increase;
- Policy discounts no longer apply; or
- government duties or charges increase.

If you choose to alter your cover, the rates used to calculate premiums for the alteration will be based on your age at that time.

WILL THE COSTS CHANGE?

We use premium rate tables to calculate the cost of insurance cover requested.

Our premium rate table can only change if we receive advice from our actuary. If premium rates are to change, we will apply any change in cost to a group of policies under the same premium rate table or occupation class, not just to your Policy.

If we increase our premium rate tables we will advise you in writing at least 30 days prior to the increase taking effect.

The premium you pay will also include government duties and may include a Policy fee.

If we need to increase your premium as a result of changes in government duties we will advise you in writing.

The Policy fee may be payable as part of each premium or premium instalment. If a Policy fee is payable details will be set out in your Policy Schedule.

The Policy fee will not increase each year by more than the greater of the Indexation Factor or 3%.

THE POLICY FEE CHANGES WITH DIFFERENT PREMIUM OPTIONS:

Premium Frequency	Per instalment	Annual Equivalent
Yearly	$55.00	$55.00
Half Yearly	$27.50	$55.00
Quarterly	$15.00	$60.00
Monthly	$5.00	$60.00

HOW OFTEN DO I HAVE TO PAY?

You can choose to pay your premiums yearly, half-yearly, quarterly or monthly.

If you choose to pay monthly or quarterly premiums a frequency loading of 9% will apply. This means you will pay a higher premium than if you choose to pay half-yearly or yearly.

If you choose to pay by direct debit, deductions will be made on or around the due date, as dictated by weekends and public holidays.

Your financial institution may charge you a fee if you select to pay your premium by direct debit.

If you select to pay your premiums by credit card, we may pass any related charges on to you.

Premiums are payable in advance, by the due date shown in your Policy Schedule.

WHAT HAPPENS IF I FORGET TO PAY?

If we do not receive your first premium, insurance cover will not be provided under the Policy and the Policy will be deemed to have never commenced.

If we do not receive a premium payment when it is due (other than the first premium) we will send a reminder notice to you and allow you a grace period of 30 days in which to pay the premium.

If the premium has not been paid by the end of the grace period stated in your reminder notice, your Policy will lapse on that date and your insurance will no longer apply.

If your Policy lapses or a Plan under it is cancelled, we will consider an application to have it reinstated.

An application for reinstatement can be made for a lapsed Policy within any 12 month period. We will require a reinstatement application to be completed. All reinstatement applications are subject to underwriting and we may ask for extra information as per underwriting requirements.

It is a requirement that all premium arrears are paid in order to reinstate a Policy. When the Policy has lapsed for a period greater than 12 months you can apply for a new Policy subject to full underwriting.

Underwriting is the process by which we assess risks associated with accepting your application, based on the life to be insured's health and other relevant factors, for example occupation and income.

We do reserve the right to decline an application for reinstatement if you allow the Policy to consistently lapse.

If we reinstate your Policy or any Plan under it, no claim payment will be made for:

- any Injury or death which occurred while your Policy or Plan was lapsed; or
- any Sickness, including Terminal Illness, which became apparent while your Policy or Plan was lapsed.

In order for a claim to be paid, an event giving rise to a claim must occur while the Policy or Plan is current.

If a claim is payable after your premium is due, but before your Policy lapses, we will pay the claim in line with the Policy conditions.

Any outstanding premiums will be deducted from the claim amount.

If your premiums are not paid yearly, we will deduct the balance of the current year's premium when a claim payment results in the Policy or Plan ending.

ARE THERE ANY HIDDEN FEES?

There are no hidden fees or charges. We fully describe all of our fees and charges for the Policy in Section 1 of this PDS.

CAN TOWER CANCEL MY POLICY?

If during the term of your Policy your premium is continually paid up to date your Policy will remain current.

This means your insurance Policy will continue regardless of any changes in your health, occupation or pastimes.

We will honour claim payments in line with the Policy Conditions if you have:

- complied with the duty of disclosure; and
- answered all questions in your Application Form honestly and accurately.

IS THERE ANYTHING ELSE I SHOULD KNOW?

Some Plan Exclusions and Adjustments will apply to your Policy. Full details of the Plan Exclusions and Adjustments can be found in the relevant Policy Conditions of Section 2 or 3 of this PDS (as applicable).

We will send you an annual statement on each statement date. The statement date will be shown in your Policy Schedule when the Policy is issued to you. A replacement schedule will be issued to you if there are any changes which affect your Policy.

Please direct any queries you have about your Policy to us on free call 1800 226 364, or to the financial adviser who assisted you when purchasing your Policy.

CLAIMS

HOW TO MAKE A CLAIM

If you wish to make a claim, please contact us at the earliest possible opportunity. Our contact details can be found on the inside back cover of this document. This will assist us to begin the assessment process and identify any opportunities where further assistance can be provided.

If you are intending to claim disability benefits under the Income Protection Plan and/or Business Expense Plan, a case manager will be appointed to look after your claim and will contact you to discuss the circumstances of your condition and needs at that time.

The case manager will also obtain sufficient information in order to determine which definition (income, hours, or duties) will be used to assess your claim to best suit your circumstances.

A claim form will be sent to you for completion, return and final assessment.

You and the life insured, if applicable, need to fully co-operate in meeting all requirements, as eligibility for and the extent of claim benefits will be conditional on these requirements being met in a form satisfactory to the case manager.

The case manager will advise you in writing of the decision made at the conclusion of our assessment.

EVENT GIVING RISE TO A CLAIM

An event giving rise to a claim must occur and claim payments must start to accrue and will only be made and continue while cover under the relevant Plan is provided.

You need to provide advice in writing of an event giving rise to a claim as soon as reasonably possible otherwise claim payments may be reduced to the extent that the ability to assess the claim has been prejudiced by the delay.

CLAIM REQUIREMENTS AT YOUR EXPENSE

To assess your claim we will require the following:

- proof of the event for which a claim is being made;
- for Income Protection Plan and Business Expense Plan, a monthly medical certificate in a form to be determined by the case manager;
- proof of payment, when a claim for reimbursement is being made; and
- proof of age (unless previously provided).

You may also need to provide:

- proof of Policy ownership; and
- a signed discharge from an authorised person.

For the Income Protection Plan and Business Expense Plan you will be advised if you are required to provide:

- verification of the life insured's Monthly Earnings and Business Expenses stated in the application; and/or
- verification of the life insured's Monthly Earnings and Business Expenses before and after the event giving rise to your claim.

Should proof of income of the life insured's Monthly Earnings have been provided at the time of the application being submitted, this will not need to be submitted again at the time of claim for agreed value contracts.

Costs incurred in supplying the documents referred to above must be met by you.

CLAIM REQUIREMENTS AT TOWER'S EXPENSE

You will be advised if other requirements need to be satisfied. If TOWER requests that further requirements be satisfied, they will meet any costs that you incur in order to satisfy such requirements. Depending on the type of claim, you may be required to provide some or all of the following:

Medical Requirements:

- an examination of the life insured by a Medical Practitioner of our choice. This may involve imaging studies and clinical, histological and laboratory evidence;
- confirmatory assessment or diagnosis by a specialist Medical Practitioner of our choice; and
- proof that a surgical procedure was medically necessary and was the usual treatment for the underlying condition.

For Terminal Illness benefit claims you will normally only need to provide a medical certificate from the treating medical specialist. However, we reserve the right to obtain any additional information that we deem necessary.

Financial Requirements:

- an audit of the life insured's business and personal financial circumstances as often as is required. This may include auditing documents that constitute a legal requirement such as business and personal taxation returns.

Interview Requirements:

- interviews with various parties, including you and the life insured if applicable, in relation to your claim, by a member of our staff or someone appointed by us, as often as is required.

Other Information Requirements:

- access to details of the life insured's previous medical consultations;
- assessment of current functional and vocational capacity by an appropriately qualified person selected by us;
- obtaining information from various parties, including you and the life insured if applicable, in relation to your claim, by a member of our staff or someone appointed by us, as often as is required. This may include, but not be limited to, details of any previous Injury or Sickness claims in relation to the life insured and details of previous occupation duties.

FOLLOWING ADVICE OF MEDICAL PRACTITIONER

Claim payments will be contingent on the life insured following the reasonable advice of a Medical Practitioner, including recommended courses of treatment and rehabilitation.

If the life insured is in Australia, becomes disabled and subsequently travels or resides overseas, claim payments will only be made if, in travelling or residing overseas, the life insured is following the advice of the treating Medical Practitioner and you have advised the case manager in advance of the life insured's start date of travel.

YOUR OBLIGATION REGARDING DISABILITY DURATION AND SEVERITY

You have an obligation to mitigate your loss, ie. you must not knowingly contribute to the severity or longevity of your disablement, or your claim may not be accepted.

CLAIMS ASSESSMENT

Eligibility for, and the extent of, claim payments relating to Sickness or Injury of the life insured, will be based solely on the impact of the Sickness or Injury. Specifically excluded claims will be any additional impact due to economic, seasonal or non-medical factors.

Within the Income Protection Plan and the Business Expense Plan periods of disability of less than one month will be paid at the rate of 1/30th of the Benefit Amount for each day the life insured is Totally or Partially Disabled.

MISSTATEMENT OF AGE

If the age of the life insured has been misstated and the premium paid is lower than required, claim payments will be reduced so that benefits payable will be equivalent to the amount that the premium paid would have purchased at the time. If the premium paid is higher than required, overpaid premiums will be refunded.

PAYMENT OF CLAIM

If you are legally competent to apply for a claim, all benefits will be paid to you or your legal, personal representative. Otherwise we will pay benefits to whom we are legally permitted to make payments.

If the Policy is owned by the Trustee or the trustee of a complying superannuation fund, and you are legally competent to apply for a claim payment, all benefits will be paid to the Trustee.

TAXATION

This taxation information is a general statement only and is based on the continuance of present taxation laws and rulings and their interpretation. Your individual circumstances may be different and have not been taken into account in providing this information. It is important, therefore, that you obtain independent, professional taxation advice, specific to your circumstances regarding any tax implications of purchasing a Policy, or investing in or contributing to superannuation.

This Policy is treated as input taxed under the Goods and Services Tax and any cost of GST will be included in the premium rates. An input tax credit will not be available to the Policyholder.

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

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

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

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

If you have effected your Policy through TOWER Australian Superannuation Limited (the Trustee) the following information is relevant to you.

ARE CONTRIBUTIONS TAX DEDUCTIBLE?

Individual Members

If you are self-employed, substantially self-employed or an employee with no superannuation support you may be eligible for a tax deduction for your personal superannuation contribution (up to certain maximum deductible limits), provided you notify the Fund of your intention to do so. These contributions will be taxable to the Fund at 15%. Generally a person is deemed to be substantially self-employed if their assessable income and reportable fringe benefits from an employer are less than 10% of their total assessable income and reportable fringe benefits.

The amount of the tax deduction is equal to 100% of the first $5,000 per annum of contributions, and 75% of all additional contributions, subject to the maximum deductible limits shown in the table below.

Please note that if you are entitled to a Government co-contribution, you will not be able to claim a tax deduction for your contributions. Please see below for further details on the Government co-contribution scheme.

Employers

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

WHAT ARE THE MAXIMUM DEDUCTIBLE LIMITS?

Maximum deductible contribution limits per employee are age-based flat dollar amounts as follows:

Age in Years	Maximum Deductible Contributions (2004/2005)	Required Contribution for Self Employed (2004/2005)
Under 35	$13,934	$16,912
35 to 49	$38,702	$49,936
50 and over	$95,980	$126,307

The amounts are indexed annually on 1 July each year as advised by the Government.

WHEN DOES A TAX REBATE APPLY?

The previous 'tax rebate' that was available to low income earners who made personal contributions to superannuation has been replaced with the Government's co-contribution scheme. For personal contributions made from 1 July 2004, the maximum Government co-contribution has been increased from $1,000 in 2003/04 to $1,500 (to match a $1,000 personal contribution). This means that the Government will now pay $1.50 for every $1.00 of personal contributions, up to the co-contribution maximum.

The income* level up to which the maximum co-contribution applies is $28,000.

For incomes* above $28,000, the maximum co-contribution will now reduce by $0.05 for each $1.00 of income*, and phase out completely at $58,000.

**Income is assessable income and reportable fringe benefits.*

WHEN DOES THE SUPERANNUATION SURCHARGE APPLY?

The superannuation surcharge will apply where your adjusted taxable income is greater than the lower income surcharge threshold. This threshold for the 2004/2005 financial year is $99,710.

The surcharge will be applied to surchargeable contributions made to the Fund. Surchargeable contributions include any contribution made by your employer (including some or all of certain eligible termination payments from your employer) and personal contributions for which you are entitled to and have claimed a tax deduction.

The surcharge is increased by 1% for each $1,709 of adjusted taxable income earned in excess of $99,710. A maximum surcharge of 12.5% is payable if your adjusted taxable income is $121,075 or more. If the surcharge applies to you, the Trustee may reduce your cover or benefit.

If you do not provide your Tax File Number (TFN), the surcharge may be payable at the maximum rate regardless of adjusted taxable income. See page 15 for information relating to provision of Tax File Numbers.

Please note that from 1 July 2005, the maximum superannuation surcharge rate will be reduced to 10%.

IS THERE ANY TAX ON WITHDRAWAL?

Superannuation withdrawals (apart from withdrawals made by persons who hold a temporary visa and are permanently departing Australia – see below) are generally referred to as Eligible Termination Payments (ETPs). ETPs have a number of components, which are taxed differently on withdrawal. The various ETP components and their tax treatment are as follows:

Pre-July 1983 and Other Concessional Components

5% of these components are included in your assessable income and are taxed at your marginal rate plus the Medicare Levy. The remainder is not taxable.

Post-June 1983 Component

The tax treatment of this component depends on your age at the date of withdrawal and the amount withdrawn, as follows:

Your Age	Amount Taxed	Untaxed Rate	Taxed Rate
Under 55	All	30% plus Medicare Levy	20% plus Medicare Levy
55 and over	Up to $123,808*	15% plus Medicare Levy	Nil
55 and over	Over $123,808*	30% plus Medicare Levy	15% plus Medicare Levy

**This amount applies to the 2004/2005 financial year and will be increased in line with Average Weekly Ordinary Time Earnings (AWOTE) as at 1 July each year.*

The Medicare Levy applicable in the 2004/2005 financial year is 1.5%. You may pay a higher levy depending on your taxable income and whether or not you hold private patient hospital cover.

Undeducted Contributions

No tax is payable on this component.

Excessive Component

Amounts in excess of your Reasonable Benefit Limit (RBL) will be taxed at either the highest marginal tax rate, currently 47%, plus the Medicare Levy or 38% plus the Medicare Levy. For more information on RBLs refer to page 15.

Capital Gains Tax Exempt Component

No tax is payable on this component, provided it is within your RBL.

Post-June 1994 Invalidity Component

This component arises from the invalidity payment made after 30 June 1994.

An invalidity payment is an ETP made to a person whose employment is terminated early (i.e. before the date for normal retirement) because of invalidity.

To have a post-June 1994 invalidity component, you must obtain a certificate from two qualified Medical Practitioners stating that the invalidity is likely to result in you being unlikely to ever be employed in a capacity for which you are reasonably qualified because of education, training or experience.

This component is exempt from tax.

Post-30 June 1994 Bona Fide Redundancy or Early Retirement Scheme Payments

The first $6,194 plus $3,097 for each year of completed service is free of tax and cannot be rolled over. These amounts are for the year ending 30 June 2005 and will be indexed each year. The amount in excess of these limits is an ETP.

Withdrawals Made by Persons Holding an Eligible Temporary Residents Visa

Since 1 July 2002, people who have entered Australia on an eligible temporary residents visa, and who subsequently permanently depart Australia, are able to receive payment of any superannuation they have accumulated. The payment will be subject to special withholding tax, to be withheld by the Fund when making any payments.

These superannuation payments will be taxed as follows:

- Undeducted contributions and Post-June 1994 invalidity component - 0%
- Post-June 1983 untaxed element - 40%
- Remainder - 30%

Please note that that this concession does not apply to New Zealand citizens, who do not meet the eligibility criteria.

WHAT TAX IS PAYABLE ON DEATH BENEFITS?

Any death benefits paid will be assessed against the deceased member's Pension RBL.

If the benefit is within your Pension RBL:

- benefits paid to your dependants for tax purposes will be exempt from tax;
- payments to non-dependants including children who are 18 and over but are not financially dependent on you at the time of death will be taxed as an ETP except for the taxed element of the post 30 June 1983 component which will be taxed at the rate of 15% plus the Medicare Levy. Insurance benefits may be taxed up to 30% plus the Medicare Levy.

A dependant for tax purposes means your legal or de facto spouse, child under 18 years (including adopted child, step-child and ex-nuptial child), any person financially dependent on you on the date of death and a person with whom you have an interdependency relationship.

An interdependency relationship is defined as where two people (whether or not related by family):

- live together; and
- have a close personal relationship; and
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

An interdependency relationship can also exist where there is a close personal relationship between two people who do not satisfy all other criteria of interdependency because either or both of them suffer from a physical, intellectual or psychiatric disability.

Amounts in excess of your pension RBL will be taxed at the highest marginal tax rate (except for portion that represents the Post-June 1983 taxed component if not excessive which will be taxed at 38%), plus the Medicare Levy.

WHAT ARE THE SPOUSE CONTRIBUTION RULES?

The Government allows you to contribute to superannuation on behalf of your spouse and for your spouse to contribute to superannuation for you.

Under these rules, a spouse can make 'eligible spouse' contributions into a superannuation fund as long as the spouse for which contributions are being made (i.e. the receiving spouse) is either under age 65, or if they are aged from 65 to under age 70 they must have worked 40 hours in a consecutive 30 day period in the financial year that contributions were made.

An eligible spouse contribution is a superannuation contribution made in respect of a legal or de facto spouse to a superannuation fund.

Any spouse contributions made are subject to preservation which may mean that the benefit cannot be paid by the fund until the spouse meets a condition of release under applicable superannuation law.

SPOUSE CONTRIBUTION REBATE

Eligible spouses (married or defacto) who make superannuation contributions, may be entitled to a rebate of up to $540 per annum for superannuation contributions made providing the spouse in respect of whom they are made is on a low income or not working.

The rebate is generally equal to 18% of the eligible spouse contributions made, up to a maximum of $3,000. This limit reduces by $1 for every $1 of the receiving spouse's assessable income and reportable fringe benefits that exceed $10,800. No rebate is available if the spouse in respect of whom they are made has assessable income plus reportable fringe benefits of $13,800 or more.

It is your (the taxpayer's) responsibility to maintain a record of eligible spouse contributions made for the purpose of claiming the rebate.

WHAT ARE THE REASONABLE BENEFIT LIMITS (RBLs)?

The Government limits the amount you can withdraw from superannuation that will qualify for concessional tax treatment. This is known as your RBL.

If you withdraw your superannuation benefits as a lump sum you are entitled to receive up to $619,223 at concessional tax rates. If you elect to receive your superannuation benefits in the form of a complying pension you may qualify for the Pension RBL of $1,238,440.

The lump sum amount of $619,223 will be discounted by 2.5% for each year that you are less than 55 years of age.

These amounts will be indexed on 1 July each year in accordance with the changes in Average Weekly Ordinary Time Earnings (AWOTE). The present figures apply for the year ending 30 June 2005.

Higher RBL amounts may apply if you have established a transitional RBL. For more information on transitional RBLs, please contact your financial adviser or the Australian Taxation Office.

DO I NEED TO PROVIDE MY TAX FILE NUMBER?

Legislation allows your Tax File Number to be used for the following purposes:

- taxing withdrawals from the Fund at a concessional rate;
- assisting you to locate superannuation benefits particularly where you have interests in several funds accumulated over a long period of time;
- passing your Tax File Number to the Australian Tax Office if you receive a benefit or when you have reached aged pension age and have unclaimed superannuation money;
- passing your Tax File Number to a superannuation fund receiving any benefits being transferred; and
- compliance with Superannuation Surcharge arrangements.

The Trustee will request that you supply your Tax File Number. You are, however, under no obligation to provide your Tax File Number.

If you elect not to provide your Tax File Number, the following may apply:

- more tax may be payable on superannuation benefits and contributions than would otherwise apply (however you may be able to reclaim this amount from the Australian Tax Office); and
- it will be more difficult to locate superannuation benefits, particularly if you change jobs and addresses.

These statements concerning the taxation treatment of your benefits are general in nature, and are based on current law. It is important that you obtain your own independent tax advice, both when joining the Fund and in the future. It is important to note that as your circumstances change, so might the tax treatment of your contributions and any other payments made through the Fund.

SECTION 2
| TOWER protection policy |

The information contained in Section 2 relates to the TOWER Protection Policy issued by TOWER Australia Limited only.

CONTACT DETAILS

For any assistance please contact TOWER Australia Limited:

- Telephone 1800 226 364; or
- Facsimile 1800 654 946; or
- On our website **www.toweraustralia.com.au**; or
- At our postal address PO Box 142, Milsons Point, NSW 1565.

The contact details for each of TOWER Australia's state offices are found on the inside back cover of this document.

TERMS USED IN SECTION 2

Policy means the TOWER Protection Policy.

Plan means the product or products for which you have applied.

We, **us**, **our**, and TOWER mean TOWER Australia Limited.

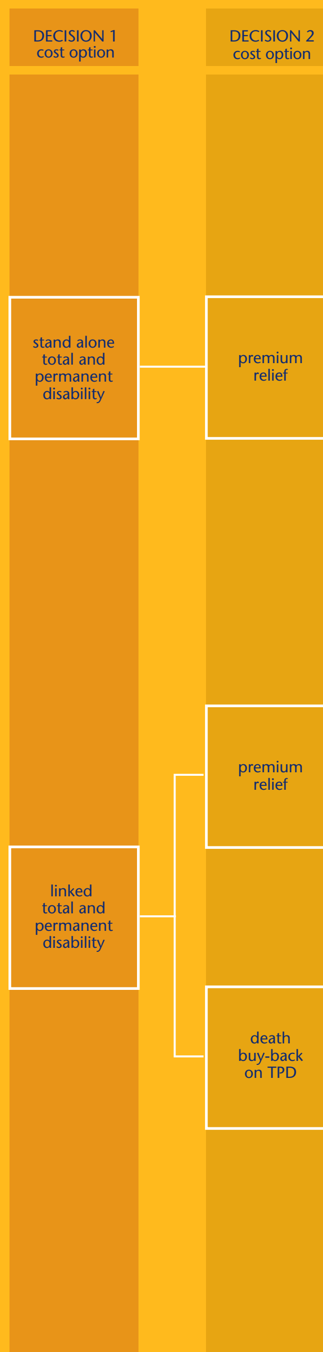
I, **my**, **you** and **your** mean the Policy owner.

If a term or word is defined in Section 2, it will be capitalised. You should consult the Policy Conditions referred to in each Plan to obtain the relevant meaning.

LIFE PROTECTION PLAN & TOTAL AND PERMANENT DISABILITY
| decision-making process |

This part of Section 2 sets out information relating to the Life Protection Plan and Total and Permanent Disability (TPD) including the following:

- Plan information relating to the Life Protection Plan and Total and Permanent Disability (see pages 18 to 19); and
- the Policy Conditions of the Life Protection Plan and Total and Permanent Disability (see pages 20 to 25).



PLAN OVERVIEW

This Plan Overview is only a brief description of the Life Protection Plan.

Full details and any conditions or applicable restrictions of the Life Protection Plan are outlined in the Policy Conditions.

The Life Protection Plan provides:

- a lump sum on the death of a life insured and/or
- a Total and Permanent Disability (TPD) benefit payable if the life insured becomes Totally and Permanently Disabled.

We may pay a lump sum in advance if a life insured is diagnosed with a Terminal Illness.

Insurance cover is provided 24 hours a day, worldwide, subject to normal Policy terms and conditions.

Standard benefits included in the Life Protection Plan are:

- Death Benefit
- Terminal Illness Benefit
- Premium Freeze Benefit
- Advanced Payment Benefit
- Guaranteed Personal Insurability Benefit
- Guaranteed Business Insurability Benefit

Optional benefits available at an extra cost are:

- Total and Permanent Disability (TPD)
- Premium Relief Option
- Death Buy-Back on TPD

Further details of these benefits can be found in the Policy Conditions section commencing on page 20.

The TPD benefit can be linked to your Life Protection Plan.

If you choose to take the TPD Benefit as a stand-alone Plan it will not include the Death or Terminal Illness Benefits.

WHO CAN APPLY?

If the life insured is between the ages of 16 next birthday and 70 next birthday, and you select stepped premiums you can apply for the Life Protection Plan.

If the life insured is between the ages of 16 next birthday and 60 next birthday, and you select stepped premiums you can apply for Total and Permanent Disability.

If the life insured is between the ages of 16 next birthday and 55 next birthday, and you select level premiums you can apply for Life Protection and the TPD benefit.

HOW MANY PEOPLE CAN APPLY?

Up to five people can be covered by the Life Protection Plan and any optional benefits under the Plan.

CAN MY POLICY BE SUPERANNUATION OWNED?

If you choose, your Life Protection Plan can be owned by the trustee of a complying superannuation fund. This means the trustee of your superannuation fund will become the Policy owner and you will become a member of the fund. Any benefits we pay will be paid to the trustee who will then pay such benefits in accordance with the governing rules of the superannuation fund.

If your Life Protection Plan is owned by a trustee of a superannuation fund there may be instances where a benefit is payable by us under the Policy but is withheld by the trustee due to superannuation law or the governing rules of the superannuation fund. This may mean that a payment to you may be delayed until a condition of release or another condition in the governing rules of the superannuation fund is satisfied. For more details of these arrangements, please contact your financial adviser or the trustee of your superannuation fund.

If you would like your life insurance to be held by the trustee of your superannuation fund you must:

- be eligible under superannuation law to make contributions to a superannuation fund; and
- complete the additional information included in our Application Form, attached to this PDS.

HOW MUCH CAN I APPLY FOR?

If you are applying for the Life Protection Plan you can nominate any financially justifiable amount as your sum insured.

If you are applying for the TPD benefit you can apply for up to $2,000,000. This is the maximum total allowed for your combined insurance contracts, whether they are with TOWER or with another organisation.

WILL MY COVER INCREASE WITH INFLATION?

Your Policy has a built-in Inflation Protection Benefit. This means that we will increase the Benefit Amount under your Policy by the greater of the Indexation Factor and 3%.

This increase will occur on each statement date unless:

- you tell us that the Inflation Protection Benefit is not to apply to your Policy; or
- premiums are being waived under the Premium Relief Option.

In the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the life insured's age and premium type, (ie. the stepped or level premium).

We will not take into account any changes in the life insured's health, occupation or pastimes.

The maximum amount that your Benefit Amount can be increased to under the Inflation Protection Benefit is:

- unlimited for the Life Protection Plan;
- $2,000,000 for TPD.

At the statement date prior to the life insured's 65th birthday, your TPD Benefit Amount when linked to the Life Protection Plan will be the lesser of:

- the amount shown in your latest Policy Schedule; and
- $1,000,000.

Increases under the Inflation Protection Benefit will cease on the earlier of the statement date prior to the life insured's 65th birthday or when you ask us not to increase the Benefit Amount.

HOW LONG WILL MY COVER LAST?

The Plan end date for the Life Protection Plan is the statement date prior to the life insured's 100th birthday.

Level premiums will end at the statement date prior to the life insured's 65th birthday and will revert to stepped premiums until the statement date prior to the life insured's 100th birthday.

Cover under the TPD Benefit when linked to the Life Protection Plan will end at the statement date prior to the life insured's 100th birthday.

The definition of TPD changes at the statement date prior to the life insured's 65th birthday to Loss of Independent Existence.

Cover under stand-alone TPD will end at the statement date prior to the life insured's 65th birthday.

Cover under the Life Protection Plan will cease upon the death of the life insured.

IS THERE A COOLING OFF PERIOD?

After you receive notification from us that your application for the Life Protection Plan has been accepted on standard terms, or you accept any non-standard terms offered to you, you have 28 days to check that the Life Protection Plan meets your needs.

This is known as the cooling off period. Within this time you may send us a request in writing asking us to cancel the Life Protection Plan. You will then receive a full refund of all premiums paid and no charges will apply.

The only conditions in the cooling off period are as follows:

- if notice of acceptance was sent to you by post it will be deemed to have been received by you at the time it would have been delivered in the ordinary course of the post; and
- no refund can be made if a claim has been made under your Life Protection Plan.

BENEFITS

Death Benefit

When the life insured dies, the Benefit Amount will be paid, providing the benefit is current.

Terminal Illness Benefit

When the life insured is diagnosed as Terminally Ill, the Benefit Amount will be paid to a maximum amount of $2,000,000, providing the Death Benefit is current.

If the Terminal Illness Benefit paid equals the full Benefit Amount, the Life Protection Plan will cease.

If the Terminal Illness Benefit paid is less than the full Benefit Amount:

- the full Benefit Amount will be reduced by the Terminal Illness Benefit paid;
- premiums will be payable based on the reduced Benefit Amount; and
- the reduced Benefit Amount will be paid when the life insured dies.

Premium Freeze Benefit

If a premium is paid as a stepped premium and the life insured is older than age 45, the Premium Freeze Benefit can be activated.

Under the Premium Freeze Benefit the Benefit Amount of the Life Protection Plan and the Total and Permanent Disability Benefit, if applicable, will reduce in order to keep the premium amount level. The new Benefit Amount will be that which can be purchased by the frozen premium. Therefore, where premiums would have otherwise increased in order to maintain the same level of cover, premiums will remain level, however there will be a corresponding reduction in cover.

When the Premium Freeze Benefit is activated, the Inflation Protection Benefit will not apply. If you stop using the Premium Freeze Benefit within three years of it starting, the Inflation Protection Benefit will recommence if it was applicable prior to the Premium Freeze Benefit being activated.

Advanced Payment Benefit

The Advanced Payment Benefit is an advance payment of $10,000 from the Death Benefit Amount. The Advanced Payment Benefit will be paid when the death certificate of the life insured is provided to TOWER.

The benefit will be paid to the person who will receive the Death Benefit Amount on the death of the life insured.

Any payment of the Advanced Payment Benefit will reduce the Death Benefit Amount.

The following conditions apply:

- there will be no payment of the Advanced Payment Benefit in the first year of commencement, or reinstatement of the Life Protection Plan if death was the result of suicide; and
- the Advanced Payment Benefit may not apply in the first three years if the life insured’s death was not the result of an Accident. Thereafter, the benefit will apply regardless of the cause of death.

Payment of the Advanced Payment Benefit does not mean any admission or acceptance of any claim or liability regarding current or future payments under the Life Protection Plan.

Should our claims assessment find that the Death Benefit Amount will not be paid due to a breach of the life insured's Duty of Disclosure, we will require repayment of the Advanced Payment Benefit Amount.

Guaranteed Personal Insurability Benefit

Under the Guaranteed Personal Insurability Benefit, you can increase the Benefit Amount of the Life Protection Plan and TPD Benefit, subject to:

- an application for an increase being made within 30 days of an Allowable Event (as described on the following page);
- the life insured being less than age 55 at the time of an Allowable Event;
- the increase being up to the lesser of:
  - 25% of the original Benefit Amount,
  - $200,000,
  - five times the annual amount of salary increase, or
  - the amount of mortgage being taken out or increased;
- total death cover on the life insured, (including the cover with TOWER and any other organisation) being less than $3,000,000;

- total TPD cover on the life insured (including the cover with TOWER and any other organisation) being less than $2,000,000; and
- evidence, satisfactory to us, of the Allowable Event, being provided.

Using this benefit, the maximum amount by which you can increase the sum insured is the lower of:

- the original sum insured; or
- $1,000,000,

subject to total cover not exceeding $3,000,000 for death and $2,000,000 for TPD.

If TPD Benefits are attached to the Life Protection Plan, the TPD cover cannot exceed the death cover.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Policy Conditions and will take into account any extra premiums charged, and special provisions that apply to, the Life Protection Plan or TPD Benefit (if applicable).

If cover increases as a result of the Guaranteed Personal Insurability, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- the birth of a child where the life insured is a parent;
- the adoption of a child by the life insured;
- a dependent child of the life insured starts secondary school;
- marriage of the life insured;
- a change in employment status of the life insured where the life insured's salary increases by at least $10,000 a year; and
- taking out, or increasing, a mortgage by the life insured (either alone or jointly with another person) on the purchase of a home which is the primary residence of the life insured.

During the first six months after exercising the Guaranteed Personal Insurability Benefit, the increased portion of the sum insured will only be paid in the event of the life insured suffering:

- Accidental Death, or
- Total and Permanent Disability that is caused by Accident (if the TPD option has been selected).

The Guaranteed Personal Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

Guaranteed Business Insurability Benefit

Under the Guaranteed Business Insurability Benefit, you can increase the Benefit Amount of the Life Protection Plan, and TPD Benefit, subject to:

- our receipt of acceptable supporting financial evidence;
- the life insured being less than age 55 at the time of an Allowable Event (as described on the following page);
- the increase being up to the lesser of:
  - 25% of the original Benefit Amount,
  - $200,000,
  - five times the average of the last three years consecutive annual increases in the insured person’s annual remuneration package, or
  - the increased amount in the person’s financial interest in the business;
- total death cover on the life insured, (including the cover with TOWER and any other organisation), being less than $3,000,000; and
- total TPD cover on the life insured (including the cover with TOWER and any other organisation) being less than $2,000,000.

Using this benefit, the maximum amount by which you can increase the sum insured is the lower of:

- the original sum insured; or
- $1,000,000,

subject to total cover not exceeding $3,000,000 for death and $2,000,000 for TPD.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Policy Conditions and will take into account any extra premiums charged, and special provisions that apply to the Life Protection Plan, and the TPD Benefit (if applicable).

If cover increases as a result of the Guaranteed Business Insurability Benefit, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- an increase in the insured person's value to the business, where the insured person is a key person in that business;
- an increase in the insured person's financial interest in the business, whether as a partner, shareholder or unit holder, and the Policy forms part of a buy-sell, share purchase or business succession agreement; or
- an increase in the loan liability of the business, and for which the life insured is the primary guarantor.

During the first six months after exercising the Guaranteed Business Insurability Benefit, the increased portion of the sum insured will only be paid in the event of the life insured suffering:

- Accidental Death, or
- TPD that is caused by Accident (if the TPD Benefit has been selected).

The Guaranteed Business Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

BENEFIT OPTIONS AT ADDITIONAL COST

The benefit options listed below only apply if indicated in your Policy Certificate.

Total and Permanent Disability (TPD) Benefit

The TPD Benefit is payable if the life insured becomes Totally and Permanently Disabled while the benefit is current. The benefit is paid immediately upon any one of the three definitions of TPD being satisfied.

If you choose the TPD Benefit as an option attached to the Life Protection Plan, when a TPD Benefit is paid, the following will apply:

- the Death Benefit Amount will be reduced by the TPD Benefit paid;
- the TPD Benefit will be reduced by any Terminal Illness Benefit paid; and
- premiums will be payable based on the reduced Benefit Amount.

If the TPD Benefit is selected as a stand-alone benefit in respect of the life insured;

- any current Death Benefit will not be reduced after a TPD Benefit is paid; and
- the TPD Benefit will not be reduced if a Terminal Illness Benefit is paid.

Premium Relief Option

Under the Premium Relief Option, premiums due under the Life Protection Plan and any benefit options attached to it will be waived when, as a result of Sickness or Injury, the life insured is:

- totally unable to work in any occupation suited by training, education or experience;
- not producing an income; and
- following the advice of a Medical Practitioner,

for three consecutive months.

The premium waived will be the daily proportion of premiums due under the Life Protection Plan.

The Premium Relief Option will stop on the earlier of:

- the life insured returning to work;
- the life insured earning an income; or
- the statement date prior to the life insured's 65th birthday.

Death Buy-Back on TPD

The Death Buy-Back option is not provided if you have selected TPD cover on a stand-alone basis.

Under the Death Buy-Back option you can purchase death cover on the life insured under the Life Protection Plan or, if the Life Protection Plan is not available, the term insurance Policy which replaces it. The Death Buy-Back

option can be exercised without having to provide evidence of health, occupation or pursuits.

The Death Buy-Back option is able to be exercised after a TPD Benefit has been paid. The amount of cover that you may purchase is the amount of the TPD Benefit.

You must notify us of your intention to exercise the Death Buy-Back option within 30 days of the 12 month anniversary of the full Benefit Amount having been paid under the TPD Benefit.

The Death Buy-Back option will expire if not exercised before the earlier of:

- 30 days after its due date, which is 12 months after the Benefit Amount under the TPD Benefit has been paid; or
- the 65th birthday of the life insured.

The premium for the repurchased death cover will be based on our standard premium rates for the age of the life insured at the time the option is exercised and will take into account any extra premiums charged, and special provisions that apply to, the TPD Benefit.

The repurchased death cover will not be eligible for increases under the Inflation Protection Benefit.

PLAN EXCLUSIONS

No payments will be made under the Life Protection Plan if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured within 13 months of:

- the Plan start date;
- the date of an applied-for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate either the Plan or Policy.

We will waive the above exclusion if, immediately prior to the commencement of cover, you had death cover which was current for at least 13 consecutive months (without lapsing and/or reinstatement) with TOWER or another insurer, and you have transferred the death cover to the Life Protection Plan. The waiver will only apply up to the level of cover you had with TOWER or the other insurer. Should you reinstate your cover at anytime, this exclusion will recommence from the date of reinstatement.

No premiums will be waived under the Premium Relief Option if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war;
- an intentional, self-inflicted act by the life insured;
- pregnancy, unless disability continues for longer than three months after the pregnancy ends, in which case disability will be considered to have started at the date the pregnancy ends.

No payments will be made under the TPD Benefit if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war; or
- an intentional, self-inflicted act by the life insured.

Total and Permanent Disability occurring while a prisoner of war or missing in action, will be considered a result of war or an act of war.

Total and Permanent Disability caused by war or an act of war at anytime is excluded, even if the Total and Permanent Disability manifests itself after the war or an act of war.

War or an act of war means armed aggression, whether declared or not, by a country or organisation, resisted by any other country or international organisation.

PLAN ADJUSTMENTS

When the Policy Certificate indicates that the TPD Benefit is attached to the Life Protection Plan:

- payments under the TPD Benefit will reduce the Life Protection Plan Benefit Amount by the amount paid; and
- payments under the Terminal Illness Benefit will reduce the TPD Benefit Amount by the amount paid.

POLICY DEFINITIONS FOR LPP

Accident or Accidental means an accident caused wholly by violent, accidental, external and visible means.

Activities of Daily Living are:

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

Benefit Amount means the amount shown in the Policy Certificate for the Life Protection Plan, Total and Permanent Disability or benefit option after taking into account increases or reductions, which apply:

- under the conditions of the Plan or option; or
- in line with a request by you that is agreed to by us.

Immediate Family Member means spouse, partner, de facto, children, parents and siblings.

Indexation Factor is the percentage change in the Consumer Price Index (Weighted Average All Capital Cities) as last published by the Australian Bureau of Statistics in respect of the 12 month period finishing on 30 September. It will be determined at 30 November each year and applied, where indicated, for the following year. If it is not published by 30 November, the Indexation Factor will be calculated based upon a retail price index which we consider replaces it.

If the percentage change in the Consumer Price Index, or any substitute for it, is negative, the Indexation Factor will be taken as zero.

Injury means an accidental bodily injury suffered by the life insured.

Loss of Independent Existence means Significant Cognitive Impairment, or the total and irrecoverable loss of ability, due to Sickness or Injury, to perform at least two of the Activities of Daily Living without the physical assistance of another person.

Medical Practitioner means a person who is legally qualified and registered as a Medical Practitioner, other than:

- you or the life insured;
- a business partner of you or the life insured; or
- an Immediate Family Member of you or the life insured.

If practising other than in Australia, the Medical Practitioner must be approved by us and have qualifications equivalent to Australian standards.

NOTE: Chiropractors, physiotherapists and alternative therapy providers are not regarded as Medical Practitioners.

Own Occupation is the occupation in which the life insured was working immediately prior to the Sickness or Injury causing disability, unless the life insured:

- was working in that occupation for less than 10 hours a week; or
- had been employed in that occupation for less than three months; or
- 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.

Sickness means an illness or disease suffered by the life insured, and is diagnosed by a Medical Practitioner.

Significant Cognitive Impairment means a deterioration or loss of intellectual capacity that results in a requirement for a full time permanent caregiver.

Terminally Ill and **Terminal Illness** means an illness or condition where, after having regard to the current treatment or such treatment as the life insured may reasonably be expected to receive, the life insured will not survive more than 12 months.

Total and Permanent Disability and **Totally and Permanently Disabled** mean that:

- solely because of a Sickness or Injury, the life insured has not been in an occupation for six consecutive months, and a Medical Practitioner has determined that the life insured is unable to ever work in their Own Occupation and any occupation for which the life insured is 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.

On the statement date prior to the life insured's' 65th birthday, 'Total and Permanent Disability', and 'Totally and Permanently Disabled' mean that, solely because of a Sickness or Injury, 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.

When '**Own Occupation**' is shown in the Policy Certificate, the reference above to 'their Own Occupation and any occupation for which the life insured is reasonably suited by training, education or experience' will be replaced by 'the life insured's Own Occupation'.

When the life insured is classed as a homemaker, Total and Permanent Disability means that:

- the life insured is wholly engaged in full time unpaid domestic duties in their own residence; and
- soley because of Sickness or Injury the life insured has been unable to perform unpaid domestic duties and not been in any occupation for six consecutive months, and at the time of claim is unable to ever engage in full-time domestic duties or any occupation for which the life insured is reasonably suited by training, education or experience.

CRISIS PROTECTION PLAN
| decision-making process |

This part of Section 2 sets out information relating to the Crisis Protection Plan including the following:

- Plan information relating to the Crisis Protection Plan (see pages 27 to 28); and
- the Policy Conditions of the Crisis Protection Plan (see pages 29 to 39).

CRISIS PROTECTION PLAN

| plan information |

PLAN OVERVIEW

This Plan Overview is only a brief description of the Crisis Protection Plan.

Full details and any conditions or applicable restrictions of the Crisis Protection Plan are outlined in the Policy Conditions.

The Crisis Protection Plan pays you a lump sum if the life insured suffers from one of the Insured Events.

Death and Terminal Illness cover of an equal amount is automatically included, but can be excluded if you prefer. If you choose not to include Death and Terminal Illness, your cover will be referred to as the stand-alone Crisis Protection Plan.

Insurance cover is provided 24 hours a day, worldwide, subject to the normal Policy terms and conditions.

Standard benefits included in the Crisis Protection Plan are:

- 34 Insured Events
- Death and Terminal Illness
- Advancement Benefit
- Paralysis Support Benefit
- Premium Freeze Benefit
- Death Buy-Back Benefit
- Guaranteed Personal Insurability Benefit
- Guaranteed Business Insurability Benefit

Optional benefits available at an extra cost are:

- Premium Relief Option
- Child's Crisis Option
- Total and Permanent Disability Option

Further details of these benefits can be found in the Policy Conditions section commencing on page 29.

Where death cover is included we will:

- include the Death Buy-Back Benefit at no additional cost;
- pay you a lump sum if a life insured is diagnosed with one of the Insured Events or the life insured dies;
- reduce your Death Benefit by any Crisis Benefit paid; and
- pay the lump sum in advance if a life insured is diagnosed with a Terminal Illness.

WHO CAN APPLY?

If the life insured is between the ages of 16 next birthday and 60 next birthday, and you select stepped premiums you can apply for the Crisis Protection Plan.

If the life insured is between the ages of 16 next birthday and 55 next birthday, and you select level premiums you can apply for the Crisis Protection Plan.

Children between the ages of three next birthday and 15 next birthday, are eligible for the Child's Crisis Option.

HOW MANY PEOPLE CAN APPLY?

Up to five people can be covered by the Crisis Protection Plan and any optional benefits under the Plan.

HOW MUCH CAN I APPLY FOR?

If you are applying for the Crisis Protection Plan you can apply for up to $1,500,000 for each life insured. This maximum also applies to the Death and Terminal Illness cover.

This is the maximum amount allowed for all crisis insurance contracts, whether they are with TOWER or with another organisation.

If you are applying for the Child's Crisis Option you can apply for $50,000 or $100,000 per child. This amount cannot be higher than the cover for the child's parent or guardian.

WILL MY COVER INCREASE WITH INFLATION?

Your Policy has a built-in Inflation Protection Benefit. This means that we will increase the Benefit Amount under your Policy by the greater of the Indexation Factor and 3%.

This increase will occur on each statement date unless:

- you tell us that the Inflation Protection Benefit is not to apply to your Policy; or
- premiums are being waived under the Premium Relief Option.

In the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the life insured's age and premium type, (i.e. stepped or level premium).

We will not take into account any changes in the life insured's health, occupation or pastimes.

The maximum amount that your benefit can be increased to under the Inflation Protection Benefit is $1,500,000.

Increases under the Inflation Protection Benefit will cease on the earlier of the statement date prior to the life insured's 65th birthday or when you ask us not to increase the Benefit Amount.

The Inflation Protection Benefit will not apply to the Child's Crisis Option.

HOW LONG WILL MY COVER LAST?

The Crisis Protection Plan end date is the statement date prior to the life insured's 100th birthday for Death, Terminal Illness or Loss of Independent Existence.

Cover for all other insured events will last until the statement date prior to the life insured's 70th birthday, except for the Total and Permanent Disability (TPD) Option which will cease at the statement date prior to the life insured's 65th birthday.

All benefits under the stand-alone Crisis Protection Plan will cease at the statement date prior to the life insured's 70th birthday.

Level premiums will end at the statement date prior to the life insured's 65th birthday and revert to stepped premiums until the statement date prior to the life insured's 100th birthday.

Cover under the Child's Crisis Option will last until the statement date prior to the child's 19th birthday.

Cover under both the Crisis Protection Plan and the Child's Crisis Option will cease upon the death of the life insured.

IS THERE A COOLING OFF PERIOD?

After you receive notification from us that your application for the Crisis Protection Plan has been accepted on standard terms, or you accept any non-standard terms offered to you, you have 28 days to check that the Crisis Protection Plan meets your needs.

This is known as the cooling off period. Within this time you may send us a request in writing asking us to cancel the Crisis Protection Plan. You will then receive a full refund of all premiums paid and no charges will apply.

The only conditions in the cooling off period are as follows:

- if notice of acceptance was sent to you by post it will be deemed to have been received by you at the time it would have been delivered in the ordinary course of the post; and
- no refund can be made if a claim has been made under your Crisis Protection Plan.

POLICY CONDITIONS
| crisis protection plan (CPP) |

BENEFITS

Crisis Benefit

When the life insured suffers an Insured Event, the Benefit Amount will be paid, provided the benefit is current.

In the case of Angioplasty, the amount to be paid is reduced to 25% of the Benefit Amount to a maximum payment of $25,000, unless a benefit is payable under Triple Vessel Angioplasty.

If the life insured suffers more than one Insured Event, the Benefit Amount is only payable for the first occurring Insured Event (unless the first to occur is Angioplasty). If Angioplasty is the first Insured Event to occur, the remaining Benefit Amount will be paid when the life insured suffers another Insured Event.

If the Death and Terminal Illness benefits are taken with the Crisis Benefit, any Crisis Benefit payment will reduce the Death Benefit by the amount paid.

Insured Events are:

- **Heart conditions**
  - Angioplasty*;
  - Aortic Surgery;
  - Cardiomyopathy;
  - Coronary Artery Bypass Surgery*;
  - Heart Attack*;
  - Heart Valve Surgery*;
  - Primary Pulmonary Hypertension, or
  - Triple Vessel Angioplasty*.
- **Neurological conditions**
  - Dementia;
  - Encephalitis and Meningitis
  - Motor Neurone Disease;
  - Multiple Sclerosis;
  - Muscular Dystrophy;
  - Paralysis;
  - Parkinson's Disease; or
  - Stroke*.
- **Blood disorders**
  - Aplastic Anaemia;
  - Medically Acquired HIV; or
  - Occupationally Acquired HIV.
- **Cancer**
  - Cancer*; or
  - Benign Brain Tumour.
- **Permanent conditions**
  - Loss of Independent Existence;
  - Loss of Limbs; or
  - Loss of Limbs and Sight.
- **Organ disorders**
  - Blindness;
  - Chronic Kidney Failure;
  - Chronic Liver Failure;
  - Chronic Lung Failure;
  - Coma;
  - Loss of Hearing;
  - Loss of Speech;
  - Major Head Trauma;
  - Major Organ Transplant; or
  - Severe Burns.

* In the case of these events, if the condition occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, within three months after:

- the Plan start date;
- the date of an applied for increase but only in respect of the increase; or
- the most recent date that we have agreed to reinstate either the Plan or Policy,

then no benefit will be paid.

Death Benefit

When the life insured dies, the Benefit Amount will be paid providing the Death Benefit is current.

Terminal Illness Benefit

When the life insured is diagnosed as Terminally Ill, the Benefit Amount will be paid providing the Death Benefit is current.

Because the Terminal Illness Benefit Amount paid to the life insured is equal to the full Benefit Amount, the Crisis Protection Plan will cease.

Advancement Benefit

The Advancement Benefit will be paid when the life insured is diagnosed by a Medical Practitioner as suffering from:

- Motor Neurone Disease;
- Multiple Sclerosis;
- Muscular Dystrophy;
- Parkinson's Disease; or
- Primary Pulmonary Hypertension.

For the purposes of the Advancement Benefit only, these conditions have their normal medical meaning rather than the meaning defined in the Insured Event definitions referred to at page 36 of the Policy Conditions.

The Advancement Benefit will also be paid if the life insured has been placed on a waiting list to receive a major organ transplant and that procedure is unrelated to any previous procedure or surgery undergone by the life insured.

The amount to be paid will be 25% of the Benefit Amount, to a maximum payment of $25,000. Only one Advancement Benefit will be paid in respect of the life insured.

Paralysis Support Benefit

If the life insured becomes paralysed, the Crisis Protection Plan benefit payment will be the lesser of:

- two times the Benefit Amount; and
- $1,000,000.

If the Crisis Protection Plan Benefit Amount is greater than $1,000,000, the Paralysis Support Benefit will not apply and the amount payable in the event of Paralysis will be the Benefit Amount.

Premium Freeze Benefit

If a premium is paid as a stepped premium and the life insured is older than age 45, the Premium Freeze Benefit can be activated.

Under the Premium Freeze Benefit, the Benefit Amount of the Crisis Protection Plan will reduce as the premium rates increase. The new Benefit Amount will be that which can be purchased by the frozen premium. Therefore, where premiums would have otherwise increased in order to maintain the same level of cover, premiums will remain level, however there will be a corresponding reduction in cover.

When the Premium Freeze Benefit is activated, the Inflation Protection Benefit will not apply. If you stop using the Premium Freeze Benefit within three years of it starting, the Inflation Protection Benefit will recommence if it was applicable prior to the Premium Freeze Benefit being activated.

Death Buy-Back Benefit

The Death Buy-Back Benefit is not provided if you have selected the stand-alone Crisis Protection Plan.

Under the Death Buy-Back Benefit you can purchase death cover on the life insured under the Life Protection Plan or, if the Life Protection Plan is not available, the term insurance Policy which replaces it. The Death Buy-Back Benefit can be exercised without having to provide evidence of health, occupation or pursuits.

This benefit is able to be exercised after a full Crisis Benefit or Total and Permanent Disability (TPD) Benefit (if applicable) has been paid which reduces your cover to zero. The amount of cover you may purchase is the Crisis Protection Plan Benefit Amount paid.

You must notify us of your intention to exercise the Death Buy-Back Benefit within 30 days of the 12 month anniversary of the full Benefit Amount having been paid under the Crisis Protection Plan.

The Death Buy-Back Benefit will expire if not exercised before the earlier of:

- 30 days after its due date, which is 12 months after the full Benefit Amount under the Crisis Benefit or TPD Benefit (if applicable) has been paid; or
- the 70th birthday of the life insured.

The premium for the repurchased death cover will be based on our standard premium rates for the age of the life insured at the time the option is exercised and will take into account any extra premiums charged, and special provisions that apply to the Crisis Protection Plan.

The repurchased death cover will not be eligible for increases under the Inflation Protection Benefit.

Guaranteed Personal Insurability Benefit

Under the Guaranteed Personal Insurability Benefit, you can increase the Benefit Amount of the Crisis Protection Plan, subject to:

- application for an increase being made within 30 days of an Allowable Event (as described below);
- the life insured being less than age 55 at the time of an Allowable Event;
- the increase being up to the lesser of:
  - 25% of the original Benefit Amount;
  - $200,000;
  - five times the annual amount of salary increase; or
  - the amount of mortgage being taken out or increased;
- total crisis cover on the life insured, (including the cover with TOWER and any other organisation), being less than $1,500,000, and
- evidence, satisfactory to us, of the Allowable Event, being provided.

Using this Benefit, the maximum amount by which you can increase the sum is the lower of:

- the original sum insured; or
- $1,000,000,

subject to total crisis cover not exceeding $1,500,000.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Policy Conditions and will take into account any extra premiums charged, and special provisions that apply to the Crisis Protection Plan.

If cover increases as a result of Guaranteed Personal Insurability, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- the birth of a child where the life insured is a parent;
- the adoption of a child by the life insured;
- a dependent child of the life insured starts secondary school;
- marriage of the life insured;
- a change in employment status of the life insured where the life insured's salary increases by at least $10,000 a year; and
- taking out, or increasing, a mortgage by the life insured (either alone or jointly with another person) on the purchase of a home which is the primary residence of the insured.

During the first six months after exercising the Guaranteed Personal Insurability Benefit, the increased portion of the sum insured will only be paid in the event of the life insured suffering any of the listed Crisis Protection Plan events that are caused by Accident.

The Guaranteed Personal Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

Guaranteed Business Insurability Benefit

Under the Guaranteed Business Insurability Benefit, you can increase the Benefit Amount of the Crisis Protection Plan subject to:

- our receipt of acceptable supporting financial evidence;
- the life insured being less than age 55 at the time of the Allowable Event (as described on the following page);
- the increase being up to the lesser of:
  - 25% of the original Benefit Amount;
  - $200,000;
  - five times the average of the last three years consecutive annual increases in the insured person's annual remuneration package; or
  - the increased amount in the person's financial interest in the business, and
- total crisis cover on the life insured, (including the cover with TOWER and any other organisation), being less than $1,500,000.

Using this benefit, the maximum amount by which you can increase the sum insured is the lower of:

- the original sum insured; or
- $1,000,000,

subject to total crisis cover not exceeding $1,500,000.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Policy Conditions and will take into account any extra premiums charged, and special provisions that apply to the Crisis Protection Plan.

If cover increases as a result of Guaranteed Business Insurability, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- an increase in the insured person's value to the business, where the insured person is a key person in that business;
- an increase in the insured person's financial interest in the business, whether as a partner, shareholder or unit holder, and the Policy forms part of a buy-sell, share purchase or business succession agreement; or
- an increase in the loan liability of the business, for which the life insured is the primary guarantor.

During the first six months after exercising the Guaranteed Business Insurability Benefit, the increased portion of the sum insured will only be paid in the event of the life insured suffering any of the listed Crisis Protection Plan events that are caused by Accident.

The Guaranteed Business Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

BENEFIT OPTIONS AT ADDITIONAL COST

Benefit options listed below only apply if indicated in your Policy Certificate.

Premium Relief Option

Under the Premium Relief Option, premiums due under the Crisis Protection Plan and any benefit options attached to it will be waived when, as a result of Sickness or Injury, the life insured is:

- totally unable to work in any occupation suited by training, education or experience;
- not producing an income; and
- following the advice of a Medical Practitioner,

for three consecutive months.

The premium waived will be the daily proportion of premiums due under the Crisis Protection Plan.

The Premium Relief Option will stop on the earlier of:

- the life insured returning to work;
- the life insured earning an income; or
- the statement date prior to the life insured's 65th birthday

Child's Crisis Option

The Child's Crisis Option Benefit Amount will be paid when an insured child suffers an Insured Event under the Child's Crisis Option as described below.

If an insured child suffers more than one Insured Event, the Benefit Amount is only paid for the Insured Event which occurs first.

Payment will be made to the Trustee of the TOWER Children's Critical Illness Trust and will be subject to the terms of the governing rules of that Trust.

This Trust has been created for the benefit of children who may be entitled to a benefit under the Child's Crisis Option.

Insured Events under the Child's Crisis Option are:

- Death;
- Terminal Illness;
- Aplastic Anaemia;
- Benign Brain Tumour;

- Blindness;
- Cancer;
- Cardiomyopathy;
- Chronic Kidney Failure;
- Coma;
- Encephalitis and Meningitis;
- Loss of Hearing;
- Loss of Limbs;
- Loss of Limbs and Sight;
- Loss of Speech;
- Major Head Trauma;
- Major Organ Transplant;
- Paralysis (the Paralysis Support Benefit will not apply);
- Severe Burns;
- Stroke; and
- Subacute Sclerosing Panencephalitis.

Grief Counselling is available to the immediate family members of the insured child to assist them to come to terms with their reaction to grief which arises from the death of, or other traumatic event occurring to the child. We will reimburse the costs of the initial consultation up to a maximum of $200. The consultation must be with an independent, qualified counselling organisation.

On expiry of the Crisis Protection Plan, all cover provided under the Child's Crisis Option will cease.

Total and Permanent Disability Option (TPD Option)

Under the TPD Option we will pay the Benefit Amount when the life insured is Totally and Permanently Disabled. Please see the definition of Total and Permanent Disability in the Policy Conditions on page 35.

The TPD Option will stop on the statement date prior to the life insured's 65th birthday.

PLAN EXCLUSIONS

No payments will be made under the Death Benefit or Terminal Illness Benefit if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured within 13 months of:

- the Plan start date;
- the date of an applied-for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate either the Plan or Policy.

We will waive the above exclusion if, immediately prior to the commencement of cover, you had death cover which was current for at least 13 consecutive months (without lapsing and/or reinstatement) with TOWER or another insurer, and you have transferred the Death Benefit to the Crisis Protection Plan. The waiver will only apply up to the level of cover you had with TOWER or the other insurer. Should you reinstate your cover at anytime, this exclusion will recommence from the date of reinstatement.

No payments will be made under the Crisis Benefit:

- if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured; or
- in the case of Angioplasty, Coronary Artery Bypass Surgery, Cancer, Heart Attack, Heart Valve Surgery, Triple Vessel Angioplasty or Stroke, if the condition occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, within three months after:
  - the Plan start date;
  - the date of an applied for increase but only in respect of the increase; or
  - the most recent date we agreed to reinstate either the Plan or Policy.

We will waive this three month period if, immediately prior to the commencement of cover, TOWER or another insurer covered you for the same specified crisis Insured Events and you have transferred your crisis cover to the Crisis Protection Plan (and you were not within TOWER's or the other insurer's three month period). The waiver will only apply up to the level of crisis cover that you had with TOWER or the other insurer. Should you reinstate your cover at any time, the three month period will recommence from the date of reinstatement.

If the Death Benefit and Terminal Illness Benefit are not included, no payments will be made under the Crisis Benefit unless the life insured survives an Insured Event for at least 14 days.

No payments will be made under the Premium Relief Option if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war;
- an intentional, self-inflicted act by the life insured;
- pregnancy, unless disability continues for longer than three months after the pregnancy ends, in which case disability will be considered to have started at the date the pregnancy ends.

No payments will be made under the TPD option if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war; or
- an intentional, self-inflicted act by the life insured.

Total and Permanent Disability occurring while a prisoner of war or missing in action, will be considered a result of war or an act of war.

Total and Permanent Disability caused by war or an act of war at any time is excluded, even if the Total and Permanent Disability manifests itself after the war or an act of war.

War or an act of war means armed aggression, whether declared or not, by a country or organisation, resisted by any other country or international organisation.

Under the Child's Crisis Option no payments will be made for Cancer or Stroke if that event occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, within three months after:

- the Plan or option start date;
- the date of an applied for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate either the Plan or Policy.

No payments will be made under the Child's Crisis Option if the Insured Event is caused directly or indirectly by the intentional act of a person who stands to derive a benefit from the claim payment.

PLAN ADJUSTMENTS

The Benefit Amount will be reduced by payments under:

- the Advancement Benefit;
- the Insured Event, Angioplasty;
- the Paralysis Support Benefit;
- any other similar policies which we were not told about at the time of application; or
- any other similar policies you told us would be cancelled upon acceptance of the Crisis Protection Plan.

POLICY DEFINITIONS FOR CPP

Accident or Accidental means an accident caused wholly by violent, accidental, external and visible means.

Activities of Daily Living are;

- Bathing - the ability to shower and bathe;
- Dressing - the ability to put on and take off clothing;
- Toileting - the ability to get on and off, and use, the toilet;
- Mobility - the ability to get in and out of bed and a chair;
- Feeding - the ability to get food from a plate into the mouth.

Benefit Amount means the amount shown in the Policy Certificate for the Crisis Protection Plan or benefit option after taking into account increases or reductions, applying:

- under the conditions of the Plan or option; or
- in line with a request by you that is agreed to by us.

Immediate Family Member means spouse, partner, de facto, children, parents and siblings.

Indexation Factor is the percentage change in the Consumer Price Index (Weighted Average All Capital Cities) as last published by the Australian Bureau of Statistics in respect of the 12 month period finishing on 30 September. It will be determined at 30 November each year and applied, where indicated, for the following year. If it is not published by 30 November, the Indexation Factor will be calculated based upon a retail price index which we consider replaces it.

If the percentage change in the Consumer Price Index, or any substitute for it, is negative, the Indexation Factor will be taken as zero.

Injury means an accidental bodily injury suffered by the life insured.

Medical Practitioner means a person who is legally qualified and registered as a Medical Practitioner, other than:

- you or the life insured;
- a business partner of you or the life insured; or
- an Immediate Family Member of you or the life insured.

If practising other than in Australia, the Medical Practitioner must be approved by us and have qualifications equivalent to Australian standards.

NOTE: Chiropractors, physiotherapists and alternative therapy providers are not regarded as Medical Practitioners.

Own Occupation is the occupation in which the life insured was working immediately prior to the Sickness or Injury causing disability, unless the life insured:

- was working in that occupation for less than 10 hours a week; or
- had been employed in that occupation for less than three months; or
- 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.

Sickness means an illness or disease suffered by the life insured, and is diagnosed by a Medical Practitioner.

Significant Cognitive Impairment means a deterioration or loss of intellectual capacity that results in a requirement for a full time permanent caregiver.

Terminally Ill and **Terminal Illness** means an illness or condition where, after having regard to the current treatment or such treatment as the life insured may reasonably be expected to receive, the life insured will not survive more than 12 months.

Total and Permanent Disability and Totally and Permanently Disabled under the TPD Option mean that solely because of a Sickness or Injury, the life insured has not been in an occupation for six consecutive months, and is

unable to ever work in their Own Occupation and any occupation for which the life insured is reasonably suited by training, education or experience.

When '**Own Occupation**' is shown in the Policy Certificate, the reference above to 'their Own Occupation and any occupation for which the life insured is reasonably suited by training, education or experience' will be replaced by 'the life insured's Own Occupation'.

Whole Person Function means where a payment depends on the life insured meeting criteria that are based on the Whole Person Function, the calculation is to be based on the current edition of the American Medical Association publication entitled *Guides to the Evaluation of Permanent Impairment* until an equivalent Australian guide that has been sanctioned by the Australian Medical Association has been produced at which time the calculation in the relevant Australian guide will apply.

INSURED EVENTS DEFINITIONS

Proof of occurrence of any Insured Event must be supported by:

- appropriate Specialist Medical Practitioners registered in Australia or New Zealand (or other country approved by us), not being the life insured, you, the life insured's partner or spouse, or your partner or spouse; and
- confirmatory investigations including, but not limited to, clinical, radiological, histological and laboratory evidence; and
- if the insured event requires a surgical procedure to be performed, the procedure must be the usual treatment for the condition and be medically necessary.

Our medical advisers must support the occurrence of the Insured Event. We reserve the right to require the life insured to undergo a medical examination or other reasonable tests to confirm the occurrence of an Insured Event.

Angioplasty means the actual undergoing for the first time of Coronary Artery Angioplasty to correct a narrowing or blockage of one or more coronary arteries.

Aortic Surgery means surgery to repair or correct an aortic aneurysm, an obstruction of the aorta, a coarctation of the aorta or traumatic Injury to the aorta. For the purpose of this definition, aorta means the thoracic and abdominal aorta but not its branches.

Aplastic Anaemia means bone marrow failure which results in anaemia, neutropenia and thrombocytopenia requiring treatment, with at least one of the following:

- blood product transfusions;
- marrow stimulating agents;
- immunosuppressive agents; or
- bone marrow transplantation.

Benign Brain Tumour means a non-cancerous tumour in the brain which gives rise to characteristic symptoms of intracranial pressure such as papilloedema, mental symptoms, seizures and sensory impairment, resulting in at least a permanent 25% impairment of Whole Person Function. The presence of the underlying tumour must be confirmed by CT Scan, MRI or other imaging studies. Excluded are cysts, granulomas, cholesteatomas, malformations in or of the arteries or veins of the brain, haematomas and tumours in the cranial nerves, meninges, pituitary gland or spine.

Blindness means the permanent loss of sight of both eyes.

Loss of sight of an eye means the total and irrecoverable loss of sight (whether aided or unaided) of the eye to the extent that visual acuity in the eye, on a Snellen Scale after correction by a suitable lens is less than 6/60, as a result of Sickness or Injury.

Cancer means the presence of one or more malignant tumours. The malignant tumour is to be characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.

The following tumours are excluded:

- Tumours showing the malignant changes of carcinoma in situ (including cervical dysplasia CIN-1, CIN-2 and CIN-3) or which are histologically described as premalignant*;

- All skin cancers, unless there is evidence of metastases or the tumour is a malignant melanoma of at least Clark level 3, or greater than 1.5mm maximum thickness as determined by histological examination using the Breslow method;
- Prostatic cancers which are histologically described as TNM Classification T1 or are of another equivalent or lesser classification unless resulting in the surgical removal of the prostate;
- Papillary Micro-Carcinoma of the Thyroid or Bladder; and
- Chronic Lymphocytic Leukaemia less than Rai Stage 1.

*Carcinoma in situ of the breast is covered if it results directly in the removal of the entire breast. The procedure must be performed specifically to arrest the spread of malignancy, and be considered the appropriate and necessary treatment.

Cardiomyopathy means impaired ventricular function of variable aetiology resulting in permanent and irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment, and the insured being unable to perform his or her Own Occupation.

Chronic Kidney Failure means end stage renal failure presenting as chronic irreversible failure of both kidneys to function, resulting in renal transplantation or the permanent requirement for renal dialysis.

Chronic Liver Failure means end stage liver failure resulting in permanent jaundice, ascites and/or encephalopathy.

Chronic Lung Failure means end stage respiratory failure permanently requiring continuous oxygen therapy and with FEV 1 test results of consistently less than one litre.

Coma means a state of unconsciousness with no reaction to external stimuli or internal needs, persisting continuously for at least 72 hours requiring the use of life support systems and resulting in neurological deficit causing at least a permanent 25% impairment of Whole Person Function.

Coronary Artery Bypass Surgery means bypass grafting performed to correct or treat coronary artery disease.

Dementia means the unequivocal diagnosis of Alzheimer's disease or other dementia. The diagnosis must confirm permanent irreversible failure of brain function resulting in Significant Cognitive Impairment for which no other recognisable cause has been identified.

Encephalitis and Meningitis means the unequivocal diagnosis of encephalitis or meningitis where the condition is characterised by severe inflammation of the brain or the meninges of the brain resulting in permanent neurological deficit causing at least a permanent 25% impairment of Whole Person Function.

Heart Attack (myocardial infarction) means the death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The basis of diagnosis, will be:

- confirmatory new electrocardiogram (ECG) changes; and
- a diagnostic rise and fall (other than as a result of cardiac or coronary intervention) in either Troponin I in excess of 2.0ug/L or Troponin T in excess of 0.6ug/L or cardiac enzyme CK-MB.

If the above criteria are not met, we will pay a claim based on satisfactory evidence that the life insured has unequivocally been diagnosed as having suffered a myocardial infarct resulting in:

- a permanent reduction in the Left Ventricular Ejection Fraction to less than 50%, measured 3 months or more after the event, or
- new pathological Q waves.

Heart Valve Surgery means surgery to replace or repair a cardiac valve as a consequence of a cardiac valve abnormality or a cardiac aneurysm or other cardiac defects.

Loss of Hearing means the total and irrecoverable loss of hearing, both natural and assisted, in both ears as a result of Sickness or Injury.

Loss of Independent Existence means Significant Cognitive Impairment, or the total and irrecoverable loss of ability,

due to Sickness or Injury, to perform at least two of the Activities of Daily Living without the physical assistance of another person.

Loss of Limbs means the total and irrecoverable loss of use of two limbs. Limb in this context means an arm, leg, hand or foot.

Loss of Limbs and Sight means the total and irrecoverable loss of use of one limb and the permanent loss of sight in one eye.

Limb in this context means an arm, leg, hand or foot.

Loss of sight in an eye means the total and irrecoverable loss of sight (whether aided or unaided) in the eye to the extent that visual acuity in the eye, on a Snellen Scale after correction by a suitable lens is less than 6/60, as a result of Sickness or Injury.

Loss of Speech means the total and irrecoverable loss of the ability to produce intelligible speech, as a result of permanent damage to the larynx or its nerve supply or to the speech centres of the brain, due to Sickness or Injury.

Major Head Trauma means Accidental head Injury resulting in neurological deficit causing at least a permanent 25% impairment of Whole Person Function.

Major Organ Transplant means the human to human transplant from a donor to the life insured of bone marrow or one of the following organs, or a permanent mechanical replacement of one of the following organs:

- kidney;
- heart;
- lung;
- liver;
- pancreas; or
- small bowel.

The transplant of all other organs, parts of organs or any other tissue transplant is excluded.

Medically Acquired HIV means accidental infection, after the inception of the Policy, with the human immunodeficiency virus (HIV) where the virus was acquired in Australia by the life insured from one of the following medically necessary events conducted by a recognised and registered health professional:

- a blood transfusion;
- transfusion with blood products;
- organ transplant to the life insured;
- assisted reproductive techniques; or
- a medical procedure or operation performed by a Medical Practitioner or dentist.

Notification and proof of the incident will be required via a statement from the appropriate Statutory Health Authority that the infection was medically acquired. HIV infection transmitted by any other means including sexual activity or use of drugs, other than as prescribed by a Medical Practitioner for the life insured, is excluded.

This Insured Event will not apply and no payment will be made where a cure has become available or where the infected person does not take any vaccine available prior to the event. 'Cure' means an Australian Government approved treatment, which renders the HIV inactive and non-infectious, or results in there being little or no impact on life expectancy. 'Vaccine'means a preparation approved by the Australian Government and recommended for use by the Government authority to produce immunity to the HIV.

Motor Neurone Disease means the unequivocal diagnosis of Motor Neurone Disease, with persistent neurological deficit resulting in at least a permanent 25% impairment of Whole Person Function.

Multiple Sclerosis means the unequivocal diagnosis of Multiple Sclerosis, where the condition is characterised by the demyelination in the brain and/or spinal cord resulting in neurological deficit and at least a permanent 25% impairment of Whole Person Function.

Muscular Dystrophy means the unequivocal diagnosis of Muscular Dystrophy with significant persistent neurological deficit resulting in at least a permanent 25% impairment of Whole Person Function.

Occupationally Acquired HIV means infection with the human immunodeficiency virus (HIV) where such infection arose from an Accident relating to the occupation of the life insured, subject to the following conditions:

- the Accident must have occurred after the inception of this Policy;
- within seven days of the Accident, proof of its occurrence must be registered:
  - with TOWER, including proof provided by a Medical Practitioner of a sero-negative HIV result after the accident; and
  - with any relevant authority, and proof of such registration must be lodged with TOWER.

The infection must manifest itself as a sero-positive HIV test result within six months of the reported occurrence.

The infection must not have arisen from a deliberately, self-inflicted or induced cause or from sexual activity (whether as part of normal occupational duties or otherwise), or from the use of drugs not medically prescribed for the life insured.

TOWER reserves the right to obtain independent tests and investigations, including the taking of blood samples from the life insured.

This Insured Event will not apply and no payment will be made where a cure has become available or where the infected person does not take any vaccine available prior to the event. "Cure" means an Australian Government approved treatment which renders the HIV inactive and non-infectious, or results in there being little or no impact on life expectancy. "Vaccine" means a preparation approved by the Australian Government and recommended for use by the Government authority to produce immunity to the HIV.

Paralysis means the total and permanent loss of function of two or more limbs through Sickness or Injury causing permanent damage to the nervous system. This includes, but is not limited to, quadriplegia, paraplegia, diplegia and hemiplegia.

Parkinson's Disease means the unequivocal diagnosis of Parkinson's Disease where the condition cannot be controlled with treatment and the person shows signs of progressive incapacity with at least a permanent 25% impairment of Whole Person Function.

Primary Pulmonary Hypertension means the life insured has Primary Pulmonary Hypertension with substantial right ventricular enlargement established by investigations including cardiac catheterisation, resulting in permanent irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association Classification of Cardiac Impairment, and the insured being unable to perform his or her Own Occupation.

Severe Burns means tissue Injury caused by thermal, electrical or chemical agents causing third degree or full thickness burns to:

- at least 20% of the body surface area as measured by the Lund and Browder Body Surface Chart; or
- the whole of both hands, requiring surgical debridement and/or grafting; or
- the whole of the face, requiring surgical debridement and/or grafting.

Subacute Sclerosing Panencephalitis means the unequivocal diagnosis of this disorder. (Only covered under the Child's Crisis Option.)

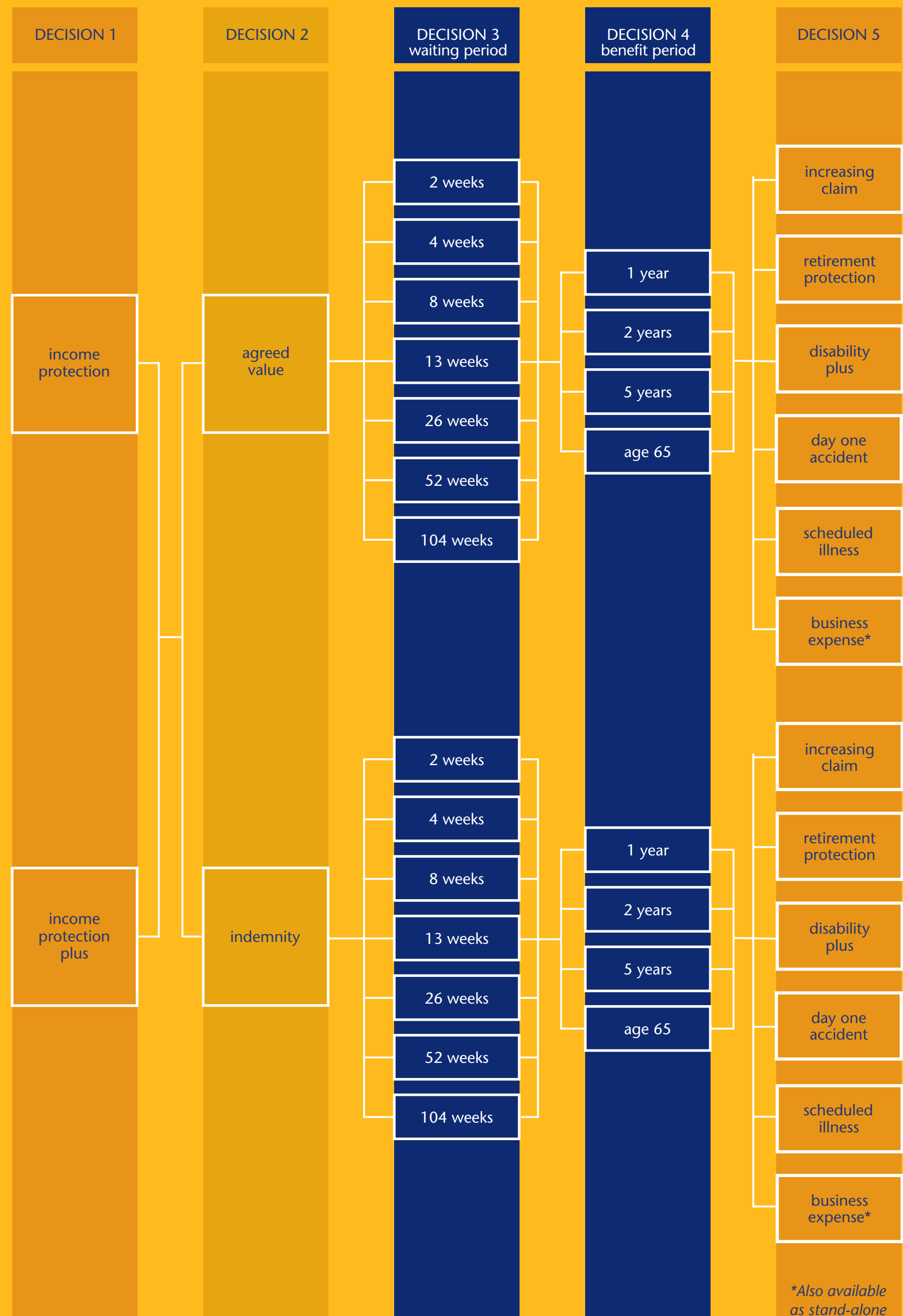
Stroke means a cerebrovascular event producing neurological deficit. This requires clear evidence on a CT, MRI or similar, appropriate scan or investigation that a stroke has occurred and of infarction of brain tissue, intracranial and/or subarachnoid haemorrhage, or embolisation from an extracranial source. Transient ischaemic attacks, reversible neurological deficit, cerebral symptoms due to migrane, cerebral Injury resulting from trauma or hypoxia and vascular disease affecting the eye, optic nerve or vestibular functions are excluded.

Triple Vessel Angioplasty means the actual undergoing for the first time of coronary artery Angioplasty to correct a narrowing or blockage of three or more coronary arteries within the same procedure. Angiographic evidence, indicating at least 50% obstruction of three or more coronary arteries is required to confirm the need for this procedure.

INCOME PROTECTION PLAN & BUSINESS EXPENSE PLAN
| decision-making process |

This part of Section 2 sets out information relating to the Income Protection Plan and the Business Expense Plan including the following:

- Plan information relating to the Income Protection Plan and the Business Expense Plan (see pages 41 to 43); and
- the Policy Conditions of the Income Protection Plan and the Business Expense Plan (see pages 44 to 57).



INCOME PROTECTION PLAN & BUSINESS EXPENSE PLAN

| plan information |

PLAN OVERVIEW

This Plan Overview is only a brief description of the Income Protection and Business Expense Plans.

Full details and any conditions or applicable restrictions of the Income Protection and Business Expense Plans are outlined in the Policy Conditions.

The Income Protection Plan pays a monthly income if a life insured is unable to work because of Sickness or Injury.

We will also pay a monthly income if, after being Totally or Partially Disabled, the life insured is only able to return to work on a part-time basis.

The monthly income will be paid after expiry of the Waiting Period. You can choose your own Waiting Period by selecting from the range available under the Income Protection Plan. Your financial adviser will be able to explain these to you.

You can also choose how long you will be eligible to receive monthly income benefits by selecting from the range of Benefit Periods available under the Income Protection Plan. Your financial adviser will be able to explain these to you.

We will allow you to split the Benefit Amount into two and apply a different Waiting and Benefit Period to each Benefit Amount. If you become Totally or Partially Disabled, the Waiting Periods for each of the split benefits will begin at the same time. If the benefit payments overlap at any time, the monthly benefit you receive will be restricted to the Benefit Amount.

We can agree to the Benefit Amount at the time of your application. This means that we will pay this amount when you make a claim. This is known as agreed value.

Alternatively, the Benefit Amount can be the lesser of:

- 75% of the life insured's average Monthly Earnings prior to Total Disability; or
- the Benefit Amount you applied for at application time.

This is known as indemnity and is generally less expensive than agreed value. See the definition of Benefit Amount on page 55 for more details.

The Business Expense Plan pays a monthly reimbursement of fixed ongoing expenses for the life insured's business, if the life insured is unable to work because of Sickness or Injury.

The Business Expense Plan can be linked to the Income Protection Plan or taken as a stand-alone Plan.

Insurance cover is provided 24 hours a day, worldwide, subject to the normal Policy terms and conditions.

> ***We offer a unique definition of Total and Partial Disability which measures the severity of the loss by evaluating hours worked or duties performed or income produced. We let you decide at time of claim which measure you would like applied to your particular circumstance.***

Standard benefits included in the Income Protection Plan are:

- Total Disability Benefit;
- Partial Disability Benefit;
- Elective Surgery Benefit;
- Concurrent Disability Benefit;
- Recurrent Disability Benefit;
- Waiver of Premium Benefit;
- Extended Care Benefit;
- Rehabilitation Expense Reimbursement Benefit; and
- Scheduled Injury Benefit.

A comprehensive package of extra benefits are also available at an additional cost. This is known as the **Income Protection Plan Plus**. These additional benefits are outlined in the Policy Conditions section commencing at page 44.

Optional benefits available at an extra cost are:

- Increasing Claim Option;
- Retirement Protection Option;
- Scheduled Illness Option;
- Disability Plus Option; and
- Day One Accident Option.

Standard benefits included in the Business Expense Plan are:

- Total Disability Benefit;
- Partial Disability Benefit;
- Payment Extension Benefit;
- Lease Extension Benefit; and
- Loss of Profits Benefit.

If the Business Expense Plan is taken as a stand-alone plan the following benefits will also apply:

- Elective Surgery Benefit;
- Recurrent Disability Benefit; and
- Waiver of Premium Benefit.

Further details of these benefits can be found in the Policy Conditions section commencing on page 44.

WHO CAN APPLY?

If the life insured is between the ages of 19 next birthday and 60 next birthday, are of occupation class AAA, AA+ or AA and you select stepped premiums, you can apply for the Income Protection and Business Expense Plans.

If the life insured is between the ages of 19 next birthday and 55 next birthday, are of occupation class A, BBB, BB or B and you select stepped premiums, you can apply for the Income Protection Plan.

If the life insured is between the ages of 19 next birthday and 55 next birthday, are of occupation class A or BBB and you select stepped premiums, you can apply for the Business Expense Plan.

If the life insured is between the ages of 19 next birthday and 55 next birthday, and you select level premiums, you can apply for the Income Protection and Business Expense Plans.

HOW MANY PEOPLE CAN APPLY?

One person can be covered under the Income Protection Plan and/or Business Expense Plan and any optional benefits under the Plans.

HOW MUCH CAN I APPLY FOR?

If you are applying for the Income Protection Plan you can apply up to:

- 75% of the first $250,000 annual earned income from personal exertion after business expenses have been deducted, but before tax;
- 50% of the next $150,000; and
- 25% of the balance.

For example:
Annual salary of $420,000

75% x $250,000	=	*$187,500*
50% x $150,000	=	*$75,000*
25% x $20,000	=	*$5,000*
		$267,500

You may apply for up to $267,500 cover (a monthly benefit of $22,292)

Your annual earned income includes Monthly Earnings as outlined on page 56 of the Policy Conditions.

If you are applying for the Business Expense Plan you can nominate up to 100% of the normal day to day running expenses of your business.

Your day to day running expenses include Business Expenses as outlined on page 55 of the Policy Conditions.

WILL MY COVER INCREASE WITH INFLATION?

Your Policy has a built in Inflation Protection Benefit. This means we will increase the Benefit Amount under your Policy by the greater of the Indexation Factor and 3%.

This increase will occur on each statement date unless:

- you tell us that the Inflation Protection Benefit is not to apply to your Policy; or
- premiums are being waived under the Waiver of Premium benefit.

On the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the life insured's age and premium type, either stepped or level premiums.

We will not take into account any changes in the life insured's health, occupation or pastimes.

The maximum amount that your benefit can be increased to under the Inflation Protection Benefit is:

- $30,000 a month for the Income Protection Plan;
- $3,000 a month for the Retirement Protection Option;
- $15,000 a month for the Disability Plus Option; and
- $30,000 a month for the Business Expense Plan.

Increases under the Inflation Protection Benefit Plan will cease on the earlier of the statement date prior to your 65th birthday or when you ask us not to increase the Benefit Amount.

HOW LONG WILL MY COVER LAST?

The Income Protection and Business Expense Plans end date for cover is the earliest of:

- the statement date prior to the life insured's 65th birthday; or
- the death of the life insured.

IS THERE A COOLING OFF PERIOD?

After you receive advice from us that your application for the Income Protection or Business Expense Plans has been accepted on standard terms, or you accept any non-standard terms offered to you, you have 28 days to check that the Income Protection Plan meets your needs.

This is known as the cooling off period. Within this time you may send us a request in writing asking us to cancel the Income Protection or Business Expense Plan. You will then receive a full refund of all premiums paid and no charges will apply.

The only conditions of the cooling off period are:

- if notice of acceptance was sent to you by post it will be deemed to have been received by you at the time it would have been delivered in the ordinary course of the post; and
- no refund can be made if a claim has been made under the Income Protection or Business Expense Plans.

BENEFIT OVERVIEW – INCOME PROTECTION PLAN

The following table details the benefits provided under the Income Protection Plan (IPP) and the Income Protection Plan Plus (IPP Plus).

Policy Features	Income Protection Plan	Income Protection Plan Plus
Interim Cover	Yes	Yes
Total Disability	Yes	Yes
Partial Disability	Yes	Yes
Choice of Waiting Period	Yes	Yes
Choice of Benefit Period	Yes	Yes
Guaranteed Renewable	Yes	Yes
Non smoker discount	Yes	Yes
24 hour worldwide cover	Yes	Yes
Choice of Agreed Value or Indemnity	Yes	Yes
Policy Benefits Included at no additional cost		
Inflation Protection	Yes	Yes
Elective Surgery	Yes	Yes
Recurrent Disability	Yes	Yes
Waiver of Premium	Yes	Yes
Extended Care	Yes	Yes
Rehabilitation Expense Reimbursement	Yes	Yes
Scheduled Injury Benefit	Yes	Yes
Rehabilitation	No	Yes
Overseas Assist	No	Yes
Accommodation	No	Yes
Bed Confinement	No	Yes
Family Support	No	Yes
Housekeeper	No	Yes
Job Security	No	Yes
Return to Work	No	Yes
Optional Benefits (extra cost)		
Increasing Claim	Yes	Yes
Retirement Protection	Yes	Yes
Disability Plus	Yes	Yes
Day One Accident	Yes	Yes
Scheduled Illness Option	Yes	Yes
Business Expense[1]	Yes	Yes

[1] *Business Expense Plan can also be taken as a stand-alone Plan.*

BENEFITS

Total Disability Benefit

If the occupation class of the life insured is AAA, AA+ or AA, the Total Disability Benefit will be paid:

- when the life insured has been either Totally or Partially Disabled for the Waiting Period; and
- then at the conclusion of the Waiting Period remains Totally Disabled.

If the occupation class of the life insured is A, BBB, BB or B, the Total Disability Benefit will be paid:

- when the life insured has been Totally Disabled for 14 consecutive days;
- is Totally or Partially Disabled for the balance of the Waiting Period; and
- then at the conclusion of the Waiting Period remains Totally Disabled.

The amount paid will be the Benefit Amount, adjusted in line with the Plan Adjustments.

The Total Disability Benefit:

- starts to accrue after the Waiting Period ends;
- is paid monthly in arrears; and
- will stop on the earliest of
  - the life insured no longer being Totally Disabled;
  - the end of the Benefit Period; or
  - the Plan end date.

Partial Disability Benefit

If the occupation class of the life insured is AAA, AA+ or AA, the Partial Disability Benefit will be paid:

- when the life insured has been either Totally or Partially Disabled for the Waiting Period; and
- then at the conclusion of the Waiting Period remains Partially Disabled.

If the occupation class of the life insured is A, BBB, BB or B the Partial Disability Benefit will be paid:

- when the life insured has been Totally Disabled for 14 consecutive days;
- is either Totally or Partially Disabled for the balance of the Waiting Period; and
- then at the conclusion of the Waiting Period remains Partially Disabled.

The Benefit Amount that will be paid will be:

$\frac{A - B}{A} \times$ the Benefit Amount, adjusted in line with the Plan Adjustments, where

'A' is the life insured's Pre-Disability Earnings; and

'B' is Monthly Earnings of the life insured in respect of the month to be paid.

For example:
A life insured has Pre-Disability Earnings of $10,000, and is eligible for a Benefit Amount of $7,500. If the insured suffered a Partial Disability and was able to work for the minimum time allowable under the Partial Disability definition, being 20%, and was earning $2,000, the benefit payable would be calculated as follows:

$$\frac{\$10{,}000 - \$2{,}000}{\$10{,}000} \times \$7{,}500$$

= $6,000 monthly benefit

When the life insured is Partially Disabled but not working, 'B' will be calculated on the Monthly Earnings it would be reasonable for the life insured to earn if working.

The Partial Disability Benefit:

- starts to accrue after the Waiting Period ends;
- is paid monthly in arrears; and
- will stop on the earliest of
  - the life insured no longer being Partially Disabled;
  - the end of the Benefit Period; or
  - the Plan end date.

NOTE: If Partial Disability from the same cause immediately follows a period of Total Disability (extending beyond the Waiting Period), the Waiting Period will not start again.

Elective Surgery Benefit

Under the Elective Surgery Benefit the life insured will be considered to be Totally Disabled due to Sickness when Total Disability results from:

- surgery to transplant part of the life insured's body to someone else;
- surgery to improve the life insured's appearance; or
- elective surgery performed on the advice of a Medical Practitioner.

The Elective Surgery Benefit will not apply if the surgery took place within six months of:

- the Plan start date;

- the date of an applied for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate the Plan.

Concurrent Disability Benefit

When the life insured is Totally or Partially disabled as a result of separate and distinct Sicknesses or Injuries, claim entitlements under benefits which are not payable concurrently will be calculated in line with the Policy Condition which provides the highest payment.

Recurrent Disability Benefit

When the life insured is Totally or Partially Disabled and a claim is made, but the Total or Partial Disability recurs from the same or a related cause during the term of the Plan, this will be considered a continuation of the claim if the recurrence occurs within six months of the claim ending.

The Waiting Period will not be reapplied; however, all periods of claim will be added together for the purpose of assessing the maximum Benefit Period.

If your selected Benefit Period is one, two or five years this is the most we will pay for any one or related Sickness or Injury during the term of the Plan.

If the life insured has both:

- income protection cover provided through a superannuation fund with a two year Benefit Period; and
- a TOWER Income Protection Plan with a two year Waiting Period and a Benefit Period of five years or to age 65, and

claims under the Recurrent Disability Benefit on the superannuation contract, TOWER will use the original start date of the claim for calculation of benefit entitlements under the Income Protection Plan.

Waiver of Premium Benefit

The Waiver of Premium Benefit applies when Total or Partial Disability payments have accrued, including payments under the Scheduled Injury Benefit and Scheduled Illness Option. The daily proportion of premiums due under the Income Protection Plan will be waived.

The Waiver of Premium Benefit:

- starts to accrue from the first day of the Waiting Period;
- applies immediately after the Waiting Period for any premiums paid previously and monthly in arrears for other premiums; and
- will stop on the earliest of
  - the life insured no longer being Totally or Partially Disabled; or
  - the end of the Benefit Period.

Extended Care Benefit

The Extended Care Benefit applies when the life insured reaches the Income Protection Plan end date. Cover under the Plan will continue unless:

- you ask us not to continue it;
- a claim has been paid under the Income Protection Plan in the 13 months prior to the Plan end date;
- the Income Protection Plan or any underwritten increase in the Plan has been current for less than 10 years at the Plan end date;
- the Income Protection Plan was reinstated within 10 years of the Plan end date; or
- the Income Protection Plan was issued on other than our standard rate of premium or with the application of a special condition.

Under the Extended Care Benefit:

- Plan Exclusions and the Total Disability Benefit apply; however, all other benefits are cancelled;
- the Inflation Protection Benefit will not apply;
- the definition of Total Disability alters to 'solely because of a Sickness or Injury the life insured is permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person';
- when the life insured is Totally Disabled, the lesser of:
  - the Benefit Amount; or
  - $5,000 (increased by the indexation factor from the Plan start date to the Plan end date), a month is payable until the end of the Benefit Period;
- the Benefit Period ends on the earlier of:
  - the death of the life insured; or
  - the statement date prior to the life insured's 100th birthday; and

- premiums will be based on the age of the life insured at the Plan end date and will continue on a level premium basis.

Rehabilitation Expense Reimbursement Benefit

When you spend money directly towards the effective rehabilitation of the life insured through a Rehabilitation Program, we will immediately reimburse the money spent (less amounts reimbursed from elsewhere) subject to:

- our approving the expenditure in writing before it is incurred; and
- a maximum amount being reimbursed of six times the Benefit Amount.

The cost of medical and medical therapy consultations will not be reimbursed.

Scheduled Injury Benefit

When the life insured suffers an insured event in the following table, Total Disability will be deemed to exist for the payment period shown. The Total Disability Benefit for the Income Protection Plan will be paid in line with the payment period, however, the Waiting Period will not apply.

Should you have the Retirement Protection and/or Disability Plus options, payment will be made if the Policy Conditions for these options are met.

You have the choice of having benefits paid in advance for the first six months of any payment period, and monthly in arrears thereafter, or monthly in arrears for the entire payment period.

Payment will stop on the earliest of:

- the expiry of the payment period shown;
- the end of the Benefit Period; or
- the term of the Plan finishing.

At the expiry of the payment period, eligibility for other benefits will be based on the appropriate Policy Conditions being satisfied.

Insured Event	Payment Period (in months):
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

Loss means the total and permanent loss of:

- the use of the hand or foot from the wrist or ankle joint;
- the use of the arm or leg from the elbow or knee joint;
- the use of the thumb and index finger from the first phalange joint; or
- sight, to the extent that visual acuity in the eye, on a Snellen Scale after correction by a suitable lens, is less than 6/60.

Fracture means a bone fracture requiring the application of a plaster cast or similar immobilising device.

When the life insured is eligible for payment under the Day One Accident Option, Scheduled Illness Option and the Scheduled Injury Benefit, the greater of these benefit payments will be paid.

Rehabilitation Benefit (IPP Plus only)

The Rehabilitation Benefit applies when the life insured has been Totally Disabled, is still Totally or Partially Disabled and, as a result, actively participates in a Rehabilitation Program that:

- is approved by us in writing before the life insured participates; and
- we agree will lead to reasonable opportunities for the life insured to work in a Gainful Occupation.

If the Rehabilitation Benefit applies, the amount paid will be 50% of the Benefit Amount, in addition to the Total Disability Benefit.

The Rehabilitation Benefit:

- starts to accrue from the day the life insured actively participates in the Rehabilitation Program;
- is paid monthly in arrears; and

- will stop on the earliest of:
  - the life insured no longer being Totally or Partially Disabled;
  - the end of the Benefit Period;
  - the Plan end date;
  - the life insured no longer actively participating in the Rehabilitation Program;
  - 12 months Rehabilitation Benefit being paid for any one claim; or
  - when we believe that the Rehabilitation Program will no longer lead to reasonable opportunities of re-employment.

Overseas Assistance Benefit (IPP Plus only)

When the life insured is outside Australia and is Totally Disabled for 30 consecutive days but chooses to return to Australia while Totally Disabled, the Overseas Assistance Benefit will be paid.

If the Overseas Assistance Benefit applies the amount paid will be a reimbursement of the costs directly incurred by the life insured in returning to Australia, less amounts reimbursed from elsewhere, to a maximum of three times the Benefit Amount for any one claim. Air fare costs reimbursed will be in line with those that are medically necessary.

Accommodation Benefit (IPP Plus only)

The Accommodation Benefit will be paid when the life insured is Totally Disabled more than 100 kilometres from the life insured's usual place of residence, or the life insured is Totally Disabled and, on the advice of a Medical Practitioner for reasons associated with the Total Disability, travels to a place more than 100 kilometres from the life insured's usual place of residence, and:

- the life insured is bed confined; and
- an Immediate Family Member of the life insured is accommodated more than 100 kilometres from their usual place of residence but near where the life insured is Bed Confined.

If the Accommodation Benefit applies, the amount paid will be a reimbursement of the cost of accommodation of the Immediate Family Member of the life insured, to a daily maximum of $240 (increased by the Indexation Factor from 1 April 2005), less amounts reimbursed from elsewhere.

The Accommodation Benefit:

- starts to accrue when the expenditure is incurred;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the life insured no longer being Bed Confined;
  - the end of the Benefit Period;
  - the Plan end date;
  - the Immediate Family Member no longer needing accommodation near the life insured; or
  - 30 days Accommodation Benefit being paid for any one Total or Partial Disability.

Bed Confinement (IPP Plus only)

When the life insured is Bed Confined during the Waiting Period for three days or more, the Bed Confinement Benefit will be paid. The amount to be paid will be 1/30th of the Benefit Amount for each day of Bed Confinement.

The Bed Confinement Benefit:

- starts to accrue from the first day of the Waiting Period;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the end of the Waiting Period;
  - the Plan end date;
  - the end of Bed Confinement; or
  - payments equalling three times the Benefit Amount

Family Support Benefit (IPP Plus only)

The Family Support Benefit will be paid when the life insured is Totally Disabled and Bed Confined for 30 consecutive days, and:

- an Immediate Family Member of the life insured stops being in a Gainful Occupation to provide care and assistance to the life insured; or
- the treating Medical Practitioner recommends that a Registered Nurse is employed to provide care and assistance to the life insured.

If the Family Support Benefit applies, the monthly amount paid will be the lesser of:

- $2,725 (increased by the Indexation Factor from 1 April 2005);
- the Benefit Amount; or
- the loss of earnings suffered by the Immediate Family Member, or the cost of the Registered Nurse deemed necessary;

less amounts reimbursed from elsewhere.

The Family Support Benefit:

- starts to accrue when the life insured has been Totally Disabled for 30 consecutive days and the loss or expenditure is incurred;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the life insured no longer being Totally Disabled;
  - the end of the Benefit Period;
  - the Plan end date; or
  - three months Family Support Benefit being paid for any one Total or Partial Disability.

Housekeeper Benefit (IPP Plus only)

The Housekeeper Benefit will be paid when:

- the life insured is Totally Disabled for 30 consecutive days; and
- the life insured is Bed Confined at the life insured's usual place of residence; and
- the life insured needs to rely totally on another person, other than an Immediate Family Member, for housekeeping.

If the Housekeeper Benefit applies, the monthly amount paid is the least of:

- $2,725 (increased by the Indexation Factor from 1 April 2005);
- the Benefit Amount; or
- the cost of the housekeeper,

less amounts reimbursed from elsewhere.

The Housekeeper Benefit:

- starts to accrue when the life insured has been Totally Disabled for 30 consecutive days and the expenditure is incurred;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the life insured no longer being Totally Disabled;
  - the end of the Benefit Period;
  - the Plan end date;
  - the life insured no longer being Bed Confined;
  - the life insured no longer needing to totally rely on another person for housekeeping; or
  - six months Housekeeper Benefit being paid for any one Total or Partial Disability.

Job Security Benefit (IPP Plus only)

The Job Security Benefit will be paid 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;
- has been Totally Disabled for two consecutive months and subsequently returns to a Gainful Occupation with the same employer with whom the life insured was working prior to being Totally Disabled.

Payment will be to the life insured's employer and the amount paid will be one times the Benefit Amount for any one Total Disability.

Return To Work Benefit (IPP Plus only)

The Return to Work Benefit will be paid when the life insured returns to a Gainful Occupation after having been in receipt of the Rehabilitation Benefit for at least three consecutive months.

If the Return to Work Benefit applies, the amount paid will be one times the Benefit Amount on each of the following:

- the life insured starting in a Gainful Occupation for 30 hours a week or more;
- the life insured continuing in that Gainful Occupation for three consecutive months for 30 hours a week or more; and

- the life insured continuing in that Gainful Occupation for six consecutive months for 30 hours a week or more.

The Return to Work Benefit:

- starts to accrue when the life insured starts in a Gainful Occupation for 30 hours a week or more;
- is paid in arrears; and
- will stop on the earliest of:
  - the end of the Benefit Period;
  - the Plan end date;
  - the life insured no longer being in a Gainful Occupation for 30 hours a week or more; or
  - three times the Benefit Amount being paid for any one Total or Partial Disability.

BENEFIT OPTIONS AT ADDITIONAL COST

The benefit options listed below only apply if indicated in your Policy Certificate.

Scheduled Illness Option

When the life insured suffers an Insured Event listed below, Total Disability will be deemed to exist for six months. The Total Disability Benefit for the Income Protection Plan will be paid for six months, however the Waiting Period will not apply.

Should you be already receiving a Total or Partial Disability Benefit under the Income Protection Plan when the Insured Event occurs, the total benefit payable will not exceed the Benefit Amount.

We will only pay a benefit for one Scheduled Illness Option Insured Event occurring in any six month period. This period will be deemed to have commenced on the date of the first Insured Event.

Should you have the Retirement Protection and/or Disability Plus options, payment will be made if the Policy Conditions for these options are met.

Payment will stop on the earliest of:

- the expiry of six months;
- the end of the Benefit Period; or
- the term of the Plan finishing.

At the end of six months, eligibility for other benefits will be based on the appropriate Policy Conditions being satisfied.

You have the choice of having the benefits paid as either:

- a lump sum payment in advance; or
- monthly in arrears.

If the life insured has chosen to receive the benefits monthly (i.e. not as a lump sum) and dies before the end of six months, we will pay any remaining monthly benefits as a lump sum to their estate.

The illnesses and procedures covered are:

- **Heart conditions**
  - Aortic Surgery;
  - Cardiomyopathy;
  - Coronary Artery Bypass Surgery*;
  - Heart Attack*;
  - Heart Valve Surgery*;
  - Primary Pulmonary Hypertension;
  - Triple Vessel Angioplasty*.
- **Neurological conditions**
  - Dementia;
  - Encephalitis and Meningitis
  - Motor Neurone Disease;
  - Multiple Sclerosis;
  - Muscular Dystrophy;
  - Paralysis;
  - Parkinson's Disease; or
  - Stroke*.
- **Blood disorders**
  - Aplastic Anaemia;
  - Medically Acquired HIV; or
  - Occupationally Acquired HIV.
- **Cancer**
  - Cancer*; or
  - Benign Brain Tumour.
- **Permanent conditions**
  - Loss of Independent Existence;

- **Organ disorders**
  - Chronic Kidney Failure;
  - Chronic Liver Failure;
  - Chronic Lung Failure;
  - Coma;
  - Loss of Hearing;
  - Loss of Speech;
  - Major Head Trauma;
  - Major Organ Transplant; or
  - Severe Burns.

* In the case of these events, if the condition occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, within three months after:

- the Plan start date;
- the date of an applied-for increase but only in respect of the increase; or
- the most recent date that we have agreed to reinstate either the Plan or Policy,

then no benefit will be paid.

These conditions and procedures are defined on page 36.

We will only pay once for each Scheduled Illness Option Insured Event condition under this benefit for the life of the policy.

When the life insured is eligible for payment under the Scheduled Injury Benefit, Day One Accident Option and Scheduled Illness Option, the greater of these benefit payments will be paid.

**The Scheduled Illness Option is only available for waiting periods up to and including 13 weeks.*

Increasing Claim Option

When a Total or Partial Disability Benefit is payable and the Increasing Claim Option is included, the Benefit Amount will increase by the lesser of the Indexation Factor and 10% on the statement date.

The Increasing Claim Option will apply to:

- the Income Protection Plan; and
- if applicable, the Retirement Protection Option and Disability Plus Option.

Premium waiver will be made in line with the Waiver of Premium Benefit.

Retirement Protection Option

When Total or Partial Disability payments have accrued beyond the Waiting Period, the Retirement Protection Option will re-imburse the life insured or the employer of the life insured on behalf of the life insured, for contributions made by either of them to a superannuation fund complying under the Superannuation Industry (Supervision) Act 1993, or any replacement legislation.

If you have chosen 'agreed value' the amount to be reimbursed will be the Retirement Protection Option Benefit Amount stated in your Policy Schedule.

If you have chosen the 'indemnity' option the amount to be reimbursed will be the lesser of:

- the Retirement Protection Option Benefit Amount;
- superannuation contributions paid by the life insured or on behalf of the life insured in the 12 months prior to disability; or
- 10% of pre-disability earnings.

The Retirement Protection Option:

- starts to accrue after the Waiting Period ends;
- is paid monthly in arrears; and
- will stop on the earliest of
  - the life insured no longer being Totally or Partially Disabled;
  - the end of the Benefit Period; or
  - the term of the Plan finishing.

Disability Plus Option

When Total or Partial Disability payments have accrued beyond the Waiting Period, and the life insured is permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person, the Disability Plus Option Benefit Amount will be paid.

The amount to be paid will be the Disability Plus Option Benefit Amount stated in your Policy Schedule.

The Disability Plus Option:

- starts to accrue after the Waiting Period ends;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the end of the Benefit Period;

- the term of the Plan finishing; or
- the life insured no longer being permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

Day One Accident Option

When the life insured is Totally Disabled for 14 consecutive days, as a result of an Injury, 1/30th of the Benefit Amount will be paid for each day the life insured is Totally Disabled.

Payment will stop on the earliest of:

- the life insured no longer being Totally Disabled;
- the term of the Plan finishing; or
- the expiry of 14 days if the Plan has a 14 day Waiting Period, and 28 days if the Plan has a Waiting Period of longer than 14 days.

When the life insured is eligible for payment under the Scheduled Injury Benefit, Scheduled Illness Option and Day One Accident Option, the greater of either of these benefit payments will be paid.

PLAN EXCLUSIONS

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

- war or an act of war;
- an intentional, self-inflicted act 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 at the date the pregnancy ends.

Disability caused by war or an act of war at anytime is excluded, even if the disability manifests itself after the war or warlike activity.

War or an act of war means armed aggression, whether declared or not, by a country or organisation, resisted by any other country or international organisation.

No payments will be made under the Scheduled Illness Option unless the life insured survives an Insured Event for at least 14 days.

PLAN ADJUSTMENTS

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

A reduction will only be made if the life insured receives other payments through:

- any other individual or group disability income insurance; or
- workers' compensation, common law or statute (except sick leave) 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, it will be converted to 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 Benefit Amount plus the other payments is not greater than 75% of the first $20,833 of pre-disability monthly earnings, 50% of the next $12,500, and 25% of the balance.

The amount of the reduction will not exceed the amount of the other payments.

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 x B, where:

A = the percentage reduction in the benefit payment; and

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

The refund will be made for the lesser of 12 months or the number of months the Income Protection Plan was current prior to the claim starting.

BENEFITS

Total Disability Benefit

If the occupation class of the life insured is AAA, AA+ or AA, the Total Disability Benefit will be paid:

- when the life insured has been either Totally or Partially Disabled for the Waiting Period; and
- then at the conclusion of the Waiting Period remains Totally Disabled.

If the occupation class of the life insured is A or BBB, the Total Disability Benefit will be paid:

- when the life insured has been Totally Disabled for 14 consecutive days;
- is either Totally or Partially Disabled for the balance of the Waiting Period; and
- then at the conclusion of the Waiting Period remains Totally Disabled.

The amount paid will be the lesser of:

- the Business Expense Benefit Amount; or
- Business Expenses which relate to the month to be paid less:
  - Business Expenses reimbursed from elsewhere; and
  - that percentage of the turnover of the business which is fairly and reasonably apportioned to the life insured. This will be determined in line with the usual manner the profits and/or losses of the business are divided between the life insured and any co-owners of the business.

The Total Disability Benefit:

- starts to accrue after the Waiting Period ends;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the life insured no longer being Totally Disabled;
  - the end of the Benefit Period; or
  - the term of the Plan finishing.

Partial Disability Benefit

If the occupation class of the life insured is AAA, AA+ or AA, the Partial Disability Benefit will be paid:

- when the life insured has been either Totally or Partially Disabled for the Waiting Period; and
- then at the conclusion of the Waiting Period remains Partially Disabled.

If the occupation class of the life insured is A or BBB, the Partial Disability Benefit will be paid:

- when the life insured has been Totally Disabled for 14 consecutive days,
- is either Totally or Partially Disabled for the balance of the Waiting Period; and
- then at the conclusion of the Waiting Period remains Partially Disabled.

The amount paid will be the lesser of:

- the Business Expense Benefit Amount; or
- Business Expenses which relate to the month to be paid less:
  - Business Expenses reimbursed from elsewhere; and
  - that percentage of the turnover of the business which is fairly and reasonably apportioned to the life insured. This will be determined in line with the usual manner the profits and/or losses of the business are divided between the life insured and any co-owners of the business.

The Partial Disability Benefit:

- starts to accrue after the Waiting Period ends;
- is paid monthly in arrears; and
- will stop on the earliest of:
  - the life insured no longer being Partially Disabled;
  - the end of the Benefit Period; or
  - the term of the Plan finishing.

NOTE: If a Partial Disability from the same cause immediately follows a period of Total Disability (extending beyond the Waiting Period), the Waiting Period will not start again.

Payment Extension Benefit

The Payment Extension Benefit applies when, at the end of the Benefit Period, the life insured continues to be Totally or Partially Disabled but the total amount paid does not equal 12 times the Business Expense Plan Benefit Amount, the Benefit Period will be extended.

The extension will end on the earliest of:

- the expiry of six months;
- the life insured no longer being Totally or Partially Disabled;
- the term of the Plan finishing; or
- the total amount paid equalling 12 times the Business Expense Plan Benefit Amount.

Lease Extension Benefit

The Lease Extension Benefit will be paid, when:

- at the end of the Benefit Period or Benefit Period extension, the life insured continues to be Totally or Partially Disabled; and
- Business Expenses claimed included lease costs for equipment, motor vehicles or premises fully utilised in the business and these costs continue beyond the expiry of the Benefit Period and Benefit Period extension, if applicable.

The amount paid will be the lesser of:

- the life insured's share of monthly ongoing costs of a lease for equipment, motor vehicles or premises that was in place at the time the disability started; or
- 25% of the Business Expense Plan Benefit Amount,

reduced by amounts paid if the items being leased are relet and that percentage of the turnover of the business which is fairly and reasonably apportioned to the life insured.

The Lease Extension Benefit:

- starts to accrue after the expiry of the Benefit Period and Benefit Period extension, if applicable;
- is reimbursed monthly in arrears; and
- will stop on the earliest of:
  - the expiry of 18 months;
  - the life insured no longer being Totally or Partially Disabled;
  - the term of the Plan finishing; or
  - all applicable leases being assigned or the commitment otherwise stopping.

Loss of Profits Benefit

The Loss of Profits Benefit will be paid when:

- the life insured directly or indirectly owns all or part of the business in which the Own Occupation of the life insured is performed;
- the life insured is Totally Disabled for two consecutive months and subsequently returns to work in the same business and is no longer Totally or Partially Disabled; and
- there is a loss of profits in the business solely because of the life insured having been Totally Disabled.

The monthly amount paid will be the lesser of:

- the Business Expense Plan Benefit Amount; or
- 75% of that proportion of the monthly average net profit of the business which is fairly and reasonably apportioned to the life insured, in the tax year immediately prior to the life insured being Totally Disabled; less that proportion of the monthly average net profit (calculated on the same basis) of the business which is fairly and reasonably apportioned to the life insured, in the 12 months after the life insured returned to work in the business.

'Fairly and reasonably apportioned' will be determined in line with the usual manner the profits and/or losses of the business are divided between the life insured and any co-owners of the business.

After each three months of payment of the Loss of Profits Benefit you will need to provide us, at your expense, with appropriate accounts so that a reconciliation of amounts due and paid can be made. Any difference between what was due and what was paid will be paid by us to you or needs to be paid by you to us, as applicable, within 14 days of the reconciliation being provided.

Subsequent payments are contingent upon the above settlement being completed.

The Loss of Profits Benefit:

- is paid monthly in arrears; and
- will stop on the earliest of:
  - the life insured becoming Totally or Partially Disabled;
  - the term of the Plan finishing;
  - the business no longer incurring a loss of profits solely as a result of the life insured's Total Disability; or

- 12 months from the date Total or Partial Disability ended.

ADDITIONAL BENEFITS INCLUDED WHEN BUSINESS EXPENSE PLAN IS STAND-ALONE

Elective Surgery Benefit

Under the Elective Surgery Benefit the life insured will be considered to be Totally Disabled due to Sickness when Total Disability results from:

- surgery to transplant part of the life insured's body to someone else;
- surgery to improve the life insured's appearance; or
- elective surgery performed on the advice of a Medical Practitioner.

The Elective Surgery Benefit will not apply if the surgery took place within six months of:

- the Plan start date;
- the date of an applied for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate the Plan.

Recurrent Disability Benefit

When the life insured is Totally or Partially Disabled and a claim is made, but the Total or Partial Disability recurs from the same or a related cause during the term of the Plan, this will be considered a continuation of the claim if the recurrence occurs within six months of the claim ending.

The Waiting Period will not be reapplied, however, all periods of claim will be added together for the purpose of assessing the maximum Benefit Period.

A total of 12 months Benefit Amount is the most we will pay for any one or related Sickness or Injury during the term of the Plan.

Waiver of Premium Benefit

The Waiver of Premium benefit applies when Total or Partial Disability payments have accrued. The daily proportion of premiums due under the Business Expense Plan will be waived.

The Waiver of Premium Benefit:

- starts to accrue from the first day of the Waiting Period;
- applies immediately after the Waiting Period for any premiums paid previously and monthly in arrears for other premiums; and
- will stop on the earliest of
  - the life insured no longer being Totally or Partially Disabled; or
  - the end of the Benefit Period.

PLAN EXCLUSIONS

No payments will be made under the Business Expense Plan if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war;
- an intentional, self-inflicted act 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 at the date the pregnancy ends.

Total or Partial Disability caused by war or an act of war at anytime is excluded, even if the disability manifests itself after the war or warlike activity.

War or an act of war means armed aggression, whether declared or not, by a country or organisation, resisted by any other country or international organisation.

PLAN ADJUSTMENTS

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

A reduction will only be made if the life insured receives other payments through any other business expense insurance.

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 x B, where

A = the percentage reduction in the benefit payment; and

B = the average monthly premium over the 12 months prior to the claim starting.

The refund will be made for the lesser of 12 months or the number of months the Business Expense Plan was current prior to the claim starting.

POLICY CONDITIONS

| income protection plan (IPP)
& business expense plan (BEP) |

POLICY DEFINITIONS FOR IPP AND BEP

Activities of Daily Living are:

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

Bed Confinement and **Bed Confined** mean the life insured has been advised by a Medical Practitioner to remain in or near a bed for a substantial part of each day and under the continuous care of a Registered Nurse.

Benefit Amount under the Income Protection Plan and benefit options attached to it, means the monthly benefit. The amount we pay you is determined by which option you have chosen (agreed value or indemnity) at time of application.

If you have chosen 'agreed value', the Benefit Amount we will pay is the Benefit Amount shown in your Policy Certificate, inclusive of any indexation increases, and less any Plan Adjustments if applicable.

If you have chosen 'indemnity', the initial benefit we pay is the lesser of:

- the Benefit Amount shown in the Policy Certificate, inclusive of increases by the Indexation Factor; or
- 75% of the first $250,000 of annual earned income from personal exertion after business expenses have been deducted, but before tax, 50% of the next $150,000 and 25% of the balance of the annual earned income, earned by the life insured in the 12 months immediately prior to the Sickness or Injury occurring, less any Plan Adjustments if applicable.

Benefit Amount under the Business Expense Plan means the monthly benefit. The initial benefit we pay is the lesser of the Benefit Amount shown in the Policy Certificate and actual Business Expenses incurred.

Benefit Period means the period when disability benefits accrue. The maximum Benefit Period is shown in your Policy Certificate.

Business Expenses generally includes accounting fees, advertising, audit fees, business insurance premiums, cleaning, costs ordinarily incurred in the employment of non-revenue generating employees, depreciation of equipment (percentage allowed may be limited), electricity, gas, heating, interest payments, leasing costs, professional dues, rates, rent and telephone charges.

Business Expenses of the following kind are generally not included: equipment, fittings, fixtures, implements, merchandise, products or wares, loan principal, personal remuneration, salaries of revenue-generating employees (except the employment of an appropriately qualified replacement for the life insured in the circumstances described above).

When the life insured directly or indirectly owns all or part of the business in which the Own Occupation of the life insured is performed, all or part of any payment which:

- is a payment or expense properly incurred by the business in its normal running as an ongoing concern;
- is not a cost of setting up or winding down the business;
- is not a payment of capital or of a capital, private or domestic nature; and
- could not reasonably be considered to give private benefit to:
  - you or the life insured;
  - an Immediate Family Member of either you or the life insured; or
  - any company, trust or other entity from which you, the life insured, or an Immediate Family Member of either, derive a benefit.

If the life insured is not the sole owner of the business, Business Expenses refers to that percentage of these payments which is fairly and reasonably apportionable to the life insured. This is determined in line with the usual manner the profits and/or losses of the business are divided between the life insured and any co-owners of the business.

The phrase 'the life insured directly or indirectly owns all or part of the business' will include:

- a professional practice; and
- the life insured owning all or part of the business through another legal entity.

If at the time of a claim, business expenses are included that were not incurred or were not incurred to the same extent or at the equivalent time, in the 12 months prior to the disability starting, those expenses will only be included if they are necessary to generate profit to the business during the period of the claim.

Gainful Occupation means an occupation in which the life insured is working and as a result generates Monthly Earnings.

Immediate Family Member means spouse, partner, de facto, children, parents and siblings.

Indexation Factor is the percentage change in the Consumer Price Index (Weighted Average All Capital Cities) as last published by the Australian Bureau of Statistics in respect of the 12 month period finishing on 30 September.

It will be determined at 30 November each year and applied, where indicated, for the following year. If it is not published by 30 November, the Indexation Factor will be calculated based upon a retail price index which we consider replaces it.

If the percentage change in the Consumer Price Index, or any substitute for it, is negative, the Indexation Factor will be taken as zero.

Injury means an accidental bodily Injury suffered by the life insured.

Medical Practitioner means a person who is legally qualified and registered as a Medical Practitioner, other than:

- you or the life insured;
- a business partner of you or the life insured; or
- an Immediate Family Member of you or the life insured.

If practising other than in Australia, the Medical Practitioner must be approved by us and have qualifications equivalent to Australian standards.

NOTE: Chiropractors, physiotherapists and alternative therapy providers are not regarded as Medical Practitioners.

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

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 is:

- 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 is the occupation in which the life insured was working immediately prior to the Sickness or Injury causing disability, unless the life insured:

- was working in that occupation for less than 10 hours a week; or
- had been employed in that occupation for less than three months; or
- 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 capable of working;
- is following the advice of a Medical Practitioner; and
- has suffered a reduction of 20% or more, in the ability to:
  - generate Monthly Earnings; or
  - perform the income producing duties; or
  - maintain the same number of hours worked,

  in the life insured's Own Occupation.

Pre-Disability Earnings means:

If you have chosen 'agreed value', the highest average monthly earnings of the life insured for any of the three tax years immediately prior to the Sickness or Injury causing disability.

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

If the life insured suffers a Sickness or Injury whilst in a Gainful Occupation and monthly earnings reduce as a direct result of the Sickness or Injury, whilst 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.

If you have chosen 'indemnity', the average monthly earnings of the life insured for the 12 months immediately prior to the Sickness or Injury causing disability.

When the life insured is disabled, pre-disability earnings will be increased by the Indexation Factor every 12 months following the date disability started.

Registered Nurse means a person who is legally qualified and registered as a nurse, other than:

- you or the life insured;
- a business partner of you or the life insured; or
- an Immediate Family Member of you or the life insured.

If practising other than in Australia, the Registered Nurse must have qualifications equivalent to Australian standards.

Rehabilitation Program means a program or plan that:

- is designed to assist the insured in returning to work in their Own Occupation; and
- has been approved by an appropriately qualified vocational or rehabilitation specialist.

Sickness means an illness or disease suffered by the life insured, and is diagnosed by a Medical Practitioner.

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
- has suffered a reduction of 80% or more in the ability to:
  - generate Monthly Earnings; or
  - perform the income producing duties; or
  - maintain the same number of hours worked,

  in the life insured's 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 (eg. Bed Confinement) and this is specifically mentioned within the description of those benefits.

COMPLAINTS

We will always attempt to satisfactorily answer any questions and resolve any problems or complaints you may have regarding the Policy.

COMPLAINTS TO TOWER

From time to time you may have questions about your insurance. We hope, if you have a complaint, we are able to assist you. Your adviser or our customer service consultants are familiar with the product and are happy to answer any of your questions. A customer service consultant is available by calling 1800 226 364.

If you are not satisfied with the response you receive from your queries you can lodge a complaint in writing to:

Complaints Resolution Officer
TOWER Australia Limited
PO Box 142
Milsons Point NSW 1565

We will attempt to resolve your complaint with you within 45 days of the date it being lodged. If we cannot reasonably resolve your complaint within that period, we will inform you of the delay and request your consent to resolving the complaint within 90 days of the date it was lodged.

COMPLAINTS TO THE FINANCIAL INDUSTRY COMPLAINTS SERVICE

TOWER is a member of the Financial Industry Complaints Service. This is an industry sponsored service that has been set up to advise and assist consumers with complaints against all financial services companies, including assisting Policyholders to resolve complaints with their life insurance company. It is an independent and impartial body whose decisions are binding on us.

Before seeking to use them, you should first try to resolve your complaint with us. If you are not satisfied with the response or we do not resolve your complaint within 45 days of the date it was lodged, you can contact the Financial Industry Complaints Service by:

- Telephone on (03) 9629 7050; or
- Freecall 1300 780 808; or
- Writing to:

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

The Financial Industry Complaints Service cannot consider certain complaints, including where the Benefit Amount exceeds a certain limit. The service will advise you whether it can consider your complaint.

SECTION 3
| TOWER protection policy through the TOWER superannuation fund |

The information contained in Section 3 relates to the TOWER Protection Policy offered through TOWER Australian Superannuation Limited only.

CONTACT DETAILS

For any assistance please contact TOWER Australian Superannuation Limited, the Trustee (Trustee of the TOWER Superannuation Fund):

- Telephone 1800 226 364; or
- Facsimile 1800 654 946; or
- On our website www.toweraustralia.com.au; or
- At our postal address PO Box 142, Milsons Point, NSW 1565.

The contact details for each of the Trustee's state offices are found on the inside back cover of this document.

TERMS USED IN SECTION 3

Fund means the TOWER Superannuation Fund.

Policy means the TOWER Protection Policy.

Plan means the product or products for which you have applied.

Trustee, **we**, **us**, and **our** mean TOWER Australian Superannuation Limited, the Trustee of the Fund.

I, **my**, **you** and **your** mean the life insured.

The Insurer, and **TOWER** means TOWER Australia Limited.

If a term or word is defined in this Section 3, it will be capitalised. You should consult the Policy Conditions referred to in each Plan to obtain the relevant meaning.

THE TOWER SUPERANNUATION FUND

This section of the PDS contains important information about the TOWER Superannuation Fund (the Fund).

THE FUND

The Fund is a regulated superannuation fund in accordance with the Superannuation Industry (Supervision) Act 1993 (SIS). SIS governs the operation of superannuation funds in Australia.

TRUST DEED

The rules governing the Fund are set out in the Trust Deed and may be amended by the Trustee subject to certain restrictions. The Trust Deed may not be amended so as to reduce your accrued benefits without your consent, unless the reduction is allowed under SIS.

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.

DO THE TRUSTEES HAVE INDEMNITY?

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.

INSURANCE COVER UNDER THE FUND

Insurance cover, by way of the TOWER Protection Policy, is available under the Fund. TOWER will issue the TOWER Protection Policy to the Trustee. If you arrange life insurance through the Fund you must become a member of the Fund. The TOWER Protection Policy will provide you with any insurance cover, the Trustee will own the Policy issued in respect of your life insurance cover and you will be the life insured.

HOW DO I JOIN?

Complete the Application Form attached to this PDS. If your application is accepted, and the Trustee is able to accept your contributions, you will become a member of the Fund.

WHAT ARE THE CONTRIBUTION RULES?

Contributions can only be made to the Fund in accordance with superannuation law. Generally, superannuation contributions can be made by or in respect of you in the following circumstances:

Who can contribute?	You	Employer	Spouse
Under age 65	X	X[3]	X[1]
Aged 65 to 69	X[2]	X[3]	X[1,2]
Aged 70 to 74	X[2]	X[3]	
Aged 75		X[3]	

1 Subject to requirements under the superannuation and taxation legislation being satisfied

2 Only if the Part Time test (set out below) has been satisfied

3 Generally if employer contributions are made pursuant to the Superannuation Guarantee Administration Act, in satisfaction of an obligation under a Certified Award or Agreement, or the member has satisfied the Part Time test (set out below)

'Part Time' test means the member must have worked at least 40 hours in a period of not more than 30 consecutive days during the financial year in which the contribution is made.

CAN I SELECT A BENEFICIARY TO RECEIVE MY DEATH BENEFIT?

The Fund permits members to either:

- make binding nominations as to who is to receive any benefits payable on death and in what proportions; or
- choose certain categories of membership which affect the payment of a death benefit.

The following categories of membership are available in the Fund:

Category	Rules of Category – Benefits are payable as follows (subject to superannuation law)
A	A lump sum to the member's spouse (if there is more than one spouse, the amount to be paid in equal shares) at the date of the member's death subject to a maximum of the member's pension Reasonable Benefit Limit (RBL). *
	The balance (if any) to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
B	50% to the member's spouse (if there is more than one spouse, the amount to be paid to them in equal shares) at the date of the member's death, as a lump sum. *
	The balance to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
C	A lump sum to the member's personal representative, subject to a maximum of the member's pension RBL.
	The balance (if any) to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
D	A lump sum to the member's personal representative, subject to a maximum of the member's pension RBL.
	50% of the balance (if any) to the member's spouse (if there is more than one spouse, the amount to be paid to them in equal shares) at the date of the member's death, as an Allocated Pension. *
	The balance (if any) to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
E	A lump sum to the member's personal representative, subject to a maximum of the member's pension RBL.
	The balance (if any) to the member's spouse (if there is more than one spouse, the amount to be paid to them in equal shares) at the date of the member's death, as an Allocated Pension. *
G	A benefit to such one or more of the member's dependants and/or personal representative, in such a manner, form and such proportions (if paying to more than one) as the Trustee in its absolute discretion shall determine.
H	A lump sum to a person that has or had an Interdependency Relationship with the member at the date of the member's death, subject to a maximum of the member's pension RBL. Δ
	The balance (if any) to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
I	50% to a person that had an Interdependency Relationship with the member at the date of the member's death, as a lump sum. Δ
	The balance (if any) to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
J	A lump sum to the member's personal representative, subject to a maximum of the member's pension RBL.
	50% of the balance to a person that has or had an Interdependency Relationship with the member at the date of the member's death, as an Allocated Pension. Δ
	The balance (if any) to the member's eligible children at the date of the member's death, in equal shares and payable in each case as an Allocated Pension. #
K	A lump sum to the member's personal representative, subject to a maximum of the member's RBL.
	The balance (if any) to a person that has or had an Interdependency Relationship with the member at the date of the member's death, as an Allocated Pension.Δ
Binding Nomination	A binding nomination may be given by the member to the Trustee, if permitted by the Trustee, on or after a date specified by the Trustee, in which case the following provisions apply: • if, at the time of the member's death, the Trustee holds a binding nomination which is valid, subject to SIS and any other applicable law the Trustee shall, in accordance with the binding nomination, pay the member's benefit to each nominee entitled to receive a benefit, with any balance (whether arising from the nomination not being effective for a nominee or from a nominee not being paid because of SIS or any other applicable law) paid as a lump sum to the member's personal representative; • if, at the time of the member's death, the Trustee does not hold a binding nomination which is valid, the Trustee shall pay the member's benefit as a lump sum to the member's personal representative.

Note that category F is no longer available.

* *The Trustee shall be obliged only to make reasonable enquires to identify a spouse and, if there is no spouse, the amount shall be paid as a lump sum to the member's personal representative. Spouse for these purposes means the member's legal or de facto (but not same sex) spouse.*

The Trustee shall be obliged only to make reasonable enquires to identify eligible children and, if there are no eligible children, the amount shall be paid as a lump sum to the member's personal representative. Eligible children for these purposes means the member's children (including adopted children, step-children and ex-nuptial children) under the age of 18 at the date of death.

Δ *The Trustee shall be obliged only to make reasonable enquiries to identify a person that has or had an Interdependency Relationship with the member and if there is no such person, the amount shall be paid as a lump sum to the member's personal representative.*

Superannuation law requires that if you are selecting a binding nomination, you must sign the application in the presence of two witnesses, who are over age 18, and who are not nominated as beneficiaries. All signatures should be signed using the same pen and with all signatories present.

If you are picking category A to E or G to K you do not need to have your signature witnessed. Category F is no longer available to new members, and has been intentionally omitted from the table on page 61.

You may change categories or may change from a category to a binding nomination at any time and vice versa by completing the required form. The form is available by contacting our Customer Service Centre on 1800 226 364.

A member's benefit will be paid in accordance with the rules of the category last selected by the member and notified to the Trustee or in accordance with any binding death benefit nomination which is in force (subject in both cases to superannuation law).

Under superannuation law a death benefit can only be paid to the member's Spouse (as defined previously), Child of the member of any age (including adopted child, step-child and ex-nuptial child), the person'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.

An interdependency relationship is defined as where two people (whether or not related by family):

- live together; and
- have a close personal relationship; and
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

An interdependency relationship can also exist where there is a close personal relationship between two people who do not satisfy all other criteria of interdependency because either or both of them suffer from a physical, intellectual or psychiatric disability.

Any binding nomination made by a member only remains valid for three years, at which time it will expire. Members should review their binding nomination regularly particularly if circumstances change such as in the case of marriage or divorce and change it if appropriate.

If because of a superannuation law requirement, or the expiry of a member's category selection or binding nomination or for any other reason a portion of a benefit cannot be paid to a specified beneficiary then that portion of the benefit will be paid to the member's personal representative (estate).

When an Allocated Pension is purchased with a portion of a death benefit on behalf of Eligible Children, the Trustee will invest that portion of the benefit in the following manner:

- 50% of the funds invested into the TOWER Cash Portfolio; and
- 50% of the funds invested into the TOWER Fixed Interest Portfolio.

If these Portfolios are not available at the time of purchasing an Allocated Pension, the Trustee will invest in similar options at its discretion.

The income will be paid in similar proportion from each of the portfolios. Regular pension payments will be made on a monthly basis, and at the maximum Government prescribed level.

In the first year of the pension, the maximum payment level is calculated with reference to the proportion of the balance of the financial year that remains, from the date it commences.

Eligible children and their guardians cannot change any of the above features of the Allocated Pension nor can they commute the pension until the eligible child reaches the age of 18.

WHEN ARE YOUR SUPERANNUATION BENEFITS PAYABLE?

Other than death benefits, a superannuation benefit can only be paid where the member meets a condition of release under applicable superannuation law.

These circumstances (as outlined below) include permanent incapacity (which means the member has ceased to be gainfully employed because of ill-health). Payment will be made where the Trustee is satisfied that the member is unlikely because of that ill-health to ever again work in gainful employment for which the member is reasonably qualified by education, training or experience.

Other conditions of release are:

- the member has reached age 65; or
- the member has retired and the Trustee is satisfied that the person intends never again to become gainfully employed either on a full time basis or part time basis and has reached their preservation age (the table below will assist you in determining your preservation age); or
- the member has terminated an arrangement of employment on or after age 60; or
- the member permanently leaves Australia, after holding an eligible temporary resident visa; or
- the member suffers severe financial hardship; or
- compassionate grounds.

If legislation does not allow a benefit to be paid immediately, it will be held in the Fund until the member meets a condition of release.

WHAT IS MY PRESERVATION AGE?

When were you born?	Preservation Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
On or after 1 July 1964	60

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'). The Trustee is prohibited by law from informing the member that such a request was made and will not pass any information in relation to your present whereabouts to the person making the Request for Information.

Once a couple separate, they can provide the Trustee with certain binding instructions that either flag the benefit (prevent the trustee from paying the benefit in certain circumstances when it becomes payable) or split the benefit. Splitting the benefit essentially means that the benefit payable to the member spouse is reduced by an amount becoming available to the non-member spouse as a benefit payable from the Fund.

The legislation permits the Trustee to charge reasonable fees in respect of these actions. Details of fees payable will be provided upon request and/or prior to any request to flag to split a member's benefit.

Members should remember that this legislation does not apply to de facto or same sex couples.

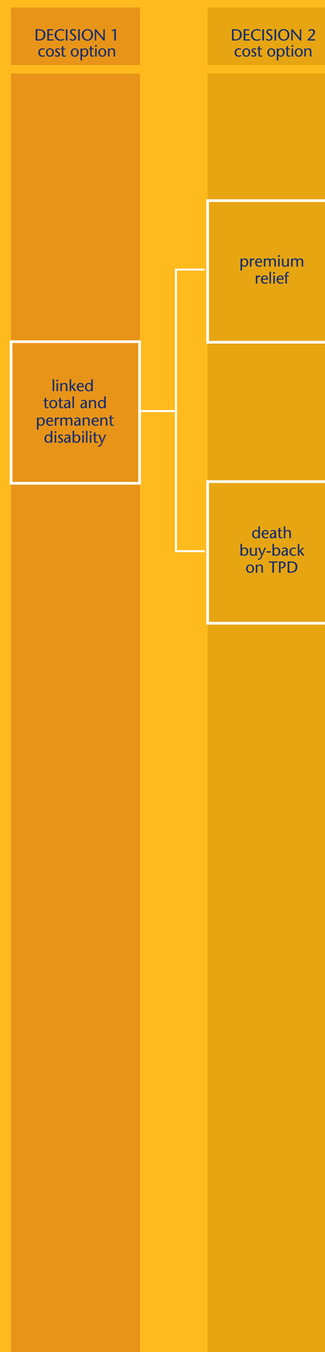
These laws are both detailed and complex and members should seek specialist legal advice as to whether they apply to their circumstances, as the Trustee is not in a position to provide advice to you in relation to this matter.

DO I RECEIVE AN ANNUAL REPORT?

At least once a year we will provide you with an Annual Report which will assist you to make an informed judgement about the management and financial condition of the Fund.

The latest Annual Report to Members of the Fund and other information is available to you free of charge by either contacting your financial adviser or us.

LIFE PROTECTION PLAN & TOTAL AND PERMANENT DISABILITY
| decision-making process |



This part of Section 3 sets out information relating to the Life Protection Plan and Total and Permanent Disability (TPD) including the following:

- Plan information relating to the Life Protection Plan and the Total and Permanent Disability (see pages 65 to 66); and
- the Policy Conditions of the Life Protection Plan and Total and Permanent Disability (see pages 67 to 72).

LIFE PROTECTION PLAN & TOTAL AND PERMANENT DISABILITY
| plan information |

INSURANCE OVERVIEW

This Insurance Overview is only a brief description of the Life Protection Plan and Total and Permanent Disability.

Full details and any conditions or applicable restrictions to the Life Protection Plan and Total and Permanent Disability are outlined in the Policy Conditions.

The Life Protection Plan pays a lump sum on your death. TOWER will pay the lump sum in advance if you are diagnosed with a Terminal Illness. The lump sum will be paid to the Trustee.

If you are Totally and Permanently Disabled (TPD), TOWER will pay a lump sum benefit. The lump sum will be paid to the Trustee.

Insurance cover is provided 24 hours a day, worldwide, subject to the normal Policy terms and conditions.

Standard benefits included in the Life Protection Plan are:

- Death Benefit
- Terminal Illness Benefit
- Premium Freeze Benefit
- Advanced Payment Benefit
- Guaranteed Personal Insurability Benefit
- Guaranteed Business Insurability Benefit

Optional benefits available at an extra cost are:

- Total and Permanent Disability (TPD)
- Premium Relief Option
- Death Buy-Back on TPD

Further details of these benefits can be found in the Policy Conditions commencing on page 67.

The TPD Benefit must be linked to the Life Protection Plan. It is not available as a stand-alone plan under the TOWER Superannuation Fund.

WHO CAN APPLY?

If you are between the ages of 16 next birthday and 70 next birthday, select stepped premiums and are a member of the Fund, you can apply for the Life Protection Plan.

If you are between the ages of 16 next birthday and 60 next birthday, select stepped premiums and are a member of the Fund, you can apply for the TPD benefit.

If you are between the ages of 16 next birthday and 55 next birthday, select level premiums and are a member of the Fund, you can apply for the Life Protection Plan and TPD benefit.

HOW MANY PEOPLE CAN APPLY?

One person can be covered by the Life Protection Plan and any optional benefits under the Fund.

WHO OWNS THE POLICY?

The Policy is owned by TOWER Australian Superannuation Limited as Trustee of the Fund.

This means the Trustee is the Policy owner and you are the life insured. Any benefits we pay will be paid in accordance with the Trust Deed of the Fund and relevant superannuation laws.

Total and Permanent Disability under the optional Own Occupation definition can be obtained through the Fund.

As your Policy will be owned by the Trustee of the Fund, there may be instances where a benefit is payable by the Insurer under the Policy but is required to be withheld by the Trustee due to superannuation law or Trust Deed requirements. This may mean that your payment may be delayed until satisfaction of a condition of release or another condition in the Trust Deed.

To apply for superannuation membership you must be eligible to contribute and must complete the additional information included in the Application Form.

HOW MUCH CAN I APPLY FOR?

If you are applying for the Life Protection Plan you can nominate any financially justifiable amount as your sum insured.

If you are applying for TPD you can apply for up to $2,000,000.

This is the maximum total allowed for your combined insurance contracts, whether they are with TOWER or with another organisation.

WILL MY COVER INCREASE WITH INFLATION?

Your Policy has a built-in Inflation Protection Benefit. This means we will increase the Benefit Amount under your Policy by the greater of the Indexation Factor and 3%.

This increase will occur on each statement date unless:

- you tell us that the Inflation Protection Benefit is not to apply to your Policy; or
- if premiums are being waived under the Premium Relief Option.

On the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account your age and premium type, either stepped or level premiums.

We will not take into account any changes in your health, occupation or pastimes.

The maximum amount that your benefit can be increased to under the Inflation Protection Benefit is:

- unlimited for the Life Protection Plan; and
- $2,000,000 for the Total and Permanent Disability (TPD) Benefit.

At the statement date prior to your 65th birthday, your TPD Benefit Amount when linked to the Life Protection Plan will be the lesser of:

- the amount shown in your latest Policy Schedule; and
- $1,000,000.

Increases under the Inflation Protection Benefit will cease on the earlier of the statement date prior to your 65th birthday or when you ask the Insurer not to increase the Benefit Amount.

HOW LONG WILL MY COVER LAST?

The Life Protection Plan end date for cover is the statement date prior to your 100th birthday.

Level premiums will end at the statement date prior to your 65th birthday and revert to stepped premiums until the statement date prior to your 100th birthday.

Cover under your TPD Benefit will last until the statement date prior to your 65th birthday. It will then become a Loss of Independent Existence Benefit and will continue until the statement date prior to your 100th birthday if you remain eligible to contribute to the Fund. We will contact you at that time to confirm your eligibility.

If you cease to become eligible to make superannuation contributions to the Fund, you will be given the opportunity to transfer your cover to a non-superannuation arrangement.

If we do not hear from you at that time, the Policy will terminate in accordance with the terms and conditions of the Policy.

Cover under the Life Protection Plan will cease upon the death of the life insured.

IS THERE A COOLING OFF PERIOD?

After you receive notification from us that your application for the Life Protection Plan has been accepted on standard terms, or you accept any non-standard terms offered to you, you have 28 days to check that the Policy meets your needs.

This is known as the cooling off period. Within this time you may send us a request in writing asking us to cancel the Life Protection Plan. You will then receive a full refund of all premiums paid and no charges will apply.

The only conditions in the cooling off period are:

- if notice of acceptance was sent to you by post it will be deemed to have been received by you at the time it would have been delivered in the ordinary course of the post, and
- no refund can be made if a claim has occurred been made under the Life Protection Plan.

In any event, the refund is subject to preservation, which means that it may need to be rolled over to another superannuation arrangement rather than be paid in cash. You must do this in writing within one month of advising the Trustee that you are cancelling the Life Protection Plan. If you nominate a superannuation arrangement that does not accept the payment, the Trustee can pay the refund to an eligible rollover fund.

POLICY CONDITIONS
| life protection plan (LPP) |

BENEFITS

Any benefits payable under the Life Protection Plan are payable to the Trustee and will be released from the Fund when the member meets a condition of release under superannuation law.

Death Benefit

When the life insured dies, the Benefit Amount will be paid, providing the benefit is current.

Terminal Illness Benefit

When the life insured is diagnosed as Terminally Ill the Benefit Amount will be paid to a maximum of $2,000,000, providing the Death Benefit is current.

When the Terminal Illness Benefit Amount paid equals the full Benefit Amount, the Plan will cease.

When the Terminal Illness Benefit Amount paid is less than the full Benefit Amount, the full Benefit Amount will be reduced by the Terminal Illness Benefit Amount that is paid. Premiums will be payable on the reduced Benefit Amount, which will be paid when the life insured dies.

Premium Freeze Benefit

When the premium is paid on a stepped basis and the life insured is older than age 45, the Premium Freeze Benefit can be activated.

Under the Premium Freeze Benefit, the Benefit Amount of the Life Protection Plan and the TPD Benefit, if applicable, will reduce as the premium rates increase. The new Benefit Amount will be that which can be purchased by the frozen premium. Therefore, where premiums would have otherwise increased in order to maintain the same level of cover, premiums will remain level, however there will be a corresponding reduction in cover.

The Inflation Protection Benefit will not apply if the Premium Freeze benefit is calculated. If you stop using the Premium Freeze Benefit within three years of it starting, the Inflation Protection Benefit will recommence if it was applicable prior to the Premium Freeze Benefit being activated.

Advanced Payment Benefit

The Advanced Payment Benefit is an advance payment of $10,000 from the Death Benefit Amount. The Advanced Payment Benefit will be paid when the death certificate of the life insured is provided to the Insurer.

The benefit will be paid to the Trustee.

Any payment of the Advanced Payment Benefit will reduce the Death Benefit Amount.

The following conditions apply:

- there will be no payment of the Advanced Payment Benefit in the first year of commencement, or reinstatement of the Life Protection Plan if death was the result of suicide; and
- the Advanced Payment Benefit may not apply in the first three years if the life insured’s death was not the result of an Accident.

Thereafter, the benefit will apply regardless of the cause of death.

Payment of the Advanced Payment Benefit does not mean any admission or acceptance of any claim or liability regarding current or future payments under the Life Protection Plan.

Should our claims assessment find that the Death Benefit Amount will not be paid due to a breach of the life insured's Duty of Disclosure, we will require repayment of the Advanced Payment Benefit Amount.

Guaranteed Personal Insurability Benefit

Under the Guaranteed Personal Insurability Benefit, you can increase the Benefit Amount of the Life Protection Plan and TPD Benefit, if applicable, subject to:

- application for an increase being made within 30 days of an Allowable Event (as described on the following page);
- the life insured being less than age 55 at the time of an Allowable Event;
- the increase being up to the lesser of:
  - 25% of the original Benefit Amount;
  - $200,000;

- five times the annual amount of salary increase; or
- the amount of mortgage being taken out or increased;

- total death cover on the life insured, (including the cover with TOWER and any other organisation), being less than $3,000,000;
- total TPD cover on the life insured (including the cover with TOWER and any other company) being less than $2,000,000, and
- evidence, satisfactory to the Insurer, of the Allowable Event, being provided.

Using this benefit, the maximum amount by which you can increase the sum insured is the lower of:

- the original sum insured; or
- $1,000,000;

subject to total cover not exceeding $3,000,000 for death and $2,000,000 for TPD.

If the TPD benefit is attached to the Life Protection Plan, the TPD cover cannot exceed the death cover.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Policy Conditions and will take into account any extra premiums charged for, and special provisions that apply to the Life Protection Plan or TPD Benefit (if applicable).

If cover increases as a result of Guaranteed Personal Insurability, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- the birth of a child where the life insured is the parent;
- the adoption of a child by the life insured;
- marriage of the life insured;
- a dependent child of the life insured starts secondary school;
- a change in employment status of the life insured where salary increases by at least $10,000 a year; and
- taking out, or increasing, a mortgage by the life insured (either alone or jointly with another person) on the purchase of a home which is the primary residence of the insured.

During the first six months after exercising the Guaranteed Personal Insurability Benefit, the increased portion of the sum insured will only be paid in the event of:

- Accidental death, or
- Total and Permanent Disability that is caused by Accident (if the TPD option has been selected).

The Guaranteed Personal Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

Guaranteed Business Insurability Benefit

Under the Guaranteed Business Insurability Benefit, you can increase the Benefit Amount of the Life Protection Plan, and TPD Benefit, if applicable, subject to:

- our receipt of acceptable supporting financial evidence;
- the life insured being less than age 55 at the time of the Allowable Event (as described on the following page);
- the increase being up to the lesser of:
  - 25% of the original Benefit Amount;
  - $200,000;
  - five times the average of the last three years consecutive annual increases in the insured person's annual remuneration package; or
  - the increased amount in the person's financial interest in the business;
- total death cover on the life insured (including the cover with TOWER and any other organisation), being less than $3,000,000; and
- total cover on the life insured, for Total and Permanent Disability cover, including the cover with TOWER and any other organisation, being less than $2,000,000.

Using this benefit, the maximum amount by which you can increase the sum insured is the lower of:

- the original sum insured; or
- $1,000,000;

subject to total cover not exceeding $3,000,000 for death and $2,000,000 for TPD.

Only one Guaranteed Insurability Benefit (Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Policy Conditions and will take into account any extra premiums charged for, and special provisions that apply to the Life Protection Plan, and TPD Benefit (if applicable).

If cover increases as a result of Guaranteed Business Insurability, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- an increase in the insured person's value to the business, where the insured person is a key person in that business;
- an increase in the insured person's financial interest in the business, whether as a partner, shareholder or unit holder, and the Policy forms part of a buy-sell, share purchase or business succession agreement; or
- an increase in the loan liability of the business, for which the life insured is the primary guarantor.

During the first six months after exercising the Guaranteed Business Insurability Benefit, the increased portion of the sum insured will only be paid in the event of the life insured suffering:

- Accidental death, or
- Total and Permanent Disability that is caused by Accident (if the TPD option has been selected).

The Guaranteed Business Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

BENEFIT OPTIONS AT ADDITIONAL COST

Benefit options listed below only apply if indicated in your Policy Certificate.

Total and Permanent Disability (TPD) Benefit

The TPD Benefit Amount is payable if the life insured becomes Totally and Permanently Disabled while the benefit is current.

The benefit is paid immediately upon any one of the three definitions of TPD being satisfied.

In the event of a TPD claim, the following will apply:

- the death Benefit Amount will be reduced by the TPD benefit paid;
- the TPD Benefit Amount will be reduced by any Terminal Illness Benefit paid; and
- premiums will be payable based on the reduced Benefit Amount.

Premium Relief Option

Under the Premium Relief Option, premiums due under the Life Protection Plan and any benefit options attached to it will be waived when, as a result of Sickness or Injury, the life insured is:

- totally unable to work in any occupation suited by training, education or experience;
- not producing an income; and
- following the advice of a Medical Practitioner,

for three consecutive months.

The premium waived will be the daily proportion of premiums due under the Life Protection Plan.

The Premium Relief Option will stop on the earlier of:

- the life insured returning to work;
- the life insured earning an income; or
- the statement date prior to the life insured's 65th birthday.

Death Buy-Back on TPD

Under the Death Buy-Back option you can purchase death cover under the Life Protection Plan or, if the Life Protection Plan is not available, that term insurance Policy which replaces it. The Death Buy-Back option can be exercised without having to provide evidence of health, occupation or pursuits.

The Death Buy-Back option is able to be exercised after a TPD benefit has been paid. The amount of cover that you may purchase is the TPD Benefit Amount.

You must notify us of your intention to exercise the Death Buy-Back option within 30 days of the 12 month anniversary of the full Benefit Amount having been paid under the TPD benefit.

The Death Buy-Back option will expire if not exercised before the earlier of:

- 30 days after its due date, which is 12 months after the full Benefit Amount under the TPD Benefit has been paid; or
- the 65th birthday of the life insured.

The premium for the repurchased death cover will be based on our standard premium rates for the age of the life insured at the time the option is exercised and will take into account any extra premiums charged for, and special provisions that apply to, the TPD benefit.

The repurchased death cover will not be eligible for increases under the Inflation Protection Benefit.

PLAN EXCLUSIONS

No payments will be made under the Life Protection Plan if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured within 13 months of:

- the Plan start date;
- the date of an applied-for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate either the Plan or Policy.

We will waive the above exclusion if, immediately prior to the commencement of cover, you had death cover which was current for at least 13 consecutive months (without lapsing and/or reinstatement) with TOWER or another insurer, and you have transferred the death cover to the Life Protection Plan. The waiver will only apply up to the level of cover you had with TOWER or the other insurer. Should you reinstate your cover at anytime, this exclusion will recommence from the date of reinstatement.

No payments will be made under the Premium Relief Option if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war;
- an intentional, self-inflicted act by the life insured;
- pregnancy, unless disability continues for longer than three months after the pregnancy ends, in which case disability will be considered to have started at the date the pregnancy ends.

No payments will be made under the TPD Benefit if the event giving rise to the claim is caused directly or indirectly by:

- war or an act of war; or
- an intentional, self-inflicted act by the life insured.

Total and Permanent Disability occurring while a prisoner of war or missing in action, will be considered a result of war or an act of war.

Total and Permanent Disability caused by war or an act of war at anytime is excluded, even if the Total and Permanent Disability manifests itself after the war or an act of war.

War or an act of war means armed aggression, whether declared or not, by a country or organisation, resisted by any other country or international organisation.

PLAN ADJUSTMENTS

When the certificate indicates that the TPD Benefit is attached to the Life Protection Plan:

- payments under the TPD Benefit will reduce the Life Protection Plan Benefit Amount by the amount paid; and
- payments under the Terminal Illness Benefit will reduce the TPD Benefit Amount by the amount paid.

POLICY DEFINITIONS FOR LPP

Accident or Accidental means an accident caused wholly by violent, accidental, external and visible means.

Activities of Daily Living are;

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

Benefit Amount means the amount shown in the certificate for the Life Protection Plan or benefit option after taking into account increases or reductions, applying:

- under the conditions of the Plan or option; or
- in line with a request by you that is agreed to by us.

Immediate Family Member means spouse, partner, de-facto, children, parents and siblings.

Indexation Factor is the percentage change in the Consumer Price Index (Weighted Average All Capital Cities) as last published by the Australian Bureau of Statistics in respect of the 12 month period finishing on 30 September. It will be determined at 30 November each year and applied, where indicated, for the following year. If it is not published by 30 November, the indexation factor will be calculated based upon a retail price index which we consider replaces it.

If the percentage change in the Consumer Price Index, or any substitute for it, is negative, the Indexation Factor will be taken as zero.

Injury means an accidental bodily Injury suffered by the life insured.

Loss of Independent Existence means Significant Cognitive Impairment or the total and irrecoverable loss of ability, due to Sickness or Injury, to perform at least two of the Activities of Daily Living without the physical assistance of another person.

Medical Practitioner means a person who is legally qualified and registered as a Medical Practitioner, other than:

- you or the life insured;
- a business partner of you or the life insured; or
- an Immediate Family Member of you or the life insured.

If practising other than in Australia, the Medical Practitioner must be approved by us and have qualifications equivalent to Australian standards.

NOTE: Chiropractors, physiotherapists and alternative therapy providers are not regarded as Medical Practitioners.

Own Occupation is the occupation in which the life insured was working immediately prior to the Sickness or Injury causing disability, unless the life insured:

- was working in that occupation for less than 10 hours a week; or
- had been employed in that occupation for less than three months; or
- 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.

Sickness means an illness or disease suffered by the life insured, and is diagnosed by a Medical Practitioner.

Significant Cognitive Impairment means a deterioration or loss of intellectual capacity that results in a requirement for a full time permanent caregiver.

Terminally Ill and **Terminal Illness** means an illness or condition where, after having regard to the current treatment or such treatment as the life insured may reasonably be expected to receive, the life insured will not survive more than 12 months.

Total and Permanent Disability and **Totally and Permanently Disabled** mean that:

- solely because of a Sickness or Injury, the life insured has not been in an occupation for six consecutive months, and is unable to ever work in their Own Occupation and any occupation for which the life insured is reasonably suited by training, education or experience; or
- the life insured suffers the loss of:
  - both feet, 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.

On the statement date prior to the life insured's' 65th birthday, 'Total and Permanent Disability', and 'Totally and Permanently Disabled' mean that, solely because of a Sickness or Injury, 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.

When '**Own Occupation**' is shown in the certificate, the reference above to 'their Own Occupation and any occupation for which the life insured is reasonably suited by training, education or experience' will be replaced by 'the life insured's Own Occupation'.

When the life insured is classed as a Homemaker, Total and Permanent Disability means that:

- the life insured is wholly engaged in full time unpaid domestic duties in their own residence; and
- solely because of Sickness or Injury the life insured has been unable to perform unpaid domestic duties and not been in any occupation for six consecutive months, and at the time of claim is unable to ever engage in full-time domestic duties or any occupation for which the life insured is reasonably suited by training, education or experience.

COMPLAINTS

We will always attempt to satisfactorily answer any questions and resolve any problems or complaints you may have regarding the Policy.

COMPLAINTS RESOLUTION – TOWER SUPERANNUATION FUND

The Trustee has established a procedure for dealing with queries and complaints about the operation and management of the TOWER Superannuation Fund.

From time to time you may have questions about your membership and/or benefits under the Fund (including insurance). Your financial adviser or our customer service consultants are familiar with the product and are happy to answer any of your questions. A customer service consultant is available by calling 1800 226 364.

If you are not satisfied with the response you receive to your queries you can lodge a complaint in writing to:

Complaints Resolution Officer
TOWER Superannuation Fund
PO Box 142
Milsons Point NSW 1565

Any complaint you may have about the operation or management of the Fund will be properly considered and dealt with within 45 days of receipt of the complaint, except in special circumstances and with your agreement.

If your complaint has not been resolved to your satisfaction in 90 days of lodging your complaint, you may contact the Superannuation Complaints Tribunal. The Tribunal is an independent body set up by the Federal Government to assist you and your beneficiaries to resolve certain superannuation complaints.

You can contact the Superannuation Complaints Tribunal on 1300 884 114.

SECTION 4
| general information |

The information contained in Section 4 relates to the products issued by both TOWER Australia Limited and TOWER Australian Superannuation Limited, the Trustee of the TOWER Superannuation Fund.

If a word is capitalised, you should consult the relevant Policy Conditions to obtain the relevant meaning.

SECTION 4
| general information |

PRIVACY

Personal information is collected from or in respect of you to enable provision of the product or service requested. 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, the product or service requested or payment of the claim may not be able to be provided.

In processing and administering your insurance and/or your membership of the Fund (as the case may be) including at the time of claim, your personal information may be disclosed (excluding health information) to a number of parties or such organisations to whom mailing and information technology is outsourced, the Insurance Reference Service, Government regulatory bodies, and other companies within the TOWER group and accountants (if applicable).

Your personal information may also be disclosed (including health information) to other bodies such as the reinsurers, your financial adviser, health professionals, investigators, lawyers, external complaints resolution bodies and as required by law.

By signing the Application Form you are agreeing to the collection, use and disclosure of your personal information.

The TOWER Group would also like to provide you with information about other products and services that are offered. To do so it may be necessary 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 to perform certain tasks such as market research. If you do not want to be informed of other products or services, please notify the Customer Service Centre on 1800 226 364.

You may also be entitled to gain access to personal information held on file in respect of you. If you wish to obtain access please make your request to the Customer Service Centre on 1800 226 364.

MONEY HANDLING REQUIREMENTS

If the requested insurance is unable to be provided shortly after application, any money paid will be held in a trust account until the insurance and/or membership of the Fund (as the case may be) or additional insurance, is ready to be provided or declined, or the money needs to be returned for any other reason. Because monies are expected to remain in this account for only a short period of time, the interest that accrues in that account will be retained, otherwise the administrative complication of calculating interest would most likely lead to increased charges.

The money is also required to be returned if insurance (or additional insurance) cannot be issued within a month, or any longer period that is reasonable after receiving the money.

In some circumstances (such as where underwriting requirements need to be met or where full details or other requirements have not been provided or satisfied) the money received may remain in the trust account for over one month until the outstanding requirements have been fully satisfied.

CONFIRMATION OF TRANSACTIONS

You can access a standing facility to confirm any transactions relating to your investment by phoning the Customer Service Centre on 1800 226 364.

If the confirmation is required in writing, please ask the customer service consultant at the time you call.

DIRECT DEBIT REQUEST SERVICE AGREEMENT

This Agreement is issued, to enable you to understand your rights and responsibilities as a new customer when making premium payments by direct debit. It allows for money to be debited from your nominated account to meet the premiums for your Policy. Please keep this Agreement in a safe place for future reference.

You are guaranteed to receive at least 14 days notice if there are any changes to 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

Please ensure that:

- the account you have nominated can accept direct debits;
- all account holders for this nominated account agree 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.

If a premium deduction date falls on a weekend or a public holiday, the debit will automatically occur on the next business day.

How To Make Changes

Please provide at least seven days notice before your next premium due date for either:

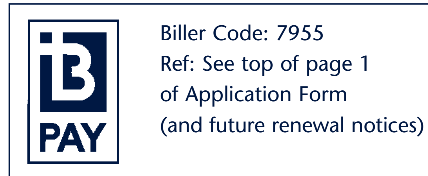
- altering any of your direct debit or financial institution details; or
- stopping or suspending any debits, or cancelling the Agreement completely.

If you do any of these, you will need to make alternative arrangements for future premiums to continue your Policy.

If you want to change or cancel this Agreement, or dispute a debit, please do so in writing to, TOWER Australia Limited or TOWER Australian Superannuation Limited (as the case may be), PO Box 142, Milsons Point, NSW, 1565. We will always respond to your query or dispute in the first instance.

BPAY

For payments using BPAY, contact a participating bank, building society or credit union to pay the premium from a cheque or savings account.



Biller Code: 7955
Ref: See top of page 1
of Application Form
(and future renewal notices)

INTERIM COVER

Interim Cover is available under all products and applies from the date that TOWER receives the fully completed Application Form and Personal Statement at either our Head Office or State Office.

This cover is provided in accordance with the terms and conditions of the interim certificate. It is important you read this information as in certain cases no cover will be provided or it may be subject to exclusions and/or a reduction in the amount of cover.

This Interim Cover may provide valuable cover for you during the underwriting process and is limited to the lesser of a period of 90 days, the date we either accept, offer alternate terms or reject the Application, or the date the Application is withdrawn.

Subject to the applicable restrictions, Interim Cover provides you with insurance cover that is being applied for. Please refer to page 78 or 79 (as appropriate) of this document for further details.

Please note that for this cover to apply, a premium must accompany each and every application. Where you have indicated that you will be paying premiums by either Credit Card or Direct Debit (DDR), then the availability of Interim Cover is confirmed.

If you are going to pay premiums quarterly, half yearly or yearly by cheque, then in all instances we will need to obtain a Deposit Premium with the Application. This should represent at least the equivalent of one month's premium.

If we do not receive any Deposit Premium, then it is important to note that you will not be covered for this extremely valuable Interim Cover.

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INTERIM COVER CERTIFICATE FOR TOWER AUSTRALIA LIMITED

NAME OF LIFE TO BE INSURED

We will extend Interim Cover to you from the date we have received your fully completed Application Form and the first premium or fully completed Credit Card or DDR authority at our Head Office or a State Office. Interim Cover will be provided to the extent that your Application is not replacing existing cover with us or any other company on the same life to be insured.

Interim Cover is subject to the underwriting guidelines of TOWER. The amount of Interim Cover (if any) therefore cannot be verified until we complete our assessment of your Application (subject to any special terms or conditions).

Cover will start from the date we receive the Application Form and the first premium or a Credit Card or DDR authority, and will cease upon the earliest of:

- the date we accept your Application (notification of which will be taken as notification of termination of Interim Cover);
- the date you withdraw your Application;
- the expiration of 90 days, or
- we advise you in writing that your Application will not be accepted at standard rates or without modification.

We will issue a notice advising when Interim Cover will cease (if it has not already ceased) based on the period of 90 days.

DETAILS OF INTERIM COVER SUBJECT TO THE ABOVE TERMS ARE AS FOLLOWS:

Death Cover

If you applied for the Life Protection Plan, we will insure the life to be insured against death.

Total and Permanent Disability

If you applied for Total and Permanent Disability Benefits, we will insure the life to be insured against Total and Permanent Disability. The 'Any' Occupation definition will apply (as defined on page 25).

Crisis Cover

If you applied for the Crisis Protection Plan, we will insure the life to be insured against the Insured Events listed within the Crisis Protection Plan.

Disability Cover

If you applied for the Income Protection Plan, we will insure the life to be insured should they suffer Total or Partial Disability (as defined on page 57). If the life to be insured suffers either disability prior to your Application being accepted by us, this Sickness or Injury will be taken into account in our assessment of your Application.

Amount Payable

We will cover the life to be insured on the above basis for the Benefit Amount(s) which we would have accepted in the normal course of underwriting to the lesser of, in the relevant case, the amount being applied for or:

- for the Income Protection Plan, a maximum of $10,000 a month, for 12 months; and
- a total payment in respect of all benefits under the Interim Cover Certificate of $500,000.

Subject to the restrictions to the amount payable, the terms and conditions (including but not limited to any applicable exclusions) of the Policy will govern any payment under the Interim Cover Certificate.

When cover or full cover will not be provided

If you or the life to be insured have not met the duty of disclosure, or would not have been entitled to the amount of cover applied for, we will reduce the insured amount under this Certificate. Any medical conditions existing at the time of your application are excluded from this cover. Cover is also excluded if the life to be insured engages in any pursuit or occupation which we would not have accepted in the normal course of underwriting. If under our standard underwriting guidelines we would have modified or applied an additional loading on your Policy as a result of your medical history, we will reduce the level of Interim Cover based on the proposed premium and the terms that we would have offered.

Benefits

You applied to TOWER Australia Ltd for the following:

Life Protection Plan	$	Total & Permanent Disability	$
Income Protection Plan	$	Crisis Protection Plan	$
I,		acknowledge receipt of $	made payable to TOWER.
Adviser's Signature		Date / /	

INTERIM COVER CERTIFICATE FOR
TOWER AUSTRALIAN SUPERANNUATION LIMITED

NAME OF LIFE TO BE INSURED

The Insurer will extend Interim Cover to you from the date they have received your fully completed Application Form and the first premium or fully completed Credit Card or DDR authority at their Head Office or a State Office. Interim Cover will be provided to the extent that your Application is not replacing existing cover with the Insurer or any other company on the same life to be insured.

Interim Cover is subject to the underwriting guidelines of TOWER. The amount of Interim Cover (if any) therefore cannot be verified until we complete our assessment of your Application (subject to any special terms or conditions).

Cover will start from the date we receive the Application Form and the first premium or a Credit Card or DDR authority, and will cease upon the earliest of:

- the date the Insurer accepts or rejects your Application (notification of which will be taken as notification of termination of Interim Cover);
- the date you withdraw your Application;
- the expiration of 90 days, or
- the Insurer advises you in writing that your Application will not be accepted at standard rates or without modification.

DETAILS OF INTERIM COVER SUBJECT TO THE ABOVE TERMS ARE AS FOLLOWS:

Death Cover

If you applied for the Life Protection Plan, the Insurer will insure the life to be insured against death.

Total and Permanent Disability

If you applied for Total and Permanent Disability Benefits, the Insurer will insure the life to be insured against Total and Permanent Disability. The 'Any' Occupation definition will apply (as defined on page 72).

Amount Payable

The Insurer will cover the life to be insured on the above basis for the Benefit Amount(s) which they would have accepted in the normal course of underwriting to the lesser of, in the relevant case, the amount being applied for or up to a total payment in respect of all benefits under the Interim Cover Certificate of $500,000.

Subject to the restrictions to the amount payable, the terms and conditions (including but not limited to any applicable exclusions) of the Policy will govern any payment under the Interim Cover Certificate.

When cover or full cover will not be provided

If you or the life to be insured have not met the duty of disclosure, or would not have been entitled to the amount of cover applied for, the Insurer will reduce the insured amount under this Certificate.

Any medical conditions existing at the time of your application are excluded from this cover. Cover is also excluded if the life to be insured engages in any pursuit or occupation which the Insurer would not have accepted in the normal course of underwriting. If under the Insurer's standard underwriting guidelines they would have modified or applied an additional loading on your Policy as a result of your medical history, they will reduce the level of Interim Cover based on the proposed premium and the terms that they would have offered.

Benefits

You applied to TOWER Australian Superannuation Ltd for the following:

Life Protection Plan $	Total & Permanent Disability $	
I,	acknowledge receipt of $	made payable to TOWER.
Adviser's Signature	Date / /	

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TOWER Australia Limited
ABN 70 050 109 450
80 Alfred Street
Milsons Point NSW 2061
Telephone 02 9448 9000
Facsimile 02 9448 9100

NEW SOUTH WALES/ACT
Ground Floor, 80 Alfred Street
Milsons Point NSW 2061
Telephone 02 9448 9000
Facsimile 02 9465 2056

VICTORIA
Level 27, 459 Collins Street
Melbourne VIC 3000
Telephone 03 9629 6677
Facsimile 03 9629 3965

TASMANIA
Level 4, 33 Salamanca Place
Hobart TAS 7000
Telephone 03 6224 3718
Facsimile 03 6224 0785

QUEENSLAND
Christie Corporate Centre
320 Adelaide Street
Brisbane QLD 4000
Telephone 07 3221 7494
Facsimile 07 3221 7504

SOUTH AUSTRALIA/ NORTHERN TERRITORY
44 Pirie Street
Adelaide SA 5000
Telephone 08 8218 4911
Facsimile 08 8218 4785

WESTERN AUSTRALIA
Level 34, 2 The Esplanade
Perth WA 6000
Telephone 08 9221 5533
Facsimile 08 9221 3746