



Lumley Life Limited

ABN 20 000 017 194

Life Insurance

Customer Information Brochure and Policy Document

- *Life Insurance and/or*
- *Medical Catastrophe 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



Lumley Life Limited

ABN 20 000 017 194

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 seventy 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.

CUSTOMER INFORMATION BROCHURE

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After page 33

IMPORTANT NOTES

- **POLICY DOCUMENT ALSO INCLUDED**
This booklet also includes the Policy Document which sets out the terms and conditions of the contract. It should therefore be kept in a safe place. Once your application has been accepted and the first premium paid (or deemed to be paid) you will be issued with a Policy Information Statement and Schedule. A premium is deemed to be paid if Lumley Life has received an authorisation to collect the first premium from a financial institution. Where the annual premium is \$500 or more, you will also receive a Customer Advice Record which details some of the important aspects of your dealings with our agent. These documents should be read and checked carefully by you to ensure the contract meets with your requirements. The documents are your evidence that the contract is in force and should therefore be kept with the Policy Document.
- *This brochure is dated 1st April 2002 and expires 28th February 2003. It can only be utilised during this period and cover can only be applied for by using an application form.*
- *Should there be any be any material alteration to the information contained in this Brochure which would result in it becoming misleading, then it will be withdrawn and a new one issued.*
- *A copy of this Brochure has been lodged with the Australian Securities and Investments Commission (ASIC).*
- *All statements made in this brochure in relation to taxation are based on Lumley Life's interpretation of current legislation and rulings which are subject to change from time to time. Any changes to the benefits under your Policy as a result of a change to taxation will be advised to you. The taxation information is of a generalised nature as individual circumstances may vary.*
- *This brochure gives information for the general public. Details about a Policy specifically tailored to your needs are available on request.*
- *Premiums paid are used to cover the risk and expenses incurred in managing the Policy and consequently there is no surrender or cash value at any time.*
- *All products in this brochure provide 24 hours a day cover, worldwide.*
- *The Policy is issued under Lumley Life's No.1 Statutory Fund and is a non participating policy. This means the Policyowner is not entitled to any allocation of operating profits or distribution of retained profits of the Statutory Fund.*

KEY FEATURES STATEMENT LIFE INSURANCE COVER

This Key Features 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 death and where applicable Total and Permanent Disability. If you terminate this policy after the cooling off period, you will not receive any money back.

► **THE PRODUCT**

Life Insurance Cover provides financial protection in the event of death. A Terminal Illness Benefit is also included (see over). Other optional benefits such as Total and Permanent Disability may be added for the payment of an additional premium.

- **Guaranteed Renewal of Cover**

Lumley Life guarantees to offer renewal of the Policy each year until the expiry date of the cover selected.

- **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, age, sex, occupation, pastimes, smoking habits, state of health and family history. Premiums are payable yearly in advance (or more frequently by instalments as agreed with Lumley Life).

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 sum insured 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. In respect of life insurance cover, the underlying tables of premium rates current during the term of this Brochure, are guaranteed to apply for at least three years subject to any tax, duty or charge introduced by the Government or changes to an existing one. After this period, 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**

- **Death Benefit**

This Benefit takes the form of the payment of the sum insured at the date of death and applies to death from any cause with the exception of death caused by any intentionally self-inflicted act occurring within the first thirteen months following the commencement or reinstatement of the Policy. This exception also applies to any increases in the sum insured (but not including those increases applying as a result of the annual automatic increase provisions of the Policy).

► **Payment of Benefit**

The Benefit is payable in Australian currency as follows:

- To the Policyowner (where the Policyowner is the same person as the Life Insured, the benefit is payable to that person's estate), or
- Where a person or persons are nominated to receive the death benefit, the proceeds are payable to that person or persons in the proportions(s) nominated by the Policyowner (and will not form part of the Life Insured's estate), or
- Where the Policy is issued under a superannuation arrangement, the benefit is payable to the Trustee of the superannuation fund.

► **Terminal Illness Benefit**

Where the Life Insured is diagnosed as being terminally ill and death is likely to occur within **twelve months**, the death benefit may be paid prior to the date of death with the agreement of the Policyowner. Two medical practitioners will be required to certify and agree on the extent of the illness or injury, one being the doctor treating the condition and the other being a doctor nominated by Lumley Life who must confirm the diagnosis and prognosis. An upper dollar limit of **\$2,000,000** will apply to early payment with any sum insured balance being payable on the Life Insured's death.

► **IMMEDIATE COVER ON ACCIDENTAL DEATH** (See page 6)

Provided the premium has been paid (or deemed to be paid) and the Application is not replacing an existing Lumley Life policy the cover applies immediately in respect of death by accident for a period of sixty days for the lesser of the sum insured or \$200,000 (on any one life). A premium is deemed to be paid if Lumley Life has received an authorisation to collect the first premium from a financial institution.

The following events are not covered:

- Intentionally self-inflicted act or injury
- Any medical or physical condition of the Life Insured existing on 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.

► **OPTIONAL BENEFITS**

For an additional premium you may choose to add optional cover:

• **Total and Permanent Disability Benefit***

This cover provides payment of the sum insured should the Life Insured become totally incapacitated through injury or illness to the extent that he/she cannot ever perform the duties of his/her own

occupation or another occupation for which he/she is suited by education training or experience. At age 65 the definition of Total and Permanent Disability changes from one related to occupation to one requiring long term care. (See page 30 of the Policy Document).

An own occupation definition is available to occupations rated as Class 1 professional.

The following events are not covered:

- War or acts of war whether declared or not
- Intentionally self-inflicted act or injury
- Any other specific events or causes agreed in writing between the proposer and Lumley Life.

• **Waiver of Premium on Total Disability***

The addition of this option ensures that the premium will be waived during a period where the Life Insured is totally unable to perform the duties of his/her own occupation or another occupation for which he/she is suited by education, training or experience for a period of three consecutive months.

• **First To Die Cover***

The benefit under this arrangement is the payment of the sum insured when the first of the Lives Insured dies.

This option offers savings where only one amount of cover is required but on the lives of several people. It may be suitable in a business partnership arrangement or in a husband and wife situation to pay off a debt.

It is important to note however, that cover applies to all the Lives Insured under the Policy for so long as it remains in force. Should more than one Life Insured die, then the sum insured applicable in each case will be paid.

A continuation guarantee applies which allows the other Lives Insured the opportunity to continue cover without any evidence of insurability.

► **Children's Future Insurability Cover***

Providing a child has been accepted by Lumley Life and is included on the Policy Information Statement and Schedule, Lumley Life guarantees to issue on the option dates specified below, Life Insurance Cover on any such child up to a total of \$300,000.00 without further evidence of insurability.

The option dates are the 21st, 24th, 27th and 30th birthdays, or on date of marriage, date of birth of a child or adoption of a child.

Where the Policy ceases as a result of the death of the Adult Life Insured, then the only option date available will be the first option date.

► **Guaranteed Future Insurability***

The sum insured can be increased without further evidence of health, in certain specific personal and business circumstances, prior to the Life Insured attaining the age of 55 years.

** Note: Complete definitions of these terms are contained in the Policy Document at the back of this booklet. (Refer Page 22)*

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.

The only fees and charges associated with the issue and management of the Policy are the premiums you pay.

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

<u>Frequency</u>	<u>Loading of Premium</u>
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**

Personal taxation deductions are not generally available in respect of premiums payable under term insurance policies. Under certain superannuation arrangements premiums may be deductible if paid by an employer or a self employed person. Taxation deductions for premiums may also be available under certain business arrangements depending on the purpose of the insurance.

► **Benefits**

Generally death benefits payable under life insurance policies are not assessable for income tax except under those business arrangements referred to above where a deduction for the premium was obtained.

Capital Gains tax may apply in the event that the Policy is assigned.

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

Taxation information given in this brochure is based on Lumley Life's interpretation of current Tax Legislation and its continuation. The information provided is only a brief summary and is intended as a general statement only. You should consult your taxation or financial adviser for information relevant to your own personal circumstances.

"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.

DEATH BY ACCIDENT COVER

INTERIM CERTIFICATE OF INSURANCE

No Cost Death Cover on the terms set out below is hereby given by Lumley Life Limited (Lumley Life) to the person from whom it receives a fully completed application (and personal statement) for death cover (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 the death prior to age 60 of the Life Insured named in the Application
- The total amount of cover applied for, or two hundred thousand dollars (\$200,000), 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 Datewhichever happens first.

► **Exclusions**

Cover will not apply if death 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

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KEY FEATURES STATEMENT

MEDICAL CATASTROPHE INSURANCE COVER

This Key Features 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 death and or a specified Medical Catastrophe or where applicable Total and Permanent Disability.

If you terminate this policy after the cooling off period, you will not receive any money back.

► **THE PRODUCT**

Medical Catastrophe Cover provides financial protection in the event of death or a specified Medical Catastrophe. (In the case of Platinum cover, payment of a benefit in respect of a specific illness or injury will in effect bring forward the payment of the death benefit.) Other optional benefits such as Total and Permanent Disability may be added for the payment of an additional premium.

- **Guaranteed Renewal of Cover**

Lumley Life guarantees to offer renewal of the Policy each year until the expiry date of the cover selected.

- **Guaranteed Non-Cancellable**

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

► **THE PREMIUMS**

Premiums depend on the type of insurance cover selected, age, sex, occupation, pastimes, smoking habits, state of health and family history. Premiums are payable yearly in advance (or more frequently by instalments as agreed with Lumley Life).

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 sum insured 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 reserves the right to increase premium rates for all policies 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.

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

► **THE BENEFITS**

The Benefit takes the form of the payment of the sum insured at the date the Company receives proof, to its satisfaction, that the Medical Catastrophe definition under the Policy has been satisfied. Complete definitions of Medical Conditions are contained in the Policy Document. (See Condition 5 starting on page 26)

The amount of Death Benefit depends on the type of cover selected and is not paid in addition to the Medical Catastrophe Benefit.

Certain medical conditions are covered after 90 days have elapsed since the risk commencement date. The symptoms must first manifest after the 90 days qualifying period. (Please refer to this Brochure and the Policy Document for details.)

Any event resulting from an intentionally self inflicted act or injury is not covered under the Policy.

Lumley Life will consider multiple claimable illnesses or injuries as a single event and will be liable for payment of one Medical Catastrophe Benefit only under this Policy.

The death cover applies to death from any cause with the exception of suicide occurring within the first thirteen months following the commencement or reinstatement of the Policy. This exception applies to any increases in the sum insured (but not including those increases applying as a result of the annual automatic increase provisions of the Policy).

► **Medical Catastrophe Insurance –
Limitation of Benefit**

The Benefit payable is the lesser of:

- (a) The sum insured in the schedule; or
- (b) Where the event giving rise to the payment of the sum insured was already covered at the risk commencement date by a policy issued by another insurer (the existing policy) then the sum insured in the schedule shall be reduced so that when added to any amount paid or payable under the existing policy the total does not exceed \$1,500,000.

► **Payment of Benefit**

The Benefit is payable in Australian currency as follows:

- To the Policyowner (where the Policyowner is the same person as the Life Insured, the death benefit is payable to that person's estate), or
- Where a person or persons are nominated to receive the death benefit, the proceeds are payable to that person or persons in the proportion(s) nominated by the Policyowner (and will not form part of the Life Insured's estate).

► **Types**

There are two types of cover available namely:

- Platinum
- Silver

The type of cover applying to you will be shown in your Policy Information Statement and Schedule. The amount and type of cover varies and it is therefore important that you check that the type shown provides the coverage intended.

► **Coverage Summary**

- **Platinum** covers thirty-five specific illnesses/injuries or payment of the sum insured on death.
- **Silver** covers thirty-five specific illnesses/injuries provided you survive for thirty days after you suffer the illness or injury. If you don't, only the death benefit of \$5,000 is payable.

The following conditions are covered immediately:

- Alzheimer's Disease
- Aplastic Anaemia
- Benign Brain Tumour
- Cardiomyopathy
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Coma
- Dementia
- Encephalitis
- Loss of Independent Existence
- Loss of Speech
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Occupationally Acquired HIV
- Paralysis:
 - Diplegia
 - Hemiplegia
 - Paraplegia
 - Quadriplegia
 - Tetraplegia
- Parkinson's Disease
- Primary Pulmonary Hypertension
- Severe Burns
- Total Blindness
- Total Deafness

The following conditions are covered after 90 days have elapsed since the risk commencement date or reinstatement of the Policy. The symptoms must first manifest after the 90 days qualifying period.

Note: cover applies immediately if there was similar cover with another life insurance company (up to the amount of that cover) and this Policy replaces that cover.

- Angioplasty
- Cancer
- Cerebrovascular Accident (Stroke)
- Major Abdominal Aortic Surgery
- Myocardial Infarction (Heart Attack)
- Open Chest Surgery to correct:
 - Coronary artery
 - Valve

Important Notes on Coverage

1. Platinum cover also provides for payment of the sum insured on death. Payment on death is in lieu of a Medical Catastrophe payment (or a payment under the Total and Permanent Disability Option).
2. Silver cover provides for payment of the Medical Catastrophe Benefit, but you must survive for thirty days after the happening of the covered event. If you don't, only the death benefit of \$5,000 is payable.
3. The Policy will terminate and all cover will cease on the death of the Life Insured. Payment of any benefit will reduce all other benefits attached by any claim amount paid.
4. Complete definitions of the illnesses and injuries are contained in Condition 5 of the Policy Document.

► Premium Freeze Option

Subject to Lumley Life's minimum requirements in relation to premiums at the time this option is exercised, and provided the Life Insured is aged over thirty years, the Policyowner may elect to maintain the premium at the then current level. Under this option the premium will remain unchanged or be reduced as agreed between Lumley Life and the Policyowner. The sum insured will decrease annually on the anniversary date, such decrease being calculated by Lumley Life using the age of the Life Insured at each anniversary date.

The Policyowner must exercise this option in writing to Lumley Life. Where this option is exercised any automatic sum insured increases, otherwise applicable under the Policy, will cease.

► Automatic Sum Insured Increases On Anniversary

On each anniversary of the Commencement Date of the Policy, Lumley Life will automatically increase the cover. The increase in cover which will be based on the Consumer Price Index (the primary inflation measure) will involve a corresponding increase in the premium. This facility will help maintain the purchasing power of the benefit payable.

Automatic increases will not be made once the Life Insured has attained the age of 65. Where the sum insured reaches \$1,000,000 then future increases will be based on this amount.

► OPTIONAL BENEFITS

For an additional premium you may choose to add optional cover:

► Children's Medical Catastrophe Option

(Applies to Platinum coverage only)

For the payment of an additional premium a sum insured of \$50,000 is available on the lives of children nominated under the Policy on the occurrence of any of the following:

- Benign Brain Tumour
- Cancer*
- Cerebrovascular Accident (Stroke)*
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Encephalitis
- Major Abdominal Aortic Surgery*
- Major Organ Transplant
- Multiple Sclerosis
- Myocardial Infarction (Heart Attack)*
- Open Chest Surgery* to correct:
 - Coronary artery
 - Valve
- Paralysis:
 - Diplegia
 - Hemiplegia
 - Paraplegia
 - Quadriplegia
 - Tetraplegia

Cover will cease on the Child's 18th birthday.

Where the Policy ceases as a result of the death of the adult Life Insured, then this cover may be continued on the life of the child/children covered in respect of this Benefit until the expiry date (i.e. the child's 18th birthday).

* These conditions are covered after ninety days have elapsed since the risk commencement date or reinstatement of the Policy. However, the symptoms must first manifest after the 90 days qualifying period.

Note: cover applies immediately if there was similar cover with another life insurance company (up to the amount of that cover) and this Policy replaces that cover.

► **Buy Back Option (no extra cost)**

(Applies to Platinum coverage only)

Following the payment of a Medical Catastrophe Benefit or Total and Permanent Disability Benefit (the Benefit) under this Policy the Policyowner may on any option date repurchase the death cover without evidence of insurability. Upon exercising this option, Lumley Life will issue a new Policy. The first option date occurs one year after the date of payment of the Benefit. Further option dates will occur on the following two anniversaries of the first option date. The maximum amount that can be repurchased at each option date is one third of the Benefit paid.

► **Accelerated Buy Back Option**

(Applies to Platinum coverage only)

This option allows the repurchase of the total amount of the death cover (provided under the Medical Catastrophe Coverage) without evidence of insurability one year after the payment of the Medical Catastrophe Benefit or Total and Permanent Disability Benefit. This option requires the payment of an additional premium and only applies if shown in the Policy Information Statement and Schedule. Upon exercising this option, Lumley Life will issue a new Policy.

► **First To Suffer Medical Catastrophe**

The benefit under this arrangement is the payment of the sum insured when the first of the lives insured qualifies for the payment of a benefit under the Policy.

It is important to note however, that cover applies to all the Lives insured under the Policy for so long as it remains in force. Should more than one Life Insured die or suffer a Medical Catastrophe, then the sum insured applicable in each case will be paid.

This option can offer savings where only one amount of cover is required but on the lives of several people. It may be suitable in a business partnership arrangement or in a husband and wife situation to pay off a debt.

A continuation guarantee applies which allows the other lives insured the opportunity to continue cover without any evidence of insurability.

► **Total and Permanent Disability Benefit**

Both Platinum and Silver coverage allows the option of including a Total and Permanent Disability Benefit.

(Please refer to the Life Insurance Section of this Brochure for an explanation of this coverage.)

WHAT ARE THE CHARGES?

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

The only fees and charges associated with the issue and management of the Policy are the premiums you pay.

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

<u>Frequency</u>	<u>Loading of Premium</u>
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**

Personal taxation deductions are not generally available in respect of premiums payable under this type of insurance policy.

► **Benefits**

Generally benefits payable under life insurance policies are not assessable for income tax.

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

Taxation information given in this brochure is based on Lumley Life's interpretation of current Tax Legislation and its continuation. The information provided is only a brief summary and is intended as a general statement only. You should consult your taxation or financial adviser for information relevant to your own personal circumstances.

“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.

KEY FEATURES STATEMENT

THE LUMLEY LIFE PERSONAL SUPERANNUATION FUND

This Key Features Statement follows requirements set by the Australian Securities and Investment Commission. It will help you to:

- **Decide whether this product will meet your needs; and**
- **Compare this product with others you may be considering.**

► **Introduction:**

The Lumley Life Personal Superannuation Fund (“the Fund”) is a superannuation plan operated by Security and General Nominees Pty Limited (“the Trustee”) under the terms of the Trust Deed dated 29th October, 1971 (as amended 27th June, 1994).

The Trustee is an Approved Trustee as defined in S26(1) of the Superannuation Industry (Supervision) Act 1993. This approval is evidenced by the Trustee’s Instrument of Approval – issued on 9th June, 1994 (as revised on 9th September, 1996) – a copy of which is available for inspection.

Under the terms of this Approval:

- the Trustee has been provided with an approved guarantee of at least \$5 million by Lumley Life Limited in respect of the due performance of its duties as trustee of the Fund, and
- each year an annual certificate is provided by Lumley Life Limited – supplied by an independent registered company auditor – to certify that Lumley Life Limited had net tangible assets of at least \$5 million during that period.

The Fund currently complies (and will be administered to continually comply) with superannuation legislation and regulations.

A benefit payable under the Policy for Terminal Illness or for disablement can only be paid by the Trustee to the member if the conditions of release as specified by the legislation are satisfied. Otherwise, the benefits will be retained in the Lumley Life Personal Superannuation Fund until a condition of release is met.

► **Benefits Provided:**

The primary purpose of the Fund is to provide a benefit in the event of a member’s death and where applicable total and permanent disablement. If you leave the Fund after the cooling off period (as described below) you will not receive any money back.

Insurance protection is made available through Lumley Life Limited (“Lumley”) and provides 24 hours a day cover worldwide from commencement of the policy. Policies will be issued to the Trustee as policyowner,

however, you may nominate beneficiaries for the guidance of the Trustee on the distribution of insurance monies.

To take up life insurance coverage you should first review the attached copy of the “Life Insurance” Customer Information Brochure to ensure that it meets your needs. Once you are satisfied with the insurance arrangements offered, you should complete the Application Form included in the brochure.

► **Premium Information:**

Details of premiums payable are provided in the “Life Insurance” Customer Information Brochure.

► **Collection of Tax File Numbers (TFNs):**

Legislation requires the Trustees to request TFNs from Fund members. They are to be used only for legal purposes, including:

- identification of superannuation benefits where there is insufficient information
- calculation of tax on eligible termination payments
- facilitating the implementation of the Surcharge legislation.

The quotation of TFNs by members is voluntary and it is not an offence for members not to quote their TFN. However, failure to quote a TFN may result in the following:

- the deduction of tax from an eligible termination payment at the highest marginal rate of tax
- difficulty in locating benefits for “lost members”
- the new 15% surcharge will be automatically applied regardless of the member’s actual “taxable salary.”

► **Cooling Off Period:**

After making your initial decision to join the Fund, you have twenty-eight days to assess whether it meets your needs. During this period, if for any reason you are dissatisfied with the benefits provided under the Fund, or you feel they do not meet your needs, you may withdraw your application and receive a full refund of insurance premium. Your request should be in writing.

► **Changes to the Insurer or Policy Conditions:**

As the benefit is fully insured with Lumley Life, the terms and conditions of insurance are dependent upon Lumley Life continuing to provide the insurance cover and not altering the conditions of cover.

Should Lumley Life cease to be the provider, or if the Trustee changes the insurer, the Trustee will seek to retain another insurer on equivalent terms and

► **Taxation of Benefits**

Death Benefits are free of tax if paid to your spouse, your children under the age of 18 or persons who are dependant on you, up to the pension Reasonable Benefit Limit (RBL). The RBL is the maximum benefit that can be received from a complying superannuation fund on a concessional tax basis. RBLs are indexed each year in line with Average Weekly Ordinary Time Earnings (AWOTE). From the 1st July 1999, the pension RBL is \$971,382. Amounts of Death Benefit in excess of the RBL are taxed at the highest marginal rate plus Medicare Levy.

Death Benefits which are paid to non-dependants are taxed as Eligible Termination Payments up to the recipient's RBL. Amounts in excess of this are taxed at the highest marginal rate plus Medicare Levy.

Total and Permanent Disability Benefits are taxed as an Eligible Termination Payment except for the post 30 June 1994 component which is tax free.

► **Taxation Deductions for Contributions**

If you are employed you are not generally eligible to receive a tax deduction for contributions. If you are self employed your contributions are normally deductible up to certain limits. To claim a tax deduction you will need to provide to the Trustee of the Fund, a notice under Section 82 AAT of the Income Tax Assessment Act. The Trustee will send you an acknowledgement of receipt of this notice.

You will need this acknowledgement in order to claim a deduction.

Taxation information given in this brochure is based on Lumley Life's interpretation of current Tax Legislation and its continuation. The information provided is only a brief summary and is intended as a general statement only. You should consult your taxation or financial adviser for information relevant to your own personal circumstances.

► **Surcharge**

In addition to the standard 15% tax on deductible contributions, the Government has imposed a further 15% surcharge on employer and deductible contributions in respect of higher income earners – i.e. members for whom the sum of their taxable salary and employer/ deductible superannuation contributions exceeds a statutory amount in a financial year (currently \$75,856).

The tax applies to contributions paid on or after 20th August, 1996 and in the case of the Fund, it may result in an increase in the required premium payable or alternatively the reduction of insured benefits with the agreement of the Member.

It is the intention of Lumley Life Limited to absorb this additional tax until further notice.

► **Enquiries and Complaints:**

Where you have any enquiries or complaints, please contact the Trustee by either phoning (02) 9248 1255/ Freecall 1800 221 142 or writing to:

The Complaints Officer
Security and General Nominees Pty Limited
PO Box Q340
Queen Victoria Building
SYDNEY NSW 1230

However, if you have not received a response within ninety days, or you are not satisfied with our response, you may refer the matter to the Superannuation Complaints Tribunal by writing to:

Locked Bag 3060
GPO MELBOURNE VIC 3001

The Tribunal is an independent body established to help members of superannuation plans and their beneficiaries resolve complaints in relation to unfair and unreasonable decisions made by the Trustee or where the Trustee has exercised improper use of its powers.

The Tribunal may be able to assist you to resolve your complaint, but only if you are not satisfied with the response received from our handling of your complaint. If the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and the fund to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination which is binding.

If you wish to find out whether the Tribunal can handle your complaint and the type of information you would need to provide, phone one of the following numbers for the cost of a local call anywhere in Australia:

13 14 34 – the Superannuation Complaints Tribunal

13 10 60 – the local State office of the Australian Securities and Investments Commission (ASIC).

The Tribunal is not set up to handle complaints relating to general management or service issues.

► **Annual Statements:**

At least once every year members will be provided with:

- Member Statements setting out details of their benefits and
- a Fund Report providing information on the management and financial condition of the Fund.

Note: Life Insurance is offered by Lumley Life. (Security and General Nominees Pty Limited do not in any way guarantee Lumley Life's performance under the life insurance contract.)

► **Fund Contact:**

All correspondence to the Trustee should be addressed to:

Company Secretary
Security and General Nominees Pty Limited
PO Box Q340
Queen Victoria Building
SYDNEY NSW 1230

Superannuation Individual Tax File Number Notification via Fund Trustee or Employer

This form may only be used on your tax file number to your superannuation Fund.

(Please print neatly in BLOCK LETTERS with a black or blue pen only).

Fund Name: _____ Fund Telephone No: (____) _____

Fund Address: _____

Employer Name: _____ Employer Telephone No: (____) _____
(if applicable)

Your Surname/Family Name: _____

Your Address _____

Given Names: _____ Date of Birth: ____ / ____ / ____

Membership Number: _____ Sex: Male ☐ Female ☐
(if known)

I agree to provide my Tax File Number: Yes ☐ No ☐

My Tax File Number:

Signature: _____ Date: ____ / ____ / ____

Collection of tax file numbers is authorised by tax laws, the *Superannuation Industry (Supervision) Act 1993* and the *Privacy Act 1988*. Changes to tax file number law require trustees to ask you to provide your tax file number to your superannuation fund. By completing this form and providing it to your fund will allow your fund trustee to use your tax file number for the purposes contained in the *Superannuation Industry (Supervision) Act 1993* and for the purpose of paying eligible termination payments.

The purposes currently authorised include:

- taxing eligible termination payments at concessional rates;
- finding and amalgamating your superannuation benefits where insufficient information is available;
- passing your tax file number to the Australian Taxation Office where you receive a benefit or have unclaimed superannuation money after reaching the aged pension age; and
- allowing the trustee of your superannuation fund to provide your tax file number to a superannuation fund receiving any benefits you may transfer. Your trustee won't pass your tax file number to any other fund if you tell the trustee in writing that you don't want them to pass it on.

You are not required to provide your tax file number. Declining to quote your tax file number is not an offence. However, if you do not give your superannuation fund your tax file number, either now or later:

- you may pay more tax on your superannuation benefits than you have to (you will get this back at the end of the financial year in your income tax assessment); and
- it may be more difficult to find your superannuation benefits if you change address without notifying your fund or to amalgamate any multiple superannuation accounts;
- surcharge tax may apply to your superannuation contributions (which would not otherwise apply).

The lawful purposes for which your tax file number can be used and the consequences of not quoting your tax file number may change in future, as a result of legislative change.

For more information, please contact your fund or the ATO Superannuation Helpline (13 10 20).

IMPORTANT NOTES TO TRUSTEES AND EMPLOYERS

- In the interests of your members/employees, you should make this form available to them.
- Please ensure that the member/employee is aware of your address and telephone number (see the space provided on the front of this form)

The members'/employee's tax file number must be kept private and secure.

SPECIFIC NOTES FOR TRUSTEES

- **If a member provides you with his or her tax file number for superannuation purposes (eg. on this form), you must accept it and record it with member's details.**
- Unauthorised use of the tax file number may incur a penalty of 100 penalty units (currently \$10,000) and/or two years imprisonment.

SPECIFIC NOTES FOR EMPLOYERS

- **If an employee provides you with his or her tax file number for superannuation purposes (eg. on this form), you are required to pass it on with or before the next superannuation contribution you make for that employee** unless you receive it within fourteen days (eg. two weeks) before that contribution in which case you have fourteen days from receiving it to pass it on to the employee's superannuation fund.
- Employers who do not meet the above requirement may be subject to a penalty of up to 10 penalty units (currently \$1,000).
- You may only disclose the tax file number quoted on this form to the employee's superannuation fund. It is against the law to disclose the tax file number quoted on this form to any other fund or person.

GENERAL INFORMATION

► **EXPIRY OF COVER** (i.e. WHEN COVER CEASES)

With the exception of a Policy issued with a Double Total and Permanent Disability benefit the sum insured will be reduced by any claim amount paid. Cover will terminate on the occurrence of the earliest of the following:

■ **Life Insurance Cover**

- the policy anniversary immediately preceding age 99 or
- when the Life Insured dies or
- when the Policy is lapsed due to non-payment of a premium.

■ **Medical Catastrophe Insurance Cover**

- the policy anniversary immediately preceding age 70 or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Total and Permanent Disability Claim is admitted.

■ **Children's Medical Catastrophe Cover**

- the attainment of the child's 18th birthday or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the child.

■ **Total and Permanent Disability/Double Total and Permanent Disability/Long Term Care**

- the policy anniversary immediately preceding age 65 or age 99, in the case of Long Term Care or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Medical Catastrophe claim is admitted.

■ **Waiver of Premiums on Total Disability**

- the policy anniversary immediately preceding age 99 or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured.

ISSUE & EXPIRY AGES		
Type of Insurance	Issue Ages (Next Birthday)	Expiry Ages (Next Birthday)
Term Life	16 – 74	99
Total and Permanent Disability/ Long Term Care	16 – 60	99
Medical Catastrophe	16 – 60	70
Children's Medical Catastrophe	5 – 17	18
Waiver of Premium	16 – 55	99
Guaranteed Future Insurability	16 – 55	55
Children's Future Insurability Cover	5 – 18	30

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.

► **BENEFICIARY**

► **Non-Superannuation**

A person or persons may be nominated under the Policy to receive the monies in the event of death.

A policy issued under this arrangement effectively protects the monies from the Life Insured's creditors.

► **Superannuation**

Where the Policy is issued under Lumley Life's Personal Superannuation Fund the member (Life Insured) may nominate beneficiaries for the guidance of the trustee of the fund (Policyowner) on the distribution of the monies.

► **ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)**

- Cover applies for death or Total and Permanent Disability or Medical Catastrophe resulting from AIDS related causes once the Policy has been issued.

► **ENQUIRIES & COMPLAINTS
(NON-SUPERANNUATION)**

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 Limited, 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, PO Box 579, Collins West, Melbourne 8007 or Telephone (03) 9629 7050. (Freecall on 1800 335 405, outside the Melbourne Metropolitan area). (Facsimile [03] 9621 2291).

The Financial Industry Complaints Service Limited is an industry sponsored company that has been set up to advise and assist policyholders to resolve complaints with their life insurance company. It is an independent and impartial company.

Before seeking to use the Service, a policyholder must try to resolve the complaint directly.

► **ENQUIRIES & COMPLAINTS
(SUPERANNUATION)**

Where the Policy has been issued under the Lumley Life Personal Superannuation Fund, a separate procedure is in place to deal with enquiries and complaints in relation to decisions made by the Trustee (See page 12).

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

Life Insurance Policy Document

- *Life Insurance and/or*
- *Medical Catastrophe 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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INTRODUCTION

THE DOCUMENT

This Policy Document will become your evidence of a contract of Life Insurance which exists between you and Lumley Life Limited. 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 premiums 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-EIGHT 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. Your request for cancellation should be in writing. During the “Cooling Off” Period full cover is provided.

COMMITMENT TO UPGRADE 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.

INTRODUCTION CONTINUED

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

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 the Policyowner is not entitled to any allocation of operating profits or distribution of retained profits of 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. All cover shall cease when this policy is replaced by another or twenty eight days after written notice has been given by Lumley Life, whichever happens first.

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.

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.

PREMIUM RATE GUARANTEE

LIFE INSURANCE

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.

The underlying tables of premium rates current at the issue of this Policy are guaranteed to apply for at least three years. After this period, 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.

PREMIUM RATE GUARANTEE

MEDICAL CATASTROPHE INSURANCE

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

AUTOMATIC INFLATION PROOFING

Unless otherwise stated in the Policy Information Statement and Schedule, Lumley Life will, on each Renewal Date, increase the sum insured 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 65 years.

The Policyowner shall have the option of not effecting any increase provided such option is exercised in writing. Once the sum insured under all term insurance policies issued by Lumley Life on the life of the Life Insured reaches \$1,000,000 (or such amount as determined by Lumley Life from time to time) then all subsequent indexation increases shall be based on this amount.

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 sum insured, 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 (in the case of Life Insurance only, the period is three months) prior to the commencement date. If this statement is found to be untrue then the sum insured will be adjusted having regard to the premium rates that would have been payable had full information been known.

CLAIMS

Notification of Claim

Lumley Life must be notified in writing within thirty days or as soon as practically possible after you become aware of any claim or potential claim under this contract.

Extension of Time

If it can be shown that it was not possible to meet the time requirement for notification of the claim, then it must be provided as soon as is reasonably possible.

Benefits for Multiple Illnesses or Injuries

Lumley Life will consider multiple claimable illnesses or injuries as a single event and will be liable for payment once only under this Policy in respect of each Life Insured.

Our Requirements

When making a claim under this contract we must be satisfied of any liability for payment of a benefit.

For claims other than a death benefit, we may require the Life Insured to undergo a medical or other examination by a doctor of our choice.

When submitting a claim, we will require:

- satisfactory proof of the insured event
- the policy document
- proof of ownership of the policy
- proof of age of the Life Insured
- any requirement we reasonably consider is necessary to properly assess the claim

All amounts payable under this policy shall be paid in Australian currency.

LIFE INSURANCE

1 INTRODUCTION

Life Insurance provides for the payment of a benefit in the event of the death of the person whose life is insured, prior to the expiry of the Policy.

2 BENEFITS

2.1 The Benefit

The benefit payable is the sum insured shown on the Policy Information Statement and Schedule (or as subsequently amended with the agreement of Lumley Life and the Policyowner).

2.2 Payment of the Benefit

The benefit is payable in Australian currency as follows:

- To the Policyowner (where the Policyowner is the same person as the Life Insured, the benefit is payable to that person's estate), or
- To the nominated beneficiary(ies) (the Policyowner may by notice in writing to Lumley Life nominate one or more persons to receive payment of the death benefit and in what proportion(s). Any such nomination may be revoked or changed by the Policyowner by notice in writing to Lumley Life), or
- Where the Policy is issued under a superannuation arrangement, the benefit is payable to the Trustee of the superannuation fund.

2.3 Terminal Illness Benefit

Where the Life Insured is diagnosed as being terminally ill and death is likely to occur within twelve months, the death benefit may be paid prior to the date of death with the agreement of the Policyowner. Two medical practitioners will be required to certify the extent of the illness (or injury), one being the doctor treating the condition and the other being a doctor nominated by Lumley Life who must confirm the diagnosis and prognosis. The maximum amount payable under the Terminal Illness Benefit, including all other amounts payable by Lumley Life is \$2,000,000 (or such other amount as advised by Lumley Life from time to time). In the situation where the sum insured under the Policy is greater than the maximum terminal illness benefit, then the unpaid balance of the sum insured shall be payable on the Life Insured's death.

2.4 First to Die Cover

Where the Policy is issued on a first to die basis, then subject to the Continuation Guarantee (Condition 2.5), payment of the sum insured will be made on the death of the Life Insured first to die.

Cover also applies to all other Lives Insured under the Policy for so long as it remains in force. Should more than one Life Insured die, then the sum insured applicable on each life insured will be paid subject to Clause 2.5.

2.5 First to Die – Continuation Guarantee

Lumley Life guarantees that any of the remaining Lives Insured may continue the same level of cover, provided that this option is exercised within sixty days of the claim. During this period cover provided by this Policy will continue on the remaining Lives Insured. Premiums will continue during this period on the basis of the remaining Lives Insured. Upon exercising this Guarantee, Lumley Life will issue a new Policy.

2.6 Exclusion

The Policy shall be void and all premiums paid shall be forfeited to Lumley Life if the Life Insured dies by his or her intentionally self-inflicted act which occurred within thirteen calendar months of the commencement date of this Policy or of the Policy's last reinstatement. This provision also applies to any increases in the sum insured with the exception of those increases applying as a result of the annual automatic increase provisions of the Policy.

3 OPTIONS

3.1 Premium Freeze Option

Subject to Lumley Life's minimum requirements in relation to premiums at the time this option is exercised, and provided the Life Insured is aged over 30 years, the Policyowner may elect to maintain the premium at the then current level. Under this option the premium will remain unchanged. The sum insured will decrease annually on the anniversary date, such decrease being calculated by Lumley Life using the age of the Life Insured at each anniversary date. The Policyowner must exercise this option in writing to Lumley Life. Where this option is exercised any automatic sum insured increases otherwise applicable under the Policy will cease.

3.2 Children's Future Insurability Option

Providing a child has been accepted by Lumley Life and is included on the Policy Information Statement and Schedule, Lumley Life guarantees to issue on the option dates specified below, Life Insurance Cover on any such child up to a total of \$300,000.00 without further evidence of insurability. The first option date is the 21st birthday, followed by the 24th, 27th and 30th birthdays. Alternative option dates are the date of marriage, date of birth of a child or date of adoption of a child.

If insurance is issued on an alternative option date, then the alternative option date shall replace the next regular option date. Only one alternate option date is granted with respect to multiple births or adoptions at the same time.

The amount of Benefit available at each option date shall be:

1st option date	\$100,000
2nd option date	\$100,000
3rd option date	\$ 50,000
4th option date	\$ 50,000

Amounts of cover not taken up on the option dates cannot be carried forward.

Where the Policy ceases as a result of the death of the adult Life Insured, then the only option available will be the first option.

3.3 Guaranteed Future Insurability Option

When this benefit appears in the Policy Information Statement and Schedule the sum insured in respect of the death cover can be increased, without further evidence of health, in certain specific personal and business circumstances, prior to the Life Insured attaining the age of 55 years.

PERSONAL EVENTS

- *Marriage, adoption or birth of a child and attainment of ages 25, 30, 35, 40 and 45.*
The sum insured can be increased by up to 25% of the original sum insured with a maximum increase of \$100,000 for any one circumstance.
- *Effecting a first mortgage on your home.*
The sum insured can be increased by up to the lesser of
 - ▶ 50% of the original sum insured or
 - ▶ the increase in the value of the first mortgage or a new first mortgage or
 - ▶ \$200,000.

BUSINESS EVENTS

Where the Life Insured is a key person in a business, the sum insured may be increased in the same proportion as the increase in the Life Insured's value to the business averaged over the last three years.

Where the Life Insured is a Partner in a firm or a shareholder in a company, the sum insured may be increased in the same proportion as the increase in the value of the financial interest averaged over the last three years.

In all circumstances for business events, the maximum increase for each event is the lesser of 25% of the original sum insured or \$200,000.

The Guaranteed Future Insurability option must be exercised within thirty days of the specified event and during the first six months of effecting any increase the coverage will extend only to death by accident.

Coverage for death by an intentionally self inflicted act will not extend to any increase in cover if death occurs within thirteen calendar months of effecting that increase.

The maximum increase that can be effected under the Guaranteed Future Insurability option from all circumstances is the lesser of the original sum insured or \$1,000,000.

MEDICAL CATASTROPHE INSURANCE

1 INTRODUCTION

Medical Catastrophe Insurance provides for the payment of a benefit in the event of the death of the Life Insured or where the Life Insured suffers a specific illness or injury (see Condition 5 for definitions) prior to the expiry of the Policy.

2 BENEFITS

2.1 The Benefit

The benefit payable is the sum insured shown on the Policy Information Statement and Schedule (or as subsequently amended with the agreement of Lumley Life and Policyowner).

2.2 Payment of the Benefit

The Medical Catastrophe benefit is payable at the date that the Company receives proof to its satisfaction, that the Medical Catastrophe definition under the Policy has been satisfied. (In the case of Platinum cover payment of a Medical Catastrophe Benefit will in effect bring forward the payment of the death benefit).

The benefit is payable in Australian currency as follows:

- To the Policyowner (where the Policyowner is the same person as the Life Insured, the death benefit is payable to that person's estate), or
- To the nominated beneficiary(ies) (the Policyowner may by notice in writing to Lumley Life nominate one or more persons to receive payment of the death benefit and in what proportion(s). Any such nomination may be revoked or changed by the Policyowner by notice in writing to Lumley Life).

3 COVERAGE

3.1 Types

There are two (2) types of cover available namely:

- Platinum ■ Silver

The type of cover applying to you is shown in your Policy Information Statement and Schedule. The amount and type of cover varies and it is therefore important that you check that the type shown provides the coverage intended.

Additional Optional Benefit

Total and Permanent Disability Cover

For the payment of an additional premium, Total and Permanent Disability insurance can be added to the cover. (See separate section 'Total and Permanent Disability Insurance' for further information).

Additional Term Insurance

For the payment of an additional premium, extra death cover can be added to the Platinum cover.

3.2 Coverage Summary

- Platinum covers thirty-five specific illnesses/injuries or payment of the sum insured on death.
- Silver covers thirty-five specific illnesses/injuries provided you survive for thirty days after you suffer the illness or injury. If you don't, only the death benefit of \$5,000 is payable.

3.3 Coverage in Detail

The following conditions are covered immediately:

- Alzheimer's Disease
- Aplastic Anaemia
- Benign Brain Tumour
- Cardiomyopathy
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Coma
- Dementia
- Encephalitis
- Loss of Independent Existence
- Loss of Speech
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Occupationally Acquired HIV
- Paralysis:
 - ▶ Diplegia
 - ▶ Hemiplegia
 - ▶ Paraplegia
 - ▶ Quadriplegia
 - ▶ Tetraplegia
- Parkinson's Disease
- Primary Pulmonary Hypertension
- Severe Burns
- Total Blindness
- Total Deafness

The following conditions are covered after 90 days have elapsed since the commencement date of this Policy or of its last reinstatement. This provision also applies to any increases in the sum insured with the exception of those increases applying as a result of the annual automatic increase provisions of the Policy. The symptoms must first manifest after the 90 days qualifying period.

Note: cover applies immediately if you had similar cover with another life insurance company (up to the amount of that cover) and this Policy replaces that cover.

- Angioplasty
- Cancer
- Cerebrovascular Accident (Stroke)
- Major Abdominal Aortic Surgery
- Myocardial Infarction (Heart Attack)
- Open Chest Surgery to correct:
 - ▶ Coronary artery
 - ▶ Valve

Important Notes on Coverage

1. Platinum cover provides for the payment of the sum insured on death. Payment on death is in lieu of a Medical Catastrophe payment.
2. Silver cover provides for payment of the Medical Catastrophe Benefit, but you must survive for thirty days after the happening of the covered event. If you don't, only the death benefit of \$5,000 is payable.
3. The Policy will terminate and all cover will cease on the death of the Life Insured. Payment of any benefit will reduce all other benefits attached by any claim amount paid.
4. Complete definitions of the illnesses and injuries are contained in Condition 5.

Medical Catastrophe Insurance – Limitation of Benefit

The benefit payable is the lesser of:

- (a) The sum insured in the schedule; or
- (b) Where the event giving rise to the payment of the sum insured was already covered at the risk commencement date by a policy issued by another insurer (the existing policy) then the sum insured in the schedule shall be reduced so that when added to any amount paid or payable under the existing policy the total does not exceed \$1,500,000.

4 OPTIONS

4.1 Premium Freeze Option

Subject to Lumley Life's minimum requirements in relation to premiums at the time this option

is exercised, and provided the Life Insured is aged over 30 years, the Policyowner may elect to maintain the premium at the then current level. Under this option the premium will remain unchanged. The sum insured will decrease annually on the anniversary date, such decrease being calculated by Lumley Life using the age of the Life Insured at each anniversary date. The Policyowner must exercise this option in writing to Lumley Life. Where this option is exercised any automatic sum insured increases, otherwise applicable, under the Policy will cease.

4.2 Children's Medical Catastrophe Option

(Applies to Platinum coverage only)

For the payment of an additional premium a sum insured of \$50,000 is available on the lives of children nominated under the Policy on the occurrence of any of the following:

- Benign Brain Tumour
- Cancer*
- Cerebrovascular Accident (Stroke)*
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Encephalitis
- Major Abdominal Aortic Surgery*
- Major Organ Transplant
- Multiple Sclerosis
- Myocardial Infarction (Heart Attack)*
- Open Chest Surgery* to correct:
 - ▶ Coronary artery
 - ▶ Valve
- Paralysis:
 - ▶ Diplegia
 - ▶ Hemiplegia
 - ▶ Paraplegia
 - ▶ Quadriplegia
 - ▶ Tetraplegia

Cover will cease on the child's 18th birthday. Where the Policy ceases as a result of the death of the adult Life Insured, then this cover may be continued on the life of the child/children covered in respect of this Benefit until the expiry age. (i.e. the child's 18th birthday).

* These conditions are covered after ninety days have elapsed since the commencement date of the Policy or of its last reinstatement. This provision also applies to any increases in the sum insured with the exception of those increases applying as a result of the annual automatic increase provisions of the Policy. However, the symptoms must first manifest after the 90 days qualifying period.

Note: cover applies immediately if there was similar cover with another life insurance company (up to the amount of that cover) and this Policy replaces that cover.

4.3 Buy Back Option

(Applies to Platinum coverage only)

Following the payment of a Medical Catastrophe Benefit or Total and Permanent Disability Benefit (the Benefit) under this Policy the Policyowner may on any option date repurchase the death cover (provided under Medical Catastrophe Coverage) without evidence of insurability. Upon exercising this option, Lumley Life will issue a new Policy. The first option date occurs one year after the date of payment of the Benefit. Further option dates will occur on the following two anniversaries of the first option date. The maximum amount that can be repurchased at each option date is one third of the Benefit paid.

4.4 Accelerated Buy Back Option

(Applies to Platinum coverage only)

This option allows the repurchase of the death cover (provided under the Medical Catastrophe Coverage) without evidence of insurability one year after the payment of the Medical Catastrophe Benefit or Total and Permanent Disability Benefit. Upon exercising this option, Lumley Life will issue a new Policy. This option requires the payment of an additional premium and only applies if shown in the Policy Information Statement and Schedule.

4.5 First To Medical Catastrophe

Where the first of the Lives Insured qualifies for the payment of a benefit under the Policy, then subject to Condition 4.6, payment of the sum insured will be made.

Cover also applies to all other Lives Insured under the Policy for so long as it remains in force. Should more than one Life Insured die or suffer a Medical Catastrophe, then the sum insured applicable on each life insured will be paid subject to Clause 4.6.

4.6 Continuation Guarantee

Lumley Life guarantees the remaining Lives Insured who have not suffered a Medical Catastrophe the same level of cover, provided that this option is exercised within sixty days of the claim. During this period, cover provided by this Policy will continue on the remaining Lives Insured. Premiums will continue during this period on the basis of the remaining Lives Insured. Upon exercising this

option, Lumley Life will issue a new Policy.

5 DEFINITIONS

5.1 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.

5.2 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. Payment is limited to 10% of the sum insured, subject to a minimum of \$10,000 and a maximum of \$25,000. The sum insured under the Medical Catastrophe policy is then reduced by the amount paid and the premium is reduced accordingly.

5.3 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

5.4 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.

5.5 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 Clarke 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.
- All squamous cell carcinomas of the skin unless they have spread to other organs.

5.6 **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.

5.7 **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.

5.8 **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
- deepening jaundice

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

5.9 **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.

5.10 **Chronic Renal Failure (Kidney 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.

5.11 **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.

5.12 **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.

5.13 **Encephalitis**

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

5.14 **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;
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

5.15 **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.

5.16 **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.

5.17 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.

5.18 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

5.19 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.

5.20 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.

5.21 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%.

5.22 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 will consider any other test results provided in support of the diagnosis.

5.23 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.

5.24 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

5.25 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 total and permanent loss of use of both arms and legs resulting from injury or disease.

5.26 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.

5.27 Primary Pulmonary Hypertension

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

5.28 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.

5.29 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.

5.30 Total Deafness

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

OTHER OPTIONAL BENEFITS

The following optional benefits apply provided they are shown on the Policy Information Statement and Schedule and provided an appropriate additional premium has been paid.

TOTAL AND PERMANENT DISABILITY BENEFIT

Benefit

Subject to the provisions of the Policy Information Statement and Schedule and the Life Insured not being in any employment, Lumley Life will pay the Benefit shown in the Policy Information Statement and Schedule to the Policyowner six months after the date of commencement of the Total and Permanent Disability of the Life Insured (Lumley Life may waive the six month waiting period at its discretion). If this option is taken it will be shown by Lumley Life on the Policy Information Statement and Schedule and will be deemed for the purposes of the Policy to be an additional Critical Illness.

Definition – Any Occupation

Total and Permanent Disability means that Lumley Life is satisfied that:

- (i) the Life Insured has suffered total and irrecoverable loss of the:
 - sight of both eyes, or
 - use of two limbs, or
 - sight of one eye and the loss of the use of one whole hand, or whole foot, or
- (ii) the Life Insured has been absent from employment through illness or injury for an uninterrupted period of 6 months and in the opinion of Lumley Life becomes so disabled that he or she will never be able to perform his or her own occupation or other occupation for which the Life Insured is suited by education, training or experience.

Home Duties

If the Life Insured is wholly engaged in full time unpaid home duties at the date of the event causing Total and Permanent Disability then for the purposes of determining if the Life Insured suffers Total and Permanent Disability, 'occupation for which the Life Insured is suited by education training or experience' shall be taken to include unpaid home duties. The Life Insured must be disabled to such an extent that he or she is confined to their place of principal residence.

Definition – Own Occupation

Where Lumley Life agrees part (ii) of the Definition of Total and Permanent Disability shall be substituted by the following definition, namely;

Total and Permanent Disability means that the Life Insured has been absent from employment through injury or illness for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as Lumley Life may require, has become incapacitated to such an extent as to render them unlikely ever to be able to engage in their own occupation.

Provided that

If the Life Insured's occupation immediately prior to the commencement of Total and Permanent Disablement can be described as 'Home Duties', or if the Life Insured was not engaged in a gainful occupation at the time of the event causing disablement then 'Total and Permanent Disablement of the Life Insured' shall mean that the Life Insured has, for an uninterrupted period of six months, been under medical supervision with complete inability to perform any normal duties or to move from the confines of the Life Insured's home without assistance, and, in our opinion, unlikely ever to recover.

Definition – Long Term Care Benefit

The definition of Total and Permanent Disability (any or own occupation) will, on the Policy anniversary immediately preceding the Life Insured's 65th birthday, be replaced by the following definition:

Total and Permanent Disability means that Lumley Life is satisfied that the Life Insured becomes so disabled by bodily injury or illness that he/she will never be able to perform at least two of the following activities of daily living:

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

Any benefit paid will be deducted from the sum insured otherwise payable under the Policy.

Single Benefit

The death cover provided by the Policy shall be reduced by any amount paid under the terms and conditions of this Benefit. In the situation where the Total and Permanent Disability sum insured is greater than the death cover sum insured, then the death cover sum insured will be extinguished and the Policy will expire.

Double Benefit

The death cover provided by the Policy shall continue in full following the payment of any claim under the terms and conditions of this Benefit. All future premiums due in respect of that part of the death cover equal to the Benefit paid shall be waived. This Benefit offers Own Occupation if selected.

First To Become Totally and Permanently Disabled

Where the first of the Lives Insured becomes Totally and Permanently Disabled then subject to the Continuation Guarantee, Lumley Life will pay the sum insured to the Policyowner.

Cover also applies to all other Lives Insured under the Policy for so long as it remains in force. Should more than one Life Insured become Totally and Permanently Disabled, then the sum insured applicable on each life insured will be paid subject to the Continuation Guarantee below.

Continuation Guarantee

Lumley Life guarantees the remaining Lives Insured who have not suffered Total and Permanent Disability the same level of cover, provided that this option is exercised within sixty days of the claim. During this period, cover provided by this Policy will continue on the remaining Lives Insured. Upon exercising this option, Lumley Life will issue a new Policy.

EXCLUSIONS

No Benefits shall be payable under this Schedule if Total and Permanent Disability occurs as a result of;

- (i) intentionally self inflicted act or injury, or
- (ii) war or any act of war, whether declared or not.

WAIVER OF PREMIUM BENEFIT ON TOTAL DISABILITY

Definition

Total Disability means Lumley Life is satisfied that:

- (i) the Life Insured has suffered total and irrecoverable loss of the:
 - sight of both eyes, or
 - use of two limbs, or
 - sight of one eye and the loss of or the use of one whole hand, or whole foot, or

- (ii) the Life Insured becomes so disabled by bodily injury or illness that he or she is unable to perform his or her own occupation or any other occupation for which the Life Insured is suited by education, training or experience for a period of three consecutive months and is not working in any gainful occupation.

If the Life Insured is wholly engaged in full time unpaid home duties at the date of the event causing Total Disability, then for the purposes of determining if the Life Insured suffers Total Disability, 'occupation for which the Life Insured is suited by education, training or experience' shall be taken to include unpaid home duties. The Life Insured must be disabled to such an extent that he or she is confined to their place of principal residence.

After the Life Insured's 65th birthday premiums shall only continue to be waived provided the Life Insured meets the definition of Total Disability as defined in point (iii) which is:

- (iii) The Life Insured becomes so disabled by bodily injury or illness that he/she will never be able to perform at least two of the following activities of daily living:

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

Benefit

Lumley Life shall waive all future premiums falling due following the occurrence of and the continuation of the Total Disability of the Life Insured.

Exclusions

No benefits shall be payable under this Schedule if Total Disability occurs as a result of:

- (i) intentionally self inflicted act or injury, or
- (ii) war or any act of war, whether declared or not.

EXPIRY OF COVER (i.e. when cover ceases)

With the exception of a Policy issued with a Double Total and Permanent Disability benefit the sum insured will be reduced by any claim amount paid.

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

■ Life Insurance Cover

- the policy anniversary immediately preceding age 99 or
- when the Life Insured dies or
- when the Policy is lapsed due to non-payment of a premium.

■ Medical Catastrophe Insurance Cover

- the policy anniversary immediately preceding age 70 or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Total and Permanent Disability claim is admitted.

■ Children's Medical Catastrophe Cover

- the attainment of the child's 18th birthday or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the child.

■ Total and Permanent Disability/Double Total and Permanent Disability/Long Term Care

- the policy anniversary immediately preceding age 65 or (age 99, in the case of Long Term Care) or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured or
- when a Medical Catastrophe claim is admitted.

■ Waiver of Premiums on Total Disability

- the policy anniversary immediately preceding age 99 or
- when a claim is admitted by Lumley Life or
- when the Policy is lapsed due to non-payment of a premium or
- upon the death of the Life Insured.

MEMORANDA OF TRANSFER

	MEMORANDUM OF TRANSFER	MEMORANDUM OF TRANSFER
Date of Transfer		
Signature of Transferor		
Witness		
Transferee's Name in Full		
Transferee's Address		
Transferee's Occupation		
Signature of Transferee		
Witness		
Date of Registration of Transfer by Company		
Signature of Principal Officer of Company or Person authorised by him		

DIRECTORY

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Lumley Life Limited

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