

Income Protection Portfolio Policy Terms

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Overview

This section briefly describes the products in the Income Protection Portfolio covered by the policy terms commencing on the next page.

Income Safe Plus – Agreed Monthly Benefit

This plan replaces up to 75% of your monthly income should you be unable to work due to illness or injury. This plan provides an agreed monthly benefit that includes any increases to the Indexation Factor. It also offers a deluxe range of features.

Income Cover – Indemnity Monthly Benefit

This plan is a lower cost deluxe indemnity style contract that has the same features as Income Safe Plus. The monthly benefit reduces if your income in the 12 months immediately prior to claim reduces below the income disclosed on the Application Form adjusted by any increases to the Indexation Factor.

Income Safe – Agreed Monthly Benefit

This is a basic agreed value plan that offers core features and benefits. It replaces up to 75% of your monthly income should you be unable to work due to illness or injury. It provides an agreed monthly benefit that includes any increases to the Indexation Factor.

Business Expenses Plan

This plan covers the eligible business expenses (up to the insured monthly benefit) that you must pay each month if you are unable to work because of illness or injury. It can be taken with one of the above products or by itself.

Policy Terms

All benefits are subject to the policy terms, which commence on the next page.

Core Features and Benefits	Income Safe Plus	Income Cover	Income Safe
Total Disability Benefit	✓	✓	✓
Partial Disability Benefit	✓	✓	✓
Attempt to Return to Work Benefit	✓	✓	✓
Costs of Rehabilitation	✓	✓	✓
Death Benefit	N/A	N/A	✓
Enhanced Death Benefit	✓	✓	N/A
Nursing Care Benefit	✓	✓	N/A
Specific Injury Benefit	✓	✓	N/A
Trauma Recovery Benefit	✓	✓	N/A
No Claim Benefit	✓	✓	N/A
Immediate Family Member Benefit	✓	✓	N/A
Accommodation Benefit	✓	✓	N/A
Special Care Benefit	✓	✓	N/A
Rehabilitation Incentive Benefit	✓	✓	N/A
Relocation Benefit	✓	✓	N/A
Optional Benefits			
Accident Benefit	✓	✓	✓
Superannuation Maintenance Benefit	✓	✓	✓
Mental Disorder Limitation Discount	✓	✓	✓
Index Linking	✓	✓	✓
Increasing Claim Benefit	✓	✓	✓

Policy Terms

1. The Policy

This section introduces the contract, including the parties, the period of the policy and other important matters.

1.1 Policy Terms

These policy terms set out the usual terms for the:

- Income Safe *Plus*;
- Income Cover;
- Income Safe; and
- Business Expenses policies.

This wording is not a legal contract of insurance with us unless:

- (i) we have accepted a completed Application Form and issued a Policy Schedule to the policy owner; and
- (ii) the policy owner has paid the premium and continues to do so (see section 10).

1.2 The Policy Schedule

The Policy Schedule confirms the policy owner's cover and contains important details about the insurance. It forms part of the policy. The policy owner should keep the Policy Schedule with this document.

1.3 Insurance

We agree to pay the policy owner the benefits in accordance with these policy terms if you are totally disabled as a result of an illness or injury occurring during the period of the policy. You may select one of the following products:

- Income Safe *Plus*
- Income Cover
- Income Safe

The product selected is shown on the Policy Schedule.

The Business Expenses Plan may be selected either with or without one of the above three products. If the Business Expenses Plan was selected and is shown on the Policy Schedule, we will pay the policy owner the benefits under section 8 of this policy in addition to the applicable benefits under the selected products above.

1.4 Period of the Policy

The insurance cover under this policy commences on the Policy Start Date and expires on the Policy Expiry Date (these dates are stated on the Policy Schedule).

1.5 Premium

The policy owner must pay the premium to keep the policy in force (see section 10).

1.6 Persons

policy owner – is the person or company named as the policy owner in the Policy Schedule. The policy owner also pays the premiums under the policy. Benefits will be paid to the policy owner.

you/your/yourself – is the person whose life is insured under the policy.

It is usual for the policy owner and the life insured to be the same.

we/us/our – is ING Life Limited ABN 33 009 657 176, the life insurance company issuing this policy.

1.7 Renewal

The policy owner may renew the policy each year upon payment of the premium. The first renewal date is 12 months after the Policy Start Date. At each renewal date the policy owner will receive a renewal notice. The renewal notice varies the benefit level and advises the premium for the next 12 months.

1.8 Eligibility

To be eligible for insurance cover at the time the policy owner takes out this policy you must be gainfully employed or self employed for salary, reward or profit in any business, profession, occupation or employment. The policy will also terminate if you become unemployed (see section 12).

1.9 Worldwide Cover

Coverage under your policy is worldwide 24 hours a day.

1.10 Guaranteed Renewable

The policy will be renewed each year if the policy owner continues to pay the premium, regardless of changes to your health.

We may terminate the policy if you are unemployed for more than 12 months (except whilst you are on claim) (see section 12.8).

2. Glossary

In this section we define some expressions used throughout the policy terms.

Where a word is given a special meaning below or elsewhere in this policy or the Policy Schedule, it will have that meaning wherever it occurs in the policy.

(Medical definitions appear in section 11).

annual income

Your annual income is used to calculate the amount(s) you can insure under the policy:

- (i) If you are self-employed or a working director, it is the gross income generated by the business as a result of your personal exertion after allowing for the costs and expenses incurred in deriving that income; or
- (ii) If you are employed, it is your income earned from personal exertion by way of total remuneration package, including fringe benefits and any other type of remuneration.

illness

Means an illness or disease which first manifests itself during the period of the policy.

immediate family member

See section 6.1.1.

indexation factor

We will determine the indexation factor following the publication of the Consumer Price Index for the December quarter. It will apply from the last day of the following month until the next determination. If the Consumer Price Index is not published, we will calculate the percentage increase by referring to other retail price indices which in our Appointed Actuary's opinion is closest to it. If the CPI reduces over the relevant period, the indexation factor will be zero.

Any subsequent increase in the CPI will first be offset against the previous reduction(s) in the CPI when we determine the next indexation factor.

injury

Means an accidental bodily injury which occurs during the period of the policy.

medical practitioner

Is a registered and qualified medical practitioner in Australia or another country approved by us, who is not you or the policy owner, or a spouse, partner or other immediate family member of you or the policy owner.

monthly earnings

Your monthly earnings are:

- (i) If you are self employed or a working director, the gross income generated by the business as a result of your personal exertion after allowing for the costs and expenses incurred in deriving that income; or
- (ii) If you are employed, your monthly income earned from personal exertion by way of total remuneration package, including fringe benefits and any other type of remuneration.

other money

See section 7.3.1.

on claim

Means that we are paying a benefit with respect to you under the policy.

partially disabled/partial disability benefit period

See section 5.

pre claim earnings

See section 5. There are separate definitions for:

- Income Safe/Safe *Plus* and
- Income Cover.

regular occupation

Is the occupation/s in which you are regularly engaged at the time you suffer an injury or illness.

If your occupation is limited to a recognised specialty within the scope of your degree or licence, your specialty is your occupation.

For periods of total disability or partial disability which occur while you are unemployed for less than 12 months, your regular occupation means the last occupation you performed before being unemployed.

If you have been on paternity or maternity leave for a period in excess of 12 months and you go on claim, your regular occupation means any occupation that you are reasonably capable of performing with regard to your education, training or experience.

totally disabled/total disability benefit period

See section 4.

unemployed

Means that you are not actively engaged in any gainful occupation for salary, reward or profit. It does not include sabbatical, maternity or paternity leave.

waiting period

Means the period selected by the policy owner and shown on the Policy Schedule, and starts from the first day you are totally disabled as confirmed by a medical practitioner. It is subject to change in respect of:

- recurring claims (see section 7)
- your attempted return to work (see section 4).

3. Benefits

(Income Safe *Plus*, Income Safe, Income Cover)

3.1 Monthly Benefit

We pay the Monthly Benefit during the total disability benefit period (see section 4).

The Monthly Benefit is also used to calculate other benefits under the policy such as a Partial Disability Benefit (see section 5) and other benefits applicable to the policy selected (see section 6).

If the optional Superannuation Maintenance Benefit (SMB) is selected (see section 3.2), we reduce your annual income by the annual equivalent of the SMB for the purposes of determining the maximum Monthly Benefit (and in the event of a claim payable under the policy, this Monthly Benefit as well as the SMB will be paid).

There are maximum limits on how much you can insure when you take out the policy. These maximum limits are determined by reference to annual income. The maximum that can be insured is 1/12th of:

- 75% of the first \$250,000 of your annual income as at the Policy Start Date;
- 55% of the next \$150,000; and
- 25% of the balance.

The combined Monthly Benefit and any SMB cannot exceed \$20,000 per month.

If you are also insured under the Business Expenses Plan then the combined maximum of the Monthly Benefit, SMB and any Business Expenses Monthly Benefit cannot exceed \$40,000 per month.

3.2 Optional Superannuation Maintenance Benefit (SMB)

If selected and shown on the Policy Schedule, we pay the SMB during the total disability benefit period. We pay a partial SMB whilst you are partially disabled.

When you apply for the SMB, the amount you can insure is the monthly equivalent of the lesser of:

- The amount of total superannuation contributions made by you or your employer on your behalf; or
- 15% of your annual income;

in the 12 months preceding the date you apply for this benefit under the policy. The contribution will be paid directly to a superannuation provider directed by you (provided it is either a regulated superannuation fund or retirement savings account as defined in the superannuation and taxation laws). This benefit will only be paid in circumstances permitted by the relevant laws relating to superannuation and taxation.

3.3 Increasing Your Benefits

Your Monthly Benefit and any SMB may be indexed each year to keep track with inflation. This is called Index Linking. Index Linking ceases whilst you are on claim. If the policy owner has selected the optional Increasing Claim Benefit, benefits increase whilst you are on claim.

3.3.1 Index Linking

We automatically adjust the Monthly Benefit and the SMB (if selected) every year at the renewal date by the indexation factor until the policy expires. The policy owner may decline to accept our offer to increase benefits. This will not have any effect on any further offer we make. If you are on claim or totally disabled on the renewal date, the Monthly Benefit and any SMB will not increase.

3.3.2 Optional Increasing Claim Benefit

This benefit is available for an additional premium and applies if shown on the Policy Schedule.

While on claim the Monthly Benefit and any SMB (if selected) will increase every three months by a quarter of the indexation factor. When you cease to be on claim, the Monthly Benefit and the SMB will be the same as it was on the renewal date before you ceased being on claim. The Increasing Claim Benefit ceases at the Policy Expiry Date.

See section 7 for Benefit Limitations, Reductions and Exclusions.

3.4 The amount of Monthly Benefit and SMB payable at claim depends on the type of policy selected by the policy owner.

Income Safe Plus/Income Safe	Income Cover
<p>When applying for Income Safe Plus/ Income Safe (or for any increase) we require you to provide satisfactory financial evidence for the purpose of determining the Monthly Benefit and any optional SMB.</p> <p>We guarantee that in the event of a claim, we will not review or reassess the Monthly Benefit and any SMB amount shown on the Policy Schedule. The Monthly Benefit and any SMB may be adjusted by increases under Index Linking, if selected (see section 3.3.1).</p> <p>If you are on claim, your Monthly Benefit (and any SMB) may be increased under the Increasing Claim Benefit, if selected (see section 3.3.2). If you are on claim and receive other money the Monthly Benefit may be reduced (see Benefit Reductions – section 7). Benefits are payable monthly in arrears. If a period of payment is less than a month, we pay 1/30th of the Monthly Benefit and any SMB for each day of the period.</p> <p>Please Note: We rely on the financial evidence provided with the Application Form in respect of your annual income prior to application. In the event that the evidence for that period is subsequently revised you must inform us.</p>	<p>Monthly Benefit In the event that you become totally disabled and are on claim we will pay the lesser of:</p> <ul style="list-style-type: none"> • The Monthly Benefit stated on the Policy Schedule adjusted for increases under Index Linking since the Policy Start Date (if selected); or • 75% of your pre claim earnings. <p>Monthly Benefit and SMB when the optional SMB is selected. We work out the following values. 'A' is the lesser of the superannuation contributions you have made in respect of the 12-month period immediately prior to the date you become totally disabled or 15% of your pre claim earnings. 'B' is 75% x (pre claim earnings minus A). We then work out the combined total amount payable for the Monthly Benefit and the SMB which is the lesser of: The Monthly Benefit and SMB stated on the Policy Schedule adjusted for increases under Index Linking since the Policy Start Date (if selected); or A + B If you are on claim, the amount of your Monthly Benefit (and any SMB) determined above may be increased under the Increasing Claim Benefit, if selected (see section 3.3.2). If you are on claim and receive other money the Monthly Benefit and any SMB above, may be reduced (see Benefit Reductions section 7). Benefits are payable monthly in arrears. If a period of payment is less than a month, we pay 1/30th of the Monthly Benefit and any SMB for each day of the period.</p>

4. Total Disability Benefit

(Income Safe Plus, Income Safe, Income Cover)

You must be totally disabled during the waiting period you have selected for your policy. This starts on the day you are confirmed by a medical practitioner to be totally disabled.

Attempt To Return to Work

You may return to work during the waiting period without having to restart the waiting period if it is for no more than a total of five days (10 days if your waiting period is 60 days or more). If you return to work during the waiting period for less than five days (10 days if your waiting period is 60 days or more), we will add these days you spend at work to the remaining waiting period.

If you exceed these working days then your waiting period must restart from the day you are confirmed by a medical practitioner to be totally disabled again.

We pay the Monthly Benefit and any SMB whilst you are totally disabled after the waiting period and during the totally disabled benefit period. Benefits are payable monthly in arrears.

Totally Disabled/Total Disability Means:

For Occupation Categories 1, 1P, 2, 2B and 3.

Means an injury or illness that stops you performing one or more of the duties of your regular occupation necessary to produce income as confirmed by a medical practitioner and you are not engaged in your regular occupation nor any other gainful occupation.

For Occupational Category 4

An injury or illness that stops you:

- (i) during the first three years from the date of that disability, from performing one or more of the duties of your regular occupation necessary to produce income, as confirmed by a medical practitioner as a result of which you are not engaged in your regular occupation nor any other gainful occupation; and
- (ii) after three years from the date of that disability, from performing one or more of the duties necessary for any occupation that you are reasonably capable of performing with regard to your education, training or experience, as confirmed by a medical practitioner.

(Occupation Categories appear on the Policy Schedule).

Total Disability Benefit Period

(You are on claim during this period) is the period from the end of the waiting period until the earliest of:

- (i) the end of the benefit period;
- (ii) the date on which you cease being totally disabled;
- (iii) the Policy Expiry Date;
- (iv) the date of your death;
- (v) the date the policy is cancelled; or
- (vi) the end of the maximum benefit period under the Mental Disorder Limitation Discount if selected and if applicable (see section 7.5).

It excludes any time you are engaged in any gainful occupation.

(The benefit period is shown on the Policy Schedule).

4.1 Optional Accident Benefit

This option is available for an additional premium. It applies if selected and shown on the Policy Schedule.

If as a result of an injury you are totally disabled for 14 consecutive days from the date of injury, we will pay the Monthly Benefit and any SMB from the start of the waiting period. The Accident Benefit Option is only available if the waiting period is 14 or 30 days. If we pay the Accident Benefit we will not pay any other benefit in respect of that injury during the waiting period.

4.2 Costs for Rehabilitation Program

(Whilst totally disabled).

Up to 12 times the Monthly Benefit and any SMB is payable once only while on claim. Our approval must be obtained in writing before starting the program and the expenses are restricted to those allowable for these types of policies in accordance with laws relating to health and health insurance.

We pay the rehabilitation benefit in addition to the Monthly Benefit and any SMB.

We deduct from this benefit any expenses which can be paid from another source.

4.3 Death Benefit

If you have selected Income Safe one additional Monthly Benefit is payable as a lump sum if you die whilst on claim.

4.4 Enhanced Death Benefit

If you have selected Income Safe *Plus* or Income Cover a lump sum amount of six times the Monthly Benefit is payable subject to a maximum of \$60,000, if you die whilst on claim.

5. Partial Disability (Return to Work) Benefit

(Income Safe *Plus*, Income Safe, Income Cover)

We consider you to be partially disabled and you will be paid a partial disability benefit in either of the following two circumstances:

1. You have been totally disabled and return to work and one of the following circumstances applies to you:

- you return to work after being totally disabled and on claim for total disability; or
- you return to work after being totally disabled for the duration of the waiting period but we have not paid a total disability benefit because your disability did not extend past the waiting period; or
- you have been totally disabled for at least seven (7) out of 12 consecutive days (for Occupation Categories 1, 1P, 2, 2B or 3) or for 30 consecutive days (for Occupation Category 4) and your waiting period has expired,

and

- you return to work and are performing one or more of the duties of your regular occupation necessary to produce income; or
- you are working in another occupation and you experience a reduction in income due to your continuing illness or injury as confirmed by a medical practitioner.

or

2. You have been totally disabled and you do not return to work.

If after being totally disabled for at least the duration of the waiting period, we assess you as being capable of performing all of the duties of your regular occupation necessary to produce income, but there is no work available to you because of your illness or injury then you will be considered partially disabled and paid a partial disability benefit. In doing so we will estimate your capacity to earn.

The partial disability benefit is payable monthly in arrears.

The Partial Disability Benefit Period

We will pay you the partial disability benefit during the partial disability benefit period. This period begins either at the end of the totally disabled benefit period or at the end of the waiting period (depending on your circumstances) and ends at the earliest of:

- (i) the end of the benefit period stated on the Policy Schedule;
- (ii) the date on which you cease being partially disabled;
- (iii) the Policy Expiry Date;
- (iv) the date of your death;
- (v) the date on which the policy is cancelled;
- (vi) 36 months from the date on which we started paying the partial disability benefit (for Occupation Category 4); or
- (vii) the end of the maximum benefit period under the Mental Disorder Limitation Discount if selected and if applicable (see section 7.5)

5.1 Calculating the Partial Disability Benefit

If you are partially disabled, the proportion of the Monthly Benefit (and any optional SMB) is payable as follows:

$$\frac{A - B}{A} \times (\text{Monthly Benefit and any SMB})$$

where:

A = your pre-claim earnings.

B* = your monthly earnings for the month in which you are partially disabled. If no work is available to you because of your illness or injury, and you are capable of performing all the duties of your regular occupation necessary to produce income, we will substitute for 'B' in the formula above an amount calculated as an estimate of your capacity to earn.

* this must be less than the amount in 'A'.

5.2 Your pre-claim earnings depends on your policy and are determined as follows:

Income Safe *Plus*/Income Safe

The highest average of your monthly earnings for 12 consecutive months in the five years prior to being totally disabled. In doing so we will not go back before the period of 12 months prior to the Policy Start Date. Your pre-claim earnings will be increased by the Indexation Factor after each 12 month period you remain on claim.

Income Cover

The average of your monthly earnings in the 12 months immediately prior to you becoming totally disabled. Your pre-claim earnings will be increased by the Indexation Factor after each 12 month period you remain on claim.

6. Other Benefits

The benefits in section 6 apply to Income Safe *Plus* and Income Cover only.

6.1 Immediate Family Member Benefit

If from the commencement of the total disability benefit period:

- you are confined to bed due to illness or injury; and
- a medical practitioner certifies that you require care; and
- as a result of your illness or injury the income of one immediate family member ceases due to the care necessary for them to provide you with, we will pay up to an additional 50% of the Monthly Benefit (and any SMB) in arrears, subject to a maximum payment of \$3,000 per month for a maximum of three months. The maximum payment under this benefit will be reduced by any amounts we have paid under the Special Care Benefit in respect of the same illness or injury.

6.1.1 An immediate family member is:

- your spouse or defacto spouse; or
- your son, daughter, father, mother, father-in-law or mother-in-law; or
- a person with whom you live in a bona fide domestic living arrangement and are financially interdependent. You may need to provide us with satisfactory evidence that there is an established and ongoing interdependency.

6.2 Accommodation Benefit

If you become totally disabled and a medical practitioner certifies that you must remain confined to bed due to illness or injury, and:

- (i) you are 100 km from your home; or
- (ii) an immediate family member (see 6.1.1) is required to travel more than 100 km from their home to be with you;

then we will pay the accommodation costs for your immediate family member up to \$200 per day whilst the person is required to stay away from their home up to a maximum of 30 days.

6.3 Special Care Benefit

If from the commencement of the total disability benefit period you are confined to bed due to illness or injury and a medical practitioner certifies that you require the care of a registered nurse or require a housekeeper, we will pay the costs up to a maximum of the Monthly Benefit (and any SMB) or \$2,000 (whichever is the lesser) per month.

We will pay the benefit in arrears while you are confined to bed during a total disability benefit period. The maximum payment under this benefit will be reduced by any amounts we have paid under the Immediate Family Member Benefit in respect of the same illness or injury.

6.4 Nursing Care

The Monthly Benefit (and any SMB) is payable if, during the waiting period, you are confined to bed due to illness or injury and a medical practitioner certifies that you need continuous care from a registered nurse for more than 72 hours. We pay 1/30th of the Monthly Benefit (and any SMB) for each day nursing care is certified to be required. We do so until the end of the waiting period, or for 90 days from the first day of nursing care, whichever comes first. We will not pay any other benefit in respect of that illness or injury during the waiting period.

6.5 Specific Injury Benefit

We will pay the policy owner the Monthly Benefit (and any SMB) in arrears:

- (i) if a specific injury first happens to you during the period of policy; and
- (ii) whether or not you are totally disabled or need ongoing medical treatment.

The Monthly Benefit (and any SMB) will be paid until the earliest of:

- the end of the payment period in the table below;
- the Policy Expiry Date; or
- your death.

If you suffer more than one Specific Injury at the same time, we will pay for one Specific Injury only and the Specific Injury with the longest payment period.

If you remain totally disabled at the end of the Specific Injury payment period, the terms for total disability will apply and the waiting period will commence (see section 4).

Loss means the total and permanent:

- (i) loss of the use of the hand from the wrist or foot from the ankle joint; or
- (ii) loss of the use of the arm from the elbow or leg from the knee joint; or
- (iii) complete severance of the thumb and index finger from the first phalangeal joint; or
- (iv) irrecoverable total loss of an eye or sight in the eye.

Fracture means any fracture resulting from an accident requiring fixation, immobilisation or plaster cast as treatment of the affected area within 48 hours of the occurrence of the fracture.

The diagnosis of the Specific Injury must be made by an appropriate specialist physician (a registered and qualified medical practitioner and agreed to by our medical adviser).

If we pay you a benefit in respect of a Specific Injury, we will not also pay a Trauma Recovery Benefit at the same time.

Specific Injuries (see section 11 for medical definitions)	Payment Period
Paralysis (paraplegia, quadriplegia, hemiplegia or diplegia)	60 months*
Loss of both feet or both hands or sight in both eyes	24 months
Loss of any combination of two of: a hand, a foot and sight in one eye	24 months
Loss of one leg or one arm	12 months
Loss of one foot or one hand or sight in one eye	12 months
Loss of thumb and index finger of the same hand	6 months
Fractures of the:	
– thigh, pelvis	3 months
– leg (between knee and foot), knee cap	2 months
– upper arm including the elbow and shoulder bone	2 months
– skull (except bones of the nose or face)	2 months
– lower arm (including the wrist but excluding the elbow, hand and fingers)	1 month
– jaw or collarbone	1 month

* 24 months only if you have selected a two-year benefit period.

6.6 Trauma Recovery Benefit

We will pay the policy owner the Monthly Benefit (and any SMB) in arrears:

- (i) if a Trauma Recovery Event (see below) first happens to you during the period of policy; and
- (ii) whether or not you are totally disabled or need ongoing medical treatment.

The Monthly Benefit (and any SMB) will be paid until the earliest of:

- the end of the payment period in the following table;
- the Policy Expiry Date; or
- your death.

If you suffer more than one Trauma Recovery Event at the same time, we will pay for one Trauma Recovery Event only and the event with the longest payment period.

If you remain totally disabled at the end of the payment period for the Trauma Recovery Event, the terms for total disability will apply and the waiting period will commence (see section 4).

Trauma Recovery Event (See section 11 for medical definitions)	Payment period
heart attack*	6 months
coronary artery surgery*	6 months
cancer*	6 months
heart valve surgery*	6 months
stroke*	6 months
aorta surgery*	6 months
major organ transplant*	6 months
severe burns	6 months

We require the diagnosis and certification of a condition:

- by a medical practitioner (a registered and qualified medical practitioner in Australia or another country approved by us), not being the policy owner, you or the respective partner or spouse; and
- agreed to by our medical adviser.

For the following Trauma Conditions the medical practitioner must be an appropriate specialist physician approved by us: Heart Attack, Cancer, Coronary Artery Surgery, Stroke.

* There is no Trauma Recovery Benefit payable under this policy if the Trauma Recovery Event occurs within 90 days of the Policy Start Date or reinstatement.

If we pay you a benefit in respect of a Trauma Recovery Benefit, we will not also pay a Specific Injury Benefit at the same time.

6.7 No Claim Benefit

If for three consecutive years after the Policy Start Date, both:

- the policy has been in force; and
 - you have not been on claim or eligible to make a claim under the policy;
- when you go on claim, we will pay a once only benefit in addition to the Monthly Benefit (and any SMB).

This No Claim Benefit is calculated according to the formula given below:

$$\frac{N}{30} \times (\text{Monthly Benefit and any SMB})$$

where N = the No Claim Benefit period corresponding to your waiting period.

Waiting Period	No Claim Benefit Period
14 days	4 days
30 days	9 days
60 days	18 days
90 days	27 days
180 days	54 days
1 year	115 days
2 years	230 days

6.8 Rehabilitation Incentive Benefit

We will pay the Rehabilitation Incentive Benefit if:

- you participate in a rehabilitation program that we approve and as a result you make a successful return to work in either your own occupation or another occupation; and
- you have worked continuously for six months and you have not been entitled to benefits under this policy during that period; and
- this policy is in force at the time you become entitled to this benefit.

The amount we will pay is three times the Monthly Benefit at the time you become entitled to this benefit. We will pay this benefit once only during the life of the policy.

6.9 Relocation Benefit

We will pay the Relocation Benefit once during a claim if you become totally disabled whilst outside of Australia, remain so for at least 30 days, and return to Australia.

The amount we will pay is the lesser of:

- the cost of a single standard economy airfare by the most direct route to the airport in Australia nearest to where you reside; or

- expenses actually incurred by you in changing previously made air travel arrangements; or
- three times the Monthly Benefit.

We deduct from this benefit any reimbursements which can be paid from another source.

7. Benefit Limitations, Reductions and Exclusions

(All policies).

7.1 One Benefit Payable

You are entitled to one Monthly Benefit (and if selected one SMB) at a time, even if you suffer more than one illness or injury. If a Specific Injury and/or a Trauma Recovery Event (see section 6) happens to you, we still pay only one Monthly Benefit (and any SMB) for each month, even if you are also totally disabled or partially disabled.

A separate waiting period applies for each separate illness or injury for which you can claim under the policy.

7.2 Recurring Claims

If you have been on claim and wish to lodge another claim with us arising from the same or related causes, we will treat it as a continuation of the previous claim and the waiting period is waived.

If the benefit period chosen is 2 years or 6 years the policy owner can only be paid one Monthly Benefit (and any SMB) at a time provided that the claim recurs within six months of the end of the prior on claim period. If such a claim recurs after six months from the date you were last on claim, then it will be deemed as a separate claim.

For all other benefits periods, the policy owner can only be paid one Monthly Benefit (and any SMB) at a time provided that the claim recurs within 12 months of the end of the prior on claim period. If such a claim recurs after 12 months from the date you were last on claim, then it will be deemed as a separate claim.

7.3 Benefit Reductions

(Note – benefit reductions do not apply to the Business Expenses Plan).

When you are totally disabled or partially disabled and we pay the policy owner the Monthly Benefit (and any SMB) or partial Monthly Benefit (and any partial SMB), and other money (see 7.3.1) may also be received in respect of your illness, injury or disability. If so, we will reduce the Monthly Benefit and any SMB so that the total amount received each month, including the other money, is no more than the monthly equivalent of:

- 75% of the first \$250,000 of your pre-claim earnings;
- 55% of the next \$150,000 of your pre-claim earnings, and
- 25% of your pre-claim earnings thereafter.

If any of the above amounts are paid in a lump sum, we convert it to its equivalent in terms of monthly income. We calculate this on actuarial advice, by looking at the circumstances in which the payments were made.

7.3.1 Other Money means:

- (i) worker's compensation payments;
 - (ii) any welfare, social security or other payments made under statute, regulation or ordinance;
 - (iii) any payment under any other disability, injury or sickness policy and temporary disablement benefits.
- but **does not** include:
- (a) any business expenses disability insurance indemnifying against business expenses;
 - (b) payments made to dependent children;
 - (c) insured lump sum total and permanent disablement benefits, lump sum trauma or terminal illness style benefits or lump sum superannuation benefits.

7.4 Benefit Exclusions

We will not pay benefits under this policy if your claim arises either directly or indirectly by:

- anything happening to you in war;
- your intentional or deliberate act or omission; or
- you falling pregnant, giving birth, miscarriage or having a pregnancy termination. However, if you spend more than three months totally disabled from the date your pregnancy ends your period of total disability will start at the end of that three months.

We will not pay any benefits under this policy for anything we have excluded from the policy.

These exclusions apply to all products in the Income Protection Portfolio.

7.5 Optional Mental Disorder Limitation Discount

(Note – this does not apply to the Business Expenses Plan)

This limitation is selected by the policy owner at the time of applying for the policy or on a renewal date. A corresponding premium reduction applies when this limitation has been selected.

If this optional Mental Disorder Limitation is selected, the maximum cumulative benefit payment for a claim for any mental disorder or for any condition arising from or contributed to by a mental disorder (as determined by an independent specialist medical practitioner) is 12 months (and this period includes any total disability benefit period and any partial disability benefit period).

For the avoidance of doubt, we never pay more than a grand total of 12 monthly benefits (and 12 corresponding monthly SMB's, if this option is selected) (whether they be partial or full monthly benefits or a combination of both) for all or any such claim which may occur during the period of the policy, regardless of the number of events or causes or the number of such claims.

Once this limitation applies under the policy, it cannot be removed from the policy.

7.5.1 Mental Disorder Definition

A mental disorder is defined as any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (DSM), Volume IV, published by the American Psychiatric Association (APA) (or such replacement or successor publication, or if none then such comparable publication as selected by us) which is current at the start of the period of total disability.

Such mental disorders include, but are not limited to, stress (including post traumatic stress), physical symptoms of a psychiatric illness, anxiety, depression, psychoneurotic, psychotic, personality, emotional or behavioural disorders, or disorders related to substance abuse and dependency which includes alcohol, drug or chemical abuse dependency.

For the purposes of this policy, mental disorders does not include dementia (except where the dementia is related to any substance abuse or dependency), Alzheimer's Disease, or head injuries.

For the purposes of this policy, an independent specialist medical practitioner means a registered and qualified psychiatrist not including the policy owner, life insured, the respective partner, spouse nor immediate family members and this person must be acceptable to us.

8. Business Expenses Plan

8.1 Total Disability

We will pay the policy owner a benefit under the Business Expenses Plan monthly in arrears if you are totally disabled after the waiting period. This benefit is payable for a maximum period of 12 months. No benefit is payable for partial disability.

The definition of total disability is the same as the definition in section 4 of these policy terms.

8.2 Amount of Benefit

The Business Expenses Plan benefit is the lesser of:

- (i) the Monthly Benefit for the Business Expenses Plan (this is the monthly benefit shown on the Policy Schedule, increased under Index Linking – see section 3.3.1); and
- (ii) your share of the business expenses which are incurred while you are totally disabled.

If you are also insured under our Income Safe/Safe *Plus* or Income Cover Plan then the combined maximum of the Business Expenses Monthly Benefit and any benefits under the other policy cannot exceed \$40,000 per month.

Business expenses are the normal day-to-day running expenses of your business.

They **include**, but are not limited to:

- accounting and audit fees
- bank charges
- office cleaning costs
- electricity, property/water rates
- equipment hire and motor vehicle leases
- business related insurance premiums but not including premiums for this policy
- interest payments
- office leasing fees
- payroll tax
- office rent or mortgage payments (interest only, not principal)
- salaries and superannuation contributions for employees not involved in the generation of revenue
- telephone costs
- regular advertising costs
- subscriptions/fees/dues to professional associations
- net cost of a locum (a person who is sourced external to your business and is a direct replacement for you in your business less any business earnings generated by the locum)
- any other expenses agreed to by us.

The following business expenses cannot be included:

- your personal remuneration, salary, fees or drawings;
- cost of goods or merchandise, mortgage principal, cost of implements of profession;
- premiums payable on this policy;
- salaries and superannuation contributions for employees involved in the generation of income;
- depreciation.

Business is your business, profession, or occupation shown in the Policy Schedule.

8.3 Conditions

The following conditions apply to the Business Expenses Plan:

- (a) We will apportion pre-paid or accrued business expenses, or business expenses which are paid or payable in a lump sum, over the period to which they relate.

- (b) If your business generates income while you are totally disabled, we decide which business expenses to pay for in the following way:
- we look at how much business income is left once the staff who directly generate that income have been paid;
 - we deduct that amount of business income from the business expenses;
 - we only pay for the remaining business expenses.
- (c) If the policy owner receives business expenses benefits from other policies on your life, we reduce the business expenses benefit we pay by the amount of those benefits.
- (d) If more than one person generates income in your business, we distribute the business expenses equally between you and the other person/s, to determine your share.
- (e) If the policy owner asks us to distribute the business expenses unequally between you and other persons in your business when we determine your share, we may agree to do so.
- (f) We only pay benefits if receipts are produced within ninety (90) days of the date the business expenses were incurred.

8.4 We May Extend the Benefit Period

If, at the end of the maximum period of 12 months, the benefits we have paid to the policy owner add up to no more than 12 times the Monthly Benefit, we may extend the period for which benefits are payable.

The extension may be up to 12 months, but not beyond the period of the policy. The cumulative total of benefits under the Business Expenses Plan cannot exceed 12 times the Monthly Benefit for the Business Expenses Plan.

8.5 Death Benefit

A lump sum amount of three times the Monthly Benefit is payable, subject to a maximum of \$30,000, if you die whilst on claim.

See Exclusions – section 7.

9. Claims and Payments

(All policies).

9.1 You must:

Let us know in writing immediately if you are disabled for more than seven (7) days. We will then send you the necessary claim forms. These must be filled in and lodged within 30 days of your injury or illness happening.

Give us full information if there is a claim. This includes any medical reports from people who have treated you for the illness or injury. If we ask you to undergo any additional medical examinations, you must agree to do so. We will pay for these.

State your correct age. If your age has been understated, the Monthly Benefit and any SMB will be reduced to that which the premium would have purchased for your correct age. If your age has been overstated we will refund any extra premium paid.

Seek medical advice and treatment from a medical practitioner for as long as you are on claim. You must do this if we are to pay the benefit.

9.2 We must be satisfied that the policy owner is entitled to the benefit. For this reason, we may ask to look at your birth certificate or other documentation.

9.3 During the course of a claim we are entitled to ask for proof that you are disabled and that the policy owner is still entitled to receive benefits. If proof is not provided or the policy owner is no longer entitled to benefits, we may reduce or end the benefit.

9.4 We pay benefits in Australian currency in Australia.

10. Premium, Charges and Fees

(All policies).

We do not have to pay any benefits under the policy and we will cancel the policy if the premium has not been paid in full.

10.1 About the Premium

The premium includes the policy fee, government charges and any administration charges.

We calculate the premium at the Policy Start Date and at each renewal date. The minimum premium is \$300 p.a. where it is paid annually; \$309 p.a. where it is paid half-yearly; and \$315 p.a. where it is paid monthly.

If the Business Expenses Plan is taken without another product from the Income Protection Portfolio, the minimum premium is \$150 p.a.

10.2 Variation of Premium Rates

Premium rates cannot increase for an individual policy within a defined risk group unless, on actuarial advice, all premium rates for all policies in that defined risk group are increased. A table of premium rates is available on request.

10.3 Policy Fee

An annual policy fee of \$57.90 is payable. For policies starting after 28 February 2004, this amount will be increased by the latest Indexation Factor determined by ING (see section 2).

The policy fee will be increased at each renewal date using the Indexation Factor applying at that time and will be advised to the policy owner in the renewal notice at each renewal date.

If the Business Expenses Plan is purchased in conjunction with another product from the Income Protection Portfolio, only one policy fee is payable.

10.4 Government Charges

There may be Stamp Duty, tax, excise, or other government charges on the policy or its benefits, in addition to the premium. We reserve the right to increase the premium to cover any increase in the charges.

10.5 Administration Charges

We have the right to charge a fee to recoup the costs of administering any function the government demands of us.

10.6 Processing Fees

Where the policy owner has nominated to pay the premium or premium instalment by direct debit or credit card, the following processing fees apply.

- For direct debits from your nominated bank or financial institution account – a processing fee applies each time we lodge a debit with our bank (currently 14 cents).

Please refer to the Direct Debit Service Agreement for further details on direct debit payment arrangements. A copy is contained in the World of Protection Product Disclosure Statement

- If the direct debit payment is dishonoured by your nominated bank or financial institution or the payment from your nominated credit card is not processed by your card provider we charge a fee of \$7.00.

Please Note: If the premium is paid by direct debit or by credit card then it is important that we are advised of any changes to your nominated account or credit card details.

We may increase or vary these processing fees by prior written notice to the policy owner.

10.7 Payment

Premiums must be paid within 30 days of the renewal date or the relevant instalment date. Premiums are paid yearly, but they can be paid half-yearly or monthly if we agree and if we approve the method of payment. Half-yearly payments attract a 3% loading on the annual premium, while monthly payments attract 5%. If the premium is not paid when due, we will provide the policy owner with 30 days written notice of cancellation of the policy.

Where your premium is paid by monthly instalments and you cancel your policy, we will not refund any instalment paid.

10.8 Waiver of Premium

The policy owner is not required to pay the premium while you are on claim. Any premium that has been paid which is subject to this premium waiver will be waived by us and refunded to the policy owner.

10.9 Premium Options

You select either the stepped or level premium options

Stepped Premium	If you choose stepped premium, the premium is re-calculated on each renewal date of your policy based on your age at that time. Premiums will also change when your insured Monthly Benefit and any SMB changes (including where the Monthly Benefit and any SMB changes with Index Linking). The stepped premium payments can be switched from stepped to level after the stepped premium policy has been in force for a minimum of four years.
Level Premium	<p>If you choose level premium, the premium is calculated on an aged based premium rate determined by your age at the Policy Start Date. This rate will apply until the renewal date before the Policy Expiry Date.</p> <ul style="list-style-type: none"> • If you wish to have the Monthly Benefit and any SMB Index Linked then the premium payable for the amount of the increased benefits will be based on your then current age and the level premium for that age. This increased amount becomes a separate benefit and has a corresponding separate premium amount. • If you wish to reduce the Monthly Benefit and any SMB, we first reduce the earliest level premium benefit and premium (and so on). You may apply to convert to stepped premium if you have been on level premium for at least four years and vice versa. • Like stepped premium rates, the level premium rates can also be reviewed (see variation of premium rates above).

11. Medical Terms

(Income Safe *Plus* and Income Cover only)

For the purposes of this policy, the following important definitions apply. We require the diagnosis and certification of a condition:

- by a medical practitioner (a registered and qualified medical practitioner in Australia or another country approved by us), not being the policy owner, you or the respective partner or spouse; and
- agreed to by our medical adviser.

For the following Trauma Conditions the medical practitioner must be an appropriate specialist physician approved by us: Heart Attack, Cancer, Coronary Artery Surgery, Stroke.

Aorta Surgery

Means the undergoing of open heart surgery to correct any narrowing, dissection or aneurysm of the thoracic or abdominal aorta.

Cancer

Means the presence and diagnosis of one or more malignant tumours including leukaemia, lymphomas and Hodgkin's disease characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue. The following cancers are not covered by this policy:

- 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 pre malignant.
(Note: Carcinoma in situ of the breast is covered if it results directly in the removal of the entire breast. This procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment);
- Melanomas of less than 1.5mm maximum thickness and which are also less than Clark Level 3 depth of invasion as determined by histological examination;
- All hyperkeratoses or basal cell carcinomas of the skin;
- All squamous cell carcinomas of the skin unless there has been a spread to other organs;
- Prostatic cancers which are histologically described as TNM Classification T1 (or are of another equivalent or lesser classification); and
- Chronic lymphocytic leukaemia less than Rai stage 1.

Coronary Artery Surgery

Means Coronary Artery Bypass graft surgery that is necessary to correct or treat coronary artery disease causing inadequate myocardial blood supply.

Diplegia

Means the permanent and total loss of function of both sides of the body due to disease, injury or illness, but excluding diplegia facialis.

Heart Attack

Means death of a portion of heart muscle arising from inadequate blood supply to the relevant area. The basis for diagnosis shall be supported by the following clinical features being present and consistent with a heart attack and will include either:

- recent electrocardiographic (ECG) changes and diagnostic elevation of cardiac enzymes CK-MB;
- or
- levels of Troponin I of 2.0µg/L or greater, or Troponin T of 0.6µg/L or greater, or their equivalent, and a left ventricular ejection fraction of less than 50%.

Heart Valve Surgery

Means the undergoing of open heart surgery to correct cardiac valves as a consequence of heart valve defects or abnormalities.

Hemiplegia

Means the permanent and total loss of function of one side of the body due to disease, injury or illness.

Major Organ Transplant

Means the medically necessary human to human organ transplant from a donor to you of one or more of the following complete organs:

- kidney;
- heart;
- lung;
- liver;
- pancreas; or
- the transplant of bone marrow.

Paraplegia

Means the permanent and total loss of use of either both arms or both legs resulting from disease, injury or illness.

Quadriplegia

Means the permanent and total loss of use of both arms and both legs as a result of disease, injury or illness.

Severe Burns

Means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to:

- 20% or more of the body surface area as measured by the 'Rule of Nines' or the Lund and Browder Body Surface Chart; or

- (ii) the whole of both hands, requiring surgical debridement and/or grafting; or
- (iii) the whole of the face, requiring surgical debridement and/or grafting.

Stroke

Means a cerebrovascular accident or event producing a neurological deficit lasting more than 24 hours and which results in functional impairment. There must be clear evidence:

- (i) of the new functional impairment;
- (ii) on a CT, MRI or similar scan that a stroke has occurred; and
- (iii) of infarction of brain tissue, intracranial or subarachnoid haemorrhage or embolisation from an extracranial source.

Transient ischaemic attacks, cerebral events due to reversible neurological deficits, migraine, hypoxia or trauma, and vascular disease affecting the eye, optic nerve or vestibular functions are excluded.

12. General

(All policies).

12.1 Headings in these Policy Terms

Headings appear in this document as an aid to interpretation of the relevant clause or provision.

12.2 Cooling-off Period

If we accept your application for the policy and issue a Policy Schedule, you have 14 days to check the details to ensure the policy meets with your needs. This is called the 'cooling-off period'. You may cancel the policy during this period by giving us notice in writing and by returning the Policy Schedule.

If you do this we will refund any money you have paid as premiums under the policy and cancel the policy with effect from the Policy Start Date.

12.3 Statutory Funds

Premiums for all products in the Income Protection Portfolio will be placed in our Statutory Fund No. 1 and the policy will be written in this Fund.

12.4 No Surrender Value

The benefits under this policy do not include an investment income or accruals component from the investment of your premium. The policy has no surrender value.

12.5 Changes

Any changes to the circumstances described in this policy or to any communication to the policy owner/s will be notified to the policy owner/s in the Policy Schedule or renewal notice following the change.

12.6 Taxation

Please refer to our current Product Disclosure Statement for information about taxation of premium and benefits under this policy.

12.7 Transferring Ownership

If the policy owner wishes to transfer ownership of this policy, the memorandum of transfer in the Policy Schedule must be completed and registered with us. If the assignment is not registered with us, the new owner's rights to claim under the policy may be prejudiced.

12.8 Termination of Policy

The policy will terminate and our liability to pay any benefit will cease automatically upon the first to happen of the following:

- (i) the period the policy ends (see section 1.4); or
- (ii) you are unemployed for more than 12 months, unless you are unemployed because you are on claim; or
- (iii) the date we receive notification from the policy owner to cancel the policy; or
- (iv) you die.

We may cancel the policy if the premium has not been paid. In addition, we can cancel the policy in accordance with our legal rights.

12.9 Australian Law and Courts

This policy is governed by the law that applies within the Commonwealth of Australia. The Courts of that Commonwealth, its States and Territories have jurisdiction over any matter under this policy.

12.10 Customer Concerns

If you have any concerns or complaints about your policy please refer them to us. We pride ourselves in our customer service and we will endeavour to solve your concerns quickly and fairly.

All concerns should be directed to:

The Consumer Affairs Manager
ING Life Limited
GPO Box 75
Sydney NSW 2001
Toll Free 133 667
Fax 02 9234 8095

In the unlikely event that any concerns are not resolved to your satisfaction you may contact the Financial Industry Complaints Service Limited. The service is independent and industry sponsored and has been set up to advise and assist customers. If unresolved, the Complaints Review Panel can make a ruling that is binding on us.

Concerns to the Financial Industry Complaints Service Limited can be directed to:

The Manager
Financial Industry Complaints Service Limited
PO Box 579
Collins Street West
Melbourne VIC 8007
Toll Free 1300 780 808
Fax 03 9621 2291
www.fics.asn.au