



Life Insurance

**ACCELERATED
PROTECTION
POLICY (SUPER)**

Policy Document

PLEASE READ THIS POLICY DOCUMENT + KEEP IT IN A SAFE PLACE

Congratulations on your new Policy.

Important Notice

Please read your Policy Document and Policy Schedule carefully to ensure that the details are correct and that the policy provisions meet your needs.

If for any reason you're not completely satisfied, you can return it to us within 30 days and you will receive a refund as described under the "Cooling Off Period" on page 4.

Always keep your Policy Document and Policy Schedule in a safe place, because you will need this if you ever have to make a claim.

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About the Policy

Important information

This document is issued by TOWER Australia Limited to the trustee of the TOWER Superannuation Fund as the Policy Owner. The Trustee of the TOWER Superannuation Fund is TOWER Australian Superannuation Limited, which holds the original Policy Document and Policy Schedule.

This document is deemed a copy of the original.

The Policy is an asset of the Fund. Any benefit payable under the Policy will be paid by TOWER Australia Limited to the trustee. The trustee will pay a benefit from the fund in accordance with the governing rules of the fund.

Superannuation law generally prohibits a trustee of a superannuation fund giving a charge over, or in relation to, an asset of the fund or recognising, or in any way encouraging or sanctioning, a charge over, or in relation to a member's benefits.

Part A About the Policy

A.1 The Policy Document

This is an important document

This Policy Document, together with the Policy Schedule, sets out the terms of a contract of insurance between the Policy Owner ("you/your") and TOWER Australia Limited ("we/us/our").

The Policy Owner at the date the Policy is issued is shown in the Policy Schedule. Cover is provided for the Life Insured shown in the Policy Schedule.

This is an important document and should be kept in a safe place. You will need to provide this Policy Document and the Policy Schedule to us if you want to make a claim under the Policy.

The structure of the Policy Document

This Policy Document is divided into 8 parts:

- Part A About the Policy
- Part B Life Plan Benefits
- Part C Income Plan Benefits
- Part D Limitations and exclusions
- Part E Premiums and charges
- Part F Making a claim
- Part G Definitions
- Part H Other information

Some words and expressions used in this Policy Document have a particular meaning. These words and expressions are explained in Part G "Definitions" or in the Policy Schedule.

A.2 Thirty day "cooling off" period

We want you to be completely satisfied with your Policy.

If you feel that it does not meet your needs and as long as you have not made a claim for benefits, you can return the Policy Document and Policy Schedule to us and request that it be cancelled. Your premium will be promptly refunded in full. Your request must be in writing and be made within 30 days of the Policy being issued.

A.3 Coverage

The Policy provides cover 24 hours a day worldwide.

A.4 Australian Currency

All premiums and benefits payable under the Policy must be paid in Australian currency.

A.5 Guarantees

Guaranteed renewal of cover

As long as you and the Life Insured have complied with the Duty of Disclosure which is set out in the Product Disclosure Statement, answered all questions we have asked accurately and completely, and paid the premiums when due, the Policy continues until the cover ends (see Part A.8). This guarantee applies regardless of any change in the Life Insured's health or personal circumstances.

Premium rates

Your Policy cannot be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the Life Insured. More information about premiums, including the circumstances in which we can change premium rates, is set out in Part E.

A.6 Commitment to upgrade policies

We will always look 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 policy owners wherever possible.

Should a situation arise where a policy owner is disadvantaged in any way as a result of an upgrade, then the previous conditions will prevail.

A.7 Who we pay

If you've nominated one or more beneficiaries to receive the Life Plan Benefit, we will pay the benefit in accordance with your valid nomination.

Otherwise, all payments made by us under the Policy will be made to you, or if you have died, to your legal personal representative or a person we are permitted to pay under the Life Insurance Act.

About the Policy

A.8 When does cover start and end?

If you are accepted for the Accelerated Protection Policy you'll receive a number of important documents. The first document will be the Customer Confirmation Pack, which includes your answers to the questions we have asked during the application process. When you receive the Customer Confirmation Pack you need to read it carefully, approve it with your signature and return it to us within 45 days. If there is any information contained within the Customer Confirmation Pack that you don't agree with or is incorrect, please mark up any changes on the Policy Declaration form and send back to us so we can make the necessary adjustments to your application. During this 45 day period, TOWER will send reminders and contact you and your adviser to help you manage this process.

Your response to the Customer Confirmation Pack is critical to our decision to accept your application. Therefore should we not receive the Customer Confirmation Pack back from you within the 45 days period we will have no alternative other than to lapse your cover under this insurance policy. The lapsing of the policy will take place despite anything to the contrary contained in this PDS and/or any other Policy Document.

The cover provided for each Life Insured and the date that the Policy starts for that Life Insured is shown in the Policy Schedule.

Cover for some benefits does not start immediately and a waiting period may apply. This is explained in the information about each benefit in Part B and Part C of this Policy.

If this Policy is to replace an existing policy, you must cancel that other policy as soon as we issue this Policy. If you do not cancel that other policy, in the event of a claim, the sum insured for any benefits under this Policy will be reduced by the sum insured for the equivalent benefits under the other policy.

The end date varies between the Life Plan and the Income Plan.

Life Plan

Cover for a Life Insured under the Life Plan will end on the earliest of:

- the date we receive your written request to cancel the Policy or cover in respect of the Life Insured,
- when the Policy lapses due to non-payment of premiums,
- the Life Insured's 75th birthday (at which point the Policy Owner can effect a Life Plan under the Accelerated Protection Policy by contacting us in writing);
- the death of the Life Insured, or
- the Life Plan Benefit, in respect of the Life Insured, is reduced to nil because the Terminal Illness Benefit or the Total and Permanent Disability Benefit becomes payable.

Income Plan

Cover under the Income Plan ends on the earliest of:

- the date we receive your written request to cancel the Policy or cover in respect of the Life Insured,
- when the Policy lapses due to non-payment of premiums,
- the Life Insured's 65th birthday, or
- the death of the Life Insured.

Cover for a particular benefit provided for a Life Insured may end earlier. If so this is explained in Part B and Part C, where we set out the terms applying to particular benefits.

Life Plan Benefits

Part B Life Plan Benefits

Standard Benefits

There are some circumstances in which we will not pay a benefit. These circumstances are set out in Part D 'Limitations and Exclusions'.

You must also satisfy our claim requirements before we pay you a benefit, as set out in Part F "Making a claim".

Subject to that, we will pay you a benefit in the circumstances set out in this Part B.

B.1 Life Plan Benefit

We will pay the Life Plan Benefit if a Life Insured dies while covered under the Policy.

The amount we pay under the Life Plan Benefit is the Life Plan Benefit sum insured at the date of death. The Life Plan Benefit sum insured is shown in the Policy Schedule, as varied in accordance with the terms of the Policy.

B.2 Terminal Illness Benefit

Where a Life Insured is diagnosed as being Terminally Ill, the Life Plan Benefit may be paid prior to the date of death subject to your agreement.

Two Medical Practitioners must certify the extent of the Sickness or Injury, one being the Medical Practitioner treating the condition and the other being a Medical Practitioner nominated by us who must confirm the diagnosis and likelihood of death.

The amount we pay under the Terminal Illness Benefit is the Life Plan Benefit sum insured at the date of Terminal Illness.

B.3 Advanced Payment Benefit

The Advanced Payment Benefit is an advance payment of \$10,000 from the Life Plan Benefit. This Benefit will be paid when the death certificate of the Life Insured is provided to us.

It should be noted that any payment of the Advanced Payment Benefit will reduce the final amount payable under the Life Plan Benefit.

The Advanced Payment Benefit will not apply in the first three years if the Life Insured's death was not the result of an Accident.

Thereafter, the Advanced Payment Benefit will apply regardless of the cause of death.

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

Should our claims assessment find that the Life Plan Benefit will not be paid due to a breach of the duty of disclosure or the operation of Part D.1 of this Policy, you will be required to repay the Advanced Payment Benefit.

B.4 Financial Planning Benefit

If we pay 100% of the Life Plan or Total and Permanent Disability Benefit, we will also reimburse the costs associated with preparation of a financial plan by a financial adviser for the person(s) to whom we paid 100% of the Life Plan or Total and Permanent Disability Benefit.

The following conditions apply to the Financial Planning Benefit:

- The maximum total amount we pay under the Financial Planning Benefit is \$1,000.
- The Financial Planning Benefit is only payable for the reimbursement of fees actually paid to the financial adviser for the preparation of the financial plan where the fees were paid by the person(s) to whom we paid 100% of the Life Plan or Total and Permanent Disability Benefit. (It does not apply to any commissions which may be received by the financial adviser as a result of decisions to implement recommendations made in the financial plan).
- We must receive evidence, which is acceptable to us, of the financial planning advice received before the Financial Planning Benefit is payable and the financial plan must be received within 12 months of the payment of 100% of the Life Plan or Total and Permanent Disability Benefit.
- The Financial Planning Benefit is not payable in relation to the Advanced Payment Benefit and is only payable once.
- The Financial Planning Benefit will only be paid once per Life Insured across all policies issued by us in respect of that Life Insured. The financial adviser who provides the financial plan must be an Australian Financial Services Licensee or an Authorised Representative of an Australian Financial Services Licensee.

B.5 Accommodation Benefit

If we pay 100% of the Terminal Illness or Total and Permanent Disability for a Life Insured, and a Medical Practitioner certifies that the Life Insured must remain confined to bed due to the reason for which we paid 100% of the Terminal Illness or Total and Permanent Disability, and:

- the Life Insured is more than 100 kilometres from their home and an Immediate Family Member is required to travel from their home to be with the Life Insured, or
- an Immediate Family Member is required to travel more than 100 kilometres from their home to be with the Life Insured,

we will reimburse the accommodation costs of the Life Insured's Immediate Family Member up to a maximum of \$150 per day for each day that the Life Insured remains confined to bed and their Immediate Family Member remains away from their home, for a maximum of 14 days.

Life Plan Benefits

The reimbursement of accommodation costs must be claimed within six weeks of 100% of the Terminal Illness or Total and Permanent Disability Benefit being paid. We must receive evidence which is acceptable to us of the Life Insured's confinement to bed and of the payment of the accommodation costs.

B.6 Guaranteed Future Insurability Benefit

Under the Guaranteed Future Insurability Benefit, you can increase the Life Plan Benefit and Total and Permanent Disability Benefit (if applicable) for a Life Insured subject to:

- an application in writing for an increase being made within 30 days of an Allowable Event (as described below) or within 30 days of the Policy anniversary following an Allowable Event,
- the Life Insured being less than age 55 at the time of the Allowable Event,
- the increase being up to the lesser of:
 - 25% of the original Life Plan and Total and Permanent Disability Benefit (as applicable),
 - \$200,000,
 - five times the annual amount of salary increase (if applicable), or
 - the amount of mortgage being taken out (if applicable)
- total death cover on the Life Insured (including the cover with TOWER and any other organisation) being less than \$2,500,000,
- total Total and Permanent Disability cover on the Life Insured (including the cover with TOWER and any other organisation) being less than \$2,500,000, and
- evidence, satisfactory to us, of the Allowable Event being provided.

Using this benefit, the maximum amount by which you can increase the Life Plan and Total and Permanent Disability Benefit over the life of the Policy is the lower of:

- the original Life Plan and Total and Permanent Disability Benefit, and
- \$1,000,000

subject to total cover (with TOWER and any other organisation) not exceeding \$2,500,000 for death and Total and Permanent Disability.

If the Total and Permanent Disability Benefit is attached to the Life Plan, the Total and Permanent Disability Benefit cannot exceed the Life Plan Benefit and must be within the above limits.

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

The premium for the new Life Plan and Total and Permanent Disability Benefit (if applicable) will be calculated in line with the original policy terms at the date that the Guaranteed Future Insurability is exercised.

If cover increases as a result of the Guaranteed Future Insurability Benefit, changes in the health, occupation or pursuits of the Life Insured will not be taken into account.

Allowable Events are:

Personal

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

Business

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

During the first six months after exercising the Guaranteed Future Insurability Benefit, the increased portion of the Life Plan and Total and Permanent Disability Benefit (if applicable) will only be paid in the event of the Life Insured suffering:

- Accidental Death, or
- Total and Permanent Disability that is caused by Accident (if applicable).

It should be noted that the Guaranteed Future Insurability Benefit cannot be exercised while premiums are being waived under the Waiver of Premium Option.

This benefit is not available if:

- a loading or exclusion has been applied to the cover for the Life Insured; or
- the Life Plan results from applying the Death Buy Back on Total and Permanent Disability.

B.7 Inflation Protection Benefit

Unless otherwise stated in the Policy Schedule, we will, on each Policy anniversary, increase the sum insured for each benefit shown in the Policy Schedule, under the Life Plan, for each Life Insured by the greater of:

- an annual rate determined by us based on the Indexation Factor, or
- 5%.

You have the option of not accepting any increase as long as such option is exercised in writing within 30 days of the date on which the option takes effect.

Optional Benefits

The following Optional Benefits only apply under the Life Plan if they appear in the Policy Schedule:

- Total and Permanent Disability Benefit,
- Death Buy Back on Total and Permanent Disability,
- Waiver of Premium on Total Disability.

B.8 Total and Permanent Disability Benefit Option

We will pay the Total and Permanent Disability Benefit if a Life Insured becomes Totally and Permanently Disabled while covered under the Total and Permanent Disability Option.

The amount we pay under the Total and Permanent Disability Benefit is the Total and Permanent Disability Benefit sum insured which is shown in the Policy Schedule, as varied in accordance with the terms of the Policy.

The meaning of Total and Permanent Disability depends on which of the following definitions applies to the Life Insured under the Policy:

- 'Any Occupation' definition (see Part B.8.1),
- 'Own Occupation' definition (see Part B.8.2),
- 'Long Term Care' definition (see Part B.8.3).

From the Life Insured's 65th birthday, the meaning of 'Total and Permanent Disability', and 'Totally and Permanently Disabled' will automatically change to the 'Long Term Care' definition.

B.8.1 Any Occupation definition

Where the 'Any Occupation' definition applies, 'Total and Permanent Disability' and 'Totally and Permanently Disabled' means that we are satisfied that:

- solely because of a Sickness or Injury, the Life Insured has not worked in any occupation for three consecutive months and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the Life Insured's earnings during their last twelve months of work, or
- solely because of a Sickness or Injury, the Life Insured has suffered at least a permanent 25% impairment of Whole Person Function and has not been working in any occupation, and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience, or
- the Life Insured suffers the loss of:
 - both feet, both hands or sight in both eyes, or
 - any combination of two of, a hand, a foot or sight in an eye.

'Loss' in this instance means the total and permanent loss of:

- the use of the hand or foot from the wrist or ankle joint, or
 - sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60, or
- the Life Insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

From the Life Insured's 65th birthday, the meaning of 'Total and Permanent Disability', and 'Totally and Permanently Disabled' will automatically change to the 'Long Term Care' definition.

B.8.2 Own Occupation definition

Where the 'Own Occupation' definition applies, 'Total and Permanent Disability' and 'Totally and Permanently Disabled' means that we are satisfied that:

- solely because of a Sickness or Injury, the Life Insured has not worked in any occupation for three consecutive months and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in their Own Occupation, or
- solely because of a Sickness or Injury, the Life Insured has suffered at least a permanent 25% impairment of Whole Person Function and has not been working in any occupation, and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in their Own Occupation, or
- the Life Insured suffers the loss of:
 - both feet, both hands or sight in both eyes, or
 - any combination of two of, a hand, a foot or sight in an eye.

'Loss' in this instance means the total and permanent loss of:

- the use of the hand or foot from the wrist or ankle joint, or
 - sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60, or
- the Life Insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

From the Life Insured's 65th birthday, the meaning of 'Total and Permanent Disability', and 'Totally and Permanently Disabled' will automatically change to the 'Long Term Care' definition.

B.8.3 Long Term Care definition

Where the 'Long Term Care' definition applies 'Total and Permanent Disability' and 'Totally and Permanently Disabled' means that we are satisfied that the Life Insured suffers:

- Loss of Limbs; or
- Total Blindness; or
- Loss of Independent Existence

Life Plan Benefits

B.8.4 Single Benefit

The Life Plan Benefit sum insured for the Life Insured who is Totally and Permanently Disabled will be reduced by any amount payable under the Total and Permanent Disability Benefit. If the amount payable under the Total and Permanent Disability Benefit is the same or greater than the Life Plan Benefit sum insured, all cover for the Life Insured will end when the Total and Permanent Disability Benefit becomes payable.

B.8.5 Death Buy Back on Total and Permanent Disability

The Death Buy Back on Total and Permanent Disability option can be exercised after a Total and Permanent Disability Benefit has been paid. The amount of cover that you may purchase is the amount of the Total and Permanent Disability Benefit paid.

Under the Death Buy Back on Total and Permanent Disability option you can purchase death cover on the Life Insured under the Life Plan. If the Life Plan is no longer sold by us, you can purchase death cover under our life insurance product that replaces it. The Death Buy Back on Total and Permanent Disability option can be exercised without having to provide evidence of health, occupation or pursuits.

You must notify us in writing of your intention to exercise the Death Buy Back on Total and Permanent Disability option within 30 days of the 12 month anniversary of the full Total and Permanent Disability Benefit having been paid.

The Death Buy Back on Total and Permanent Disability option will expire if not exercised before the earlier of:

- 30 days after its due date, which is 12 months after the Total and Permanent Disability Benefit has been paid, or
- the 65th birthday of the Life Insured.

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

The repurchased death cover will not be eligible for increases under the Guaranteed Future Insurability Benefit.

B.9 Waiver of Premium Option on Total Disability

On the Total Disability of a Life Insured while covered under the Waiver of Premium Option on Total Disability, we will waive all future premiums falling due for that Life Insured until the earliest of:

- the Life Insured returning to work, or
- the Life Insured earning an income, or
- the Life Insured's 65th birthday.

Total Disability means we are satisfied that:

- 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

- the Life Insured becomes so disabled by Sickness or Injury that he or she is unable to perform his or her Own Occupation 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 Total Disability means we are satisfied that the Life Insured is so disabled by Sickness or Injury that he or she will never be able to perform at least two of the five Activities of Daily Living, without the physical assistance of another person.

Income Plan Benefits

Part C Income Plan Benefits

C.1 Income Plan

The Income Plan only applies under this Policy if it appears in the Policy Schedule.

There are some circumstances in which we will not pay a benefit, or we will reduce the benefit we pay under the Income Plan.

These circumstances are set out in Part D "Limitations and exclusions".

You must also satisfy our claim requirements before we pay you a benefit, as set out in Part F "Making a claim".

Subject to that, we will pay you a benefit in the circumstances set out in this Part C.

Standard Benefits

C.1.1 Total Disability Benefit

If the occupation class of the Life Insured is 1, 1.5 or 2 as specified in the Policy Schedule the Total Disability Benefit will be paid:

- when the Life Insured has been either Totally or Partially Disabled for the Waiting Period, and
- then at the conclusion of the Waiting Period remains Totally Disabled.

If the occupation class of the Life Insured is 2.5, 3, 4 or 5 as specified in the Policy Schedule, the Total Disability Benefit will be paid:

- when the Life Insured has been Totally Disabled for 14 consecutive days during the Waiting Period,
- is Totally or Partially Disabled for the balance of the Waiting Period, and
- then at the conclusion of the Waiting Period remains Totally Disabled.

The amount paid will be the Monthly Benefit, taking into account any Plan Adjustments.

The Total Disability Benefit:

- starts to accrue after the Waiting Period ends,
- is paid monthly in arrears, and
- will stop on the earliest of the following events:
 - the Life Insured no longer being Totally Disabled,
 - the end of the Benefit Period, or
 - the Life Insured attains the age of 65.

C.1.2 Partial Disability Benefit

If the occupation class of the Life Insured is 1, 1.5 or 2 the Partial Disability Benefit will be paid:

- when the Life Insured has been either Totally or Partially Disabled for the Waiting Period, and
- then at the conclusion of the Waiting Period remains Partially Disabled.

If the occupation class of the Life Insured is 2.5, 3, 4 or 5 the Partial Disability Benefit will be paid:

- when the Life Insured has been Totally Disabled for 14 consecutive days during the Waiting Period,
- is either Totally or Partially Disabled for the balance of the Waiting Period, and

- then at the conclusion of the Waiting Period remains Partially Disabled.

The Partial Disability Benefit that will be paid will be:

$\frac{A - B}{A}$ x the Monthly Benefit,

taking into account any Plan Adjustments, where: A is the Life Insured's Pre-Disability Earnings, and B is Monthly Earnings of the Life Insured in respect of the month to be paid.

If the Life Insured is unable to work more than 10 hours per week in their Own Occupation and his or her Monthly Earnings is less than their Pre-Disability Earnings then we will deem the loss to be 100%.

The Partial Disability Benefit:

- starts to accrue after the Waiting Period ends,
- is paid monthly in arrears, and
- will stop on the earliest of the following three events:
 - the Life Insured no longer being Partially Disabled,
 - the end of the Benefit Period, or
 - the Life Insured attains the age of 65.

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

C.1.3 Inflation Protection Benefit

At each Policy anniversary, we will increase the Monthly Benefit under the Income Plan by the Indexation Factor.

This increase will occur on each Policy anniversary unless:

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

In the event of an increase, a new premium will be calculated to incorporate the increased Monthly Benefit. This calculation will also take into account the Life Insured's age. We will not take into account any changes in the Life Insured's health, occupation or pursuits.

There is no maximum amount that the Monthly Benefit can be increased to under the Inflation Protection Benefit.

Increases under the Inflation Protection Benefit will cease on the earlier of:

- when you ask us not to increase the Monthly Benefit or
- the Life Insured's 65th birthday.

C.1.4 Concurrent Disability Benefit

Under certain circumstances a Life Insured may become Totally or Partially Disabled as a result of separate and distinct Sicknesses or Injuries. In this instance claim entitlements under benefits, which are not payable concurrently, will be calculated in line with the benefit condition which provides the highest payment.

Income Plan Benefits

C.1.5 Recurrent Disability Benefit

When the Life Insured makes a claim on the Total or Partial Disability Benefit we understand that in certain circumstances the condition may reoccur from the same or a related cause during the term of the Income Plan.

Where this happens within twelve months of the claim ending it will be considered a continuation of the claim.

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

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

If the Life Insured has both:

- income protection cover provided through a superannuation fund with a two year benefit period, and
- an Income Plan with a two year Waiting Period and a Benefit Period of five years or to age 65, and claims under the Recurrent Disability Benefit on the superannuation contract,

TOWER will use the original start date of the claim for calculation of benefit entitlements under the Income Plan.

C.1.6 Waiver of Premium Benefit

The Waiver of Premium Benefit applies when Total or Partial Disability payments have accrued. In this instance the daily proportion of premiums due in respect of the Life Insured under the Income Plan will be waived.

The Waiver of Premium Benefit:

- starts to accrue from the first day of the Waiting Period,
- applies immediately after the Waiting Period for any premiums paid during the Waiting Period and monthly in arrears for subsequent premiums, and
- will stop on the earliest of the following events:
 - the Life Insured no longer being Totally Disabled or Partially Disabled, or
 - the end of the Benefit Period.

C.1.7 Death Benefit

We will pay the Death Benefit if the Life Insured dies whilst the Income Plan remains in force.

The amount we pay under the Death Benefit is six times the Monthly Benefit.

Optional Benefits at an additional cost.

A range of Optional Benefits are available at additional cost. The benefit conditions relating to these Optional Benefits are set out below. It should be noted that the following Optional Benefits only apply if you applied for them and are indicated in your Policy Schedule.

C.1.8 Increasing Claim Option

When a Total or Partial Disability Benefit is paid for 12 consecutive months and the Increasing Claim Option is included, the Monthly Benefit will increase on the anniversary of the commencement of the benefit payments by the lesser of the Indexation Factor or 5%.

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

C.1.9 Accident Benefit Option

When the Life Insured is Totally Disabled for three consecutive days, as a result of an Injury, 1/30th of the Monthly Benefit will be paid for each day the Life Insured is Totally Disabled.

Payment will stop on the earliest of:

- the Life Insured no longer being Totally Disabled,
- the Life Insured attaining the age of 65, or
- the expiry of 14 days if the Plan has a 14 day Waiting Period, or
- the expiry of 30 days if the Plan has a 30 day Waiting Period.

Limitations and exclusions

Part D Limitations and exclusions

D.1 Life Plan Benefit and Terminal Illness Benefit

We will not pay the Life Plan Benefit or the Terminal Illness Benefit if the Life Insured dies or is Terminally Ill as a result of:

- his or her intentionally self-inflicted act, which occurs within 13 months of:
 - the Policy Commencement Date,
 - an increase in cover other than increases under the Inflation Protection Benefit (but only in respect of the amount of the increase), or
 - the most recent reinstatement of the Policy, or
- any other specific event or cause agreed between you and us.

D.2 Total and Permanent Disability Benefit

We will not pay a Total and Permanent Disability Benefit if Total and Permanent Disability occurs as a result of:

- an intentionally self-inflicted act or Injury by the Life Insured, or
- any other specific event or cause agreed between you and us.

D.3 Waiver of Premium on Total Disability

We will not waive premiums under the Waiver of Premium Option on Total Disability if Total Disability occurs as a result of:

- war or any act of war, whether declared or not, or
- an intentionally self-inflicted act or Injury by the Life Insured, or
- any other specific event or cause agreed between you and us.

D.4 Income Plan

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

- an intentionally self-inflicted act or injury by the Life Insured, or
- pregnancy, unless disability continues for longer than three months after the pregnancy ends, in which case disability will be considered to have started at the date the pregnancy ends, or
- war or an act of war at any time, even if the disability manifests itself after the war or warlike activity.

D.5 Plan Adjustments

Reductions to the Income Plan only apply to payments under Total and Partial Disability Benefits. A reduction will only be made if the Life Insured receives other payments through:

- any other individual or group disability income insurance, credit or mortgage insurance not disclosed at the time of underwriting, or

- 'workers' compensation, common law or statute where such payments are in respect of the disability of the Life Insured and in calculating the payment the relevant authority did not, or could not, take into account payments due under this Plan.
- sick leave, where the life insured has accrued entitlements of at least 60 days at the commencement of the Waiting Period and chooses to use those entitlements during the Benefit Period. No adjustment will be made for accumulated sick leave where:
 - the life insured has less than 60 days' accumulated sick leave, or
 - the life insured has at least 60 days' accumulated sick leave but the life insured chooses not to use that leave during the Benefit Period.

If the workers' compensation, common law or statute payment is received as a lump sum, we will deem it to be income on the basis of 1% of the lump sum for each month that a disability benefit is paid.

The disability payment will be calculated taking this figure into account for a maximum of eight years.

If a reduction applies it will be to ensure that the Monthly Benefit plus the other payments, including any lump sum payments deemed as income, is not greater than 75% of the first \$20,833 of Pre-Disability Earnings, 50% of the next \$12,500, and 25% of the balance.

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

No benefit will be paid when the other payments plus the Monthly Earnings of the Life Insured in the month to be paid, is greater than or equal to 100% of Pre-Disability Earnings.

In those months that a benefit payment is reduced, a proportionate refund of premiums paid for the Life Insured will be made. The refund will be $A \times B$, where:
A = the percentage reduction in the benefit payment
B = the average monthly Income Plan premium (less the premium for benefit options or packages under it) over the 12 months prior to the claim starting.

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

Premiums and charges

Part E Premiums and charges

E.1 Premium payments

E.1.1 Premium payable

Premiums are due and payable in advance.

The premium payable in the first year of the Policy is shown in the Policy Schedule.

We will inform you of the premium payable in subsequent years before each Policy anniversary.

E.1.2 Premium frequency

The premium frequency is shown in the Policy Schedule and is currently one of:

- yearly, or
- monthly.

E.1.3 Payment method

Currently, premiums may be paid by direct debit from a bank account or by credit card (MasterCard or Visa).

E.1.4 Changes to premium frequency or payment method

You may apply in writing at any time to change the method and frequency of payment.

E.1.5 Grace Period

A period of grace of 30 days beyond the premium due date will be allowed for payment, without interest, of each premium and during this period the Policy will continue.

E.1.6 Non-payment of premiums

If premiums are not paid by the premium due date, we will notify you in writing that we will cancel the Policy. In order to avoid cancellation, the overdue premium must be paid by the end of the Grace Period.

E.2 Premium rates

E.2.1 Stepped premium rates

Stepped premium rates will apply if the Policy Schedule states that stepped premium rates apply.

Stepped premiums are based on the Life Insured's age at each policy anniversary. This generally means your premium will increase each year.

E.2.2 Level premium rates

Level premium rates will apply if the Policy Schedule states that level premium rates apply.

Level premiums are based on the Life Insured's age at the commencement of the policy. This generally means your premium will only increase if your Benefit Amount increases, including through the Inflation Protection Benefit.

Level premium rates revert to Stepped premiums rates on the policy anniversary date immediately preceding the life insured's 65th birthday

E.3 Can we change the premium rates?

We will only increase the rates if we have provided you with 30 days notice in writing.

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.

E.4 Fees and charges

E.4.1 Policy Fee

A Policy Fee is part of each premium payable under the Policy. The amount of the Policy Fee depends on the premium frequency, as shown in the table below:

Premium Frequency	Policy Fee from 17 November 2008
Yearly	\$44.00
Monthly	\$3.85

The Policy Fee will be increased on each subsequent Policy anniversary to allow for inflation. The rate of increase in the Policy fee will be the greater of:

- an annual rate determined by us based on the Indexation Factor, or
- 3%.

E.4.2 Premium frequency

If premiums are paid monthly, a frequency loading will apply, as shown in the table below:

Frequency	Loading
Monthly	5%

We may increase these loadings. If we do this, we will give you at least 30 days' written notice.

Making a claim

Part F Making a claim

For the purposes of the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) we may need to carry out a procedure to identify you or, in the event of death, your beneficiary, and to verify the identification information provided. We will not process the withdrawal request until all information required is received. Anti-Money Laundering and Counter-Terrorism Financing legislation and regulations also stipulate that we need to report certain information about our customers to relevant authorities, including the Australian Transaction Reports and Analysis Centre (AUSTRAC). Where such reporting has taken place, we may be prevented by this legislation from telling you. Where legally permitted or obliged to do so, we may disclose that information to regulatory or law enforcement agencies, to our related bodies, or to other third parties. The AUSTRAC website at www.austrac.gov.au provides information relating to the Anti-Money Laundering and Counter-Terrorism Financing legislation and regulations. We will not be liable to you for any loss you suffer (including consequential loss) caused by the fact that we are required by law to delay, block freeze or refuse to process a transaction.

F.1 Life Plan

F.1.1 Notification of Claim

We must be notified in writing within 30 days or as soon as is reasonably possible after you become aware of any claim or potential claim under this Policy.

F.1.2 Benefits for Multiple Illnesses or Injuries

If a Life Insured suffers multiple Sickness or Injury, we will only pay the highest sum insured applicable to any one of the illnesses or injuries.

F.1.3 Our Requirements

We will only pay a claim once we are satisfied that the claim requirements under this Policy have been met.

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

When submitting a claim, we will require:

- satisfactory proof of the insured event,
- this Policy Document and Policy Schedule,
- 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.

F.1.4 Misstatement of Age

In the event that the age of the Life Insured has been misstated then the sum insured, or the premium payable, will be adjusted, and the Policy varied, in accordance with the applicable legislative provisions.

F.1.5 Smoker/Non-Smoker Rates

If the Policy has been issued using non-smoker premium rates, then those premium rates have been based on the assumption that the Life Insured has not smoked or used any nicotine containing substance in the twelve months prior to the start of a benefit. If this is found to be incorrect, then the sum insured will be reduced to the amount of cover which the premium actually paid would have secured in respect of the Life Insured, having regard to the premium rates that would have been payable had full information been known.

F.2 Income Plan

F.2.1 Notification of a claim

We must be notified immediately if the Life Insured becomes Totally Disabled or Partially Disabled, or you are otherwise eligible to receive a Benefit.

F.2.2 Lodgment of a claim form

Claim forms must be completed and lodged within 30 days of the commencement of any period of disability.

F.2.3 Extension of time

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

F.2.4 Claim information

In the event of a claim you agree to provide to us at your expense:

- any medical report from a Medical Practitioner or any other person who has been or is treating the Life Insured, and
- copies of personal and business tax returns, assessment notices, financial statements and any other financial evidence reasonably required to confirm or calculate the Life Insured's Monthly Earnings, Pre-Disability Earnings or earnings, and
- any other information required by us.

Subject to the duty of disclosure, if proof of income of the Life Insured's Monthly Earnings has been provided at the time of application being submitted, this will not need to be submitted again at the time of claim to justify the Benefit Amount for agreed valued contracts.

Payment of a Benefit is subject to proof of your entitlement in such a manner as we may reasonably request.

We have the right to require from time to time proof of your continuing entitlement to any Benefit and to reduce or terminate payment if you are no longer entitled to the Benefit under this Policy.

Making a claim

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

You and the Life Insured may be required to attend interviews by a member of our staff or someone appointed by us as often as is required to fully consider your claim.

F.2.5 Medical Information

The Life Insured must undergo at our expense any medical examination or examinations which we may require.

F.2.6 Proof of Age

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

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

F.2.7 Smoker/Non-Smoker Rates

If the Policy has been issued using non-smoker premium rates, then those premium rates have been based on the assumption that the Life Insured has not smoked or used any nicotine containing substance in the twelve months prior to the start of a benefit. If this is found to be incorrect, then the sum insured will be reduced to the amount of cover which the premium actually paid would have secured in respect of the Life Insured, having regard to the premium rates that would have been payable had full information been known.

Definitions

Part G Definitions

G.1 Policy Definitions

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

Activities of Daily Living are:

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

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

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

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

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

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

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

Injury means an accidental bodily injury suffered by the Life Insured.

Loss of Independent Existence means Significant Cognitive Impairment or a condition as a result of a Sickness or Injury whereby the Life Insured is totally and irreversibly unable to perform at least two of the Activities of Daily Living without the physical assistance of another person.

Loss of Limbs means complete and irrecoverable loss of the:

- use of both hands, or
- use of both feet, or
- sight of one eye and the loss of the use of one whole hand or whole foot.

Limb means an arm, leg, hand or foot.

Part G Definitions

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

- you or the Life Insured,
- a business partner of you or the Life Insured, or
- an Immediate Family Member of you or the Life Insured.

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

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

Monthly Benefit, under the Income Plan and benefit options attached to it, means the Monthly Benefit as shown in the Policy Schedule. The amount we pay you is determined by which option is shown in the Policy Schedule (“agreed value” or “indemnity”) at the time of application.

If “agreed value” is shown in the Policy Schedule, the Monthly Benefit we will pay is the Income Plan Monthly Benefit shown in your Policy Schedule, inclusive of any indexation increases, and less any Plan Adjustments if applicable.

If “indemnity” is shown in the Policy Schedule, the initial benefit we pay is the lesser of the following amounts:

- the Income Plan Monthly Benefit shown in the Policy Schedule, inclusive of increases under the Inflation Protection Benefit, or
- 75% of the first \$20,833 of Monthly Earnings, 50% of the next \$12,500 and 25% of the balance of the Monthly Earnings of the Life Insured in the best consecutive 12 month period in the 36 months immediately prior to the Sickness or Injury occurring, less any Plan Adjustments if applicable.

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

When the Life Insured does not directly or indirectly own all or part of the business in which the Own Occupation of the Life Insured is performed (ignoring shares in publicly listed companies), Monthly Earnings is the monthly value of the remuneration paid by the employer in respect of the work performed by the Life Insured. This will be determined by calculating the amount the Life Insured would have to receive if total remuneration was received as a salary or wage (before income tax is deducted).

When the Life Insured does directly or indirectly own all or part of the business in which the Own Occupation of the Life Insured is performed (ignoring shares in publicly listed companies), Monthly Earnings are:

- the monthly value of remuneration paid by the business to the Life Insured as a result of personal exertion, and

- the Life Insured’s share of the profits of the business, generated through work performed by the Life Insured, after the deduction of business expenses, both of which are determined in line with the usual manner that the profits and/or losses of the business are divided between the Life Insured and any co-owners of the business.

Own Occupation under the Life Plan is the occupation in which the Life Insured was working immediately prior to the Sickness or Injury causing disability.

If the Life Insured had been working in more than one occupation, ‘Own Occupation’ will include all of those occupations.

Own Occupation under the Income Plan is the occupation in which the Life Insured was working immediately prior to the Sickness or Injury causing disability, unless the Life Insured:

- was unemployed or on sabbatical, long service, maternity or paternity leave for more than 12 months, in which case ‘Own Occupation’ will be Any Occupation for which the Life Insured is suited by training, education or experience.

If the Life Insured had been working in more than one occupation that meets these criteria, ‘Own Occupation’ will include all of those occupations.

Partial Disability and Partially Disabled mean that, solely because of a Sickness or Injury the Life Insured:

- is working in his or her Own Occupation or any Gainful Occupation, but in a reduced capacity and
- is following the advice of a Medical Practitioner, and
- has suffered a reduction of 20% or more, in the ability to:
 - generate Monthly Earnings, or
 - perform the income producing duties, or
 - maintain the same number of hours worked,

in the Life Insured’s Own Occupation.

Pre-Disability Earnings means:

If “agreed value” is shown in the Policy Schedule, the highest average Monthly Earnings of the Life Insured for any 12 consecutive months between the date three years before the Policy Commencement Date and the start of the Waiting Period.

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

If the Life Insured suffers a Sickness or Injury while in a Gainful Occupation and monthly earnings reduce as a direct result of the Sickness or Injury, while this continues Pre-Disability Earnings will be the value we agree would have applied at the time the reduction started, provided we are advised within 30 days of the reduction starting.

Definitions

If “indemnity” is shown in the Policy Schedule, the highest average Monthly Earnings of the Life Insured for any consecutive 12 month period in the 36 months immediately prior to the Sickness or Injury causes disability.

When the Life Insured is disabled, Pre-Disability Earnings will be increased by the Indexation Factor, after every 12 consecutive payments under Total or Partial Disability, following the date disability started.

Rehabilitation Program means a program or plan that:

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

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

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

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

Total Blindness means the permanent loss of sight of both eyes.

Total Disability and **Totally Disabled** mean that, solely because of a Sickness or Injury the Life Insured:

- is not working in any Gainful Occupation,
- is following the advice of a Medical Practitioner, and
- is unable to:
 - perform one or more of the important income producing duties in his or her Own Occupation, or
 - perform the important income producing duties of his or her Own Occupation for more than 10 hours per week, or
 - generate at least 80% of his or her Monthly Earnings from personal exertion in his or her Own Occupation.

Waiting Period is stated on the Policy Schedule and means the period of time between the Life Insured suffering disability and disability benefits starting to accrue. If the Life Insured does not consult a Medical Practitioner concerning the Sickness or Injury causing disability within seven days of the Sickness starting, or the Injury occurring, the Waiting Period will start when the Life Insured consults a Medical Practitioner.

If the Life Insured returns to a full time Gainful Occupation during the Waiting Period for five consecutive days or less, the number of days that the Life Insured was working will be added to the Waiting Period remaining.

If the Life Insured returns to a full time Gainful Occupation during the Waiting Period for more than five consecutive days, the Waiting Period will recommence from the day after the last day the Life Insured was last working.

Neither Total nor Partial Disability Benefits are paid during the Waiting Period. Some benefits are paid during the Waiting Period (eg. Bed Confinement) and this is specifically mentioned within the description of those benefits.

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

Whole Person Function means where a payment depends on the Life Insured meeting criteria that are based on the Whole Person Function, the calculation is to be based on the current edition of the American Medical Association publication entitled Guides to the Evaluation of Permanent Impairment.

Other information

Part H Other Information

H.1 Interpretation

Headings have been included in the Policy Document to assist you in reading the document but do not change the interpretation of the terms of the Policy.

Any words indicating the singular can also be taken to mean the plural and vice versa.

H.2 Legal Interpretation

The Policy will be interpreted under the law as it is applied in the state of New South Wales.

H.3 No cash value

The Policy is not a savings policy and has no cash value if it is cancelled. The premiums you pay represent the amount we charge you for undertaking the risk of an insured event occurring.

H.4 Statutory Fund

The Policy is issued under the TOWER Australia No. 1 Statutory Fund and is a non-participating policy. You are not entitled to any allocation of operating profits or distribution of retained profits of the Statutory Fund.



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