

Asteron Life Limited is the issuer of this Supplementary Product Disclosure Statement (SPDS) which updates and modifies the information in the Asteron Life Insurance Product Disclosure Statement (PDS) Issue no. 3 dated 7 November 2005.

You must read this SPDS together with Asteron Life Insurance PDS Issue no. 3.

Addition of optional benefit – Recovery Reinstatement Option

This option applies to Recovery and Stand Alone Recovery (pages 23 – 33), and is available under these policies for an additional premium.

This option allows the policy owner to purchase a new varied Stand Alone Recovery policy (the new policy) after payment of the full Recovery Benefit (other than for death, terminal illness or total and permanent disability), without further medical evidence. The new policy can have a sum insured up to 100% of the original Recovery Benefit payment.

The maximum sum insured of the new policy is the lesser of the original Recovery Benefit payment and \$1,000,000.

For example, if your original Recovery Benefit payment was \$750,000 your new cover can be up to \$750,000. If your original Recovery Benefit payment was \$1,200,000 your new cover can be up to \$1,000,000.

The option can be exercised:

- if the original Recovery Benefit was paid before the policy anniversary when you are age 65;
- 12 months after we have made the payment; and
- within 30 days of the claim anniversary.

We will notify the policy owner when the option is available.

We may impose on your new policy any special conditions or restrictions that applied to your original policy.

Varied terms of the new cover

The following terms will not apply to the new policy:

- Recovery Increase Benefit (pages 30 – 31);
- Future Cover Benefit (page 29);
- Recovery Reinstatement Option;
- Total and Permanent Disablement (as defined on pages 68 – 69);
- Waiver of Premium Option (pages 32 – 33).

Payment of new Recovery Benefit

We will pay a claim under your new Recovery Benefit, if:

- you are diagnosed as having one of the listed conditions or procedures (listed on pages 26 – 27); and
- the condition or procedure occurred or was diagnosed after your new policy commenced; and
- the condition or procedure is not excluded – see below and page 33 of the PDS.

Any symptoms leading to the diagnosis or occurrence of the condition must first become apparent after your new policy commences.

When we won't pay

Your condition or procedure will be excluded and we will not pay a claim under your new policy if:

- the condition is the same listed condition or procedure that the original Recovery Benefit was paid for or the condition is directly or indirectly caused by or related to the listed condition or procedure that the original Recovery Benefit was paid for; or

- the Partial Recovery Benefit condition is the type of condition for which a Partial Recovery Benefit was paid on the original policy; or
- the condition is a Heart Condition and the original Recovery Benefit payment was also for a Heart Condition; or
- the condition is a stroke or paralysis (directly or indirectly resulting from a stroke) and the original Recovery Benefit payment was for a Heart Condition

where Heart Condition is used it means any of the following serious medical conditions or types of major surgery:

- coronary artery angioplasty
- coronary artery angioplasty – triple vessel
- coronary artery surgery
- heart surgery (open)
- repair or replacement of aorta
- repair or replacement of valves
- cardiomyopathy
- heart attack
- out of hospital cardiac arrest
- primary pulmonary hypertension

(as defined on pages 86-90).

It is important that you read this section together with page 33 of the PDS.

Important note

The information in the SPDS does not take into account your personal circumstances. You should consider the appropriateness of the information having regard to your objectives, financial situation and needs.

Issuer

Asteron Life Limited
ABN 64 001 698 228
AFS Licence No. 237903

465 Victoria Avenue
Chatswood NSW 2067

Policy Fee Information

From 7 September 2006 we will charge only one policy fee for all policies for the same insured person which are applied for at the same time (refer to page 73).

Recovery Reinstatement Option Application



AT YOUR FINANCIAL SERVICE®

Asteron Life Limited ABN 64 001 698 228
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465 Victoria Avenue Chatswood NSW 2067

Please complete the following section or alternatively the policy owner must sign and attach a copy of the Equate Illustration which includes the Recovery Reinstatement Option

Your Duty of Disclosure

Please read carefully

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

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

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

Non-Disclosure

If you fail to comply with your Duty of Disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within 3 years of entering into it. If your non-disclosure is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within 3 years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

You have the same duty to disclose those matters to the insurer before you extend, vary or reinstate a contract of life insurance. This duty continues until the insurer notifies you that it has accepted the risk of the insurance.

Name of Person to be Insured

Policy Owner

Policy number
(if applicable)

Recovery

Stand Alone Recovery

(Please place an **X** to indicate on which policy the Recovery Reinstatement Option is being applied for)

- I/We agree that the above shall form part of my application completed from the PDS to which this SPDS relates. I/We have read the duty of disclosure and statement on non-disclosure and understand the contents.
- I/We have received and read the Asteron Life Insurance Product Disclosure Statement Issue no 3 dated 7 November 2005 and the Supplementary Disclosure Statement dated 7 September 2006

Signature of the Person to be Insured:

Date

Signature of the Policy Owner:
(if not same as Person to be Insured)

Date

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