



Lumley Life Limited

ABN 20 000 017 194

Disability Income Insurance

Customer Information Brochure and Policy Document

- *Disability Income Insurance and/or*
- *Business Expenses Insurance*

You should read this brochure carefully,
especially the key features sections.
These contain the important information
you should know about the policy.

Issue Date: 1st March 2002 EXPIRY DATE: 28th February 2003

Traditional Values ~ Innovative Ideas

KEY FEATURE STATEMENT

DISABILITY INCOME INSURANCE

This Key Feature Statement follows guidelines set down by the Australian Securities and Investments Commission. It will help you to:

- decide whether this product will meet your needs; and
- compare this product with others you may be considering

IMPORTANT NOTICE

This is not a savings plan. The primary purpose of this policy is to provide a benefit in the event of disability. If you terminate this policy after the cooling off period, you will not receive any money back.

► THE PRODUCT

Disability Income Insurance provides financial protection in the event of Total Disability caused by illness or injury. It allows you to insure up to 75% of your Earned Income subject to the following limits:

- 75% of the first \$300,000 of Earned Income; and
 - 50% of Earned Income in excess of \$300,000.
- The maximum initial sum insured under this policy is \$240,000 per annum.

Earned Income is defined at paragraph 2.4 of the Policy Document (see page 13).

Total Disability means that due to suffering an illness or injury the Life Insured:

- Is unable to perform at least one important income producing duty of his/her regular occupation; and
- is not currently working in any gainful occupation, and
- is under the care and following the advice of a medical practitioner.

Guaranteed Renewal of Cover

Lumley Life guarantees to offer renewal of the Policy each year irrespective of how many claims are made and regardless of the changes in health or occupation.

Guaranteed Non-Cancellable

Provided you have complied with the Duty of Disclosure and pay premiums when due, Lumley Life cannot cancel your Policy. This guarantee applies regardless of any change in your health or personal circumstances.

► THE PREMIUMS

Premiums depend on the type of insurance cover selected (i.e. Platinum or Gold), the benefit period, age, sex, occupation, pastimes, smoking habits and state of health. Premiums are payable yearly in advance (or more frequently by instalments as agreed with Lumley Life). There are stepped and level premium options. Stepped premiums are based on the then current age next birthday of the Life Insured. This means that on each renewal of cover, the premium will increase as the age of the Life Insured increases.

Level premiums are based on the age of the Life Insured at the time that the Policy commences and are guaranteed until the expiry of the Policy.

Both stepped and level premium options will attract annual increases automatically to reflect increases in the Annual Benefit based on the rate of inflation. The Policyowner may decline these automatic increases.

Where a premium is not paid when it is due, then the protection provided by the Policy will lapse after a statutory period. Lumley Life will provide written notice before the Policy lapses.

No individual policy can be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the Life Insured.

Lumley Life may increase the stepped premium rates after providing three months notice in writing.

Lumley Life guarantees not to increase level premium rates applying to this Policy during its currency.

Lumley Life reserves the right to alter the frequency loadings which apply to premiums paid more frequently than yearly and to increase premium rates as a result of Government charges. Three months written notification will be provided before the new charges prevail.

(NB: Tables of premium rates for each type of benefit are available on request.)

► THE BENEFITS

The benefits provide a regular income calculated on a daily basis and paid monthly in arrears. Benefits start to accrue from the end of the Waiting Period selected unless the Accident Benefit Option has been selected. All benefits will be paid in Australian currency.

Disability arising from the following events is not covered under the Policy:

- intentionally self-inflicted act or injury;
- uncomplicated pregnancy;
- war or acts of war whether declared or not; and
- any other specific event or cause agreed between Lumley Life and the Policyowner. (These specific events will be noted in the Policy by endorsement.)

► Guaranteed Benefits

The following benefits are included under the Disability Income Policy. Please refer to the Policy Document at the back of this booklet for the full description of each benefit.

Benefit	Page	Paragraph
• Total Disability Benefit	14	3.1
• Partial Disability Benefit	15	3.3
• Family Member Support Benefit	15	3.4
• Nursing Care Benefit	15	3.5
• Rehabilitation Benefit	16	3.6
• Recovery Support Benefit	16	3.7
• Waiver of Premium	16	3.8
• Death Benefit	16	3.9
• Recurring Claim Benefit	16	3.10
• Waiver of Waiting Period	16	3.11
• Unemployment Benefit	16	3.13
• Specific Injury Benefit	16	3.14
• Elective Surgery Benefit	17	3.15

► Benefits Which Are Optional

For the payment of an additional premium the following benefits may be added to the Guaranteed Benefits above. Please refer to the Policy Document at the back of this booklet for a full description of each option.

Benefit	Page
• Increasing Claim Option	17
• Accident Benefit Option	17
• Medical Catastrophe Benefit	18

► IMMEDIATE COVER IN THE EVENT OF AN ACCIDENT (See page 5)

Provided the premium has been received and the Application is not replacing an existing Lumley Life Policy, the cover applies immediately in respect of Total Disability caused by an accident for a period of sixty days for the lesser of the Benefit applied for, or \$10,000 per month (on any one life).

Cover does not apply if Total Disability arises from:

- intentionally self-inflicted act or injury;
- any medical or physical condition of the Life Insured existing at the Commencement Date;
- engaging in any sport, pastime or occupation for which Lumley Life would not offer cover at standard rates; and
- war, or acts of war whether declared or not.

► WHAT ARE THE CHARGES?

All the charges of the Policy are fully described in this section. Lumley Life undertakes not to apply any other charges without your specific consent.

All fees and charges associated with the issue and management of the Policy are included in the premiums you pay. There are no additional fees.

However, where premiums are paid more frequently than yearly a frequency loading will be applied to offset the costs of the additional transactions.

Frequency	% Loading
Monthly	8%
Half Yearly	6%

Any increase to these loadings will be advised to the Policyowner in writing at least three months prior to the increase taking place.

► TAXATION

► Premiums

Premiums for Disability Income Insurance are generally deductible when calculating assessable income.

► Benefits

Benefits payable under Disability Income Insurance are generally treated as income and therefore would be assessable for income tax.

You should consult your taxation or financial adviser for information relevant to your own personal situation.

► “COOLING OFF” PERIOD

If for any reason you are dissatisfied with the Policy once it is issued, or if you feel it does not meet your needs, you may return it to Lumley Life within twenty-eight days from the day you receive your Policy Information Statement and Schedule and receive a full refund of premium(s) promptly. Your request should be in writing.

► ADDITIONAL INFORMATION ABOUT YOUR POLICY BENEFITS

You can effect different types of cover at varying cost, namely: Platinum and Gold.

Benefits and options may differ under the types of cover selected. Please refer to your Policy Schedule and to the Policy Document to check how each one applies to you.

KEY FEATURE STATEMENT

BUSINESS EXPENSES INSURANCE

This Key Feature Statement follows guidelines set down by the Australian Securities and Investments Commission. It will help you to:

- **decide whether this product will meet your needs; and**
- **compare this product with others you may be considering**

IMPORTANT NOTICE

This is not a savings plan. The primary purpose of this policy is to provide a benefit in the event of disability. If you terminate this policy after the cooling off period, you will not receive any money back.

► **THE PRODUCT**

Business Expenses Insurance provides financial protection in the event of Total Disability caused by illness or injury. Total Disability is defined as the inability of the Life Insured to perform at least one important income producing duty of his or her regular occupation, the Life Insured not working in any gainful occupation and being under the care and following the advice of a medical practitioner.

- **Guaranteed Renewal of Cover**

Lumley Life guarantees to offer renewal of the Policy each year irrespective of how many claims are made and regardless of the changes in health or occupation.

- **Guaranteed Non-Cancellable**

Provided you have complied with the Duty of Disclosure and pay premiums when due, Lumley Life cannot cancel your Policy. This guarantee applies regardless of any change in your health or personal circumstances.

► **THE PREMIUMS**

Premiums depend on the type of insurance cover selected (i.e. Platinum or Gold), age, sex, occupation, pastimes, smoking habits and state of health.

Premiums are payable yearly in advance (or more frequently by instalments as agreed with Lumley Life).

The premiums are based on the then current age next birthday of the Life Insured. This means that on each renewal of cover, the premium will increase as the age of the Life Insured increases.

The premiums will attract annual increases automatically to reflect increases in the Annual Benefit based on the rate of inflation. The Policyowner may decline these automatic increases.

Where a premium is not paid when it is due, then the protection provided by the Policy will lapse after a statutory period. Lumley Life will provide written notice before the Policy lapses.

No one individual policy can be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the Life Insured.

Lumley Life may increase the premium rates after providing three months notice in writing.

Lumley Life reserves the right to alter the frequency loadings which apply to premiums paid more frequently than yearly and to increase premium rates as a result of Government charges. Three months written notification will be provided before the new charges prevail.

(NB: Tables of premium rates for each type of benefit are available on request.)

► **THE BENEFITS**

The benefits provide a regular payment calculated on a daily basis and paid monthly in arrears. Benefits start to accrue from the end of the Waiting Period selected unless the Accident Benefit Option has been selected. All benefits will be paid in Australian currency.

Disability arising from the following events is not covered under the Policy:

- intentionally self-inflicted act or injury;
- uncomplicated pregnancy;
- war or acts of war whether declared or not; and
- any other specific event or cause agreed between Lumley Life and the Policyowner. (These specific events will be noted in the Policy by endorsement.)

► Guaranteed Benefits

The following benefits are included under the Business Expenses Policy. Please refer to the Policy Document at the back of this booklet for a full description of each benefit.

Benefit	Page	Paragraph
• Total Disability Benefit	23	3.1
• Partial Disability Benefit	23	3.2
• Waiver of Premium	24	3.3
• Recurring Claim Benefit	24	3.4
• Waiver of Waiting Period	24	3.5
• Elective Surgery Benefit	24	3.6

► Benefits Which Are Optional

For the payment of an additional premium the following benefits may be added to the Guaranteed Benefits above. Please refer to the Policy Document at the back of this booklet for a full description of each option.

Benefit	Page
• Accident Benefit Option	24
• Leasepay Benefit Option	24

► IMMEDIATE COVER IN THE EVENT OF AN ACCIDENT *(See page 5)*

Provided the premium has been received and the Application is not replacing an existing Lumley Life Policy, the cover applies immediately in respect of Total Disability caused by an accident for a period of sixty days for the lesser of the Benefit applied for, or \$10,000 per month (on any one life).

Cover does not apply if Total Disability arises from:

- intentionally self-inflicted act or injury;
- any medical or physical condition of the Life Insured existing at the Commencement Date;
- engaging in any sport, pastime or occupation for which Lumley Life would not offer cover at standard rates; or
- war or acts of war whether declared or not.

► WHAT ARE THE CHARGES?

All the charges of the Policy are fully described in this section. Lumley Life undertakes not to apply any other charges without your specific consent.

All fees and charges associated with the issue and management of the Policy are included in the premiums you pay. There are no additional fees.

However, where premiums are paid more frequently than yearly a frequency loading will be applied to offset the costs of the additional transactions.

Frequency % Loading

Monthly 8%

Half Yearly 6%

Any increases to these loadings will be advised to the Policyowner in writing at least three months prior to the increase taking place.

► TAXATION

► Premiums

Premiums for Business Expenses are generally tax deductible.

► Benefits

Benefits payable are generally treated as income and therefore would be assessable for income tax.

This information is based on the continuance of present laws and their interpretation.

You should consult your taxation or financial adviser for information relevant to your own personal situation.

► “COOLING OFF” PERIOD

If for any reason you are dissatisfied with the Policy once it is issued, or if you feel it does not meet your needs, you may return it to Lumley Life within twenty-eight days from the day you receive your Policy Information Statement and Schedule and receive a full refund of premium(s) promptly. Your request should be in writing.

ACCIDENTAL TOTAL DISABILITY INTERIM CERTIFICATE OF INSURANCE

No Cost Accident Cover on the following terms is hereby given by Lumley Life to the person from whom it receives a fully completed application and personal statement for Disability Income Insurance or Business Expenses Insurance (the Application) and payment of the first premium or instalment premium (the Premium). The first premium or instalment premium is deemed to have been paid if Lumley Life has received an authorisation to collect the first premium from a financial institution.

► **The Cover**

- An accidental event which causes Total Disability of the Life Insured prior to age 60,
- The Benefit applied for, or \$10,000 per month, for a period of six months, whichever is the lesser amount. (This is the maximum cover applicable on any one Life Insured irrespective of the number of applications received.)

► **Duration of the Cover**

- Commences when Lumley Life receives the Application and the Premium (the Commencement Date)
- Terminates
 - When Lumley Life accepts or declines the Application or cancels the cover,
 - If the Life Insured dies or leaves Australia,
 - 60 days from the Commencement Date
 whichever happens first.

► **Exclusions**

Cover will not apply if Total Disability is caused by or results from:

- Intentionally self-inflicted act or injury,
- Any medical or physical condition of the Life Insured existing at the Commencement Date,
- Engaging in any sport, pastime or occupation for which Lumley Life would not offer cover at standard rates,
- War, or acts of war whether declared or not.

**Lumley Life Limited, Lumley House
309 Kent Street, Sydney NSW 2000
Telephone (02) 9248 1255 Facsimile (02) 9248 1266
Freecall 1800 221 142**

GENERAL INFORMATION

COMMITMENT TO UP-GRADE POLICIES

Lumley Life will always seek to upgrade existing policies with future developments and improvements to benefits. When improvements to benefits are made to new policies without increasing the premium rates then those improvements will be offered to existing policyholders wherever possible. Should a situation arise where a policyholder is disadvantaged in any way as a result of an improvement, then the previous conditions will prevail.

► CLAIMS PHILOSOPHY

It is the desire of Lumley Life to work in partnership with you and the Life Insured during a period of claim by offering Recovery Support Benefits augmented by rehabilitation support facilities and programs wherever possible. Regular contact including home visits (with consent) allows you and the Life Insured input to the continued management of the claim. This allows your questions to be answered and keeps us fully informed of issues arising that may impact on the Life Insured's ability to recover from injury or illness. Communication is the essence of this philosophy.

► ENQUIRIES & COMPLAINTS

Lumley Life will always seek to resolve complaints quickly and efficiently and with the fairest possible result. If you have any queries, please telephone Lumley Life on 1800 221 142 or write to the Complaints Officer, Lumley Life Ltd, 309 Kent Street, Sydney, NSW, 2000. Every effort will be made to assist you. However if you are not satisfied you may then refer a complaint to the Manager of the Financial Industry Complaints Service Limited, PO Box 579, Collins Street West, Melbourne 8007 or Telephone (03) 9629 7050. (Toll free on 1800 335 405, outside the Melbourne Metropolitan area.) (Facsimile (03) 9621 2291.)

The Financial Industry Complaints Service Limited is an independent and impartial company sponsored by the industry and has been set up to advise and assist policyholders to resolve complaints with their life insurance company. **Before seeking to use the Service, a policyholder must try to resolve the complaint directly.**

PRIVACY STATEMENT

At Lumley Life Limited* your right to privacy has always been important to us. This document explains why we collect your personal information and how we may use or disclose that information.

We collect information about you to provide our insurance products and services to you. We usually collect personal information such as name, age, contact details, payment details, occupation, family and medical history, and employment information. The full details of the types of personal information we collect can be found in the questions we ask and/or in the forms we ask you to complete.

In some situations we may collect your personal information from a third party such as your insurance representative, medical practitioner or health professional, accountant or employer. We will only do so with your consent.

If you do not provide information sought by Lumley from time to time, it may affect Lumley's ability to provide you with and administer our products or services. You are required by insurance law to disclose all relevant information to us when you apply for insurance. Please refer to your application form for further details of this duty, and the consequences of not complying with this duty.

We use your personal information to manage and administer all products and services we provide to you, including to assess and process your application for insurance, process and investigate claims made against your insurance, provide you with information about other products or services that may be of benefit to you; and to ensure our internal business operations are running smoothly (which may include fulfilling regulatory and legal requirements and confidential system testing).

Depending on the type of product or service we provide to you, we may need to disclose your information to certain third parties. If we do this we require these parties to protect your information in the same way we do. The types of organisations we may need to disclose your personal information to (as necessary only) include:

- external service providers that provide financial, legal, administrative or other services in connection with the operation of our business (for example our reinsurers, auditors, claims investigators, compliance consultants or mailing/archiving services for document mailing services and secure storage);
- medical practitioners or health professionals for the purpose of assessing your application or claim;
- government agencies (as part of our regulatory or statutory obligations);

- where we collect your information from someone else or another entity (such as a superannuation fund or employer), then we may disclose your personal information to that person or entity; and
- your insurance representative with your consent.

Your health or medical information will only be disclosed (as necessary only) to service providers or authorised personnel who are directly involved in the assessment or administration of your application or claim.

Your personal information will not be used or disclosed for any purpose without your consent, except where required by law.

By completing an application form or any other form, you consent to Lumley collecting, using, disclosing and handling your personal information as set out in this document.

You can request access to the personal information we hold about you. You may ask us at any time to correct this information where you believe it is incorrect or out of date.

There will be no fee for requesting access to your information, however we may charge you the reasonable cost of processing your request. To access personal information we hold about you, or to obtain more information about your rights or our Privacy Policy, please contact Lumley's Privacy Officer at:

Lumley Life Limited
Level 3
309 Kent Street
Sydney NSW 2000
Phone (02) 9248 1255 or
Fax (02) 9248 1101

** Includes Security and General Nominees Pty Limited as trustee for Lumley Life Limited Personal Superannuation Fund.*



Lumley Life Limited

ABN 20 000 017 194

Disability Income Insurance

Policy Document

- *Disability Income Insurance and/or*
- *Business Expenses Insurance*

Important Note

This policy Document sets out the Terms and Conditions of the contract between the Policyowner and Lumley Life. Following acceptance of the application and the payment of the first premium you will be issued with additional documentation which will evidence that insurance cover exists. This additional documentation should be placed with this booklet.

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DEFINITIONS	21
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INTRODUCTION

THE DOCUMENT

Once insurance cover commences, this Policy Document becomes your evidence of a contract of Life Insurance between you and Lumley Life Ltd. It is an important document and should be kept in a safe place.

Please read the document carefully including the Policy Information Statement and Schedule which details the type and amount of cover and the premium payable in the first year.

The document is divided into separate sections detailing the conditions and definitions applying to different types of insurance cover. Some or all of these conditions may apply to you. Please check your Policy Information Statement and Schedule to identify them.

TWENTY-EGHT DAY

“COOLING OFF” PERIOD

We want you to be completely satisfied with your Policy. If you are not satisfied, then return it to Lumley Life for cancellation within twenty-eight days from the day you receive the Policy Information Statement and Schedule and your premium will be promptly refunded in full.

COMMITMENT TO UP-GRADE POLICIES

Lumley Life will always seek to upgrade existing policies with future developments and improvements to benefits. When improvements to benefits are made to new policies without increasing the premium rates then those improvements will be offered to existing policyholders wherever possible. Should a situation arise where a policyholder is disadvantaged in any way as a result of an improvement, then the previous conditions will prevail.

DUTY OF DISCLOSURE

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 insurance and, if so, on what terms. You have the same duty to disclose those matters to the insurer before you extend, vary or reinstate a contract of life insurance. Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be taken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of his business, ought to know;
- disclosure of which 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 three 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 three 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.

GENERAL PROVISIONS AND CONDITIONS

INTERPRETATION

Headings have been included to assist you in reading the document but do not change the interpretation of the actual wordings of the document. Any wordings indicating the singular can also be taken to mean the plural and vice versa.

We, us and ours means Lumley Life Limited. *You and Yours* refers to the Policyowner who may also be the Life Insured.

COVERAGE

The Policy provides insurance cover 24 hours a day world wide.

SPECIAL PROVISIONS

Where special provisions are shown in the Policy Information Statement and Schedule or are attached to the document they should be read carefully and understood because they alter the standard provisions elsewhere in the document.

AUSTRALIAN CURRENCY

All benefits payable under the Policy will be paid in Australian currency.

SURRENDER VALUE

Premiums paid are used to cover the risks and expenses incurred in managing the Policy and consequently there is no surrender or cash value.

NON PARTICIPATING POLICY

The Policy is issued under Lumley Life's No 1 Statutory Fund and is a non participating policy. This means it does not participate in any surplus arising within the Statutory Fund.

LEGAL INTERPRETATION

The Policy will be interpreted under the Laws of the State of New South Wales.

PREMIUM PAYMENTS

The premiums shown in the Policy Information Statement and Schedule are due and payable in advance on each anniversary of the Policy commencement date (the Renewal Date). A period of grace beyond the anniversary date will be allowed for payment, without interest, of each premium and during this period the Policy shall remain in force. In the event that premiums have not been paid all cover shall cease at 4.00 o'clock in the afternoon of the twentieth business day after written notice has been given by Lumley Life.

With the agreement of Lumley Life, premiums may be paid by instalment subject to a frequency of payment loading and a method of payment acceptable to Lumley Life.

Disability Income Insurance offers stepped and level premium options. Business Expenses Insurance offers stepped premiums.

Stepped premiums are based on the then current age next birthday of the Life Insured. This means that on each renewal of cover, the premium will increase as the age of the Life Insured increases.

Level premiums are based on the age of the Life Insured at the time that the Policy commences and are guaranteed until the expiry of the Policy.

PREMIUM RATE GUARANTEE

No one individual policy can be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the Life Insured.

• Stepped Premium Rates

Lumley Life reserves the right to increase stepped premium rates after providing three months notice in writing.

• Level Premium Rates

Lumley Life guarantees not to increase level premium rates applying to this Policy during its currency.

AUTOMATIC INFLATION PROOFING

Unless otherwise stated in the Policy Information Statement and Schedule, Lumley Life will, on each Renewal Date, increase the annual benefit at an annual rate determined by Lumley Life based on the Consumer Price Index published by the Australian Statistician from time to time (or such other index as Lumley Life considers appropriate) provided that the Life Insured has not attained the age of sixty five years.

The Policyowner shall have the option of not effecting any increase provided such option is exercised in writing.

GUARANTEED RENEWAL OF COVER

Lumley Life guarantees to offer renewal of the cover each year up to the expiry of the Policy.

GUARANTEED NON CANCELLABLE

Provided you have complied with the Duty of Disclosure and pay the premiums when due, Lumley Life cannot cancel your Policy. This guarantee applies regardless of any change in the Life Insured's health or personal circumstances.

MIS-STATEMENT OF AGE

In the event that the age of the Life Insured has been mis-stated then the annual benefit, or the premium payable, shall be adjusted, and the Policy varied, in accordance with the applicable legislative provisions.

SMOKER / NON-SMOKER RATES

If the Policy has been issued using non-smoker premium rates then those premium rates have been based on the Life Insured's statement that he or she has not smoked any substance in the twelve months prior to the commencement date. If this statement is found to be untrue then the annual benefit will be adjusted having regard to the premium rates that would have been payable had full information been known.

EXPIRY OF COVER

Cover will terminate on the occurrence of the earliest of the following:

- Attaining the age stated in the Policy Information Statement and Schedule;
- The date the Life Insured retires from gainful occupation (with no intention of returning to gainful occupation)

other than as a result of Total Disability or Partial Disability;

- When the Policy is lapsed due to non-payment of a premium;
- Upon the death of the Life Insured; and
- At the end of the Benefit Period stated in the Policy Information Statement and Schedule.

RENEWABLE PERIOD

Disability Income

Benefit Period	Renewal Period
2, 5 years, to age 65	To age 65
To age 70 years	To age 70
To age 60 years	To age 60

Business Expenses

Benefit Period	Renewal Period
1 year	To age 65 or 70

CLAIMS

Notification of Claim

Lumley Life must be notified immediately in writing if you become Disabled.

Lodgement of Claim Form

Claim forms must be completed and lodged within thirty days of the commencement of any period of Disability.

Extension of Time

If it can be shown that it was not possible to meet the time requirement for notification of claim then it must be provided as soon as possible. Lumley Life will not consider any claim submitted more than one year after the Disability began, except in the case of certified absence of legal capacity.

Claim Information

In the event of a claim the policyowner agrees at their expense to provide to Lumley Life:

- any medical report from a Medical Practitioner or any other person who has been or is treating the life insured; and
- copies of personal and business tax returns, assessment notices, financial statements and any other financial evidence reasonably required to confirm or calculate the Life Insured's Earned Income, Prior Earnings or earnings; and

c) any other information required by Lumley Life.

Payment of a benefit is subject to proof of the Policyowner's entitlement in such a manner as Lumley Life may reasonably request. Lumley Life has the right to require from time to time proof of the Policyowner's continuing entitlement to any benefit and to reduce or terminate payment if the Policyowner is no longer entitled to the benefit under this Policy.

You agree with Lumley Life to assist in the ongoing management of a claim. This may include participation in recovery and rehabilitation support programmes whenever possible and include home visits (with your consent).

Medical Information

The Life Insured must undergo at Lumley Life's expense any medical examination or examinations which Lumley Life may require.

Proof of Age

No benefit will be payable under this Policy without proof of age of the Life Insured being submitted in the form of a birth certificate or such documentation as Lumley Life shall require.

If the age has been understated, the Monthly Benefits under the Policy will be those that the premium you paid would have purchased at the correct age.

► Medical Advice and Treatment

No benefit is payable unless the Life Insured seeks advice and undertakes treatment from a medical practitioner, and continues to do so during the currency of any period of Disability. Lumley Life may reduce or decline to pay benefits during any period or periods of Disability which are caused by failure to seek and follow medical advice or treatment. Lumley Life will waive this provision if in the opinion of the medical practitioner, continued or future treatment would be of no benefit.

► Exclusions

Lumley Life will not pay benefits under this Policy for any illness or injury in connection with:

- intentionally self-inflicted act or injury;
- uncomplicated pregnancy;
- war or acts of war whether declared or not; or
- any other specific event or cause agreed between Lumley Life and the Policyowner. (These specific events will be noted in the Policy by endorsement.)

DISABILITY INCOME INSURANCE

1 INTRODUCTION

Disability Income Insurance provides for the payment of a benefit in the form of a monthly income in the event that the Life Insured suffers Total Disability.

Benefits start to accrue from the end of the Waiting Period selected and benefit entitlements are payable monthly in arrears.

2 DEFINITIONS

2.1 Interpretations

We, us and ours means Lumley Life Limited.
You and Yours refers to the Policyowner, who may also be the Life Insured.

2.2 Annual Benefit

Is the amount shown in the Policy Information Statement and Schedule plus any indexation increases and less any deductions which may apply in accordance with the policy. It is paid at the rate of 1/365th of the Benefit for every day of Total Disability commencing on the first day after the waiting period.

2.3 Benefit Period

Is the maximum period of time for which benefits will be paid as specified in the Policy Information Statement and Schedule.

2.4 Earned Income

For a self employed person, a working director or partner in a partnership, Earned Income means:

- total annual income earned in the conduct of the business or profession due to the Life Insured's personal exertion less their share of business expenses necessarily incurred in the conduct of the business or profession.

From any other source of employment, Earned Income means:

- annual salary, fees, commissions, bonuses and any other income considered part of the Life Insured's remuneration package, earned by him/her for services performed.

In either case, income does not include: any income which is not generated by the Life Insured's personal or vocational activities. Income paid from other disability income policies, retirement plans, lump sum disability payments, rental income and investment income are some

examples of income we would not consider as part of the total income.

2.5 Loss or Disability

Is Total (or Partial) Disability for which a benefit is payable under this Policy.

2.6 Medical Practitioner

Means a medical practitioner legally qualified and registered to practice in Australia and is a person other than the Life Insured or the Policyowner or their relatives, business partners, shareholders or employees. Where the practice is outside Australia, the medical practitioner must have qualifications equivalent to Australian standards.

2.7 Partial Disability and Partially Disabled

(see also Condition 3.3)

Means that due to suffering an illness or injury the Life Insured:

- (i) suffers a partial loss of Earned Income;
- (ii) cannot work full time, or is unable to perform at least one important income producing duty of his/her regular occupation; and
- (iii) is under the care and following the advice of a medical practitioner.

Benefits do not begin to accrue until the expiry of the Waiting Period (unless the Waiting Period is waived under the Accident Benefit option).

IMPORTANT NOTES:

PLATINUM COVER

Where the Life Insured is aged less than 55 years, there is no requirement for the Life Insured to suffer a period of Total Disability before qualifying as Partially Disabled.

Where the Life Insured is aged 55 years or more, Partial Disability must follow a period of Total Disability of at least seven continuous days duration.

Where the Life Insured is aged 60 years or more, Partial Disability must follow a period of Total Disability of at least ten continuous days duration.

GOLD COVER

Partial Disability must follow a period of Total Disability of at least fourteen continuous days duration irrespective of the Life Insured's age.

2.8 Pre Existing Conditions

As long as the Policyowner and Life Insured have fully satisfied the “Duty of Disclosure”, which is described in the application, the Policyowner will be paid benefits for any claim arising from a pre-existing sickness or disability provided it has not been specifically excluded in the special provisions of this Policy.

2.9 Receipt of Other Monies

Workers Compensation or Social Security payments in respect of lost income will be taken into account when calculating the benefit. (However, any pain or suffering component of such a payment will be ignored for these purposes.) This will reduce the Annual Benefit so that the Annual Benefit together with the aggregate of the annual equivalent of those Other Monies shall not exceed seventy-five (75)% of Prior Earnings.

In the situation where the occupation of the Life Insured is rated as Class One Professional, none of these payments will be taken into account.

Where any of the amounts mentioned above are paid in a lump sum, Lumley Life shall treat them as if they had been paid in the form of an equivalent annual amount calculated by our Appointed Actuary by reference to the circumstances in which the payments were made.

When the Life Insured elects not to receive any payments due of Other Monies, Lumley Life will not reduce any benefits payable under the Policy.

If benefits are reduced in accordance with this provision, a proportionate refund of premiums paid will be made. The refund will be calculated by multiplying the percentage reduction in monthly benefit by the average monthly premium during the period of Disablement and by the number of months for which the reduction applies.

Insured lump sum total and permanent disablement benefits, lump sum ‘Trauma Diagnosis style’ or any superannuation benefits will not cause the monthly benefit to be reduced.

2.10 Total Disability and Totally Disabled

Means that due to suffering an illness or injury the Life Insured:

- (i) is unable to perform at least one important income producing duty of his/her regular occupation; and

- (ii) is not currently working in any gainful occupation; and
- (iii) is under the care and following the advice of a medical practitioner.

Benefits do not begin to accrue until the expiry of the Waiting Period (unless the Waiting Period is waived under the Accident Benefit Option).

2.11 Waiting Period

Is the number of days shown on the Policy Information Statement and Schedule starting from the day you are Totally Disabled. It may vary subject to:

- Return to work during the Waiting Period (condition 2.12);
- Partial Disability (condition 2.7);
- Recurring Claim Benefit (condition 3.10);
- Waiver of Waiting Period (condition 3.11);
- Specific Injury Benefit (condition 3.14); and
- Accident Benefit Option (condition 4.2).

2.12 Return to Work During the Waiting Period

If, during the Waiting Period, the Life Insured returns to gainful employment for:

- 5 days or less for a Waiting Period of less than 60 days; or
- 10 days or less for a Waiting Period of greater than 59 days

then those days for which the Life Insured was gainfully employed will be added to the Waiting Period.

If, during the Waiting Period, the Life Insured returned to gainful employment for more than:

- 5 days for a Waiting Period of less than 60 days; or
- 10 days for a Waiting Period greater than 59 days

then the Waiting Period will recommence.

3 BENEFITS

3.1 Total Disability Benefit

When the Life Insured has a continuous period of Total Disability for longer than the Waiting Period, the Annual Benefit shall be payable in accordance with the Policy.

3.2 Benefits Expiring Age 70

Where the Benefit Period is stated in the Policy Information Statement and Schedule as "TO AGE 70" and if the period of Total Disability commences prior to the Life Insured's 65th birthday, then the full benefit will be payable until the expiry date. If the period of the Total Disability commences after the 65th birthday then the monthly benefit is reduced according to the following table:

Age Next	Percentage of Annual Benefit
66	80%
67	60%
68	40%
69	20%
70	Nil

3.3 Partial Disability Benefit

If the Life Insured suffers Partial Disability prior to his/her 65th birthday Lumley Life will pay benefits for the Benefit Period, or for six months if the Life Insured suffers Partial Disability after his/her 65th birthday.

The amount of the Partial Disability Benefit equals:

$$\frac{A-B}{A} \times \text{the Annual Benefit}$$

'A' is Prior Earnings and

'B' is earnings for the month the benefit is payable.

Prior Earnings means the Life Insured's highest average monthly earnings (based on the definition of Earned Income) for any twelve consecutive months in the five years immediately preceding the Risk Commencement Date or in the five years immediately preceding any period of Total Disability, whichever is the greater, and will automatically be increased by the Indexation Factor during any period of Loss.

Note: If there is a delay between earnings being generated and being received then with the agreement of the Policyowner 'B' will be calculated taking this into account. One three hundred and sixty fifth of the Partial Disability Annual Benefit shall be payable for each day of Partial Disability.

If you are Partially Disabled, and no work is available to you, Lumley Life will substitute for 'B' an amount calculated by Lumley Life as your capacity to earn.

If the percentage loss of Earned Income is 75% or more, Lumley Life will deem the loss to be 100%.

Your Prior Earnings will be increased by the Indexation Factor. The increase will occur after each consecutive twelve months during which you remain Partially Disabled.

3.4 Family Member Support Benefit

This benefit is payable when all of the following circumstances apply, namely:

- the definition of Total Disability is satisfied;
- the Life Insured is confined to bed;
- a Medical Practitioner certifies that full time care is required; and
- the income of one immediate family member ceases as a result of that person providing care.

The Family Member Support Benefit is equal to an additional one half of the Annual Benefit but will not exceed the maximum payment of \$3,000 per month (with an overall maximum of the salary foregone by the immediate family member) and will be paid for a maximum of three months. This Benefit will be paid once only in respect of the Life Insured and any amounts payable under the Nursing Care Benefit will be deducted when calculating the Benefit amount.

**NOTE: Immediate family member is defined as spouse, de facto spouse, son or daughter.*

3.5 Nursing Care Benefit

This Benefit will be paid at the rate of one three hundred and sixty fifth of the Annual benefit for each day that nursing care is required if on the advice of a registered medical practitioner, the Life Insured must:

- be under the care of a registered nurse visiting at least once a day;
- remain in or near a bed for a substantial part of each day; and
- for at least 72 hours.

A maximum benefit applies of one quarter (1/4) of the Annual Benefit. If the Life Insured qualifies for this benefit it is back paid to the first hour of Total Disability. This benefit is only payable during the Waiting Period or up to 90 days, whichever is the lesser.

3.6 Rehabilitation Benefit

Where the Life Insured is receiving Total Disability Benefits for longer than the Waiting Period and takes part in a rehabilitation program approved by Lumley Life for the purpose of re-training or re-education in order to seek a new vocation, then an additional 50% of the monthly benefit will be paid to the Policyowner. This additional benefit is payable for a maximum period of twelve months and only while the Life Insured remains Totally Disabled and fully participates in the program. Payments commence after the expiration of the Waiting Period and are paid monthly in arrears.

The Rehabilitation Benefit is paid IN ADDITION to the Annual Benefit.

3.7 Recovery Support Benefit

Whilst the Life Insured is receiving benefits under this Policy, and participating in a rehabilitation program with our written approval, we will pay the costs of the rehabilitation program.

The costs can include (but are not limited to) wheelchairs, artificial limbs, prosthetic devices, travelling and education expenses, and house and care modifications. The amount payable will not exceed one half (1/2) of the Annual Benefit.

The Recovery Support Benefit is paid IN ADDITION to the Annual Benefit.

3.8 Waiver of Premium

If the Life Insured suffers Total Disability for longer than the Waiting Period, Lumley Life will refund premiums paid in that period and will continue to waive premiums until the Life Insured is no longer disabled. Premium payments will recommence from the date disablement ceases.

3.9 Death Benefit

If the Life Insured dies whilst receiving benefits under this Policy, then Lumley Life will pay an additional amount equal to one quarter (1/4) of the Annual Benefit to his/her legal personal representative.

3.10 Recurring Claim Benefit

A new Waiting Period will not apply to any claim provided that the claim resulted from a relapse or recurrence of the same or related illness or injury that caused Total or Partial Disability, within twelve months of returning to work.

The Life Insured has the option of applying the Waiting Period.

3.11 Waiver of Waiting Period

Lumley Life will waive the Waiting Period on a new claim resulting from an illness or injury unrelated to a previous claim provided that:

- a Waiting Period applied to the previous claim (or was waived under the Accident Benefit Option) and
- the new claim occurs within twelve months of returning to work from the previous claim and
- the new claim was for a continuous period of 30 days or more.

Benefits will then accrue from the first day of the new claim.

The Life Insured has the option of applying the Waiting Period.

3.12 Concurrent Disability

When the Life Insured is disabled at any time as a result of separate and distinct injuries or sicknesses, the benefit will be calculated according to the cause which maximises the claim.

3.13 Unemployment Benefit

Where the Life Insured suffers Total Disability within the first twelve months following unemployment or maternity leave, the benefits will be paid under the normal Terms and Conditions of the Policy.

If the Life Insured has been on maternity leave or unemployed for twelve months or more immediately before suffering Total Disability he/she will only be considered to be totally disabled if, solely because of sickness or injury he/she is:

- unable to perform any occupation for which he/she is reasonably suited by education, training or experience;
- not working in any gainful occupation; and
- under the care and following the advice of a medical practitioner.

Long service or sabbatical leave is not considered as unemployment.

3.14 Specific Injury Benefit

Upon the occurrence of a Specific Injury, the Benefit will be paid for the Payment Period shown in the following table, whether or not the Life Insured is working.

- The Specific Injury Benefit starts to accrue when the specific injury is suffered and is paid monthly in advance; and
- will only stop when the Payment Period expires.

However, if the Benefit Period or the Policy itself expires before the end of the Payment Period, the Specific Injury Benefit will cease on that earlier date.

If more than one listed injury is suffered during the Payment Period, the injury that provides the greatest benefit will be paid. The Specific Injury Benefit is paid instead of any other disability benefit. If the Life Insured is still disabled at the end of the payment period, any further disability payments will be determined in accordance with the terms of this policy.

or

- iv. irrecoverable total loss of an eye or sight in the eye.

3.15 Elective Surgery Benefit

In the situation where Total Disability arises as a result of cosmetic or other elective surgery or as a result of surgery to transplant a body organ into the body of another person, then the Total Disability Benefit is payable.

(Provided always that such surgery took place more than six months from the commencement date of the policy or its reinstatement).

4 OPTIONAL BENEFITS

The following optional benefits apply if they appear in the Policy Information Statement and Schedule and the appropriate additional premium has been paid.

4.1 Increasing Claim Option

Whilst receiving Total or Partial Disability Benefits under this Policy, all Monthly Benefits shall be increased at three monthly intervals following the date of Total Disability by an indexation factor divided by four. The indexation factor will be based on the Consumer Price Index published by the Australian Statistician from time to time (or such other index as Lumley Life considers appropriate).

Increases to the Monthly Benefit under this additional option will cease when the first of the following occurs:

- (i) the date your Disability ceases;
- (ii) the end of the Benefit Period; or
- (iii) the date your Policy terminates.

From the date Disability ceases, or the Benefit Period ends, the Annual Benefit will be the last payment of the Monthly Benefit prior to the date Disability ceases multiplied by 12.

4.2 Accident Benefit Option

If you become Totally Disabled due to an accident Lumley Life will waive the Waiting Period provided you are Totally Disabled for at least seventy two (72) hours immediately following the accident.

One three hundred and sixty fifth of the Annual Benefit will then become payable to you for each day of Total Disability from the first hour of Total Disability until the expiration of the Waiting Period.

Specific Injury Means	The Payment Period
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia)	60 months
Loss of:	
(i) Both feet or both hands or sight of both eyes;	24 months
(ii) Any combination of two: a hand, a foot, sight in one eye;	24 months
(iii) One leg or arm;	18 months
(iv) One foot or one hand or sight in one eye	12 months
(v) Thumb and index finger of the same hand	6 months
Fracture of:	
(i) Leg above the knee (femur), pelvis	90 days
(ii) Leg below the knee (tibia or fibula)	60 days
(iii) Ankle, heel	60 days
(iv) Kneecap	60 days
(v) Vertebrae	60 days
(vi) Upper arm (humerus), shoulder bone (scapula), elbow	60 days
(vii) Wrist	45 days
(viii) Forearm (radius or ulna), collarbone (clavicle)	30 days
(ix) Skull, jaw	30 days

Where:

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

Loss means the total and permanent:

- i. loss of the use of the hand from the wrist or the foot from the ankle joint;
- ii. loss of the use of the arm from the elbow or leg from the knee joint;
- iii. complete severance of the thumb and index finger from the first phalangeal joint;

4.3 Medical Catastrophe Benefit

If the Life Insured suffers a Medical Catastrophe, he/she will be paid an additional benefit equal to one quarter of the Annual Benefit, provided the Medical Catastrophe is diagnosed by a Medical Practitioner and is supported by appropriate clinical, histological and laboratory evidence. If death occurs within three months of the Medical Catastrophe, Lumley Life will pay the greater of:

- the balance of the Medical Catastrophe Benefit; and
- the Death Benefit described under the heading 'Benefits'.

The Medical Catastrophe Benefit is paid in advance as a lump sum and in addition to any other disability benefit under the policy.

Medical Catastrophe Conditions

- Alzheimer's Disease
- Angioplasty
- Aplastic Anaemia
- Benign Brain Tumor
- Cancer
- Cardiomyopathy
- Cerebrovascular Accident (Stroke)
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Coma
- Dementia
- Encephalitis
- Loss of Independent Existence
- Loss of Speech
- Major Abdominal Aortic Surgery
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Myocardial Infarction (Heart Attack)
- Occupationally Acquired HIV
- Open Chest Surgery to correct:
 - ▶ Coronary artery
 - ▶ Valve
- Paralysis:
 - ▶ Diplegia
 - ▶ Hemiplegia
 - ▶ Paraplegia
 - ▶ Quadriplegia
 - ▶ Tetraplegia

- Parkinson's Disease
- Primary Pulmonary Hypertension
- Severe Burns
- Total Blindness
- Total Deafness

Full definitions of these terms are as follows:

Alzheimer's Disease

Means the diagnosis of Alzheimer's Disease by a consultant neurologist confirming dementia due to failure of the brain function with significant cognitive impairment for which no other recognisable cause has been identified. Significant cognitive impairment is defined as a deterioration or loss of intellectual capacity as measured by clinical evidence and standardised testing, and which results in a requirement for continual supervision to protect you or others.

Angioplasty

Means the undergoing of angioplasty, insertion of a stent or keyhole cardiac surgery to the coronary arteries that is considered necessary by a cardiologist to correct or treat coronary artery disease.

Aplastic Anaemia

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

- bone marrow transfusions
- marrow stimulating agents
- immunosuppressive agents
- bone marrow transplantation

Benign Brain Tumour

Means a life threatening non-cancerous tumour in the brain which gives rise to characteristic symptoms of intracranial pressure such as papilledema, mental symptoms, seizures and sensory impairment resulting in at least 25% permanent impairment of whole person function. The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging). Excluded are acoustic neuromas cysts, granulomas and malformations in or of the arteries or veins of the brain, haematomas and tumours on the pituitary gland or spine.

Cancer

Means the presence of one or more malignant tumours, including leukaemia, malignant bone

marrow disorders and malignant lymphomas. The following tumours are excluded:

- tumours showing the malignant changes of “carcinoma-in-situ” (including cervical dysplasia, CIN1, CIN2 and CIN3) unless leading to radical surgery or tumours which are histologically described as premalignant;
- malignant melanomas of Clark Level 1 or 2 depth of invasion which are less than 1.5mm in thickness, as determined by histological examination;
- all hyperkeratoses or basal cell carcinomas of the skin; and
- all squamous cell carcinomas of the skin unless they have spread to other organs.

Cardiomyopathy

Means impaired ventricular function of variable aetiology, resulting in physical impairments to the degree of at least class 3 of the New York Heart Association Classification of cardiac impairment. Cardiomyopathy directly related to alcohol abuse is excluded.

Cerebrovascular Accident (Stroke)

Means any cerebrovascular incident producing neurological sequelae, including infarction of brain tissue, intracranial or subarachnoid haemorrhage, embolisation from an intracranial source, but excluding transient ischaemic attacks, migraine and reversible ischaemic neurological deficits.

Chronic Liver Failure

Means end stage liver failure. The diagnosis must be based on the following criteria:

- a rapidly decreasing liver size;
- necrosis involving entire lobules;
- rapid degeneration of liver function tests; and
- deepening jaundice.

Liver disease secondary to alcohol usage or intravenous drug use is excluded.

Chronic Lung Failure

Means end stage lung disease requiring permanent oxygen therapy. The diagnosis will include an FEV1 test result of less than one litre.

Chronic Renal Failure

Means end stage renal failure presenting as chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is instituted.

Coma

Means total failure of cerebral function characterised by total unarousable unresponsiveness to all external stimuli, persisting continuously with the use of a life support system for a period of at least four days. Coma directly related to alcohol abuse is excluded.

Dementia

Means the clinical confirmation of dementia (including Alzheimer’s Disease) due to failing brain functions, resulting in the need for continual assistance in the activities of daily living, as confirmed by a medical practitioner specialising in neurology, psychogeriatrics, psychiatry or geriatrics. Dementia directly related to alcohol abuse is excluded.

Encephalitis

Means severe inflammation of brain substance which results in significant and permanent neurological sequelae as certified by a consultant neurologist.

Loss of Independent Existence

Means a condition as a result of a disease, illness or injury whereby you are totally and irreversibly unable to perform at least two of the following five ‘Activities of Daily Living’:

- bathing or showering;
- dressing and undressing;
- eating and drinking;
- using a toilet; and
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Loss of Speech

Means the total and permanent 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 whether caused by injury, tumour or sickness. The above must be certified by two appropriate medical specialists not less than ninety days after the ability to speak was first lost.

Major Abdominal Aortic Surgery

Means the actual undergoing of surgery via a thoracotomy or laparotomy to repair or correct an aortic aneurysm, an obstruction of the aorta or a coarctation of the aorta. For the purpose of this definition aorta shall mean the thoracic and abdominal aorta but not its branches. Surgery performed using catheter techniques only are specifically excluded.

Major Head Trauma

Means neurological deficit resulting from trauma, causing at least 25% impairment of whole person function lasting more than three weeks from the date of the trauma, and likely to persist, as certified by a consultant neurologist.

Major Organ Transplant

Means the transplant to the Life Insured of one or more of the following organs:

- kidney
- heart
- lung
- liver
- pancreas
- the transplantation of bone marrow.

Motor Neurone Disease

Means amyotrophic lateral sclerosis with significant persistent neurological deficit resulting in at least 25% permanent impairment of whole person function as certified by a consultant neurologist.

Multiple Sclerosis

Means demyelination of nervous tissue. The diagnosis has to be made by a consultant neurologist confirming more than one episode of well defined neurological deficit with persisting permanent neurological abnormalities and with at least 25% impairment of whole person function (but not necessarily confined to a wheelchair). The diagnosis will be based on confirmatory neurological investigations eg. lumbar puncture, evoked visual responses, evoked auditory responses and NMR (Nuclear Magnetic Resonance) evidence of lesions of the central nervous system.

Muscular Dystrophy

Means the unequivocal diagnosis of muscular dystrophy by a consultant neurologist resulting in a permanent impairment of whole body function of at least 25%.

Myocardial Infarction (Heart Attack)

Means death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The basis for diagnosis shall include:

- electrocardiographic changes associated with Myocardial Infarction
- elevation of cardiac enzymes consistent with a Myocardial Infarction

If ECG or enzyme evidence of infarction are

unavailable or inconclusive, then Lumley Life will consider any other test results provided in support of the diagnosis.

Occupationally Acquired HIV

Means infection by the Human Immunodeficiency Virus (HIV), acquired only via blood transfusion or accidental means during the course of carrying out the Life Insured's normal occupation with sero-conversion to HIV infection occurring within six months of the accident. Any accident giving rise to a potential claim must be reported to the Company within thirty days of the incident and be supported by a negative HIV antibody test within seven days of the incident. Transmission via any form of sexual activity or deliberate injection of a drug not prescribed by a medical practitioner is specifically excluded.

Open Chest Surgery

In respect of any of the following:

- coronary artery, being open chest surgery to correct or treat coronary artery disease. Angioplasty, intra-arterial procedures and other non-surgical techniques are excluded.
- repair or replacement of valves, being open chest surgery to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities.

Paralysis

- **Diplegia**
Means the permanent and total loss of function of both sides of the body due to injury or disease.
- **Hemiplegia**
Means the permanent and total loss of function of one side of the body due to injury or disease.
- **Paraplegia**
Means the permanent and total loss of use of both legs resulting from injury or disease.
- **Quadriplegia**
Means the permanent and total loss of use of both arms and both legs resulting from injury or disease.
- **Tetraplegia**
Means the permanent and total loss of use of both arms and legs resulting from injury or disease.

Parkinson's Disease

Means fully developed, moderately disabling

disease of the extrapyramidal system clinically confirmed by a consultant neurologist, and requiring continual assistance in the activities of daily living.

Idiopathic Parkinson's, supranuclear palsy and cortico-basal degeneration are included.

Iatrogenic parkinsonism and parkinsonism secondary to infection or trauma are excluded.

Primary Pulmonary Hypertension.

Means primary pulmonary hypertension with right ventricular enlargement established by investigations including cardiac catheterisation.

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 9' of the Lund and Browder Body Surface Chart.

Total Blindness

Means the complete and irrecoverable loss of sight in both eyes as currently defined by the Royal Blind Society and confirmed by an ophthalmologist.

Total Deafness

Means total, irreversible and irreparable loss of hearing both natural and assisted, in both ears as a result of injury or disease.

4.4 Limitation on Optional Benefits

Benefits under the Accident Benefit Option and the Medical Catastrophe Option cease to be payable at age 65, notwithstanding that the Policy may continue in some cases to age 70.

BUSINESS EXPENSES INSURANCE

1 INTRODUCTION

Business Expenses Insurance provides for the reimbursement of the normal day to day running expenses of a business during a period of Total Disability.

2 DEFINITIONS

2.1 Annual Benefit

Is the amount shown in the Policy Information Statement and Schedule less other monies received in accordance with 2.7. It is paid at the rate of one three hundred and sixty fifth of the Annual Benefit for every day of Total Disability.

2.2 Benefit Period

The Benefit is payable for a period of up to one year, while you remain disabled. If at the end of this year, you remain disabled and the total benefit paid is less than the Annual Benefit, then cover will continue until the earliest of:

- the payment of the Annual Benefit;
- the expiry of a further twelve months; and
- the Expiry of Cover.

2.3 Business Expenses

Are the normal day-to-day running expenses of the Life Insured's business:

Business Expenses include but are not limited to the following:

- Accounting and audit fees
- Advertising costs
- Bank charges, interest on loans
- Depreciation of equipment, plant
- Electricity, gas, heating, water, telephone, cleaning and laundry costs, postage and handling
- Property rates and taxes
- Publications and subscriptions to professional associations
- Leasing costs of plant and equipment
- Business related insurance premiums but not including premiums for this policy
- Rent
- Salaries and other related costs (eg: payroll tax, superannuation contributions, FBT) for non-income generating employees of your business.
- Motor vehicle costs
- Couriers

- Net cost of a locum ie: a direct replacement of the Life Insured from a source outside your business less the business earnings generated by the locum.

Prepaid or accrued business expenses will be apportioned over the period to which they relate.

Where income is generated while the Life Insured is Totally Disabled, the Benefit will be limited to the net business expenses, ie. business expenses less net business income. Net business income is business income less wages paid to income generating staff.

Where more than one person is responsible for generating income then Lumley Life will apportion the expenses equally between the Life Insured and the other person(s) unless otherwise agreed between the Life Insured and Lumley Life.

Business Expenses not covered by this policy:

- Salaries and other related costs (eg. payroll, tax, superannuation, FBT) for the Life Insured and income generating employees of your business other than a locum.
- Any of your relatives unless that person was employed for at least sixty consecutive days prior to the Insured's Disability.
- Commissions or bonuses payable to the Life Insured.
- Repayments of principal of any loan or other finance agreement.
- Any costs of a capital nature including the cost of any books, equipment, fittings, fixtures, furniture, goods, implements, merchandise or stock.
- Depreciation on real estate.
- Losses on investments.
- Taxes levied pursuant to the Income Tax Assessment Act.

2.4 Loss or Disability

Is Total Disability for which a benefit is payable under this Policy.

2.5 Medical Practitioner

Means a medical practitioner legally qualified and registered to practice in Australia and is a person other than the Life Insured or the Policyowner or their relatives, business partners, shareholders or employees. Where the practice is outside Australia, the medical practitioner must have qualifications equivalent to Australian standards.

2.6 Pre-Existing Conditions

As long as the Policyowner and Life Insured have fully satisfied the “Duty of Disclosure”, which is described in the application, the Policyowner will be paid benefits for any claim arising from a pre-existing sickness or disability not excluded in the special provisions of this Policy.

2.7 Receipt of Other Monies

If other benefits are received from other insurance policies providing Business Expenses cover, then the Business Expenses used in the calculation of the Benefit will be reduced by the monthly amount of those other benefits.

2.8 Total Disability

Total Disability means that due to suffering an illness or injury the Life Insured:

- (i) is unable to perform at least one important income producing duty of his/her regular occupation; and
- (ii) is not currently working in any gainful occupation, and
- (iii) is under the care and following the advice of a medical practitioner.

2.9 Waiting Period

Is the number of days shown on the Policy Information Statement and Schedule starting from the day you are Totally Disabled. It may vary subject to:

- Return to work during the Waiting Period (condition 2.10)
- Partial Disability (condition 3.2)
- Recurring Claim Benefit (condition 3.4)
- Waiver of Waiting Period (condition 3.5)
- Accident Benefit Option (condition 4.1)

2.10 Return to Work During The Waiting Period

If, during the Waiting Period, the Life Insured returns to gainful employment for five days or less, then those days for which the Life Insured was gainfully employed will be added to the Waiting Period.

If, during the Waiting Period, the Life Insured returned to gainful employment for more than five days, then the Waiting Period will recommence.

2.11 Partial Disability

(see also Condition 3.2)

Means that due to suffering an illness or injury the Life Insured:

- (i) suffers a partial loss of business turnover following a period of Total Disability of at least 14 continuous days duration;

- (ii) cannot work full time, or is unable to perform at least one important income producing duty of his/her regular occupation; and
- (iii) is under the care and following the advice of a medical practitioner.

Benefits do not begin to accrue until the expiry of the Waiting Period (unless the Waiting Period is waived under the Accident Benefit option).

IMPORTANT NOTES:

PLATINUM COVER

Where the Life Insured is aged less than 55 years, there is no requirement for the Life Insured to suffer a period of Total Disability before qualifying as Partially Disabled.

Where the Life Insured is aged 55 years or more, Partial Disability must follow a period of Total Disability of at least seven continuous days duration.

Where the Life Insured is aged 60 years or more, Partial Disability must follow a period of Total Disability of at least ten continuous days duration.

GOLD COVER

Partial Disability must follow a period of Total Disability of at least fourteen continuous days duration irrespective of the Life Insured's age.

3 BENEFITS

3.1 Total Disability Benefit

When the Life Insured has a continuous period of Total Disability for longer than the Waiting Period, the Total Disability benefit shall be the lesser of the Annual Benefit and the actual Business Expenses incurred.

3.2 Partial Disability Benefit

The amount paid, which is determined on a daily basis, will be the lesser of:

- $\frac{(A - B)}{A}$ x the Annual Benefit and
- $\frac{(A - B)}{A}$ x your annualised share of the Business Expenses that relate to the period of Partial Disability

A = Your share of the business turnover in the 12 month period prior to your disablement.

B = Your annualised share of the current month's business turnover for the month in which Partial Disability is claimed.

When you are Partially Disabled and you are not working, then Lumley Life will calculate “current month’s business turnover” as the turnover you could reasonably be expected to generate if you were working.

The Partial Disability Benefit starts to accrue from the latter of:

- the day after you are no longer Totally Disabled; and
- the day after the end of the waiting period provided you were Totally Disabled for at least 14 consecutive days.

3.3 Waiver of Premium

After the Life Insured has been disabled for longer than the Waiting Period, Lumley Life will refund premiums paid in that period and will continue to waive premiums until the Life Insured is no longer disabled. Premium payments will recommence from the date disablement ceases.

3.4 Recurring Claim Benefit

A new Waiting Period will not apply to any claim provided that the claim resulted from a relapse or recurrence of the same or related illness or injury that caused Total or Partial Disability, within 12 months of returning to work.

3.5 Waiver of Waiting Period

Lumley Life will waive the Waiting Period on a new claim resulting from an illness or injury unrelated to a previous claim provided that:

- a Waiting Period applied to the previous claim;
- the new claim occurs within 12 months of returning to work from the previous claim; and
- the new claim was for a continuous period of 30 days or more.

Benefits will then accrue from the first day of the new claim.

3.6 Elective Surgery Benefit

In the situation where Total Disability arises as a result of cosmetic or other elective surgery or as a result of surgery to transplant a body organ into the body of another person, then the Total Disability Benefit is payable.

(Provided always that such surgery took place more than six months from the commencement date of the policy, its reinstatement or date of alteration/increase.)

3.7 Concurrent Disability

When the Life Insured is disabled at any time as a result of separate and distinct injuries or sicknesses, the benefit will be calculated according to the cause which maximises the claim.

4 OPTIONAL BENEFITS

The following optional benefits apply if they appear in the Policy Information Statement and Schedule and the appropriate additional premium has been paid.

4.1 Accident Benefit Option

If you become Totally Disabled due to an accident Lumley Life will waive the Waiting Period provided you are Totally Disabled for at least seventy two hours immediately following the accident. One three hundred and sixty fifth of the Annual Benefit will then become payable to you for each day of Total Disability from the first hour until the expiration of the Waiting Period.

4.2 Leasepay Benefit Option

The Life Insured must be in receipt of Benefits under this Policy for a continuous period of twelve months to qualify for Leasepay Benefits. (Receipt of Partial Disability or other benefits do not qualify.)

Where the Life Insured has been receiving Total Disability Benefits under the Business Expenses Policy for a continuous period of twelve months and is Totally disabled under the Policy, then the Leasepay Benefit will commence. This Benefit will pay the Life Insured’s lease commitments on the principal commercial premises of the business. It will be calculated on a daily basis, paid monthly and will continue to be paid until the earliest of the following:

- (i) the date on which the Life Insured ceases to be Totally Disabled under the Policy;
- (ii) the date on which the Leasepay Benefit is exhausted;
- (iii) the date on which the lease commitment is extinguished; and
- (iv) the date of the Life Insured’s death.

On the occurrence of any of the above, all cover will cease under this Option.

LUMLEY

The Lumley Group is a financial services group specialising in the design, marketing, underwriting, and management of life insurance and general insurance products, for a select network of quality financial intermediaries. Over the past 80 years in Australia, the Lumley Group has evolved from an insurance broking firm to a highly specialised insurance underwriter that operates in all states of Australia and in New Zealand. One of the largest privately-owned financial services groups operating in Australia, the Group currently provides a wide range of services on four continents, but its main focus has always been the needs of the Australian customer base. It is a combination of the Group's historical origination and involvement with the Australian insurance industry, the recognition of its customer's needs and the development of services to meet these needs that has resulted in the Lumley name being synonymous with *Traditional Values and Innovative Ideas*.

The Lumley Group of Companies in Australia is 100 per cent owned by Edward Lumley Holdings Limited which is incorporated in the United Kingdom. Lumley Life Limited was originally established in 1926 as Commonwealth Life (Amalgamated) Assurance Limited. In 1961, the name was changed to Security Life, and in December of that year, the Company acquired the life assurance business of the Citizens & Graziers Life Assurance Company Limited. In October 1986, the Company name was changed to Lumley Life.

The Lumley Commitment

By combining *Traditional Values and Innovative Ideas*, Lumley Life will continue to provide value and security for clients, while maintaining our uncompromising emphasis on service, sound investment and cost effectiveness.



Lumley Life Limited

ABN 20 000 017 194