

# Macquarie Life Adviser Guide

**MACQUARIE LIFE**  
FutureWise and Super Protector



MACQUARIE

Macquarie Life Limited ABN 56 003 963 773 AFSL 237 497  
Macquarie Investment Management Limited  
ABN 66 002 867 003 AFSL 237 492  
RSE No. R1004496 RSE Licence No. L0001281

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**FORWARD** thinking

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This document is current as at 15 May 2009. This information is provided for the use of licensed financial advisers only.

FutureWise and Super Protector are offered by Macquarie Life Limited (MLL) ABN 56 003 963 773 AFSL 237 497 and FutureWise Super is offered by Macquarie Investment Management Limited (MIML) ABN 66 002 867 003 AFSL 237 492 ("we", "us", "our" or "Macquarie", as the context requires).

The information in this document is general information only. It does not take into account an individual's objectives, financial situations or needs. In deciding whether to acquire or continue to hold either product, the Product Disclosure Statement (PDS), which is available from us, should be considered.

MLL and MIML are not authorised deposit taking institutions for the purposes of the Banking Act (Cth) 1959 and MLLs and MIMLs obligations do not represent deposits or other liabilities of Macquarie Bank Limited (MBL) ABN 46 008 583 542. MBL does not guarantee or otherwise provide assurance in respect of the obligations of MLL and MIML.

There are some terms used which have a special meaning. These terms are shown in *italics* and are explained in the Glossary at the end of the relevant PDS.

# Introduction to the Adviser Guide

The Adviser Guide has been prepared to explain the practical aspects of underwriting and administering FutureWise and Super Protector policies. It contains summaries of some of the features of the products and guidelines on how we underwrite applications. The information is intended as a guide and other information may be taken into consideration when making an underwriting decision.

The Adviser Guide is not a comprehensive representation of the terms of the products. The insurance cover is subject to the terms and conditions as set out in the PDS and any policy documentation issued to your client. There are some terms used that have a special meaning. These terms are shown in italics and are explained in the Glossary at the end of the relevant PDS.

## Underwriting and new business philosophy

Macquarie Life underwrites each client as an individual, taking into account each client's unique medical, occupational, and financial risks. This evidence based underwriting philosophy has been adopted globally by most life insurance companies.

Underwriting is used by a life insurance company to help assess the pool of risks and minimise the chance that premium rates would need to be reviewed over the life of a policy.

Macquarie Life underwriters are keen to apply an appropriate risk rating for each client. We will look for innovative solutions in order to achieve this and be able to offer cover to as many clients as possible on terms that are equitable to all.

Financial advisers are kept informed throughout this process and are always welcome to add any additional information that might make the process easier, or to review any decision already taken.

## Our claims philosophy

We are in the business of paying claims. Our clients and their financial advisers trust us with their money. In the event of injury, illness or death challenging the financial security of our clients, or their dependents, Macquarie Life will be there to assess and pay claims. Our process is client centric and friendly with quick turnaround of claims payments once all necessary information has been received.

Macquarie Life claims assessors are trained to act with compassion and empathy. They understand claim time is often an emotional and challenging period for clients or their dependents.

As with underwriting, financial advisers are kept informed throughout the process and are welcome to add any additional information which helps the claim to be assessed as speedily and appropriately as possible.

# Product summary

FutureWise is a product issued by Macquarie Life which is available to individuals, companies, trusts, and in some cases, trustees of self managed superannuation funds. It provides Life, TPD, Trauma, Blood Borne Disease, Disability Income and Business Expenses Insurance. Life and TPD Insurance are also available under FutureWise Super which is a product issued by Macquarie Investment Management Limited as the Trustee for the Macquarie Superannuation Plan.

Super Protector is a product issued by Macquarie Life Limited available to members of certain *eligible superannuation plans* within Macquarie Wrap. It provides Life, TPD and Disability Income Insurance.

Key characteristics of the types of insurance cover offered, depending on the policy selected, are summarised in the following tables. Please refer to the PDS for additional detail on these products and features.

## Life Insurance

Provides a lump sum if the insured person dies or is diagnosed with a *terminal illness*.

	FutureWise	Super Protector
Entry ages	15 – 70 stepped premium 15 – 60 level premium	15 – 70 stepped premium 15 – 60 level premium
Expiry age	No expiry	No expiry
Sum Insured	Minimum \$100,000 No maximum	Minimum \$50,000 No maximum
Included features	<ul style="list-style-type: none"><li>■ Funeral Advancement benefit</li><li>■ Financial Planning benefit</li><li>■ Indexation Increases</li><li>■ Future Increases</li></ul>	<ul style="list-style-type: none"><li>■ Indexation Increases</li><li>■ Future Increases</li></ul>
Available options	<ul style="list-style-type: none"><li>■ Business Increase option</li></ul>	Not available

## Total and Permanent Disablement (TPD) Insurance

Provides a lump sum if the insured person suffers *total and permanent disablement*.

	FutureWise	Super Protector
Entry ages	15 – 60 15 – 65 for <i>modified TPD</i> with stepped premium	15 – 60 15 – 65 for <i>modified TPD</i> with stepped premium
Expiry age	99 TPD definition changes at age 65	99 TPD definition changes at age 65
Type of cover (depending on the insured person's occupation)	<ul style="list-style-type: none"> <li>■ <i>Own occupation</i> (not available under FutureWise Super)</li> <li>■ <i>Any occupation</i></li> <li>■ <i>Superannuation optimiser</i></li> <li>■ <i>Domestic duties</i></li> <li>■ <i>Modified TPD</i></li> </ul>	<ul style="list-style-type: none"> <li>■ <i>Own occupation</i></li> <li>■ <i>Any occupation</i></li> <li>■ <i>Superannuation optimiser</i></li> <li>■ <i>Domestic duties</i></li> <li>■ <i>Modified TPD</i></li> </ul>
Sum Insured	Minimum \$100,000 Maximum: <ul style="list-style-type: none"> <li>■ \$3 million <i>own occupation, any occupation or superannuation optimiser</i></li> <li>■ \$2 million <i>modified TPD</i></li> <li>■ \$1 million <i>domestic duties</i></li> </ul>	Minimum \$50,000 Maximum: <ul style="list-style-type: none"> <li>■ \$3 million <i>own occupation, any occupation or superannuation optimiser</i></li> <li>■ \$2 million <i>modified TPD</i></li> <li>■ \$1 million <i>domestic duties</i></li> </ul>
Included features	<ul style="list-style-type: none"> <li>■ TPD Advancement benefit</li> <li>■ Financial Planning benefit</li> <li>■ Indexation Increases</li> <li>■ Future Increases</li> <li>■ Life Insurance Buy Back</li> </ul>	<ul style="list-style-type: none"> <li>■ Indexation Increases</li> <li>■ Future Increases</li> <li>■ Life Insurance Buy Back</li> </ul>
Available options	<ul style="list-style-type: none"> <li>■ Double TPD (available when TPD linked to Life Insurance)</li> <li>■ Business Increase option</li> </ul>	Not available

## Trauma Insurance

*(not available under FutureWise Super or Super Protector)*

Provides a lump sum if the insured person suffers a Trauma condition.

	FutureWise
Entry ages	15 – 65 stepped premium 15 – 60 level premium
Expiry age	99 Trauma definition changes at age 70
Sum Insured	Minimum \$50,000 Maximum \$2 million
Included features	<ul style="list-style-type: none"><li>■ Financial Planning benefit</li><li>■ Indexation Increases</li><li>■ Future Increases</li><li>■ Life Insurance Buy Back</li></ul>
Available options	<ul style="list-style-type: none"><li>■ Trauma Plus option</li><li>■ Trauma Reinstatement option</li><li>■ Double Trauma option (available when Trauma linked to Life Insurance)</li><li>■ Business Increase option</li></ul>

## Blood Borne Disease Insurance

*(not available under FutureWise Super or Super Protector)*

Provides a lump sum if the insured person is infected with HIV or the Hepatitis B or Hepatitis C virus in a workplace accident.

This policy must be applied for in conjunction with at least one other policy issued by Macquarie Life.

	FutureWise
Entry ages	19 – 60
Expiry age	65
Sum Insured	Minimum \$50,000 Maximum \$1 million
Included features	<ul style="list-style-type: none"><li>■ Indexation Increases</li></ul>

## Disability Income Insurance

(not available under FutureWise Super)

Provides a benefit if the insured person is unable to work due to *illness* or injury and is *totally disabled* or *partially disabled* for longer than the specified waiting period.

	FutureWise	Super Protector
Entry ages	19 – 60	19 – 60
Expiry age	65	65
Monthly insured amount	The monthly equivalent of 75% of first \$320,000 and 50% of the next \$240,000 of the annual <i>income</i> of the insured person subject to a: <ul style="list-style-type: none"> <li>■ Minimum of \$1,250 per month</li> <li>■ Maximum of \$30,000 per month</li> </ul>	The monthly equivalent of 75% of first \$320,000 and 50% of the next \$240,000 of the annual <i>income</i> of the insured person subject to a: <ul style="list-style-type: none"> <li>■ Minimum of \$1,250 per month</li> <li>■ Maximum of \$30,000 per month</li> </ul>
Type of cover (this affects the amount of benefit payable)	<ul style="list-style-type: none"> <li>■ Indemnity (financials are required for amounts above \$15,000 per month)</li> <li>■ Agreed value (maximum \$15,000 per month)</li> <li>■ Endorsed agreed value</li> </ul>	Indemnity (financials are required for amounts above \$15,000 per month)
Waiting periods available	<ul style="list-style-type: none"> <li>■ 30 days</li> <li>■ 60 days</li> <li>■ 90 days</li> <li>■ 1 year</li> <li>■ 2 years</li> </ul>	<ul style="list-style-type: none"> <li>■ 30 days</li> <li>■ 60 days</li> <li>■ 90 days</li> <li>■ 2 years</li> </ul>
Benefit periods available	<ul style="list-style-type: none"> <li>■ 2 years</li> <li>■ 5 years</li> <li>■ To age 65</li> </ul>	<ul style="list-style-type: none"> <li>■ 2 years</li> <li>■ 5 years</li> <li>■ To age 65</li> </ul>
Included benefits and features	<ul style="list-style-type: none"> <li>■ <i>Total Disability</i></li> <li>■ <i>Partial Disability</i></li> <li>■ Specific Injury benefit</li> <li>■ Death benefit</li> <li>■ Indexation Increases</li> <li>■ Premium Waiver</li> <li>■ Involuntary Unemployment Premium Waiver</li> </ul>	<ul style="list-style-type: none"> <li>■ <i>Total Disability</i></li> <li>■ <i>Partial Disability</i></li> <li>■ Death benefit</li> <li>■ Rehabilitation Expenses benefit</li> <li>■ Indexation Increases</li> <li>■ Premium Waiver</li> <li>■ Involuntary Unemployment Premium Waiver</li> </ul>



	FutureWise	Super Protector
Available options	<ul style="list-style-type: none"> <li>■ Extra Benefits option (Includes Trauma benefit, Bed Confinement benefit, Home Care benefit, Rehabilitation Expenses benefit, Accommodation benefit, Future Increases, Cover Extension)</li> <li>■ Accident option (available with 30 day waiting period only)</li> <li>■ Claims Escalation option</li> <li>■ Superannuation Cover option</li> </ul>	<ul style="list-style-type: none"> <li>■ Extra Benefits option (Includes Specific Injury benefit, Trauma benefit, Bed Confinement benefit, Home Care benefit, Accommodation benefit, Future Increases, Cover Extension)</li> <li>■ Accident option (available with 30 day waiting period only)</li> <li>■ Claims Escalation option</li> <li>■ TPD Commutation option</li> </ul>

## Business Expenses Insurance

(not available under FutureWise Super or Super Protector)

Reimburses *allowable business expenses* if the insured person is unable to work due to *illness* or *injury* and is *totally disabled* or *partially disabled* for longer than the specified waiting period.

	FutureWise
Entry ages	19 – 60
Expiry age	65
Monthly insured amount	The insured person's share of <i>allowable business expenses</i> subject to a: <ul style="list-style-type: none"> <li>■ Minimum \$1,250 per month (\$750 per month if taken out with Disability Income Insurance)</li> <li>■ Maximum \$60,000 per month</li> </ul>
Waiting periods available	<ul style="list-style-type: none"> <li>■ 30 days</li> <li>■ 90 days</li> </ul>
Benefit period	12 times the monthly insured amount, over a maximum period of 24 months.
Included benefits and features	<ul style="list-style-type: none"> <li>■ <i>Total Disability</i></li> <li>■ <i>Partial Disability</i></li> <li>■ Death benefit</li> <li>■ Indexation Increases</li> <li>■ Premium Waiver</li> </ul>
Available options	<ul style="list-style-type: none"> <li>■ Accident option (available with 30 day waiting period only)</li> </ul>

# Description of FutureWise and Super Protector products

## Life Insurance

The Life Insurance sum insured will be paid if the insured person:

- is diagnosed with a *terminal illness*; or
- dies.

## Funeral Advancement benefit (FutureWise only)

Part of the Life sum insured may be paid in advance, on receipt of medical evidence as to the cause and date of death, so that immediate expenses can be met following the death of the insured person.

The amount payable is the lesser of 10% of the Life sum insured and \$15,000. The maximum amount we will pay under the Funeral Advancement benefit is \$15,000 inclusive of all cover held with Macquarie Life for the insured person.

## TPD Insurance

TPD can be applied for on the basis of the following definitions of *total and permanent disablement*:

- if the person to be insured is *gainfully employed* for a minimum of 20 hours per week at the time of application:
  - *own occupation* (not available under FutureWise Super)
  - *any occupation*
  - *superannuation optimiser*
- if the person to be insured is engaged in *domestic duties* at the time of application
  - *domestic duties*; or
- *modified TPD* definition.

If covered under the *own occupation* or *superannuation optimiser* definition of TPD, the *any occupation* definition applies if, at the time of injury or *illness* for which the claim for TPD is made, the insured person has not been *gainfully employed* within the preceding 6 months of the injury or illness for which they are claiming TPD.

*Own occupation* TPD is not available for some occupations and is not available under FutureWise Super.

***total and permanent disablement*** means that due to injury or *illness*:

a) if the *own occupation* definition applies:

- the insured person has been absent from work for a continuous period of at least three months, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in their *own occupation*

OR

- the insured person has suffered a permanent impairment of at least 25% of whole person function (as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or an equivalent guide to impairment which we approve), and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in their *own occupation*

OR

- the insured person meets the *modified TPD* definition

b) if the *any occupation* definition applies:

- the insured person has been absent from work for a continuous period of at least three months, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in *any occupation*

OR

- the insured person has suffered a permanent impairment of at least 25% of whole person function (as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or an equivalent guide to impairment which we approve), and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in *any occupation*

OR

- the insured person meets the *modified TPD* definition

c) if the *superannuation optimiser* definition applies:

Under the 'superannuation component' (the part held under the policy owned by the trustee of a superannuation fund):

- the insured person meets the *any occupation* definition; and
- the insured person meets the SIS definition of permanent incapacity.

Under the 'non-superannuation component' (the part held under the non-superannuation policy):

- the insured person meets the *own occupation* definition; and
- the insured person does not meet the 'superannuation component' part of the definition.

d) if the *domestic duties* definition applies:

- the insured person has not performed *domestic duties* for a continuous period of at least three months, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to perform *domestic duties*, or engage in *any occupation*

OR

- has suffered a permanent impairment of at least 25% of whole person function (as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or an equivalent guide to impairment which we approve), and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to perform *domestic duties*, or engage in *any occupation*

OR

- the insured person meets the *modified TPD* definition

e) if the *modified TPD* definition applies:

- the insured person has suffered *loss of limbs*;
- the insured person has suffered *loss of independent existence*; or
- the insured person has suffered *cognitive loss*.

### **TPD Advancement benefit (FutureWise only)**

Part of the TPD sum insured will be advanced if the insured person suffers *partial loss of limbs or partial loss of sight*.

The amount payable is the lesser of 25% of the TPD sum insured and \$500,000. The TPD Advancement benefit is only payable once and the maximum amount we will pay under the TPD Advancement benefit is \$500,000 inclusive of all cover held with Macquarie Life for the insured person.

### **Double TPD option (FutureWise only)**

This option allows the Life sum insured to be reinstated 14 days after it was reduced by the payment of the TPD sum insured in full, without the need for medical underwriting. The premium will be waived on the reinstated Life sum insured.

## Superannuation optimiser

Under this feature the *own occupation* definition of TPD can be applied for with the part of the TPD Insurance that meets the Superannuation Industry Supervision Act (SIS) definition of permanent incapacity held within superannuation and the remainder of the cover held outside of superannuation.

If the *superannuation optimiser* definition of TPD is chosen, two policies which are connected by Flexible Linking must be applied for. The applicant(s) will be required to read the PDS applicable to each policy and complete two applications. One of the policies will be issued to the trustee of a superannuation fund (referred to as the superannuation policy), and the TPD cover provided under this policy called the 'superannuation component' while the remainder of the cover will be issued under a policy outside superannuation (referred to as the non-superannuation policy), called the 'non-superannuation component'.

The TPD sum insured with the *superannuation optimiser* definition under each of the policies must always be the same and if any reduction to the sum insured is applied, it will be applied to the TPD Insurance with the *superannuation optimiser* definition under both policies. In the event that the TPD Insurance is cancelled under one of the policies, the TPD Insurance under the connected policy will immediately end.

In the event of a claim, TPD will first be assessed under the 'superannuation component' part of the definition. If the insured person satisfies this definition, the benefit will be paid to the trustee and will be subject to superannuation and related taxation laws current at the time of payment. If the definition is not satisfied under the 'superannuation component', the claim will then be assessed under the 'non-superannuation component'. If the insured person satisfies this definition, the benefit will be paid under the non-superannuation policy (and hence not be subject to superannuation laws or taxation).

As the two policies will be connected through Flexible Linking, a *superannuation optimiser* TPD benefit payment under one policy reduces the sum insured of the *superannuation optimiser* TPD under the connected policy, as well as reducing the sums insured of any other linked insurance under the two policies.

It is important to note that the 'non-superannuation component' part of the definition only provides cover for TPD when the 'superannuation component' part of the definition cannot be satisfied. We will assess under which policy a benefit is payable based on the information available to us at the time the decision is made by us.

As explained in the section titled 'When the definition changes', the definition of *superannuation optimiser* converts to the *modified TPD* definition at the cover anniversary when the insured person is aged 65 and this TPD cover with the modified TPD definition will be held under the superannuation policy. The TPD

cover under the non-superannuation policy will end at the cover anniversary when the insured person is aged 65. Similarly, if the *any occupation* definition applies because the insured person has not been *gainfully employed* within the six months preceding a TPD claim, the claim will be assessed under the superannuation policy.

## Trauma Insurance (FutureWise only)

A Trauma benefit is payable if the insured person suffers a Trauma Condition, as specified under the policy conditions in the PDS.

Amount of sum insured payable	Trauma Condition
<b>Cancer of any body system</b>	
100%	<i>cancer<sup>#</sup></i> <i>aplastic anaemia</i>
20%**	<i>carcinoma in situ of breast<sup>#</sup></i> <i>early stage melanoma<sup>#</sup></i> <i>early stage prostate cancer<sup>#</sup></i>
<b>Heart and artery</b>	
100%	<i>aortic surgery<sup>#</sup></i> <i>cardiomyopathy</i> <i>coronary artery bypass surgery<sup>#</sup></i> <i>heart attack<sup>#</sup></i> <i>heart valve surgery<sup>#</sup></i> <i>out of hospital cardiac arrest<sup>#</sup></i> <i>triple vessel angioplasty<sup>#</sup></i>
20%*	<i>angioplasty<sup>#</sup></i>
<b>Brain and nerves</b>	
100%	<i>bacterial meningitis or meningococcal septicaemia</i> <i>benign brain tumour</i> <i>cognitive loss</i> <i>coma</i> <i>dementia including Alzheimer's disease</i> <i>encephalitis</i> <i>major head trauma</i> <i>motor neurone disease with impairment level</i> <i>multiple sclerosis with impairment level</i> <i>muscular dystrophy with impairment level</i> <i>Parkinson's disease with impairment level</i> <i>paralysis</i> <i>stroke<sup>#</sup></i>

Amount of sum insured payable	Trauma Condition
20%**	<i>motor neurone disease multiple sclerosis muscular dystrophy Parkinson's disease</i>
<b>Lungs</b>	
100%	<i>chronic lung disease primary pulmonary hypertension</i>
<b>Kidneys</b>	
100%	<i>chronic kidney failure</i>
<b>Ear, nose and throat</b>	
100%	<i>loss of hearing loss of speech or total aphasia</i>
<b>Eye</b>	
100%	<i>loss of sight</i>
<b>Musculoskeletal</b>	
100%	<i>loss of limbs severe burns</i>
<b>Digestive system</b>	
100%	<i>chronic liver disease</i>
<b>Other</b>	
100%	<i>loss of independent existence major organ transplant medically acquired HIV occupationally acquired HIV</i>
20%**	<i>major organ transplant waiting list</i>

## Trauma Plus option

Amount of sum insured payable	Trauma Condition
<b>Cancer</b>	
20%**	<i>carcinoma in situ of the cervix and cervical dysplasia<sup>#</sup> carcinoma in situ of the fallopian tube<sup>#</sup> carcinoma in situ of the ovary<sup>#</sup> carcinoma in situ of the vagina<sup>#</sup> carcinoma in situ of the vulva<sup>#</sup></i>

Amount of sum insured payable	Trauma Condition
<b>Brain and nerves</b>	
100%^	<i>motor neurone disease multiple sclerosis muscular dystrophy Parkinson's disease</i>
25% booster^^	<i>paralysis</i>
20%**	<i>hydrocephalus</i>
<b>Ear, nose and throat</b>	
25% booster^^	<i>loss of sight</i>
20%**	<i>partial loss of hearing partial loss of sight</i>
<b>Musculoskeletal</b>	
25% booster^^	<i>loss of limbs severe burns</i>
20%**	<i>partial loss of limbs severe burns of limited extent severe osteoporosis severe rheumatoid arthritis</i>
<b>Digestive system</b>	
20%**	<i>colostomy/ileostomy severe Crohn's disease severe ulcerative colitis</i>
<b>Endocrine system</b>	
100%	<i>advanced diabetes</i>
20%**	<i>diabetes complications</i>
<b>Other</b>	
100%^	<i>major organ transplant waiting list</i>

\* A partial payment of 20% of the Trauma sum insured is payable for these Trauma Conditions, subject to a maximum of \$40,000. The Trauma sum insured will be reduced by the amount benefit paid.

\*\* A partial payment of 20% of the Trauma sum insured is payable for these Trauma Conditions, subject to a maximum of \$100,000. The Trauma sum insured will be reduced by the amount benefit paid.

^ The benefit payable under the Trauma Plus option for these Trauma Conditions is payable in place of a partial payment under Trauma Insurance.

^^ A booster payment of 25% of the Trauma sum insured is payable under the Trauma Plus option for these Trauma Conditions in addition to the benefit under Trauma Insurance. The booster amount payable will be reduced so that the combined total of the booster amount and the Trauma sum insured paid is no more than the Indexed Benefit Limit. The Indexed Benefit Limit is \$2 million when your policy commences, and it increases in the same proportion as the Trauma sum insured increases due to Indexation Increases.

# Special conditions apply to when cover starts for these Trauma Conditions. See the section titled 'When Trauma Insurance starts' on page 11 of the FutureWise PDS.



The definitions for all the Trauma Conditions can be found in the Glossary at the end of the FutureWise PDS.

After the age of 70, only the conditions *loss of independent existence*, *loss of limbs* and *cognitive loss* apply.

### **Double Trauma option**

This option allows the Life sum insured to be reinstated 14 days after it was reduced by the payment of the Trauma sum insured in full, without the need for medical underwriting. The premium will be waived on the reinstated Life sum insured.

### **Trauma Reinstatement option**

This option allows the Trauma sum insured to be reinstated 12 months after a valid claim form is received, without the need for medical underwriting.

Some restrictions apply to the reinstated cover, as outlined in the FutureWise PDS.

## **Features applicable to Life, TPD and Trauma Insurance**

### **Financial Planning benefit (FutureWise only)**

Under this feature, we will reimburse up to \$1000 for the cost of engaging a qualified financial adviser to prepare a financial plan following payment of the Life, TPD or Trauma sum insured in full.

### **Business Increase option (FutureWise only)**

This option allows a specific business insurance arrangement to be nominated for an increase in cover in the future should it be required. If, after the cover commences, the value of the business insurance arrangement increases, the sum insured can be increased without the need for medical underwriting. Financial evidence of the increase must be provided.

Business insurance arrangements that may be approved include key person insurance, business succession agreements and loan guarantor insurance.

### **Flexible Linking**

Flexible Linking is a way of structuring cover so that Insurance for the same insured person can be held under separate policies with different policy owners but still be treated as linked Insurance.

For example, insurance may be held under one policy that is owned by the trustee of a superannuation fund and be connected to a policy owned by the insured person outside of superannuation.

Some conditions apply to Flexible Linking. Please refer to the PDS for information on this feature.

## Blood Borne Disease Insurance (FutureWise only)

A Blood Borne Disease benefit is payable if the insured person becomes infected with HIV or the Hepatitis B or Hepatitis C virus as the result of an *accident* during the course of the insured person's regular occupation.

In the event of a claim for HIV infection that is payable both under this insurance and Trauma Insurance, if it applies, the amount payable under this insurance will be reduced so that the combined total of the Blood Borne Disease and the Trauma sums insured paid is no more than the Indexed Benefit Limit. The Indexed Benefit Limit is \$2 million when the policy commences, and it increases in the same proportion as the Blood Borne Disease and Trauma sums insured increase due to Indexation Increases.

## Disability Income Insurance

### Applying for Disability Income Insurance

The person to be insured must be aged between 19 and 60 and *gainfully employed* for a minimum of 20 hours per week.

The minimum amount is \$1,250 per month and the maximum is the lesser of:

- \$30,000 per month; and
- the monthly equivalent of 75% of the first \$320,000 and 50% of the next \$240,000 of the annual *income* of the person to be insured.

### Type of Disability Income Insurance

Disability Income Insurance is available on an indemnity basis. Under FutureWise, it is also available on an agreed value or endorsed agreed value basis.

For occupation class 4 (see page 19), a maximum benefit period of 5 years will apply and the Accident option is not available.

**Total disability/totally disabled** means that the insured person is, solely as a result of injury or *illness*:

- unable to perform one or more of the duties of their *usual occupation* necessary to produce *income* as confirmed by a *medical practitioner*; and

- not *gainfully employed* in any capacity,

and is under the regular care and following the advice of a *medical practitioner*.

**Partial disability/partially disabled** means that the insured person is, solely as a result of injury or illness:

- unable to perform at full capacity one or more of the duties of their *usual occupation* necessary to produce *income* as confirmed by a *medical practitioner*; and
- is *gainfully employed* but their *post-disability income* is less than *pre-disability income*,

and is under the regular care and following the advice of a *medical practitioner*.

### Superannuation Cover option (FutureWise only)

The Superannuation Cover option allows a higher monthly insured amount of up to 80% of *income* (rather than the 75% that is usually available) so that contributions can be made into superannuation during *disability*. Part of the *monthly benefit* must be paid to a nominated superannuation fund.

## Business Expenses Insurance (FutureWise only)

### Applying for Business Expenses Insurance

The person to be insured must be aged between 19 and 60 and *gainfully employed* for a minimum of 20 hours per week.

For sole trader and some partnerships (i.e. legal/medical practices) where the applicant is a member of a partnership or shares ownership of a business, they are able to insure their share of the expenses of the partnership/business.

The minimum amount is \$1,250 per month (or \$750 per month if taken with Disability Income Insurance) and the maximum is the lesser of:

- \$60,000 per month; and
- the monthly equivalent of *allowable business expenses*.

**Total disability/totally disabled** means that the insured person is, solely as a result of injury or *illness*:

- unable to perform one or more of the duties of their *usual occupation* necessary to produce *income* as confirmed by a *medical practitioner*; and
- not *gainfully employed* in any capacity,

and is under the regular care and following the advice of a *medical practitioner*.

**Partial disability/partially disabled** means that the insured person is, solely as a result of injury or *illness*:

- unable to perform at full capacity one or more of the duties of their *usual occupation* necessary to produce *income* as confirmed by a *medical practitioner*; and
- is gainfully employed but their *post-disability income* is less than *pre-disability income*,

and is under the regular care and following the advice of a *medical practitioner*.

## TPD, Disability Income and Business Expenses Occupation Classes

Premiums applicable for TPD, Disability Income (DI) and Business Expenses (BE) will vary depending on your client's occupation. The classes we have adopted are as follows:

1E	Executive	25% discount (DI and BE under FutureWise) 15% discount (DI under Super Protector and TPD)	White collar professionals performing no manual duties, who: <ul style="list-style-type: none"> <li>■ have a degree; or</li> <li>■ are senior executives or senior management and have been earning an average of at least \$100,000 per annum over the last three years.</li> </ul>
1M	Medical	15% discount	Qualified medical professionals with membership of a professional or government body.
1L	Legal	15% discount	Qualified legal professionals with membership of a professional or government body.

1P	Professional	15% discount	White collar professionals performing no manual duties, who: <ul style="list-style-type: none"> <li>■ have been earning an average of at least \$80,000 per annum over the last three years; or</li> <li>■ are qualified professionals with membership of a professional or government body.</li> </ul>
1	White collar	Standard rates	White collar, administrative or clerical based occupations that do not involve any manufacturing or physically demanding duties. 100% sedentary.
2	Light manual skilled	50% loading	Certain light manual skilled workers, business owners in non-hazardous industries involving light manual work and supervisors of blue collar workers, e.g. foreman.
2	Domestic duties	50% loading	Homemakers who perform domestic duties and whose sole occupation is to maintain their family home.
3	Tradespeople	75% loading	Skilled workers engaged and skilled in duties associated with a craft or manual occupation for which they are trade qualified, e.g. plumber, electrician.
4	Heavy manual	150% loading	Heavy manual occupations of a semi-skilled nature or heavy blue trades e.g. truck driver. Maximum benefit period of 5 years. Own occupation TPD not available.

## Premium factors

The following information outlines the factors involved when deciding how premiums will be charged.

### FutureWise general factors

Policy Fee	\$81.10 p.a. per insured person per application; or \$6.76 per month per insured person per application if premiums are paid monthly. The policy fee is updated each year on 1 March.		
Frequency loading	6% loading for premiums paid on a monthly basis.		
Size discount for Life, TPD and Trauma	<b>Sum insured</b>	<b>Life and TPD</b>	<b>Trauma</b>
	\$0 – \$249,999	0%	0%
	\$250,000 – \$499,999	7%	3%
	\$500,000 – \$749,999	15%	7%
	\$750,000 – \$999,999	17%	10%
	\$1,000,000 – \$1,999,999	22%	12%
	\$2 million +	24%	12%
TPD 'own occupation' Definition	50% loading on top of the 'any occupation' rates.		
Size discount for Disability Income and Business Expenses	<b>Monthly insured amount</b>	<b>Discount</b>	
	\$0 – \$3,999	0%	
	\$4,000 – \$7,499	8%	
	\$7,500 – \$9,999	10%	
	\$10,000+	12.5%	

### Super Protector general factors

Frequency loading	8% loading for premiums paid on a monthly basis.
TPD 'own occupation' definition	50% loading on top of the 'any occupation' rates.

## Stamp duty

### FutureWise

Below are the stamp duty rates that apply for each state where stamp duty is explicitly charged on the premium (and policy fee):

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Rate	5%	10%	7.5%	10%	11%	8%	10%	10%

Stamp duty is explicitly charged on the premium (and policy fee) for the following insurance covers and features:

- TPD Insurance linked to Life Insurance under Flexi Linking
- Trauma Insurance linked to Life Insurance under Flexi Linking
- Double TPD and Double Trauma options taken on TPD or Trauma in the above Flexi Linking arrangements
- TPD Insurance Policy
- Trauma Insurance taken under a TPD Insurance Policy
- Trauma Insurance Policy
- Disability Income Insurance
- Business Expenses Insurance
- Blood Borne Disease Insurance

For WA policies only, stamp duty is also explicitly charged on the premium for TPD and Trauma Insurance that is taken on a Life Insurance Policy and the Double TPD and Double Trauma options taken on a Life Insurance Policy.

For SA policies only, stamp duty of 1.5% is also explicitly charged on the premium for Life, TPD and Trauma taken under a Life Insurance Policy.

### Super Protector

Stamp duty is included in the premium rate and not charged as an explicit loading. Any stamp duty payable is paid by Macquarie Life. Any benefits that are set up under Flexible Linking with a Super Protector policy, are explicitly charged stamp duty on FutureWise rates.

# Commission

Commission is generated as at the date the client's premium is received and can be paid monthly or weekly, depending on the arrangement between Macquarie and your dealer group. If paid monthly, it is paid to the dealer group on the 7th business day of the following calendar month. For example, if the client's annual premium is drawn on the 15th of January, commission will be paid to your dealer group on the 7th business day of February. If paid weekly, the commission will generally be paid to the dealer group each Friday, for the previous Monday to Friday.

If cover is applied for within five years of the maximum entry age, the year one commission is reduced.

Macquarie Life offers three commission options under FutureWise and Super Protector. The rates of commission, inclusive of GST:

Commission structure	Year one	Renewal
Upfront	100%	18%
Hybrid	70%	25%
Level	42%	32%

## Commission components

Commission is payable on the following components of the premium:

- base rates
- options
- loadings
- premium after size discount has been applied

It is not payable on:

- policy fee
- frequency loading
- any explicit stamp duty charged.

You can use the Quick Quote to calculate the commission payable, alternatively the premium on which commission is payable can be calculated by following these steps:



- divide the premium by 1+ the relevant stamp duty rate (if stamp duty is applicable);
- deduct the annual policy fee of \$81.10 (if applicable); and
- if the premium is being paid monthly multiply the premium by 12 and divide by 1 + the frequency loading.

### FutureWise Examples

A Life Insurance premium of \$549.39 p.a. paid annually, where there is no explicit stamp duty.

Step 1	Remove the policy fee	= 549.39 – 81.10
	Commissionable premium	= \$468.29

A Disability Income Insurance premium in NSW of \$4,155.61 p.a. paid monthly at \$367.08, where the premium includes a frequency loading of 6% and NSW stamp duty of 5%.

Step 1	Remove the stamp duty	= 367.08 / 1.05 = \$349.60
Step 2	Deduct the policy fee	= 349.60 – 6.76 = 342.84
Step 3	Remove the frequency loading	= 342.84 / 1.06
	Commissionable premium	= \$323.43

## Year one commission

Year one commission is payable on:

- new business
- underwritten increases to existing cover
- increases to existing cover made under the Future Increases feature

It is not payable on:

- business for which year one commission has already been paid
- business which replaces an existing Macquarie Life policy, including continuation options
- indexation increases (however, renewal commission will be paid)
- reinstatement of Life Cover under Life Cover Buy Back

For transfers between Macquarie insurance products, the renewal commission of the product being transferred to will apply.

## Commission rebates

Commission can be rebated in year one and ongoing in the following ways:

Commission structure	Year one rebate	Renewal rebate
Upfront	18%	100%
Hybrid	25%	100%
Level	100%	100%

This means that under the upfront structure, the maximum you can rebate in year one is the renewal commission rate, i.e. you must receive a minimum of 82% commission in year one. For renewal commission you can rebate the full amount.

Under the level structure you can rebate up to the full amount of year one and renewal commission. The percentage you choose to rebate of year one and renewal commission must be the same.

The corresponding premium discount is a direct reflection of the commission rebate and is applied in the same year in which the commission is reduced.

## Responsibility period

There is a responsibility period that applies to new business in relation to the commission that has been paid.

The table below sets out these responsibility periods and shows the proportion of commission paid that will be reversed if cover lapses or is cancelled within the responsibility period shown.

Period	Write back
Less than 6 months	100%
6–9 months	50%
More than 9 months (to end of 12th month)	25%

If cover lapses or is cancelled within the responsibility period shown, we will deduct the appropriate proportion of commission paid from the dealer group's commission payments at the next payment date.

# Underwriting requirements

Depending on the type of cover, we will generally require further information on the client as outlined below.

## Medical requirements

### Total lump sum risk

Exposed risk	Up to 45	46 – 50	51 – 60	>60
Up to \$500,000	Personal Statement			
\$500,001 to \$750,000			Bloods	Bloods, Quick Check
\$750,001 to \$1,000,000			Bloods, Quick Check	
\$1,000,001 to \$2,000,000	Bloods, Quick Check		Bloods, Medical Exam	
\$2,000,001 to \$3,000,000	Bloods, Quick Check			
\$3,000,001 to \$5,000,000	Bloods, Medical Exam, PMAR			
\$5,000,001+	Bloods, Medical Exam, PMAR, Stress ECG			

- The exposed risk is calculated by adding together:
  - all Life Cover (whether or not it has linked TPD/Trauma) and
  - stand alone TPD (whether or not it has linked Trauma) and
  - stand alone Trauma.
- When Double TPD or Double Trauma is selected, add 50% of the TPD/ Trauma benefit to the Life sum insured for the purpose of calculating medical requirements.
- When the Business Increase option is selected, the sum insured with the option is multiplied by three before the calculating the exposed risk.

## Trauma, Disability Income and Business Expenses

Exposed risk	Up to 45	46 – 55	>55
Up to \$500,000 (or up to \$5,000 per month DI/BE)	Personal Statement		
\$500,001 to \$750,000 (or \$5,001 to \$7,500 per month DI/BE)			Bloods, Quick Check
\$750,001 to \$1,000,000 (or \$7,501 to \$10,000 per month DI/BE)		Bloods, Quick Check	Bloods, Medical Exam
\$1,000,001 to \$2,000,000 (or \$10,001 to \$20,000 per month DI/BE)	Bloods, Quick Check	Bloods, Medical Exam	Bloods, Medical Exam, Stress ECG, PSA*
\$20,001 + per month DI/BE	Bloods, Medical Exam	Bloods, Medical Exam, Stress ECG	Bloods, Medical Exam, Stress ECG, PMAR, PSA*

\*PSA in males only

- For trauma, the exposed risk is calculated as the total sum of all Trauma Benefits.
- For Disability Income (DI) and/or Business Expenses (BE), the exposed risk is calculated as the higher of the DI or BE monthly insured amount.

Bloods	MBA20 HIV Hep B and C FBC (incl ESR)
PMAR	Personal Medical Attendant's Report
Medical Exam	Paramedical or own doctor medical exam

Please note: Age is the applicants current age.

## Financial requirements

Our underwriting philosophy is built on the principle that insurance is about wealth protection, not wealth creation. Where a client's income would be improved by an insurance claim, these are the situations where we may not allow the full benefit applied for. To enable our underwriting team to best understand your client's situation and justify the benefit, you may also wish to complete a Financial Questionnaire and/or provide us with a copy of your Statement of Advice (SOA).

### Life and TPD

Occupation categories 1, 2, 3 and 4	Occupation categories 1E, 1P, 1L and 1M	Requirement
Up to \$2,500,00	Up to \$3,000,000	Personal statement
\$2,500,001 to \$3,000,000	\$3,000,001 to \$6,000,000	Financial Questionnaire or SOA
\$3,000,0001 +	\$6,000,001 +	Financial Questionnaire, and Individuals – Last 2 years Income Tax Returns (ITRs) including Notice of Assessment (NOA) Self-Employed or Employee of Own Company – Last 2 years individual ITRs including NOA, and Last 2 years full Company accounts ie, Profit & Loss, Balance Sheets, and Company Tax Returns.

A Financial Questionnaire is required in all cases where the Business Increase option is selected.

## Trauma

Occupation categories 1, 2, 3 and 4	Occupation categories 1E, 1P, 1L and 1M	Requirement
Up to \$750,000	Up to \$2,000,000	Personal statement
\$750,001 to \$1,000,000	N/A	Financial Questionnaire or SOA
\$1,000,001 +	N/A	Financial Questionnaire, and Individuals – Last 2 years Income Tax Returns (ITRs) including Notice of Assessment (NOA)  Self-Employed or Employee of Own Company – Last 2 years individual ITRs including NOA, and Last 2 years full Company accounts ie, Profit & Loss, Balance Sheets, and Company Tax Returns

## Disability Income

Indemnity	Required for benefits >\$15,000/month
Agreed Value	Required for benefits >\$15,000/month, which will be set up as Endorsed Agreed Value
Endorsed Agreed Value	Required in all cases

For all Disability Income Insurance benefits above \$15,000 per month, a statement of assets and liabilities is required.

Employee	Last 2 years individual ITRs including NOA, or Group Certificate, or Letter from Employer
Sole Trader	Last 2 years individual ITRs including NOA
Partner in a Partnership	Last 2 years individual ITRs including NOA, and Partnership Tax Returns
Self Employed, Employee of Own Company, Working Director	Last 2 years individual ITRs including NOA, and Last 2 years full Company accounts ie, Profit & Loss, Balance Sheets, and Company Tax Returns

NB: Depending on the reason for the cover, further financial evidence may be required.

## Superannuation Cover option

Evidence of contributions (letter from employer or superannuation statement) will be required for employees if they request the Superannuation Cover option on an amount that is greater than 9% of their income and will be required for all self employed people.

## Business Expenses Insurance

Financial evidence in support of the application will apply to monthly benefits above \$20,000. We will require company accounts including Profit and Loss statements and Balance Sheets and company tax returns for the last two years.

## Guide for level of cover

Life, TPD and Trauma Insurance is intended to cover personal liabilities and future income earning potential to protect dependents in the event of a claim.

As a guide we use multiples of income to determine the maximum cover available. These are guidelines only and there may be circumstances where we are able to consider cover above these amounts. Additional financial information such as a brief report as to how the cover was calculated or the appropriate sections of the signed Statement of Advice can be submitted.

## Life and TPD

Up to age:	Guideline for multiples of annual earned income	
	(with dependants)	(no dependants)
40	20	10
45	17	8.5
50	14	7
55	11	5.5
60	8	4

## Trauma

Generally cover (all sources) is limited to seven times net personal income, with a maximum of \$2 million. Note: Home duties cover is limited to \$1 million for Life, TPD and Trauma, unless a financial scenario is put forward, in which up to \$1.5 million can be considered.

## Immediate cover

You are able to provide immediate insurance cover to your clients by using the online insurance platform. If the online insurance platform provides an assessment status of 'offered', clients will be fully covered as soon as the application form is submitted and authorised online, rather than relying on restricted interim cover.

While Macquarie does not require a signed application form to commence cover, the signed application form needs to be forwarded to Macquarie within 30 days of cover being submitted and authorised. We will accept the signed application by fax, mail, or scanned via email.

We have sought advice from legal consultants and professional indemnity insurers and we believe the process of obtaining the client's signature on the application provides greater protection to the adviser and the insurer at claim time, as well as to the adviser and dealer group for professional indemnity insurance purposes.



## Interim cover

If the application submitted is a paper application or has a status of 'pending underwriting' via the online insurance platform, interim cover for *accidental death or injury* will be provided.

Some conditions and limits apply to interim cover. Please refer to the PDS for full details.

Interim cover will end when the application for cover is:

- accepted and cover commences;
- declined;
- deferred;
- cancelled or withdrawn by the applicant;
- cancelled by Macquarie Life by written notice to the applicant;

OR

- 14 days from the date we advise that cover may be available if the applicant applies for Insurance on special terms;
- 90 days from the date the interim cover started; or
- a claim under this interim cover is accepted or declined,
- whichever occurs first.

# Underwriting guidelines

## Product features

### Business Increase option

At the time of underwriting an application with Business Increase Option, we will base medical requirements on three times the total sum insured being applied for. For example, if \$500,000 of Life Insurance is applied for with the Business Increase Option, we will medically assess the application as if it were an application for \$1.5 million.

We will require a fully completed financial questionnaire in all instances.

### Double TPD and Trauma

When Double TPD or Double Trauma is selected, we will add 50% to the total sum insured for the purpose of calculating medical requirements.

#### Example

If applying for \$500,000 Life and \$200,000 TPD with the Double TPD option Add 50% TPD sum insured to Life sum insured.

Medical Requirements based on \$600,000.

This option has no impact on financial requirements.

### Flexible Linking

Flexible Linking does not alter the way the medical and financial limits are calculated. They are calculated in the same way as if the Flexible benefits were included in the same policy as the Life or TPD to which they are linked.

### Superannuation optimiser

When the *superannuation optimiser* definition is selected, we will underwrite the cover as a single amount of *own occupation* TPD.

#### Example

If applying for \$500,000 TPD with the *superannuation optimiser* definition, \$500,000 TPD called the 'superannuation component' sits under the superannuation policy and \$500,000 TPD called the 'non superannuation component' sits under the non super policy. These two benefits offset each other and so are treated as a single amount of cover. Therefore we will underwrite \$500,000 *own occupation* TPD.

## **Blood Borne Disease Insurance**

Blood Borne Disease Insurance must be selected with at least one other type of FutureWise insurance, but is not limited to Disability Income or Trauma Insurance. The payment of a claim under this cover does not reduce the benefits under other FutureWise insurances.

Blood Borne Disease Insurance is only available to some occupations (generally medical professions and those occupations in which infection with HIV or the Hepatitis B or Hepatitis C virus is an occupational hazard). There are no additional medical or financial requirements.

## **Superannuation Cover option**

For underwriting purposes, the amount of benefit taken under the Superannuation Cover option is included in the monthly insured amount for Disability Income Insurance and the financial and medical requirements are based on the total sum insured.

Evidence of superannuation contributions will be required for employees if they request the Superannuation Cover option on an amount that is greater than 9% of their income, and will be required for all self employed people.

## **Business Expenses Insurance**

The higher of the Business Expenses or Disability Income Insurance monthly insured amounts will be used as the basis for determining the medical and financial limits and the resulting underwriting requirements.

## **General circumstances**

### **Pregnancy**

Further information may be requested around due/delivery date and client's intentions in regards to returning to work. Home duties definitions for TPD may apply in some circumstances. Disability Income Insurance may not be available until after the client has returned to work.

### **Pre-existing conditions**

Exclusions may apply to certain pre-existing conditions. Further information may be required from the client and/or the client's usual medical practitioner.

## Overseas travel

Occasionally we will apply an exclusion if a client is travelling to a high risk region. These are driven by the Department of Foreign affairs travel advisories on [www.smarttraveller.gov.au](http://www.smarttraveller.gov.au) and are applied in line with the following guidelines:

DFAT 1 – No restriction for war and terrorism

DFAT 2 – Individual consideration. No restriction for war and terrorism.

DFAT 3/DFAT 4 – Individual consideration given depending on country visiting and purpose. War and Terrorism or Social Instability Exclusions may apply.

DFAT 5 – Decline

## Expatriate underwriting rules

- Must be an Australian citizen or permanent resident
- Must intend to return to Australia within 5 years of taking out cover
- Must be occupational class 1, 1E, 1P, 1L, 1M
- Only available in countries that are DFAT 3 or less
- All insurance medical investigations will be reimbursed in Australian dollars
- All premiums must be paid from a credit card or an Australian bank account in Australian dollars
- Any claims will be paid into an Australian bank account in Australian dollars
- Any medicals performed must be done by doctors or paramedicals registered with the local health professional council and be English speaking
- Normal underwriting practices and rules will apply
- For Disability Income and Business Expenses cover – proof of the contract terms and length of stay will be needed
- For Disability Income
  - the minimum waiting period available will be 90 days
  - only indemnity cover will be available
  - the following table will apply to what can and can't be included in the income calculations:

Included	Not included
<ul style="list-style-type: none"><li>■ Salary</li><li>■ Superannuation (or equivalent)</li><li>■ Bonuses and incentive payments (2–3yr average)</li><li>■ Commission payments (2–3yr average)</li></ul>	<ul style="list-style-type: none"><li>■ Housing and accommodation benefits</li><li>■ Living away from home allowance</li><li>■ Motor vehicle allowance for principal and spouse</li><li>■ School tuition fees</li><li>■ Club membership</li><li>■ Entertainment allowances</li></ul>

## Temporary residence

Generally, we will only offer cover to permanent Australian Residents. We will give consideration to individuals who have applied for residency. Please contact underwriting for individual consideration.

## Review of substandard terms

If substandard terms have been applied to a policy, and in the future the risk changes, please contact our underwriters who will be happy to consider a review of the risk. The underwriter will advise the evidence required at review, however please note the cost of the review will be at the client's expense.

Existing policy terms can be amended whilst on risk, for example, smoker to non-smoker rates after stopping smoking for 12 months; removal of a War and Terrorism exclusion when the client has returned from their travel to a high risk country or area.

## Bankruptcy

When the person to be insured is currently bankrupt and has not been discharged, we are unable to consider anything other than Life and Trauma cover. We need a bankruptcy questionnaire to be completed, to determine the reason for the bankruptcy, dates and any other implications from the bankruptcy.

Once discharged, your client needs to be able to demonstrate their employment and financial stability to be considered for TPD, Disability Income and Business Expenses.

## Body Mass Index (BMI) calculation

BMI is a measure of what is considered a healthy weight for a particular height. An 'unhealthy' weight indicates a person may be at greater risk of suffering from cardiovascular disease, hypertension (high blood pressure), diabetes or stroke. Where a BMI is outside of healthy ranges, at underwriting we may request additional tests such as a quick medical check and/or MBA20 to consider all of these factors and to determine the best possible rating for your client.

It is calculated by dividing your weight in kilograms by your height in metres squared.

## Occupation and pursuits guidelines

For the eligibility criteria for cover and occupation and pursuits categories, please refer to the Quick Quote.

## Disability Income and TPD occupation eligibility

### Minimum hours

The person to be insured, including part-time workers, must be *gainfully employed* for at least 20 hours per week at the time of application.

For *modified TPD*, there is no requirement for the person to be insured to be *gainfully employed*. The standard occupation loadings do not apply to the *modified TPD* premium, however some occupations do attract a 100% loading on the *modified TPD* premium.

### Maximum hours

For occupations where more than 60 hours are worked per week, further underwriting may be required.

### More than one occupation

We will only cover a client for their principal occupation. However, the occupation rating will take into consideration the duties of any second occupation. Both occupations must be acceptable occupations to us in order to consider cover.

### Less than 12 months in current job

If a client has been in their current job for less than 12 months, we will request details of their last 5 years work history to consider Disability Income and TPD insurance.

### Apprentices

Cover for apprentices is not generally available unless they are in their final year.

Cover is limited to indemnity cover for Disability Income Insurance and *any occupation* for TPD.

### Homemakers

If the person to be insured is engaged in full time *domestic duties*, they can be covered for the *domestic duties* definition of TPD.

Generally, homemakers may apply for a maximum of \$1 million of Life, TPD and Trauma Insurance. Higher amounts of cover may be available up to \$1.5 million subject to satisfactory financial evidence.

Factors that will be taken into account include:

- number and ages of dependants
- residential mortgage
- working spouse's income

- the client's future financial plan
- homemaker return to work timing, previous income and occupation
- child with special needs
- working spouse having an equal amount or greater level of cover on their life.

### Heavy manual occupations

If a client's occupation is classified as occupation class 4, 'heavy manual', the maximum Disability Income benefit period available is 5 years and the Accident option is unavailable.

### Newly self-employed

Within the first 12 months of commencing a new business, special consideration is required for the availability of Disability Income Insurance. This is to ensure that there is sufficient time for the business to be established and running efficiently.

If the person to be insured is newly self employed only indemnity cover is available.

To consider the availability of benefit period to age 65 the following criteria apply:

- the person must not be working from home, unless a separate business area has been delegated
- purchase of an existing business that has been operating for a minimum of 12 months
- purchase of a franchise
- starting a new business with experience in the same field
- change of employment status only – employee to contractor or sub-contractor.

In all cases the insured needs to have experience in the same field of business and/or successfully run a business in the past.

Cover is limited to a 2 year benefit period under the following situations:

- if the business is not in the insured person's field of experience; or
- the insured person has no experience in running a business.

To determine the monthly insured amount we determine income as:

- average monthly net income earned in new occupation/activity;
- projected earnings as determined from business plan or contracts provided less business expenses; or
- generally we would consider the monthly insured amount to be calculated on no more than the previous year's earnings (as Indemnity), with a maximum benefit of \$3,000 per month. We would be prepared to review to Agreed Value and higher benefit after 12 months (Endorsed Agreed Value after 2 years)

The following documentation may be requested by underwriting:

- copy of business plan
- Profit & Loss of existing entity (if available/applicable)
- copy of contract (if applicable)
- bank loan documents (if applicable) – if purchase of a business is dependent on a loan then copy of loan agreement must be provided.

### **Unearned income**

Unearned income is taken into consideration for the purpose of calculating the monthly benefit only where the unearned income exceeds \$250,000 per annum.

Substantial net assets can also generate unearned income, creating the potential for over insurance. Whilst current income from net assets may be low where the insured person's assets include real estate, bonds or shares etc, in the event of prolonged disability the insured person could rearrange their portfolio to generate significant unearned income. Individual consideration is given to offset unearned income for high net assets.

Examples of net assets that are excluded are:

- family residence
- furniture and fittings in the family home excluding antiques or collectors items
- motor vehicles other than luxury and vintage cars
- Superannuation

Examples of investment income that would be included are:

- interest
- pensions
- rental properties
- shares
- bonds
- trust distributions
- capital gains
- dividends



## Working mainly from home

When a person works from home it is difficult at claim time to establish disability and inability to work.

In order to consider cover for clients that work from home consideration is given to:

- the amount of weekly face-to-face contact with clients, customers or employers
- the nature of work/business
- other non-family employees
- regular work contracts and income stream over the last 12 months
- separate office/entrance to place of residence
- separate phone/fax for business

For some occupations working from home e.g. masseurs, beautician, dressmakers and music teachers, Disability Income Insurance is not available. Business Expenses may be available on individual consideration.

Generally the maximum benefit period available will be 5 years.

## Armed forces

For members of the armed services, we take into consideration the specific role of the individual to be insured. For office duties only, we will consider Life and Trauma cover with no restrictions. Disability Income and TPD cover are not available for any personnel.

Additional loadings for Life and Trauma would be applied for dangerous duties, e.g. aviation, bomb disposal, special forces to Life and Trauma cover. In some cases, restrictions on some trauma conditions may apply also.

No cover would be available for people who have orders to be deployed or who are currently deployed. If they have previously been deployed, we will consider each one on an individual basis, taking into account information around where they have been, length of tour, reason for tour i.e. peace keeping or war zone.

## Professional sportspeople

For professional sportspeople, we are able to offer Life, Trauma and modified TPD cover. Disability income and occupational TPD cover are not available.

## Transferring from another insurer

If the person to be insured already has insurance cover with another insurer, they can apply to transfer the existing cover to Macquarie Life without going through the full underwriting process.

To do this they need to complete an online application including a full personal statement. Please use the additional information section online to advise that transfer terms are being sought for the application. This should be sent to us together with:

- a copy of the original acceptance and cover schedule/certificate from the other company;
- proof of the existence of the current cover, such as the most recent renewal notice; and
- if applying for Trauma, a copy of the specific trauma conditions and partial conditions covered under the existing policy.

There are a few requirements which need to be met to transfer cover:

- the insured applying for TPD, Disability Income or Trauma must be under age 55 at their next birthday;
- the insured applying for Life cover must be under age 60 at their next birthday;
- the existing insurance cover must have been accepted at either:
  - standard rates, or
  - standard rates with a maximum of one exclusions, or
  - with a maximum 50% loading.
- the existing Life, TPD and Trauma (or similar benefit) insurance must have been fully underwritten less than five years ago, and Disability Income fully underwritten less than three years ago;
- the cover being issued by Macquarie Life will be limited to the same amount of cover as the existing cover being transferred;
- **for Trauma the existing insurance must cover the same conditions and be a like for like contract to be eligible for transfer terms.**

The following maximum benefit amounts apply for transfer terms:

- Life = \$3 million
- TPD = \$2 million
- Trauma = \$1 million
- Disability Income = \$10,000 per month
- Business Expenses = \$10,000 per month

Existing cover should not be cancelled until acceptance is confirmed by Macquarie Life. If we accept the application, cover will only commence once existing cover has been cancelled.

While mandatory underwriting requirements will be waived for transfer business that satisfies the requirements above, Macquarie Life still reserves the right to request additional underwriting requirements, based on the information disclosed in the personal statement.

### **Trauma qualifying period**

The deferred commencement of cover by 90 days on certain Trauma Conditions, as outlined in the PDS, does not apply to the policy issued by Macquarie Life if it replaces other similar insurance under a policy issued by another insurer or another policy issued by Macquarie Life (the other policy) and:

- the level of cover being issued by Macquarie Life is the same amount or less than the existing cover being replaced;
- we were specifically told about the intended replacement of the other policy in the answer to the relevant question in the application for this policy and we agreed to issue this policy on the basis that it replaced the other policy (as shown in the policy document);
- the other policy provided similar cover for the Trauma Condition;
- the other policy was continuously in force for 90 days immediately prior to the issue of this policy;
- the other policy was cancelled immediately after the issue of this policy; and
- no claim is pending or payable under the other policy.

## Suicide exclusion

The suicide exclusion on Life Insurance, as outlined in the PDS, does not apply to the policy issued by Macquarie Life if it replaces other similar insurance under a policy issued by another insurer or another policy issued by Macquarie Life (the other policy) and:

- the level of cover being issued by Macquarie Life is the same amount or less than the existing cover being replaced;
- we were specifically told about the intended replacement of the other policy in the answer to the relevant question in the application and we agreed to issue this policy on the basis that it replaced the other policy (as shown in the policy document);
- the other policy was continuously in force for 13 months immediately prior to the issue of this policy;
- the other policy was cancelled immediately after the issue of this policy; and
- no claim is pending or payable under the other policy.

# Medical information

Unless you inform us otherwise, medical requirements to assess your client's application will be organised with Unified Healthcare Group (UHG). Based in Prahran, Melbourne, UHG is Australia's single largest solutions provider for Personal Medical Attendant Reports (PMARs) and Pathology referrals. UHG's network of allied health professionals and database of 40,000 Medical Practices in Australia helps ensure that your client's applications will be organised in a timely fashion.

If you prefer to use an alternative pathology provider, please inform us at the time of application. Macquarie's preferred pathology providers and their contact details are as follows.

Only medical requirements requested by Macquarie Life will be paid for.

## **Unified Healthcare Group**

Phone 1800 101 984

Fax 1800 707 697

Email [adviserrelations@uhg.com.au](mailto:adviserrelations@uhg.com.au)

Online requests and fax request forms: <http://client.uhg.com.au/lifedata>

## **iMedicalLife**

Phone 0400 115 503

Fax 02 9787 4292

Email [chris@imedicallife.com.au](mailto:chris@imedicallife.com.au)

## **Prestige Pathology**

Phone 1800 442 844

Fax 02 9559 2973

Email [prestigep@optusnet.com.au](mailto:prestigep@optusnet.com.au)

## **Lifescreeen**

Phone 1800 673 123

Fax 1800 804 758

Email [lifescreeen@lifescreeen.com.au](mailto:lifescreeen@lifescreeen.com.au)

## **Confidentiality**

Please remind your client to notify the underwriters in the 'Consent and Disclosure' section of the application, should they not wish you to have access to and communication of their underwriting information

# Tele-underwriting

Macquarie provides a tele-underwriting service to speed up the underwriting process wherever possible. Our underwriters are specially trained in tele-underwriting and can call your client to obtain information which would otherwise require us to obtain additional evidence; e.g. medical questionnaires or PMARs, such as:

- collect missing information on an application;
- clarify responses to certain questions;
- obtain more information on financials, a medical condition, travel details or hazardous pursuits.

If your client consents to this service please make sure you provide phone numbers and the most convenient time for contact on the application. We can call your client between 8am and 8pm EST, Monday to Friday.

All calls are recorded and form part of the application.

## The benefits

- turnaround times are usually greatly improved, leading to cover being in place more quickly
- acceptance on standard terms can be given more quickly in a high percentage of cases

## How it works

- tele-underwriting may not be used when evidence is automatically required due to age/sum insured
- calls can only be made on certain medical conditions, occupational queries and hazardous pursuits.
- after the call, we may still need to request further information from the doctor

**It is very important that your client has confidence in our service and therefore only fully trained underwriters are permitted to make these calls.**

## We will:

- talk to your client free of insurance jargon
- talk to your client as an individual, rather than follow a prescribed script
- appreciate that your client is talking to us about very personal and sensitive information
- encourage your client to talk to us openly and honestly
- listen to what your client has to say, rather than present them with a series of questions
- check a few other details while your client is on the phone, to protect them from non-disclosure
- summarise the conversation during the telephone call, rather than create a paper summary for your client to check at a later date.

# Policy administration

## General changes

Change of address	Nominated in writing and signed by the client or over the phone
Change of name	Nominated in writing with certified copy of change of name
Replacement policy	Statutory declaration confirming loss of documents
Banking details	Direct Debit form or over the phone

## Changes to cover

Reduction in cover	Written request from client, signed by all policy owners.
Decline indexation request	Written request, signed by all policy owners or over the phone.
Smoker status	Non-smoking declaration
Increases to cover	Policy administration form required in all cases
Review of existing loadings/exclusions	Policy administration form with appropriate questionnaire in all cases (any extra medical information will be at client's expense).

We are happy to review terms to the cover, particularly where it involves a medical condition, which has improved. To commence the process for reviewing these details please contact the administration or underwriting department.



## Switching between superannuation and non-superannuation cover

If the insured person has a FutureWise Super or Super Protector policy, held under the Macquarie Superannuation fund, the insured person can request the Trustee to transfer the cover into a FutureWise policy in their name, subject to superannuation laws. Similarly, the owner and insured person of a FutureWise policy can request that the insured person apply for membership of FutureWise Super or Super Protector and transfer the cover to the Trustee, subject to superannuation laws.

All transfers between superannuation and non-superannuation cover must be like for like cover, otherwise a full application and usual underwriting assessment will be required.

## Reinstatement of lapsed policy

If a policy lapses due to non-payment of the premium, your client may reinstate their policy within six months, based on the following:

Less than 6 months	reinstatement form to be completed and payment of monies owing
Over 6 months	cannot be reinstated, new application required and re-underwritten

# Claims guidelines

Macquarie Life's claims philosophy is to pay claims as quickly, effortlessly and with as much empathy as possible. Our aim is to offer a high level of service from claim notification right through until payment.

There is a four step process that will be followed in the claims process:

## Step 1: Notification

- Macquarie Life claims area can be contacted directly via our claims number: 1800 208 130 or via email: [insuranceclaims@macquarie.com](mailto:insuranceclaims@macquarie.com)  
This number can be used to either notify a claim or to discuss any claims queries that you or your client might have.
- If a claim is being notified, our trained claims officer will take as much information as possible over the phone.
- If the claimant is notifying Macquarie Life of the claim, we will gather as much information as we can via telephone and will send relevant claim forms together with a letter outlining the specific requirements needed for the initial assessment to be completed as well as the next steps in the claims management process. The adviser will be advised that a claim is being lodged.
- If the adviser is notifying the claim, again we will gather as much information as possible and relevant claim forms and other requirements will be sent together with a letter outlining the specific requirements needed and the next steps in the claims management process.
- Additional forms will also be sent to doctors, accountants, employers or whichever is appropriate for the specific claim notified.
- Authority to obtain Medicare and PBS records will also be sought at this time if relevant.
- In the case of a death notification, the availability of the Funeral Advancement benefit will be discussed.
- Macquarie Life claims assessors will endeavour to send the correct and relevant forms out in the first instance to try and reduce any further need for requirements at a later stage.

## Step 2: Initial assessment

- Once the relevant claim forms have been received in the claims area an initial assessment will be made.
- Upon completion of the assessment, as part of the claims management process, contact will be initiated with all relevant parties involved ie. adviser, client and doctor.
- Not all claims will have an adviser involved and in this case, contact will be initiated with the claimant and the doctor only.
- However, in situations where advisers are involved, contact will be initiated with them first and permission will be sought to contact the client directly. This will also provide the adviser with an opportunity to discuss any special needs their client may have and enable the adviser to discuss any queries or issues with regards to this claim.
- At the stage when contact is initiated, the outcome of initial assessment will be discussed as well as the Macquarie Life claims procedure, obligations of the relevant parties and expectations are set.
- For completion of this stage, a letter will be sent to relevant parties confirming the discussions within the initiated contacts and setting out client obligations and expectations.
- Our aim is to encourage open communication from the outset so that all parties are aware of their ongoing obligations which will ultimately enable us to work together in gaining the best possible outcome for adviser's and claimants.
- Macquarie Life also offers pro-active claims management in that should the client have any other benefits that would also qualify for payment, the claims assessor will notify the adviser of their client's eligibility to claim under these benefits.

## Step 3: Ongoing assessment

- For claims that are of an ongoing nature (disability income, business expenses), the client and adviser will be told upfront how often claim forms will be needed and by what date they should be submitted to ensure adequate payment.
- The claims assessor will make a case by case decision as to the frequency that ongoing claims information will be needed.
- Macquarie Life claims assessors will set expectations of return to work dates with the client both at the initial notification stage as well as on an ongoing basis throughout the claims process.

## Step 4: Payment

- Payment will be made into the client's nominated bank account on a date specified and communicated by the claims assessor.

Where we request an examination, assessment or financial audit by a person we nominate, we will meet the cost. Otherwise your client must meet the cost of satisfying our claim requirements.

In addition to the financial aspects of assessing claims, Macquarie Life will also offer three free counselling sessions for severe claims. This can be discussed with the claims assessor and will be offered where it is thought to be needed. Our claims assessors can also offer help in contacting relevant disease organisations e.g. Beyond Blue, as well as advise should rehabilitation be needed.

The claims assessor assigned to each case will be in regular contact with both the advisor and client and communicate with both in easy to understand language. Macquarie Life claims area offers a 48 hour turnaround on any communication.

In an effort to aid advisers with the management of claims, the Macquarie Life claims department are happy to meet and review ongoing complex claims or organise for monthly reviews (or when required) with advisers to discuss their open claims book when warranted. This will provide further opportunity for advisers to discuss any concerns or issues they may have and ensure that we continue to work together to meet their clients needs.

## Claims when there is an exclusion on the policy

Exclusions are generally intended to have effect on a claim only where the injury or *illness* for which the claim is being assessed is directly or indirectly related to the condition or pastime covered by the exclusion.

If it can be clearly shown that a new injury or new disease is the sole cause of the injury or *illness* and that the excluded condition(s) is totally unrelated and has not aggravated or contributed to the cause of the claim, then it is not expected that the exclusion would be relevant in Macquarie Life's assessment of the claim.

# Contacts

## Operations Team

- GPO Box 5216, Brisbane, QLD 4001
- Phone 1800 005 057 (available weekdays to 8pm EST)
- Email [insurance@macquarie.com](mailto:insurance@macquarie.com)
- Fax 1800 812 175

## Claims

- Phone 1800 208 130
- Email [insuranceclaims@macquarie.com](mailto:insuranceclaims@macquarie.com)

## Insurance Operations Manager

Brendan Norton  
Direct: 07 3233 8068  
[brendan.norton@macquarie.com](mailto:brendan.norton@macquarie.com)

## Training and Relationship Manager

Phillip Offenhauser  
Direct: 07 3233 8208  
[phillip.offenhauser@macquarie.com](mailto:phillip.offenhauser@macquarie.com)

## Principal Underwriter

Jenny Thompson  
1800 005 057  
Mobile 0414 820 126

## Senior Claims Assessor

Fifita Taukeiaho  
1800 208 130

## Insurance Sales Team

### National Sales Manager

Adam Lane  
Direct: 02 8232 6583  
Mobile: 0414 805 073  
adam.lane@macquarie.com

### Queensland

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rob.mcneill@macquarie.com

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michelle.dolan@macquarie.com

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aaron.boddy@macquarie.com

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Mobile: 0408 155 140  
gavin.glozier@macquarie.com

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tatiana.miroshnikoff@macquarie.com

### Victoria

Matthew Backman  
Direct: 03 9635 9138  
Mobile: 0414 496 329  
matthew.backman@macquarie.com

### Victoria/South Australia/Tasmania

Lauren Styles  
Direct: 03 9635 9274  
Mobile: 0417 566 357  
lauren.styles@macquarie.com



**MACQUARIE LIFE**  
FutureWise and Super Protector



**Admin/Underwriting**

Freecall 1800 005 057



**Fax Gateway**

1800 812 175



GPO Box 5216 Brisbane QLD 4001



[insurance@macquarie.com](mailto:insurance@macquarie.com)



**Claims**

Freecall 1800 208 130



[insuranceclaims@macquarie.com](mailto:insuranceclaims@macquarie.com)