

Accelerated Protection

ADVISER GUIDE



28 JULY 2020

TAL

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About this Guide

This guide will provide you with information about Accelerated Protection, our underwriting guidelines and requirements, to help you place risk insurance with us.

We also encourage you to contact our experienced underwriters for a professional opinion on more complex cases and to secure faster decisions for your clients.

Please note any reference to the PDS refers to the Accelerated Protection Combined Product Disclosure Statement and Policy Document, and, if your client's cover is to be structured through TAL Super, the Accelerated Protection through TAL Super Product Disclosure Statement, dated 27 March 2020. Any product information in this guide must be read in conjunction with the PDS. If there is any inconsistency between this guide and the PDS, the terms of the PDS prevail to the extent of the inconsistency.

If you have any questions regarding Accelerated Protection please contact our Adviser Service Centre using the details below:

☎ 1300 286 937

📅 1300 351 133

✉ accelerateservice@tal.com.au

🌐 www.tal.com.au

✉ GPO Box 5380, Sydney NSW 2001

This guide has been prepared for use by licensed advisers in their professional capacity only, and is not intended to be provided to nor used by a retail client for the purposes of making a decision. Any advice contained in it is general in nature only and does not take into account any person's objectives, financial situation or needs. Before acting on it or making any decision to acquire or to continue to hold Accelerated Protection, consider the PDS which is available from www.adviser.tal.com.au and the appropriateness of the advice, having regard to those factors.

The information in this document is current at the date of publication. It may be subject to change. Applications are subject to acceptance, and benefit exclusions and adjustments apply.

Accelerated Protection is issued by TAL Life Limited ABN 70 050 109 450 AFSL 237 848 (TAL). TAL Super is a plan within the Retail Division in the Mercer Super Trust ABN 19 905 422 981. Mercer Superannuation (Australia) Limited ABN 79 004 717 533 AFSL 235906 is the trustee of TAL Super.

1 Overview

Accelerated Protection is a contract of life insurance that is designed to provide financial assistance if an insured event occurs.

If the policy is issued through superannuation only one life can be insured.

If the policy is not issued through superannuation up to five lives can be insured.

Minimum Premium – Per Life & Per Application

| Premium Frequency | New Business | Increases | Policy Fee |
|-------------------|--------------|-----------|------------|
| Monthly | \$20.00 | \$10.00 | \$7.00 |
| Quarterly | \$60.00 | \$30.00 | \$21.00 |
| Half-Yearly | \$110.00 | \$55.00 | \$38.50 |
| Yearly | \$220.00 | \$110.00 | \$77.00 |

The principal contracts under Accelerated Protection are:

| Insurance type | Benefits payable if the Life Insured |
|---|---|
| Life insurance (LI) | dies or is diagnosed with a terminal illness |
| Critical Illness insurance (CI) | suffers one of the insured events as defined in the policy conditions |
| Total and Permanent Disability insurance (TPD) | is totally and permanently disabled as defined in the policy conditions |
| Income Protection (IP) | is unable to work due to sickness or injury |
| Child's Critical Illness insurance (Child CI) | suffers one of the insured events as defined in the policy conditions |

All plans and options provide cover 24 hours a day, worldwide, subject to the normal policy conditions.



2 Ready Reckoner

Life, Critical Illness and TPD insurance

| | Life insurance | Critical Illness insurance | TPD insurance |
|--|---|---|--|
| Available as | <ul style="list-style-type: none"> Life Insurance Plan | <ul style="list-style-type: none"> Critical Illness Insurance Plan (stand-alone) Critical Illness Benefit Attached to the Life Insurance Plan Critical Illness Insurance Plan Linked to the Life Insurance Plan. | <ul style="list-style-type: none"> TPD Insurance Plan (stand-alone) TPD Benefit Attached to the Life Insurance Plan TPD Benefit Attached to the Critical Illness Insurance Plan TPD Insurance Plan Linked to the Life Insurance Plan. Superlink TPD Attached to the Life Insurance Plan |
| Available through superannuation | Yes | No | Yes – please refer to the PDS for limitations. |
| Minimum Entry Age (next birthday) | 16 | 16 | 16 |
| Maximum Entry Age (next birthday) | <ul style="list-style-type: none"> 75 for stepped premiums 60 for level premiums 62 for Premium Relief Option and Business Insurance Option | <ul style="list-style-type: none"> 62 for stepped premiums 60 for level premiums | <ul style="list-style-type: none"> 62 for stepped premiums 60 for level premiums |
| Minimum Benefit | Subject to minimum premium (refer to Section 1) | | |
| Maximum Benefit | Any financially justifiable amount. | \$2,000,000 <i>Note: This maximum limit includes all Critical Illness insurance with TAL and any other organisation.</i> | <ul style="list-style-type: none"> \$3,000,000 (Limitations apply. Please refer to the PDS) |
| Benefit Expiry Age (next birthday) | <ul style="list-style-type: none"> Policy anniversary prior to 100 If structured through superannuation, contributions to meet minimum payments can only be paid while eligible under superannuation law. | <ul style="list-style-type: none"> Policy anniversary prior to 70 | <ul style="list-style-type: none"> Policy anniversary prior to 65 |
| Benefit Indexation | CPI with minimum of 5% per annum | | |
| Indexation Expiry Age (next birthday) | Policy anniversary prior to 100 | <ul style="list-style-type: none"> Policy anniversary prior to 70 | <ul style="list-style-type: none"> Policy anniversary prior to 65 |
| Renewability | Guaranteed renewable | | |
| Premium Type¹ | <ul style="list-style-type: none"> Stepped Level to age 65 Level to age 70 | <ul style="list-style-type: none"> Stepped Level to age 65 Level to age 70 | <ul style="list-style-type: none"> Stepped Level to age 65 |

¹ Where Level to age 65 is selected, the premium reverts to Stepped premium on the Policy anniversary prior to age 65. Where Level to age 70 is selected, the premium reverts to Stepped premium on the Policy anniversary prior to age 70.



Life, Critical Illness and TPD insurance continued

| | Life insurance | Critical Illness insurance | TPD insurance |
|---|---|---|---|
| Included Benefits | <ul style="list-style-type: none"> • Death Benefit • Terminal Illness Benefit • Advanced Payment Benefit • Repatriation Benefit • Inflation Protection Benefit • Premium Freeze Benefit • Guaranteed Future Insurability Benefit • Financial Planning Benefit^{NS} • Long Distance Accommodation Benefit^{NS} • Grief Support Benefit^{NS} • Child's Critical Illness Benefit^{NS} | Standard: <ul style="list-style-type: none"> • Critical Illness Benefit • Paralysis Support Benefit • Death Buy-Back Benefit • Inflation Protection Benefit • Premium Freeze Benefit • Guaranteed Future Insurability Benefit • Financial Planning Benefit^{NS} • Long Distance Accommodation Benefit^{NS} • Grief Support Benefit^{NS} • Child's Critical Illness Benefit^{NS} | <ul style="list-style-type: none"> • TPD Benefit • Inflation Protection Benefit • Premium Freeze Benefit • Guaranteed Future Insurability Benefit • Financial Planning Benefit^{NS} • Long Distance Accommodation Benefit^{NS} • Grief Support Benefit^{NS} • Child's Critical Illness Benefit^{NS} • Advanced Payment Benefit^{NS} • Death Benefit |
| Premier Benefits | N/A | All 'Standard' benefits plus: <ul style="list-style-type: none"> • Advancement Benefit; • Female Critical Illness Benefit; • Needlestick Benefit. | N/A |
| Restricted availability | Where the policy is structured through superannuation (except for a self-managed super fund) and the Life Insured is aged 65-74, the Life Insured must have worked at least 40 hours in a period of not more than 30 consecutive days during the financial year in which the contribution is made. | Not available when structured through superannuation | Where the policy is structured through superannuation (except for a self-managed super fund) and the Life Insured is aged 65-74, the Life Insured must have worked at least 40 hours in a period of not more than 30 consecutive days during the financial year in which the contribution is made. |
| Premium Relief Option | When the Life Insured is unable to work or produce an income due to sickness or injury for three consecutive months, the premiums due, including any benefit options, are waived until the earlier of: <ul style="list-style-type: none"> • the Life Insured is capable of working in any occupation for which he or she is suited by education, training or experience; or • the policy anniversary prior to the Life Insured's 65th birthday. | | |
| Business Insurance Option^{NS} | Available for business insurance purposes only, this option allows an increase of the sum insured (for the applicable cover), without medical underwriting, on the occurrence of a business event. Not available on stand-alone or Linked TPD/CI insurance. | | |

NS means not available through superannuation.



Critical Illness insurance (CI)

Critical Illness insurance provides a lump sum benefit if the Life Insured suffers a Critical Illness. Critical Illness insurance can be:

- purchased as a stand-alone policy
- Attached to LI as an additional benefit; or
- Linked to LI as a Plan

If Attached or Linked to LI, the CI cover cannot exceed the LI cover.

If CI is Attached or Linked to LI, then the LI cover will be reduced by any CI amount paid in the event of a claim.

If the CI cover is stand-alone, then a CI claim will have no effect on any other cover.

Critical Illness Events are:

| Heart conditions | |
|--|---|
| <ul style="list-style-type: none"> • Angioplasty^{1,2} • Aortic Surgery • Cardiomyopathy (permanent) • Heart Attack¹ | <ul style="list-style-type: none"> • Heart Valve Surgery¹ • Open Heart Surgery¹ • Coronary Artery Bypass Surgery¹ • Out of Hospital Cardiac Arrest¹ • Primary Pulmonary Hypertension • Triple Vessel Angioplasty¹ |
| Neurological conditions | |
| <ul style="list-style-type: none"> • Coma (of specified severity) • Dementia including Alzheimer's Disease (permanent) • Encephalitis and Meningitis (resulting in permanent neurological deficit) • Major Head Trauma (with permanent neurological deficits) • Meningococcal Disease (resulting in significant permanent impairment) | <ul style="list-style-type: none"> • Multiple Sclerosis (with multiple episodes of neurological deficit and persisting neurological abnormalities)¹ • Muscular Dystrophy • Paralysis (permanent) • Parkinson's Disease (permanent) • Progressive and Debilitating Motor Neurone Disease • Stroke (resulting in neurological deficit)¹ |
| Permanent conditions | |
| <ul style="list-style-type: none"> • Blindness (permanent) • Deafness (permanent) • Loss of Independent Existence (permanent) | <ul style="list-style-type: none"> • Loss of use of Limbs (permanent) • Loss of Speech (permanent) |
| Organ disorders | |
| <ul style="list-style-type: none"> • Chronic Kidney Failure (requiring permanent dialysis) • Chronic Liver Failure (resulting in permanent symptoms) • Chronic Lung Failure (requiring permanent oxygen therapy) • Major Organ Transplant | <ul style="list-style-type: none"> • Pneumonectomy • Severe Burns (covering at least 20% of the body's surface area) • Severe Diabetes Mellitus³ |
| Blood disorders | |
| <ul style="list-style-type: none"> • Aplastic Anaemia (requiring treatment) • Medically-Acquired HIV (contracted from a medical procedure or operation) | <ul style="list-style-type: none"> • Occupationally-Acquired HIV • Occupationally-Acquired Hepatitis B or C^{3,4} |
| Cancer | |
| <ul style="list-style-type: none"> • Benign Brain Tumour (resulting in irreversible neurological deficit) | <ul style="list-style-type: none"> • Cancer (excluding early stage cancers)¹ |
| Other events | |
| <ul style="list-style-type: none"> • Intensive Care (requiring 5 days of continuous intubation)² | |

1 Some restrictions apply to these conditions. Refer to the PDS for more information. These conditions are also not covered under Accelerated Protection Interim Cover. Please refer to the PDS for further details.

2 Pays 25% of sum insured up to \$50,000

3 This condition only applies under Critical Illness insurance Premier.

4 These conditions only apply under the Needlestick Benefit.

Double CI Option

Double CI is only available if CI insurance is Attached or Linked to LI. If Double CI applies, the LI cover is not reduced in the event of a CI claim and all future LI premiums equal to the CI benefit paid are waived.

CI Reinstatement Option

The Critical Illness Reinstatement Option allows the Life Insured to buy back the amount of the Critical Illness claim paid out, 12 months after a Critical Illness Event (including partial payment events). Depending on the original Critical Illness Event, exclusions apply to the bought-back cover.



Needlestick Benefit

(Applies to Critical Illness Premier. Please refer to the PDS for further details.)

If the Income Protection occupation class of the Life Insured is AA+ the Needlestick Benefit may be payable when the Life Insured suffers Occupationally Acquired Hepatitis B or C. The amount payable is the Benefit Amount to a maximum of \$1 million. The Benefit Amount will be reduced by the amount paid.

Advancement Benefit

(Applies to Critical Illness Premier. Please refer to the PDS for further details.)

The Advancement Benefit is payable only once for each of these Events. The Benefit Amount will be reduced by the amount paid the Advancement Benefit.

| Advancement Benefit Events | Amount to be paid |
|---|---|
| <ul style="list-style-type: none"> Loss of Hearing in one ear (permanent) Loss of Sight in one eye (permanent), or Loss of use of a Single Limb | 10% of the Benefit Amount to a maximum of \$100,000 |
| <ul style="list-style-type: none"> Carcinoma In Situ¹ Diagnosed Benign Brain Tumour Early Stage Chronic Lymphocytic Leukaemia Early Stage Melanoma (excluding Melanoma In Situ), or Early Stage Prostate Cancer | 25% of the Benefit Amount to a maximum of \$100,000 |
| <ul style="list-style-type: none"> Adult onset insulin dependent diabetes mellitus diagnosed after age 30 Severe Ulcerative Colitis (unresponsive to therapy), or Severe Crohn's Disease (unresponsive to therapy) | 20% of the Benefit Amount to a maximum of \$100,000 |
| <ul style="list-style-type: none"> Diagnosed Dementia | 25% of the Benefit Amount to a maximum of \$50,000 |

¹ The payment amount for Carcinoma In Situ of the Cervix classified as Cervical Intraepithelial Neoplasia grade 3 (CIN-3), will be a portion of the Advancement Benefit of 10% of the Benefit Amount to a maximum of \$100,000. If the Life Insured is subsequently diagnosed with a grading higher than CIN-3, any remaining portion of Advancement Benefit will be paid.

Female Critical Illness Benefit

(Applies to Critical Illness Premier. Please refer to the PDS for further details.)

The Female Critical Illness Benefit will be paid upon the occurrence of a Female Critical Illness Benefit Event listed below. The payment for each Event is 20% of the Benefit Amount, up to a maximum of \$50,000. Each Female Critical Illness Benefit Event can only be paid once. The Benefit Amount will be reduced by the amount paid under the Female Critical Illness Benefit.

| Female Critical Illness Benefit Events | |
|---|--|
| Pregnancy Complications | <ul style="list-style-type: none"> Eclampsia of pregnancy Disseminated Intravascular Coagulation (pregnancy related) Ectopic Pregnancy Hydatidiform Mole Still birth |
| Congenital Abnormalities¹ | <ul style="list-style-type: none"> Down's Syndrome Spina Bifida Myelomeningocele Tetralogy of Fallot Transposition of Great Vessels Congenital Blindness (permanent) Congenital Deafness (permanent) |
| Other Events | <ul style="list-style-type: none"> Osteoporosis Lupus |

¹ The child must survive 30 days or longer from birth.



TPD insurance (TPD)

Available through superannuation – see below for limitations

TPD insurance provides a lump sum benefit if the Life Insured is Totally and Permanently Disabled. TPD may be:

- purchased as a stand-alone policy;
- Attached to LI or CI; or
- Linked to LI

Any, Own Occupation (for selected occupations) or ADL definitions of TPD are available. Own Occupation is not available when TPD is structured through superannuation.

If Attached or Linked to LI or Attached to CI, the level of TPD cover cannot exceed the amount of LI cover.

If TPD is Attached or Linked to LI or Attached to CI, then the LI or CI cover will be reduced by the TPD amount paid in the event of a claim. If the TPD cover is stand-alone, then a TPD claim will have no effect on any other cover.

If Superlink TPD Insurance is, reduced or increased under one Policy, Superlink TPD Insurance on the other Policy will be, reduced or increased (as applicable) at the same time. Where the superannuation Policy is cancelled (not as a result of a claim payment), the non-superannuation Policy will also be cancelled unless the Policy Owner notifies us in writing to retain the Plan outside of superannuation before cancellation and where TPD is cancelled under the non-superannuation Policy, cover will continue under the superannuation policy, and Superlink TPD will no longer apply.

Double TPD Option

Double TPD is only available if TPD insurance is Attached or Linked to LI. If Double TPD applies, the LI cover is not reduced in the event of a TPD claim and all future LI premiums equal to the TPD Benefit paid are waived.

Death Buy Back Option

The policy owner may elect the Death Buy Back Option at time of application. If the Life Insured makes a claim under a TPD Benefit Attached or Linked to LI, the Death Benefit amount is reduced by the amount of the TPD benefit paid. Within 30 days of the 12-month anniversary of the claim payment, an amount of death cover equivalent to the TPD Benefit paid may be repurchased.

Note: Where CI is Attached or Linked to LI, the TPD benefit amount must be greater than the CI benefit amount for this option to be available. This is because a Death Buy-Back Benefit is included in CI.

Maximum Benefit

The maximum benefit which may be applied for is \$3,000,000 under an Own Occupation, Any Occupation or ADL definition.

Please note: These maximum limits include all TPD and/or ADL optional insurance under Life insurance or Critical Illness insurance with TAL and any other organisation. It does not include TPD and/or ADL insurance as a built-in feature of any Critical Illness insurance.



Child's Critical Illness Insurance

This benefit covers the children of the Life Insured for death, terminal illness and certain critical illness events for a minimum of \$50,000 and maximum of \$200,000 per child. If this option is taken, all children of the Life Insured in the qualifying age bands must be covered unless they fall outside the standard life classification.

To qualify, children must be financially dependent, i.e. not working, and be aged (next birthday) 2-15. Cover expires on the policy anniversary prior to the insured child's 19th birthday. The sum of all payments per child under the Child's Critical Illness Insurance and Child's Critical Illness Benefit (where applicable), including cover with TAL and other organisations will be limited to \$250,000.

| | |
|------------------------------------|---|
| Available as | Child's Critical Illness Insurance - Standalone |
| Available through superannuation | No |
| Minimum Entry Age (next birthday) | 2 |
| Maximum Entry Age (next birthday) | 15 |
| Minimum Benefit | Subject to minimum premium (refer to Section 1) |
| Maximum Benefit | \$200,000 |
| Benefit Expiry Age (next birthday) | Policy anniversary before your child turns 19 |
| Benefit Indexation | No |
| Premium Type | Level |
| Included Benefits | Grief Support Benefit Cover Continuation Benefit |
| Premier Benefits | N/A |

Child's Critical Illness Events are:

| Heart conditions | Neurological conditions | Permanent conditions |
|---|---|--|
| <ul style="list-style-type: none"> • Cardiomyopathy (permanent) • Heart Attack¹ | <ul style="list-style-type: none"> • Coma (of specified severity) • Encephalitis and Meningitis (resulting in permanent neurological deficit) • Major Head Trauma (with permanent neurological deficit) • Meningococcal Disease (resulting in significant permanent impairment) • Paralysis (permanent)² • Stroke (resulting in neurological deficit)¹ • Subacute Sclerosing Panencephalitis | <ul style="list-style-type: none"> • Blindness (permanent) • Deafness (permanent) • Loss of use of Limbs (permanent) • Loss of Sight in One Eye and use of a Single Limb (permanent) • Loss of Speech (permanent) |
| Organ Disorders | Cancer | Other events |
| <ul style="list-style-type: none"> • Chronic Kidney Failure (requiring transplantation or dialysis) • Major Organ Transplant • Severe Burns (covering at least 20% of the body's surface area) | <ul style="list-style-type: none"> • Benign Brain Tumour (resulting in irreversible neurological deficit) • Cancer (excluding early stage cancers)¹ | <ul style="list-style-type: none"> • Aplastic Anaemia (requiring treatment) • Death • Terminal Illness |

¹ In the case of these events, no benefit would be paid if the condition occurred or was diagnosed, or the signs or symptoms leading to diagnosis became apparent:

a) within three months after the Child's Critical Illness insurance start date; and
b) within three months after the most recent date we agreed to reinstate either the Plan or Policy.

² The Paralysis Support Benefit will not apply.



Income Protection (IP)

| Super, Standard and Premier | |
|---|--|
| Availability | <ul style="list-style-type: none"> • IP Super – only available through superannuation • IP Standard and Premier – not available through superannuation • Superlink IP – Income Protection Standard or Premier are Superlinked to an Income Protection Super Policy. |
| Minimum Entry Age (next birthday) | 19 |
| Maximum Entry Ages (next birthday) | <ul style="list-style-type: none"> • Stepped premium: <ul style="list-style-type: none"> – For Benefit Periods 1, 2 and 5 years and to age 65 <ul style="list-style-type: none"> - 60 for AAA, AA+, AA, A and BBB - 55 for all other occupation groups – For Benefit Period to age 70 <ul style="list-style-type: none"> - 60 for AAA, AA+ and AA only • Level premium: <ul style="list-style-type: none"> – For Benefit Periods 1, 2 and 5 years and to age 65 <ul style="list-style-type: none"> - 55 for all occupation groups – For Benefit Period to age 70 <ul style="list-style-type: none"> - 60 for AAA, AA+ and AA only |
| Minimum Benefit | Subject to minimum premium (refer to Section 1) |
| Maximum Benefit | Maximum \$30,000 per month |
| Benefit Expiry Age (next birthday) | <ul style="list-style-type: none"> • Policy anniversary prior to age 65 for Benefit Periods 1, 2, 5 years and to age 65 • Policy anniversary prior to age 70 for Benefit Period to age 70. |
| Benefit Indexation | CPI |
| Indexation Expiry Age (next birthday) | Policy anniversary prior to age 65 for all Benefit Periods |
| Premium Type | <ul style="list-style-type: none"> • Stepped or Level • Level premiums revert to Stepped premiums on Policy anniversary prior to age 65 |
| Renewability | Guaranteed Renewable |
| Waiting Periods | 2, 4, 8, 13, 26, 52, and 104 weeks SRA – min 4 week WP |
| Benefit Periods | <ul style="list-style-type: none"> • To age 70 for occupations AAA, AA+ and AA only • To age 65 for all occupation groups except BB, B and SRA • 1, 2 and 5 year for all occupation groups |
| Restricted availability | <ul style="list-style-type: none"> • Accident Benefit Option Waiting Periods 2 and 4 weeks only • Critical Illness Option^{NS} Waiting Periods 2, 4, 8 and 13 weeks only • Business Expense Option^{NS} Waiting Periods 2 and 4 weeks only • Scheduled Injury Benefit (both Standard and Premier) Waiting Periods 2, 4, 8, 13 and 26 weeks only |
| Split Benefit Amount | Split benefit covers can be structured through two policies in the TAL Adviser Centre |
| NS means not available through superannuation. | |



Income Protection Super

Included Benefits

- Total and Partial Disability Benefit
- Inflation Protection Benefit
- Death Benefit
- Concurrent Disability Benefit
- Recurrent Disability Benefit
- Waiver of Premium Benefit
- Elective Surgery Benefit
- Bed Confinement Benefit
- Premium Pause Benefit

Income Protection Standard^{NS}

Included Benefits

- Total and Partial Disability Benefit
- Inflation Protection Benefit
- Death Benefit
- Concurrent Disability Benefit
- Recurrent Disability Benefit
- Waiver of Premium Benefit
- Elective Surgery Benefit
- Bed Confinement Benefit
- Family Support Benefit
- Housekeeper Benefit
- Scheduled Injury Benefit
- Rehabilitation Expense Reimbursement Benefit

Income Protection Premier^{NS}

Included Benefits

All Income Protection “Standard” benefits plus:

- Child Care Benefit
- Child’s Critical Illness Benefit
- Rehabilitation Expense Reimbursement Benefit
- Overseas Assistance Benefit
- Long Distance Accommodation Benefit
- Long Distance Transport Benefit
- Involuntary Unemployment Benefit
- Premium Pause Benefit
- Guaranteed Future Insurability Benefit
- Change of Waiting Period Benefit

Optional Benefits

Increasing Claim Option

When a disability benefit is payable and the Increasing Claim Option is included, the benefit amount is increased each year by the CPI. This option is capped at 5% when structured through superannuation.

Accident Benefit Option

If an injury to the Life Insured causes total disability for at least three consecutive days, benefit payments start the date the injury occurred and no Waiting Period applies.

Critical Illness Option^{NS}

A lump sum benefit is paid if a listed insured event occurs.

Needlestick Benefit^{NS}

(Included with the Critical Illness Option, please see the PDS for further details.)

If the occupation class of the Life Insured is AA+, the Needlestick Benefit may be payable under the Critical Illness Option when the Life Insured suffers Occupationally-Acquired HIV or Occupationally-Acquired Hepatitis B or C.

The amount payable is fifty times the Benefit Amount to a maximum of \$1,000,000, and the Critical Illness Option will end.

NS means not available through superannuation.

Superlink IP

Superlink IP allows Income Protection Standard or Premier to be Superlinked to an Income Protection Super Policy.

Critical Illness Option, Needlestick Benefit and Business Expense Option are only available on the Income Protection Standard or Premier Policy structured outside superannuation.

If Income Protection is reduced or increased under one Policy, Income Protection on the other Policy will be reduced or increased (as applicable) at the same time.

Where Income Protection Super Policy is cancelled, the Policy structured outside superannuation will also be cancelled unless the Policy Owner notifies us in writing to retain the Plan structured outside superannuation before cancellation; where Income Protection is cancelled under the Policy structured outside superannuation, cover will continue under the Income Protection Super Policy, and Superlink IP will no longer apply.



Business Expense Option^{NS}

While eligible for disability benefit payments, the Business Expense Option reimburses the Life Insured where their business experiences an Operating Loss due to their disability. This is to help the business owner pay for ongoing business expenses while he or she is disabled.

This payment is made in addition to the Total Disability Benefit or Partial Disability Benefit and is payable for up to 12 months.

The benefit amount is the lesser of the Business Expense Benefit and the Operating Loss. The Operating Loss is calculated as Business Income less Business Expenses so long as this amount results in a loss. No benefit is payable if the business does not suffer an Operating Loss.

The Business Expense Option covers both fixed and variable expenses except remuneration paid to the Life Insured and expenses which are of a capital nature.

| Availability | As Ordinary only |
|--|---|
| Minimum entry age (next birthday) | Same as Income Protection |
| Maximum entry age (next birthday) | Same as Income Protection |
| Availability | <ul style="list-style-type: none"> Not available with Income Protection Super Not available for Occupation class SRA Available only where Income Protection with a 2 or 4 week wait is selected Available only where Income Protection has a sum insured of \$1,500 per month or more |
| Minimum Benefit | Nil |
| Maximum Benefit | \$30,000 per month |
| Occupation class eligibility | AAA, AA+, AA, A, BBB, BB and B |
| Benefit Expiry Age (next birthday) | Policy anniversary prior to age 65 |
| Benefit Indexation | CPI |
| Indexation Expiry Age (next birthday) | Policy anniversary prior to age 65 |
| Premium Type | Same as Income Protection |
| Renewability | Guaranteed renewable |
| Waiting Period | Same as Income Protection but limited to 2 or 4 weeks only |
| Benefit Period | 1 year |

Included Benefits

- Total and Partial Disability Benefit
- Payment Extension Benefit

NS means not available through superannuation.



3 Interim Cover

Interim Cover is available under Accelerated Protection and applies from the date that TAL receives the fully completed, signed and dated paper application form or fully completed electronic application form. This provides valuable cover for your client during the Underwriting process and ceases for each respective cover upon the earlier of:

- the Plan Start Date;
- the expiration of 90 days;
- the date we reject the cover; or
- the date the Application is withdrawn.

Where an online application is accepted by our straight-through processing, we provide cover as per the benefit amount that is being applied for. Otherwise, the amount payable under Interim Cover is up to a maximum of:

- \$1,000,000 for Death and Terminal Illness cover;
- \$500,000 for TPD and Critical Illness cover;
- \$10,000 per month for Income Protection and Business Expense Option; and
- \$50,000 for the Child's Critical Illness Insurance.

Please refer to the PDS for further details.

Interim Rollover Cover Benefit

Interim Rollover Cover Benefit is available under Accelerated Protection and provides cover for your client on the same terms as the accepted application, for a specified period, while we wait for your client's nominated superannuation fund to transfer the premium payment via rollover.

The Interim Rollover Cover Benefit is applicable where:

- the policy owner is Mercer Superannuation (Australia) Limited ABN 79 004 717 533, AFSL 235906, as the trustee for TAL Super; and
- the premiums are paid via rollover from your nominated superannuation fund.

The Interim Rollover Benefit will start when we agree to insure your client and have received all the necessary requirements to enable us to issue the policy (including any superannuation fund payment details).

The Interim Rollover Benefit will cease upon the earliest of:

- the expiration of 30 days from the Interim Rollover Cover Benefit start date;
- the Plan start date as stated in the Policy Schedule; or
- the date your client withdraws their application with us.

Please refer to the PDS for further details.



4 Policy Discounts

Rollover Rebate

For TAL Super only a 15% premium rebate will apply from year 1 and each subsequent year where premium is funded annually via rollover.

This means the member only needs to rollover 85% of premium per the application quote and yearly renewal letter.

The 15% rebate represents the tax deduction claimed by the Fund for insurance premiums paid.

Large Benefit Discounts

Premium rates are influenced by a number of factors. TAL offers a range of discounts depending on the type of cover and sum insured.

Health Sense discount

The following information is applicable to policies where the quote commenced on or after 12 October 2018.

Health Sense offers a premium discount for Life insurance, TPD insurance and Critical Illness insurance, where a Life Insured has a Body Mass Index (BMI) falling between 19 and 28 (inclusive), and minimum sum insured criteria are met.

The Health Sense discount starts at 5% for smokers and 7.5% for non-smokers, with the discount applying to the premium for Life insurance, TPD insurance and/or Critical Illness insurance only. The discount can be increased for these benefits up to 12.5% for smokers and up to 15% for non-smokers when they are packaged together with Income Protection. Refer to the table below for discount combinations.

For any questions on the Health Sense discount please refer to your TAL Sales Representative.

The following Health Sense discounts will apply to Life insurance, TPD insurance and/or Critical Illness insurance benefit combinations held by a Life Insured:

| Applicable Discount | 1 or 2 benefits | 3 benefits | 4 benefits |
|--------------------------------|--|---|--|
| Smokers | 5% | 10% | 12.5% |
| Non-smokers | 7.5% | 12.5% | 15% |
| Supported Benefit Combinations | <ul style="list-style-type: none"> Life or CI or TPD Life & TPD Life & CI TPD & CI Life & IP TPD & IP CI & IP | <ul style="list-style-type: none"> Life, TPD & CI Life, TPD & IP Life, CI & IP TPD, CI & IP | <ul style="list-style-type: none"> Life, CI, TPD and IP |

- The Health Sense discount applies to the premium for Life Insurance, TPD Insurance and Critical Illness insurance benefits only. Premiums for Income Protection insurance is not discounted.
- Eligibility for the Health Sense discount is assessed on a per Life basis.
- The following minimum sum insured criteria must be met for a benefit to be discounted, or for a benefit to contribute to a higher discount.

Minimum Sums Insured

| Benefit | Minimum Sum Insured |
|--|---------------------|
| Life Insurance | \$100,000 |
| TPD Insurance | \$100,000 |
| Critical Illness Insurance | \$50,000 |
| Income Protection/Business Expense Insurance | \$2,000 per month |

Where a Life Insured has multiple benefits of the same type, the benefits are not added together for the purpose of the minimum sum insured check.

Once eligible, the Health Sense discount applies for the duration of a policy. The discount may be adjusted if the policy is reinstated or where a benefit is reduced or removed, including in the event of a claim.

The Health Sense discount applies regardless of any alternate terms applied to the policy and is available to all ownership and premium types. The discount does not apply to the Policy fee or stamp duty.

We reserve the right to alter the available Health Sense discount for new policies. Where this occurs, existing policies will maintain the Health Sense discount and terms applicable at policy commencement. Access to the current Health Sense discount may require full underwriting for all benefits and a replacement policy.

Historical Health Sense terms

The Health Sense discount applies only to policies where the quote commenced on or after 18 December 2015.

The Health Sense discount for Critical Illness premiums only applies to policies where the quote commenced on or after 1 April 2017.

The Health Sense discount rates applicable to smokers apply only to policies where the quote commenced on or after 12 October 2018.

New policy additions may not attract the highest discount tier. Please contact your TAL Sales Representative for details.



5 Underwriting Philosophy

Key principles of TAL's underwriting approach:

| | |
|--|---|
| Access to cover to support our purpose of giving Australians freedoms, options and choices | To allow us to provide cover to as many people as possible, we need to be able to measure and understand risks of illness and death as accurately as possible. |
| An experience that delivers on our ambition for customers to understand and value their cover | We make the process as convenient as possible for our customers and partners. We are transparent in our approach and we want our customers and partners to understand the reason for our decisions. |
| Asking the right number of questions | We ask the right number of questions to understand risk and in some cases this may mean more questions need to be asked. |
| Evidence based decisions | Our evidence-based approach to underwriting is always evolving. We learn from our experiences and advancements in medical technology. |
| Working with the medical industry to deliver the right outcome. | We work closely with the medical industry (internally and externally) to develop best practice. We can access the best international expertise and research. |

The TAL Underwriting team

Our professional and highly skilled underwriting team offers extensive experience gained locally and overseas at insurer and reinsurer level. This collective experience means we provide each adviser with fast, cost-efficient underwriting solutions.

Our fast and simple application process

We've made our application process as simple and straightforward as possible, giving applicants the choice of completing a paper or online application form.

Application form

The paper application form is completed and submitted to TAL. If we require any further information, we'll follow up with you. Wherever possible, we will use tele-underwriting to speed up the processing of the application.

Online applications

With our online application, we use a combination of straight-through processing, tele-interviewing and tele-underwriting to deliver efficient, cost-effective underwriting decisions.

Straight-Through Processing

Straight-Through Processing (STP) provides automatic underwriting decisions based on the answers provided in our online application. TAL's online process only asks relevant questions to the cover being applied for.

For an application to receive STP online in real time:

- all Level 1 questions must be answered; and
- no material risk factors are identified.

If all Level 1 questions are answered and further information is required, you can answer all Level 2 questions online with your client, for online processing.

The underwriting outcomes may be one of the following:

- accepted at standard rates;
- offered revised terms; or
- referred to TAL Underwriting for individual consideration.

About Tele-Interviewing

Our tele-interviewing service saves you time as we complete the health and lifestyle questions on the application for you. You can submit an application to use the TAL tele-interview service via the online application process. A tele-interview consultant will then contact your client within one business day to arrange an interview time. No forms need to be filled in or signed as our calls are recorded. This interview may take 20 to 30 minutes depending on your client's health history and the benefits applied for.

About Tele-Underwriting

TAL has a market leading tele-underwriting service. We have been independently found to use tele-underwriting more consistently and frequently than any other insurer in our market.

Tele-underwriting is the fastest and simplest way to process applications that require further underwriting after the application is completed. It means we can finalise many applications without the need for further evidence such as medical reports or medical examinations. In fact, we obtain PMARs on a far lower number of applications than the market average.

When tele-underwriting is needed, we will call your client to obtain specific additional information. The average call length is less than 10 minutes! The underwriter then evaluates this information and makes a decision.



6 Medical Underwriting Requirements

Please note: that these requirements only apply to Accelerated Protection. For increases under other TAL retail products please discuss with your Underwriting team.

Medical Requirements for Life, TPD and Critical Illness

Medical requirements depend on the:

- Life Insured's age next birthday;
- type of cover being applied for (see separate tables for Life, TPD and Critical Illness insurance); and
- total sum insured of all similar cover held with TAL.

All benefits applied for are taken into account when determining medical requirements. For example, if a Life application includes Critical Illness and/or TPD cover, then these benefits will need to be taken into account when determining the medical requirements. Use the medical tables based on the highest cover.

Applications for the Business Insurance Option require medical evidence based on three times the sum insured, to a maximum of:

- \$15,000,000 for Life cover;
- \$2,000,000 for Critical Illness cover;
- \$3,000,000 for TPD cover under an Own Occupation, Any Occupation or ADL definition

Please note: These maximum limits include all TPD and/or ADL optional insurance under Life insurance or Critical Illness insurance with TAL and any other organisation. It does not include TPD and/or ADL insurance as a built-in feature of any Critical Illness insurance.

If applying for an increase over \$3,000,000 on an existing TAL policy from a series prior to Accelerated Protection, please contact your underwriter as restrictions may apply.

There are no additional medical requirements for the Critical Illness Reinstatement Option.

Life and TPD cover

Benefit is the total sum insured of all similar cover held with TAL plus the cover being applied for, based on the highest cover.

| Age bands (next birthday) | \$0 – \$250,000 | \$250,001 – \$500,000 | \$500,001 – \$750,000 | \$750,001 – \$1,000,000 | \$1,000,001 – \$1,500,000 | \$1,500,001 – \$2,000,000 |
|---------------------------|-----------------|-----------------------|-----------------------|-------------------------|---------------------------|---------------------------|
| Up to 40 | Nil | Nil | Nil | Nil | Nil | Nil |
| 41 – 45 | Nil | Nil | Nil | Nil | Nil | Nil |
| 46 – 50 | Nil | Nil | Nil | Nil | Nil | A, J |
| 51 – 55 | Nil | Nil | Nil | Nil | A, J | A, J |
| 56 – 60 | Nil | Nil | Nil | A, J | A, J | A, J |
| 61 – 65 | Nil | Nil | J | A, J | A, J | A, J |
| 66+ | Nil | J | A, J | A, J | A, J | A, J |

| Age bands (next birthday) | \$2,000,001 – \$2,500,000 | \$2,500,001 – \$3,000,000 | \$3,000,001 – \$5,000,000 | \$5,000,001 – \$10,000,000 | \$10,000,001 – \$25,000,000 | \$25,000,001 + |
|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|--|----------------|
| Up to 40 | Nil | A, J | A, J, F ¹ | A, E, F, H, K, R | A, D, F, H, K, N ² , Q, U | Refer to UW |
| 41 – 45 | Nil | A, J | A, J, F ¹ | A, E, F, H, K, R | A, D, F, H, K, N ² , Q, U | Refer to UW |
| 46 – 50 | A, J | A, J | A, J, F ¹ | A, E, F, G, H, K, R | A, D, F, H, I, K, N ² , Q, U | Refer to UW |
| 51 – 55 | A, J | A, J | A, J, F ¹ | A, E, F, G, H, I, K, P, R | A, D, F, H, I, K, N ² , P, Q, U | Refer to UW |
| 56 – 60 | A, J | A, J | A, J, F ¹ | A, E, F, G, H, I, K, P, R | A, D, F, H, I, K, N ² , P, Q, U | Refer to UW |
| 61 – 65 | A, J | A, J | A, J, F ¹ | A, E, F, G, H, I, K, P, R | A, D, F, H, I, K, N ² , P, Q, U | Refer to UW |
| 66+ | A, J | A, J | A, J, F ¹ | A, E, F, G, H, I, K, P, R | A, D, F, H, I, K, N ² , P, Q, U | Refer to UW |

1 Note that the PMAR is not a mandatory requirement for Term cover up to \$5m. A mandatory PMAR will still be required for TPD cover exceeding \$3m.

2 A CXR is only required for Term cover exceeding \$20m where there is a current or past history of smoking.

We reserve the right to call for medical evidence outside these standard requirements, if necessary.

Medical requirements are based on the total benefit amounts with TAL only.



Critical Illness cover

Benefit is the total sum insured of all similar cover held with TAL plus the cover being applied for under the application.

| Age bands (next birthday) | \$0 – \$250,000 | \$250,001 – \$500,000 | \$500,001 – \$1,000,000 | \$1,000,001 – \$1,500,000 | \$1,500,001 – \$2,000,000 |
|---------------------------|-----------------|-----------------------|-------------------------|---------------------------|---------------------------|
| Up to 40 | Nil | Nil | Nil | J | A, H, J |
| 41 – 45 | Nil | Nil | Nil | J | A, H, J |
| 46 – 50 | Nil | Nil | Nil | A, J | A, F, H, I, J |
| 51 – 55 | Nil | Nil | Nil | A, I, J, P | A, E, F, G, H, I, K, P, R |
| 56 – 60 | Nil | Nil | A, J | A, E, G, I, K, P, R | A, E, F, G, H, I, K, P, R |
| 61 – 62 | Nil | J | A, J | A, E, G, I, K, P, R | A, E, F, G, H, I, K, P, R |

Key

| | |
|----------|--|
| A | MBA20 – including HDL/LDL cholesterol – non fasting |
| D | Specialist Medical Examination |
| E | Height & Weight Check by Nurse |
| F | PMAR |
| G | Exercise ECG |
| H | Full Blood Count |
| I | Prostate Specific Antigen blood test (PSA) and the Free to Total Ratio (males only) |
| J | Fast-Check Examination by Nurse – Paramedical Provider (height/weight, blood pressure, urinalysis) |
| K | Micro-urinalysis |
| N | Chest X-Ray (CXR) |
| P | Mammogram (females only) – If a mammogram has been undertaken within the last six months, a copy of this can be used instead |
| Q | Stress Echocardiogram |
| R | Fast-Check Examination by Specialist (blood pressure and heart) |
| S | Full Blood Count and ESR |
| T | Hepatitis B & C |
| U | HIV |



Medical Requirements for Income Protection insurance

Income Protection including Business Expense Options

The medical requirements are based on the highest of:

- Income Protection; or
- Business Expense Option .

| Age bands (next birthday) | Up to \$10,000 | \$10,001 – \$12,500 | \$12,501 – \$15,000 | \$15,001 – \$20,000 | \$20,001 – \$30,000 |
|---------------------------|----------------|---------------------|---------------------|---------------------|---------------------|
| Up to 40 | Nil | Nil | J | A, J | A, F, J |
| 41 – 45 | Nil | Nil | J | A, J | A, F, J |
| 46 – 50 | Nil | A, J | A, J | A, J | A, F, J |
| 51 – 55 | Nil | A, J | A, J | A, J | A, F, J |
| 56 – 60 | Nil | A, J | A, J | A, J | A, F, J |
| 61 – 64 | Nil | A, J | A, J | A, J | A, F, J |

We reserve the right to call for medical evidence outside these standard requirements, if necessary.

Medical requirements are based on the total benefit amounts with TAL only.

| Example | |
|--|------------|
| Income Protection Benefit | = \$25,500 |
| Business Expense Option | = \$20,000 |
| <i>Medical requirements</i> | |
| Income Protection + Business Expense Option | = \$25,500 |

Use the medical table to determine the requirements for IP plus Business Expense Option. In this instance this is \$25,500.



7 Medical Services Information

Standard Medical requirements – when arranging medical requirements please advise the Paramedical Service Provider that the client has applied for cover under Accelerated Protection as the medical requirements shown in the previous tables are only applicable for this product.

If you would like TAL to arrange any medical examinations or blood tests, please advise us in the application process. In this instance we will utilise the services of Unified Healthcare Group.

Paramedical Service Providers

Paramedical Providers organise examinations and medical tests by either a Registered Nurse or a Specialist (if required) and will contact clients to arrange appointments.

Utilising the services of a Paramedical provider is more efficient and will result in faster completion of your business. It also allows us to arrange automatic reflex testing when necessary to avoid clients having to undergo additional tests.

For you and your clients to get the full value of these changes please use one of TAL's Paramedical Providers below:

Unified Healthcare Group

Phone: 1300 558 583

Email: adviser.relations@uhg.com.au

Web: www.medebridge.com.au

Lifescree Australia Pty Ltd

Phone : 1800 686 000

Fax : 1800 804 758

Email: lifescree@lifescree.com.au

Fast-Check Examination – Nurse

This needs to be arranged with one of our approved Paramedical Providers.

During a Fast-Check examination, the client answers a short medical questionnaire and undergoes:

- height and weight, waist and hip circumference check
- blood pressure check
- urinalysis

Height and weight Check – Nurse

This needs to be arranged with one of our approved Paramedical Providers.

The nurse will measure and record the client's height, weight, waist and hip circumference.

Fast-Check Examination – Specialist

The specialist medical examiner will record details such as blood pressure, pulse rate, heart sounds and note any abnormalities.

If this is not being arranged with one of our approved Paramedical Providers, please use the TAL Fast-Check Examination form found on the TAL Adviser Centre.

In general, a Fast-Check Examination by a Specialist will be done in conjunction with an Exercise ECG.

Specialist Medical Examination

The specialist medical examiner will review the clients medical and family history and records details such as height, weight, blood pressure, pulse rate, heart sounds, urinalysis and note any abnormalities. In general, a Specialist Medical Examination will be done in conjunction with a Stress Echocardiogram.

Blood Test Details

Full Blood Count (FBC)

FBC measures the number and status of different types of cells in the blood, including haemo-globin, red and white blood cells and platelets.

Hepatitis B & C Serology

A blood test to establish whether there is acute, chronic or past infection with the hepatitis B and C viruses and the client's immunity status.

HIV

An HIV (Human Immunodeficiency Virus) test establishes whether the virus is present in the blood.

Multiple Biochemical Analysis (MBA) – non fasting

An MBA measures certain elements in the blood to analyse liver and renal function, glucose, cholesterol and electrolytes.



Other Medical Test Details

Chest X-Ray (CXR)

A chest x-ray to evaluate organs and structures within the chest for symptoms of disease. Views of the lungs, heart, small portions of the gastrointestinal tract, thyroid gland and bones of the chest area are taken.

Exercise Electrocardiogram (Ex ECG)

A test to measure the electrical activity of the heart. Leads are fixed to certain points of the client's chest, wrists and ankles to measure the heart's electrical impulses. This test is performed when the client is exercising, either on a treadmill or exercise bike.

Genetic tests

TAL complies with the Financial Services Council (FSC) Standard No. 11 – Moratorium on Genetic Tests in Life Insurance (**Standard**). The purpose of the Standard is to ensure that people can access a level of life insurance without being asked about the result of a previously taken genetic test.

The Standard states that clients do not need to disclose the results of an adverse (positive) genetic test result unless the client is applying for cover that is more than any of the following cover amounts:

1. \$500,000 Life Cover
2. \$500,000 Total Permanent Disability cover
3. \$200,000 Critical Illness cover
4. \$4,000.00 per month Income Protection, Salary Continuance or Business Expenses.

The above cover amounts apply to all insurance cover held by the client, including through superannuation or other life insurance companies, not just TAL.

Clients may choose to disclose a favourable (negative) genetic test result to us regardless of the cover amount, if they wish.

Our online and paper application forms now reflect the Standard requirements.

For more information about the Standard, please refer to <https://fsc.org.au/resources-category/standard/1779-standard-11-moratorium-on-genetic-tests-in-life-insurance/file>

Mammogram

An x-ray of the soft tissue of the breast to identify tissue abnormalities.

Micro urinalysis

A micro urinalysis establishes the presence of renal and urinary tract disease and renal involvement in systemic disease.

Prostate-specific antigen (PSA)

A test to measure levels of prostate-specific antigen (PSA), a protein produced by the cells of the prostate gland.

Stress (exercise) Echocardiogram

An echocardiogram uses sound waves (ultrasound) to produce images of the client's heart during exercise.



8 Financial Underwriting Guidelines

Medical Reports

Personal Medical Attendant's Report (PMAR)

TAL works with UHG (as our preferred supplier) in obtaining PMARs.

A PMAR is an underwriter's request for medical information, made directly to the client's doctor, with the client's signed permission. All communication between the doctor and TAL is confidential, however, the doctor can discuss the report with the life to be insured if they wish.

For efficient completion of PMARs please ensure:

- the doctor's name and address on the Application is accurate; and
- the Consent for accessing Health Information is signed.

If the life to be insured has no usual doctor and a PMAR forms part of the mandatory requirements, a full medical exam performed by a General Practitioner can be arranged instead.

A BMR (Brief Medical Report) is a type of PMAR that is requested when there is only one health issue that the underwriter requires information about.

The same process applies as for a PMAR.

Following up PMARs

UHG aims to have the majority of PMARs returned to TAL within 10 working days. There is no need for you to follow up PMARs with doctors as TAL supports a robust follow-up process.

Tracking PMAR progress

medEbridge, UHG's online portal, lets you track the status of your clients PMARs. To log into medEbridge, visit <https://www.uhg.com.au>

Consent for accessing Health Information

TAL has issued a new medical consent form and uses the standardised wording and authorities set out in FSC Standard No.26: Consent for accessing Health Information for the collection of health information.

The consent form will inform clients about how their health information can be accessed and used by TAL and each time a client applies for cover or makes a claim, TAL will obtain a new consent from the client.

The consent form will give TAL two types of authority.

- Authority 1 – an authority for TAL to request a report from a client's health provider (except consultation notes) about a specific condition/s; and
- Authority 2 – an authority for TAL to request the client's full health record (including consultation notes) but only from the health provider who we asked to provide the report under authority 1.

We will usually request a PMAR or BMR in the first instance. If TAL has not received the PMAR or BMR after 4 weeks or the PMAR or BMR is incomplete, inaccurate or contained inconsistencies, we may request a copy of the client's full health record if the client has completed authority 2.

The 'Consent for accessing Health Information' form is available on the TAC.

For more information about the FSC Standard, please refer to <https://fsc.org.au/resources/1780-fsc-standard-26-consent-for-accessing-health-information/file>

Financial underwriting establishes that the amount, term and type of any insurance suits the client's needs.

When assessing financial risk, we consider the following factors:

- product type;
- level of cover;
- purpose and need for the cover (personal and/or business);
- income and how it is generated;
- assets and liabilities;
- nature of business and business structure;
- number and ages of any dependants; and
- total cover in the industry.

The purpose is to provide as clear a picture as possible for the underwriter to understand the client's financial situation, why cover is required and how the level of cover was calculated.

Financial Underwriting for Life, TPD and Critical Illness

To prepare your client's insurance application and financial underwriting requirements:

1. calculate the total sum insured of any other similar insurance they hold with TAL or any other insurer;
2. calculate the benefits they can apply for, ensuring the value does not exceed the Maximum benefits or the Maximum Total Industry Cover (as outlined below); and
3. obtain the financial underwriting requirements for the level of cover they're applying for.

All clients are required to provide details of their current income (unless they have an occupation that is non-income producing such as Home Duties) and for large sums insured we require additional information.



Maximum benefits for Personal Cover

For Life, TPD and Critical Illness insurance, we use income multiples based on the age to determine the maximum benefit available to an applicant.

| Age bands (next birthday) | Multiples of Income | | | |
|--|--|-------------|----------------------------------|---------------------|
| | Life | | TPD | Critical Illness |
| | Up to \$2.5m | Over \$2.5m | Up to | Up to |
| To age 35 | 30x | 30x | 20x | 20x |
| 36-45 | 25x | 20x | 15x | 15x |
| 46-50 | 20x | 18x | 15x | 12x |
| 51-55 | 15x | 15x | 12.5x | 10x |
| 56-60 | 10x | 10x | 8x | 8x |
| 61-65 | 8x | 8x | 3x | 3x |
| 65+ | IC above \$250,000 | IC | N/A | N/A |
| Maximum Total Industry Cover | No maximum if cover is financially justified | | \$3,000,000 maximum ¹ | \$2,000,000 maximum |
| Maximum total sum insured of all similar cover held with TAL or any other company, plus the sum insured they're applying for | | | | |

¹ Please refer to Section 2 for full definitions of the TPD definitions available based on the clients occupation class.

| Example | |
|---|-----------------------------|
| Age of Life Insured | 40 years |
| Income | \$90,000 |
| Maximum Life insurance benefit | 25 x \$90,000 = \$2,250,000 |
| Maximum TPD insurance benefit | 15 x \$90,000 = \$1,350,000 |
| Maximum Critical Illness insurance benefit | 15 x \$90,000 = \$1,350,000 |

Increased Benefits

In some circumstances, we consider benefits above the income multiple guidelines. To apply for a benefit outside the guidelines please include:

- a brief outline of how the benefit amount was calculated;
- any supporting information; and
- a copy of the signed Statement of Advice.

We will also consider up to \$5m TPD for business insurance purposes. Applications should be submitted for pre-assessment and a Special Quote will be required.



Maximum Benefits for Home Duties

For a Home Duties applicant, the level of cover available varies depending on their individual circumstances, such as age and number of dependants, balance of family mortgage outstanding, their spouse's income and existing level of insurance. Insurance on the non-working spouse should not exceed the amount of cover on the working spouse.

Based on completion of the application only, the maximum benefits we offer for Home Duties occupations are listed in the following table:

| Insurance type | Maximum benefits |
|-------------------------------|------------------|
| Life insurance (up to age 40) | \$1,500,000 |
| Life insurance (41 and over) | \$1,000,000 |
| TPD insurance (up to age 40) | \$1,000,000 |
| TPD insurance (41 and over) | \$750,000 |
| Critical Illness insurance | \$750,000 |

Alternatively, cover can be calculated using the following criteria to consider cover above these amounts.

Note: this is not in addition to the above amounts.

| | Life insurance | TPD & CI insurance |
|---|----------------|--------------------|
| Multiple of spouse's income | 5 | 4 |
| Each dependent child primary school age or younger | \$200,000 | \$100,000 |
| Each dependent child in secondary/tertiary education or other dependents ¹ | \$100,000 | \$50,000 |
| Balance of mortgage on family home | Yes | Yes |
| Maximum benefit | \$2,000,000 | \$1,000,000 |

¹ Consideration can be given to other dependents such as disabled parents, siblings, etc.

To apply for a benefit at these higher levels, please include one of the following:

- completed Financial Questionnaire outlining how the benefit amount was calculated, plus any supporting information; and
- a copy of the relevant information from the signed Statement of Advice.

Financial Requirements for Life, TPD and CI insurance

After calculating the total value of cover required, refer to the following tables to find the minimum financial requirements for:

- Personal Cover; and
- Business Cover, including:
 - Business Insurability Option;
 - Key Person Cover;
 - Partnership/Share Purchase; and
 - Loan Cover.

If you have any questions, please contact your TAL underwriter. For assistance with large and/or complex financial underwriting queries, please call our financial underwriting service on 1300 434 689.

Important information:

- Financial requirements depend on the:
 - purpose of the cover;
 - product;
 - sum insured applied for; and
 - total sum insured of all similar cover held with TAL or any other company. We use this information to determine the total cover paid out in the event of a claim for different product types (Life, TPD and Critical Illness insurance benefits).
- For Critical Illness insurance Reinstatement applications, financial requirements are based on the Critical Illness insurance sum insured only

Example:

CI \$500,000 + Critical Illness insurance Reinstatement; the financial requirements are based on \$500,000 only

- There are additional financial requirements for the Business Insurance Option.

Applications for multi-purpose cover, for example personal, partnership and loan cover, may require additional information as we will take into account the total of all cover (industry wide) when determining financial requirements.



Personal Cover

Personal cover insures personal liabilities, future income earning potential and family or dependants. The following items are required for a personal cover application.

| | |
|----------|--|
| A | Application only |
| B | TAL financial questionnaire or copy of signed Statement of Advice (SoA) |
| C | Detailed report on the need for cover and how the benefit was calculated (alternatively a copy of the appropriate sections of the signed Statement of Advice can be submitted). |
| D | Business accounts to include business tax returns, profit and loss accounts and balance sheets for all business entities the client has an ownership in either directly or indirectly in which the occupation of the Life Insured is performed, for the last two tax years AND individual tax returns for the last two tax years (for both self-employed and employees). |

To find the financial requirements for your client's insurance application, first calculate their Total Industry Cover, which is the total sum insured of all similar cover held with TAL or any other company, plus the sum insured they're applying for under this application.

| Total Industry Cover | Life | Critical Illness | TPD ¹ |
|---------------------------|------------|------------------|------------------|
| Up to \$2,000,000 | A | A | A |
| \$2,000,001 – \$3,000,000 | A | – | A |
| \$3,000,001 – \$6,000,000 | A | – | – |
| Over \$6,000,000 | A, B, C, D | – | – |

1 For TPD the application can have a total of up to \$5,000,000 maximum with TAL and any other life insurance company.

| Example 1: Personal cover | Stand-alone plan or attached benefit | Benefit amount | Maximum potential claim payout |
|-----------------------------------|--------------------------------------|---|--------------------------------|
| Life insurance | Stand-alone | \$1,500,000 | \$1,500,000 |
| Critical Illness insurance | Stand-alone | \$500,000 | \$500,000 |
| TPD insurance | Stand-alone | \$2,000,000 | \$2,000,000 |
| Financial requirements | Based on individual plans | A – Application only – current year's income. | |

| Example 2: Personal cover | Stand-alone plan or attached benefit | Benefit amount | Maximum potential claim payout |
|--|--------------------------------------|---|---|
| Life insurance | Stand-alone | \$4,000,000 | \$4,000,000 |
| Critical Illness benefit Attached to Life insurance | Benefit attached to Life insurance | \$500,000 | <i>Note: Critical Illness benefit is Attached to Life insurance, so the Life insurance benefit amount is reduced by the Critical Illness insurance claim.</i> |
| TPD insurance | Stand-alone | \$2,000,000 | \$2,000,000 |
| Financial requirements | Based on individual plans | A – Application only – current year's income. B – TAL Financial Questionnaire or copy of signed Statement of Advice (SoA). D – Business accounts to include business tax returns, profit and loss accounts and balance sheets for all business entities the client has an ownership in either directly or indirectly in which the occupation of the Life Insured is performed, for the last two tax years AND individual tax returns for the last two tax years (for both self-employed and employees). | |



Business Cover

Business cover includes insurance for:

1. Key Person Protection
2. Partnership or Share Purchase Protection
3. Business Loan Protection

| | Purpose | Method for determining level of cover required |
|--|---|--|
| Key Person Protection | <p>Provides funds for the business to overcome the financial effect of the death or disability of a Key Person. A Key Person (<i>generally a third party arms-length employee with no or very minimal ownership interest in the business</i>) is usually a person who:</p> <ul style="list-style-type: none"> Possesses proven knowledge, skills and/or expertise in a specific field; Performs important tasks or processes in the business not easily replicated by others; Has valuable personal/business contacts and/or relationships vital to the ongoing success of the business. | <p>Cover is required to be owned by the business. One of the following calculation methods should be applied:</p> <p>1. Replacement cost method Includes:</p> <ul style="list-style-type: none"> • Replacement salary • Recruitment costs • Relocation costs • Training costs • Advertising expenses <p>2. Loss of revenue Determined based on the expected reduction in business revenue for the period before a replacement is found</p> <p>3. Loss of capital value Determined based on the expected loss of capital value of the business as a result of the absence of the Key Person</p> |
| Partnership/Share Purchase Protection | <p>Provides insurance proceeds to fund the sale of the deceased (or disabled) party's interest, according to the terms of the buy/sell (succession or shareholders) agreement;</p> <p>Ensures surviving parties own all the business, and the surviving family and/or estate receives a fair price for their interest in the business in a timely way; and</p> <p>Ensures smooth transition to new ownership, minimal impact to day-to-day management (no interference from surviving spouse or family).</p> | <p>Value of business (including details of the method used in deriving the valuation)</p> <p>x</p> <p>Percentage ownership share</p> <p><i>All major partners/shareholders should be covered and there should be an agreement in place to cover the Partnership/Share Purchase or Buy/Sell arrangements</i></p> |
| Business Loan Protection | <p>Protecting the business from exposure to financial loss due to inability to service/pay debt, such that the bank (or financier) may recall the debt.</p> | <p>Current amount of debt drawn down</p> <p>x</p> <p>Percentage ownership share.</p> |

Financial evidence is required as follows:

| Cover value | Life | Critical Illness | TPD |
|-----------------------------------|--|------------------------|-------------------------------------|
| Total industry cover ¹ | No industry maximum if cover is financially justified | Maximum of \$2,000,000 | Maximum of \$5,000,000 ² |
| Up to \$1,000,000 | A | A | A |
| \$1,000,000 to \$2,000,000 | A | A, B, D | A |
| \$2,000,000 to \$3,000,000 | A | Not available | A |
| Over \$3,000,000 | Key Person Cover: A, B, D & E Partnership/Share Purchase: A, B, D & F Loan Cover: A, B, D & G | Not available | Not available |

1 Total industry cover refers to total industry wide business cover including this application and any combination of personal and business cover (Key Person Cover, Partnership/Share Purchase and Loan Cover).

2 Please refer to Section 2 for full details of the TPD definitions available based on the clients occupation class.



Financial Requirements

| | |
|----------|--|
| A | Application only – current year’s income. |
| B | TAL financial questionnaire or copy of signed Statement of Advice (SoA). |
| C | Detailed report on the need for cover and how the benefit was calculated (alternatively a copy of the appropriate sections of the signed Statement of Advice can be submitted). |
| D | Business accounts to include the business tax returns, profit and loss accounts and balance sheets (for all business entities) for the last two tax years. |
| E | Statement from Employer or Chief Financial Officer/Accountant outlining the salary package, role, skills and duties which make them a key person and how the potential loss was calculated in determining the level of cover proposed. |
| F | Copy of the most recent business valuation and/or partnership/share purchase or buy/sell agreement (if available) which outlines the valuation methodology used to determine the business value and the level of cover. |
| G | Signed letter of offer from financial institution or loan schedule (to include details of lender, borrower, purpose, type, amount, term and interest rate). |

Business Insurance Option

This option allows you to increase your Life insurance Benefit Amount without further medical underwriting on the occurrence of a valid business event.

The financial requirements for the Business Insurance Option (BIO) are A+B+D+E+F+G, determined by the purpose of the cover or per the specific business cover guidelines. This is regardless of the sum insured. For example, financial requirements for Partnership/Share Purchase cover are A+B+D+F.

The same financial information is required when exercising this option.

When exercising the BIO, any increase in cover must be for the same business event for which the cover was originally taken out and determined using the same or similar methodology.

Example: Original cover and BIO established for Share Purchase

The value of the business has increased and therefore a BIO increase for Share Purchase is available using the same valuation methodology used in the original application.

This should be supported by the same financial requirements to confirm the new business value and level of cover.

No medical underwriting is required, however your client cannot be suffering from a Sickness or Injury which results in an entitlement to any kind of life insurance claim.

If the applicant was classified as a smoker on their original application, their BIO increase is on smoker rates.

Items required to exercise Business Insurance Option

- Completed Application for Increase Business Insurance Option
- Application declarations, completed
- Confirmation the Life Insured is working in their usual occupation
- Financial Questionnaire, completed
- Supporting financial evidence as per the specific cover guidelines. For example, financial requirements for Share Purchase cover are A+B+D+F.

For more information, see the PDS.

Financial Underwriting for Income Protection

Prepare your client's insurance application and financial underwriting requirements by:

1. determining their monthly earnings;
2. calculating their benefit level; and
3. obtaining the financial underwriting requirements applicable to their employment status and the level of benefit they apply for.

Determine monthly earnings

Monthly earnings is income generated by work performed in the client's own occupation. Income not generated from personal exertion, such as investment income, should not be included. Monthly earnings are assessed differently for:

- employees; and
- self-employed people.

Use the following guidelines to determine your client's monthly earnings.

Employees

For employees (with no ownership interest in the business), monthly earnings includes income the client is entitled to receive or receives as remuneration from their employer. Employees may include additional elements of their salary package, provided they were not included in the original package/ salary listed on their application, such as:

- motor vehicle allowance;
- superannuation; and
- regular and recurring bonus or commission payments (over three year history).



Self-employed

Self-employed applicants are sole traders, partners, shareholders or employees of their own business, (eg Pty Ltd company, trust or partnership). Monthly earnings are based on the client's share of the business profits they are entitled to and/or receive directly or otherwise. Business profits are calculated in the usual manner that profits and losses in a business are calculated.

Some items can be added back from the profit and loss such as the client's share of:

- donations;
- salary/wage and/or Director's fees paid to the clients;
- superannuation paid to the clients;
- salary/wage and or superannuation income split with spouse;
- a percentage of private use of a motor vehicle, if not already taken into account; and
- depreciation costs if not already taken into account, depending on the item and the amount.

For details and examples of these and other add back items, please refer to the Income Protection calculator on TAL Adviser Centre which outlines the process for determining the client's income, or speak to your TAL underwriter.

Income Splitting

If a spouse is employed in the business primarily for income splitting or taxation purposes, benefits may be based on the income actually generated by the breadwinner. If both spouses require cover, full details of each spouse's responsibilities, duties and income must be provided.

Applications for both spouses on the basis of the above are only accepted when it is clear each spouse works full-time in the business and one is not merely working at home doing accounts, bookkeeping or secretarial work for the business.

Please refer to the Income Protection calculator on TAL Adviser Centre which explains how to determine if income splitting is occurring. Your TAL underwriter will also be able to assist you with further clarification.

Calculating benefit levels

Use the following formula to determine your client's maximum benefit levels:

- 75% of the first \$26,666 of monthly earnings (or \$320,000 per year)
- 50% of the next \$20,000 of monthly earnings (or \$240,000 per year).

Monthly benefits over \$20,000

Clients applying for a total monthly benefit of \$20,000 or more must complete Section 5, Question 11 of the application regarding their net assets and net investments/unearned income. Net assets and net investments/unearned income includes those where the client has either an ownership interest in or control over assets, directly or indirectly including those held in the spouse's name, trusts or other entities owned by any other entity.

For clients with net assets (excluding the personal residence/family home and superannuation) with a value of \$5,000,000 or more OR net investment or unearned income exceeding \$250,000 per year then ask your TAL underwriter for individual consideration.

Ongoing Income

Where clients are self-employed and the business is likely to generate on-going income when they are unable to work your TAL underwriter may consider applying an Ongoing Income Clause. Please contact your TAL underwriter who will be able to assist you with further clarification.

Example:

Client is a self-employed Specialist Ophthalmic Surgeon with two support staff earning a net income of \$2,000,000 per year.

Limits for financial requirements

If a client applies for a total monthly Benefit Amount exceeding the amounts in the table on the next page, we require minimum financial evidence.

Please note:

Self-Employed means you are either:

- a business owner
- a sole trader
- an employee of a company you have a shareholding in either directly or indirectly
- a beneficiary or trustee or unit holder of a trust, or
- in a partnership.

Employee means you are an arms-length employee with no ownership interest in the company you work for.

Applying for both Income Protection and Business Expense Option

When a client applies for both Income Protection and Business Expense Option, the financial requirements are based on the highest benefit applied for.

Example:

Income Protection benefit of \$10,000 and Business Expense Option of \$8,000. The financial requirements will be based on the Income Protection Benefit of \$10,000.



Agreed Value (Increases to Agreed Value only and must be endorsed)

| Occupation class | Monthly Benefit Amount | Employee | Self-employed |
|------------------|------------------------|-----------------------------|------------------------|
| | | Financial Requirements | Financial Requirements |
| AAA & AA+ | \$0 to \$15,000 | A + (B or C or D or E or I) | A + F + H |
| AAA & AA+ | \$15,001 to \$20,000 | A + (C or D or E) | A + F + H |
| AAA & AA+ | \$20,001+ | A + (F or G) | A + F + H |
| AA | \$0 to \$10,000 | A + (B or C or D or E or I) | A + F + H |
| AA | \$10,001 to \$12,500 | A + (C or D or E) | A + F + H |
| AA | \$12,501 to \$20,000 | A + (C or D or E) | A + F + H |
| AA | \$20,001+ | A + (F or G) | A + F + H |
| A, BBB, BB, B | \$0 to \$7,500 | A + (B or C or D or E or I) | A + F + H |
| A, BBB, BB, B | \$7,501 to \$10,000 | A + (B or C or D or E) | A + F + H |
| A, BBB, BB, B | \$10,001 to \$20,000 | A + (C or D or E) | A + F + H |
| A, BBB, BB, B | \$20,001+ | A + (F or G) | A + F + H |
| SRA | \$0 to \$7,500 | A + (B or C or D or E or I) | A + F + H |
| SRA | \$7,501+ | N/A | N/A |

Indemnity

| Occupation class | Monthly Benefit Amount | Financial requirements | | |
|------------------|------------------------|------------------------|---------------|-----------|
| | | Employee | Self-employed | BEX |
| AAA & AA+ & AA | \$0 to \$20,000 | A | A | A |
| AAA & AA+ & AA | \$20,001+ | A + (F or G) | A + F + H | A + F + H |
| A, BBB, BB, B | \$0 to \$15,000 | A | A | A |
| A, BBB, BB, B | \$15,001 to \$20,000 | A | A + F + H | A + F + H |
| A, BBB, BB, B | \$20,001+ | A + (F or G) | A + F + H | A + F + H |
| SRA | \$0 to \$7,500 | A | A | N/A |
| SRA | \$7,501+ | N/A | N/A | N/A |

Financial Requirements

- A** Application only
- B** The two most recent official employer prepared payslips (eg Micropay) showing year-to-date earnings
- C** Individual tax return for the last tax year¹
- D** PAYG payment summary for the last tax year
- E** Signed letter from employer on business letterhead, clearly stating annual remuneration package including details of salary/wage, superannuation and other benefits itemised
- F** Individual tax returns for the last two tax years¹
- G** Signed letter from employer on business letterhead, clearly stating annual remuneration package including details of salary/wage, superannuation and other benefits itemised for the last two tax years
- H** Business accounts to include business tax returns, profit and loss accounts and balance sheets for all business entities the client has an ownership in either directly or indirectly in which the occupation of the Life Insured is performed, for the last two tax years.
- I** Latest payslip showing annual base salary

¹ Tax returns submitted must be those returns submitted to the ATO, with no subsequent adjustments made.



Financial Underwriting for Business Expense Option

The Business Expense Option reimburses business losses if the Life Insured is Totally Disabled or Partially Disabled and his or her business suffers an Operating Loss as a result. A monthly benefit of up to \$30,000 is available.

The Business Expense Benefit payable will be the lesser of:

- the Business Expense Benefit; and
- the Life Insured's share of the Operating Loss incurred.

An Operating Loss is the Life Insured's share of the Business Income less Business Expenses.

Business Expenses are expenses which are reasonable and necessarily incurred in generating Business Income, excluding salaries, fees, moneys or benefits paid to the Life Insured, depreciation, stock or items of a capital nature. Note, payments made to an associated person such as a spouse who doesn't work in the business should also be excluded.

Please refer to the Income Protection calculator on TAL Adviser Centre which has a Business Expenses worksheet and will assist in calculating the Business Expense Option amount for your client.



9 Bankruptcy, Liquidation, Receivership or Administration

Application form disclosure is required where in the last 5 years a client has either been declared bankrupt or had a business placed into liquidation, receivership or administration.

Where a client is an undischarged bankrupt no IP or TPD insurance is available.

Undischarged bankrupts can generally apply for up to \$1 million Life cover and \$500K Critical Illness cover. Cover over these limits could be considered based on individual merits.

For situations of discharged bankruptcy, liquidation, receivership and administration, we will take into account how long ago the event took place, the reason for the event and the client's current activities and overall risk profile. Restrictions may be made in terms of the level of cover that is offered and a limited cover term of 2 or 5 years may apply. In some cases, cover may not be available.

In situations where the client has moved into a different industry or where the client is now currently an employee, consideration of cover can be made subject to them having been in the new role for more than 12 months for an employee and more than 2 years in a new business activity.

Financial evidence is required as follows:

Self Employed

- Individual Tax Returns for last 3 years
- Business Tax Returns and financial statements for the last 3 years for all entities the client has an ownership interest in (directly or otherwise).

Employee

- Individual Tax Returns for the last 2 years, or
- PAYG Payment Summaries for the last 2 years
- Where wages include commissions and/or bonuses a breakdown is required from the employer of base salary, superannuation, commissions, bonuses and any other benefits.



10 Lifestyle Factors

Height and Weight

We use the body mass index (BMI) to assess the medical implications of a client's weight compared to their height. The BMI is calculated by dividing a person's weight in kilograms by their height in metres squared, as shown below:

$$\frac{\text{Weight}}{\text{Height}^2} = \text{BMI}$$

For example

$$\frac{68\text{kg}}{(1.7)^2} = 23.5$$

From a medical perspective, excess weight is related to an increased risk of the following medical conditions:

- cardiovascular disease (including heart failure);
- cerebrovascular disease (including stroke);
- high blood pressure;
- high blood cholesterol;
- type 2 diabetes;
- gall bladder disease;
- osteoporosis;
- musculoskeletal disorders;
- sleep apnoea; and
- some types of cancers.

The underwriting outcome for an applicant outside of our guidelines for BMI is based on a client's height/weight ratio, age and the benefits they apply for.

When completing an online application and falling outside these parameters, an applicant may receive:

- acceptance at standard rates; or
- a request for a Fast-Check examination and blood test to evaluate any potential health impacts; or
- referral to TAL's underwriting team for review.

If there has been weight loss within the 12 month period prior to application, our approach is to add half the amount of weight lost back to the current weight figure. This is because generally speaking, weight loss is hard to sustain. Where this results in a loading, it can be reviewed with further sustained weight loss in another 12 months.

You can do a pre-assessment prior to submitting your client's application to give you an indication on whether a BMI loading will apply.

Smoking

Applicants who smoke over 35 cigarettes per day must undergo a medical examination. Depending on the results of the medical, we may apply a loading.

To be eligible for non-smoker rates, a client must not have smoked any form of tobacco (including cigars and pipe smoking) or any other substance within the previous 12 months.

Cessation of Smoking

If your client stopped smoking in the last 12 months, they will be rated as a smoker until a full 12 months passes from when they last smoked.

Once 12 months passes, the client can apply for non-smoker rates by submitting an alteration request and Non-Smoker Declaration.

Where a client stops smoking due to an adverse change in their health, non-smoker rates may not be available.

We treat the use of nicotine replacement or nicotine containing products such as patches or gum, vaporizers and/or e-cigarettes, the same as smoking.

Where clients use products NOT containing nicotine (nicotine free), then non-smoker rates can be considered.



Pregnancy

If the client discloses she is pregnant then the following guidelines determine the outcome of the assessment based on the product applied for.

A client without any complications, or problems with prior pregnancies, may be considered for Life, TPD, Critical Illness and Income Protection (subject to meeting minimum working hour requirements).

Where there are current or a history of pregnancy related complications or there are concurrent medical conditions, we will require a report from the clients' doctor.

| Scenario | Life / Critical Illness | TPD | Income Protection |
|---|--|--|---|
| Currently pregnant and intending to return to work full time within 12 months | Available subject to usual underwriting up until the due date. | Available subject to usual underwriting based on current occupation and work hours. | Available subject to underwriting; based on current income, occupation and work hours. |
| Currently pregnant and intends returning to work on a part time basis within 12 months | Available subject to usual underwriting up until the due date. | Available subject to usual underwriting based on part-time employment and income criteria. | Available subject to usual underwriting based on part-time employment and income criteria. |
| Currently pregnant and unsure of return to work date | Available subject to usual underwriting up until the due date. | Available subject to usual underwriting, occupation will be based on Home Duties. | Not available. |
| On parental leave | Available subject to usual underwriting. | Available subject to usual underwriting. Based on usual occupation if returning to usual duties within 3 months. Based on Home Duties if more than 3 months until return to work. | Based on usual occupation if returning to usual duties within 3 months. If more than 3 months until return to work, no cover is available. |

Residency and Travel

The table below indicates whether we will consider cover based on the visa type and intention to remain in Australia. There are additional underwriting rules that need to be taken into account based on the type of cover being applied for as outlined below.

| | Currently residing in Australia on a temporary visa and does NOT intend or is NOT eligible to apply for permanent residency | Currently residing in Australia on a subclass 457, 482 medium-term stream or 820 visa and intends applying for permanent residency | Currently residing in Australia on a temporary visa and intends applying for permanent residency as allowed under the temporary visa conditions (see Note 1) | New Zealand citizen currently residing in Australia on a Special Category Visa (SCV) or Protected SCV and intends residing in Australia on a permanent basis |
|--------------------------------|---|--|--|--|
| Life | Decline | Allow with Residency Exclusion | Allow with Residency Exclusion | No Exclusion |
| TPD | Decline | Allow with Residency Exclusion | Allow with Residency Exclusion | No Exclusion |
| Critical Illness | Decline | Allow with Residency Exclusion | Allow with Residency Exclusion | No Exclusion |
| Income Protection (see Note 3) | Decline | Allow with Residency Exclusion (see Note 2) | Allow with Residency Exclusion (see Note 2) | No Exclusion (see Note 2) |

Note 1 – For this category we will need to know:

- Whether they are the primary visa holder or the spouse/partner or family member of a visa holder
- The number/subclass of their visa
- How long they have been in Australia
- The clients plans for staying in Australia
- Whether the client has applied for or intends to apply for permanent residency

The client may also need to provide a copy of their passport with visa approval.

Note 2 – Client must have been residing AND working in Australia for a minimum of 3 months to be considered for IP cover

Note 3 – Short term Income Protection cover will only be considered.



Overseas Travel

When your client travels overseas for holiday or business, we need to know when they plan to travel, their destination(s) and the duration of the trip(s). This includes travel details where a client travels on a regular basis for business.

The underwriting assessment of travel is based on:

Destination/Location

Some destinations incur a loading, an exclusion or they may be uninsurable. These destinations have one or more of the following factors:

- unstable political situation;
- war or ongoing civil unrest;
- inadequate medical/health facilities;
- poor health/lifestyle of general population; and
- increased crime and kidnapping.

The Department of Foreign Affairs and Trade's (DFAT) travel advisory website www.smarttraveller.gov.au provides additional information regarding any concerns around overseas travel.

When a client travels overseas or resides overseas for business purposes restrictions may apply. Please refer to the following section for more information.

Purpose & Duration of Travel

The purpose and duration of travel is taken into account when considering cover. For example, a client planning to work overseas is assessed differently to a client planning to travel overseas for a holiday.

Holiday travel

For clients travelling overseas on short holidays (usually two months or less), we generally consider all benefits for destinations with a country warning of DFAT 1 or 2. If the travel warning is a level 3 or 4, individual consideration will be applied. Cover may be offered with an exclusion, loading, or other restriction or may be unavailable until return to Australia.

Extended periods of travel are considered on an individual basis depending on the purpose, destination/s, duration of travel and benefits requested.

Business travel

Business travel is considered on an individual basis because circumstances can vary from a client travelling overseas to a 'safe' destination for one week per year, to clients travelling on a frequent basis, visiting countries with travel warnings or travelling overseas for work purposes for a period of time.

We will assess each clients' circumstances including the length of time they are overseas, country involved, occupation and duties, income and other factors and offer cover where possible. Cover may be offered with an exclusion, loading, or other restriction or may be unavailable until return to Australia.

Please contact your TAL underwriter to discuss your client's circumstances.

DFAT travel warning category

| | |
|-------------------------|------------------------------------|
| Level 1 (Green) | Exercise normal safety precautions |
| Level 2 (Yellow) | Exercise a high degree of caution |
| Level 3 (Orange) | Reconsider your need to travel |
| Level 4 (Red) | Do not travel |

Expats – Australian Citizens residing overseas

Where a client is or will be residing overseas we will only be able to consider applications on the following basis:

- The client is an Australian Citizen
- The client is working overseas for no more than 5 years in total
- There is a clear return to Australia date
- Client must have an Australian address for the issuing of the policy
- Application must be signed in Australia before the client leaves the country or when the client comes back to visit for business or on holiday
- All medical requirements must be completed in Australia

These applications will still be subject to our normal risk profiling to take into account individual circumstances, noting that we will not be able to accept all risks.

Please contact your TAL underwriter to discuss your client's circumstances.



11 Completing the Application

Insurance History

Existing or Concurrent Insurance Cover

It is important to disclose all other existing or concurrent insurance cover whether it is with TAL or another insurance company. We use this information to determine:

- medical and financial requirements needed; and
- maximum benefit levels, particularly for Income Protection and Critical Illness insurance.

When the client indicates the cover they're applying for will replace existing cover with either TAL or another insurance company, your client must cancel the existing cover. No claim is paid on a new policy unless the previous cover is cancelled. If the previous policy is not cancelled and a claim occurs, any premiums paid on the new policy will be refunded.

When the client indicates they are replacing an existing policy, we base our underwriting assessment on this information and proceed in good faith. The existing policy should be cancelled after we inform the client we have accepted their new application.

Non-standard Issue or Declinature of Other Insurance

When your client indicates previous insurance or insurance applications have been declined, deferred or issued other than as submitted, we require the full details of the alternative offer, the reasons for this, when it was made and the type of insurance applied for.

12 Replacing Existing Business

Waiver of 90-day Waiting Period under Critical Illness insurance

For Critical Illness insurance applications, the 90-day Waiting Period for Heart Attack, Stroke etc is waived where these conditions, in our opinion, are equivalent to the Critical Illness conditions being replaced and the sum insured is the same.

The 90-day Waiting Period applies to TAL Critical Illness conditions not covered under the policy being replaced.

13-month Suicide Clause

The 13-month suicide clause is waived if the death benefit being replaced was current for 13 consecutive months, without lapsing or reinstatement, immediately prior to the commencement of Life insurance with TAL. The waiver applies to the amount of cover being transferred from the other insurer(s).

13 Documentation Lifespan

Insurance History

A TAL Personal Statement is current for three months. It can then be updated by a TAL Underwriting Application Declaration for another three months.

After six months, a new Personal Statement is generally required if underwriting is still incomplete.



14 Transfer Terms

Transfer terms, also known as modified underwriting arrangements, are available.

Eligibility criteria

If your client's existing policy was fully underwritten by another company within the last five years and meets the eligibility criteria outlined in the table below, your client can transfer their policy to Accelerated Protection without having to undergo full underwriting.

We will waive any mandatory medical requirements and initially underwrite based on the fully completed Personal Statement. We may still require medical evidence or tests based on the information disclosed on the Personal Statement.

| Benefit type | Age criteria (next birthday) | Maximum Sum Insured | Medical sub-standard terms considered ¹ | Requirements ² |
|---|------------------------------|--------------------------|--|--|
| Life insurance | Maximum 60 | \$3 million | Up to +100% loading | Fully completed Personal Statement |
| Critical Illness | Maximum 55 | \$1.5 million | Up to +100% loading | Fully completed Personal Statement |
| | 56-60 | \$1.5 million | Standard rates only for these ages | Fully completed Personal Statement |
| TPD | Maximum 55 | \$2 million | Up to +100% loading | Fully completed Personal Statement |
| | 56-60 | \$2 million | Standard rates only for this age group | Fully completed Personal Statement |
| Income Protection (includes Business Expense Option) | Maximum 55 | \$15,000 monthly benefit | Up to +50% loading | <ul style="list-style-type: none"> • ≤ 45nb – applying for up to \$12,500 monthly benefit needs a fully completed Personal Statement • ≤ 45nb – applying for \$12,501 – \$15,000 monthly benefit needs a fully completed Personal Statement and Fast-check exam • > 45nb and applying for > \$10,000 monthly benefit needs a fully completed Personal Statement and Fast-Check exam • Mandatory financial requirements will still be required. |

1 For medical sub-standard terms, in addition to the medical loading, we will consider additional loadings/exclusions for non-medical risks. A medical exclusion equates to +50% loading.

2 In addition to these requirements, we also require evidence of the existing cover to be replaced, as follows:

- copy of the Policy Schedule
- copy of the latest renewal notice showing that the cover is in force and the current benefits; or
- the Certificate of Currency from the current insurer.

General guidelines and eligibility criteria

Eligibility criteria considered when transferring cover:

- modified underwriting/transfer terms are only available where the insurance cover being replaced was fully underwritten and was not accepted under modified underwriting or transfer terms previously
- the level of cover being applied for does not exceed the level of cover being replaced
- benefits applied for are no more generous than those benefits being replaced, including TPD definitions, optional benefits, waiting periods, benefit periods etc
- Agreed Value Income Protection will not be available
- the occupation class will be based on the client's current occupation and will determine if any restrictions apply (for example, we may limit the benefit period)
- in general, financial evidence is not required for Life Insurance, Total and Permanent Disability insurance or Critical Illness cover. However, there may be instances where financial evidence is requested.



15 Questionnaires

Waiver of the 13 month Suicide Clause and the 90 day Waiting Period under Critical Illness

Where the cover is accepted under transfer terms, we will waive the 13-month suicide clause under Life Insurance and waive the 90-day waiting period under Critical Illness.

For full terms and conditions, refer to the PDS.

Note: TAL reserves the right to request additional underwriting requirements and/or supporting documentation if required. Transfer terms arrangements are not a guaranteed acceptance of the original cover and terms.

Medical Questionnaires

We have the following questionnaires available if your client makes a disclosure. These questionnaires help the TAL underwriter assess the condition more quickly and may enable us to make a decision without obtaining any medical evidence. All Questionnaires are available to download from the TAL Adviser Centre.

- Abnormal Pap Smear or Cervical Screening Test
- Alcohol consumption
- Anaemia
- Arthritis/Gout
- Asthma / Bronchitis / Respiratory condition
- Back / Neck Pain
- Chest pain
- Diabetes / Raised blood sugar
- Drug use
- Ear condition
- Eczema/Dermatitis/Psoriasis/Skin condition
- Epilepsy / Seizures
- Eye condition
- General medical condition
- Gynaecological condition
- Health Declaration
- Heart /Circulatory condition
- Hepatitis
- High blood pressure
- High cholesterol
- Joint or other Musculoskeletal condition
- Kidney/Urine/Prostate or Bladder condition
- Lump / Lesion / Cyst / Growth / Mole
- Mental Health
- Non-Smoker Declaration
- Sleep Apnoea
- Stomach / Bowel condition
- Thyroid condition

Medical Fact Sheets

To help you understand some of the common medical conditions that TAL underwriters assess on a day to day basis, we have developed a series of medical fact sheets.

The fact sheets are:

- Bowel Cancer
- Cancer
- Carcinoma in Situ
- Diabetes
- Fatty liver
- Hypertension
- Mental Health
- Rheumatoid Arthritis
- Sleep Apnoea
- Underwriting the spine following low back pain
- Underwriting the spine following neck pain

The fact sheets are available to download from the TAL Adviser Centre.

For more information, contact the Adviser Service Centre OR your local underwriting team.



16 Stamp Duty

Stamp duty is a government charge that varies depending on the state or territory where the life insured resides, cover type and structure of the policy. It is calculated as a percentage of the total premium, including the policy fee and any premium frequency charge.

Government duties or charges may change from time to time, and the amount paid by your client for their policy may change as a result.

We will show any explicitly charged stamp duty on the quote illustration.



17 Requirements for exercising the Guaranteed Future Insurability Benefit under Life, Critical Illness and TPD insurance

The Guaranteed Future Insurability Benefit allows the Life Insured to increase their sum insured without medical evidence following the occurrence of an Allowable Event. The benefit is subject to the following conditions:

- the provision of an application for increase being made within 30 days of an Allowable Event or within 30 days of the Policy anniversary following an Allowable Event
- our receipt of supporting evidence for the Allowable Event, acceptable to us
- the Life Insured being under the age of 55 at the time of an Allowable Event
- the increased amount being within the allowable Guaranteed Future Insurability limits, as described in PDS.
- The Guaranteed Future Insurability Benefit may not be excised more than once in any 12 month period.

The Guaranteed Future Insurability Benefit cannot be exercised if:

- premiums are being waived under the Premium Relief Option; or
- an exclusion or an increase in premiums due to the Life Insured's medical history or pastimes has been applied at the Plan start date; or
- cover under Life insurance has resulted from applying the Death Buy-Back Option under TPD insurance; or
- cover under Life insurance has resulted from applying the Death Buy-Back Benefit under Critical Illness insurance; or
- cover under Critical Illness insurance has resulted from applying the Critical Illness Reinstatement Option; or
- the beneficiary, or the Life Insured is entitled to make, or is receiving or seeking payment of a claim under any Life Insurance policy with TAL or another insurer.

The following table describes evidence requirements for exercising the Guaranteed Future Insurability Benefit:

| Allowable Event | Required Evidence |
|--|---|
| Personal | |
| The birth of a child where the Life Insured is the parent | Certified copy of the relevant Birth Certificate, or a certificate from the hospital, midwife or obstetrician, naming the Life Insured as a parent |
| The adoption of a child by the Life Insured | Certified copy of the relevant Adoption Order and Birth Certificate, naming the Life Insured as an adoptive parent |
| A dependent child of the Life Insured starts primary or secondary school | Written confirmation of enrolment from the school, and a certified copy of either the Birth Certificate or Adoption Order naming the Life Insured as the parent |
| Marriage of the Life Insured | Certified copy of the relevant Marriage Certificate, naming the Life Insured as the bride/bridegroom |
| Divorce of the Life Insured | Certified copy of the relevant Certificate of Divorce, naming the Life Insured as a part to the divorce |
| Where the Life Insured's base salary increases by at least \$10,000 (employees only with no ownership/interest in the business) | Letter from an authorised representative of the Life Insured's employer, confirming salary increase |
| The Life Insured completes a post graduate degree | Certified copy of academic transcript confirming qualification for degree, or certified copy of degree. |
| Taking out or increasing, a mortgage by the Life Insured | Certified copy of the relevant Title Deed and Mortgage Summary, naming the Life Insured as a Title Holder/Mortgagee |
| The Life Insured becoming a Carer | Confirmation from a Medical Practitioner that a Carer is required and a Statutory Declaration by the Life Insured confirming fulfilment of this role. |
| The Life Insured has a change in tax dependency status as a result of the Life Insured ceasing to have any tax dependents as defined by current law | Statutory Declaration by the Life Insured of this change. |
| Business | |
| An increase in the Life Insured's value to the business, where the Life Insured is a key person in that business | Financial evidence supporting this change |
| An increase in the Life Insured's financial interest in the business, whether as a partner, shareholder or unit holder, and the Policy forms part of a buy/sell, share purchase or business succession agreement | Financial evidence supporting this change. |
| An increase in the loan liability of the business for which the Life Insured is the primary guarantor | Financial evidence supporting this change. |

Please provide the required evidence and a completed 'Exercise Guaranteed Future Insurability Benefit' form.



18 Alternate Terms

Exclusions and Loadings

In some cases, we offer applicants insurance with modified terms such as exclusions or loadings. For those clients, we contact you in advance by telephone to discuss the terms. It may not always be possible to make contact by phone but we always attempt to do so.

Accelerated Underwriting does not require the client and Policy owner to sign and date an Alternate Terms letter. Instead, we wait for notification from you that the client has accepted our offer and issue the policy on this basis, with Alternate Terms accepted outlined in the client's Policy Schedule.

If the client's circumstances have changed since they completed the Application, they must advise us so we can determine if that change impacts on their final assessment. If the change does impact their final medical assessment, we may request further medical evidence or decline to offer cover. If the occupation is impacted due to loss of employment or a change of occupation, we may adjust the occupation rating or product or decline to offer cover.

Loadings and Limited Benefit Periods for Life and/or TPD

A reduced medical loading is allowed for clients prepared to accept a limited Benefit Period, ie 2, 3, 4 or 5 years for Life and/or TPD cover. Level premiums only apply.

If a client's medical history meets the criteria and a reduction in the loading is possible, your underwriter will discuss this option with you.

Special commission terms apply.

Disclosure of Reasons for Alternate Terms

If we offer Alternate Terms, we are able to discuss information obtained during a client's tele-interview with you, unless the client requests otherwise.

If we offer Alternate Terms due to medical factors not revealed during the initial application but obtained through formal medical evidence such as medical exam, blood test or PMAR, we can only discuss the full details with you if the client has provided their signed consent. This consent form is available from TAL Adviser Centre.

Declined Applications

If we are unable to offer insurance to your client, we will try in all circumstances to contact you prior to sending the client's decline letter. We delay mailing a decline letter for three business days to allow us to make contact with you.

If we decline insurance due to medical factors not revealed during the initial application but obtained through formal medical evidence, the applicant is entitled to request further information. Where it is practical to do so, we send a letter to the applicant's Medical Practitioner, outlining our reasons for declining cover so the Medical Practitioner can discuss this information with the applicant.

Third Party Ownership of Income Protection (excluding superannuation)

There is an industry-wide moral concern with allowing third parties to own income protection policies, that is, for someone other than the Life Insured to own the policy. The purpose of income protection cover is to provide replacement income when the Life Insured is unable to perform their occupation due to sickness or injury, in many cases for a substantial period of time, therefore, they are not generating earnings.

The concern is that if someone other than the Life Insured receives benefits from the policy then the purpose of the cover is not met. However, we recognise that there are circumstances in which the moral concern is reduced, so in the circumstances listed below we allow such an arrangement.

Allowable Circumstances

| Ownership |
|--|
| Family Trust ownership of the policy |
| Family Company ownership of the policy |
| Husband/Wife ownership of the policy on the other's life |
| Employer/Employee arrangements where the policy is part of an employee's overall salary package. Evidence of this agreement, such as a copy of the employment contract must be provided with the Application |
| Company ownership of the policy where the insured is a partner |

Any queries relating to third party ownership not covered by this document should be directed to your TAL underwriter.



19 Policy Administration

General Policy Administration

Any relevant forms are available on the TAL Adviser Centre.

| Alteration / Request | Requirements |
|--|---|
| Change of Policy Address | <ul style="list-style-type: none"> Letter, email or phone call from policy owner or adviser |
| Name Change (Personal) | A certified copy of at least one of the following documents: <ul style="list-style-type: none"> Marriage or change of name certificate Divorce Papers (Decree Absolute) with Birth Certificate |
| Name Change (Company) | Name change only (no change to ACN/ABN): <ul style="list-style-type: none"> Copy of ASIC Certificate of Registration of Change of Name Name change requiring change to ACN/ABN: <ul style="list-style-type: none"> MOT and PDS (originals) and a copy of the ASIC Certificate of Registration of Business Name (please refer to Transfer of Ownership section for full details) |
| Date of Birth correction | <ul style="list-style-type: none"> Copy of Birth Certificate, Statutory Declaration, Passport or Driver's Licence |
| Change in payment details | <ul style="list-style-type: none"> Fully completed Payment Advice form or call 1300 209 088 |
| Cancellation of automatic payment authority | <ul style="list-style-type: none"> Signed letter from the account holder or phone call from the Payer/Policy Owner. |
| Payment frequency alteration | <ul style="list-style-type: none"> Letter, email or phone call from Policy Owner, account holder or adviser |
| Third Party Authority | <ul style="list-style-type: none"> Letter signed by all policy owners |
| Change in Servicing Rights | <ul style="list-style-type: none"> Letter signed by all policy owners |
| Section 290-170 Notices | <ul style="list-style-type: none"> Return of completed Section 290-170 Form |
| Update beneficiary details | Non-Superannuation: <ul style="list-style-type: none"> Beneficiary Nomination Ordinary form OR contact 1300 209 088 Superannuation: <ul style="list-style-type: none"> Death Benefit Nomination – Superannuation form |
| Decline Indexation one off | <ul style="list-style-type: none"> Letter, email or phone call from Policy Owner or adviser |
| Freeze Premium | <ul style="list-style-type: none"> Letter signed by all Policy Owners |
| Lost Policy Replacement | <ul style="list-style-type: none"> Lost Policy Declaration form and payment of \$50 fee for each document lost¹ |
| Deletion of a Benefit | } Policy Alteration Application or letter signed by all policy owners |
| Decrease in Sum Insured | |
| Decrease in Benefit Period | |
| Change in Premium Type (e.g. Stepped to Level) | |
| Increase in Waiting Period | |
| Agreed to Indemnity contract | |
| Change in TPD definition from Own to Any | |
| Removal of an Optional benefit | |
| Cancellation of Policy | <ul style="list-style-type: none"> Written request signed by all policy owners |

¹ Please note the \$50 Lost Policy fee is not required where:

- Lump sum cover is under \$25,000; or,
- If within first month of Risk Commencement Date (RCD), a new document can be issued upon receipt of a signed Lost Policy Declaration from ALL policy owners advising original was never received.



Changes in Cover Requiring Underwriting

Please note: the following is a general guide only and changes may not always be available for all Legacy policies. In all instances, please check with our Adviser Service Centre.

Where a client is residing overseas we can consider Reinstatements, Stepped to Level premium and Status change alterations in most instances. For any other Alterations please contact your TAL underwriter to discuss your client's circumstances as we are limited in making other changes where the client is not residing in Australia.

| Alteration/Request | Forms required ¹ |
|--|---|
| Increase existing benefit – within 12 months of policy issue | Application for Increase or Benefit Option Addition – within 12 months of policy issue ² |
| Add a new option (with the exception of Child's Critical Illness and Business Insurance Option) – within 12 months of policy issue | |
| Increase existing benefit or add a new option – over 12 months from policy issue | } Application for Increase or Alteration ³ |
| Add Business Insurance Option | |
| Add a new benefit | |
| Increase Benefit Period | |
| Decrease in Waiting Period | |
| Review of medical loading or exclusion | |
| Review of travel loading | |
| Review of Occupation Class | |
| Change in TPD definition from Any to Own OR ADL to Any/Own due to occupation change | |
| Standard to Premier | |
| Income Protection – Guaranteed Future Insurability option | |
| Enabling the Inflation Protection Benefit | |
| Add Child's Critical Illness | <ul style="list-style-type: none"> Child's Critical Illness Insurance Application form |
| Business Insurance Option Increase | <ul style="list-style-type: none"> Application for Increase Business Insurance Option |
| Reinstatement ⁴ | <ul style="list-style-type: none"> Reinstatement Application form for each Life Insured signed by all policy owners All premium arrears |
| Review of pastime loading or exclusion | Sports and Pastime Review Questionnaire |
| Removal of Ongoing Income Clause | Application for Increase or Alteration – Sections 3-8 |
| Review of travel exclusion | Travel Exclusion Review Questionnaire |
| Smoker Status Change | Fully completed Non-smoker Declaration Form |

1 Underwriting is required in all instances where an Application form is requested. Also refer to information in this guide for any additional requirements on a case by case basis (for example: due to total cover client may require mandatory medical or financial requirements).

2 Application for Increase or Benefit Option Addition – this form can be used for increase to an existing benefit or adding an option to an existing benefit within 12 months of policy issue. For example: policy issued 6 months ago and client adding Premium Relief option. This form cannot be used to add a new benefit (such as TPD) or Child's Critical Illness or Business Insurability Option.

3 Application for Increase or Alteration – this form is to be used in all other instances.

4 Due to changes in superannuation law, some of your benefits may be unavailable for reinstatement.



Transfer of Ownership Process

In all cases (other than the exceptions outlined below), in order to transfer the ownership of a policy we require a fully completed Transfer of Ownership Form. Please note the policy must be in force and paid to a current date in order to qualify for a Transfer of Ownership. Not all policies may be eligible for a Transfer of Ownership, please contact our Adviser Service Centre to see if the existing policy qualifies.

As a result of this transfer of ownership, the following will apply:

- The existing benefit will be cancelled
- A new policy under the same product will be issued with a new policy number for the transferred benefit and any linked benefits
- The new policy will have the same terms, conditions, definitions and premium rates as those that apply to the existing policy
- Any exclusions, modifications and loadings that currently apply to the existing policy will also apply to the new policy
- No underwriting will apply.

Exceptions to the above rule apply where:

1. Neither the Policy Owner nor the proposed Policy Owner is a superannuation entity.
If this is the case we require:
 - A fully completed Memorandum of Transfer (MOT) form
 - The original Policy Schedule
 - Under this scenario, the original policy, and policy number remains the same.
2. The client has reached retirement age (65) and cover is structured through superannuation.
If this is the case we require:
 - A fully completed Memorandum of Transfer (MOT) form
 - The original Policy Schedule
 - A "Super Release Form"
3. Where the the transfer of ownership process is not available for the existing product a new application with full underwriting will be required.

Conversion Options

Conversion Options are only available to certain Term and Crisis policies issued by TAL prior to 2001.

This option offers the Policy Owner the opportunity to convert the existing policy into the current TAL product.

Limited Underwriting may, or may not apply, depending on the wording in the original policy.

Should you wish to take up a Conversion Option or had further questions please contact our Adviser Service Centre in the first instance.



Health Sense discount

The following table outlines the administration requirements for the addition or application of the Health Sense discount to Accelerated Protection policies.

| Date policy was first quoted | Time in force since policy commencement | Fully underwritten at policy commencement? | Forms required |
|------------------------------|---|--|--|
| On or after 18 December 2015 | <180 days ago | Yes | Health Sense Declaration, new policy may be issued |
| | <180 days ago | No | Full application, new policy will be issued |
| | >180 days ago | n/a | |
| Prior to 18 December 2015 | n/a | n/a | |

When requesting addition of the discount, please provide a new quote with the relevant forms specified in the table above.

Please note:

- Increases to sums insured and benefit additions will require a Health Sense discount eligibility assessment.
- Guaranteed Future Insurability Benefit increases will mirror existing discount terms.
- Minimum sum insured rules apply in respect of all added and increased cover portions. Different cover portions will not be added together for the purpose of the minimum sum insured check, even where these are the same risk type (i.e. increases in cover are not accumulated for the purpose of the minimum sum insured check).

Where an increase or addition is applied to an existing policy, any impact on the original cover with respect to the discount may not be realised in full until the next policy anniversary.

The Health Sense discount does not apply where a new policy is not fully underwritten - for example transfers and upgrade pathways. A new application with normal underwriting is required. For continuation options and buy-backs, the Health Sense discount is not available under any circumstances.

Examples of the Health Sense discount application

Example 1

Policy commences for a non-smoker with the following cover:

- Life insurance - \$800,000
- Income Protection - \$5,000 per month
- Critical Illness insurance - \$200,000

A 12.5% Health Sense discount applies to Life insurance and Critical Illness insurance.

Following policy commencement, \$800,000 of TPD insurance is added to the policy and the Life Insured remains within the eligible BMI range. The premium is impacted as follows:

- The newly added TPD insurance receives a 15.0% Health Sense discount
- Life insurance and Critical Illness insurance retains a 12.5% discount, however on next policy anniversary this discount will increase to 15.0%.

Example 2

Policy commences for a non-smoker with the following cover:

- Life insurance - \$800,000
- Life insurance - \$75,000
- Critical Illness insurance - \$200,000

A 7.5% Health Sense discount applies to Life insurance and Critical Illness insurance. The \$75,000 Life insurance is not discounted as the minimum sum insured has not been met.

Following commencement, \$6,000 per month of Income Protection insurance is added to the policy, however the Life Insured is no longer within the eligible BMI range. Due to this, the Income Protection benefit cannot contribute to the packaging discount and accordingly, the Health Sense discount associated with the original benefits is unchanged.

Example 3

A Life Insured (smoker) holds the following cover:

- Life insurance - \$800,000
- TPD insurance - \$800,000
- Critical Illness insurance - \$200,000
- Income Protection - \$3,000 per month

A 12.5% Health Sense discount applies to the \$800,000 Life insurance, TPD insurance and the \$200,000 Critical Illness insurance.

Following policy commencement, the Policy owner requests removal of Income Protection insurance. This change impacts policy as follows:

- Life insurance (\$800,000), TPD insurance and Critical Illness insurance - no change in the 12.5% Health Sense discount until next Policy anniversary at which time the discount on these benefits is reduced to 10.0%.



20 Accelerated Commission

How We Pay Commission

All commission is paid directly to an AFSL Licensee/Dealer Group and in accordance with legislated requirements.

The commission rates detailed below include an allowance for GST and are applicable from 28 July 2020.

| Hybrid Commission | | Level Commission | |
|-------------------|---------|------------------|---------|
| Year 1 | Year 2+ | Year 1 | Year 2+ |
| 66% | 22% | 27.5% | 27.5% |

Alternative Commission Premium Rate Factors

The premium discount applies to both initial and ongoing premium payments. Commission is paid on the reduced premium. Please note that commission dial down does not apply to standalone Child's Critical Illness policy.

Hybrid Commission

| | | Renewal Policy Rate | | | | |
|--------------------|------|---------------------|--------------|---------------|---------------|------------|
| | | 100% | 75% | 50% | 25% | 0% |
| Year 1 Policy Rate | 100% | 0% | 5% | 10% | 15% | 20% |
| | 75% | 1.25% | 6.25% | 11.25% | 16.25% | 21.25% |
| | 50% | 2.50% | 7.50% | 12.50% | 17.50% | 22.50% |
| | 25% | 3.75% | 8.75% | 13.75% | 18.75% | 23.75% |
| | 0% | 5% | 10% | 15% | 20% | 25% |

Level Commission

| Policy Rate | Customer Discount |
|-------------|-------------------|
| 100% | 0% |
| 75% | 6.25% |
| 50% | 12.5% |
| 25% | 18.75% |
| 0% | 25% |

Commissionable Premium

- Commission is payable on the premium after all relevant discounts/rebates are applied.
- Commission is payable on the premium prior to the 15% premium tax rebate being applied on annual rollover.
- Commission is payable on all permanent and temporary loadings.
- Commission is not payable on the Policy fee or stamp duty.
- Commission is not payable on the modal/frequency loading for monthly or quarterly premium payments.
- Commission is not payable on waived or refunded premiums.
- Renewal commission only is paid on indexation and age increases.

Once the application is accepted the commission structure including Policy Rate cannot be altered.

Responsibility Period

The responsibility period applies to year 1 commission paid on new business and any client initiated increase. Clawback provisions apply to policy cancellations, discontinuance and reductions during the responsibility period.

Accelerated Protection Hybrid commission has a two-year responsibility period.

Any benefit that discontinues before 12 months premium is received (or within the first policy year) will incur a 100% clawback of the first year's commission. Any benefit that discontinues after the first 12 months premium has been received and before 24 months premium has been received (or within the second policy year) will incur a 60% clawback of the first year's commission.

Accelerated Protection Level commission has a one-year responsibility period. Any benefit that discontinues before 12 months premium is received (or within the first policy year) will incur a 100% clawback of the first year's commission.

Reductions in policy cost during the responsibility period will be clawed back proportionally.

Income Protection benefits placed on Premium Pause will incur a clawback in line with the relevant responsibility period remaining. Commissions will be repaid once the benefit is reinstated.

The commission clawback applies to the Licensee of the last known commissionable adviser/s (which may also be the servicing Adviser) at the time of discontinuance.

A clawback does not apply in certain circumstances such as:

- Where the benefit discontinues as the result of a valid claim.
- Smoker to Non Smoker.
- Removal of underwriting loading.
- Improvement to occupation class.
- Addition of Health Sense discount.

For client generated transactions that require a policy to be cancelled and reissued under the original product terms and conditions, commission rates will be applied at the available commission rate closest to the replaced benefit, subject to legislated limits.

Commission paid or credited to an adviser will be clawed back, as a minimum, in accordance with legislated requirements.



Commission type availability for lives insured 61 next birthday or older

The commission type for Accelerated Protection is restricted when the Life Insured is 61 next birthday or older, as shown in the table below.

| Plan | Age (next birthday) of Life Insured | |
|----------|-------------------------------------|-------------|
| | Up to 60 | 61 and over |
| LI Plan | All | All |
| TPD Plan | All | Level |
| CI Plan | All | Level |
| IP Plan | All | Level |

Replacement of Existing TAL Policy and Conversion Options

If a policy is replaced, and we issue a new policy under the latest version of Accelerated Protection, full underwriting will take place and commission will be available subject to the following rules:

- If a benefit being replaced has been in force for less than four years, Year 1 commission is payable on any increase in premium. Year 2 commission is payable on any existing premium for benefits that have been in force for more than one year. Both Year 1 and Year 2 commission rates will be applied at the available commission rate closest to the replaced benefit subject to legislated limits.
- If a benefit being replaced has been in force for more than four years, Year 1 commission is payable on the full premium at either Hybrid or Level commission rates.

Note: Replacement policies include those which are issued within (before or after) 3 months of cancellation (whole or part) of an existing policy.

Transfer of Ownership

If a policy is replaced due to a Transfer of Ownership, and we issue a replacement policy under the same terms and conditions as the policy being replaced, renewal commission only is payable on the full premium at the available commission rate closest to the original renewal commission rate, subject to legislated limits. The Policy Rate must also be the closest available to the existing benefit.

Buy-Back Options or Benefits

If a policy is established on the basis of a Buy-Back Option or Benefit, renewal commission only is payable on the full premium at the available commission rate closest to the original renewal commission rate, subject to legislated limits. The Policy Rate must also be the closest available to the existing benefit.

Continuation Options

If a policy is established on the basis of a continuation option from a TAL individual or Group Risk policy, level commission only is payable.

Limited Benefit Periods for Term and/or TPD (2, 3, 4, 5, 10 or 15 years)

If a client accepts a limited Benefit Period for LI and/or TPD, Level commission only is payable. Level premiums only apply.

Sum Insured

The following commission types are available based on the sum insured for the Life Insured.

| LI Sum Insured | Commission types |
|-----------------------------|------------------|
| \$14,999,999 or less | All |
| \$15,000,000 – \$20,000,000 | Level |

Premium

The following commission types are available based on the annual premium payable by the Life Insured for all policies under a single application.

| Premium Amount | Commission types |
|-----------------------|------------------|
| \$60,000 or less | All |
| Greater than \$60,000 | Level |

Manual Quotations

When a manual quotation is required, the commission type is determined at this time.

Note: Level commission only is payable in respect of policies on an Adviser’s own life, their immediate family member meaning spouse, partner, de-facto, children, parents and siblings and their staff, colleagues and work partners.



21 Accelerated Protection for Platforms

TAL's Accelerated Protection via our leading platform partners is available through a range of superannuation and investment platforms.

Cover Available

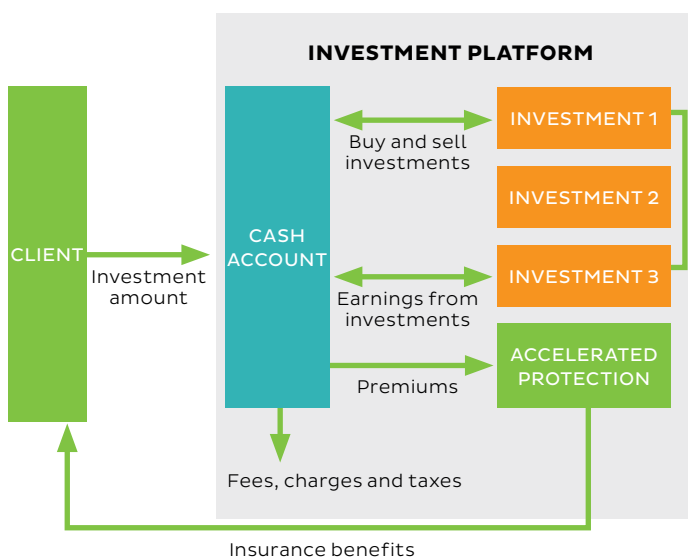
A variety of protection levels for Life, TPD, Critical Illness and Income Protection and an extensive range of additional options – such as cover reinstatement after claims and waiver of premiums.

Premium Payment Options

The complete comprehensive Accelerated Protection product range can be funded from your client's superannuation or non-superannuation investment accounts – i.e. Life, Critical Illness, TPD, Income Protection and Business Expense Option.

How it works

Comprehensive insurance cover can be included with the rest of your client's portfolio as illustrated in the diagram below.



How to apply

When quoting via TAL's Adviser Centre, select:

- Platform Super Fund (where cover is owned by a superannuation trustee)

Rollover Process to Platform Partners

When rolling funds over to a platform superannuation account for payment of insurance premiums:

- It is recommended to start the rollover process as soon as possible.
- To avoid your client's policy dishonouring, it is best to ensure there are sufficient funds in the member's superannuation account prior to the policy going in-force.
- It should be noted that platform policies are placed in-force following Underwriting acceptance and the receipt of all admin requirements (including platform account number).

Commission Payment Process

For non-platform policies, any-day billing is available and commission will be payable in the next available TAL commission run following the date the policy is issued with premium received.

TAL requests funds from platform partners once a month. Consequently TAL pays commission once per month for platform business. Commissions are paid in the next available TAL commission run following the platform request date.

TAL commission close-off and payment dates are available on the TAL Adviser Centre.

What happens if my client's premium is dishonoured?

If there are insufficient funds in the members account, this will be reported to TAL and the dishonour process will be triggered. Dishonour notices are sent to the Life Insured or policy owner and adviser.

When TAL is advised of a dishonour due to insufficient funds, we will attempt another premium debit for all outstanding premiums in the monthly debit processing two months later.

Where should I direct questions in relation to Platform business?

You can contact our Adviser Service Centre or your sales representative to assist you with insurance via platform queries. Alternatively, any questions regarding the features and benefits of a platform should be referred to directly to your platform.



CLAIMS AT TAL

We're here when our customers need us most. In 2018:



We paid almost \$1.62 billion in claims (around \$31 million each week)



We supported more than 26,000 Australians and their families



62% of the claims we paid were for living benefits, helping our customers during their recovery from illness or injury

ABOUT US



TAL is a leading life insurer



We protect over 4.5 million Australians



\$3.8 billion in in-force premiums



Over 1,600 employees in Australia

RECENT AWARDS

2017

Strategic Insight/AFA Awards: Life Company of the Year, Trauma Product of the Year and Service Quality Award Winner

Money Management/ DEXX&R Risk Company of the Year Awards: Disability Income Product Award Winner for TAL Accelerated Protection Income Protection Premier

Money Magazine Best of the Best Awards: Best Featured Income Protection Insurance

CANSTAR Outstanding Value Life Insurance Awards: Income Protection Insurance Winner

2018

Money Magazine Best of the Best Awards: Best Featured Income Protection Insurance

Money Management/DEXX&R Adviser Choice Risk Awards: Best Term and TPD product for TAL Accelerated Protection

ANZIIF Australian Insurance Industry Awards: Life Insurance Company of the Year

Strategic Insight/AFA Awards: Overall Platinum Life Company of the Year, Service Quality Award and Trauma Product of the Year

SMSF Service Provider Awards: Best Insurance Provider

2019

Plan for Life/AFA Life Company of the Year Awards: Overall Platinum Life Company of the Year Winner, Trauma/Critical Illness Product of the Year

PRIME Awards: Highly Commended Best Public Health Initiative for TAL SpotChecker

Strategic Insight/AFA Awards: Overall Platinum Life Company of the Year

Insurance Asia Awards: Domestic Life Insurer of the Year - Australia

Australian Workplace Equality Index Awards - Bronze Employer

Customer Service Centre: 1300 209 088 | Adviser Service Centre: 1300 286 937 (Monday to Friday 8am – 7pm AEST)
www.tal.com.au

Accelerated Protection Adviser Guide
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TAL Life Limited | ABN 70 050 109 450 | AFSL 237 848
 GPO Box 5380 Sydney NSW 2001
 Mercer Superannuation (Australia) Limited
 ABN 79 004 717 533 | AFSL 235 906

