

Life Insurance

# Accelerated Protection

Product Disclosure Statement | 28 October 2010

TOWER Australia Limited ABN 70 050 109 450 AFSL 237 848  
TOWER Australian Superannuation Limited ABN 69 003 059 407 AFSL 237 851  
TOWER Master Fund ABN 20 891 605 180

## Important Note

This Product Disclosure Statement (PDS) gives you important information about an insurance policy known as Accelerated Protection.

Accelerated Protection, also called the 'Policy', is issued by TOWER Australia Limited (TOWER, TAL, we, us, our). The formal terms and conditions of the Policy are set out in the Policy Document and the Policy Schedule which will be sent to you once the Policy is issued by us. The Policy Document is also available from your financial adviser or from our Customer Service Centre on 1300 209 088.

You can structure Accelerated Protection through the TOWER Master Fund (Fund) in which case:

- you become a member of the Fund;
- TOWER Australian Superannuation Limited (TASL) as Trustee of the Fund owns the Policy on your behalf;
- premiums and benefit payments are therefore made through the Fund and subject to restrictions in the superannuation law; and
- some features of the Policy will not apply.

This PDS gives you important information about structuring the Policy through the Fund.

You can also structure Accelerated Protection through a self-managed superannuation fund where you are a member of that fund.

Details of the insurer and Trustee are as follows:

TOWER Australia Limited  
ABN 70 050 109 450  
AFSL 237 848

TOWER Australian Superannuation Limited  
ABN 69 003 059 407  
AFSL 237 851

Both TAL and TASL take full responsibility for the whole of this PDS. However, TAL is not responsible for the operation of the Fund and TASL is not responsible for the operation of Accelerated Protection (but it does ensure that our claim decisions for members of the Fund are fair and reasonable).

The information in this PDS is current at the date of issue. From time to time we may change or update information that is not of significant importance by providing a notice of any such changes on our website, [www.toweraustralia.com.au](http://www.toweraustralia.com.au). If you'd like a free printed copy of the updated information, please contact our Customer Service Centre on 1300 209 088.

The information contained in this PDS is of a general nature and does not take into account your individual objectives, financial situation or needs. You should consider how appropriate the insurance is in regards to your objectives, financial situation and needs, and seek advice from your financial adviser before deciding on appropriate insurance cover.

Applications for Accelerated Protection or to join the TOWER Master Fund may be made by using the Accelerated Protection online platform or by completing the Accelerated Protection Application Form that is available from your financial adviser. You need to read and consider this PDS before making an application.

You will see that there are a number of terms in this PDS that have been capitalised. These terms have a particular definition when used in the PDS or Policy Document. We have included some of the most important definitions on page 33 of this PDS. All of the defined terms are explained fully in the Policy Document. If there is any inconsistency between this PDS and the Policy Document, the full terms and conditions contained in the Policy Document will prevail to the extent of the inconsistency. It's important to read these definitions carefully because their meanings are relevant to your decision to apply for cover, our assessment of your application, your eligibility for insurance cover, your

ability to make a claim and our decision in relation to any claim you may make. You should seek advice from your financial adviser if you're unsure of any of the definitions or what they mean for your insurance cover. In this PDS, 'Policy' means the Accelerated Protection Policy and the 'Policy owner' means the person who legally owns the Policy. Where you take Accelerated Protection through a superannuation fund, the trustee of the superannuation fund will be the Policy owner as it holds the Policy on your behalf.

We use 'Life Insured' to refer to the person whose life is insured under the Policy. 'You' and 'your' refer to either the Policy owner or the Life Insured as required by the context. If you are in any doubt, please speak to your financial adviser and read the Policy Document.

## Other important information

You should be aware that some Limitations and Exclusions will apply to your Policy. This means that in some cases we will not pay a claim or will pay a claim only in limited circumstances. Please see page 19 for a summary of the Limitations and Exclusions. We encourage you to read through the Accelerated Protection Policy Document and Policy Schedule carefully and make yourself aware of these conditions. Full details of the Limitations and Exclusions can be found in the relevant insurance terms and conditions set out in Part 9 of the Policy Document and the specific matters (if any) set out in your Policy Schedule. There are other risks you should consider when deciding to purchase this Policy, including:

- 1) that the insurance you have chosen might be inadequate to protect your circumstances;
- 2) that claims may not be paid and this Policy may be cancelled where you have failed to comply with the Duty of Disclosure set out on page 25; and
- 3) you have failed to pay your premium by the due date, in the circumstances described on page 23.

TOWER has won several awards that recognise our commitment to investing in life.

### Australian Banking and Finance Magazine Insurance Awards



2009 Best Life Insurance Company

### AFA Plan for Life



2009 Winner – Product and Premiums Award 2009

### Money magazine Best of the Best Awards



2010 Gold Winner –  
Best Income Protection  
Insurance





2009 Gold Winner –  
Best Income Protection  
Insurance





2009 Gold Winner – Best  
Term & TPD Risk Insurance

## Customer Service

 1300 209 088  
Monday to Friday  
8:00am – 7:00pm (AEST)

 1300 351 133

 accelerateservice  
@toweraustralia.com.au

 PO Box 142  
Milsons Point NSW 1565  
80 Alfred St  
Milsons Point NSW 2061

 www.toweraustralia.com.au

## Accelerated Protection Product Disclosure Statement

<b>About Accelerate Protection .....</b>	<b>3</b>
<b>Accelerated Protection Benefits .....</b>	<b>5</b>
Accelerated Protection Life insurance .....	5
Accelerated Protection Critical Illness insurance .....	6
Accelerated Protection TPD insurance .....	10
Accelerated Protection Income Protection .....	11
• Standard and Premier .....	12
• Optimal .....	16
Business Expense insurance .....	17
<b>Limitations and Exclusions .....</b>	<b>19</b>
Life insurance .....	19
Critical Illness insurance .....	20
TPD insurance .....	20
Income Protection Standard and Premier .....	21
Income Protection Optimal .....	22
Business Expense insurance .....	22
<b>What are the costs? .....</b>	<b>23</b>
<b>Important information about your cover .....</b>	<b>25</b>
Duty of Disclosure .....	25
Your cover – when it starts and ends and some important things for you to do .....	25
Interim Cover .....	25
Taxation .....	26
Your Privacy .....	26
Making a claim .....	26
Complaints Process .....	27
<b>TOWER Master Fund .....</b>	<b>28</b>
<b>Definitions .....</b>	<b>33</b>
<b>Direct Debit Arrangements .....</b>	<b>36</b>

# Contents

## TOWER – INVESTING IN LIFE

**Life insurance is an important part of your financial future. TOWER provides high quality, comprehensive and flexible protection options that are easy to apply for. Cover – that can be tailored to suit your needs right now and into the future.**

At TOWER, we're all about simple, innovative life solutions, and we believe our Accelerated Protection is the fastest, safest and simplest way to get life insurance for all your needs, no matter what your stage of life.

### Helping you embrace life's challenges

Accelerated Protection comprises a range of innovative plans that will help provide you and your family with the protection you need today. And as you journey through life, these plans have the flexibility to meet your changing needs.

### Quick to apply

We know you've got better things to do than wait for news about your insurance application. That's why we've made our application process as simple and straightforward as possible. We have reduced the need for medical evidence to ensure you get the cover you need, as quickly as possible.

### We're with you all the way

Quality service underpins our insurance offer, so you can rest assured that when the time comes, claims are handled expertly, sensitively and as quickly as possible.

TOWER provides life insurance needs to more than two million Australians. We have a history in life insurance that dates back more than 140 years and we're the only specialist life insurer listed on the Australian Securities Exchange (ASX).

### What you need to know

Please take the time to read the information in this Product Disclosure Statement carefully. Your financial adviser will help you work out the best insurance options to suit your individual circumstances. This PDS contains important information about this Policy. For all the terms and conditions, contact your financial adviser and ask for a copy of the Policy Document or call our Customer Service Centre on 1300 209 088.

### What happens next?

If we accept your application, you'll receive a Policy Schedule, which outlines your specific cover details, and a Policy Document, which contains the formal terms and conditions of insurance. Together, the Policy Schedule and Policy Document form your contract with us.


### If you change your mind

We offer a 30-day cooling-off period. This cooling-off period starts on the date the Policy is issued, which is the day we accept your application for insurance. If you change your mind before the end of the cooling-off period, as long as you haven't made a claim, you can return the Policy Document and Policy Schedule to us with a written request to cancel the policy. Naturally, we'll refund your premium in full.

If your Policy is structured through superannuation and you decide to cancel your application for insurance during the cooling-off period, your premium refund may be subject to superannuation preservation rules. This means that rather than a cash payment, your refund is rolled over to another complying superannuation fund. If you nominate a superannuation arrangement that does not accept the payment, the Trustee can only pay the refund to an eligible rollover fund.

### Contact Details

You can contact TOWER or the Trustee by:

 1300 209 088

 1300 351 133

 [accelerateservice@toweraustralia.com.au](mailto:accelerateservice@toweraustralia.com.au)

 [www.toweraustralia.com.au](http://www.toweraustralia.com.au)

 PO Box 142, Milsons Point, NSW 1565

## ABOUT ACCELERATED PROTECTION

### Accelerated Protection Overview

We provide a range of insurance choices including Life insurance, Critical Illness insurance, Total and Permanent Disability (TPD) insurance, Income Protection and Business Expense insurance.

#### Insurance through superannuation

Many people choose to structure their insurance through superannuation.

You can choose to structure your Accelerated Protection through a complying superannuation fund. This means the trustee of the fund becomes the Policy owner and you become a member of the fund.

When benefits are paid, they will be received by the trustee who will then distribute them in accordance with the governing rules of the superannuation fund and superannuation law.

Check with the trustee of your superannuation fund to see whether they are able to pay TOWER your insurance premiums from your member account. This would be the case for most self-managed superannuation funds.

If you are not a member of a complying superannuation fund, or you are a member of a fund which cannot pay us insurance premiums from your member account, you can still take out Accelerated Protection through superannuation by becoming a member of the TOWER Master Fund. This applies to Life insurance, TPD insurance and Income Protection.

If you structure your Accelerated Protection through superannuation, you may receive taxation benefits, so it's important to seek financial advice before you make this decision. Superannuation law is complex, so this advice should be specific to your circumstances. Please see Tax Information on page 31 for more information.

There are some important differences between owning your insurance yourself and purchasing your insurance through the TOWER Master Fund. For example, some benefits will not apply as set out in this PDS. However, in some circumstances purchasing insurance through superannuation may be more advantageous.

For more information about structuring your insurance through TOWER Superannuation please see page 28.

#### Life Insurance Plan

We pay a lump sum in the event of death or diagnosis of a Terminal Illness.

- ✓ Available through the TOWER Master Fund
- ✓ Attach Critical Illness and/or TPD insurance as benefits
- ✓ Link Critical Illness and/or TPD insurance as Plans

#### Critical Illness Insurance Plan

We pay a lump sum if you are diagnosed with a specified medical condition like Cancer, Heart Attack or Stroke.

We offer two levels of Critical Illness insurance:

- Critical Illness Insurance Plan Standard pays a lump sum for a specified medical condition with some added benefits.
- Critical Illness Insurance Plan Premier pays a lump sum for a specified medical condition with our full suite of added benefits.
- ✓ Attach TPD insurance as a benefit
- ✓ Link to Life insurance as a Plan

#### TPD Insurance Plan

We pay a lump sum for a serious and permanent disability.

- ✓ Link to Life insurance as a Plan

#### Income Protection Plan

We provide a replacement income when Sickness or Injury prevents you from working.

We offer three levels of cover:

- Income Protection Plan Standard pays a monthly benefit of up to 75% of your income with some added benefits.
- Income Protection Plan Premier pays a monthly benefit of up to 75% of your income with our full suite of added benefits.
- Income Protection Plan Optimal pays a monthly benefit for a specified timeframe depending on the cause of disability.
- ✓ Income Protection Plan Standard is available through the TOWER Master Fund

#### Business Expense Insurance Plan

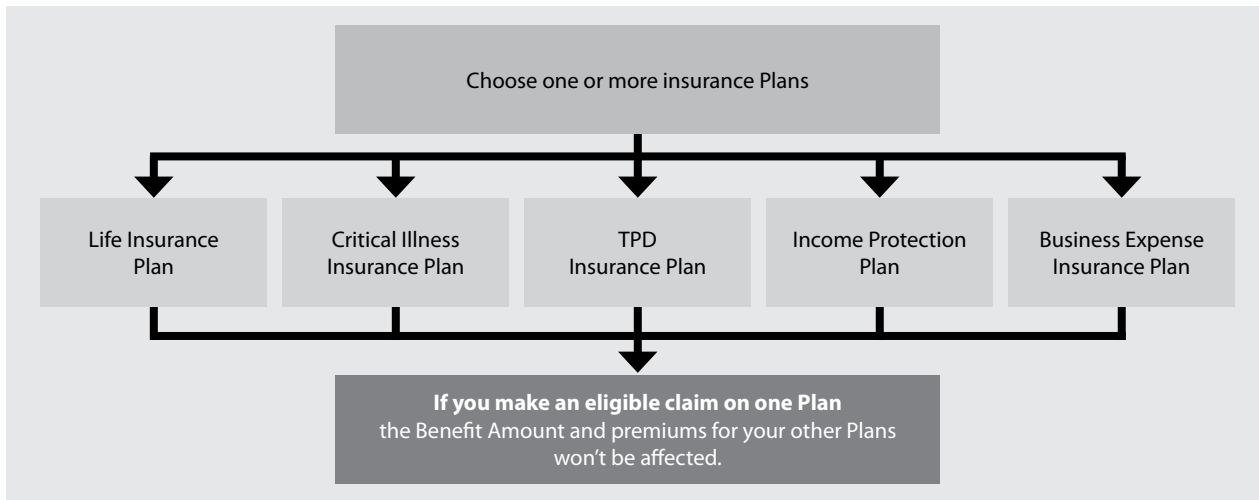
We provide a monthly payment to reimburse your business expenses while you're disabled.

## The flexibility to create a policy that suits your needs

You have a number of options for structuring Accelerated Protection to best suit your needs.

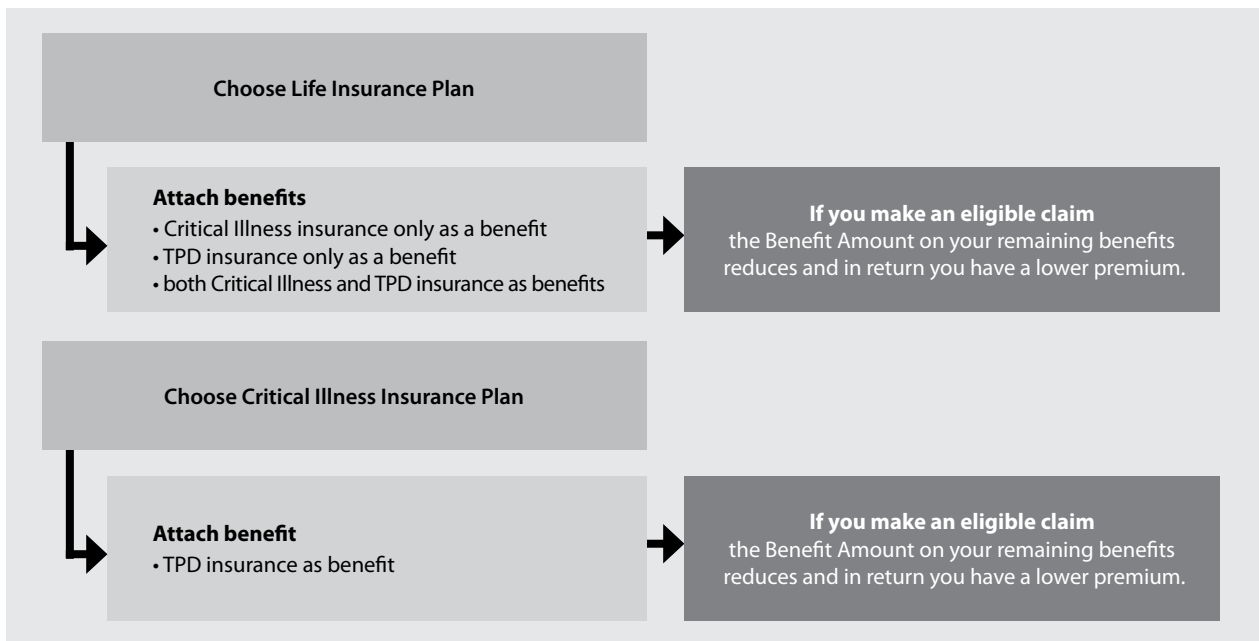
### Choose one or more insurance Plans

Each Plan can have the same or different Policy owner(s).

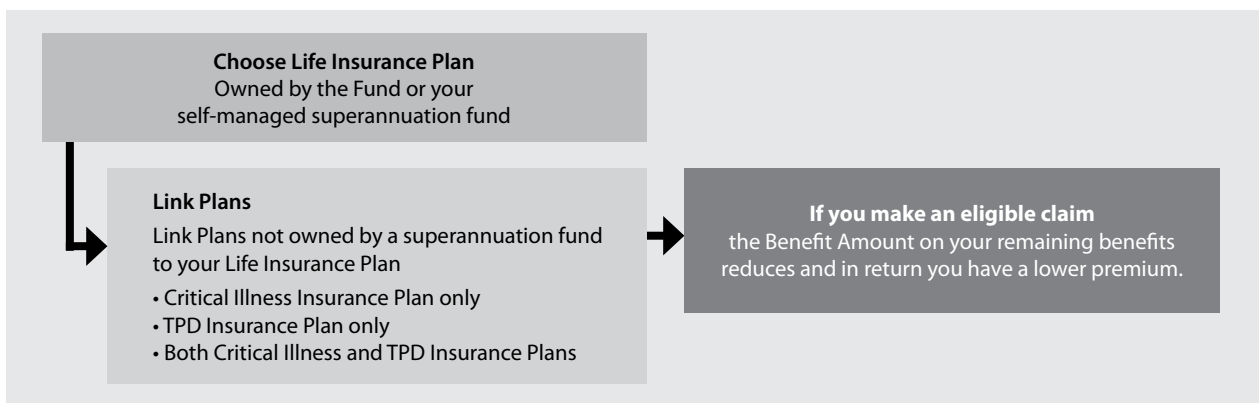


### Attach insurances as benefits to your Life Insurance Plan or Critical Illness Insurance

Plan Your Plan and attached benefits will have the same Policy owner(s).



### Structure your Life Insurance Plan through superannuation and link other Plans



## ACCELERATED PROTECTION BENEFITS

### Accelerated Protection Life insurance

We pay a lump sum in the event of death or diagnosis of a Terminal Illness. The amount we pay is the Benefit Amount you choose.

Eligibility	
<b>Premium type:</b> • Stepped premiums • Level premiums	<b>Entry ages (next birthday):</b> 16 – 75 16 – 55
<b>Expiry age</b>	Policy anniversary before the Life Insured turns 100.
<b>Maximum Benefit Amount that can be applied for</b>	Any financially justifiable amount.
<b>Available through the TOWER Master Fund</b>	Yes. For more information see page 28.

This section details some important information about the benefits included with Life insurance. For all the terms and conditions, speak to your financial adviser and ask for a copy of the Policy Document.

### Built-in Benefits

The following benefits are standard on our Life insurance.

Benefit	Description
<b>Death Benefit</b>	A lump sum payment if the Life Insured dies.
<b>Terminal Illness Benefit</b>	Early payment of the Benefit Amount if the Life Insured is diagnosed as Terminally Ill and expected to not survive longer than 12 months.
<b>Advanced Payment Benefit</b>	An advanced payment of 10% of the Benefit Amount, up to a maximum of \$25,000 as soon as we receive the death certificate or medical certificate confirming death of the Life Insured.
<b>Repatriation Benefit</b>	The Advanced Payment Benefit is increased to a maximum of \$35,000 if the insured dies overseas.
<b>Inflation Protection Benefit</b>	An annual automatic increase to your cover in line with Consumer Price Index, or not less than 5%. Increased cover affects your premium, so you have the option to remove this benefit, which may reduce the size of your premium increases.
<b>Premium Freeze Benefit</b>	Your premiums stay the same by reducing your cover each year. This is available from the Life Insured's 30th birthday on stepped premium policies only.
<b>Guaranteed Future Insurability Benefit</b>	Increase your cover without providing additional health information after significant life events such as marriage, having a baby, taking out a mortgage for your own home or increasing your stake in a business in which you are a key person. Applications must be made within the specified timeframe and before the Life Insured turns 55. Benefit increases can only be exercised once in any 12-month period and limits apply, for example the lesser of 25% of your original benefit or \$200,000. Not available if a medical loading or medical exclusion applies to your insurance.
<b>Financial Planning Benefit*</b>	We'll reimburse up to \$5,000 for professional financial planning advice if you receive a claim payment. Your financial plan must be prepared by a financial adviser within 12 months of the date we finalise your claim. We reserve the right to see a copy of the financial plan.
<b>Accommodation Benefit*</b>	Accommodation costs of an Immediate Family Member will be met, up to \$250 per day and for a period of up to 14 days, if we pay the Terminal Illness Benefit and the Life Insured is Bed Confined more than 100km away from home.
<b>Grief Counselling Benefit*</b>	This Benefit is available to you or your Immediate Family Member who need support and grief counselling in the event of a claim. Up to three counselling sessions may be available for the Life Insured and/or their immediate family with a counsellor approved by TOWER.

\*Not available through the TOWER Master Fund.

Built-in Benefits apply if Life insurance is shown on your Policy Schedule.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## Benefit Options

The following options are available on our Life insurance.

Benefit	Description
<b>Premium Relief Option</b>	We'll waive your premiums for a Life Insured while he or she is unable to work for at least three consecutive months due to Sickness or Injury. This option ends on the earlier of the Life Insured returning to work, earning an income or the Policy anniversary before their 65th birthday.
<b>Business Insurance Option*</b>	You can increase your Life insurance without providing additional health information on the occurrence of a valid business event. See below for more information on the Business Insurance Option.

\* Not available through the TOWER Master Fund.

Benefit Options only apply if shown on your Policy Schedule and are available at an additional cost.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

### Business Insurance Option

Under the Business Insurance Option, you can apply to increase cover with only financial information required, within 30 days of one of the below Business events, or within 30 days of the Policy anniversary following the Business event. A limit of one increase can be made each year, and the reason for the increase must be the same as that for which the application for the Business Insurance Option was made, as determined by us.

Business events:

- business value
- ✓ an increase in the Life Insured's share or value of the business entity for which this cover was originally established;
- key-person value
- ✓ an increase in the value of the Life Insured key-person to the business entity for which the cover was originally established; or
- loan guarantee
- ✓ an increase in the level of a business loan for which the Life Insured is a guarantor.

Applications must be made within the specified timeframe and prior to the Policy anniversary before the Life Insured turns 65. Limits apply to benefit increases, for example three times the original Benefit Amount to a set maximum depending on the type of insurance.

If you exercise this option, the following benefits will not apply:

- Inflation Protection Benefit
- Guaranteed Future Insurability Benefit
- Death Buy-Back Option on TPD insurance
- Death Buy-Back Benefit on Critical Illness insurance
- Premium Relief Option
- Double TPD Option
- Double Critical Illness Option.

### Accelerated Protection Critical Illness insurance

We pay a lump sum if you are diagnosed with a specified medical condition like Cancer, Heart Attack or Stroke. We pay the Benefit Amount you choose even if you're still able to work.

We give you the flexibility to have Critical Illness insurance in three different ways:

- on its own;
- Attached to Life insurance; or
- Linked to Life insurance.

Eligibility	
<b>Premium type:</b> • Stepped premiums • Level premiums	<b>Entry ages (next birthday):</b> 16 - 62 16 - 55
<b>Expiry age</b>	Policy anniversary before the Life Insured turns 70. Policy anniversary before the Life Insured turns 100 if Attached or Linked to Life insurance.
<b>Maximum Benefit Amount that can be applied for</b>	\$2,000,000 If Critical Illness insurance is Attached or Linked, it cannot exceed the Life insurance.
<b>Available through the TOWER Master Fund</b>	No.

This section details some important information about the benefits included with Critical Illness insurance. Medical conditions covered under Critical Illness insurance are defined in the Policy Document and are only paid if the condition or the circumstances leading to the claim first occurs after the Plan start date. For all the terms and conditions, including the definitions of the conditions covered, speak to your financial adviser and ask for a copy of the Policy Document.



## Built-in Benefits

To help you choose the Critical Illness insurance that suits your needs, we've included a table of benefits comparing Critical Illness insurance Standard with Critical Illness insurance Premier.

Standard	Premier	Benefit	Description
✓	✓	<b>Critical Illness Benefit</b>	A lump sum payment for a range of conditions listed on page 8 until the Policy anniversary before the Life Insured turns 70. If your Critical Illness insurance is Attached or Linked to Life insurance, cover continues but the only Critical Illness condition that applies is Loss of Independent Existence.
✓	✓	<b>Paralysis Support Benefit</b>	We double the lump sum payment, to a maximum of \$2,000,000, if the Life Insured becomes paralysed.
✓	✓	<b>Death Buy-Back Benefit</b>	An option to repurchase your Life insurance after the payment of 100% of Critical Illness insurance. This benefit only applies if Critical Illness insurance is Attached or Linked to Life insurance. The repurchased cover is subject to the limitations and conditions applicable to the original. The Death Buy-Back Benefit does not apply where you have selected the Double Critical Illness Option or the Double TPD Option.
✓	✓	<b>Inflation Protection Benefit</b>	An annual automatic increase to your cover in line with Consumer Price Index or not less than 5%. Increased cover affects your premium, so you have the option to remove this benefit, which may reduce the size of your premium increases.
✓	✓	<b>Premium Freeze Benefit</b>	Your premiums stay the same by reducing your cover each year. This is available from the Life Insured's 30th birthday on stepped premium policies only.
✓	✓	<b>Guaranteed Future Insurability Benefit</b>	Increase your cover without providing additional health information after significant life events such as marriage, having a baby, taking out a mortgage for your own home or increasing your stake in a business in which you are a key person. Applications must be made within the specified timeframe and before the Life Insured turns 55. Benefit increases can only be exercised once in any 12-month period and limits apply, for example the lesser of 25% of your original benefit or \$200,000. Not available if a medical loading or medical exclusion applies to your insurance.
✓	✓	<b>Financial Planning Benefit</b>	We'll reimburse up to \$5,000 for professional financial planning advice if you receive a claim payment. Your financial plan must be prepared by a financial adviser within 12 months of the date we finalise your claim. We reserve the right to see a copy of the financial plan.
✓	✓	<b>Accommodation Benefit</b>	Accommodation costs of an Immediate Family Member will be met, up to \$250 per day and for a period of up to 14 days, if we pay the Critical Illness Benefit and the Life Insured is confined to bed more than 100km away from home.
✓	✓	<b>Grief Counselling Benefit</b>	This Benefit is available to you or your Immediate Family Member who need support and grief counselling in the event of a claim. Up to three counselling sessions may be available for the Life Insured and/or their immediate family with a counsellor approved by TOWER.
✗	✓	<b>Advancement Benefit</b>	An advance payment to cover immediate expenses if the Life Insured experiences one of the events listed in the Advancement Benefit Events table on page 8, to the amount shown. Payment of this benefit reduces your Critical Illness Benefit by the amount paid.
✗	✓	<b>Female Critical Illness Benefit</b>	We pay an early payment of 20% of your Benefit Amount (to a maximum of \$50,000) for conditions including Pregnancy Complications and Congenital Abnormalities events. See the conditions covered and further information on page 9. Payment of this benefit reduces your Critical Illness Benefit by the amount paid.

Built-in Benefits apply if Critical Illness insurance Standard or Premier is shown on your Policy Schedule.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

### Critical Illness conditions

The following conditions are covered by our Critical Illness insurance. so please take the time to review this list carefully. For some Critical Illness conditions, we pay less than 100% of the Benefit Amount, for example Angioplasty payments are limited to 25% of the Critical Illness benefit, up to a maximum of \$50,000.

Heart Conditions	Neurological conditions	Permanent conditions	Organ disorders
• Angioplasty* <sup>^</sup>	• Alzheimer's Disease	• Blindness	• Chronic Kidney Failure
• Aortic Surgery	• Coma	• Loss of Hearing	• Chronic Liver Failure
• Cardiomyopathy	• Dementia	• Loss of Independent Existence	• Chronic Lung Failure
• Coronary Artery Bypass Surgery*	• Encephalitis and Meningitis	• Loss of a Single Limb	• Major Organ Transplant
• Heart Attack*	• Major Head Trauma	• Loss of Speech	• Pneumonectomy
• Heart Valve Surgery*	• Meningococcal Disease		• Severe Burns
• Primary Pulmonary Hypertension	• Motor Neurone Disease		• Severe Diabetes <sup>#</sup>
• Triple Vessel Angioplasty*	• Multiple Sclerosis		
	• Muscular Dystrophy		
	• Paralysis		
	• Parkinson's Disease		
	• Stroke*		
Blood disorders	Cancer	Other events	
• Aplastic Anaemia	• Benign Brain Tumour	• Intensive Care	
• Medically Acquired HIV	• Cancer*	• Severe Rheumatoid Arthritis <sup>#</sup>	
• Occupationally Acquired HIV			

\* Some restrictions apply to these conditions. Refer to the Policy Document for more information. These conditions are also not covered under Accelerated Protection Interim Cover. For more information on Interim Cover see page 25 or speak to your financial adviser and ask for a copy of the Interim Cover Certificate.

<sup>^</sup> This condition has a maximum payment of \$50,000, unless a benefit is payable under Triple Vessel Angioplasty.

<sup>#</sup> This condition only applies under Critical Illness insurance Premier.

### Advancement Benefit

The events and the amount to be paid under the Advancement Benefit are listed in the following table.

Advancement Benefit Events	Amount to be paid
• Loss of Hearing in one ear; or • Loss of Sight in one eye	10% of the Benefit Amount to a maximum of \$100,000
• Carcinoma In Situ; • Early Stage Chronic Lymphocytic Leukaemia; • Early Stage Melanoma; or • Early Stage Prostate Cancer	25% of the Benefit Amount to a maximum of \$100,000
• Adult onset insulin-dependent diabetes mellitus; • Severe Crohn's Disease; or • Severe Ulcerative Colitis	20% of the Benefit Amount to a maximum of \$100,000
• Partial Alzheimer's Disease	25% of the Benefit Amount to a maximum of \$50,000

## Female Critical Illness Benefit

The following conditions are covered by our Female Critical Illness Benefit. Cover under Female Pregnancy Complications and Congenital Abnormalities ends at the Policy anniversary before the Life Insured turns 45.

Female Critical Illness Events	Medical conditions	
Female Pregnancy Complications	<ul style="list-style-type: none"> <li>Eclampsia of Pregnancy</li> <li>Disseminated Intravascular Coagulation</li> <li>Ectopic Pregnancy</li> </ul>	<ul style="list-style-type: none"> <li>Hydatidiform Mole</li> <li>Still Birth</li> </ul>
Congenital Abnormalities*	<ul style="list-style-type: none"> <li>Down's Syndrome</li> <li>Spina Bifida Myelomeningocele</li> <li>Tetralogy of Fallot</li> </ul>	<ul style="list-style-type: none"> <li>Transposition of Great Vessels</li> <li>Congenital Blindness</li> <li>Congenital Deafness</li> </ul>
Other Events	<ul style="list-style-type: none"> <li>Osteoporosis</li> </ul>	<ul style="list-style-type: none"> <li>Lupus</li> </ul>

\*The child must survive 30 days or longer.

Please note that Female Pregnancy Complications and Congenital Abnormalities are only covered from 12 months after the Plan start date. Other Events are covered three months after the Plan start date.

## Benefit Options

The following options are available on both Standard and Premier Critical Illness insurance.

Benefit	Description
Critical Illness Reinstatement Option	Allows you to repurchase your Critical Illness insurance 12 months after receiving 100% of the Critical Illness benefit. Applications must be made within the specified timeframe and before the Life Insured turns 65. The repurchased cover will be subject to the limitations and conditions applicable to the original policy.
Double Critical Illness Option	This option is available when Critical Illness insurance is Attached to Life insurance and means that payment of the Critical Illness Benefit will not reduce your Life insurance and future premiums will be waived. The Life insurance will not be eligible for Increases under the Guaranteed Future Insurability and the Business Insurance Option (if applicable) when the Critical Illness Benefit is paid. The Life Insured must survive a Critical Illness Event for at least 14 days to be eligible to claim under this option.
Child's Critical Illness Option	We pay a lump sum payment of \$50,000 if an insured child first suffers from one or more of the conditions listed below and we offer grief counselling to immediate family members.
Premium Relief Option	We'll waive your premiums for a Life Insured while he or she is unable to work for at least three consecutive months due to Sickness or Injury. This option ends on the earlier of the Life Insured returning to work, earning an income or the Policy anniversary before their 65th birthday.
Business Insurance Option	You can increase your Critical Illness insurance in line with Life insurance without medical underwriting on the occurrence of a valid business event. See page 6 for more information on the Business Insurance Option. Only available when Critical Illness insurance is Attached to Life insurance.

Benefit Options only apply if shown on your Policy Schedule and are available at an additional cost.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## Child's Critical Illness Option

The following conditions are covered by our Child's Critical Illness Option, so please take the time to review this list carefully.

This option is available for your financially dependent children aged between two and 15 at the time of application. Cover expires on the Policy anniversary before the insured child's 19th birthday.

<ul style="list-style-type: none"> <li>Death</li> <li>Terminal Illness</li> <li>Aplastic Anaemia</li> <li>Benign Brain Tumour</li> <li>Blindness</li> <li>Cancer*</li> <li>Cardiomyopathy</li> </ul>	<ul style="list-style-type: none"> <li>Chronic Kidney Failure</li> <li>Coma</li> <li>Encephalitis and Meningitis</li> <li>Heart Attack*</li> <li>Loss of Hearing</li> <li>Loss of Limbs</li> <li>Loss of Limbs and Sight</li> <li>Loss of Speech</li> </ul>	<ul style="list-style-type: none"> <li>Major Head Trauma</li> <li>Major Organ Transplant</li> <li>Meningococcal Disease</li> <li>Paralysis (the Paralysis Support Benefit will not apply)</li> <li>Severe Burns</li> <li>Stroke*</li> <li>Subacute Sclerosing Panencephalitis</li> </ul>
--	---	--

\* Some restrictions apply to these conditions. Refer to the Policy Document for more information

## Accelerated Protection TPD insurance

We pay a lump sum for serious and permanent disability. We pay the Benefit Amount you choose.

We give you the flexibility to have TPD insurance in four different ways:

- on its own;
- Attached to Life insurance;
- Attached to Critical Illness insurance; or
- Linked to Life insurance.

Eligibility	
<b>Premium type:</b> <ul style="list-style-type: none"> <li>• Stepped premiums</li> <li>• Level premiums</li> </ul>	<b>Entry ages (next birthday):</b> 16 - 62 16 – 55
<b>Expiry age</b>	Policy anniversary before the Life Insured turns 65. Policy anniversary before the Life Insured turns 100 if Attached or Linked to Life Insurance.
<b>Maximum Benefit Amount that can be applied for</b>	\$5,000,000 (Restrictions apply depending on occupation and age.) If TPD insurance is Attached or Linked it cannot exceed the Life insurance and/or Critical Illness insurance.
<b>Available through the TOWER Master Fund</b>	Yes when Attached to Life insurance. For more information see page 28.

This section details some important information about the benefits included with TPD insurance. For all the terms and conditions, speak to your financial adviser and ask for a copy of the Policy Document.

### Built-in Benefits

The following benefits are standard on our TPD insurance.

Benefit	Description
<b>TPD Benefit</b>	A lump sum payment if the Life Insured becomes Totally and Permanently Disabled. Your definition of TPD depends on which of the following definitions applies under your insurance: <ul style="list-style-type: none"> <li>• Any Occupation;</li> <li>• Own Occupation; or</li> <li>• Activities of Daily Living (ADL).</li> </ul> After 65, if your TPD insurance is Attached or Linked to Life insurance and your definition is Any Occupation or Own Occupation, your definition is replaced with cover for Loss of Independent Existence, Loss of Limbs and Blindness. For more information on these definitions see page 33. Unless structured through the TOWER Master Fund, we also make advanced payments of this benefit if the Life Insured suffers the Loss of a Single Limb or the Loss of Sight in one eye. Payment is the lesser of 25% of the Benefit Amount or \$500,000. Payment made once only and reduces the TPD benefit by the amount paid. Only available if the condition or circumstances leading to the claim occur after the Plan start date.
<b>Inflation Protection Benefit</b>	An annual automatic increase to your cover in line with Consumer Price Index or not less than 5%. Increased cover affects your premium, so you have the option to remove this benefit which may reduce the size of your premium increases.
<b>Premium Freeze Benefit</b>	Your premiums stay the same by reducing your cover each year. This is available from the Life Insured's 30th birthday on stepped premium policies only.
<b>Guaranteed Future Insurability Benefit</b>	Increase your cover without providing additional health information after significant life events such as marriage, having a baby, taking out a mortgage for your own home or increasing your stake in a business in which you are a key person. Applications must be made within the specified timeframe and before the Life Insured turns 55. Benefit increases can only be exercised once in any 12-month period and limits apply, for example the lesser of 25% of your original benefit or \$200,000. Not available if a medical loading or medical exclusion applies to your insurance.

Benefit	Description
<b>Financial Planning Benefit*</b>	We'll reimburse up to \$5,000 for professional financial planning advice if you receive a claim payment. Your financial plan must be prepared by a financial adviser within 12 months of the date we finalise your claim and we reserve the right to see a copy of the financial plan.
<b>Accommodation Benefit*</b>	Accommodation costs of an Immediate Family Member will be met, up to \$250 per day and for a period of up to 14 days, if we pay the TPD Benefit and the Life Insured is confined to bed more than 100km away from home.
<b>Grief Counselling Benefit*</b>	This Benefit is available to you or your Immediate Family Member who need support and grief counselling in the event of a claim. Up to three counselling sessions may be available for the Life Insured and/or their immediate family with a counsellor approved by TOWER.

\*Not available through the TOWER Master Fund.

Built-in Benefits apply if TPD insurance is shown on your Policy Schedule. For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## Benefit Options

The following options are available on TPD insurance.

Benefit	Definition
<b>Death Buy-Back Option</b>	You can repurchase your Life insurance after the payment of 100% of TPD insurance. This option is only available if TPD insurance is Attached or Linked to Life insurance. The repurchased cover will be issued subject to the limitations and conditions applicable to the original policy. The Death Buy-Back Option is not available where the Double Critical Illness Option or the Double TPD Option has been selected.
<b>Double TPD Option*</b>	This option is available when TPD insurance is Attached to Life insurance and means that payment of the TPD Benefit will not reduce your Life insurance and future premiums will be waived. The Life insurance will not be eligible for Increases under the Guaranteed Future Insurability and the Business Insurance Option (if applicable) when the TPD Benefit is paid.
<b>Premium Relief Option</b>	We'll waive your premiums for a Life Insured while he or she is unable to work for at least three consecutive months due to Sickness or Injury. This option ends on the earlier of the Life Insured returning to work, earning an income or the Policy anniversary before their 65th birthday.
<b>Business Insurance Option*</b>	You can increase your TPD insurance in line with Life insurance without medical underwriting on the occurrence of a valid business event. See page 6 for more information on the Business Insurance Option. Only available when TPD insurance is Attached to Life insurance.

\* Not available through the TOWER Master Fund.

Benefit Options only apply if shown on your Policy Schedule and are available at an additional cost. For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## Accelerated Protection Income Protection

We provide a replacement income when Sickness or Injury prevents you from working. The amount we pay depends on the cover you choose.

Cover	Benefit	Waiting Period and Benefit Period
<b>Income Protection Standard</b>	Pays a monthly benefit to replace up to 75% of your income for Total or Partial Disability. Comprehensive protection with a range of standard benefits.	You choose your: <ul style="list-style-type: none"> <li>• Waiting Period or the length of time off work before you're eligible to receive benefits</li> <li>• Benefit Period or the length of time benefits are paid.</li> </ul>
<b>Income Protection Premier</b>	Pays a monthly benefit to replace up to 75% of your income for Total or Partial Disability. Comprehensive protection with the full range of benefits.	
<b>Income Protection Optimal</b>	Pays a monthly benefit for a set period of time, depending on the cause of disability.	Waiting Period and Benefit Period determined by the cause of disability.

The following sections detail some important information about the different types of Income Protection. Before choosing your Income Protection, you should consider your personal needs and talk to your financial adviser about your individual requirements. For all the terms and conditions of this insurance, speak to your financial adviser and ask for a copy of the Policy Document.

## Income Protection Standard and Premier

Eligibility	
<b>Premium type:</b> <ul style="list-style-type: none"> <li>• Stepped premiums</li> <li>• Level premiums</li> </ul>	<b>Entry ages (next birthday):</b> 19 - 64 (for certain occupations and Benefit Periods it may be 19 – 55) 19 – 55
<b>Expiry age</b>	Policy anniversary before the Life Insured turns 65 for 1, 2, 5 year and 'to age 65' Benefit Periods. This increases to 70 for a 'to age 70' Benefit Period and 100 for the Extended Care Benefit.
<b>Maximum Benefit Amount (inclusive of Retirement Protection Option and Disability Plus Option) that can be applied for</b>	\$30,000 per month for Benefit Periods of five years or greater. A further \$30,000 per month is available on a one or two year Benefit Period.
<b>Type of cover (this affects the amount of benefit payable)</b>	<ul style="list-style-type: none"> <li>• Indemnity</li> <li>• Agreed</li> </ul>
<b>Waiting Periods available</b>	<ul style="list-style-type: none"> <li>• 2 weeks</li> <li>• 4 weeks</li> <li>• 8 weeks</li> <li>• 13 weeks</li> <li>• 26 weeks</li> <li>• 52 weeks</li> <li>• 104 weeks</li> </ul>
<b>Benefit Periods available</b>	<ul style="list-style-type: none"> <li>• 1 year</li> <li>• 2 years</li> <li>• 5 years</li> <li>• to age 65</li> <li>• to age 70</li> </ul>
<b>Available through the TOWER Master Fund</b>	Yes for Income Protection Standard. For more information see page 28.

See page 33 of this PDS for some important definitions relating to Income Protection. Please note that some features may not be available for certain occupations and age groups.

### Built-in Benefits

To help you choose the Income Protection that suits your needs, we've included a table of benefits comparing Income Protection Standard with Income Protection Premier.

Income Protection		Benefit	Description
Standard	Premier		
✓	✓	<b>Total Disability Benefit</b>	A monthly payment that covers up to 75% of the Life Insured's normal ongoing income if Totally Disabled at the end of your chosen Waiting Period. The Benefit Amount is paid monthly in arrears.
✓	✓	<b>Partial Disability Benefit</b>	A monthly payment when the Life Insured is only able to work in a reduced capacity due to Sickness or Injury. The Benefit Amount takes the Life Insured's Pre-Disability Earnings and any Monthly Earnings during the month into account.  For Premier, if the Life Insured is unable to work for more than ten hours per week, his or her Monthly Earnings will not be taken into account. Please see definitions on page 34.
✓	✓	<b>Inflation Protection Benefit</b>	An annual automatic increase to your cover in line with Consumer Price Index or not less than 5%. Increased cover affects your premium, so you have the option to remove this benefit, which may reduce the size of your premium increases.
✓	✓	<b>Death Benefit</b>	A lump sum payment of six times the Benefit Amount to \$50,000 if the Life Insured dies.
✓	✓	<b>Concurrent Disability Benefit</b>	If Total or Partial Disability results from separate Sickness or Injury, your benefit payments are calculated according to the Sickness or Injury that provides the highest payment. This ensures you are always receiving the maximum benefit you are entitled to.
✓	✓	<b>Recurrent Disability Benefit</b>	If a disability recurs from the same or related cause within 12 months of a claim ending, we treat it as a continuation of the original claim which means no Waiting Period before payments recommence. Please note all claim periods will be added together to calculate the maximum Benefit Period for the disability.

Income Protection		Benefit	Description
Standard	Premier		
✓	✓	<b>Waiver of Premium Benefit</b>	We waive your Income Protection premiums while the Life Insured receives a benefit payment for Total or Partial Disability.
✓	✓	<b>Elective Surgery Benefit</b>	The Life Insured is considered Totally Disabled due to Sickness if they're disabled as a result of a transplant, surgery to improve their appearance or elective surgery on the advice of a medical professional. Not applicable when surgery occurs within six months of commencement, reinstatement or an increase in benefit.
✓	✓	<b>Extended Care Benefit</b>	We extend your Income Protection when the Life Insured reaches the Plan end date if you have held the policy for ten or more years at standard rates and you have not made a claim 13 months prior to policy end. Includes a more restrictive definition of disability.
✓	✓	<b>Bed Confinement Benefit</b>	For each day you're confined to bed, on the advice of a Medical Practitioner, a proportion of the Benefit Amount can be paid under certain circumstances. The confinement must continue for three consecutive days or more during the Income Protection Waiting Period.
✓	✓	<b>Family Support Benefit</b>	We pay a monthly benefit of up to \$3,000 for up to three months if a family member stops paid work to care for the Life Insured. The Life Insured must be Totally Disabled for 30 consecutive days to be eligible. Benefit is reduced by the amounts reimbursed from elsewhere.
✓	✓	<b>Housekeeper Benefit</b>	We pay a monthly benefit of up to \$3,000 to a non-family member that the Life Insured is totally reliant upon. The Life Insured must be totally disabled for 30 consecutive days and bed confined at home to be eligible. Benefit is reduced by the amounts reimbursed from elsewhere.
✓	✓	<b>Scheduled Injury Benefit</b>	We pay for a specific period for certain events, based on the nature of the injury. See page 14 for more information.
✓	✓	<b>Blood Borne Disease Benefit</b>	If the Life Insured is a health care professional and they contract a blood borne disease such as HIV, Hepatitis B or C and they either normally perform Exposure Prone Procedures or suffer a reduction in patients due to disclosing the disease, we will assess as disabled even if they are physically able to work.
✗	✓	<b>Child Care Benefit</b>	A Child Care Benefit is available for a maximum of three months to reimburse costs incurred in relation to providing outside care for any children under the age of 12 as a result of your Sickness or Injury.
✗	✓	<b>Child's Critical Illness Benefit</b>	We will pay a lump sum payment of three times the Benefit Amount to a maximum of \$25,000 if your child suffers a Critical Illness Event listed on page 9 under the Child's Critical Illness Option.
✗	✓	<b>Rehabilitation Benefit</b>	Cover for participation in a pre-approved Rehabilitation Program. The amount paid is 50% of the Benefit Amount.
✗	✓	<b>Rehabilitation Expense Reimbursement Benefit</b>	We reimburse for participation in a pre-approved Rehabilitation Program to a maximum of six times the Benefit Amount but excludes medical consultations or therapy.
✗	✓	<b>Overseas Assistance Benefit</b>	Reimbursement of up to three times the Benefit Amount for airfare costs for emergency transportation back to Australia if the Life Insured suffers Total Disability overseas lasting for at least 30 consecutive days.
✗	✓	<b>Accommodation Benefit</b>	Reimbursement of accommodation costs for your family of up to \$250 per day, for a maximum of 30 days, when the Life Insured is Totally Disabled, and needs to travel more than 100km from home for treatment.
✗	✓	<b>Job Security Benefit</b>	We pay the Life Insured's employer one payment of the Benefit Amount, if the insured is Totally Disabled for two months and subsequently returns to paid work with the same employer. To be eligible, the Life Insured must not directly or indirectly own all or part of the business.



Income Protection		Benefit	Description
Standard	Premier		
X	✓	<b>Involuntary Unemployment Benefit</b>	We waive your Income Protection premiums, including premiums for any optional benefits, if the Life Insured becomes involuntarily unemployed for reasons other than Sickness or Injury for up to three consecutive months from the date of unemployment. The Life Insured will continue to be covered over this period. This only applies if you have had cover for six months and you are both the policy owner and the Life Insured. You must resume paying premiums at the end of this period.
X	✓	<b>Return to Work Benefit</b>	If the Life Insured returns to paid work for at least 30 hours a week following three months of receiving Rehabilitation Benefits, we'll pay the Benefit Amount when returning to work, and again on the three and six-month anniversaries of consecutive employment.
X	✓	<b>Premium Pause Benefit</b>	Temporarily suspend your premiums and cover for up to 12 months if you become unemployed or are on long term leave. Available after 12 months of cover. Acceptable evidence must be provided. Insurance must be restarted within 12 months. There'll be no cover during the suspension for a 90-day period after the restart.
X	✓	<b>Cover Continuation Benefit</b>	If the Life Insured is 55 or less at the time cover started and you have selected a Benefit Period that ends at age 65, and the Life Insured is still working, you can continue cover until age 70 with a one-year Benefit Period without providing additional health information. Not available if on claim or a medical loading or medical exclusion applies.
X	✓	<b>Guaranteed Future Insurability Benefit</b>	Increase your insurance by up to 15% every third Policy anniversary, to a maximum of \$30,000, without providing additional health information after an income increase. Not available if health or pastime loadings or exclusions apply to your cover.
X	✓	<b>Change of Waiting Period Benefit</b>	Shorten your Waiting Period if your employment status changes. Occupational and financial evidence required. See page 15 for the Change of Waiting Period Benefit table.

Built-in Benefits apply if Income Protection Standard or Premier is shown on your Policy Schedule.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

### Scheduled Injury Benefit (not applicable when structured through the TOWER Master Fund)

The Scheduled Injury Benefit provides payment for a specific period for certain events, based on the nature of the injury and their potential impact to your lifestyle and ability to earn an income.

If you suffer from a scheduled injury, no Waiting Period applies to your benefit payments and the payment period as outlined in the table below. Under the Scheduled Injury Benefit, you can choose to receive your benefit payments monthly in arrears or in advance for the first six months of any payment period.

If the scheduled injury makes you eligible for a benefit payment under the Accident Benefit Option or the Critical Illness Option as described under Optional Benefits on page 15, and/or the Scheduled Injury Benefit, the greater of these benefit payments will be paid.

Insured Event	Payment Period (in months)
Paralysis*	60
Loss of:	
• both feet or hands or sight in both eyes	24
• any combination of two of, a hand, a foot and sight in one eye	24
• one leg or arm	18
• one foot or hand or sight in one eye	12
• the thumb and index finger of the same hand	6
Fracture of the:	
• thigh or pelvis	3
• leg (between the knee and foot), kneecap, upper arm, shoulder bone or jaw	2
• skull (excluding bones of the nose and face)	2
• forearm (above the wrist), collarbone or heel	1
• wrist	1
• vertebrae	1

\* In the event of Paralysis where the Benefit Period is one or two years, we will consider you Totally Disabled for the same period as the Benefit Period.



### Change of Waiting Period Benefit

The Waiting Period can be shortened as per the following table.

Existing Waiting Period	New shortened Waiting Period
104 weeks or 52 weeks	13 weeks or 26 weeks
26 weeks	13 weeks
13 weeks	4 weeks

### Benefit Options

The following options are available on Income Protection Standard and Premier.

Income Protection		Benefit	Description
Available to both Standard and Premier	Available through TOWER Master Fund		
✓	✓	<b>Increasing Claim Option</b>	Ensures your benefit payments keep up with inflation. While you are receiving payments, we will increase benefit payments in line with Consumer Price Index on the anniversary of the commencement of continuous benefit payments. This increase is capped to 5% if Income Protection is structured through the TOWER Master Fund.
✓	✓	<b>Accident Benefit Option</b>	A proportion of your overall Benefit Amount is paid for each day the Life Insured is disabled if they are injured and Totally Disabled for three consecutive days during the Waiting Period. Only available under two and four-week Waiting Periods.
✓	✗	<b>Critical Illness Option</b>	A lump sum payment of six times the Income Protection Benefit Amount may be provided for a range of conditions including Cancer, Heart Attack and Stroke. This payment helps cover the financial impact of medical treatment and expenses. This option is only available for Waiting Periods up to and including 13 weeks. The Critical Illness conditions covered are the same as those under the Critical Illness Benefit within Critical Illness Standard insurance, as listed in the table on page 8.
✓	✗	<b>Retirement Protection Option</b>	Increase protection by up to an additional 10% of Monthly Earnings, to a maximum benefit of \$3,000, to ensure your superannuation savings continue to grow while the Life Insured is disabled. The maximum Benefit Amount that can be applied for is inclusive of the amount insured under this option.
✓	✗	<b>Disability Plus Option</b>	Increase protection by up to an additional 50% of Monthly Earnings on top of the Benefit Amount to a maximum \$15,000 per month to protect against severe disability. The maximum Benefit Amount that can be applied for is inclusive of the amount insured under this option.
<b>Not available for Premier</b>	✓	<b>Mental Health Discount Option</b>	Receive a premium discount if you reduce your Benefit Period for mental illness to a maximum of 24 months in total. Not available: <ul style="list-style-type: none"> <li>• on Income Protection Premier</li> <li>• on a 52 or 104 week Waiting Period</li> <li>• if your Benefit Period is one or two years</li> <li>• if the Life Insured has a history of mental illness and a mental health exclusion would be applied during underwriting.</li> </ul>

Benefit Options only apply if shown on your Policy Schedule and are available at an additional cost.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## Income Protection Optimal

Eligibility	
<b>Premium type:</b> <ul style="list-style-type: none"> <li>• Stepped premiums</li> <li>• Level premiums</li> </ul>	<b>Entry ages (next birthday)</b> 19 - 64 (60 for certain occupations) Not available
<b>Expiry age</b>	Policy anniversary before the Life Insured turns 70.
<b>Maximum Benefit Amount that can be applied for</b>	\$30,000 per month All applications are subject to the Life Insured's financial needs.
<b>Available through the TOWER Master Fund</b>	No

See page 33 of this PDS for some important definitions relating to Income Protection Optimal. Some features may not be available for certain occupation and age groups.

### Built-in Benefits

The following benefits are standard on Income Protection Optimal.

Benefit	Description
<b>Total Disability Benefit</b>	We pay a monthly benefit if the Life Insured is Totally Disabled due to a: <ul style="list-style-type: none"> <li>• Specified Injury;</li> <li>• Specified Critical Illness; or</li> <li>• Sickness or Injury other than a Specified Injury or Specified Critical Illness.</li> </ul> See page 17 for more information. The amount we pay will vary depending on the length of the claim.
<b>Partial Disability Benefit</b>	We pay a monthly benefit if the Life Insured is Partially Disabled following a period of Total Disability of at least 14 continuous days. Where Partial Disability is caused by an Injury or Sickness (other than a Specified Critical Illness), the Partial Disability Benefit starts to accrue at the end of 30 continuous days of disability and will be paid monthly in arrears. Partial Disability must occur prior to the Life Insured's 65th birthday.
<b>Waiver of Premium Benefit</b>	We waive your Income Protection Optimal premiums while the Life Insured receives a benefit payment for Total or Partial Disability.
<b>Death Benefit</b>	A lump sum payment of three times the monthly benefit, up to \$50,000, if the Life Insured dies while we are paying a benefit under Income Protection Optimal.
<b>Recurring Claim Benefit</b>	If a disability recurs from the same or related cause within 12 months of a claim ending, it will be treated as a continuation of the original claim and the benefits will recommence for the remaining part of the benefit period. You also have the option of having the claim treated as a new claim.
<b>Inflation Protection Benefit</b>	An annual automatic increase to your cover in line with Consumer Price Index or not less than 3%. Increased cover affects your premium, so you have the option to remove this benefit, which may reduce the size of your premium increases.
<b>Blood Borne Disease Benefit</b>	If the Life Insured is a health care professional and they contract a blood borne disease such as HIV, Hepatitis B or C and they either normally perform Exposure Prone Procedures or suffer a reduction in patients due to disclosing the disease, we will assess as disabled even if they are physically able to work.

Built-in benefits apply if Income Protection Optimal is shown on your Policy Schedule.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

### Total Disability caused by a Specified Injury

If the Life Insured is Totally Disabled due to a Specified Injury, we pay the Total Disability Benefit for the Minimum Payment Period that applies to the Specified Injury as shown below. Payments are made monthly in advance from the first day of Total Disability, whether or not the Life Insured is working.

Specified Injury	Minimum Payment Period
1. The total and permanent loss of the use of: A. the hand from the wrist; or B. the foot from the ankle joint.	12 months
2. The total and irrecoverable loss of an eye or the sight in an eye.	12 months
3. The complete severance of the thumb and index finger from the first phalangeal joint on the same hand.	6 months
4. The Fracture of: A. Leg above the knee (femur), pelvis;	3 months
B. Leg below the knee (tibia or fibula)	2 months
C. Ankle, heel;	2 months
D. Kneecap;	2 months
E. Vertebrae;	2 months
F. Upper arm (humerus), shoulder bone (scapula), elbow;	2 months
G. Wrist;	1.5 months
H. Forearm (radius or ulna), collarbone (clavicle); or	1 month
I. Skull, jaw	1 month

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

### Total Disability caused by a Specified Critical Illness

If the Life Insured is Totally Disabled due to a Specified Critical Illness listed, we pay the Total Disability Benefit monthly in arrears from the first day of Total Disability.

The Critical Illness conditions covered are the same as those under the Critical Illness Benefit as listed in the table on page 8, with the exception of the following conditions that are not available on Income Protection Optimal:

- Loss of a Single Limb;
- Severe Rheumatoid Arthritis; and
- Severe Diabetes

We pay an increased Benefit Amount for the first six months of claim that is equal to 95% of the income we used to determine the Benefit Amount. After the first six months, the amount we pay depends on Pre-Disability Earnings starting at 90% and reducing to 75%. The Policy Document sets out how the amount we pay varies.

### Total Disability caused by a Sickness or Injury other than a Specified Injury or Specified Critical Illness

If the Life Insured is Totally Disabled due to an Injury or Sickness other than a Specified Injury or a Specified Critical Illness, the Total Disability Benefit starts to accrue at the end of 30 consecutive days of Total Disability. The Total Disability Benefit is paid monthly in arrears.

## Business Expense insurance

We provide a monthly payment to reimburse the regular fixed operating expenses of your business if you're unable to work due to Sickness or Injury. To be eligible, you must be off work for your chosen Waiting Period.

Fixed operating expenses include accounting fees, advertising, audit fees, business insurance premiums, cleaning, costs ordinarily incurred in the employment of non-revenue generating employees, electricity, gas, heating, interest payments, leasing costs, loan principal repayments (that are pre-existing, ongoing and business related), net costs of a locum (a person sourced external to the Life Insured's business and is a direct replacement for the Life Insured. The 'net cost of a locum' arises when the gross sales, income or billings generated by the locum are less the fees incurred for that locum), professional dues, rates, rent and telephone charges.

The following Business Expenses are generally not included: equipment, fittings, fixtures, implements, merchandise, products or wares, personal remuneration and salaries of revenue-generating employees.

### Eligibility

<b>Premium type:</b> • Stepped premiums • Level premiums	<b>Entry ages (next birthday):</b> 19 - 60 (for certain occupations it may be 19 - 55). 19 - 55
<b>Expiry age</b>	Policy anniversary before the Life Insured turns 65.
<b>Waiting periods available</b>	2 or 4 weeks
<b>Benefit period</b>	1 year
<b>Maximum Benefit Amount that can be applied for</b>	\$60,000 per month
<b>Available through the TOWER Master Fund</b>	No

This section details some important information about the benefits included with Business Expense insurance. For all the terms and conditions, speak to your financial adviser and ask for a copy of the Policy Document.

## Built-in Benefits

The following benefits are standard on Business Expense insurance.

Benefit	Description
<b>Total Disability Benefit</b>	A monthly payment up to the Benefit Amount to reimburse the Life Insured's fixed business operating expenses if Totally Disabled at the end of the Waiting Period. Benefit is paid monthly in arrears.
<b>Partial Disability Benefit</b>	A monthly payment up to the Benefit Amount to reimburse the Life Insured's fixed business operating expenses if Partially Disabled at the end of the Waiting Period. Benefit is paid monthly in arrears.
<b>Death Benefit</b>	A lump sum payment of three times the Benefit Amount to a maximum of \$50,000 if the Life Insured dies.
<b>Payment Extension Benefit</b>	We extend the payment period if after one year the Life Insured is still Totally or Partially Disabled and a sum of 12 times the Benefit Amount has not been paid. The payment extension ends on the earliest of the following: <ul style="list-style-type: none"> <li>• the Life Insured being no longer disabled;</li> <li>• the end of a second 12 month period;</li> <li>• the Plan finishing; or</li> <li>• the payment of 12 times the Benefit Amount.</li> </ul>
<b>Lease Extension Benefit</b>	If the Life Insured is still disabled after receiving benefits for 12 consecutive months, we pay up to 25% of the Benefit Amount for an additional 18 months to cover the Life Insured's share of lease costs. Lease costs include equipment, motor vehicles or premises.
<b>Loss of Profits Benefit</b>	We'll reimburse up to 75% of the Life Insured's monthly average profit for his or her business, for up to 12 months, if he or she suffers a loss in profits after taking two months off work due to total disablement and subsequently returns to work. The loss in profits must be solely due to the Life Insured being Totally Disabled.
<b>Elective Surgery Benefit</b>	The Life Insured is considered Totally Disabled due to Sickness if they're disabled as a result of a transplant, surgery to improve their appearance or elective surgery on the advice of a medical professional. Not applicable when surgery occurs within six months of commencement, reinstatement or an increase in benefit.
<b>Inflation Protection Benefit</b>	An annual automatic increase to your cover in line with Consumer Price Index or not less than 3%. Increased cover affects your premium, so you have the option to remove this benefit, which may reduce the size of your premium increases.
<b>Recurrent Disability Benefit</b>	If a disability recurs from the same or related cause within 12 months of a claim ending, it will be treated as a continuation of the original claim. This means no Waiting Period before benefits recommence. Please note that all claim periods will be added together to calculate the maximum Benefit Period for the particular disability.
<b>Waiver of Premium Benefit</b>	We waive your Business Expenses premiums while the Life Insured receives a benefit payment for Total or Partial Disability.

Built-in Benefits apply if Business Expense insurance is shown on your Policy Schedule. For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## Benefit Options

The following option is available on Business Expense insurance.

Benefit	Description
<b>Accident Benefit Option</b>	This Benefit Option only applies if shown on your Policy Schedule and is available at an additional cost. For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

This Benefit Option only applies if shown on your Policy Schedule and is available at an additional cost.

For circumstances where a benefit will not be paid, please see Limitations and Exclusions on page 19. Your Policy Document will contain the formal terms and conditions.

## LIMITATIONS AND EXCLUSIONS

Each benefit available under Accelerated Protection is subject to terms and conditions that, amongst other things, help us to make decisions on payments in a consistent and fair manner.

These terms and conditions are contained in the Policy Document, which will be sent to you once your application for insurance is accepted. A copy is also available from your financial adviser or by calling our Customer Service Centre on 1300 209 088.

When deciding on the right protection for your needs, you should consider our limitations and exclusions outlined below and how they apply to certain benefits. These limitations and exclusions modify the circumstances in which we will pay a claim and the amount payable in particular circumstances. These are set out in the Policy Document.

We are also not liable to pay a claim or may reduce a benefit arising from or in any way connected with anything we have specifically excluded or adjusted in your Policy Schedule. Please be aware, if you purchase Accelerated Protection to replace an existing policy, until you cancel the other policy, no claim will be paid under Accelerated Protection. If the previous policy is not cancelled and a claim occurs, any premiums paid to us will be refunded, and no benefit will be paid.

### Benefit Limitations

The person in relation to whom a claim has been made has an obligation to mitigate his or her loss. This means that person must not knowingly contribute to the severity or longevity of the disability the subject of a claim, or the claim or a part of the claim may not be accepted.

The Life Insured must follow the reasonable advice of a Medical Practitioner. This includes following and actively participating in a recommended course of treatment and rehabilitation for any conditions on which the claim is being made.

Both the eligibility and extent of any claim payments relating to Sickness or Injury will be based solely on the impact of the Sickness or Injury. We will exclude any claims made on the basis of additional impact due to economic, seasonal or non-medical factors.

### Life insurance

#### When will we not pay on Life insurance?

No payments will be made under Life insurance, and any optional benefits, if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the Life Insured within 13 months of the later of the:

- Plan start date;
- date of an applied-for increase but only in respect of the increase amount; or
- most recent date we agreed to reinstate either the Plan or Policy.

We will waive the above exclusion if, immediately prior to the commencement of cover, you had death cover on the Life Insured which was current for at least 13 consecutive months (without the death cover lapsing and/or being reinstated) with TOWER or another insurer, and you have replaced the death cover with Life insurance (hereunder). The waiver will only apply up to the level of cover you had with TOWER or the other insurer. Should you reinstate your death cover at any time, this exclusion will recommence from the date of reinstatement.

No premiums will be waived under the Premium Relief Option if the event giving rise to the claim is caused directly or indirectly by:

- an intentional, self-inflicted act 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.

# Limitations & Exclusions

## When will Life insurance be reduced?

Where the Policy Schedule indicates that TPD insurance is Attached or Linked to Life insurance then payments under TPD insurance will reduce the Life insurance Benefit Amount by the amount paid. Where the Policy Schedule indicates that Critical Illness insurance is Attached or Linked to Life insurance, then payments under Critical Illness insurance will reduce the Life insurance Benefit Amount by the amount paid.

## Critical Illness insurance

### When will we not pay on Critical Illness insurance?

No payments will be made under Critical Illness insurance and any optional benefits:

- if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the Life Insured; or
- in the case of Angioplasty, Coronary Artery Bypass Surgery, Cancer, Heart Attack, Heart Valve Surgery, Triple Vessel Angioplasty, Stroke, Carcinoma In Situ, Early Stage Chronic Lymphocytic Leukaemia, Early Stage Melanoma, Early Stage Prostate Cancer or Adult onset insulin-dependent diabetes mellitus if the condition occurred or was diagnosed, or the signs or symptoms leading to diagnosis became apparent to the Life Insured or would have become apparent to a reasonable person in the position of the Life Insured, within three months after the later of the:
  - Plan start date;
  - date of an applied for increase but only in respect of the increase; or
  - most recent date we agreed to reinstate either the Plan or Policy.

We will waive this three-month period if, immediately prior to the commencement of cover, TOWER or another insurer covered the Life Insured for the same specified Critical Illness events and you have transferred your critical illness cover to Critical Illness insurance hereunder (and the transfer was not within TOWER's or the other insurer's three-month period). The waiver will only apply up to the level of critical illness cover that you had with TOWER or the other insurer. Should you reinstate your cover at any time, the three-month period will recommence from the date of reinstatement.

Unless Attached or Linked to Life insurance, no payment will be made under Critical Illness insurance unless the Life Insured survives a Critical Illness Event for at least 14 days. No payment will be made under the Premium Relief Option if the event giving rise to the claim is caused directly or indirectly by:

- an intentional, self-inflicted act 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.

Under the Child's Critical Illness Option no payments will be made for Cancer or Stroke if that event occurred or was

diagnosed, or the signs or symptoms leading to diagnosis became apparent, within three months after the later of the:

- Child's Critical Illness Option start date; or
- most recent date we agreed to reinstate either the Plan or Policy.

No payment will be made under the Child's Critical Illness Option if the Critical Illness Event is caused directly or indirectly by the intentional act of a person who stands to derive a benefit from the claim payment.

### When will Critical Illness insurance be reduced?

The Benefit Amount will be reduced by payments under the:

- Advancement Benefit;
- Critical Illness Event: Angioplasty;
- Paralysis Support Benefit; or
- Female Critical Illness Benefit

Where Critical Illness insurance is Attached or Linked to Life insurance, the Benefit Amount will be reduced by any Death Benefit, Terminal Illness Benefit or TPD insurance Attached or Linked to Life insurance (if applicable) paid. Where TPD insurance is Attached to Critical Illness insurance then payments under TPD insurance will reduce the Attached Critical Illness insurance Benefit Amount by the amount paid.

## TPD insurance

### When will we not pay on TPD insurance?

No payment will be made under TPD insurance and any optional benefits, if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the Life Insured.

No premiums will be waived under the Premium Relief Option if the event giving rise to the claim is caused directly or indirectly by:

- an intentional, self-inflicted act 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.

Unless Attached or Linked to Life insurance, no payment will be made under TPD insurance unless the Life Insured survives the Sickness or Injury which resulted in Total and Permanent Disability for at least 14 days.

### When will TPD insurance be reduced?

Where TPD insurance is Attached or Linked to Life insurance, the Benefit Amount will be reduced by any Death Benefit, Terminal Illness Benefit or Critical Illness insurance Attached or Linked to Life insurance (if applicable) paid.

Where TPD insurance is Attached to Critical Illness insurance, the Benefit Amount will be reduced by any Critical Illness insurance paid.



## Income Protection Standard and Premier

### When will we not pay on Income Protection Standard or Premier?

No payment will be made under Income Protection and any optional benefits, if the event giving rise to the claim is caused directly or indirectly by:

- an intentional, self-inflicted act by the Life Insured;
- 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.

No payment will be made under the Critical Illness Option unless the Life Insured survives a Critical Illness Event for at least 14 days.

### Income Protection Standard and Premier Adjustments

Adjustments to the Plan only apply to payments under Total and Partial Disability Benefits.

If the occupation class of the Life Insured is AAA or AA+, a reduction will only be made if the Life Insured received other payment(s) through any other individual or group disability income insurance, credit or mortgage insurance not disclosed at the time of, or subsequently taken out after, underwriting, increase in benefits or reinstatement of the Policy.

For all other occupation classes, 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, or subsequently taken out after, underwriting, increase in benefits or reinstatement of the Policy; 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 the Plan.

When Income Protection is structured through the TOWER Master Fund, 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, or subsequently taken out after, underwriting, increase in benefits or reinstatement of the Policy;
- 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 the Plan; or 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, it will be converted to 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 an adjustment applies it will be to ensure that the Benefit Amount plus the other payments is not greater than 75% of the first \$26,666 (\$320,000 p.a.) of Pre-Disability Earnings, 50% of the next \$20,000 (\$240,000 p.a.) to a maximum \$30,000 (\$360,000 p.a.) monthly Benefit Amount except in either of the following circumstances:

- Where the monthly Benefit Amount is greater than \$30,000 (\$360,000 p.a.) through increases under the Inflation Protection Benefit a reduction will apply to ensure that the amount paid over \$30,000 is not greater than 20% of Pre-Disability Earnings greater than \$46,666 (\$560,000 p.a.); and
- Where you have an additional benefit for a Benefit Period of one or two years in addition to the maximum Benefit Amount, a reduction will apply to the additional benefit to ensure that the amount paid for this additional benefit plus the other payments is not greater than 20% of Pre-Disability Earnings greater than \$46,666 (\$560,000 p.a.) to a maximum of \$30,000 monthly Benefit Amount (\$360,000 p.a.).

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; and**

**B = the average monthly Income Protection 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 your Income Protection was current prior to the claim starting.

### Maximum Benefit Payable

Where you have Income Protection (Standard or Premier), Retirement Protection Option and Disability Plus Option benefits payable, the maximum monthly benefit payable on any one claim is \$30,000, plus any increases applicable under the Inflation Protection Benefit. Where You also have an additional Benefit Amount for a Benefit Period of one or two

years, this additional benefit (inclusive of Retirement Protection Option and Disability Plus Option) will also be restricted to \$30,000 plus any increases applicable under the Inflation Protection Benefit.

## Income Protection Optimal

### When will we not pay on Income Protection Optimal?

No payment will be made under Income Protection Optimal, if the event giving rise to the claim is caused directly or indirectly by:

- an intentionally self-inflicted act by the Life Insured;
- uncomplicated pregnancy;
- war or an act of war at any time, even if the disability manifests itself after the war or warlike activity; or
- any other specific event or cause agreed between you and us.

No benefit is payable unless the Life Insured seeks advice and undertakes treatment from a Medical Practitioner, and continues to do so during the currency of any period of Total Disability or Partial Disability.

We may reduce or decline to pay benefits during any period or periods of Total Disability or Partial Disability which are caused by failure to seek and follow medical advice or treatment.

### Income Protection Optimal Adjustments

For Income Protection Optimal, if the Life Insured is self-employed and we classify his or her occupation as AAA or AA+, we will not reduce any Total Disability or Partial Disability Benefit payable because money is recoverable from other sources.

In all other cases, we will recalculate the Total Disability or Partial Disability Benefit taking into account:

- payments from an employer or previous employer (such as sick leave);
- worker's compensation or social security payments in respect of lost income (excluding any specified pain or suffering component); and
- regular payments received from other disability or income protection insurance policies.

We will recalculate the Total Disability or the Partial Disability Benefit so that the amount we pay, when added to the Life Insured's Earned Income and the other amounts listed above, does not exceed the benefit otherwise payable.

If any of the amounts listed above are paid as a lump sum, we will treat them as if they had been paid in the form of an equivalent annual amount calculated by our actuary by reference to the circumstances in which the payments were made. If benefits are reduced in accordance with this provision, a proportionate refund of premiums paid will be made (where premiums are not otherwise being waived), as long as we are not obliged to pay the amount reduced to another entity. The refund will be calculated by multiplying the percentage reduction in Total Disability or Partial Disability Benefit by the monthly premium referable to the period of Total Disability or Partial Disability during which the benefit is reduced.

## Business Expense insurance

### When will we not pay on Business Expense insurance?

No payment will be made under Business Expense insurance if the event giving rise to the claim is caused directly or indirectly by:

- an intentional, self-inflicted act by the Life Insured;
- 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.

### Business Expense insurance Adjustments

Adjustments to the 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 business expense insurance.

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; and**

**B = the average monthly premium 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 Business Expense insurance was current prior to the claim starting.



## WHAT ARE THE COSTS?

**The cost of your Policy depends on a range of factors, including the type of cover, the Life Insured's age and gender, whether or not the Life Insured smokes and how often you choose to pay your premiums.**

We also take the Life Insured's occupation, health, income and personal pastimes into account. Once we know a little bit about the Life Insured and the cover he or she requires, we can then determine the basic costs involved. Sometimes discounts may apply to certain policies, however these may not apply for the full term of your Policy.

In addition to the Policy cost, Government duties and charges are included in your premium and a Policy Fee will also apply. Please see page 24 for details of the Policy Fee.

To give you an idea of the costs involved, our minimum premium is currently \$220 a year for a new Policy and \$110 a year for an increase to an existing Policy. A table of premium rates is available upon request, although we recommend you contact your financial adviser to obtain an accurate quotation for your circumstances.

When you are provided with a Policy Schedule, you should read it carefully. The Schedule will show you the first year's premium amount or the first installment premium amount. The premium amount will also include any extra amounts charged to you when we accepted your application or reinstated your Policy or a Plan under it.

### Premium payable

All premiums are payable in advance, by the due date shown in your Policy Schedule (unless otherwise advised).

For subsequent years, we'll advise you of your new premium before each Policy anniversary.

### Payment frequency

Premiums are payable either yearly, half-yearly, quarterly or monthly. A frequency discount of approximately eight per cent applies to yearly or half-yearly premiums.

Premiums may be paid by:

- direct debit
- credit card (MasterCard or Visa)
- cheque (for quarterly, half-yearly and yearly payments only)
- BPAY (Biller Code: 7955).

### Non-payment or late payment of premiums

If we do not receive premiums by the due date, you will be sent a reminder notice and allowed a grace period of 30 days, beyond the premium due date, in which to pay the premium. If we do not receive the payment by the end of the grace period stated in your reminder notice, your Policy will lapse and your insurance will no longer apply. If this happens, you will need to apply to have your Policy reinstated if you require continuation of the cover at a later time.

### Stepped premiums

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

### Level premiums

Level premiums are based on the Life Insured's age at the Plan start date and premium costs are spread evenly over the life of the policy. This generally means your premium will only increase if your Benefit Amount increases, including through the Inflation Protection Benefit. Level premiums revert to Stepped Premiums Rates on the Policy anniversary date immediately preceding the Life Insured's 65th birthday.

### Changes in premium

We can increase the premium rates or Policy Fees. If we do increase these, you will be advised of the change prior to the increase taking effect. However, Level premium rates for Life insurance are guaranteed not to increase until the Policy anniversary date prior to the Life Insured's 65th birthday, except if due to any increase due to any tax, duty or charge introduced by Government.

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, once the risk is accepted.

### Additional increases to Benefit Amounts

In some circumstances, we may agree to accept a voluntary increase in Benefit Amounts, even where a voluntary increase, if accepted, would result in the Benefit Amount exceeding the limits set out under the relevant Plan Conditions. We may write to you from time to time to see if you wish to request a voluntary increase. Any request for a voluntary increase is subject to the Duty of Disclosure outlined and will involve a recalculation of your premium.

## Policy Fee

In addition to your premium, a Policy Fee is payable under Accelerated Protection. This fee is included in the premium payment described in the Policy Schedule. The Policy Fee amount included in each premium payment depends on the premium frequency, as shown in the table below.

Policy Fee		
Premium frequency	Per instalment	Annual equivalent
Yearly	\$77.00	\$77.00
Half Yearly	\$38.50	\$77.00
Quarterly	\$21.00	\$84.00
Monthly	\$7.00	\$84.00

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 the Indexation Factor or five per cent.

## Commission

We may pay commissions and other benefits to your financial adviser. Any amounts paid are factored into the cost of your Policy.

## Can TOWER cancel your Policy?

As long as your premium payments are up-to-date, your Policy will remain current until the Plan end date. This means your insurance Policy will continue regardless of any changes in your health, occupation, pastimes or income.

We will honour claim payments in line with the Policy Conditions if:

- you have complied with the Duty of Disclosure; and
- you and the Life Insured have answered all questions in your Application Form honestly and accurately.

## IMPORTANT INFORMATION ABOUT YOUR COVER

### Duty of Disclosure

Before you enter into an insurance contract with us, you are required under the Insurance Contracts Act 1984 to provide us with the information we need to decide whether we'll accept your application for insurance, what terms will apply and what your premium will be.

You, and the person whose life is to be insured under Accelerated Protection, must comply with the Duty of Disclosure as described below.

Your Duty of Disclosure applies:

- from the moment you start completing the Accelerated Protection Policy application questions, even though you don't have to provide us with your signature until we have accepted your insurance
- to the period between your application being submitted and when we advise that we have accepted your application for insurance
- if you apply to vary or replace your Accelerated Protection Policy.

You must answer all of our questions honestly and completely. You must tell us everything you know and everything that a reasonable person in the circumstances could be expected to know is relevant to our decision whether to insure you and whether any special conditions need to apply to your Accelerated Protection Policy.

You do not need to tell us about any matter that diminishes our risk, is of common knowledge, that we know or should know as an insurer or that we tell you we do not need to know.

If you have not disclosed all relevant matters to us and we would not have entered into the contract of insurance on any terms had we known about those matters, we may avoid the Accelerated Protection Policy from commencement. This means that we can treat your Accelerated Protection Policy as if it never existed and we would not be liable to pay any claims. Alternatively, we may decide to reduce the Benefit Amount for your cover to an amount we would have been prepared to cover for the premium amount paid, had you disclosed all the relevant facts to us.

If you have applied for Your Accelerated Protection Policy via a financial adviser it is also Your responsibility to ensure that the information provided to Your adviser is accurate and complete.

### Your cover – when it starts and ends and some important things for you to do

In many cases, we are able to make an immediate decision based on your application. If we accept your application and you have paid the first premium, your cover will start immediately.

When you decide to purchase an Accelerated Protection Policy and we agree to provide cover, you will receive a Policy Schedule and Policy Document which set out the terms of the contract between TOWER and you as the Policy owner.

The Policy Schedule indicates the Plan start date, identifies the Policy owner, and outlines the benefits, options, specific exclusions and adjustments that apply to a Life Insured. You will need to provide the Policy Schedule to us if you have to make a claim under Accelerated Protection.

Please read this Policy Document and the Policy Schedule carefully to ensure the terms and conditions meet your needs. These are important documents and should be kept in a safe place.

If the Policy is altered at any time you will receive a new Policy Schedule or confirmation reflecting the agreed changes.

If the Policy is owned by more than one person, it will be owned on a joint tenancy basis.

The date your cover ends depends on the conditions outlined in the Policy Document.

### Interim cover

If we're unable to make an immediate decision on your application (this can either be your fully completed application form or your application submitted online from your adviser), we will give you Interim Cover. Interim Cover is limited cover, but the protection it provides may give you some peace of mind before your Application has been finalised. It applies from the date we receive your Application and is provided in accordance with the terms and conditions of the Interim Cover Certificate.

Interim Cover is subject to the Accelerated Protection underwriting guidelines. This means the amount of Interim Cover (if any) can't be verified until we either complete our assessment of your application (subject to any special terms or conditions) or we decide that assessment is not possible. A claim during the interim cover period may also affect our assessment of your application and the terms of any Policy that we may subsequently issue to you. For more information, please read the Interim Cover Terms and Conditions that your financial adviser will give to you.

# About Your Cover

## Taxation

If you are considering the tax implications of purchasing cover, it is important you seek independent, professional taxation advice. The complexity of taxation laws and rulings is such that this advice should be specific to your circumstances regarding any tax implications of purchasing a policy or investing in or contributing to superannuation. The following information regarding the taxation rules in force at the date of this statement is provided as a general guide only.

We reserve the right to make changes to Accelerated Protection and premium rates in response to any taxation or other legal changes.

### Goods and Services Tax

Accelerated Protection is treated as input taxed under the Goods and Services Tax Act 1999 and any cost of GST will be included in the premium rates. An input tax credit will not be available to the Policy owner.

### Tax deductions

For Income Protection and Business Expense insurance, premiums are generally tax deductible and benefits paid are generally assessable as income. This is not the case for Life, TPD and Critical Illness insurances. This may vary if insurance is affected for business purposes and you should seek professional taxation advice. Contributions to a superannuation fund may also be eligible for tax deductions.

### Capital Gains Tax


Benefits payable under this Policy may be assessed under the capital gains provisions if you are not the original beneficial owner of Accelerated Protection (as defined under the Income Tax Assessment Act 1997), and you acquired Accelerated Protection for consideration.


### Tax Withholding

We usually do not deduct or remit tax from claim payments, unless required to by law.

## Your Privacy

The way in which we collect, use and disclose your personal and sensitive information is explained in our Privacy Policy. Our Privacy Policy is available free of charge and if you would like a copy or if you have any questions about the way in which we manage your information please contact us using the details below:

 1300 209 088

 1300 133 260

 [accelerateservice@toweraustralia.com.au](mailto:accelerateservice@toweraustralia.com.au)

 [www.toweraustralia.com.au](http://www.toweraustralia.com.au)

 PO Box 142, Milsons Point, NSW 1565

Personal information will be collected from or in respect of you to enable us to provide or arrange for the provision of its insurance products. We may request further personal information in the future, for example, if you want to make a claim. If you do not supply the required information, we may not be able to provide the requested product or service or pay the claim.

In processing and administering your insurance (including at the time of claim) we may disclose your personal information to other parties such as organisations to whom we outsource our mailing and information technology, Government regulatory bodies and other companies within the TOWER Group and accountants (if applicable). We may also disclose your personal information (including health information) to other bodies such as the reinsurers, your financial adviser, health professionals, investigators, lawyers, external complaints resolution bodies and as required or authorised by law.

We rely on the accuracy of the information you provide. If you think that we hold information about you that is incorrect, please let us know.

Under the current Privacy Principles, you are generally entitled to access the personal information we hold about you. To access that information, simply make a request in writing. This process enables us to confirm your identity for security reasons and to protect your personal information from being sought by a person other than yourself.

If, for any reason we decline your request to access and/or update your information, we will provide you with details of that reason.

## Making a claim

When it comes to making a claim you need to follow the requirements set out in your Policy Document.

After you become aware of any claim or potential claim under Accelerated Protection, you must notify us at your earliest opportunity.

Claims will only be paid if the requirements in the Policy Document have been met. We will tell you what information we need at each stage of your claim. We usually require you to complete a claim form and certain claim information. You must prove your claim in such a manner as we may reasonably request. Furthermore, we may require proof of any continuing entitlement from time to time, medical examinations at our expense and assistance (for Income Protection claims) in the ongoing management of the claim, including participation in recovery and rehabilitation support programs.

No benefit will be payable under this Policy without proof of age being submitted to us. Since age and status as a smoker or non-smoker affect our underwriting of the Policy, claims may be affected if this information is not consistent with your application.

Please note that we may need to carry out procedures to identify you, or, in the event of your death, your beneficiaries and may need to verify the identification information provided.

## Guaranteed renewal of cover

As long as you and the Life Insured have complied with the Duty of Disclosure, answered all our questions accurately and fully paid your premiums when due, Accelerated Protection continues until all cover ends. See the section titled '**Your cover – when it starts and ends and some important things for you to do**' on page 25 for more information. This guarantee of renewal applies regardless of any change in the Life Insured's health or personal circumstances.

## Guarantee of upgrade

Where improvements are made to benefits without increasing the premium rates, these improvements will be included in your Policy. You will be notified of the changes and improvements via one or more of: notice in writing, on our website and via your adviser.

In the unlikely event that you are unexpectedly disadvantaged in any way, then the former wording of the condition will apply. Naturally if the life insured has any existing symptoms prior to an improved condition being included, then payment under the improved condition may not be made.

## No cash value

None of the benefits outlined in this document – Life insurance, Life insurance (through superannuation), Critical Illness insurance, TPD insurance, Income Protection, Income Protection (though superannuation) or Business Expense insurance – have a cash value if cancelled. The premiums paid represent the amounts due for undertaking the risk of the insured event occurring.

## Complaints Process

If you have a complaint about our service or your privacy, you should direct your complaint depending on the product you hold as follows:

### 1. Complaints about Accelerated Protection (non-superannuation)

If you wish to make a complaint in relation to Accelerated Protection which is not issued to you through a superannuation fund, you can write to:

✉ The Manager, Complaints Resolution  
TOWER Australia Limited  
PO Box 142  
Milsons Point NSW 1565

We will attempt to resolve your complaint within 45 days of the date it is received by us. If we are unable to resolve your complaint within that period, we will inform you of the reasons for the delay and ask for your consent to resolve the complaint within 90 days of the date it was received.

If your complaint has not been resolved to your satisfaction within 45 days of lodging your initial complaint to TOWER (or, if you have agreed, within 90 days) you may contact the Financial Ombudsman Service (FOS). This is an industry sponsored service, which provides free advice and assistance to consumers with complaints against financial services

companies, including assisting Policy owners, to resolve complaints with their life insurance company. FOS is an independent and impartial body. Decisions made by FOS are binding on us.

FOS can be contacted as follows:

☎ Call 1300 780 808  
☎ Fax (03) 9613 6399  
@ Email [info@fos.org.au](mailto:info@fos.org.au)  
✉ Write to:  
Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

### 2. Complaints about Accelerated Protection structured through superannuation

If your cover under Accelerated Protection is issued through the TOWER Master Fund you should address your complaint to the Trustee of the TOWER Master Fund in writing to the following address:

✉ TOWER Australian Superannuation Limited  
c/- The Manager, Complaints Resolution  
PO Box 142  
Milsons Point NSW 1565

If your complaint has not been resolved to your satisfaction within 90 days of it being received by us, you may address your complaint to the Superannuation Complaints Tribunal (Tribunal). The Tribunal is an independent body established by the Federal Government to provide free advice and assistance to you and your beneficiaries to resolve certain superannuation complaints. The Tribunal can be contacted as follows:

☎ Call 1300 884 114  
☎ Fax (03) 8635 5588  
✉ Write to:  
Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001

If your Accelerated Protection cover has been issued through a superannuation fund other than the TOWER Master Fund, you should address your complaint to the trustee of that superannuation fund. That trustee will provide you with the details of its complaint-handling arrangements, where applicable.

## TOWER MASTER FUND

### Important information

This section sets out important information about the TOWER Master Fund (Fund). Where Accelerated Protection is issued to you through the Fund the terms and conditions of the Policy may be varied in the manner set out in this PDS. In these circumstances we recommend that you read the entire PDS, including this section.

### Joining the Fund

The first and most obvious requirement if you choose to take out cover through superannuation is that you must become a member of the TOWER Master Fund. The Fund is a resident regulated superannuation fund in accordance with the Superannuation Industry (Supervision) Act 1993 (SIS).

The first step in the joining process is for your financial adviser to submit your application for membership. If your application is accepted, and the Trustee is able to accept your contributions, you will then become a member of the Fund. At this point the Fund is able to apply for insurance cover through Accelerated Protection.

### Insurance cover under the Fund

Once you are a member of the Fund and if TOWER has agreed to issue cover to the Trustee in respect of you, TOWER will issue Accelerated Protection to the Trustee. The Trustee will be the Policy owner and you will then be the Life Insured through the Fund.

Please note that you do not have an accumulation account in the Fund, as the Trustee will not accept contributions above the amount required to pay your Accelerated Protection premiums. Your membership of the Fund is for the provision of insurance benefits only.

### Trust Deed

A superannuation fund is governed by rules set out in the Trust Deed. While the Trustee is able to amend these rules (under certain restrictions) the Trust Deed may not be amended to reduce your accrued benefits without your consent. The only exception to this is if the reduction is allowed under superannuation law.

Under the Trust Deed, the Trustee is not generally liable to you for any act or omission other than where the Trustee has failed to act honestly, or where the Trustee has intentionally and/or recklessly failed to exercise the degree of due care and diligence that it was required to exercise.

The Trustee has the right to indemnity from the Fund for all liabilities it may incur, except in the case of fraud, wilful neglect or misconduct. The Trustee has arranged appropriate indemnity insurance to cover potential liability in this regard.

### Providing your tax file number (TFN)

TOWER has agreed with the Trustee of the Fund not to issue any policy in respect of a Member who has not provided the Trustee with their TFN. This means that to be eligible for cover through the Fund you must be prepared to quote your TFN to the Trustee.

The Trustee is authorised to collect individuals' TFNs under superannuation law and will request that you supply your TFN. Your TFN will only be used for lawful purposes which include administering the Fund and may only be disclosed as permitted by the applicable laws. The purposes for which we are able to use your TFN may change in the future as a result of legislative change. You are under no obligation to provide your TFN and declining to quote your TFN is not an offence.

You should note however that if you elect not to provide your TFN, you may pay more tax on superannuation benefits and contributions (you may be able to reclaim this amount from the Australian Tax Office at a later date). The Fund cannot accept personal non-concessional contributions, spouse contributions, or Government co-contributions unless you have quoted your TFN. Providing the TFN will allow benefits from the Fund to be taxed at a concessional rate.

# TOWER Master Fund



## Can I select a beneficiary to receive my death benefit?

Deciding who receives your superannuation benefit in the event of your death is an important decision.

You have two options for telling us to whom and in what proportions you'd like your superannuation money to be paid in the event of your death, a binding nomination or a category nomination.

You can choose from one of six different nomination categories. Categories one to five include different combinations of benefit payments for dependants and the personal representative of your estate. Category six gives the trustee discretion on how your benefits are paid.

The following categories of membership are available in the Fund:

Category	You can specify the percentage of your benefit, paid as a lump sum~ to:	The balance, if any, will be paid as an Allocated Pension to:	If you don't specify a percentage, 100% of the benefit will be paid to:	Benefit percentages are allocated at the Trustee's discretion if there is:
1.	Your spouse <sup>^</sup>	Your eligible children <sup>#</sup> in equal shares	Your spouse	More than one spouse <sup>*</sup>
2.	Your eligible children <sup>#</sup> in equal shares	Your spouse	Your eligible children	More than one spouse <sup>*</sup>
3.	The personal representative of your estate	Your spouse	The personal representative of your estate	More than one spouse <sup>*</sup>
4.	The person you have an interdependency relationship <sup>+</sup> with	Your eligible children <sup>#</sup> in equal shares	The person you have an interdependency relationship <sup>+</sup> with	More than one person with whom you have an interdependency relationship <sup>+</sup>
5.	The personal representative of your estate	The person you have an interdependency relationship <sup>+</sup> with	The personal representative of your estate	More than one person with whom you have an interdependency relationship <sup>+</sup>
6.	The Trustee will decide what percentages and in what form the benefit is paid to your dependants and/or the personal representative of your estate			

~ The category descriptions are a summary only and not intended to reflect the rules of the category.

<sup>^</sup> The Trustee is obliged only to make reasonable enquiries to identify a spouse and if there is no spouse, the amount will be paid as a lump sum to the personal representative of your estate. Your spouse is a person to whom you are legally married or a person who, although not legally married to you, in the opinion of the Trustee lives or lived with you on a bona fide domestic basis as your husband or wife.

<sup>#</sup> The Trustee is obliged only to make reasonable enquiries to identify eligible children and, if there are no eligible children, the amount will be paid as a lump sum to the personal representative of your estate. Eligible children, for these purposes, means the member's children, including adopted children, stepchildren and children born to parents who are not legally married or in a civil union at the time of birth.

<sup>+</sup> The Trustee is obliged only to make reasonable enquiries to identify a person that had an interdependency relationship with you and, if there is no such person, the amount will be paid as a lump sum to the personal representative of your estate.

<sup>\*</sup> An example of a person with more than one spouse is where the person is living with their de facto spouse while they are still legally married to someone else.

If you make a binding nomination, the Trustee will pay the member's benefit to each nominee entitled to receive a benefit.

If no binding nomination is held at the time of death, the Trustee will pay the benefit in accordance with the rules of the Fund.

When making (or amending) a binding nomination, superannuation law requires the application to be signed in the presence of two witnesses. Both of these witnesses need to be over the age of 18 and cannot be beneficiaries under the binding nomination. You can nominate a spouse, child (regardless of age), person you have an interdependency relationship with, or any other person who is dependent on you.

Each binding nomination remains valid for only three years, so if you do choose this option it is your responsibility to renew your nomination and advise the Trustee of appropriate changes. If a portion of a benefit cannot be paid to a specified beneficiary for any reason, then that portion of the benefit will be paid to the member's legal personal representative (estate).

## General information about superannuation

The following information is provided to assist you in understanding your options. It is general information only and is not intended to be a comprehensive statement of the laws applying to superannuation. You should talk to your financial adviser about your personal circumstances.

### Contributions to the Fund

Contributions can only be made to the Fund in accordance with superannuation law. Superannuation law stipulates the way in which employer, personal and spouse contributions can be made as well as work requirements and age limits in relation to the member for which the contribution has been made.

### Payment of a death benefit

Superannuation law specifies that a death benefit can only be paid to the following:

- member's spouse (married, de facto or same sex couples);
- child of the member of any age (including adopted child, stepchild and ex-nuptial child);
- the member's legal representative;
- any person who was financially dependent on the member at the time of death; and
- any person with whom the member had an interdependency relationship.

### Payment of superannuation benefits

Other than death benefits, a superannuation benefit can only be paid where the member meets a condition of release under applicable superannuation law. In a general sense, these circumstances include permanent incapacity, retirement (or the person has reached their preservation age), the termination of employment after age 60, leaving Australia after holding an eligible temporary resident visa, financial hardship or compassionate grounds. Rules relating to when superannuation benefits can be accessed are complex, so you should consult your financial adviser for further information.

### Superannuation and family law

Provisions in the Family Law Act enable parties who are married to require superannuation fund trustees to carry out certain actions in relation to superannuation entitlements. Members (married persons only) should note that their spouse will be able to request the Trustee to disclose information in relation to

the member's benefit entitlements ('Request for Information'). Members must understand that the Trustee is prohibited by law from informing them that such a request was made. The Trustee will not pass any information in relation to your present whereabouts to the person making the Request for Information.

### When you do not meet a condition of release for disability payments

If a disability benefit becomes payable, and you do not meet an appropriate condition of release, your benefit must be transferred out of the Fund and into an alternative superannuation arrangement.

The Trustee will write to you to inform you if you are required to transfer your benefit.

The Trustee will transfer your benefit to an Eligible Rollover Fund (ERF) if, after giving you prior written notice of the Trustee's intention to do so, you do not notify the Trustee of an alternative superannuation arrangement to which you require your benefit to be transferred within 30 days of the date of that notice.

An ERF is a fund approved by the Australian Prudential Regulation Authority (APRA) which can receive benefits payable to members of superannuation funds who cannot be located or who do not respond to letters regarding payment of their benefits.

The Trustee has selected Australian Eligible Rollover Fund (AERF) as the Fund's ERF. Its contact details are:

✉ Australian Eligible Rollover Fund  
Locked Bag 5429  
Parramatta NSW 2124  
Freecall 1800 677 424

Once we transfer your benefit to the AERF, all further correspondence regarding your benefit should be directed to the trustee of the AERF.

If your benefit is transferred to the AERF, your benefit may be impacted for the following reasons:

- you will cease to be a member of the Fund;
- you will become a member of AERF, meaning you will be subject to its governing rules, including its fee structure;
- your benefits may be member protected meaning that generally, administration charges cannot exceed investment earnings on your account in a reporting period. However, Government charges, such as taxes, may be deducted;
- The AERF is unable to accept any ongoing contributions from you or your employer, however, it may accept rollovers from other superannuation funds; and
- your benefit will be preserved unless you meet an appropriate condition of release.



### Spouse contribution arrangements

Under current rules, you are allowed to contribute to superannuation on behalf of your spouse and for your spouse to contribute to superannuation for you. A spouse can make 'eligible spouse' contributions into a superannuation fund, as long as the spouse for whom contributions are being made (i.e. the receiving spouse) is either:

- under age 65, or
- aged from 65 to age 69, and has worked at least 40 hours in a consecutive 30-day period in the financial year that contributions were made.

Eligible spouses (including a married or de facto spouse or same sex couple) who make superannuation contributions may be entitled to a tax offset of up to \$540 per annum for superannuation contributions made, provided that the spouse in respect of whom they are made is on a low income or not working.

It is your responsibility to maintain a record of eligible spouse contributions made for the purpose of claiming the offset.

### Superannuation – Further points to consider

- The laws governing the application of superannuation are complex and the statements provided here are general in nature and based on current law;
- You should obtain your own independent advice on the taxation implications of joining the Fund and in maintaining insurance cover through the Fund; and
- As your circumstances change, so may the tax treatment of your contributions and any other payments made through the Fund.

### Important information about tax surpluses

The Fund is entitled to claim a tax deduction of 15% on the premiums paid for members' insurance cover. Generally, these deductions are offset against the tax that the Fund has to pay on its assessable income (i.e. taxable contributions and investment earnings). However, where these deductions exceed the amount of tax that the Fund has to pay on its assessable income, not all of the deductions will be used. In certain circumstances, the Australian Accounting Standards allow the unused deductions to be recognised as a surplus in the Fund. The Trustee has determined that a surplus will be applied towards the expenses that it reasonably incurs in the performance of its duties as trustee of the Fund.

## Tax Information

### Individual Members

If you are self-employed, substantially self-employed or are a person with no superannuation support, you may be eligible for a tax deduction for your personal superannuation contributions.

Self-employed people are now eligible to claim a full tax deduction for contributions (up to the concessional contribution limit) made to superannuation on their own behalf, until age 74.

Concessional contributions will be capped at \$25,000 (or \$50,000 for those over the age of 50) for the 2010/2011 financial year. This is the maximum amount for which a person can receive a tax deduction. Members will be taxed an additional 30% plus Medicare Levy on concessional contributions made in excess of this cap.

There are also limits on the amount of post-tax or 'non-concessional contributions' that can be made on behalf of a member. Non-concessional contributions include personal contributions for which you do not claim an income tax deduction. If you choose to make personal, non-concessional contributions to superannuation, you may be eligible for a government co-contribution payment.

Non-concessional contributions made to super will be subject to an annual cap of \$150,000 for the 2010/2011 financial year. You will be taxed on non-concessional contributions over the cap at the rate of 45%, plus the Medicare levy.

As a transitional arrangement, there will be a 'bring-forward' option available, meaning that people under 65 years of age can bring forward two years' entitlements to non-concessional contributions. If your income is less than \$61,920 annually (for the 2010/2011 financial year), you may also benefit from Government co-contributions if you make a personal after tax contribution to your superannuation.

The Government co-contribution is a payment made by the Federal Government to the superannuation account of eligible members who make personal non-concessional contributions. Effective 1 July 2010, the Government will permanently maintain the super co-contribution matching rate at 100% and the maximum super co-contribution that is payable on an individual's eligible personal super contribution is \$1,000.

For more information contact your financial adviser or the Australian Tax Office (ATO) Superannuation Hotline on 13 10 20.

### Employers

Employer contributions are tax deductible to the employer where they are made for the purpose of providing superannuation benefits for an employee or the employee's dependants.

Employers are entitled to claim a full deduction for contributions to complying funds for employees aged:

- under age 75; or
- 75 and over, where contributions are required under relevant industrial awards.

**Tax paid on withdrawals**

Superannuation withdrawals (apart from withdrawals made by people who hold an eligible temporary resident's visa and are permanently departing Australia) are generally referred to as superannuation lump sum payments, and have two different components which are taxed differently on withdrawal.

The two components are:

- Tax free (concessional) component – this component is tax free when taken as a lump sum; and
- Taxable (non-concessional) component – this component is the balance of your superannuation benefit after deducting the tax free component. The tax treatment of this component depends on your age at the date of withdrawal, the amount withdrawn, and whether the benefit consists of untaxed or taxed elements.

**Tax paid on death benefits**

All lump sum death benefits are tax free if paid to a dependant (for tax purposes). Lump sum death benefits paid to non-dependants (for tax purposes) are taxed at 15% plus the Medicare levy (for elements taxed in the fund) or taxed at 30% plus the Medicare levy (for elements untaxed in the fund, such as insurance proceeds).

**Tax paid on Income Protection benefits**

When a temporary disability benefit is paid, this constitutes income in the hands of the recipient and will be taxed at the recipient's marginal tax rates.

Where TOWER is required by law to deduct any tax, duty, impost or the like in connection with the payment of a benefit, TOWER will deduct the required amount from the payment and forward it to the relevant authority.

## DEFINITIONS

Words used in this PDS that are capitalised have the meaning given to them in the Policy. Some of the relevant definitions are extracted from the Policy Document and repeated below. You should read your Policy Document for these and any other defined terms.

**Accident** or **Accidental** unless under Income Protection Optimal means an accident caused wholly by violent, accidental, external and visible means.

**Accident** under Income Protection Optimal means an Injury caused solely and directly by accidental, violent, external and visible means that stops the Life Insured performing one or more of the duties of his/her Own Occupation necessary to produce income as confirmed by a Medical Practitioner and the Life Insured is not engaged in his/her Own Occupation, nor any other gainful occupation.

**Activities of Daily Living (ADL)** 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.

**Earned Income** means:

- (a) if paragraph (b) does not apply, annual salary, fees, commissions, bonuses and any other income considered part of the Life Insured's remuneration package, earned by him or her for services performed; or
- (b) if the Life Insured is self-employed, a working director or partner in a partnership, total annual income earned in the conduct of the business or profession due to the Life Insured's personal exertion less their share of business expenses necessarily incurred in the conduct of the business or profession.

In either case, Earned Income does not include any income which is not generated by the Life Insured's personal or vocational activities.

Income paid from other disability income policies, retirement plans, lump sum disability payments, rental income and investment income are some examples of income we would not consider part of Earned Income.

**Fund** means the TOWER Master Fund.

**Injury** means an Accidental bodily Injury suffered by the Life Insured.

**Loss of Independent Existence** means Significant Cognitive Impairment or the total and irrecoverable loss of ability, due to Sickness or Injury, to perform at least two of the Activities of Daily Living without the physical assistance of another person.

**Monthly Earnings** generally include 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 his or her work 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 his or her work is performed (ignoring shares in publicly listed companies), Monthly Earnings is:

- 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.

# Definitions

## Partial Disability and Partially Disabled

<p>Under Income Protection Standard and Business Expense insurance mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> <li>• is working or capable of working; and</li> <li>• is following the advice of a Medical Practitioner; and</li> <li>• has suffered a reduction of 20% or more, in the ability to: <ul style="list-style-type: none"> <li>– generate Monthly Earnings; or</li> <li>– perform the income producing duties; or</li> <li>– maintain the same number of hours worked</li> </ul> </li> </ul> <p>in the Life Insured's Own Occupation.</p>	<p>Under Income Protection Premier mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> <li>• is working in his or her Own Occupation or any Gainful Occupation, but in a reduced capacity; and</li> <li>• is following the advice of a Medical Practitioner; and</li> <li>• has suffered a reduction of 20% or more, in the ability to: <ul style="list-style-type: none"> <li>– generate Monthly Earnings; or</li> <li>– perform the income-producing duties; or</li> <li>– maintain the same number of hours worked</li> </ul> </li> </ul> <p>in the Life Insured's Own Occupation.</p>	<p>Under Income Protection Optimal mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> <li>• is unable to perform one or more of the important income-producing duties of the Life Insured's Own Occupation; and</li> <li>• is following the advice of a Medical Practitioner; and</li> <li>• has suffered a reduction in Earned Income.</li> </ul>
--	--	--

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

**Terminally Ill and Terminal Illness** means an illness 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 and Permanent Disability** and **Totally and Permanently Disabled** when **Any Occupation** is shown on your schedule mean that:

- solely because of a Sickness or Injury, the Life Insured has not been working in any occupation for three consecutive months and, in Our opinion, after consideration of medical and any other evidence, 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 12 months of work; or
- solely because of a Sickness or Injury, the Life Insured has suffered at least 25% impairment of Whole Person Function and has not been working in any occupation, and, in Our opinion, after consideration of medical and any other evidence, 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 12 months of work; or
- the Life Insured suffers:
  - Blindness; or
  - Loss of Limbs; or
  - Loss of a Single Limb and Loss of Sight; 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 Policy anniversary prior to the Life Insured's 65th birthday, 'Total and Permanent Disability'; and 'Totally and Permanently Disabled' mean that the Life Insured suffers:

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

**Total and Permanent Disability** and **Totally and Permanently Disabled** when **Own Occupation** is shown in Your Policy Schedule mean that:

- solely because of a Sickness or Injury, the Life Insured has not been working in their Own Occupation for three consecutive months and in Our opinion, after consideration of medical and any other evidence, 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 25% impairment of Whole Person Function and has not been working in any occupation, and, in Our opinion, after consideration of medical and any other evidence, 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 12 months of work; or
- the Life Insured suffers:
  - Blindness; or
  - Loss of Limbs; or
  - Loss of a Single Limb and Loss of Sight; 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 Policy anniversary prior to the Life Insured's 65th birthday, 'Total and Permanent Disability', and 'Totally and Permanently Disabled' mean that the Life Insured suffers:

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

**Total and Permanent Disability and Totally and Permanently Disabled** when **'ADL' (Activities of Daily Living)** is shown in Your Policy Schedule mean that 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.

**Total Disability and Totally Disabled**

<p>Under Income Protection Standard and Business Expense insurance mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> <li>• is not working in any Gainful Occupation; and</li> <li>• is following the advice of a Medical Practitioner; and</li> <li>• meets one of the following: <ul style="list-style-type: none"> <li>– is unable to perform one or more of the important income-producing duties; or</li> <li>– has suffered a reduction of 80% or more in the ability to maintain the same number of hours worked; or</li> <li>– has suffered a reduction of 80% or more in the ability to generate Monthly Earnings</li> </ul> </li> </ul> <p>in the Life Insured's Own Occupation.</p>	<p>Under Income Protection Premier mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> <li>• is not working in any Gainful Occupation; and</li> <li>• is following the advice of a Medical Practitioner; and</li> <li>• meets one of the following: <ul style="list-style-type: none"> <li>– is unable to perform one or more of the important income-producing duties; or</li> <li>– is unable to perform the important income-producing duties for more than ten hours per week; or</li> <li>– has suffered a reduction of 80% or more in the ability to generate Monthly Earnings</li> </ul> </li> </ul> <p>in the Life Insured's Own Occupation.</p>	<p>Under Income Protection Optimal mean that:</p> <ul style="list-style-type: none"> <li>• the Life Insured has suffered a Specified Injury; or</li> <li>• solely because of a Sickness or Injury the Life Insured: <ul style="list-style-type: none"> <li>– is not currently working in any Gainful Occupation; and</li> <li>– is following the advice of a Medical Practitioner; and</li> <li>– is unable to perform one or more of the important income-producing duties of the Life Insured's Own Occupation.</li> </ul> </li> </ul>
--	---	--

**Waiting Period** 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 the Life Insured was gainfully employed 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 gainfully employed.

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

## DIRECT DEBIT ARRANGEMENTS

### Direct Debit Request Service Agreement

This Direct Debit Request (DDR) Service Agreement is issued by TOWER, to enable you to understand your rights and responsibilities as a new customer when making premium payments by direct debit. It allows TOWER to debit your nominated account to meet the premiums for your policy. Please keep this Agreement in a safe place for future reference.

### Our Commitment To You

We ensure that we:

- will give you at least 14 days written notice if there are any changes to the terms of this Agreement, and
- will keep all information relating to your nominated financial institution account confidential, except where required for the purposes of conducting direct debits with your financial institution, or otherwise as required by law.

### Your Commitment Us

If you do commit to a Direct Debit Request Service Agreement please ensure that:

- the account you have nominated can accept direct debits,
- all account holders for this nominated account agree to this Agreement, and
- that there are sufficient funds available in the nominated account, on the due dates, to cover the premiums. If there isn't, you may incur dishonour fees from your financial institution and your policy may lapse. Dishonour fees will not be charged by TOWER.

If a premium due date falls on a weekend or a public holiday, we will automatically debit the payment on the next business day.

### How to make changes

Please give us at least 7 days notice before your next premium due date for either:

- altering any of your direct debit or financial institution details, or
- stopping or suspending any debits, or cancelling the Agreement completely.

If you do any of these, you will need to make alternative arrangements for future premiums to continue your Policy.

### Contacting us

If you wish to make any of the changes, as outlined above, or wish to dispute a debit you should do so in writing. The address for any correspondence is:

✉ TOWER Australia Limited or TOWER Australian Superannuation Limited  
PO Box 142  
Milsons Point NSW 1565.

We will always respond to your query or dispute in the first instance.

Please refer to our website at [www.toweraustralia.com.au](http://www.toweraustralia.com.au) to obtain a copy of our current Payment Authority form.

# Direct Debit



**TOWER Australia Limited**

80 Alfred Street  
Milsons Point NSW 2061

**Contact**

Monday to Friday 8.00am – 7.00pm (AEST)

Customer Service Centre **1300 209 088**

Adviser Service Centre **1300 286 937**

Fax **1300 351 133**

**[www.toweraustralia.com.au](http://www.toweraustralia.com.au)**