

Life Insurance

PARTNER INSURANCE PORTFOLIO

Product Disclosure Statement
May 2007

PROTECTION NOW
+ FOR THE FUTURE



Product Disclosure Statement
Dated: 28 May 2007

TOWER Australia Limited
ABN 70 050 109 450
AFSL No: 237848

TOWER Australian Superannuation Limited
ABN 69 003 059 407
AFSL No. 237851
RSE Licence Number L0000642

Partner Superannuation Fund
ABN 38 079 293 045
RSE Registration Number R1004700

Section 1

About this document

This document is a Product Disclosure Statement and contains important information that you should know before deciding whether to acquire one or more of the following financial products:

Partner Insurance Portfolio

Term Insurance
Stand-Alone Total and Permanent Disability
Stand-Alone Medical Catastrophe Insurance
Disability Income Insurance
Disability Income Silver Insurance
Optimal Income Protection Insurance
Business Expenses Insurance

Superannuation Term Insurance

TOWER Australian Superannuation Limited (Trustee) is the trustee of the Partner Superannuation Fund. If you become a member of the Fund, the Trustee will acquire a Partner Superannuation Term Insurance Policy on your behalf. Any benefit payable under the Policy will be paid by TOWER Australia Limited to the Trustee and will form part of your superannuation entitlements.

Both TOWER Australia Limited and the Trustee take full responsibility for the whole PDS.

This PDS is up to date as at the time of preparation. From time to time we may change or update information in this PDS that is not materially adverse to your interests by giving notice of any such changes on our website, www.toweraustralia.com.au. Such changes and updates will also be available through your Financial Adviser. You may also request a hard copy of any updated information at any time free of charge.

Cooling off: If you acquire a financial product referred to in this PDS, you will have a cooling off period to decide whether the product is suitable for you. Information about the cooling off period can be found on:

- page 60, for a product within the Partner Insurance Portfolio; and
- page 59, for the Partner Life Superannuation Fund.

Complaints Information: What to do if you have a complaint, including the external dispute resolution scheme that is available to you if you are not happy with the way the issuer deals with your complaint, can be found on:

- page 72, for a product within the Partner Insurance Portfolio; and
- page 72, for the Partner Superannuation Fund.

Section 1

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Some words and expressions used in this PDS have a particular meaning. Those words and expressions are defined in the Definitions section on pages 66 to 71 of the PDS. We may use capital letters for headings and names of products or benefits that are not in the Definitions section

Introduction

Applying for Partner Insurance Portfolio policies

The only way to apply for one of the products in this PDS is to complete the Application Form and Personal Statement in the enclosed application booklet.

All products in this PDS provide cover 24 hours a day, worldwide.

Each Policy in the Partner Insurance Portfolio is referable to TOWER No 1 Statutory Fund.

Each of the policies is non participating – that is, the owner of the Policy is not entitled to an allocation of operating profits or distribution of retained profits of the Statutory Fund.

Premiums paid in respect of any Partner Insurance Portfolio Policy represent the cost of the insurance and consequently, there is no surrender or cash value at any time. Other than during the cooling off period, if the Policy is cancelled, you will not get anything back.

Information in this PDS that is not materially adverse is subject to change from time to time and may be updated via TOWER's website (www.toweraustralia.com.au). A paper copy of any updated information will be given to a person without charge on request.

The information in this PDS has been prepared without taking into account your personal circumstances. You should consider the appropriateness of the information before acting upon it, having regard to your objectives, financial situation and needs.

Insurance through superannuation

The trustee of your superannuation fund may take out insurance on your life, as long as the fund is, and remains, a 'complying superannuation fund'. The trustee will be the owner of the Policy and you will be the life insured. Any benefits paid under the Policy will be paid to the trustee.

If you are unable to arrange insurance through your existing superannuation fund, you may apply to become a member of the Partner Superannuation Fund and arrange your insurance through this Fund. Important information about the Partner Superannuation Fund can be found on pages 50–59.

Summary of Policies

Partner Insurance Portfolio

The Partner Insurance Portfolio consists of 8 separate Policies:

- Term Insurance
- Stand-Alone Total and Permanent Disability
- Stand-Alone Medical Catastrophe Insurance
- Disability Income Insurance
- Disability Income Silver Insurance
- Optimal Income Protection Insurance
- Business Expense Insurance
- Superannuation Term Insurance*

*To enjoy the benefit of this Policy, you must first become a member of the Partner Superannuation Fund, or be a member of another complying superannuation fund. See Section 4 on pg 50.

Term Insurance	
What is it?	<p>Term Insurance provides for the payment of a benefit in the event that a life insured, while covered under the Policy:</p> <ul style="list-style-type: none"> • dies; or • is diagnosed as being terminally ill; or • becomes Totally and Permanently Disabled, if the optional Total and Permanent Disability Benefit is selected; or • suffers a Medical Catastrophe, if the optional Medical Catastrophe benefit is selected.
Standard Benefits	<ul style="list-style-type: none"> • Death Benefit • Terminal Illness Benefit • Funeral Advancement Benefit
Optional Benefits (Subject to the payment of an additional premium)	<ul style="list-style-type: none"> • Total and Permanent Disability Benefit • Waiver of Premium on Total Disability • Children’s Future Insurability Option • Guaranteed Future Insurability Option • Medical Catastrophe Benefit Option, including the optional: <ul style="list-style-type: none"> – Children’s Medical Catastrophe Option – Medical Catastrophe Buyback Option – Advanced Payment for Cancer Option • Line of Cover Option
Premium Options	<p>The premium options available are:</p> <ul style="list-style-type: none"> • stepped premiums; and • level premiums (only available to age 65). <p>Stepped premiums change (usually increase) on each Policy anniversary based on the life insured’s age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.</p> <p>Level premiums are based on the life insured’s age next birthday at the start of the Policy. The premium does not change on each Policy anniversary unless the sum insured increases or in the circumstances explained on page 61.</p>

Summary of Policies

Stand-Alone Total and Permanent Disability	
What is it?	Provides a lump sum benefit if the life insured becomes Totally and Permanently Disabled.
Standard Benefits	<ul style="list-style-type: none"> • Total and Permanent Disability Benefit • Limited Death Benefit (limited to \$5,000)
Optional Benefits (Subject to the payment of an additional premium)	<ul style="list-style-type: none"> • Waiver of Premium on Total Disability
Additional Feature	• “Linking” to Superannuation Term Insurance, for a reduced premium (see page 24 for more details)
Premium Options	<p>The premium options available are:</p> <ul style="list-style-type: none"> • stepped premiums; and • level premiums (only available to age 65). <p>Stepped premiums change (usually increase) on each Policy anniversary based on the life insured’s age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.</p> <p>Level premiums are based on the life insured’s age next birthday at the start of the Policy. The premium does not change on each Policy anniversary unless the sum insured increases or in the circumstances explained on page 61.</p>

Stand-Alone Medical Catastrophe Insurance	
What is it?	Covers thirty seven specific conditions provided you survive for 14 days after you suffer the condition. If you don’t, only a death benefit of \$5,000 is payable.
Standard Benefits	<ul style="list-style-type: none"> • Limited Death Benefit (limited to \$5,000) • Medical Catastrophe Benefit • Advancement Benefit
Optional Benefits (Subject to the payment of an additional premium)	<ul style="list-style-type: none"> • Total and Permanent Disability Benefit • Waiver of Premium on Total Disability • Advance Payment for Cancer Option • Medical Catastrophe Buy-Back Option • Children’s Medical Catastrophe Benefit Option
Additional Feature	• “Linking” to Superannuation Term Insurance for a reduced premium (see page 31 for more details)
Premium Options	<p>The premium options available are:</p> <ul style="list-style-type: none"> • stepped premiums; and • level premiums (only available to age 65). <p>Stepped premiums change (usually increase) on each Policy anniversary based on the life insured’s age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.</p> <p>Level premiums are based on the life insured’s age next birthday at the start of the Policy. The premium does not change on each Policy anniversary unless the sum insured increases or in the circumstances explained on page 61.</p>

Disability Income Insurance	
What is it?	Disability Income Insurance is designed to provide for the payment of a monthly benefit in the event of, among other things, Total Disability caused by Illness or Injury. The Policy is available in two types – Platinum and Gold.
Standard Benefits	<ul style="list-style-type: none"> • Total Disability Benefit • Partial Disability Benefit • Family Member Support Benefit • Nursing Care Benefit • Rehabilitation Benefit • Recovery Support Benefit • Waiver of Premium • Death Benefit • Recurring Claim Benefit • Waiver of Waiting Period • Specific Injury Benefit • Elective Surgery Benefit • Concurrent Disability Benefit
Optional Benefits (Subject to the payment of an additional premium)	<ul style="list-style-type: none"> • Increasing Claims Option • Accident Benefit Option • Medical Catastrophe Benefit Option
Optional Benefit (for a discounted premium)	<ul style="list-style-type: none"> • Indemnity Option
Waiting Period	<p>The Waiting Period is the amount of time you must wait before benefit payments accrue.</p> <p>The Waiting Periods you can choose are:</p> <ul style="list-style-type: none"> • Gold – 14, 30, 60, 90, 180, 360 and 720 days • Platinum – 14, 30, 60 and 90 days
Benefit Period	<p>The Benefit Period is the maximum period of time that a benefit will be paid.</p> <p>The Benefit Period you can choose are:</p> <ul style="list-style-type: none"> • Gold – 2 years, 5 years, to Age 60, to Age 65 and to Age 70 • Platinum – to Age 60, to Age 65 and to Age 70
Premium Options	<p>The premium options available are:</p> <ul style="list-style-type: none"> • stepped premiums; and • level premiums (if you have selected a ‘to Age 60’ or ‘to Age 65’ benefit period). <p>Stepped premiums change (usually increase) on each Policy anniversary based on the life insured’s age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.</p> <p>Level premiums are based on the life insured’s age next birthday at the start of the Policy. The premium does not change on each Policy anniversary unless the sum insured increases or in the circumstances explained on page 61.</p>
Platinum vs Gold	<p>One of the main differences between Platinum Cover and Gold Cover is the conditions that apply to qualify for the Partial Disability Benefit (see page 33).</p> <p>Platinum Cover There is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled</p> <p>Gold Cover Partial Disability must follow a period of Total Disability of at least 14 continuous days.</p>

Summary of Policies

Disability Income Silver Insurance	
What is it?	Disability Income Silver Insurance provides indemnity cover which is designed to provide for the payment of a monthly benefit in the event of Total Disability caused by Illness or Injury.
Standard Benefits	<ul style="list-style-type: none"> • Total Disability Benefit • Death Benefit
Waiting Period	The Waiting Period is the amount of time you must wait before benefit payments accrue. The Waiting Periods you can choose are 30, 60 or 90 days.
Benefit Period	The Benefit Period is the maximum period of time that a benefit will be paid. The Benefit Periods you can choose are: 10 years or to age 65.
Premium Options	Stepped premiums only. Stepped premiums change (usually increase) on each Policy anniversary based on the life insured's age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.

Optimal Income Protection Insurance	
What is it?	Optimal Income Protection Insurance is an innovative type of cover that is designed to provide a monthly benefit in the event of Total Disability caused by Illness or Injury. The amount we pay and the maximum period a benefit can be paid depends on whether the Illness or Injury is a Specified Medical Condition, Specified Injury or any other Illness or Injury.
Standard Benefits	<ul style="list-style-type: none"> • Total Disability Benefit • Partial Disability Benefit • Waiver of Premium • Recurring Claim Benefit • Death Benefit
Waiting Period	The Waiting Period is the amount of time you must wait before benefit payments accrue. Different Waiting Periods apply, depending on the cause of disablement (refer page 41)
Benefit Period	The Benefit Period is the maximum period of time that a benefit will be paid. Refer to pages 42–45 for a full explanation of benefit payment periods.
Premium Options	Stepped premiums only. Stepped premiums change (usually increase) on each Policy anniversary based on the life insured's age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.

Business Expenses Insurance	
What is it?	Business Expenses Insurance is designed to provide for the reimbursement of the normal day to day running expenses of a business during a period of Total Disability. There are two types of cover – Platinum and Gold.
Standard Benefits	<ul style="list-style-type: none"> • Total Disability Benefit • Partial Disability Benefit • Waiver of Premium • Waiver of Waiting Period • Recurring Claim Benefit • Elective Surgery Benefit
Optional Benefits (Subject to the payment of an additional premium)	<ul style="list-style-type: none"> • Leasepay Benefit Option • Accident Benefit Option
Waiting Period	The Waiting period is the amount of time you must wait before benefit payments accrue. The Waiting Periods you can choose are: 14 and 30 days
Benefit Period	1 year (although benefits can sometimes continue after this period)
Premium Options	Stepped premiums only. Stepped premiums change (usually increase) on each Policy anniversary based on the life insured's age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.
Platinum vs Gold	<p>One of the main differences between Platinum Cover and Gold Cover is the conditions that apply to qualify for the Partial Disability Benefit (see page 48).</p> <p>Platinum Cover There is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled</p> <p>Gold Cover Partial Disability must follow a period of Total Disability of at least 14 continuous days.</p>

Term Insurance through the Partner Superannuation fund

In Section 4, we have included a chapter on Term Insurance through the Partner Superannuation Fund. Section 4 also contains information about being a member of the Fund.

Summary of Policies

Minimum Premium	\$250 per annum
Policy Fee	Yearly – \$75 Half-Yearly – \$39 Monthly – \$6.75

Superannuation Term Insurance	
What is it?	<p>Superannuation Term Insurance provides a lump sum benefit through your own complying superannuation fund or through the Partner Superannuation Fund in the event that a life insured, while covered under the Policy:</p> <ul style="list-style-type: none"> • dies; or • is diagnosed as being terminally ill; or • becomes Totally and Permanently Disabled, if the optional Total and Permanent Disability Benefit is selected.
Standard Benefits	<ul style="list-style-type: none"> • Death Benefit • Terminal Illness Benefit • Funeral Advancement Benefit
Optional Benefits (Subject to the payment of an additional premium)	<ul style="list-style-type: none"> • Total and Permanent Disability Benefit • Waiver of Premium on Total Disability • Guaranteed Future Insurability Option
Payment of Benefit	The benefit is payable to the Trustee of the superannuation fund.
Premium Options	<p>The premium options available are:</p> <ul style="list-style-type: none"> • stepped premiums; and • level premiums (only available to age 65). <p>Stepped premiums change (usually increase) on each Policy anniversary based on the life insured's age. Stepped premiums will also change if the premium rates are changed. This is explained on page 61.</p> <p>Level premiums are based on the life insured's age next birthday at the start of the Policy. The premium does not change on each Policy anniversary unless the sum insured increases or in the circumstances explained on page 61.</p>

Other important information

Occupation Categories	<p>Class 1 – White Collar Professionals e.g. Barrister, Accountant, Doctor</p> <p>Class 2 – White Collar Administration e.g. Clerk, Administration Manager</p> <p>Class 3 – Light Blue Collar e.g. Domestic Electrician</p> <p>Class 4 – Blue Collar e.g. House Painter to 10 metres</p> <p>Class 5 – Heavy Blue Collar e.g. Roof Tiler</p> <p>Your adviser will inform you which occupation class applies.</p>		
How to pay	<p>Premiums may be paid by cheque, direct debit from a bank account or by credit card.</p>		
Payment Frequency	Monthly	Half-Yearly	Yearly
Cheque	X	√	√
Credit Card	√	√	√
Direct Debit	√	√	√
	<p>You may apply at any time (in writing), to change the method and frequency of payment.</p> <p>A frequency loading applies for payments more frequent than yearly. Please refer to page 62 for the loading factors</p>		
What if I haven't paid?	<p>TOWER will notify you and the Trustee (if applicable) if a premium remains unpaid. You have 28 days from the date of such notice to pay the unpaid premium amounts specified in the notice before your insurance cover lapses.</p>		
When we will not pay a benefit	<p>For each benefit in your Policy, there are some circumstances in which the benefit otherwise payable will not be paid. This is explained in the sections 'When we will not pay a benefit'. You must also satisfy our claim requirements before we pay a benefit. This is explained in the section "How we pay benefits" on page 63.</p>		

Term Insurance

Thinking about health concerns is never pleasant, but the greatest impact of poor health is on the people closest to us. Over the following pages we look at how Term Insurance can help you be financially prepared for unforeseen problems.

Overview

Term Insurance provides for the payment of a benefit in the event that a life insured, while covered under the Policy:

- dies; or
- is diagnosed as being terminally ill; or
- becomes Totally and Permanently Disabled, if the optional Total and Permanent Disability Benefit (TPD) is selected; or
- suffers a specified Medical Catastrophe, if the optional Medical Catastrophe Benefit is selected.

Other important information regarding this Policy

Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Death Benefit
- Terminal Illness Benefit
- Funeral Advancement Benefit

Benefits - Optional

- Total and Permanent Disability Benefit
- Waiver of Premium on Total Disability
- Children's Future Insurability Option
- Guaranteed Future Insurability Option
- Medical Catastrophe Benefit Option, with optional:
 - Children's Medical Catastrophe Benefit Option
 - Medical Catastrophe Buy-Back Option
 - Advance Payment for Cancer Option
- Line of Cover Option

Premiums

The type of premium you can apply for depends on the age of the life insured.

Premium type	Age next birthday
Stepped Premiums	16-74
Level Premiums	16-55
Optional TPD or Medical Catastrophe Benefit with stepped premiums	16-60
Optional TPD or Medical Catastrophe Benefit with level premiums	16-55

When does cover end?

Cover for a life insured will end as soon as one of the following things happen:

- the Policy anniversary prior to the life insured attaining the age of 99; or
- when the life insured dies; or
- the Death Benefit sum insured is reduced to nil because the Terminal Illness Benefit, the Total and Permanent Disability Benefit or the Medical Catastrophe Benefit becomes payable; or
- if there is more than one life insured under the Policy, 60 days after a benefit becomes payable because a life insured has died, become terminally ill or suffered Total and Permanent Disability, or a Medical Catastrophe; or
- the date we receive a written request from the Policy Owner to cancel the Policy; or
- when the Policy lapses due to non-payment of premiums.

Benefits

Death Benefit

We will pay the Death Benefit if a life insured dies while covered under the Policy. The amount we pay under the Death Benefit is the Death Benefit sum insured at the date of death.

Terminal Illness Benefit

Where a life insured is diagnosed as being terminally ill and, after having regard to the current treatment or such treatment as the life insured may reasonably be expected to receive, death is likely to occur within twelve months, the Death Benefit may be paid prior to the date of death with the agreement of the Policy owner. The treating medical practitioner will be required to certify the extent of the Illness or Injury, and confirm the diagnosis and prognosis.

The amount we pay under the Terminal Illness Benefit is the Death Benefit sum insured at the date of the terminal Illness claim being admitted. The maximum amount payable under the Terminal Illness Benefit, (including all other amounts payable under any Policy), is \$2,500,000 (or such other amount as advised by us from time to time). If the Death Benefit sum insured under the Policy is greater than the maximum Terminal Illness benefit, the unpaid balance of the sum insured will be payable on the life insured's death.

Funeral Advancement Benefit

Payable when a Death Benefit is claimed and the death certificate of the life insured is provided to TOWER.

Benefit Amount

Advance payment of \$10,000 from the Death Benefit that may be due. The final amount payable under the Death Benefit will be reduced by this amount.

Recipient

We will pay the Funeral Advancement Benefit to the person who is entitled to receive the Death Benefit on the death of the life insured, where the Plan is owned directly by you.

Other conditions

- The Funeral Advancement Benefit will not apply in the first three years if the life insured's death was not the result of an Accident. Thereafter, the benefit will apply regardless of the cause of death.
- Payment of the Funeral Advancement Benefit does not mean any admission or acceptance of any claim or liability regarding current or future payments under Term Insurance.
- Should our claims assessment find that the Death Benefit will not be paid due to a breach of the duty of disclosure or any other reason, you will be required to repay the Funeral Advancement Benefit amount.

Optional Benefits

For the payment of an additional premium, the following benefits may be added to the standard benefits described above.

Total and Permanent Disability Benefit (TPD)

We will pay the Total and Permanent Disability Benefit if a life insured becomes Totally and Permanently Disabled while covered under the Policy.

The maximum sum insured is \$3,000,000. The amount we pay under the Total and Permanent Disability Benefit is the Total and Permanent Disability Benefit sum insured.

The 'any occupation' definition of Total and Permanent Disability applies unless you choose an 'own occupation' definition, which is only available to certain class 1 and 2 occupations (see page 11 for more details regarding occupation classes).

In some circumstances, a Home Duties variation in the definition of Total and Permanent Disability will apply if the life insured was not engaged in a gainful occupation at the time of the event causing Total and Permanent Disability.

What does Total and Permanent Disability mean?

The meaning of Total and Permanent Disability differs depending on which of the three following definitions applies to the life insured:

- 'any occupation' definition;
- 'own occupation' definition;
- 'long term care' definition.

On the Policy anniversary immediately before the life insured's 65th birthday, the definition of Total and Permanent Disability will automatically be changed to the 'long term care' definition. Your Policy schedule will specify which definition applies.

'Any occupation' definition

Where the 'any occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Illness or Injury for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

Term Insurance

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

However, if the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total and Permanent Disability, then for the purposes of determining if the life insured suffers Total and Permanent Disability, an 'occupation for which the life insured is suited by education training or experience' will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

'Own occupation' definition

Where the 'own occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Injury or Illness for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, has become incapacitated to such an extent as to render them unlikely ever to be able to engage in their own occupation;

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

However if:

- the life insured's occupation immediately prior to the commencement of Total and Permanent Disability can be described as Home Duties (as described on page 70); or
- the life insured was not engaged in a gainful occupation for at least six months at the time of the event causing disablement,

then Total and Permanent Disability means that the life insured has, for an uninterrupted period of six months, been under medical supervision by a registered medical practitioner and has complete inability to perform any Home Duties or to move from the confines of the life insured's home without the assistance of a person, and, in our opinion, is unlikely ever to recover.

'Long term care' definition

Where the 'long term care' definition applies Total and Permanent Disability means that we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following five numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Single Benefit

Unless you choose 'Double Benefit' (see below), the Death Benefit sum insured for the life insured who is Totally and Permanently Disabled will be reduced by any amount payable under the Total and Permanent Disability Benefit. If the amount payable under the Total and Permanent Disability Benefit is the same or greater than the Death Benefit sum insured, all cover for the life insured will end when the Total and Permanent Disability Benefit becomes payable.

Regardless of whether or not you choose the double benefit, the amount payable under the Total and Permanent Disability benefit will reduce the sum insured under the Medical Catastrophe Benefit, if applicable, for the life insured.

Double Benefit

If you choose 'Double Benefit' and the Total and Permanent Disability Benefit becomes payable:

- the Death Benefit sum insured will not be reduced; and
- all future premiums due in respect of that part of the Death Benefit equal to the Total and Permanent Disability Benefit paid will be waived.

Waiver of Premium on Total Disability

Under this option, following the occurrence of and during the continuation of the Total Disability of a life insured, we will waive all premiums falling due for that life insured.

Before the Policy anniversary immediately prior to the life insured’s 65th birthday, Total Disability means we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured becomes so disabled by bodily Injury or Illness that he or she is unable to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience for a period of three consecutive months and is not working in any gainful occupation,

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

If the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total Disability, then for the purposes of determining if the life insured suffers Total Disability, the ‘occupation for which the life insured is suited by education, training or experience’ will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18)

After the Policy anniversary immediately prior to the life insured’s 65th birthday, Total Disability means we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair, or with the assistance of a walking aid.

Children’s Future Insurability Option

As long as we have accepted a child as being insurable under this option, we guarantee to issue, on the regular option dates below, Term Insurance (Death and Terminal Illness cover only) on any such child without further evidence of insurability. The first regular option date is the child’s 21st birthday, followed by the 24th, 27th and 30th birthdays.

Alternate option dates are the dates the insured child marries, has a child, or adopts a child. If insurance is issued on an alternative option date, then the alternative option date will replace the next regular option date. Only one alternate option date is granted with respect to multiple births or adoptions at the same time.

The benefit amount available at each regular option date is:

Benefit Amount available at each regular option date	
1st option date	\$100,000
2nd option date	\$100,000
3rd option date	\$50,000
4th option date	\$50,000

Amounts of cover not taken up on the option date(s) cannot be carried forward.

Where the Policy ends as a result of the death of the adult life insured, then the only option available will be the first option.

In all other circumstances, an option can only be exercised while a child is covered for the Children’s Future Insurability Option.

Guaranteed Future Insurability Option

This option is not available for policies with more than one life insured.

This option allows you to increase the Death Benefit for the life insured before the life insured’s 55th birthday, without further evidence of health if the personal or business events listed below happen to the life insured.

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

Term Insurance

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

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

Personal Events

- Marriage
- Adoption of a child
- Birth of a child
- Child starts secondary school
- Has a salary increase of at least \$10,000 p.a
- Attaining age 25, 30, 35, 40 and 45

For these Events the sum insured can be increased by up to 25% of the original sum insured with a maximum increase of \$200,000 for any one event.

OR

- If the life insured effects a first mortgage on a home.

The sum insured for that Event may be increased by up to the lesser of:

- 50% of the original sum insured; or
- the increase in the value of the first mortgage or a new first mortgage; or
- \$200,000.

Business Events

Where the life insured is a Key Person in a business, the sum insured may be increased in the same proportion as the life insured's value to the business, averaged over the last three years.

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

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

Medical Catastrophe Benefit Option

Medical Catastrophe Benefit

We will pay the Medical Catastrophe Benefit if a life insured suffers a Medical Catastrophe while covered under this benefit and before the Policy anniversary immediately before his or her 70th birthday. The maximum initial sum insured is \$2,000,000.

The amount we pay

The amount we will pay under the Medical Catastrophe Benefit is the Medical Catastrophe Benefit sum insured at the date we receive proof, to our satisfaction, that the life insured has suffered a Medical Catastrophe listed below. Definitions for these events can be found starting on page 66.

However, if the event giving rise to the payment of the sum insured was already covered at the Policy commencement date by a Policy issued by another insurer, the Medical Catastrophe Benefit sum insured will be reduced so that when added to any amount paid or payable under the other Policy, the total does not exceed \$2,000,000.

When the Medical Catastrophe Benefit becomes payable for a life insured the Death Benefit sum insured and the Total and Permanent Disability Benefit sum insured will be reduced by the amount payable. If the Death Benefit sum insured is reduced to nil, all cover under the Policy for the life insured will end.

Note that the Advance Payment for Cancer option provides partial payment for other specified events. Refer to page 19 for more details.

In the case of Angioplasty, payment is limited to 25% of the Sum Insured, subject to a minimum of \$10,000 and a maximum payment of \$25,000.

In the case of Angioplasty – Triple Vessel, payment is limited to 30% of the sum insured, subject to a minimum of \$30,000 and a maximum of \$100,000.

What is a Medical Catastrophe?

Cover starts for the following conditions immediately after the Policy commencement date:

Class of events	Medical Catastrophe
Heart conditions	Angioplasty* Aortic Surgery* Cardiomyopathy Coronary Artery Bypass Surgery* Heart Valve Surgery* Myocardial Infarction (Heart Attack)* Primary Pulmonary Hypertension Angioplasty - Triple Vessel*
Neurological conditions	Alzheimer's Disease Cerebrovascular Accident (Stroke)* Dementia Encephalitis & Meningitis Meningococcal Disease Motor Neurone Disease Multiple Sclerosis Muscular Dystrophy Paralysis: <ul style="list-style-type: none"> • Diplegia • Hemiplegia • Paraplegia • Quadriplegia • Tetraplegia Parkinson's Disease
Blood disorders	Aplastic Anaemia Medically Acquired HIV Occupationally Acquired HIV
Cancer	Cancer* Benign Brain Tumour
Intensive conditions	Intensive Care Loss of Independent Existence Loss of Limbs
Organ disorders	Chronic Liver Failure Chronic Lung Failure Chronic Renal (Kidney) Failure Coma Loss of Speech Major Head Trauma Major Organ Transplant Pneumonectomy Severe Burns Total Blindness Total Deafness

Advancement Benefit

We will pay 25% of the Medical Catastrophe sum insured, to a maximum payment of \$25,000 when the life insured:

- is diagnosed by a Medical Practitioner as suffering from:
 - motor neurone disease;
 - multiple sclerosis;
 - muscular dystrophy;
 - Parkinson's disease;
 - primary pulmonary hypertension; or
- has been placed on a waiting list to receive a major organ transplant and that procedure is unrelated to any previous procedure or surgery undergone by the life insured.

For the purposes of the Advancement Benefit only, these conditions have their normal medical meaning rather than the meaning defined in the Definition section in this document.

Only one Advancement Benefit will be paid in respect of the life insured. The Medical Catastrophe sum insured will be reduced by the Advancement Benefit paid.

Death Buy-Back Facility

Following the payment of a Medical Catastrophe Benefit under this Policy, the Policy owner may repurchase (buy back) death cover only, without evidence of insurability of the life insured.

The Death cover being bought back will be the same amount as the Medical Catastrophe Benefit paid and must be repurchased one year after the date of payment of the benefit.

Upon exercising this option, we will issue a new Policy. Premiums on the new Policy will be calculated using our premium rate table applying at the time of issuing the new Policy, and will be based on the current age of the life insured.

The repurchased death cover will not be eligible for increases under the Guaranteed Future Insurability Option, or any automatic indexation increases.

* In the case of these events, we will not pay a Medical Catastrophe Benefit under the Policy if the condition occurred or was diagnosed, or the circumstance leading to the diagnosis became apparent, within three months after:

- The Policy start date;
- The date we accept an applied for increase but only in respect of the increase; or
- The most recent date that we have agreed to reinstate the Policy unless the Medical Catastrophe Benefit replaces similar cover with another life insurance company which was in place immediately before the Medical Catastrophe Benefit Commencement Date (but only up to the amount insured under the cover which has been replaced).

Term Insurance

Children's Medical Catastrophe Benefit Option

(This option may only be purchased for children aged between 5 next birthday and 17 next birthday when the Medical Catastrophe Benefit is also selected.)

As long as we have accepted a child for cover under the Children's Medical Catastrophe Benefit, we will pay \$50,000 if the child suffers any of the following while covered under the Policy:

-
- Aortic Surgery*
 - Benign Brain Tumour
 - Cancer*
 - Cerebrovascular Accident (Stroke)*
 - Chronic Liver Failure
 - Chronic Lung Failure
 - Chronic Renal Failure (Kidney Failure)
 - Coronary Artery Bypass Surgery*
 - Encephalitis & Meningitis
 - Heart Valve Surgery*
 - Major Organ Transplant
 - Meningococcal Disease
 - Multiple Sclerosis
 - Myocardial Infarction (Heart Attack)*
 - Paralysis:
 - Diplegia
 - Hemiplegia
 - Paraplegia
 - Quadriplegia
 - Tetraplegia
 - Pneumonectomy
-

Cover only starts for conditions noted with an asterisk* where the symptoms (or the circumstances leading to the need for surgery) first manifest after ninety days have elapsed since:

- the commencement date of the Children's Medical Catastrophe Benefit ; or
- the date of an increase in the Children's Medical Catastrophe Benefit sum insured which you apply for and we accept (but only in respect of the amount of the increase); or
- the most recent reinstatement of the Policy,

unless the Children's Medical Catastrophe Benefit replaces similar cover with another life insurance company which was in place immediately before the Children's Medical Catastrophe Benefit Commencement Date (but only up to the amount insured under the cover which has been replaced).

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

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

Medical Catastrophe Buy-Back Option

If the life insured suffers a listed Medical Catastrophe event and we pay 100% of the Medical Catastrophe sum insured, the Benefit will end.

This Medical Catastrophe Buy-Back option allows you to repurchase this Medical Catastrophe cover on the life insured under this Policy. If this Policy is no longer sold by TOWER, you may apply to purchase cover under whichever TOWER product replaces it. The Medical Catastrophe Buy-Back option can be exercised without having to provide evidence of health, occupation or pursuits.

Maximum cover under the option

The amount of cover that you may purchase is the amount of the Medical Catastrophe Benefit paid.

Exercising the option

You must notify us in writing of your intention to exercise the Medical Catastrophe Buy-Back option within 30 days of the 12 month anniversary of the date we paid 100% of the Medical Catastrophe sum insured.

The option period

The Medical Catastrophe Buy-Back option will expire if not exercised before the earlier of:

- 30 days after its due date, which is 12 months after we have paid the Medical Catastrophe sum insured; or
- the 65th birthday of the life insured.

The new premium

The premium for the repurchased Medical Catastrophe Benefit will be based on our standard premium rates for the age of the life insured at the time the option is exercised and will take into account any extra premiums charged, and special provisions that apply to the Medical Catastrophe Benefit.

General conditions

If your Policy includes this option, we will allow you to buy back Medical Catastrophe cover on the following basis:

- the Medical Catastrophe sum insured must not exceed 100% of the Medical Catastrophe benefit paid;
- the bought back cover will not be eligible for any of the optional benefits available under Medical Catastrophe Insurance, including the Medical Catastrophe Buy-Back Option; and
- the bought back cover will not be eligible for indexation increases.

Claims conditions

If the life insured is subsequently diagnosed with a Medical Catastrophe event, we will pay a claim under the bought back cover provided the Medical Catastrophe event occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, after the Medical Catastrophe cover was bought back, subject to the conditions below. We will not pay a claim under the bought back cover if the Medical Catastrophe event:

- is the same as the original Medical Catastrophe event for which we paid a benefit; or
- is directly or indirectly caused by or related to the original Medical Catastrophe event, or symptoms or condition(s) which caused the occurrence of the original Medical Catastrophe event; or
- is a Loss of Independent Existence; or
- is a Heart Condition and the original Medical Catastrophe event was also a Heart Condition; or
- is a Stroke or Paralysis (directly or indirectly resulting from a Stroke) and the original Medical Catastrophe event was a Heart Condition.

In the above paragraph, Heart Condition includes: Angioplasty, Aortic Surgery, Cardiomyopathy, Coronary Artery Bypass Surgery, Heart Valve Surgery, Myocardial Infarction (Heart Attack), Primary Pulmonary Hypertension, Angioplasty – Triple Vessel, (as defined), and any other condition that we include in the meaning of Heart Condition at the time the Medical Catastrophe Cover is bought back.

Limitations on the right to exercise the option

This option cannot be exercised where:

- a Total and Permanent Benefit is paid; or
- a benefit is paid for Angioplasty (including Triple Vessel); or
- a benefit is paid for Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Parkinson's Disease or Primary Pulmonary Hypertension under the Advancement Benefit; or
- a benefit is paid under the Advance Payment for Cancer Option.

Advance Payment for Cancer Option

Under the Advance Payment for Cancer Option, we will pay 10% of the Medical Catastrophe sum insured, up to a maximum of \$25,000, on the occurrence of the following events:

- Carcinoma In Situ and
- Early Stage Melanoma

The Medical Catastrophe sum insured is reduced by the amount of any payment made for these events.

The Advance Payment for Cancer is payable once only for each of these events. We will pay for multiple events to a maximum of \$50,000.

The total Medical Catastrophe sum insured will reduce by any payments made under this Option.

We will not pay a benefit if the condition occurred or was diagnosed, or the circumstance leading to the diagnosis became apparent, within three months after:

- The Policy start date;
- The date we accept an applied for increase but only in respect of the increase; or
- The most recent date that we have agreed to reinstate either the Benefit or Policy

unless the Medical Catastrophe Benefit replaces similar cover with another life insurance company which was in place immediately before the Medical Catastrophe Benefit Commencement Date (but only up to the amount insured under the cover which has been replaced).

Line of Cover Option

The Line of Cover Option is specifically available for business insurance purposes such as key man insurance, partnership insurance and for loan protection purposes.

It is an option that provides for increases to the death cover (and Total and Permanent Disability cover, if applicable).

No evidence of health will be required in respect of these increases. However, we will require financial evidence in order to be satisfied that the business can substantiate the need for the additional cover.

Maximum Increase Available

The Death Benefit sum insured under the Policy may be increased to the lesser of three times the original sum insured or \$10 million.

The Total and Permanent Disability Benefit sum insured may be increased to the lesser of three times the original sum insured and \$3,000,000.

Automatic indexation increases (see page 60) do not apply when Line of Cover is included in a Policy.

The Option Period

The option to increase the sum insured must be made within three years of the Policy commencement date and if no request for an increase in insurance is made for three consecutive Policy anniversaries, this option will lapse in respect of the life insured. Should you be able to provide financial evidence acceptable to us that you were unable to apply for an increase in those three years because no increase conditions were met, we will extend the eligibility period another three years.

Term Insurance

Maximum Entry Age

The Line of Cover Option is only available to lives aged less than 59 next birthday and expires on the Policy anniversary date immediately before the life insured's 65th birthday.

Exercising the Option

There is no limit on the number of times the option may be exercised within the option period provided that the maximum sum insured limits are not exceeded and the business substantiates the need for cover requested.

Payment of a Benefit

We will pay the benefit to:

- the Policy owner (where the Policy owner is the same person as the life insured, the benefit is payable to that person's legal personal representative or any other person we are permitted to pay under the relevant legislation); or
- the nominated beneficiary(ies). You may, by notice in writing to us, nominate one or more persons to receive payment of the death benefit and in what proportion(s). Any such nomination may be revoked or changed by you by notice in writing to us.

First benefit payable – multiple lives insured

If the Death Benefit, Terminal Illness Benefit, Total and Permanent Disability Benefit or Medical Catastrophe Benefit becomes payable for a life insured (and cover ends for that life insured), the Policy will only continue for the remaining lives insured for 60 days from the date the benefit is paid.

You may request a new Policy with the same level of cover (and the same optional benefits) for the remaining lives insured within 60 days after the benefit is paid (by notifying us in writing). The Policy will be issued on the basis of our standard terms then applying, but subject to any special conditions applying to the life insured under this Policy.

We will issue a new Policy for the remaining lives insured without the need for further evidence of insurability and health.

The new Policy will start 60 days after the benefit is paid.

If there are simultaneous deaths, we will make payment in respect of each life insured (for example, an accident that results in the death of two of the lives insured). We will pay the full benefit in respect of each life insured.

When the Death Benefit or Terminal Illness Benefit becomes payable for a life insured, the payment will be made to the surviving Policy owner(s).

When we will not pay a benefit

We will not pay the **Death Benefit or the Terminal Illness Benefit** if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured within 13 months of:

- the Policy start date;
- the date of our approval of an applied-for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate either the Benefit or Policy

This exclusion will not apply if, immediately prior to the commencement of cover, death cover on the life insured had been current for at least 13 consecutive months (without lapsing and/or reinstatement) with TOWER or another insurer, and you have replaced the death cover with Term Insurance. The waiver will only apply up to the level of cover the life insured had with TOWER or the other insurer. Should you reinstate this cover at anytime, this exclusion will recommence from the date of reinstatement.

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

- an intentionally self-inflicted act by the life insured; or
- any other specific event or cause agreed between us and the Policy owner.

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

- an intentionally self-inflicted act or Injury; or
- any other specific event or cause agreed between us and the Policy owner.

Stand-Alone Total and Permanent Disability Insurance

You might decide you'd like:

- the benefit of having TPD cover, without the extra options available in Term Insurance; or
- more TPD cover than is provided when TPD is structured through Term Insurance; or
- TPD to be owned by you and Term Insurance owned by the Trustee of a superannuation fund, with the two policies linked.

Overview

Stand-Alone Total & Permanent Disability (Stand-Alone TPD) Insurance offers essential coverage to the person who suffers Total and Permanent Disability (TPD).

Because we have created a range of Policies to best suit the various needs of our customers, the stand-alone Policy has slightly different features to those available under Term Insurance which allows optional TPD cover to be linked to the standard death and terminal Illness cover. So if after reading this section you decide that the features you require are not available under the stand-alone Policy, please review the features of the Term Insurance Policy.

Other important information regarding this Policy	
Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Total and Permanent Disability Benefit
- Limited Death Benefit

Benefits – Optional

- Waiver of Premium on Total Disability

Premiums

The type of cover and the premium we are able to offer you varies at different ages.

Age at next birthday	16–55	56–60
Total & Permanent Disability	√	√
Stepped Premiums	√	√
Level Premium	√	

When does cover end?

Cover for a life insured will end as soon as one of the following things happens:

- the Policy anniversary prior to the life insured attaining the age of 65; or
- when the life insured dies; or
- the full Total and Permanent Disability sum insured has been paid; or
- if there is more than one life insured under the Policy, 60 days after a benefit becomes payable because a life insured has become Totally and Permanently Disabled; or
- the date we receive a written request from the Policy owner to cancel the Policy; or
- when the Policy lapses due to non-payment of premiums; or
- If the Stand-Alone Total and Permanent Disability Policy is linked to a Superannuation Term Insurance Policy:
 - the Policy anniversary prior to the life insured attaining the age of 75; or
 - cover ends under the Superannuation Term Insurance Policy; or
 - the sum insured is reduced to nil because a benefit is paid under the Superannuation Term Insurance Policy.

Stand-Alone Total and Permanent Disability Insurance

Benefits

Death Benefit

We will pay the Death Benefit amount of \$5,000 if a life insured dies, while covered under the Policy.

Total and Permanent Disability Benefit (TPD)

We will pay the Total and Permanent Disability Benefit if a life insured becomes Totally and Permanently Disabled while covered under the Policy.

The maximum sum insured is \$3,000,000. The amount we pay under the Total and Permanent Disability Benefit is the Total and Permanent Disability Benefit sum insured.

The 'any occupation' definition of Total and Permanent Disability applies unless you choose an 'own occupation' definition, which is only available to certain class 1 and 2 occupations (see page 11 for more details regarding occupation classes).

In some circumstances, a Home Duties variation in the definition of Total and Permanent Disability will apply if the life insured was not engaged in a gainful occupation at the time of the event causing Total and Permanent Disability.

What does Total and Permanent Disability mean?

The meaning of Total and Permanent Disability differs depending on which of the 3 following definitions applies to the life insured:

- 'any occupation' definition;
- 'own occupation' definition;
- 'long term care' definition.

On the Policy anniversary immediately before the life insured's 65th birthday, the definition of Total and Permanent Disability will automatically be changed to the 'long term care' definition. Your Policy Schedule will specify which definition applies.

'Any occupation' definition

Where the 'any occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Illness or Injury for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

However, if the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total and Permanent Disability, then for the purposes of determining if the life insured suffers Total and Permanent Disability, an 'occupation for which the life insured is suited by education training or experience' will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

'Own occupation' definition

Where the 'own occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Injury or Illness for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, has become incapacitated to such an extent as to render them unlikely ever to be able to engage in their own occupation;

Section 3

Stand-Alone Total and Permanent Disability Insurance

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

However if:

- the life insured’s occupation immediately prior to the commencement of Total and Permanent Disability can be described as Home Duties (as described on page 70); or
- the life insured was not engaged in a gainful occupation for at least six months at the time of the event causing disablement,

then Total and Permanent Disability means that the life insured has, for an uninterrupted period of six months, been under medical supervision by a registered medical practitioner and has complete inability to perform any Home Duties or to move from the confines of the life insured’s home without the assistance of a person, and, in our opinion, is unlikely ever to recover.

‘Long term care’ definition

Where the ‘long term care’ definition applies Total and Permanent Disability means that we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following five numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Optional Benefit

For the payment of an additional premium, the following benefit may be added to the standard benefits described above.

Waiver of Premium on Total Disability

Under this option, following the occurrence of and during the continuation of the Total Disability of a life insured, we will waive all premiums falling due for that life insured.

Before the Policy anniversary immediately prior to the life insured’s 65th birthday, Total Disability means we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured becomes so disabled by bodily Injury or Illness that he or she is unable to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience for a period of three consecutive months and is not working in any gainful occupation,

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

If the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total Disability, then for the purposes of determining if the life insured suffers Total Disability, the ‘occupation for which the life insured is suited by education, training or experience’ will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

Stand-Alone Total and Permanent Disability Insurance

After the Policy anniversary immediately prior to the life insured's 65th birthday, Total Disability means we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following five numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair, or with the assistance of a walking aid.

Payment of a Benefit

We will pay the benefit to:

- the Policy owner (where the Policy owner is the same person as the life insured, the benefit is payable to that person's legal personal representative or any other person we are permitted to pay under the relevant legislation); or
- the nominated beneficiary(ies). You may, by notice in writing to us, nominate one or more persons to receive payment of the death benefit and in what proportion(s). Any such nomination may be revoked or changed by you by notice in writing to us.

First benefit payable – multiple lives insured

If the Total and Permanent Disability Benefit becomes payable for a life insured (and cover ends for that life insured), the Policy will only continue for the remaining lives insured for 60 days from the date the benefit is paid.

You may request a new Policy with the same level of cover (and the same optional benefits) for the remaining lives insured within 60 days after the benefit is paid (by notifying us in writing). The Policy will be issued on the basis of our standard terms then applying, but subject to any special conditions applying to the life insured under this Policy.

We will issue a new Policy for the remaining lives insured without the need for further evidence of insurability and health.

The new Policy will start 60 days after the benefit is paid.

When the Total and Permanent Disability Benefit becomes payable for a life insured, the payment will be made to the Policy owner(s).

Stand-Alone TPD linked to Superannuation Term Insurance

When you have Superannuation Term Insurance (which is life insurance in the name of your superannuation fund trustee), and Stand-Alone Total and Permanent Disability Insurance in your own name, and the two policies are linked, the following provisions apply:

- the Death Benefit Amount on the Superannuation Term Insurance Policy will be reduced by any amount paid in respect of a life insured under the Stand Alone Total and Permanent Disability Policy; and
- the Stand-Alone Total and Permanent Disability Benefit Amount will be reduced by any amount paid in respect of a life insured under the Superannuation Term Insurance Policy; and
- on the Policy anniversary prior to age 65 the 'long term care definition' will become the only definition to apply to future claims under the Total and Permanent Disability benefit; and
- if the Superannuation Term Insurance Policy is terminated, the Stand-Alone Total and Permanent Disability Policy is automatically terminated at the same date.

When we will not pay a benefit

We will not pay the **Death Benefit** if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured within 13 months of:

- the Policy start date;
- the date of our approval of an applied-for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate the Policy

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

- an intentionally self-inflicted act by the life insured; or
- any other specific event or cause agreed between us and the Policy owner.

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

- an intentionally self-inflicted act or Injury; or
- any other specific event or cause agreed between us and the Policy owner.

Stand-Alone Medical Catastrophe Insurance

Thinking about health concerns is never pleasant, but the greatest impact of poor health is on the people closest to us. Over the following pages we look at how Medical Catastrophe Insurance can help you be financially prepared for unforeseen problems.

Overview

Stand-Alone Medical Catastrophe Insurance provides for the payment of a benefit in the event that a life insured, while covered under the Policy:

- suffers a specified Medical Catastrophe; or
- becomes Totally and Permanently Disabled, if the Total and Permanent Disability Benefit is selected.

It also includes a limited death benefit.

Because we have created a range of Policies to best suit the various needs of our customers, the stand-alone Policy has slightly different features to those available under Term Insurance which allows optional Medical Catastrophe benefit to be linked to the standard death and terminal illness cover. So if after reading this section you decide that the features you require are not available under the stand-alone Policy, please review the features of the Term Insurance Policy.

Other important information regarding this Policy

Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Medical Catastrophe Benefit
- Advancement Benefit
- Limited Death Benefit (limited to \$5,000)

Benefits – Optional

- Total and Permanent Disability Option
- Waiver of Premium on Total Disability
- Advance Payment for Cancer Option
- Medical Catastrophe Buy-Back Option
- Childrens Medical Catastrophe Benefit

Premiums

The type of cover and the premium we are able to offer you varies at different ages.

Age at next birthday	16–55	56–60
Medical Catastrophe Insurance	√	√
Stepped Premiums	√	√
Level Premium	√	

When does cover end?

Cover for a life insured will end as soon as one of the following things happen:

- the Policy anniversary prior to the life insured attaining the age of 70; or
- when the life insured dies; or
- the Stand-Alone Medical Catastrophe sum insured is reduced to nil because the Medical Catastrophe Benefit or the Total and Permanent Disability Benefit becomes payable; or
- if there is more than one life insured under the Policy, 60 days after a benefit becomes payable because a life insured has died, or suffered a Medical Catastrophe, or a Total and Permanent Disability; or
- the date we receive a written request from the Policy owner to cancel the Policy; or
- when the Policy lapses due to non-payment of premiums; or
- If the Stand-Alone Medical Catastrophe Policy is linked to a Superannuation Term Insurance Policy:
 - cover ends under the Superannuation Term Insurance Policy; or
 - the sum insured is reduced to nil because a benefit is paid under the Superannuation Term Insurance Policy.

Stand-Alone Medical Catastrophe Insurance

Benefits

Death Benefit

We will pay the Death Benefit amount of \$5,000 if a life insured suffers an insured Medical Catastrophe and dies within 14 days of suffering a Medical Catastrophe, while covered under the Policy.

Medical Catastrophe Benefit

When we pay

We will pay the Medical Catastrophe Benefit if:

- a life insured suffers a Medical Catastrophe while covered under the Policy and before the Policy anniversary immediately before his or her 70th birthday; and
- he or she survives for at least 14 days after the happening of the Medical Catastrophe.

The amount we pay

The amount we will pay under the Medical Catastrophe Benefit is the Medical Catastrophe Benefit sum insured at the date we receive proof, to our satisfaction, that the life insured has suffered a Medical Catastrophe as defined under the Policy.

However, if the event giving rise to the payment of the sum insured was already covered at the Policy commencement date by a Policy issued by another insurer, the Medical Catastrophe Benefit sum insured will be reduced so that when added to any amount paid or payable under the other Policy, the total does not exceed \$2,000,000.

Note that the Advance Payment for Cancer option provides partial payment for other specified events. Refer to page 27 for more details.

In the case of Angioplasty, payment is limited to 25% of the Sum Insured, subject to a minimum of \$10,000 and a maximum payment of \$25,000.

In the case of Angioplasty – Triple Vessel, payment is limited to 30% of the sum insured, subject to a minimum of \$30,000 and a maximum of \$100,000.

* In the case of these events, we will not pay a Medical Catastrophe Benefit under the Policy if the condition occurred or was diagnosed, or the circumstance leading to the diagnosis became apparent, within three months after:

- The Policy start date;
- The date we accept an applied for increase but only in respect of the increase; or
- The most recent date that we have agreed to reinstate the Policy unless the Medical Catastrophe Benefit replaces similar cover with another life insurance company which was in place immediately before the Medical Catastrophe Benefit Commencement Date (but only up to the amount insured under the cover which has been replaced).

What is a Medical Catastrophe?

Cover starts for the following conditions immediately after the Policy commencement date:

Class of events	Medical Catastrophe
Heart conditions	Angioplasty* Aortic Surgery* Cardiomyopathy Coronary Artery Bypass Surgery* Heart Valve Surgery* Myocardial Infarction (Heart Attack)* Primary Pulmonary Hypertension Angioplasty - Triple Vessel*
Neurological conditions	Alzheimer's Disease Cerebrovascular Accident (Stroke)* Dementia Encephalitis & Meningitis Meningococcal Disease Motor Neurone Disease Multiple Sclerosis Muscular Dystrophy Paralysis: <ul style="list-style-type: none"> • Diplegia • Hemiplegia • Paraplegia • Quadriplegia • Tetraplegia Parkinson's Disease
Blood disorders	Aplastic Anaemia Medically Acquired HIV Occupationally Acquired HIV
Cancer	Cancer* Benign Brain Tumour
Intensive conditions	Intensive Care Loss of Independent Existence Loss of Limbs
Organ disorders	Chronic Liver Failure Chronic Lung Failure Chronic Renal (Kidney) Failure Coma Loss of Speech Major Head Trauma Major Organ Transplant Pneumonectomy Severe Burns Total Blindness Total Deafness

Advancement Benefit

We will pay 25% of the Medical Catastrophe sum insured, to a maximum payment of \$25,000 when the life insured:

- is diagnosed by a Medical Practitioner as suffering from:
 - motor neurone disease;
 - multiple sclerosis;
 - muscular dystrophy;
 - Parkinson’s disease;
 - primary pulmonary hypertension; or
- has been placed on a waiting list to receive a major organ transplant and that procedure is unrelated to any previous procedure or surgery undergone by the life insured.

For the purposes of the Advancement Benefit only, these conditions have their normal medical meaning rather than the meaning defined in the Definition section in this document.

Only one Advancement Benefit will be paid in respect of the life insured. The Medical Catastrophe sum insured will be reduced by the Advancement Benefit paid.

Death Buy-Back Facility

This benefit is only available where Stand-Alone Medical Catastrophe is linked to a Superannuation Term Insurance Policy.

Following the payment of a Medical Catastrophe Benefit under this Policy, the Policy owner may repurchase (buy back) death cover only, without evidence of insurability of the life insured.

The Death cover being bought back will be the same amount as the Medical Catastrophe Benefit paid and must be repurchased one year after the date of payment of the benefit.

Upon exercising this option, we will issue a new Policy. Premiums on the new Policy will be calculated using our premium rate table applying at the time of issuing the new Policy, and will be based on the current age of the life insured.

The repurchased death cover will not be eligible for increases under the Guaranteed Future Insurability Option, or any automatic indexation increases.

Optional Benefits

For the payment of an additional premium, the following benefits may be added to the standard benefits described above.

Advance Payment for Cancer Option

Under the Advance Payment for Cancer Option, we will pay 10% of the Medical Catastrophe sum insured, up to a maximum of \$25,000, on the occurrence of the following events:

- Carcinoma In Situ and
- Early Stage Melanoma

The Advance Payment for Cancer option is payable once only for each of these events. We will pay for multiple events to a maximum of \$50,000.

The total Medical Catastrophe sum insured will reduce by any payments made under this Option.

We will not pay a benefit if the condition occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, within three months after:

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

unless the Medical Catastrophe Benefit replaces similar cover with another life insurance company which was in place immediately before the Medical Catastrophe Benefit Commencement Date (but only up to the amount insured under the cover which has been replaced).

Medical Catastrophe Buy-Back Option

If the life insured suffers a listed Medical Catastrophe event and we pay 100% of the Medical Catastrophe sum insured, the Policy will end.

This Medical Catastrophe Buy-Back option allows you to repurchase this Medical Catastrophe cover on the life insured under this Policy. If this Policy is no longer sold by TOWER, you may apply to purchase cover under whichever TOWER product replaces it. The Medical Catastrophe Buy-Back option can be exercised without having to provide evidence of health, occupation or pursuits.

Maximum cover under the option

The amount of cover that you may purchase is the amount of the Medical Catastrophe Benefit paid.

Exercising the option

You must notify us in writing of your intention to exercise the Medical Catastrophe Buy-Back option within 30 days of the 12 month anniversary of the date we paid 100% of the Medical Catastrophe sum insured.

The option period

The Medical Catastrophe Buy-Back option will expire if not exercised before the earlier of:

- 30 days after its due date, which is 12 months after we have paid the Medical Catastrophe sum insured; or
- the 65th birthday of the life insured.

The new premium

The premium for the repurchased Medical Catastrophe Benefit will be based on our standard premium rates for the age of the life insured at the time the option is exercised and will take into account any extra premiums charged, and special provisions that apply to the Medical Catastrophe Insurance.

Stand-Alone Medical Catastrophe Insurance

General conditions

If your Policy includes this option, we will allow you to buy back Medical Catastrophe cover on the following basis:

- the Medical Catastrophe sum insured must not exceed 100% of the Medical Catastrophe benefit paid;
- the bought back cover will not be eligible for any of the optional benefits available under Medical Catastrophe Insurance, including the Medical Catastrophe Buy-Back Option; and
- the bought back cover will not be eligible for indexation increases;

Claims conditions

If the life insured is subsequently diagnosed with a Medical Catastrophe event, we will pay a claim under the bought back cover provided the Medical Catastrophe event occurred or was diagnosed, or the circumstances leading to diagnosis became apparent after the Medical Catastrophe cover was bought back, subject to the conditions below. We will not pay a claim under the bought back cover if the Medical Catastrophe event:

- is the same as the original Medical Catastrophe event for which we paid a benefit; or
- is directly or indirectly caused by or related to the original Medical Catastrophe event, or symptoms or condition(s) which caused the occurrence of the original Medical Catastrophe event; or
- is a Loss of Independent Existence; or
- is a Heart Condition and the original Medical Catastrophe event was also a Heart Condition; or
- is a Stroke or Paralysis (directly or indirectly resulting from a Stroke) and the original Medical Catastrophe event was a Heart Condition.

In the above paragraph, Heart Condition includes: Angioplasty, Aortic Surgery, Cardiomyopathy, Coronary Artery Bypass Surgery, Heart Valve Surgery, Myocardial Infarction (Heart Attack), Primary Pulmonary Hypertension, Angioplasty – Triple Vessel, (as defined), and any other condition that we include in the meaning of Heart condition at the time the Medical Catastrophe Cover is bought back.

Limitations on the right to exercise the option

This option cannot be exercised where:

- a Total and Permanent Benefit is paid; or
- a benefit is paid for Angioplasty (including Triple Vessel); or
- a benefit is paid for Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Parkinson's Disease or Primary Pulmonary Hypertension under the Advancement Benefit; or
- a benefit is paid under the Advance Payment for Cancer Option.

Children's Medical Catastrophe Benefit Option

This option may only be purchased for children aged between 5 next birthday and 17 next birthday.

As long as we have accepted a child for cover under the Children's Medical Catastrophe Benefit, we will pay \$50,000 if the child suffers any of the following while covered under the benefit:

- Aortic Surgery*
- Benign Brain Tumour
- Cancer*
- Cerebrovascular Accident (Stroke)*
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Coronary Artery Bypass Surgery*
- Encephalitis & Meningitis
- Heart Valve Surgery*
- Major Organ Transplant
- Meningococcal Disease
- Multiple Sclerosis
- Myocardial Infarction (Heart Attack)*
- Paralysis:
 - Diplegia
 - Hemiplegia
 - Paraplegia
 - Quadriplegia
 - Tetraplegia
- Pneumonectomy

Cover only starts for conditions noted with an asterisk* where the symptoms (or the circumstances leading to the need for surgery) first manifest after ninety days have elapsed since:

- the commencement date of the Children's Medical Catastrophe Benefit ; or
- the date of an increase in the Children's Medical Catastrophe Benefit sum insured which you apply for and we accept (but only in respect of the amount of the increase); or
- the most recent reinstatement of the Policy,

unless the Children's Medical Catastrophe Benefit replaces similar cover with another life insurance company which was in place immediately before the Children's Medical Catastrophe Benefit Commencement Date (but only up to the amount insured under the cover which has been replaced).

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

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

Total and Permanent Disability Option (TPD)

We will pay the Total and Permanent Disability Benefit if a life insured becomes Totally and Permanently Disabled while covered under the Policy.

The maximum sum insured is \$3,000,000. The amount we pay under the Total and Permanent Disability Benefit is the Total and Permanent Disability Benefit sum insured.

The 'any occupation' definition of Total and Permanent Disability applies unless you choose an 'own occupation' definition, which is only available to certain class 1 and 2 occupations (see page 11 for more details regarding occupation classes).

In some circumstances, a Home Duties variation in the definition of Total and Permanent Disability will apply if the life insured was not engaged in a gainful occupation at the time of the event causing Total and Permanent Disability.

What does Total and Permanent Disability mean?

The meaning of Total and Permanent Disability differs depending on which of the three following definitions applies to the life insured:

- 'any occupation' definition;
- 'own occupation' definition;
- 'long term care' definition.

On the Policy anniversary immediately before the life insured's 65th birthday, the definition of Total and Permanent Disability will automatically be changed to the 'long term care' definition. Your Policy Schedule will specify which definition applies.

'Any occupation' definition

Where the 'any occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Illness or Injury for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

However, if the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total and Permanent Disability, then for the purposes of determining if the life insured suffers Total and Permanent Disability, an 'occupation for which the life insured is suited by education training or experience' will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

'Own occupation' definition

Where the 'own occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Injury or Illness for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, has become incapacitated to such an extent as to render them unlikely ever to be able to engage in their own occupation;

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

Section 3

Stand-Alone Medical Catastrophe Insurance

However if:

- the life insured’s occupation immediately prior to the commencement of Total and Permanent Disability can be described as Home Duties (as described on page 70); or
- the life insured was not engaged in a gainful occupation for at least six months at the time of the event causing disablement,

then Total and Permanent Disability means that the life insured has, for an uninterrupted period of six months, been under medical supervision by a registered medical practitioner and has complete inability to perform any Home Duties or to move from the confines of the life insured’s home without the assistance of a person, and, in our opinion, is unlikely ever to recover.

‘Long term care’ definition

Where the ‘long term care’ definition applies Total and Permanent Disability means that we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following five numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Waiver of Premium on Total Disability

Under this option, following the occurrence of and during the continuation of the Total Disability of a life insured, we will waive all premiums falling due for that life insured.

Before the Policy anniversary immediately prior to the life insured’s 65th birthday, Total Disability means we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured becomes so disabled by bodily Injury or Illness that he or she is unable to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience for a period of three consecutive months and is not working in any gainful occupation,

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

If the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total Disability, then for the purposes of determining if the life insured suffers Total Disability, the ‘occupation for which the life insured is suited by education, training or experience’ will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

After the Policy anniversary immediately prior to the life insured’s 65th birthday, Total Disability means we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Payment of a benefit

We will pay the benefit to:

- the Policy owner (where the Policy owner is the same person as the life insured, the benefit is payable to that person's legal personal representative or any other person we are permitted to pay under the relevant legislation); or
- the nominated beneficiary(ies). You may, by notice in writing to us, nominate one or more persons to receive payment of the death benefit and in what proportion(s). Any such nomination may be revoked or changed by you by notice in writing to us.

First Benefit Payable – multiple lives insured

If the Medical Catastrophe Benefit becomes payable for a life insured (and cover ends for that life insured), the Policy will only continue for the remaining lives insured for 60 days from the date the benefit is paid.

You may request a new Policy with the same level of cover (and the same optional benefits) for the remaining lives insured within 60 days after the benefit is paid (by notifying us in writing). The Policy will be issued on the basis of our standard terms then applying, but subject to any special conditions applying to the life insured under this Policy.

We will issue a new Policy for the remaining lives insured without the need for further evidence of insurability and health.

The new Policy will start 60 days after the benefit is paid.

When the Medical Catastrophe Benefit becomes payable for a life insured, the payment will be made to the Policy owner(s).

Stand-Alone Medical Catastrophe Insurance linked to Superannuation Term Insurance

When you have Superannuation Term Insurance (which is life insurance in the name of your superannuation fund trustee), and Stand-Alone Medical Catastrophe Insurance in your own name, and the two policies are linked, the following provisions apply:

- the Death Benefit Amount on the Superannuation Term Insurance Policy will be reduced by any amount paid in respect of a life insured under the Stand-Alone Medical Catastrophe Insurance Policy;
- the Stand-Alone Medical Catastrophe Benefit Amount will be reduced by the amount paid in respect of a life insured under the Superannuation Term Insurance Policy; and

- On the Policy anniversary prior to age 65 the 'long term care definition' will become the only definition to apply to future claims under the Total and Permanent Disability Option; and.
- If the Superannuation Term Insurance Policy is terminated, the Stand-Alone Medical Catastrophe Insurance Policy is automatically terminated at the same date.

When we will not pay a benefit

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

- an intentionally self-inflicted act by the life insured; or
- any other specific event or cause agreed between us and the Policy owner.

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

- an intentionally self-inflicted act or Injury; or
- any other specific event or cause agreed between us and the Policy owner.

Disability Income Insurance

The pressure of paying bills and expenses is something that you simply don't need when you are incapacitated and unable to work. A Policy that is able to provide financial assistance for you or your business is all about peace of mind, giving you the time to get well, without the added worry.

Overview

Disability Income Insurance is designed to provide for the payment of a benefit in the form of a monthly income in the event of Total Disability (explained below). It allows you to insure up to 75% of the life insured's Earned Income subject to the following limits:

- 75% of the first \$300,000 of Earned Income; and
- 50% of Earned Income in excess of \$300,000.

The maximum initial Annual Benefit under Disability Income Insurance is \$300,000.

You may apply for Disability Income Insurance with stepped premiums if the life to be insured is aged 18 to 64 next birthday. You may only apply for Disability Income insurance with level premiums if the life to be insured is aged 18 to 55 next birthday.

Disability Income Insurance is available in two types – Platinum and Gold. Platinum is only available to certain occupations e.g. Barrister, Doctor, Dentist, Accountant etc. Your adviser will tell you whether Platinum is available to you.

Other important information regarding this Policy	
Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Total Disability Benefit
- Partial Disability Benefit
- Family Member Support Benefit
- Nursing Care Benefit
- Rehabilitation Benefit
- Recovery Support Benefit
- Waiver of Premium
- Death Benefit
- Recurring Claim Benefit
- Waiver of Waiting Period
- Concurrent Disability
- Specific Injury Benefit
- Elective Surgery Benefit

Benefits – Optional

- Increasing Claims Option
- Accident Benefit
- Medical Catastrophe Benefit

When does cover end?

Cover will end as soon as one of the following things happen:

- the life insured attaining the age stated in the Policy Schedule; or
- death of the life insured; or
- the date the life insured retires from gainful occupation (with no intention of returning to gainful occupation) other than as a result of Total Disability or Partial Disability; or
- when the Policy lapses due to non-payment of premiums; or
- we receive a written request from the Policy owner to cancel the Disability Income Insurance; or
- at the expiry of the Benefit Period.

Benefits

Total Disability Benefit

When we pay

The Total Disability Benefit is payable if the life insured has a continuous period of Total Disability for longer than the Waiting Period while covered under Disability Income Insurance.

What does 'Total Disability' mean?

Total Disability means that due to suffering an Illness or Injury the life insured is:

- unable to perform at least one important income producing duty of his or her regular occupation; and
- not currently working in any gainful occupation; and
- under the care and following the advice of a Medical Practitioner.

However, if the life insured has been on maternity or paternity leave or has been unemployed for twelve months or more immediately before suffering Total Disability he or she will only be considered to be Totally Disabled if, solely because of Illness or Injury he or she is:

- unable to perform any occupation for which he or she is reasonably suited by education, training or experience: and
- not working in any gainful occupation; and
- under the care and following the advice of a Medical Practitioner.

Long service or sabbatical leave is not considered as unemployment.

The amount we pay

The amount we pay under the Total Disability Benefit is 1/365th of the Annual Benefit for each day that the life insured is Totally Disabled after the Waiting Period. If you have chosen the Indemnity Option, the Total Disability Benefit is limited to:

- 75% of the life insured's first \$300,000 of Prior Earnings (explained on page 71); and
- 50% of Prior Earnings in excess of \$300,000.

However, if the Benefit Period selected is 'To Age 70' and the life insured's Total Disability commences after the life insured's 65th birthday, the Annual Benefit will be reduced according to the following table:

Age Attained	% of Annual Benefit Payable
66	80%
67	60%
68	40%
69	20%
70	nil

When payments under the Total Disability Benefit start and stop

The Total Disability Benefit starts to accrue at the end of the Waiting Period (unless the Waiting Period is waived under another Benefit) and is paid monthly in arrears.

Total Disability Benefit payments will stop as soon as one of the following things happen:

- the life insured is no longer Totally Disabled; or
- the Benefit Period ends; or
- for Benefit Periods of 2 or 5 years, the life insured attains age 65; or
- the life insured dies; or
- Disability Income Insurance cover ends.

Partial Disability Benefit

When we pay

The Partial Disability Benefit is payable if, while covered under Disability Income Insurance:

- the life insured has a continuous period of Disability for longer than the Waiting Period; and
- the life insured is Partially Disabled after the Waiting Period.

If Gold Cover is selected – the life insured is Partially Disabled after a period of Total Disability of at least 14 continuous days.

If Platinum Cover is selected – there is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled.

What does 'Partial Disability' mean?

Partial Disability means that solely due to suffering an Illness or Injury the life insured:

- suffers a partial loss of Earned Income; and
- cannot work full time, or is unable to perform at least one important income producing duty of his or her regular occupation; and
- is under the care and following the advice of a Medical Practitioner.

The amount we pay

For each day that the life insured is Partially Disabled, the amount we pay under the Partial Disability Benefit is

1/365th of:

$$\frac{(A-B)}{A} \times \text{the Annual Benefit}$$

'A' is Prior Earnings and

'B' is earnings for the month the benefit is payable.

If the Benefit Period is 'To Age 70' and the life insured's Disability commences after the life insured's 65th birthday, the Annual Benefit in the above formula will be reduced according to the table shown under the Total Disability Benefit.

Disability Income Insurance

If the Indemnity Option is chosen, 'Prior Earnings' means the life insured's average monthly earnings (based on the definition of Earned Income) in the twelve consecutive months immediately preceding the commencement of Disability.

Otherwise, Prior Earnings means the life insured's highest average monthly earnings (based on the definition of Earned Income) for any twelve consecutive months in the five years immediately preceding the commencement date of Disability Income Insurance and in the five years immediately preceding any period of Total Disability, whichever is the greater.

The Prior Earnings of the life insured will be increased by the annual rate of increase in the indexation factor. The increase will occur after each consecutive twelve months during which the life insured remains Partially Disabled. The indexation factor will be based on the Consumer Price Index published by the Australian Bureau of Statistics from time to time (or such other index as we consider appropriate).

If there is a delay between earnings being generated and being received, then with the agreement of the Policy owner, 'B' will be calculated taking this into account.

If the life insured is Partially Disabled but not working to their assessed capacity, 'B' will be calculated on the Monthly Earnings it would be reasonable for the life insured to earn if working to their assessed capacity. In determining the assessed capacity we will take into account all medical and other appropriate evidence.

If the percentage loss of Earned Income is 75% or more, we will deem the loss to be 100%.

When payments under the Partial Disability Benefit start and stop

The Partial Disability Benefit starts to accrue at the end of the Waiting Period (unless the Waiting Period is waived under the Accident Benefit option) and is paid monthly in arrears.

Partial Disability Benefit payments will stop as soon as one of the following things happen:

- the life insured is no longer Partially Disabled; or
- the Benefit Period ends (if the life insured suffers Partial Disability before his or her 65th birthday); or
- after we have paid the Partial Disability Benefit for the lesser of six months or the remainder of the Benefit Period (if the life insured suffers Partial Disability after his or her 65th birthday); or
- for Benefit Periods of 2 or 5 years, the life insured attains age 65; or
- the life insured dies; or
- Disability Income Insurance cover ends.

Family Member Support Benefit

When we pay

The Family Member Support Benefit is payable, in addition to the Total Disability Benefit, if:

- the life insured is Totally Disabled;
- the life insured is confined to bed;
- a Medical Practitioner certifies that the life insured requires full time care; and
- the income of one immediate family member (i.e. a spouse, de facto spouse, son or daughter) ceases as a result of that person providing care.

The amount we pay

The amount we pay under the Family Member Support Benefit is equal to 1/730th of the Annual Benefit for each day that the Family Member Support Benefit is payable and is paid monthly in arrears. The Family Member Support Benefit payable is subject to a maximum monthly payment of the lesser of:

- \$3,000 per month; and
- the salary foregone by the immediate family member in that month.

The Family Member Support Benefit payable in a month will be reduced by any amount payable under the Nursing Care Benefit in that month.

When payments under the Family Member Support Benefit start and stop

The Family Member Support Benefit is payable during periods in which Family Member Support is provided, for a maximum of three months and will be paid once only.

Nursing Care Benefit

When we pay

The Nursing Care Benefit is payable if, on the advice of a registered Medical Practitioner, the life insured, while covered under Disability Income Insurance:

- is under the care of a registered nurse visiting at least once a day; and
- remains in or near a bed for a substantial part of each day; and
- is provided with care for at least 72 hours.

If we are paying the Total Disability Benefit during the Waiting Period because the Waiting Period has been waived under the Accident Benefit Option, we will not pay the Nursing Care Benefit.

The amount we pay

The amount we pay under the Nursing Care Benefit is 1/365th of the Annual Benefit for each day that nursing care is required. The benefit is paid monthly in arrears. The maximum amount that we will pay under the Nursing Care Benefit for any one claim is one quarter of the Annual Benefit.

When payments under the Nursing Care Benefit start and stop

If the life insured qualifies for this benefit, it accrues from the start of Total Disability.

The benefit is only payable during the Waiting Period, for a maximum of 90 days.

Rehabilitation Benefit

When we pay

The Rehabilitation Benefit is payable, in addition to the Total Disability Benefit, if:

- we are paying the Total Disability Benefit; and
- the life insured takes part in a rehabilitation program approved by us in writing for the purpose of retraining or re-education in order to seek a new vocation.

The amount we pay

The amount we pay under the Rehabilitation Benefit is 50% of the amount we pay under the Total Disability Benefit.

When payments under the Rehabilitation Benefit start and stop

The Rehabilitation Benefit starts when the conditions of the benefit are met and is paid monthly in arrears. The benefit is payable for a maximum period of twelve months and only while the life insured remains Totally Disabled and fully participates in the rehabilitation program.

Recovery Support Benefit

When we pay

The Recovery Support Benefit is payable in addition to the Total Disability Benefit, if:

- we are paying the Total Disability Benefit; and
- the life insured is participating in a rehabilitation program approved by us in writing.

The amount we pay

The amount we pay under the Recovery Support Benefit is the cost of the rehabilitation program, up to a maximum of 50% of the Annual Benefit.

The costs can include (but are not limited to) wheelchairs, artificial limbs, prosthetic devices, travelling and education expenses, and house and car modifications.

Waiver of Premium

If the life insured suffers Total Disability for longer than the Waiting Period, we will refund premiums paid in that period and will continue to waive premiums until the life insured is no longer Totally or Partially Disabled. Premium payments will recommence from the date Total or Partial Disability ceases.

Death Benefit

When we pay

The Death Benefit is payable if the life insured dies whilst we are paying a benefit under Disability Income Insurance cover.

The amount we pay

The amount we pay is a lump sum of 25% of the Annual Benefit.

We will pay the Death Benefit to the Policy owner or, if the Policy owner and the life insured are the same person, to the life insured's legal personal representative or a person we are permitted to pay under the relevant legislation.

Recurring Claim Benefit

A new Waiting Period will not apply to any claim if the claim resulted from a relapse or recurrence of the same or related Illness or Injury that caused Total or Partial Disability, within twelve months of the life insured returning to work. If we consider the life insured to have a recurring disability, benefits will commence for the remaining part of the benefit period. The life insured has the option of applying the Waiting Period.

Waiver of Waiting Period

We will waive the Waiting Period on a new claim resulting from an Illness or Injury unrelated to a previous claim, as long as:

- a Waiting Period applied to the previous claim (or was waived under the Accident Benefit Option);
- the new claim occurs within twelve months of returning to work from the previous claim; and
- the new claim is for a continuous period of Disability of 30 days or more.

Benefits will then accrue from the first day of the new claim.

Concurrent Disability

When the life insured is disabled at any time as a result of separate and distinct injuries or Illnesses, the benefit will be calculated according to the cause which maximises the claim.

Disability Income Insurance

Specific Injury Benefit

When we pay

We will pay the Specific Injury Benefit if the life insured suffers a Specific Injury while covered under Disability Income Insurance, whether or not the life insured is working. We will pay the Specific Injury Benefit for the 'Payment Period' for the Specific Injury which has occurred as shown in the following table:

Specific Injury	The Payment Period
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia, Tetraplegia)	60 months
Loss of:	24 months
(i) both feet or both hands or sight of both eyes	
(ii) Any combination of two: a hand, a foot, sight in one eye	24 months
(iii) one leg or one arm	18 months
(iv) One foot or one hand or sight in one eye	12 months
(v) thumb and index finger of the same hand	6 months
Fracture of:	90 days
(i) leg above the knee (femur), pelvis	
(ii) Leg below the knee (tibia or fibula)	60 days
(iii) Ankle, heel	60 days
(iv) Kneecap	60 days
(v) Vertebrae	60 days
(vi) Upper arm (humerus), shoulder bone (scapula), elbow	60 days
(vii) Wrist	45 days
(viii) Forearm (radius or ulna), collarbone (clavicle)	30 days
(ix) Skull, jaw	30 days

Where:

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

Loss means the total and permanent:

- loss of the use of the hand from the wrist or the foot from the ankle joint;
- loss of the use of the arm from the elbow or leg from the knee joint;
- complete severance of the thumb and index finger from the first phalangeal joint of the same hand; or
- irrecoverable total loss of an eye or sight in the eye.

The amount we pay

The amount we pay under the Specific Injury Benefit is 1/365th of the Annual Benefit for each day of the Payment Period for the Specified Injury which has occurred.

If more than one listed Injury is suffered during the Payment Period, the Injury that provides the greatest benefit will be paid. The Specific Injury Benefit is paid instead of the Total Disability Benefit, the Partial Disability Benefit or the Nursing Care Benefit.

When payments under the Specific Injury Benefit start and stop

The Specific Injury Benefit starts to accrue when the Specific Injury is suffered and is paid monthly in advance.

We will stop paying the Specific Injury Benefit as soon as one of the following things happen:

- the Payment Period ends; or
- the Benefit Period ends; or
- Disability Income Insurance cover ends.

If the life insured is still Disabled at the end of the Payment Period, any further disability payments will be determined in accordance with the terms of the Policy.

Elective Surgery Benefit

We will also pay the Total Disability Benefit if the life insured, while covered under Disability Income Insurance, undergoes:

- cosmetic or other elective surgery; or
- surgery to transplant a body organ into the body of another person,

and would be Totally Disabled (where disability is caused by surgery and not by an Illness or Injury).

We will only pay the Total Disability Benefit in these circumstances if the surgery took place more than 6 months after the later of:

- the start date of Disability Income Insurance;
- the date of an increase to the Annual Benefit which you apply for and we accept (but only in respect of the amount of the increase), and
- the last reinstatement of the Policy.

Optional Benefits and Features

For the payment of an additional premium, the following benefits and features may be included under Disability Income Insurance in addition to the Standard Benefits above:

- Increasing Claim Option
- Accident Benefit Option
- Medical Catastrophe Benefit Option

If you wish to reduce your premium you might wish to consider the Indemnity option. This option has the effect of altering some of the Standard Benefits above.

Increasing Claim Option

Whilst we are paying a Total or Partial Disability Benefit under Disability Income Insurance cover, the Annual Benefit will be increased at three monthly intervals, following the date payment of the benefit starts, by one quarter of the rate of increase in an indexation factor. The indexation factor will be based on the Consumer Price Index published by the Australian Bureau of Statistics from time to time (or such other index as we consider appropriate).

Increases to the Annual Benefit amount under this option will stop as soon as one of the following things happens:

- the life insured is no longer disabled; or
- the Benefit Period ends; or
- Disability Income Insurance cover ends.

From the date Disability ceases, or the Benefit Period ends, the Annual Benefit is defined to be twelve times the last payment of the monthly benefit prior to the date Disability ceases.

Accident Benefit Option

If the life insured becomes Totally Disabled due to an accident before his or her 65th birthday and while covered under the benefit, we will waive the Waiting Period as long as the life insured is Totally Disabled for at least 72 hours immediately following the accident.

We will pay the Total Disability Benefit for each day of Total Disability from the start of Total Disability, for a maximum of the Waiting Period.

Medical Catastrophe Benefit Option

When we pay

We will pay the Medical Catastrophe Benefit in addition to the Total or Partial Disability Benefit if, before the life insured's 65th birthday the life insured suffers a Medical Catastrophe. The Medical Catastrophe must be diagnosed by a Medical Practitioner and diagnosis must be supported by appropriate clinical, histological and laboratory evidence.

Each Medical Catastrophe is listed and defined in the Definitions section on pages 66–71 of this PDS.

The amount we pay

The amount we pay under the Medical Catastrophe Benefit is a lump sum amount of 25% of the Annual Benefit.

Indemnity Option

When this option is selected the Annual Benefit, used to calculate any benefits that may become payable under Disability Income Insurance, will be the lesser of:

- the amount shown in the Policy Schedule plus any indexation increases and less any deductions which may apply in accordance with the terms of the cover; and
- 75% of the life insured's first \$300,000 of Prior Earnings and 50% of the life insured's Prior Earnings in excess of \$300,000.

'Prior Earnings', under the Indemnity Option, means the life insured's average monthly earnings (based on the definition of Earned Income) in the twelve consecutive months immediately preceding the commencement of Disability.

Disability Income Insurance

When we will reduce the benefit we pay

If we classify the life insured's occupation as a 'Class One Professional', we will not reduce a benefit payable under Disability Income Insurance cover because money is recoverable from other sources.

For all other occupation classes, workers compensation, leave payments and other legislated payments in respect of lost income will be taken into account when calculating the Total or Partial Disability benefit. (However, any specified pain or suffering component of such a payment will be ignored for these purposes.) This will reduce the Disability Benefit so that the Disability Benefit together with the aggregate of the annual equivalent of those other payments will not exceed 75% of the life insured's first \$300,000 of Prior Earnings and 50% of the life insured's Prior Earnings in excess of \$300,000.

Where any of the amounts mentioned above are paid as a lump sum, we will treat them as if they had been paid in the form of an equivalent annual amount calculated by our Appointed Actuary by reference to the circumstances in which the payments were made.

If the life insured elects not to receive any of the amounts mentioned above, we will not reduce any benefits payable under Disability Income Insurance cover.

If Disability Benefits are reduced, a proportionate refund of premiums paid will be made as long as we are not obliged to pay the amount reduced to another entity. The refund will be calculated by multiplying the percentage reduction in the monthly benefit payment by the average monthly premium during the period of Disability and by the number of months for which the reduction applies.

Insured lump sum total and permanent disability benefits, lump sum 'trauma diagnosis style' or any superannuation benefits will not cause the monthly benefit to be reduced.

When will we not pay a benefit?

We will not pay a benefit for any Illness or Injury in connection with:

- an intentionally self-inflicted act or Injury; or
- an uncomplicated pregnancy; or
- war or any acts of war whether declared or not; or
- any other specific event or cause agreed between us and the Policy owner.

Return to Work During the Waiting Period

If, during the Waiting Period, the life insured returns to gainful employment for:

- 5 days or less for a Waiting Period of less than 60 days; or
- 10 days or less for a Waiting Period of greater than 59 days,

then those days for which the life insured was gainfully employed will be added to the Waiting Period.

If, during the Waiting Period, the life insured returned to gainful employment for more than:

- 5 days for a Waiting Period of less than 60 days; or
- 10 days for a Waiting Period greater than 59 days,

then the Waiting Period will recommence.

Disability Income Silver Insurance

The pressure of paying bills and expenses is something that you simply don't need when you are incapacitated and unable to work. A Policy that is able to provide financial assistance for you or your business is all about peace of mind, giving you the time to get well, without the added worry.

Overview

Disability Income Silver Insurance is designed to provide for the payment of a benefit in the form of a monthly income in the event of Total Disability (explained below). It allows you to insure up to 75% of the life insured's Earned Income subject to the following limits:

- 75% of the first \$300,000 of Earned Income; and
- 50% of Earned Income in excess of \$300,000.

The maximum initial Annual Benefit under Disability Income Silver Insurance is \$300,000 per annum. You may apply for Disability Income Silver Insurance if the life to be insured is aged 18 to 60 next birthday

Other important information regarding this Policy	
Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard	
<ul style="list-style-type: none"> • Total Disability Benefit • Death Benefit 	

When does cover end?

Cover will end as soon as one of the following things happen:

- the life insured attaining the age stated in the Policy Schedule; or
- death of the life insured; or
- the date the life insured retires from gainful occupation (with no intention of returning to gainful occupation), other than as a result of Total Disability; or
- when the Policy lapses due to non-payment of premiums; or
- we receive a written request from the Policy owner to cancel the Policy; or
- at the expiry of the Benefit Period.

Benefits

Total Disability Benefit

When we pay

The Total Disability Benefit is payable if the life insured has a continuous period of Total Disability for longer than the Waiting Period while covered under Disability Income Silver Insurance.

What does 'Total Disability' mean?

Total Disability means that due to suffering an Illness or Injury the life insured is:

- unable to perform at least one important income producing duty of his or her regular occupation; and
- not currently working in any gainful occupation; and
- under the care and following the advice of a Medical Practitioner

The amount we pay

The amount we pay under the Total Disability Benefit is 1/365th of the Annual Benefit for each day that the life insured is Totally Disabled after the Waiting Period.

The Annual Benefit is the lesser of:

- The amount shown in the Policy Information Statement and Schedule plus any indexation increases and less any deductions which may apply in accordance with the terms of the cover; and
- 75% of the life insured's first \$300,000 of Prior Earnings and 50% of the life insured's Prior Earnings in excess of \$300,000.

Prior Earnings means the life insured's average monthly earnings (based on the definition of Earned Income) in the twelve consecutive months immediately preceding the commencement of Total Disability.

Disability Income Silver Insurance

When payments under the Total Disability Benefit start and stop

The Total Disability Benefit starts to accrue at the end of the Waiting Period and is paid monthly in arrears.

Total Disability Benefit payments will end as soon as one of the following things happens:

- the life insured is no longer Totally Disabled; or
- the Benefit Period ends; or
- if the Benefit Period is 10 years, the life insured attains age 65; or
- the life insured dies; or
- Disability Income Silver Insurance cover ends.

Concurrent Disability

When the life insured is disabled at any time as a result of separate and distinct injuries or illnesses, the benefit will be calculated according to the cause which maximises the claim.

Death Benefit

When we pay

The Death Benefit is payable if the life insured dies whilst we are paying a benefit under Disability Income Insurance cover.

The amount we pay

The amount we pay is a lump sum of 25% of the Annual Benefit.

We will pay the Death Benefit to the Policy owner or, if the Policy owner and the life insured are the same person, to the life insured's legal personal representative or a person we are permitted to pay under the relevant legislation.

When we will reduce the benefit we pay

Workers compensation, leave payments and other legislated payments in respect of lost income will be taken into account when calculating the Total Disability benefit. (However, any pain or suffering component of such a payment will be ignored for these purposes.) This will reduce the Total Disability Benefit so that the Total Disability Benefit together with the aggregate of the annual equivalent of those other payments will not exceed 75% of the life insured's first \$300,000 of Prior Earnings and 50% of the life insured's Prior Earnings in excess of \$300,000.

Where any of the amounts mentioned above are paid as a lump sum, we will treat them as if they had been paid in the form of an equivalent annual amount calculated by our Appointed Actuary by reference to the circumstances in which the payments were made.

If other benefits are received from other insurance policies providing income protection cover, then the Total Disability Benefit will be reduced by the monthly amounts payable by those other policies.

If the life insured elects not to receive any of the amounts mentioned above, we will not reduce any benefits payable under Disability Income Silver Insurance.

If Total Disability Benefits are reduced, a proportionate refund of premiums paid will be made as long as we are not obliged to pay the amount reduced to another entity. The refund will be calculated by multiplying the percentage reduction in the monthly benefit payment by the average monthly premium during the period of Total Disability and by the number of months for which the reduction applies.

Insured lump sum total and permanent disability benefits, lump sum 'trauma diagnosis style' or any superannuation benefits will not cause the monthly benefit to be reduced.

When will we not pay a benefit?

We will not pay a benefit for any Illness or Injury in connection with:

- an intentionally self-inflicted act or Injury; or
- an uncomplicated pregnancy; or
- war or any acts of war whether declared or not; or
- any other specific event or cause agreed between us and the Policy owner.

Optimal Income Insurance Protection

The pressure of paying bills and expenses is something that you simply don't need when you are incapacitated and unable to work. A Policy that is able to provide financial assistance for you or your business is all about peace of mind, giving you the time to get well, without the added worry.

Overview

Optimal Income Protection Insurance is designed to provide for the payment of a benefit in the form of a monthly income in the event of Total Disability (explained below). It allows you to insure up to:

- 75% of the life insured's first \$300,000 of Earned Income; and
- 50% of the life insured's Earned Income in excess of \$300,000

The maximum initial Annual Benefit under Optimal Income Protection Insurance is \$300,000 per annum.

You may apply for Optimal Income Protection Insurance if the life to be insured is:

- aged 18 to 64 next birthday (Class 1 and 2 occupations only); or
- aged 18 to 60 next birthday (Class 3, 4 and 5 occupations).

Your adviser can tell you what occupation class applies.

Other important information regarding this Policy	
Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Total Disability Benefit
- Partial Disability Benefit
- Waiver of Premium
- Death Benefit
- Recurring Claim Benefit

When does cover end?

Cover will end as soon as one of the following things happen:

- the life insured's 70th birthday; or
- death of the life insured; or
- the date the life insured retires from gainful occupation (with no intention of returning to gainful occupation) other than as a result of Total Disability or Partial Disability; or
- we receive a written request from the Policy owner to cancel Optimal Income Protection Insurance; or
- when the Policy lapses due to non-payment of premiums.

Benefits

Total Disability Benefit

When we pay

The Total Disability Benefit is payable if the life insured is Totally Disabled while covered under Optimal Income Protection Insurance due to:

- a Specified Medical Condition; or
- a Specified Injury; or
- an Injury or Illness (other than a Specified Injury or a Specified Medical Condition) for a continuous period of longer than 30 days.

If Total Disability is caused by a Specified Injury or a Specified Medical Condition, the Total Disability Benefit accrues from the first day of Total Disability. Otherwise, the Total Disability Benefit starts to accrue at the end of 30 continuous days of Total Disability.

What does 'Total Disability' mean?

Total Disability means that:

- the life insured has suffered a Specified Injury; or
- due to suffering an Injury or Illness the life insured is:
 - unable to perform at least one important income producing duty of his or her regular occupation; and
 - not currently working in any gainful occupation; and
 - under the care and following the advice of a Medical Practitioner.

The amount we pay

The amount we pay under the Total Disability Benefit depends on whether the life insured's Total Disability is caused by:

- a Specified Medical Condition; or
- a Specified Injury; or
- an Injury or Illness other than a Specified Injury or a Specified Medical Condition.

Section 3

Optimal Income Insurance Protection

Total Disability caused by a Specified Injury

If the life insured is Totally Disabled due to a Specified Injury we will pay the Total Disability Benefit for the Minimum Payment Period applying to the Specified Injury which has occurred, as shown in the table on page 43. We will pay the Total Disability for a Specified Injury whether or not the life insured is working.

If the life insured is Totally Disabled due to a Specified Injury, we will pay the Totally Disability Benefit as set out below.

During the first six months of a claim

The amount we pay under the Total Disability Benefit is 1/365th of the Annual Benefit for each day of the minimum payment period applying to the Specified Injury which has occurred.

After the first six months of a claim

If the Specified Injury which has occurred has a minimum payment period of more than six months, after the first six months on claim, the Total Disability Benefit, for each day of the remaining minimum payment period, will be 1/365th of the lesser of:

- 75% of the life insured's first \$300,000 of Pre Disability Earnings and 50% of the life insured's Pre Disability Earnings in excess of \$300,000; and
- the Annual Benefit.

'Pre Disability Earnings' means the life insured's highest average monthly Earned Income in any 12 consecutive months in the two years prior to the current claim. The maximum level of 'Pre Disability Earnings' is the Annual Benefit divided by 0.75 for the first \$225,000, and divided by 0.50 for the remainder.

Total Disability caused by a Specified Medical Condition

If the life insured is Totally Disabled due to a Specified Medical Condition (which are listed on the next page), we will pay the Total Disability Benefit as set out below:

During the first six months of a claim

The amount we pay under the Total Disability Benefit is 1/365th of the 'Increased Annual Benefit' for each day that the life insured is Totally Disabled.

The 'Increased Annual Benefit' will be equal to 95% of the income which was used to determine the Annual Benefit. For example, if the Annual Benefit is \$75,000 (based on an income of \$100,000), the amount payable under the Total Disability Benefit will be based on an Increased Annual Benefit of \$95,000 (ie 95% of \$100,000).

After the first six months of a claim

The Total Disability Benefit, for each day that the life insured is Totally Disabled, will be 1/365th of the life insured's Pre Disability Earnings at the time of going on claim, as follows:

Duration of Claim	% of Pre Disability Earnings
7 – 12 months	90
13 – 18 months	85
19 – 24 months	80
Thereafter	75

'Pre Disability Earnings' means the life insured's highest average monthly Earned Income in any 12 consecutive months in the two years prior to the current claim.

The maximum level of 'Pre Disability Earnings' is the Annual Benefit divided by 0.75 for the first \$225,000, and divided by 0.50 for the remainder.

Total Disability caused by an Injury or Illness other than a Specified Injury or a Specified Medical Condition

If the life insured is Totally Disabled due to an Injury or Illness (other than a Specified Injury or a Specified Medical Condition), we will pay the Total Disability Benefit as set out below:

During the first six months of a claim

The amount we pay under the Total Disability Benefit is 1/365th of the Annual Benefit for each day that the life insured is Totally Disabled.

After the first six months of a claim

The Total Disability Benefit, for each day that the life insured is Totally Disabled, will be 1/365th of the lesser of:

- 75% of the life insured's first \$300,000 of Pre Disability Earnings and 50% of the life insured's Pre Disability Earnings in excess of \$300,000; and
- the Annual Benefit

'Pre Disability Earnings' means the life insured's highest average monthly Earned Income in any 12 consecutive months in the two years prior to the current claim. The maximum level of 'Pre Disability Earnings' is the Annual Benefit divided by 0.75 for the first \$225,000, and divided by 0.50 for the remainder.

Table of Specified Injuries

Specific Injury	Minimum Payment Period in days
The total and permanent loss of the use of: – the hand from the wrist or – the foot from the ankle joint	365
The total and irrecoverable loss of: – an eye; or – the sight in the eye	365
The complete severance of the thumb and index finger from the first phalangeal joint on the same hand	180
The fracture of:	90
(i) Leg above the knee (femur), pelvis	
(ii) Leg below the knee (tibia or fibula)	60
(iii) Ankle, heel	60
(iv) Kneecap	60
(v) Vertebrae	60
(vi) Upper arm (humerus), shoulder bone (scapula), elbow	60
(vii) Wrist	45
(viii) Forearm (radius or ulna), collarbone (clavicle)	30
(ix) Skull, jaw	30

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

The Specified Medical Conditions

Class of events	Medical Catastrophe
Heart conditions	Angioplasty Aortic Surgery Cardiomyopathy Coronary Artery Bypass Surgery Myocardial Infarction (Heart Attack) Heart Valve Surgery Primary Pulmonary Hypertension Angioplasty - Triple Vessel
Neurological conditions	Alzheimer's Disease Cerebrovascular Accident (Stroke) Dementia Encephalitis & Meningitis Meningococcal Disease Motor Neurone Disease Multiple Sclerosis Muscular Dystrophy Paralysis: <ul style="list-style-type: none"> • Diplegia • Hemiplegia • Paraplegia • Quadriplegia • Tetraplegia Parkinson's Disease
Blood disorders	Aplastic Anaemia Medically Acquired HIV Occupationally Acquired HIV
Cancer	Cancer Benign Brain Tumour
Intensive conditions	Intensive Care Loss of Independent Existence Loss of Limbs
Organ disorders	Chronic Liver Failure Chronic Lung Failure Chronic Renal (Kidney) Failure Coma Loss of Speech Major Head Trauma Major Organ Transplant Pneumonectomy Severe Burns Total Blindness Total Deafness

Optimal Income Insurance Protection

When payments for Total Disability start and stop

Total Disability caused by a Specified Injury

If the life insured is Totally Disabled due to a Specified Injury, the Total Disability Benefit starts from the first day of Total Disability.

Payments under the Total Disability Benefit are paid monthly in advance and stop at the end of the minimum payment period for the Specified Injury which has occurred. If more than one listed Injury is suffered during the Minimum Payment Period, the Injury that provides the greatest benefit will be paid.

If the life insured is Totally Disabled or Partially Disabled at the end of the Minimum Payment Period, a Total or Partial Disability Benefit may be payable in accordance with the terms applying to those benefits.

Total Disability caused by a Specified Medical Condition

If the life insured is Totally Disabled due to a Specified Medical Condition, the Total Disability Benefit starts from the first day of Total Disability.

The Total Disability Benefit will be paid monthly in arrears.

Payments under the Total Disability Benefit will stop when one of the following things happen:

- the life insured is no longer Totally Disabled solely as a result of the Specified Medical Condition; or
- the life insured's 70th birthday; or
- the life insured dies.

Total Disability caused by an Injury or Illness other than a Specified Injury or a Specified Medical Condition

If the life insured is Totally Disabled due to an Injury or Illness (other than a Specified Injury or a Specified Medical Condition), the Total Disability Benefit starts to accrue at the end of 30 continuous days of Total Disability.

The Total Disability Benefit will be paid monthly in arrears.

Payments under the Total Disability Benefit will stop when one of the following things happen:

- the date on which the total number of days during which we have paid a Total or Partial Disability Benefit (other than for a Specified Medical Condition or a Specified Injury) reaches 730 days,
- the life insured's 70th birthday, the life insured ceases to be Totally Disabled, and the death of the life insured.

No further claims (other than for a Specified Medical Condition or a Specified Injury) are payable under Optimal Income Protection Insurance once the total number of days on claim reaches 730 in total.

Partial Disability Benefit

When we pay

The Partial Disability Benefit is payable if the life insured is Partially Disabled prior to his or her 65th birthday following a period of Total Disability of at least 14 continuous days.

What does 'Partially Disabled' mean?

Partial Disability means that solely due to suffering an Illness or Injury the life insured:

- suffers a partial loss of Earned Income;
- cannot work full time, or is unable to perform at least one important income producing duty of his or her regular occupation; and
- is under the care and following the advice of a Medical Practitioner.

The amount we pay

The amount of the Partial Disability Benefit equals:

$$\frac{(A-B)}{A} \times \text{the Annual Benefit}$$

'A' is Pre-Disability Earnings and

'B' is the earnings for the month the benefit is payable.

When the life insured is Partially Disabled but not working to their assessed capacity, 'B' will be calculated on the Monthly Earnings it would be reasonable for the life insured to earn if working to their assessed capacity. In determining the assessed capacity we will take into account all medical and other appropriate evidence

If the percentage loss of Earned Income is 75% or more, we will deem the loss to be 100%.

When payments for Partial Disability start and stop

Partial Disability caused by an Injury or Illness other than a Specified Medical Condition

If the life insured is Partially Disabled due to an Injury or Illness (other than a Specified Medical Condition), the Partial Disability Benefit starts to accrue at the end of 30 continuous days of Disability (Partial Disability must follow a period of Total Disability of at least 14 continuous days).

The Partial Disability Benefit will be paid monthly in arrears.

Payments under the Partial Disability Benefit will stop when one of the following things happen:

- the date on which the total number of days during which we have paid a Total or Partial Disability Benefit (other than for a Specified Medical Condition or a Specified Injury) reaches 730 days,
- the life insured's 70th birthday,
- the life insured ceases to be Partially Disabled, and
- the death of the life insured.

Partial Disability caused by a Specified Medical Condition

If the life insured is Partially Disabled due to a Specified Medical Condition, the Partial Disability Benefit only starts if the life insured has been Totally Disabled for at least 14 continuous days.

The Partial Disability Benefit will be paid monthly in arrears.

Payments under the Partial Disability Benefit will stop when one of the following things happen:

- the life insured is no longer Partially Disabled solely as a result of the Specified Medical Condition;
- the life insured's 70th birthday; or
- the life insured dies.

Waiver of premium

If we are paying the Total or Partial Disability Benefit we will waive premiums for so long as benefits are being paid.

Death Benefit

When we pay

The Death Benefit is payable if the life insured dies whilst we are paying a benefit under Optimal Income Protection Insurance.

The amount we pay

The amount we pay under the Death Benefit is 25% of the Annual Benefit and is paid as a lump sum.

We will pay the Death Benefit to the Policy owner or, if the Policy owner and the life insured are the same person, to the life insured's legal personal representative or a person we are permitted to pay under the relevant legislation.

Recurring Claim Benefit

Where a claim results from a relapse or recurrence of the same or related Illness or Injury that caused Total or Partial Disability, within 365 days of returning to work, we will treat it as a continuation of the previous claim and the benefits will recommence for the remaining part of the benefit period. The Policy owner has the option of having the claim treated as a new claim.

When we will reduce the benefit we pay

If the life insured is self employed and we classify his or her occupation as a 'Class One Professional', we will not reduce any Total Disability or Partial Disability Benefit payable under Optimal Income Protection Insurance because money is recoverable from other sources.

For all other occupation classes, the following payments will be taken into account when calculating the benefit:

- payments from an employer or previous employer (such as sick leave);
- Workers compensation payments in respect of lost income (excluding any specified pain or suffering component of such a payment);
- regular payments received from other disability or income protection insurance policies.

Taking into account the receipt of the above payments will have the effect of reducing the benefit so that the benefit, together with the aggregate of the annual equivalent of those other payments, will not exceed the benefit otherwise payable under Optimal Income Protection Insurance cover.

Where any of the amounts mentioned above are paid in a lump sum, we will treat them as if they had been paid in the form of an equivalent annual amount calculated by our Appointed Actuary by reference to the circumstances in which the payments were made.

If benefits are reduced in accordance with this provision, a proportionate refund of premiums paid will be made as long as we are not obliged to pay the amount reduced to another entity.

The refund will be calculated by multiplying the percentage reduction in benefit by the average monthly premium during the period of Disability and by the number of months for which the reduction applies.

Insured lump sum total and permanent disability benefits, lump sum 'trauma diagnosis style' or superannuation benefits will not cause the benefit to be reduced.

When we will not pay a benefit

We will not pay a benefit for any Illness or Injury in connection with:

- an intentionally self-inflicted act or Injury;
- an uncomplicated pregnancy;
- war or any acts of war whether declared or not; or
- any other specific event or cause agreed between us and the Policy owner.

Business Expense Insurance

The pressure of paying bills and expenses is something that you simply don't need when you are incapacitated and unable to work.

That is why we have come up with a Business Expense Insurance that is able to provide financial assistance for you or your business, giving you the time to get well, without any added worry.

Overview

Business Expense Insurance is designed to provide for the reimbursement of the normal day to day running expenses of a business during a period of Total Disability. Up to 100% of the life insured's eligible business expenses may be insured under a Business Expense Insurance Policy.

The maximum initial Annual Benefit under Business Expense Insurance is \$300,000 per annum. You may apply for Business Expense Insurance if you are aged 18 to 64 next birthday.

Business Expense Insurance is available in two types – Platinum and Gold. Platinum is only available to certain occupations e.g. Barrister, Doctor, Dentist, Accountants etc. Your adviser will tell you whether Platinum is available to you.

Other important information regarding this Policy	
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Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Total Disability Benefit
- Partial Disability Benefit
- Waiver of Premium
- Recurring Claim Benefit
- Waiver of Waiting Period
- Elective Surgery Benefit

Benefits – Optional

- Accident Benefit Option
- Leasepay Benefit Option

Benefits

Total Disability Benefit

When we pay

The Total Disability Benefit is payable if the life insured has a continuous period of Total Disability for longer than the Waiting Period while covered under Business Expense Insurance.

What does 'Total Disability' mean?

Total Disability means that due to suffering an Illness or Injury, the life insured is:

- unable to perform at least one important income producing duty of his or her regular occupation; and
- not currently working in any gainful occupation; and
- under the care and following the advice of a Medical Practitioner.

The amount we pay

The amount we pay under the Total Disability Benefit, for each day that the life insured is Totally Disabled after the Waiting Period, is 1/365th of the lesser of:

- the Annual Benefit; and
- the actual covered Business Expenses incurred.

Business Expenses covered

Business Expenses are the normal day-to-day running expenses of the life insured's business. Business expenses include, but are not limited to, the following:

- Accounting and audit fees
- Advertising costs
- Bank charges, interest on loans
- Depreciation of equipment, plant
- Electricity, gas, heating, water, telephone, cleaning and laundry costs, postage and handling
- Property rates and taxes
- Publications and subscriptions to professional associations
- Leasing costs of plant and equipment
- Business related insurance premiums but not including premiums for the Policy
- Rent
- Salaries and other related costs (eg: payroll tax, superannuation contributions, FBT) for non-income generating employees of your business.
- Motor vehicle costs
- Couriers
- Net cost of a locum i.e. a direct replacement of the life insured from a source outside the life insured's business, less the business earnings generated by the locum.

Prepaid or accrued Business Expenses will be apportioned over the period to which they relate. Where income is generated while the life insured is Totally Disabled, the Total Disability Benefit will be limited to the net Business Expenses, i.e. Business Expenses less net business income.

Net business income is business income, less wages paid to income generating staff.

Where more than one person is responsible for generating income, TOWER will apportion the expenses equally between the life insured and the other person(s) unless otherwise agreed between the life insured and us.

Business Expenses not covered by the Policy are:

- Salaries and other related costs (eg. payroll, tax, superannuation, FBT) for the life insured and income generating employees of your business other than a locum.
- Costs in relation to any relatives of the life insured, unless that person was employed for at least sixty consecutive days prior to the Disability of the life insured.
- Commissions or bonuses payable to the life insured.
- Repayments of principal of any loan or other finance agreement.
- Any costs of a capital nature including the cost of any books, equipment, fittings, fixtures, furniture, goods, implements, merchandise or stock.
- Depreciation on real estate.
- Losses on investments.
- Taxes levied pursuant to the Income Tax Assessment Act.

When payments under the Total Disability Benefit start and stop

The Total Disability Benefit starts to accrue at the end of the Waiting Period (unless the Waiting Period is waived under the Accident Benefit Option) and is paid monthly in arrears.

The Total Disability Benefit stops at the expiry of the Benefit Period.

For Business Expenses Insurance – The Benefit is payable for a period of up to one year, while the life insured remains Disabled. If at the end of this year, the life insured remains Disabled and the total benefit paid is less than the Annual Benefit, then cover will continue until the earliest of:

- the payment of the Annual Benefit;
- the expiry of a further twelve months; and
- the Expiry of Cover.

Partial Disability Benefit

When we pay

The Partial Disability Benefit is payable if:

- the life insured is Partially Disabled after the Waiting Period.

If Gold Cover is selected – the life insured is Partially Disabled after a period of Total Disability of at least 14 continuous days.

If Platinum Cover is selected – there is no requirement for life insured to suffer a period of Total Disability before qualifying as Partially Disabled.

What does 'Partial Disability' mean?

Partial Disability means that due to suffering an Illness or Injury, the life insured:

- suffers a partial loss of Earned Income;
- cannot work full time, or is unable to perform at least one important income producing duty of his or her regular occupation; and
- is under the care and following the advice of a Medical Practitioner.

The amount we pay

For each day that the life insured is Partially Disabled, the amount we pay under the Partial Disability Benefit is 1/365th of the lesser of:

$$\frac{(A-B)}{A} \times \text{the Annual Benefit}$$

and

$$\frac{(A-B)}{A} \times \text{your annualised share of the Business Expenses that relate to the period of Partial Disability.}$$

A = The life insured's share of the business turnover in the 12 month period prior to the Disability of the life insured.

B = The life insured's annualised share of the current month's business turnover for the month in which Partial Disability is claimed.

When the life insured is Partially Disabled and is not working, we will calculate 'current month's business turnover' as the turnover the life insured could reasonably be expected to generate if he or she were working.

Business Expense Insurance

When payments under the Partial Disability Benefit start and stop

The Partial Disability Benefit starts to accrue from the later of:

- the day after the life insured is no longer Totally Disabled; and
- the day after the end of the Waiting Period as long as the life insured was Totally Disabled for at least fourteen (14) consecutive days.

The Partial Disability Benefit is paid monthly in arrears.

The Partial Disability Benefit stops at the expiry of the Benefit Period.

Waiver of Premium

If the life insured suffers Disability for longer than the Waiting Period, we will refund premiums paid in that period and will continue to waive premiums until the life insured is no longer Totally or Partially Disabled. Premium payments will recommence from the date Total or Partial Disability ceases.

Recurring Claim Benefit

A new Waiting Period will not apply to any claim provided that the claim resulted from a relapse or recurrence of the same or related Illness or Injury that caused Total or Partial Disability, within 12 months of returning to work. Benefits will recommence for the remaining part of the benefit period.

Waiver of Waiting Period

We will waive the Waiting Period on a new claim resulting from an Illness or Injury unrelated to a previous claim, as long as:

- a Waiting Period applied to the previous claim;
- the new claim occurs within twelve months of returning to work from the previous claim; and
- the new claim is for a continuous period of Disability of 30 days or more.

Benefits will then accrue from the first day of the new claim.

Elective Surgery Benefit

We will also pay the Total Disability Benefit if the life insured undergoes:

- cosmetic or other elective surgery; or
- surgery to transplant a body organ into the body of another person,

and would be Totally Disabled (except that disability is caused by surgery and not by an Illness or Injury).

We will only pay the Total Disability Benefit in these circumstances if the surgery took place more than six months after the later of:

- the start date of Business Expense Insurance;
- the date of an increase to the Annual Benefit which you apply for and we accept (but only in respect of the amount of the increase); and
- the last reinstatement of the Policy.

Optional Benefits

For the payment of an additional premium, the following benefits may be added to the Standard Benefits above.

Accident Benefit Option

If the life insured becomes Totally Disabled due to an accident, we will waive the Waiting Period as long as the life insured is Totally Disabled for at least 72 hours immediately following the accident.

We will pay the Total Disability Benefit for each day of Total Disability from the start of Total Disability, for a maximum of the Waiting Period.

Leasepay Benefit Option

Where we have been paying the Total Disability Benefits under Business Expenses Insurance for a continuous period of twelve months and the life insured is Totally Disabled, then the Leasepay Benefit will commence. This Benefit will pay the life insured's lease commitments on the principal commercial premises of the business. It will be calculated on a daily basis, paid monthly in arrears and will continue to be paid until the earliest of the following:

- the date on which the life insured ceases to be Totally Disabled;
- the date on which the Leasepay Benefit is exhausted;
- five years from the date the Leasepay Benefit first became payable;
- the date on which the lease commitment is extinguished; and
- the date of the life insured's death.

On the occurrence of any of the above, all cover will cease under this option.

Return to Work During the Waiting Period

If, during the Waiting Period, the life insured returns to gainful employment for five days or less, then those days for which the life insured was gainfully employed will be added to the Waiting Period.

If, during the Waiting Period, the life insured returned to gainful employment for more than five days, then the Waiting Period will recommence.

When we will reduce the benefit we pay

If other benefits are received from other insurance policies providing Business Expenses cover, then the Business Expenses used in the calculation of the Benefit will be reduced by the monthly amount of those other benefits. In the event that business turnover does not decrease during any period of Total or Partial Disability then no Benefit is payable under this cover.

When we will not pay a benefit

We will not pay a benefit under Business Expenses Insurance for any Illness or Injury in connection with:

- an intentionally self-inflicted act or Injury;
- an uncomplicated pregnancy;
- war or any acts of war whether declared or not; or
- any other specific event or cause agreed between us and the Policy owner.

When does cover end?

Cover will end as soon as one of the following things happen:

- the life insured attaining the age stated in the Policy Schedule; or
- death of the life insured; or
- the date the life insured retires from gainful occupation (with no intention of returning to gainful occupation) other than as a result of Total Disability or Partial Disability; or
- when the Policy lapses due to non-payment of premiums; or
- we receive a written request from the Policy owner to cancel Business Expenses Insurance.

Partner Superannuation Fund

The information in this section relates to Term Insurance available through superannuation.

What is different about this product?

The central difference between Superannuation Term Insurance and Term Insurance described earlier is the link to a superannuation fund.

If you are not already a member of a complying superannuation fund, you must become a member of the Partner Superannuation Fund. The Policy is owned by the Trustee of the Partner Superannuation Fund and any benefit payments are made directly to the Trustee.

How should you read this section?

At pages 51 to 55 of this Section 4 we explain Superannuation Term Insurance through the Partner Superannuation Fund. This is followed by an explanation of the Partner Superannuation Fund itself (pages 56 to 59).

In the first part, the Superannuation Term Insurance through the Partner Superannuation Fund, we provide an outline of the operation of the Policy and detail the benefits and how they apply.

The benefits described presume membership of the Partner Superannuation Fund. However, if you are a member of another complying superannuation fund and the Policy is issued to the trustee of that fund, the conditions will apply to that trustee and fund in exactly the same way.

In addition to the Policy Conditions, the Policy is subject to the conditions outlined in Additional Features (Section 5), Premiums (Section 6), How We Pay Benefits (Section 7), Taxation (Section 8), and Definitions (Section 9).

You may also like to discuss your needs with your adviser.

The Policy has both standard benefits and optional benefits. You can choose one or more of the optional benefits. If you choose an option and your application is accepted, we will charge additional premium. Each approved option will be indicated in your Policy Schedule. If it is not, please contact us or your adviser immediately. We will not apply any options that are not stated in your Policy Schedule.

Superannuation Term Insurance

Thinking about health concerns is never pleasant, but the greatest impact of poor health is on the people closest to us. Over the following pages we look at how Term Insurance can help you be financially prepared for unforeseen problems.

Overview

Superannuation Term Insurance provides for the payment of a benefit in the event that the life insured, while covered under the Policy:

- dies;
- is diagnosed as being Terminally Ill; or
- becomes Totally and Permanently Disabled (if the optional Total and Permanent Disability Benefit is selected).

The Policy is issued to the trustee of your superannuation fund as the Policy owner, with you as the life insured. The benefits are paid to the trustee.

If you are not a member of a complying superannuation fund or you are unable to arrange insurance through your existing fund, you can join the Partner Superannuation Fund. Section 4 of this PDS (at pages 56 to 59) contains information that you will need to read and consider before applying to be a member of the Partner Superannuation Fund.

Other important information regarding this Policy

Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Benefits – Standard

- Death Benefit
- Terminal Illness Benefit
- Funeral Advancement Benefit

Benefits – Optional

- Total and Permanent Disability Benefit
- Waiver of Premium on Total Disability
- Guaranteed Future Insurability

Premiums

The type of premium you can apply for depends on the age of the life insured.

Premium type	Age next birthday
Stepped Premiums	16–74
Level Premiums	16–55

When does cover end?

Cover will end as soon as one of the following things happen:

- the Policy anniversary immediately before the life insured's 75th birthday (at which time the life insured will have the option of continuing cover under a Term Insurance Policy); or
- when the life insured dies; or
- when the life insured ceases to be a member of the superannuation fund of which the Policy owner is trustee (or a successor fund); or
- the date we receive a written request from the Policy owner to cancel the Policy; or
- when the Policy lapses due to non-payment of premiums.

Superannuation Term Insurance

Benefits

Death Benefit

We will pay the Death Benefit if the life insured dies while covered under the Policy. The amount we pay under the Death Benefit is the sum insured at the date of death.

Terminal Illness Benefit

Where a life insured is diagnosed as being terminally ill and, after having regard to the current treatment or such treatment as the life insured may reasonably be expected to receive, death is likely to occur within twelve months, the Death Benefit may be paid prior to the date of death with the agreement of the Policy owner. The treating medical practitioner will be required to certify the extent of the Illness or Injury, and confirm the diagnosis and prognosis.

The amount we pay under the Terminal Illness Benefit is the Death Benefit sum insured at the date of the Terminal Illness claim being admitted. The maximum amount payable under the Terminal Illness Benefit, (including all other amounts payable under any Policy), is \$2,500,000 (or such other amount as advised by us from time to time). If the Death Benefit sum insured under the plan is greater than the maximum Terminal Illness benefit, the unpaid balance of the sum insured will be payable on the life insured's death.

Funeral Advancement Benefit

Payable when a Death Benefit is claimed and the death certificate of the life insured is provided to TOWER.

Benefit Amount

Advance payment of \$10,000 from the Death Benefit that may be due. The final amount payable under the Death Benefit will be reduced by this amount.

Recipient

We will pay the Funeral Advancement Benefit to the trustee of the fund (see page 55).

Other conditions

- The Funeral Advancement Benefit will not apply in the first three years if the life insured's death was not the result of an Accident.
- Thereafter, the benefit will apply regardless of the cause of death.
- Payment of the Funeral Advancement Benefit does not mean any admission or acceptance of any claim or liability regarding current or future payments under Term Insurance.
- Should our claims assessment find that the Death sum insured will not be paid due to a breach of the duty of disclosure or any other reason, you will be required to repay the Funeral Advancement Benefit amount.

Optional Benefits

For the payment of an additional premium, the following benefits may be added to the standard benefits described above.

Total and Permanent Disability Benefit (TPD)

We will pay the Total and Permanent Disability Benefit if a life insured becomes Totally and Permanently Disabled while covered under the Policy.

The maximum sum insured is \$3,000,000. The amount we pay under the Total and Permanent Disability Benefit is the Total and Permanent Disability Benefit sum insured.

Generally the 'any occupation' definition of Total and Permanent Disability applies.

In some circumstances, a Home Duties variation in the definition of Total and Permanent Disability will apply if the life insured was not engaged in a gainful occupation at the time of the event causing Total and Permanent Disability.

What does Total and Permanent Disability mean?

The meaning of Total and Permanent Disability differs depending on which of the three following definitions applies to the life insured:

- 'any occupation' definition;
- 'long term care' definition.

On the Policy anniversary immediately before the life insured's 65th birthday, the definition of Total and Permanent Disability will automatically be changed to the 'long term care' definition. Your Policy schedule will specify which definition applies.

'Any occupation' definition

Where the 'any occupation' definition applies, Total and Permanent Disability means that we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured has been absent from employment through Illness or Injury for an uninterrupted period of six months and, in our opinion after consideration of all the medical evidence and such other evidence as we may require, becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

Section 4

Superannuation Term Insurance

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

However, if the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total and Permanent Disability, then for the purposes of determining if the life insured suffers Total and Permanent Disability, an 'occupation for which the life insured is suited by education training or experience' will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

'Long term care' definition

Where the 'long term care' definition applies Total and Permanent Disability means that we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Single Benefit

Unless you choose 'Double Benefit' (see below), the Death Benefit sum insured for the life insured who is Totally and Permanently Disabled will be reduced by any amount payable under the Total and Permanent Disability Benefit. If the amount payable under the Total and Permanent Disability Benefit is the same or greater than the Death Benefit sum insured, all cover for the life insured will end when the Total and Permanent Disability Benefit becomes payable.

Regardless of whether or not you choose the double benefit, the amount payable under the Total and Permanent Disability benefit will reduce the sum insured under the Medical Catastrophe Benefit, if applicable, for the life insured.

Double Benefit

If you choose 'Double Benefit' and the Total and Permanent Disability Benefit becomes payable:

- the Death Benefit sum insured will not be reduced; and
- all future premiums due in respect of that part of the Death Benefit equal to the Total and Permanent Disability Benefit paid will be waived.

Waiver of Premium on Total Disability

Under this option, following the occurrence of and during the continuation of the Total Disability of a life insured, we will waive all premiums falling due for that life insured.

Before the Policy anniversary immediately prior to the life insured's 65th birthday, Total Disability means we are satisfied that:

- the life insured has suffered total and irrecoverable loss of the:
 - sight of both eyes; or
 - use of two limbs; or
 - sight of one eye and the loss of the use of one whole hand, or whole foot,

OR

- the life insured becomes so disabled by bodily Injury or Illness that he or she is unable to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience for a period of three consecutive months and is not working in any gainful occupation,

OR

- solely because of an Illness or Injury, the life insured has suffered at least 25% permanent impairment of Whole Person Function and has not been working in any occupation, and becomes so disabled that he or she is unlikely ever to be able to perform his or her own occupation or any other occupation for which the life insured is suited by education, training or experience.

If the life insured is wholly engaged in full time unpaid Home Duties at the date of the event causing Total Disability, then for the purposes of determining if the life insured suffers Total Disability, the 'occupation for which the life insured is suited by education, training or experience' will be taken to include unpaid Home Duties and the life insured must be disabled to such an extent that he or she is confined to his or her place of principal residence. Home Duties will include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

Superannuation Term Insurance

After the Policy anniversary immediately prior to the life insured's 65th birthday, Total Disability means we are satisfied that the life insured becomes so disabled by bodily Injury or Illness that he or she is unlikely ever to be able to perform at least two of the following numbered Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Guaranteed Future Insurability Option

This option is not available for policies with more than one life insured.

This option allows you to increase the Death Benefit before the life insured's 55th birthday, without further evidence of health, if the personal or business events listed below happen to the life insured.

The maximum value to which the Death Benefit may be increased under the Guaranteed Future Insurability option, from all circumstances, is the lesser of the original sum insured or \$1,000,000.

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

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

Personal Events

- Marriage
- Adoption of a child
- Birth of a child
- Child starts secondary school
- Has a salary increase of at least \$10,000 p.a
- Attaining age 25, 30, 35, 40 and 45

For these events the sum insured can be increased by up to 25% of the original sum insured with a maximum increase of \$200,000 for any one event.

OR

- If the life insured effects a first mortgage on a home.

For this event the sum insured may be increased by up to the lesser of:

- 50% of the original sum insured; or
- the increase in the value of the first mortgage or a new first mortgage; or
- \$200,000.

Business Events

Where the life insured is a Key Person in a business, the sum insured may be increased in the same proportion as the life insured's value to the business, averaged over the last three years.

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

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

Who gets the benefit?

We will pay the benefit to the trustee of the fund (the Policy owner). The trustee will pay the benefit from the fund in accordance with the rules of the fund and relevant legislation.

Stand Alone Medical Catastrophe Insurance linked to Superannuation Term Insurance

When you have Superannuation Term Insurance (which is life insurance in the name of your superannuation fund trustee), and Stand-Alone Medical Catastrophe Insurance in your own name, and the two policies are linked, the following provisions apply:

- the Death Benefit Amount on the Superannuation Term Insurance Policy will be reduced by any the amount paid in respect of a life insured under the Stand-Alone Medical Catastrophe Insurance Policy;
- the Stand-Alone Medical Catastrophe Benefit Amount will be reduced by the amount paid in respect of a life insured under a Superannuation Term Insurance Policy; and
- If the Superannuation Term Insurance Policy is terminated, the Stand-Alone Medical Catastrophe Insurance Policy is automatically terminated at the same date.

Stand-Alone Total and Permanent Disability linked to Superannuation Term Insurance

When you have Superannuation Term Insurance (which is life insurance in the name of your superannuation fund trustee), and Stand-Alone Total and Permanent Disability Insurance in your own name, and the two policies are linked, the following provisions apply:

- the Death Benefit Amount on the Superannuation Term Insurance Policy will be reduced by any the amount paid in respect of a life insured under the Stand-Alone Total and Permanent Disability Policy; and
- the Stand-Alone Total and Permanent Disability Benefit Amount will be reduced by the amount paid in respect of a life insured under a Superannuation Term Insurance Policy; and
- If the Superannuation Term Insurance Policy is terminated, the Stand-Alone Total and Permanent Disability Policy is automatically terminated at the same date.

When we will not pay a benefit

We will not pay the **Death Benefit or the Terminal Illness Benefit** if the event giving rise to the claim is caused directly or indirectly by an intentional, self-inflicted act by the life insured within 13 months of:

- the Policy start date;
- the date of our approval of an applied-for increase but only in respect of the increase; or
- the most recent date we agreed to reinstate the Policy

This exclusion will not apply if, immediately prior to the commencement of cover, death cover on the life insured had been current for at least 13 consecutive months (without lapsing and/or reinstatement) with TOWER or another insurer, and you have replaced the death cover with Term Insurance. The waiver will only apply up to the level of cover the life insured had with TOWER or the other insurer. Should you reinstate this cover at anytime, this exclusion will recommence from the date of reinstatement.

We will not pay a **TPD** benefit if Total and Permanent Disability occurs as a result of:

- an intentionally self-inflicted act by the life insured; or
- any other specific event or cause agreed between us and the Policy owner.

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

- an intentionally self-inflicted act or Injury;
- war or any act of war, whether declared or not; or
- any other specific event or cause agreed between us and the Policy owner.

Partner Superannuation Fund

Introduction

This section of the PDS contains information about the Partner Superannuation Fund (Fund).

TOWER Australian Superannuation Limited (Trustee) is the trustee of the Fund. If you become a member of the Fund, the Trustee will acquire a Superannuation Term Insurance Policy from TOWER Australia Limited (TOWER) on your behalf. Any benefit payable under the Policy will be paid by TOWER to the Trustee and will form part of your superannuation entitlements.

You should read this section of the PDS if you wish to become a member of the Fund and arrange Superannuation Term Insurance through the Fund.

Due to changes relating to Tax File Numbers (see Tax File Numbers on page 58) TOWER will only issue a Superannuation Term Insurance Policy to the Trustee if the Trustee is able to confirm that it has received your Tax File Number. This means that to be eligible for cover under a Superannuation Term Insurance Policy you must be prepared to quote your Tax File Number to the Trustee.

Fund Overview

The Partner Superannuation Fund is a complying superannuation fund designed to provide benefits in respect of members who die or, if selected by a member, a benefit if that member becomes Totally and Permanently Disabled.

To apply to be admitted as a member of the Partner Superannuation Fund, you must apply for membership by completing the applicable parts of the Application Form and also apply for Superannuation Term Insurance and be accepted for cover. As noted above, TOWER will only accept premiums and issue a policy to the Trustee if you have quoted your Tax File Number to the Trustee.

If your application for Superannuation Term Insurance is accepted and the Trustee accepts you as a member of the Fund, the owner of the Policy will be the Trustee. You will be a member of the fund and the life insured under the insurance Policy issued to the Trustee.

Other important information regarding this plan	
Cooling off period	p. 60
Your duty of disclosure	Application Form
Taxation	p. 64
Enquiries or Complaints	p. 72

Fund Information and Conditions

Benefits

The benefits provided under Superannuation Term Insurance are set out on pages 51–55. All benefits under the Policy are payable to the Trustee, who will pay benefits in accordance with superannuation legislation and regulations and the rules of the fund, contained in the Trust Deed.

Where TOWER accepts a claim made on your life under Superannuation Term Insurance, TOWER will pay the benefit amount to the Trustee of the Fund. The Trustee will make payments to you, your legal personal representative or to your dependants in accordance with the rules of the fund and the relevant superannuation law.

If you request, the Trustee will purchase an annuity for you using all or some of the benefit otherwise payable to you.

In some situations, a benefit may be paid to the Trustee and the Trustee is not permitted, either by superannuation law or the terms of the trust deed, to pay the benefit out of the Fund at that time. A Terminal Illness or Total and Permanent Disability benefit may be paid by TOWER to the Trustee, but the Trustee may be unable to make payment to you because you do not satisfy a 'condition of release' (see page 57) under superannuation law. If this happens, the benefit may be held by the Trustee until the benefit can be legally paid, or you may elect to transfer the benefit to another complying superannuation fund or roll-over vehicle.

To be eligible to apply for membership of the Fund, you need to be eligible to contribute to the Fund or to have contributions paid on your behalf by your employer.

Nomination of Beneficiaries

When you join the Fund, you may nominate to have your death benefit distributed in one of the following ways:

Binding death benefit nomination:

You may choose to nominate eligible dependants and/or your legal personal representative to receive your lump sum benefit. Please note that this information will only be binding on the Trustee if the nomination continues to satisfy the requirements of superannuation law up to the time of your death (for more information refer to page 57).

Discretionary nomination:

You may choose to nominate eligible dependants and/or your estate to receive your lump sum benefit. This nomination is not binding and the Trustee will exercise its discretion, based on the circumstances at the time, as to whom payments are to be made.

No nomination:

The Trustee will exercise its discretion as to whom benefits will be paid.

The Trustee is required to pay benefits in accordance with the rules of the Fund and superannuation law. Specifically, the rules of the Fund provide that if you have not made a nomination within 60 days of the benefit becoming payable, the Trustee may pay your benefit as a lump sum or pay all or a part of it to another fund without the consent of the person entitled to it. The Trustee may only do these things, where it is permitted by superannuation law.

You may make a nomination or alter your nomination at any time. You should note, however, that unless a nomination is expressed to the contrary it will be deemed to have been revoked by your marriage after the date of the notice; to the extent that the notice applies to a dependant, by the death of that dependant; to the extent that the notice applies to a spouse, by the dissolution or annulment of the marriage.

The Trustee must comply with superannuation law in relation to benefits which are unclaimed money or which are required to be transferred to another fund.

The Trustee may deduct from a payment from the Fund any amount which it is required to deduct for tax.

Restrictions on when you can access your benefits

Other than the payment of a death benefit, government regulations restrict the circumstances under which a benefit may be paid from the Fund.

The Trustee may not pay benefits to you until it receives satisfactory proof that you are permanently incapacitated pursuant to superannuation law (i.e. you have ceased to be gainfully employed as a result of ill-health (whether physical or mental), where the Trustee is reasonably satisfied that, because of your ill-health, you are unlikely ever again to work in any occupation you are reasonably suited to by education, experience or training) or until you satisfy one of the other conditions of release prescribed by superannuation law.

If you do not satisfy a condition of release, such as permanent incapacity, the Trustee must retain your benefit in the Fund until it is able to release it. If a benefit cannot be paid, the Trustee will write to you, explaining the options in relation to your benefit.

Some other examples of ‘conditions of release’ are:

- You have attained the preservation age or more and have permanently retired from the workforce;
- You attain age 60 and you have stopped working for your last employer; or
- You attain age 65

Preservation ages are based on your date of birth:

Date of Birth	Preservation Age
Before 1.7.1960	55
1.7.1960 to 30.6.1961	56
1.7.1961 to 30.6.1962	57
1.7.1962 to 30.6.1963	58
1.7.1963 to 30.6.1964	59
1.7.1964 or later	60

There are other circumstances in which the Trustee may be permitted to release your benefit – refer to your adviser or to the administrator of the Fund (TOWER Australia Limited) for information. Where you are entitled to receive a benefit prior to attainment of age 65, you may request the Trustee to transfer your benefit to another superannuation fund or rollover facility of your choice.

What happens if I die?

Should you die, other than in circumstances excluded by the Policy, your life insurance benefit is paid by TOWER to the Trustee. The Trustee will pay this benefit to your legal personal representative or to any dependent(s) (your spouse, children or persons with whom you were involved in an interdependent relationship).

To provide the Trustee with guidance or instruction about your preferred payment strategy, you may nominate one or more dependants (eg. spouse, de facto spouse, child or persons with whom you were involved in an interdependent relationship) and/or a legal personal representative to receive the death benefit in the event of your death.

What is a binding death nomination?

To provide greater certainty as to whom your benefits are paid in the event of your death, you may make a nomination that is binding on the Trustee. If a binding nomination is properly notified to the Trustee, the Trustee must pay the death benefit in accordance with the nomination to the extent it meets with regulatory requirements, and otherwise to the member’s legal personal representative.

The nomination must allocate 100% of benefits; must be in writing; must be signed and dated by the member in the nomination; and must contain a declaration signed and dated by two witnesses (who are not beneficiaries), stating that the notice was signed by the member in their presence. The Fund administrator (TOWER Australia Limited) will provide you with written acknowledgement of a valid nomination.

Partner Superannuation Fund

Your binding nomination will be valid for 3 years from the date you sign it. You must update your nomination regularly to ensure that benefit payments will be made as you require. You may renew, change or revoke your nomination at any time, by contacting the Member services team at the Fund administrator (TOWER Australia Limited). You will be sent the necessary forms and declarations to complete and return.

If a nominated beneficiary is no longer your dependant or legal personal representative at the date of your death, they (or their estate) will not be entitled to receive your nominated benefit (or part thereof). If a binding nomination is invalid or otherwise becomes ineffective, the Trustee will pay the benefit in its discretion, pursuant to the rules of the Fund and the relevant law. There may be estate planning and taxation consequences in making a binding nomination of beneficiaries. We suggest that you discuss these aspects with your financial adviser.

Contributions

The contribution to the Fund is equal to the cost of your insurance. The Trustee has approved arrangements where contributions may be made directly to TOWER. These contributions are referred to as premiums and are the cost of the protection benefits that you require.

The Trustee reserves the right to seek an additional contribution should the Trustee be liable to pay any superannuation surcharge or other tax in respect of your membership of the Fund.

Contributions may be made by you as personal contributions or your employer may contribute on your behalf.

To contribute to the Fund, you must meet the eligibility requirements specified under superannuation law:

Before age 65

Contributions may generally be made for, or by, any person.

From age 65

Compulsory employer contributions may be made to any age (although Superannuation Guarantee contributions cease at age 70).

Voluntary employer contributions may be made to age 70 provided the member has worked 40 hours in 30 or fewer consecutive days in the financial year in which the contribution is made.

Member (after tax) contributions may be made to age 75 provided the member has worked 40 hours in 30 or fewer consecutive days in the financial year in which the contribution is made.

Generally, contributions made by your employer, or for which you claim a tax deduction, are concessional contributions and those made from after-tax money are non-concessional contributions.

Member contributions on behalf of a spouse

Contributions in respect of a spouse may be made until the spouse attains age 65, or to age 70 if the spouse has worked 40 hours in 30 or fewer consecutive days in the financial year in which the contribution is made.

If you cease contributions, the Trustee will be unable to pay the premiums for your spouse's insurance cover and your spouse's insurance cover under the fund will cease.

How to pay contributions

Contributions to the Fund can be paid in the same way that premiums are paid. This is explained at page 62.

Tax File Numbers

Collection of tax file numbers is authorised by tax laws, the Superannuation Industry (Supervision) Act 1993 and the Privacy Act 1988. Legislation allows your Tax File Number to be used for the following purposes:

- taxing withdrawals from the Fund at a concessional rate;
- assisting you to locate superannuation benefits particularly where you have interests in several funds accumulated over a long period of time;
- passing your Tax File Number to the Australian Tax Office if you receive a benefit or when you have reached aged pension age and have unclaimed superannuation money;
- passing your Tax File Number to a superannuation fund receiving any benefits being transferred; and
- compliance with Superannuation Surcharge arrangements.

The Trustee will request that you supply your Tax File Number. You are, however, under no obligation to provide your Tax File Number. Declining to quote your Tax File Number is not an offence.

If you elect not to provide your Tax File Number, the following may apply:

- more tax may be payable on superannuation benefits and contributions than would otherwise apply (however you may be able to reclaim this amount from the Australian Tax Office); and
- it will be more difficult to locate superannuation benefits, particularly if you change jobs and addresses; and
- you will not satisfy the insurance eligibility criteria which means that TOWER will not be able to issue a Superannuation Term Insurance Policy to the Partner Superannuation Fund.

Due to the changes announced in the May 2006 Federal Budget from 1 July 2007, the fund will no longer be able to accept non-concessional contributions (eg personal after-tax contributions) if you do not provide your Tax File Number (TFN). The Fund will still be able to accept deductible contributions (such as compulsory employer contributions and salary sacrifice) if you have

not provided your TFN, however, these contributions may be subject to tax at the top marginal tax rate plus Medicare levy.

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

These statements concerning the taxation treatment of your benefits are general in nature, and are based on current law. It is important that you obtain your own independent tax advice, both when joining the Fund and in the future. It is important to note that as your circumstances change, so might the tax treatment of your contributions and any other payments made through the Fund.

Are there any other charges?

Other than the premiums and the Policy fee, there are no direct charges or fees to be a member of the Fund. The expenses of managing the Fund and the fee payable to the Trustee are paid by TOWER Australia Limited. The fees associated with the Policy are described in the relevant section of this PDS.

Cooling off period

After you apply for membership of the Fund, and receive confirmation that the Trustee has approved your membership, you have 28 days to check that the Fund membership meets your needs. This period is known as the 'cooling off period'. Within this time, you may cancel your membership by written request. As contributions to the Fund are generally subject to superannuation law, if you cancel your membership of the Fund, contributions will need to be rolled over to another eligible superannuation fund or Retirement Savings Account (RSA). Accordingly, your instructions to cancel your membership of the Fund should include details of the fund to which the Trustee should transfer your entitlements.

The confirmation of your membership is taken to have been received by you five days after we send it to your last known address.

Fund administration

The Trustee has appointed TOWER Australia Limited (Administrator) to provide administration services for the Fund. The Administrator is a wholly owned subsidiary of TOWER Australia Group Limited and, among other things, provides administration services to superannuation funds.

Additional Features

Commitment to upgrade your Policy

We will always seek to upgrade existing policies with future developments and improvements to benefits. When improvements to benefits are made to new policies without increasing the premium rates, those improvements will be offered to existing Policyholders wherever possible. Should a situation arise where a Policyholder is disadvantaged in any way as a result of an upgrade, the previous conditions will prevail.

Guaranteed Non-Cancellable and Guaranteed Renewal of Cover

Provided the Policy owner and the life insured have complied with the Duty of Disclosure, the application and other forms are completed accurately and completely, and premiums are paid when due, we cannot cancel the Policy and we guarantee to offer renewal of the Policy each year until the expiry date of the cover selected. This guarantee applies regardless of any change in the health or personal circumstances of the life insured.

Cooling off period

If for any reason you are dissatisfied with the Policy once it is issued, or if you feel it does not meet your needs, you may return it to us within 28 days from the day you receive your Policy Schedule and receive a full refund of premium(s) promptly. Your request should be in writing.

Superannuation Term Insurance

If the trustee of the Partner Superannuation Fund acquires the Superannuation Term Insurance Policy on your behalf, please refer to page 59 for details of the cooling off rights.

Automatic increases in insurance

Unless otherwise stated in the Policy Schedule, we will, on each Policy anniversary date before the life insured's 65th birthday, increase the Annual Benefit at an annual rate determined by us based on the Consumer Price Index published by the Australian Bureau of Statistics from time to time (or such other index as we consider appropriate).

The Policy owner will have the option of not effecting any increase provided that such option is exercised in writing.

For Term Insurance, Medical Catastrophe Insurance, and Total and Permanent Disability Insurance, once the relevant sum insured under all policies issued by us on the life of the life insured reaches \$1,000,000 (or such amount as determined by us from time to time) then all subsequent indexation increases will be based on this amount.

Cancellation procedure

If we intend to cancel the Policy for non-payment of premium, we will notify you in writing. The cancellation will take effect at 4pm on the twentieth business day after the day on which the notice was given (or, if a replacement Policy is issued during that period, when the replacement Policy is issued).

Changes to Policy Conditions

When we provide you with a Policy you should read it carefully and store it in a safe place as it provides you with information on the cover provided. The conditions of the Policy can be changed if required, but only if agreed to by both you and TOWER (or the Trustee if applicable). It is important to also note that any change must be confirmed in writing by an authorised member of TOWER's staff.

If you received advice from an adviser in relation to the purchase of a Policy you may wish to again talk to them about any proposed changes. You should understand however that the person providing you with advice in this manner does not have authority to alter the Policy.

If a measure, scale, or other term in this Policy is no longer in common usage (the obsolete term) and an equivalent measure, scale or other term has replaced the obsolete term in common usage (the term), the Policy is amended so the new term replaces the obsolete term.

Premiums

Partner Insurance Portfolio

Currency

All payments made in connection with this Policy must be made in Australian currency.

You will receive a quotation

The first premium you pay under the Policy will be set out in a quotation that your adviser will provide to you and attach to your application form. You can also ask us to provide you with a quote, or request our premium rates, by calling us on 1800 221 142.

The quotation will set out the amount of your premium and the Policy fee.

How we calculate the premium

When you apply for a Policy within the Partner Insurance Portfolio, you select the level of cover and any additional premium optional benefits.

The premiums will depend on:

- the amount of insurance selected.
- the life insured's age – the premium rate generally increases with increases in age
- the life insured's gender
- whether the life insured smokes – a higher premium rate applies to smokers

For Disability Income Insurance or Disability Income Silver Insurance:

- the Waiting Period selected – the longer the Waiting Period, the lower the premium rate
- the Benefit Period selected – the longer the Benefit Period, the higher the premium rate.

Also, we may apply a premium 'loading' (usually a percentage on top of the 'standard' premium rate):

- if the life insured participates in certain pastimes that involve increased risk of death or Injury (eg hang gliding, professional sports)
- having regard to the life insured's current state of health and family history.

Premium options available

Stepped premium rates

Stepped premiums are based on the then current age next birthday. On each Policy anniversary date, the premium rate changes (usually increases) as the life insured gets older.

Level premium rates

Level premiums are based on the life insured's age next birthday at the commencement of the Policy. On each Policy anniversary date, the premium rate remains unchanged. Level premium rates revert to Stepped premiums rates on the Policy anniversary date immediately preceding the life insured's 65th birthday.

However, the premium you pay will increase if you increase the sum insured. The premium rate for the amount of the increase will be based on the life insured's age next birthday at the commencement of the increase.

With respect of annual inflation adjustment only, the premium rate for the amount of the inflation adjustment will be based on the life insured's age next birthday at the commencement of the Policy.

For level premium rates, the premiums you pay over the shorter term may be greater than if you choose stepped premium rates. If you choose stepped premium rates, the premiums you pay over the longer term may be greater than if you choose level premium rates.

Can we change the premium rates?

Level premium rates for the death and terminal Illness benefits are guaranteed not to increase until the Policy anniversary date immediately preceding the life insured's 65th birthday except if due to any increase due to any tax, duty or charge introduced by Government.

Otherwise, we can increase the rates. We will only do this if we have provided you with three months' notice in writing.

No one individual Policy can be singled out for an increase in premium rates because of an adverse change in the health or circumstances of the life insured, once the risk is accepted.

Premiums

What are the premium frequency options?

Premiums are payable in advance and can be paid:

- yearly,
- half-yearly; or
- monthly.

If premiums are paid half-yearly or monthly, a frequency loading will apply (refer below).

Premiums may be paid by cheque, direct debit from a bank account or by credit card. Available options are:

	Monthly	Half Yearly	Yearly
Cheque	X	✓	✓
Direct Debit	✓	✓	✓
Credit Card	✓	✓	✓

You may apply at any time (in writing), to change the method and frequency of payment. If you pay by direct debit or credit card, your financial institution may charge you a fee for a transaction.

Premium payments

Premiums are due and payable on each anniversary of the Policy commencement date. The amount of the premium will be shown in a Policy Schedule we send to you each year before the Policy anniversary date. A period of grace of 30 days beyond the anniversary date will be allowed for payment, without interest, of each premium and during this period the Policy will continue.

If you do not pay the premium by the end of the grace period your Policy will lapse and your insurance will no longer apply.

You are able to apply for reinstatement of a lapsed Policy within a 12 month period. This application will be subject to underwriting and extra information may be required in order to satisfy these requirements. If we accept your application for reinstatement, you will also be required to pay all premium arrears.

Fees and charges

Where premiums (including the Policy Fee) are paid more frequently than yearly, a frequency loading will be applied.

Frequency	Loading of Premium
Monthly	8%
Half Yearly	6%

Any increases to these loadings will be advised to the Policy owner in writing at least three months prior to the increase taking place.

Policy Fee

A fixed fee is paid as part of each premium under each Policy and depends on your chosen premium frequency. For linked Policies only one Policy fee is payable.

Premium Frequency	Policy Fee
Yearly	\$75.00
Half Yearly	\$39.00
Monthly	\$6.75

The Policy fee is increased on each subsequent Policy anniversary to allow for inflation. The rate of increase in the Policy fee shall be determined by our Appointed Actuary. The Policy fee will be shown in a renewal/ anniversary notice we send to you each year before the Policy anniversary.

Commission

Commission may be paid to your adviser. Any amounts paid to your adviser are paid by us and are not additional amounts you have to pay.

How we pay benefits

Notification of Claim

We must be notified in writing within thirty days or as soon as practically possible after you become aware of any claim or potential claim under the Policy.

Extension of Time

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

Our Requirements

When making a claim under the Policy, we must be satisfied of any liability for payment of a benefit. For claims other than a death benefit, we may require the life insured to undergo a medical or other examination by a doctor of our choice.

When submitting a claim, we will require:

- satisfactory proof of the insured event
- the original Policy Document
- proof of ownership of the Policy
- proof of age of the life insured, and
- any requirement we reasonably consider is necessary to properly assess the claim.

All amounts payable under this Policy will be paid in Australian currency.

Medical Catastrophe

The Medical Catastrophe benefit is payable at the date that we receive proof, to our satisfaction, that the Medical Catastrophe definition under the Policy has been satisfied. The benefit payable shall be the sum insured as at the date the Medical Catastrophe definition was first satisfied.

Disability Income Policies only

Notification of claim

We must be notified immediately in writing if the life insured becomes Disabled.

Lodgement of claim form

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

Benefits for Multiple Illnesses or Injuries

We will consider multiple claimable Illnesses or injuries as a single event and will be liable for payment once only under a Policy.

Claim Information

In the event of a claim, the Policy owner must at their expense provide to us:

- any medical report from a registered Medical Practitioner or any other person who has been, or is treating, the life insured; and
- copies of personal and business tax returns, assessment notices, financial statements and any other financial evidence reasonably required to confirm or calculate the life insured's Earned Income, Prior Earnings or earnings; and
- any other information required by us.

Payment of a benefit is subject to proof of the Policy owner's entitlement in such a manner we may reasonably request. We have the right to require, from time to time, proof of the Policy owner's continuing entitlement to any benefit and to reduce or terminate payment if the Policy owner is no longer entitled to the benefit under the Policy.

The Policy owner and life insured must assist us in the ongoing management of a claim. This may include participation in recovery and rehabilitation support programmes whenever possible and include home visits (with consent of the life insured).

Medical Information

The life insured must undergo, at our expense, any medical examination or examinations which we may require.

Proof of Age

No benefit will be payable under the Policy without proof of age of the life insured being submitted in the form of a birth certificate or such documentation as we may require.

If the age has been understated, the benefits under the Policy will be those that the premium paid would have purchased at the correct age.

Medical Advice and Treatment

No benefit is payable unless the life insured seeks advice and undertakes treatment from a Medical Practitioner, and continues to do so during the currency of any period of Disability. We may reduce or decline to pay benefits during any period or periods of Disability which are caused by failure to seek and follow medical advice or treatment. TOWER will waive this provision, if in the opinion of the Medical Practitioner, continued or future treatment would be of no benefit.

Taxation

Partner Insurance Portfolio

The taxation information provided in this section is based on the continuation of present laws and rulings and their interpretation and are general statements only. Individual circumstances may be quite different. For additional information or clarification, it is recommended that you seek professional taxation advice. Unless stated otherwise, it is assumed that the benefits are paid as a lump sum.

Term Insurance benefits

Where you are the Policy owner

Your premium is not normally tax deductible and benefits paid on death are normally not assessable for income tax.

Exceptions:

If the Policy is purchased by another party, the new owner may be subject to capital gains tax on the benefits paid, only if a gain is made.

If your employer pays premiums on your behalf, the premiums may be tax deductible to your employer and may also be subject to fringe benefits tax. The benefit paid to your estate is not assessable income for your estate or your employer.

Where the Policy owner is a trustee of a superannuation fund

Contributions to the fund may be tax deductible (for example, self-employed and employer contributions).

The fund pays premiums from the fund to the insurer and these premiums are tax deductible to the fund.

A benefit payable from the insurer to the fund is not assessable for income tax purposes to the fund.

Where Policy conditions are satisfied and the benefit is paid from the fund to a dependant of the member (as defined in tax legislation), the amount up to that member's pension Reasonable Benefit Limit (RBL) is tax free, with the excess over the pension RBL assessable for tax up to the highest marginal tax rate plus Medicare levy.[#]

Where the benefit is paid to a non-dependant, the amount up to the member's pension RBL is taxed as an Eligible Termination Payment (ETP) except for the post June 1983 component which is taxed at a maximum rate of:

- 15% plus Medicare levy on the taxed element; and
- 30% plus Medicare levy on the untaxed element (such as insurance proceeds).

Any excess over the pension RBL is assessable for tax up to the highest marginal tax rate plus the Medicare levy.^{##}

Federal Budget 2006 changes

The Government has announced that, effective 1 July 2007, RBLs will be abolished. This means lump sum death benefits paid to a dependant (for tax purposes) will be tax free. Lump sum death benefits paid to a non-dependant will be taxed at 15% plus Medicare levy (for elements taxed in the fund) or taxed at 30% plus Medicare levy (for elements untaxed in the fund).

Where the Policy owner is a company or trust

(E.g. Key person/buy sell business insurance.) Tax liabilities need to be assessed based on all the facts of the arrangements that are put in place. Specialist tax advice on a case-by-case basis is recommended.

Medical Catastrophe Insurance benefits

Where you are the Policy owner

Your premium is not normally tax deductible and benefits paid under the Policy are normally not assessable for income tax.

Exception:

If your employer pays premiums on your behalf, the premiums may be tax deductible to your employer and may also be subject to fringe benefits tax. The benefit paid to you is not assessable income for you or for your employer.

Where the Policy owner is a company or trust

(E.g. Key person/buy sell business insurance.)

Tax liabilities need to be assessed based on all the facts of the arrangements that are put in place. Specialist tax advice on a case-by-case basis is recommended.

Taxation Notes

[#] If benefits from other superannuation funds are also payable, these amounts need to be aggregated to assess tax liability.

^{##} For a Member whose disability condition satisfies the chosen TPD definition in the Policy, the insurer can pay the benefit into an account for that Member in the fund. To pay the benefit from the fund to the Member, a 'condition of release' must be met. Prior to age 55, the 'condition of release' for a disabled Member consists of that Member also meeting the definition of 'permanent incapacity' under superannuation legislation. Note that the definition is not the same as the definitions used in insurance policies. Hence, it is possible that a Member meets the definition of TPD under the Policy, but not the definition for the benefit to be 'released' from the fund. In these circumstances, the amount credited to the fund by the insurer must remain in the fund until a 'condition of release' is met.

Total and Permanent Disability (TPD) and terminal illness benefits

Where you are the Policy owner

Your premium is not normally tax deductible and benefits paid as a result of TPD or terminal illness are normally not assessable for income tax.

Exception:

If your employer pays premiums on your behalf, the premiums may be tax deductible to your employer and may also be subject to fringe benefits tax. The benefit paid to you is not assessable income for you or for your employer.

Where the Policy owner is a Trustee of a superannuation fund

Contributions to the fund may be tax deductible.

The fund pays premiums from the fund to the insurer and these premiums are tax deductible to the fund.

A benefit payable from the insurer to the fund is not assessable for income tax purposes to the fund.

Where Policy conditions are satisfied and the benefit is paid from the fund to you, the amount up to your reasonable benefit limit (RBL) is taxed as an eligible termination payment (ETP). Any excess over the RBL is assessable for tax up to the highest marginal tax rate plus Medicare levy.

However, if your employment is terminated and your disability satisfies the 'invalidity' definition of the tax legislation, part of the ETP is tax free (the post June 1994 Invalidity Component) and the balance of the benefit is taxed as an ETP. ##

Where the Policy owner is a company or trust (E.g. Key person/buy sell business insurance.)

Tax liabilities need to be assessed based on all the facts of the arrangements that are put in place. Specialist tax advice on a case-by-case basis is recommended.

Partner Superannuation Fund

A summary of the taxation provisions in relation to superannuation contributions and benefits can be found in Section 4 of this PDS. Taxation limits are changed each year and an up-to-date copy of this PDS can be obtained by calling TOWER Australian Superannuation Limited on 1300 134 991 or you may obtain a current copy from the TOWER website (www.toweraustralia.com.au).

Disability Insurance Policies

Premiums

Premiums for Disability Insurance Policies are generally deductible when calculating assessable income.

Benefits

Benefits payable under Disability Insurance Policies are generally treated as income and therefore would be assessable for income tax.

This information represents the general taxation position only.

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

Definitions

The definitions of terms used in this PDS are included in this section of the PDS. In some cases, the same term may have different meanings under a different type of cover.

Medical Catastrophe and Specified Medical Conditions (Optimal Income Protection Insurance) definitions

Alzheimer's Disease

Means the diagnosis of Alzheimer's Disease by a consultant neurologist confirming dementia due to failure of the brain function with significant cognitive impairment for which no other recognisable cause has been identified. Significant cognitive impairment is defined as a deterioration or loss of intellectual capacity as measured by clinical evidence and standardised testing, and which results in a requirement for continual supervision to protect the life insured or others.

Angioplasty

Means the undergoing of angioplasty, insertion of a stent or keyhole cardiac surgery to the coronary arteries that is considered necessary by a cardiologist to correct or treat coronary artery disease. Payment is limited to 25% of the sum insured, subject to a minimum of \$10,000 and a maximum of \$25,000. The sum insured under the Medical Catastrophe Benefit option is then reduced by the amount paid and the premium is reduced accordingly.

Angioplasty - Triple vessel

Means the undergoing of angioplasty, insertion of a stent or keyhole cardiac surgery to three or more coronary arteries that is considered necessary by a cardiologist to correct or treat coronary artery disease. Payment is limited to 30% of the sum insured, subject to a minimum of \$30,000 and a maximum of \$100,000. The sum insured under the Medical Catastrophe Benefit option Policy is then reduced by the amount paid and the premium is reduced accordingly.

Aortic Surgery

Means surgery to repair or correct an aortic aneurysm, an obstruction of the aorta, a coarctation of the aorta or traumatic injury to the aorta. For the purpose of this definition aorta means the thoracic and abdominal aorta but not its branches.

Aplastic Anaemia

Means bone marrow failure which results in anaemia, neutropenia and thrombocytopenia requiring treatment, with at least one of the following:

- bone marrow transfusions
- marrow stimulating agents
- immunosuppressive agents
- bone marrow transplantation.

Benign Brain Tumour

Means a life threatening non-cancerous tumour in the brain which gives rise to characteristic symptoms of intracranial pressure such as papilledema, mental symptoms, seizures and sensory impairment resulting in at least 25% permanent impairment of whole person function. The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging). Excluded are acoustic neuromas, cysts, granulomas and malformations in or of the arteries or veins of the brain, haematomas and tumours on the pituitary gland or spine.

Cancer

Means the presence of one or more malignant tumours, including leukaemia, malignant bone marrow disorders and malignant lymphomas. The following tumours are excluded:

- Tumours showing the malignant changes of 'carcinoma-in-situ' (including cervical dysplasia, CIN1, CIN2 and CIN3) unless leading to radical surgery or tumours which are histologically described as premalignant.
- Malignant melanomas Clark Level 1 or 2 depth of invasion which are less than 1.5mm in thickness, as determined by histological examination.
- All hyperkeratoses or basal cell carcinomas of the skin.
- All squamous cell carcinomas of the skin unless they have spread to other organs.

Carcinoma In Situ

(Advance Payment for Cancer Option only)

Means the Insured has a carcinoma in situ, characterised by a focal autonomous new growth of carcinomatous cells, which has not yet resulted in the invasion of normal tissues. "Invasion" means an infiltration and/or active destruction of normal tissue beyond the basement membrane.

Only carcinoma in situ of the following sites is covered:

Cervix – uteri	The tumour must be classified as Tis according to the TNM staging method or FIGO stage 0. (Excluded are Cervical Intraepithelial Neoplasia (CIN) classifications including CIN I, CIN II, and CIN III)
Fallopian Tube	The tumour must be limited to the tubal mucosa and classified as Tis according to the TNM staging method or FIGO Stage 0.
Vagina	The tumour must be classified as Tis according to the TNM staging method or FIGO stage 0.
Vulva	The tumour must be classified as Tis according to the TNM staging method or FIGO stage 0.
Breast	The tumour must be classified as Tis according to the TNM staging method or FIGO stage 0.

Note: FIGO refers to the staging method of The Federation Internationale de Gynecologie et d'Obstetrique

Cardiomyopathy

Means impaired ventricular function of variable aetiology, resulting in physical impairments to the degree of at least class 3 of the New York Heart Association Classification of cardiac impairment. Cardiomyopathy directly related to alcohol abuse is excluded.

Cerebrovascular Accident (Stroke)

Means any cerebrovascular incident producing neurological sequelae, including infarction of brain tissue, intracranial or subarachnoid haemorrhage, embolisation from an extracranial source, but excluding transient ischaemic attacks, migraine and reversible ischaemic neurological deficits.

Chronic Liver Failure

Means end stage liver failure resulting in permanent jaundice, ascites and/or encephalopathy.

Chronic Lung Failure

Means end stage lung disease requiring permanent oxygen therapy. The diagnosis will include an FEV1 test result of less than one litre.

Chronic Renal Failure (Kidney Failure)

Means end stage renal failure presenting as chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is instituted.

Coma

Means total failure of cerebral function characterised by total unarousable unresponsiveness to all external stimuli, persisting continuously with the use of a life support system for a period of at least three days. Coma directly related to alcohol abuse is excluded.

Coronary Artery Bypass Surgery

Means bypass grafting performed to correct or treat coronary artery disease.

Dementia

Means the clinical confirmation of dementia (including Alzheimer's Disease) due to failing brain functions, resulting in the need for continual assistance in the Activities of Daily Living, as confirmed by a medical practitioner specialising in neurology, psychogeriatrics, psychiatry or geriatrics. Dementia directly related to alcohol abuse is excluded.

Encephalitis & Meningitis

Means unequivocal diagnosis of encephalitis or meningitis where the condition is characterised by severe inflammation of the brain resulting in permanent neurological deficit causing: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one of the Activities of Daily Living.

Heart Valve Surgery

Means surgery to replace or repair a cardiac valve as a consequence of a cardiac valve abnormality or a cardiac aneurysm or other cardiac defects.

Intensive Care

Means that an Illness or Injury has resulted in the life insured requiring continuous mechanical ventilation by means of tracheal intubation for 10 consecutive days (24 hours per day) in an authorised intensive care unit of an acute care hospital. Any Illness or Injury as a result of alcohol or drug intake, or as a result of self-inflicted means is excluded.

Loss of Independent Existence

Means a condition as a result of an Illness or Injury whereby the life insured is totally and irreversibly unable to perform at least two of the following five numbered 'Activities of Daily Living'.

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Definitions

Loss of Limbs (not applicable to Disability Income Insurance)

Means the complete and irrecoverable loss of the:

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

Loss of Speech

Means the total and permanent loss of the ability to produce intelligible speech as a result of permanent damage to the larynx or its nerve supply, or to the speech centres of the brain whether caused by Injury, tumour or Illness. The above must be certified by two appropriate medical specialists not less than ninety days after the ability to speak was first lost.

Major Head Trauma

Means Accidental head Injury resulting in neurological deficit causing: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one of the Activities of Daily Living.

Major Organ Transplant

Means the transplant to the life insured of one or more of the following organs:

- kidney
- heart
- lung
- liver
- pancreas
- the transplantation of bone marrow.

Medically Acquired HIV

Means accidental infection, after the inception of the Policy, with the human immunodeficiency virus (HIV) where the virus was acquired in Australia by the life insured from one of the following medically necessary events conducted by a recognised and registered health professional:

- a blood transfusion;
- transfusion with blood products;
- organ transplant to the life insured;
- assisted reproductive techniques; or
- a medical procedure or operation performed by a Medical Practitioner or dentist.

Notification and proof of the incident will be required via a statement from the appropriate Statutory Health Authority that the infection was medically acquired.

HIV infection transmitted by any other means including sexual activity or use of drugs, other than as prescribed by a Medical Practitioner for the life insured, is excluded.

This Event will not apply and no payment will be made where a cure has become available or where the infected person does not take any vaccine available prior to the event. 'Cure' means an Australian Government approved treatment, which renders the HIV inactive and non-infectious, or results in there being little or no impact on life expectancy. 'Vaccine' means a preparation approved by the Australian Government and recommended for use by the Government authority to produce immunity to the HIV.

Early Stage Melanoma (Advance Payment for Cancer Option only)

Means the presence of one or more malignant melanomas of 1.5mm or less maximum thickness as determined by histological examination using the Breslow method, or less than Clark Level 3 depth of invasion as determined by histological examination. The malignancy must be characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.

Meningococcal Disease

Means the unequivocal diagnosis of meningococcal septicaemia resulting in: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one of the Activities of Daily Living.

Motor Neurone Disease

Means the unequivocal diagnosis of Motor Neurone Disease, with persistent neurological deficit resulting in: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one the Activities of Daily Living.

Multiple Sclerosis

Means the unequivocal diagnosis of Multiple Sclerosis, where the condition is characterised by the demyelination in the brain and/or spinal cord resulting in neurological deficit and: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one the Activities of Daily Living.

Muscular Dystrophy

Means the unequivocal diagnosis of Muscular Dystrophy with significant persistent neurological deficit resulting in: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one the Activities of Daily Living.

Myocardial Infarction – Heart Attack

Means death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The basis for diagnosis shall include:

- electrocardiographic changes associated with Myocardial Infarction; and
- elevation of cardiac enzymes consistent with a Myocardial Infarction.

If ECG or enzyme evidence of infarction are unavailable or inconclusive, then TOWER will consider any other test results provided in support of the diagnosis.

Occupationally Acquired HIV

Means infection by the Human Immunodeficiency Virus (HIV), acquired only via blood transfusion or accidental means during the course of carrying out the life insured's normal occupation with seroconversion to HIV infection occurring within six months of the accident. Any accident giving rise to a potential claim must be reported to TOWER within thirty days of the incident and be supported by a negative HIV antibody test within seven days of the incident. Transmission via any form of sexual activity or deliberate injection of a drug not prescribed by a medical practitioner is specifically excluded.

Paralysis

Diplegia: means the permanent and total loss of function of both sides of the body due to Injury or Illness.

Hemiplegia: means the permanent and total loss of function of one side of the body due to Injury or Illness.

Paraplegia: means the permanent and total loss of use of both legs resulting from Injury or Illness.

Quadriplegia: means the permanent and total loss of use of both arms and both legs resulting from Injury or Illness.

Tetraplegia: means the total and permanent loss of use of the head, both arms and both legs resulting from Injury or Illness.

Parkinson's Disease

Means the unequivocal diagnosis of Parkinson's Disease where the condition cannot be controlled with treatment and the person shows signs of progressive incapacity with: at least a permanent 25% impairment of Whole Person Function; or the life insured being totally and permanently unable to perform any one the following Activities of Daily Living:

1. Bathing or showering;
2. dressing and undressing;
3. eating and drinking;
4. using a toilet;
5. moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Pneumonectomy

Means the undergoing of surgery to remove an entire lung. This treatment must be deemed the most appropriate treatment and medically necessary.

Primary Pulmonary Hypertension

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

Severe Burns

Means tissue Injury caused by thermal, electrical or chemical agents causing third degree burns to:

- 20% or more of the Body Surface Area as measured by the 'rule of 9' of the Lund and Browder Body Surface Chart; or
- 50% or more of both hands, requiring surgical debridement and/or grafting; or
- 50% or more of the face, requiring surgical debridement and/or grafting.

Total Blindness

Means the complete and irrecoverable loss of sight in both eyes as currently defined by the Royal Blind Society and confirmed by an Ophthalmologist.

Total Deafness

Means total, irreversible and irreparable loss of hearing both natural and assisted, in both ears as a result of Illness or Injury.

General Definitions

Accident

Means an Injury caused solely and directly by accidental, violent, external and visible means.

Accident (for Disability Income Insurance and Business Expenses Insurance)

Means an Injury caused solely and directly by accidental, violent, external and visible means that stops the life insured performing one or more of the duties of his/her regular occupation necessary to produce income as confirmed by a Medical Practitioner and the life insured is not engaged in his/her regular occupation, nor any other gainful occupation.

Activities of Daily Living are;

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

Definitions

Benefit Period

For Disability Income and Disability Income Silver Insurance

Is the maximum period of time for which benefits will be paid as specified in the Policy Schedule.

For Business Expenses Insurance

The Benefit is payable for a period of up to one year, while the life insured remains Disabled. If at the end of this year, the life insured remains Disabled and the total benefit paid is less than the Annual Benefit, then cover will continue until the earliest of:

- the payment of the Annual Benefit;
- the expiry of a further twelve months; and
- the Expiry of Cover.

Disability

Means Total Disability or Partial Disability.

Earned Income

For a self employed person, a working director or partner in a partnership, Earned Income means total annual income earned in the conduct of the business or profession due to the life insured's personal exertion less their share of business expenses necessarily incurred in the conduct of the business or profession.

From any other source of employment, Earned Income means annual salary, fees, commissions, bonuses and any other income considered part of the life insured's remuneration package, earned by him/her for services performed.

In either case, income does not include: any income which is not generated by the life insured's personal or vocational activities. Income paid from other disability income policies, retirement plans, lump sum disability payments, rental income and investment income are some examples of income that would not be considered as part of the total income.

Home Duties include:

- Laundry duties
- Cleaning
- Cooking
- Shopping
- Child care (where there are children under age 18).

Illness

A disease or sickness, which first becomes apparent whilst the life insured is covered under the Policy.

Injury

This is bodily Injury not caused by Illness, which occurs during the life of the Policy.

Loading

An extra premium payable (over and above TOWER's standard premium rates) due to an increased risk in respect of a life insured.

Loss or Disability

For Disability Income Insurance – Is Total (or Partial) Disability for which a benefit is payable under the Policy.

For Disability Income Silver and Business Expenses Insurance is Total Disability for which a benefit is payable under the Policy.

Medical Practitioner

Means a medical practitioner legally qualified and registered to practice in Australia and is a person other than the life insured or the Policy owner or their relatives, business partners, shareholders or employees. Where the practice is outside Australia, the medical practitioner must have qualifications equivalent to Australian standards.

Policy

Your Policy comprising the Policy document and the Policy Schedule.

Policy Schedule

The document we send you, which has your Policy number and details of your cover.

Policy Commencement Date

The date from which insurance cover commences. This date is shown on your Policy Schedule and applies so long as the premium has been paid in full and within the specified time frame.

Prior Earnings means:

- except for Disability Income Silver Insurance or Disability Income Insurance where the Indemnity Option applies, the life insured's highest average monthly earnings (based on the definition of Earned Income) for any 12 consecutive months in the 5 years immediately preceding the start of cover and the 5 years immediately preceding any period of Total Disability, whichever is the greater; or
- for Disability Income Silver Insurance or Disability Income Insurance where the Indemnity Option applies, the life insured's average monthly earnings (based on the definition of Earned Income) in the 12 consecutive months immediately preceding the commencement of Total Disability.

For Disability Income Insurance, the Prior Earnings of the life insured will be increased by the annual rate of increase in the Indexation Factor. The increase will occur after each consecutive 12 months during which the life insured remains Partially Disabled.

Pre Disability Earnings means:

the life insured's highest average monthly Earned Income in any 12 consecutive months in the 2 years prior to the current claim. The maximum level of "Pre Disability Earnings" is the Annual Benefit divided by 0.75 for the first \$225,000, and divided by 0.50 for the remainder

Trustee

Means TOWER Australian Superannuation Limited, ABN 69 003 059 407, RSE Licence Number L0000642.

Waiting Period

Is the number of days shown on the Policy Schedule starting from the day the life insured is Totally Disabled. It may vary subject to, as applicable:

- Return to work during the Waiting Period;
- Partial Disability;
- Recurring Claim Benefit;
- Waiver of Waiting Period;
- Specific Injury Benefit; and
- Accident Benefit Option.

Whole Person Function means:

where a payment depends on the life insured meeting criteria that are based on the Whole Person Function, the calculation is to be based on the current edition of the American Medical Association publication entitled Guides to the Evaluation of Permanent Impairment until an equivalent Australian guide that has been sanctioned by the Australian Medical Association has been produced at which time the calculation in the relevant Australian guide will apply.

Enquiries and complaints

Partner Insurance Portfolio

We set out in this part of the section information of what to do if you have an enquiry or complaint in relation to a Policy in the Partner Insurance Portfolio.

If you are a member of the Partner Superannuation Fund and the Trustee has acquired a Superannuation Term Insurance Policy on your behalf, please refer below about what to do if you have an enquiry or complaint.

We will always seek to resolve complaints quickly and efficiently and with the fairest possible result. If you have any queries, please telephone TOWER on 1800 221 142 or write to:

Complaints Manager
TOWER Australia Limited
80 Alfred Street
Milsons Point NSW 2061

Every effort will be made to assist you. However if you are not satisfied with our response to your complaint you may then refer a complaint to:

Manager
Financial Industry Complaints Service
PO Box 579
Collins Street West
Melbourne 8007
Telephone: 1300 780 808
Facsimile: (03) 9621 2291

The Financial Industry Complaints Service Limited is an industry sponsored company that has been set up to provide free advice and assistance to Policyholders to resolve complaints with their life insurance company. It is an independent and impartial company.

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

Partner Superannuation Fund

Whenever you have a question or complaint, in relation to the Fund, call or write to Member Services. In most cases, you may have the question answered by:

- Contacting your Adviser (a phone call should solve most problems).
- Phoning our Member Services staff on 1300 134 991. We pride ourselves in our customer service standards and will try to solve your concerns quickly and fairly.
- Writing to:
The Administrator
TOWER Australia Limited
GPO Box 5380
Sydney NSW 2001

The Trustee will aim to resolve your complaint within 90 days. If you are not satisfied with the handling of your complaint after 90 days, you may contact the Superannuation Complaints Tribunal. The Tribunal is an independent body established by the Federal Government to assist in the resolution of complaints about certain decisions of Trustees of superannuation funds and insurers. A complaint may only be dealt with by the Tribunal after it has been dealt with by the Trustee.

Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001
Telephone: 1300 884 114
Facsimile: (03) 8663 5588

Interim Cover Certificate for TOWER Australia Limited

Interim Cover Certificate

Covering the Life to be Insured while the Application for Insurance is being assessed.

TOWER Australia Limited

Life to be Insured

The purpose of Interim Cover is to provide coverage up to maximum amounts against unforeseeable events while we assess your Application.

Please note that any medical conditions existing at the time of your Application, and any medical conditions arising from them, are excluded from this cover.

This also means that, should the life insured suffer an Illness which impacts on our ability to continue the underwriting process, it may be necessary to adjust the amount upon which our payment will be based, potentially to the extent that only a prescribed minimum payment is possible.

Please read the terms and conditions of Interim Cover on pages 74 to 76 of the PDS for further details regarding the amount of Interim Cover being provided.

Benefits

You applied to TOWER Australia Ltd for the following:

Term Insurance \$ Total & Permanent Disability \$

Disability Income Portfolio \$ Medical Catastrophe Insurance \$

I, _____ acknowledge receipt of \$ _____ made payable to TOWER.

Adviser's Signature _____ Date / / _____

Interim Cover Certificate for TOWER Australia Limited

We will extend Interim Cover to you from the date we have received your fully completed Application Form and the first premium or fully completed Credit Card or DDR authority at our Head Office or a State Office. Interim Cover will be provided to the extent that your Application is not replacing existing comparable cover with us or any other company on the same life to be insured.

The amount for which you are covered under Interim Cover may vary depending on whether the cause of any Interim Cover claim is due to an accident or Illness. Please refer to the section headed Amount Payable below.

Cover will start from the date we receive the Application Form and the first premium or a Credit Card or DDR authority, and will cease upon the earliest of:

- the date we accept your Application (notification of which will be taken as notification of termination of Interim Cover);
- the date you withdraw your Application;
- the expiration of 90 days;
- we advise you in writing that your Application will not be accepted at standard rates or without modification; or
- we advise you in writing that your Application has been declined.

We are entitled to cancel the interim cover with effect from the expiration of 90 days. We will issue a notice advising when Interim Cover will cease.

Details of interim cover subject to the above terms are as follows:

Death Cover

If you applied for Term Insurance, we will insure the life to be insured against death.

Total and Permanent Disability

If you applied for Total and Permanent Disability Benefits, we will insure the life to be insured against Total and Permanent Disability (TPD). The 'Any Occupation' definition will apply (as defined on page 13). If the life insured suffers TPD prior to your application being accepted by us (but after we receive your Application), this Illness or Injury will be taken into account in our assessment of your Application once a decision on your Interim Claim is finalised.

Medical Catastrophe Insurance

If you applied for Medical Catastrophe Insurance, we will insure the life to be insured against the Medical Catastrophe Events listed within the Medical Catastrophe Insurance that do not have an * next to the named event.

If you applied for the Children's Medical Catastrophe Benefit Option, we will cover the insured child against the Events listed within that Option.

If the life to be insured suffers a Medical Catastrophe Event prior to your application being accepted by us (but after we receive your Application), this Illness or Injury will be taken into account in our assessment of your Application once a decision on your Interim Claim is finalised.

Disability Income Cover

If you applied for cover under the Disability Income Policies, we will insure the life to be insured should they suffer Total Disability (as defined on page 33). If the life to be insured suffers a Total Disability prior to your Application being accepted by us (but after we receive your Application), this Illness or Injury will be taken into account in our assessment of your Application once a decision on your Interim Claim is finalised.

When you apply for Disability Income Silver Insurance, or Optimal Income Protection Insurance, interim cover is applicable for accident cover only.

Business Expense Insurance

If you applied for the Business Expense Insurance, we will insure the life to be insured should they suffer Total Disability (as defined on page 46). If the life to be insured suffers a Total Disability prior to your Application being accepted by us (but after we receive your Application), this Illness or Injury will be taken into account in our assessment of your Application once a decision on your Interim Claim is finalised.

Amount Payable

Accident

We will cover the life to be insured on the above basis for the Sum(s) Insured which we would have accepted in the normal course of underwriting to the lesser of, in the relevant case, the amount being applied for or:

- for a Disability Income Policy and Business Expense Insurance, a maximum of \$10,000 a month, for 12 months;
- for Death cover, a maximum of \$1,000,000;
- for Medical Catastrophe and Total and Permanent Disability cover, a maximum of \$500,000; and
- for the Children's Medical Catastrophe benefit a maximum of \$50,000,

to a total payment in respect of all benefits under the Interim Cover Certificate of \$1,000,000.

Should more than one Interim Cover certificate apply at the same time, the total payment in respect of all benefits across all Interim Cover certificates is \$1,000,000, for any one life.

Should more than one Interim Cover certificate apply at the same time, with TOWER or any other company, the maximum total payment in respect of all benefits across all Interim Cover certificates is \$1,000,000, for any one life.

Illness

Illness is not covered when you apply for Disability Income Silver Insurance, or Optimal Income Protection Insurance

The purpose of Interim Cover is to provide coverage against unforeseeable events while we assess your application. Should the life insured suffer an Illness which impacts on our ability to continue the underwriting process, it may be necessary to adjust the amount upon which our payment will be based, potentially to a prescribed minimum amount as outlined below.

1. If the condition occurred or was first diagnosed, or the circumstances leading to diagnosis first became apparent after the application form was received by us, and we can still complete our underwriting process, the amount payable would be the same as outlined in Accident above.
2. However, if we decide that we cannot complete our underwriting processor if the condition was foreseeable or deemed pre-existing because of earlier diagnosis, or the circumstances leading to diagnosis were or became apparent before we received the application, an adjustment to the amount payable will be made.

This is done because the condition may impact on our ability to follow our usual underwriting process.

- 2.1. If we are still able to complete our underwriting process, then the amount payable may be the same as outlined in Accident above unless any loadings or exclusions would have applied to your Policy, in which case the benefit amount will be reduced (please see section: "When cover or full cover will not be provided").
- 2.2. However, if our underwriting process is impacted by the condition, it may be necessary to reduce the amount of cover for which you have applied to \$250,000 (or \$3,000 monthly if Disability Income or Business Expense Insurance). This will enable us to reduce our underwriting requirements in an effort to gather sufficient information so as to consider a payment.

2.3. Finally if we decide that we are unable to complete the underwriting process any Interim Cover payments will be restricted to the prescribed minimum amount of:

- \$25,000 as a lump sum for Term Insurance, Total and Permanent Disability and Medical Catastrophe Insurance, and
- \$2,000 monthly benefit (for a maximum 12 months) for Disability Income and Business Expense Insurance Policies.

Subject to the restrictions to the amount payable, the terms and conditions of the Policy (including but not limited to any applicable exclusions) will govern any payment under the Interim Cover Certificate.

Interim Cover is subject to the underwriting guidelines of TOWER. The amount of Interim Cover (if any) therefore cannot be verified until we either complete our assessment of your Application (subject to any special terms or conditions) or we decide that assessment is not possible.

When cover or full cover will not be provided

Other than as previously mentioned, cover will also be restricted or may not be available if you or the life to be insured have not met the duty of disclosure, or would not have been entitled to the amount of cover applied for.

If under our underwriting guidelines we would have declined your Application, no interim cover is payable.

Any medical conditions existing at the time of your application, and any medical conditions arising from them, are excluded from this cover.

Cover may be excluded or modified if the life to be insured engages in any pursuit or occupation which we would not have accepted in accordance with our underwriting guidelines.

If under our underwriting guidelines we would have modified or applied an additional loading on your Policy as a result of your medical history, we will reduce the level of Interim Cover based on the proposed premium and the terms that we would have offered. For example, if the Policy is loaded by 100%, the level of interim cover will be half of the amount of cover applied for (subject to the maximums stated above). If the Policy is loaded by 200%, the level of interim cover will be a third of the amount of cover applied for (subject to the maximums stated above).

Interim Cover Certificate for TOWER Australia Limited

Example of amount payable under Interim Cover

You are applying for:

- \$1.5 million Death Cover, and
- \$6,000 monthly Benefit Amount under Disability Income Insurance.

Under Interim Cover, you are covered for:

- \$1 million Death Cover, and
- \$6,000 monthly Disability Income Insurance, up to 12 months only

If the claimable event is the result of an **accident**, and the claim is approved, the amounts payable will be based on the Interim Cover amounts above.

If the claimable event is the result of an **Illness** we will endeavour to complete our assessment of your application based on the life to be insured's health before the claimable event. For example, if the claimable event is a Coma we will endeavour to obtain medical evidence to support the level of cover before the Coma occurred. It must be recognised that some of that evidence, eg blood tests, may be impacted by the Coma.

Should we be able to obtain evidence of the life to be insured's state of health prior to the claimable event and the claim is approved the amount payable will be based on the Interim Cover amount above. Please note that if the decision is that: we would have offered you alternative terms they will be taken into account to reduce the amount payable. For example, if:

- An exclusion would have applied it may result in no Interim Cover payment, and
- An extra premium would have been charged it will result in a reduced payment.

Should we not be able to obtain evidence of the life insured's state of health prior to the claimable event, then we will reduce the maximum Interim Cover benefit amount to \$250,000 Death and \$3,000 for Disability Income. In turn, this will remove some underwriting requirements, thus hopefully allowing completion of assessment.

If, after all this, we decide that assessment is not possible then we will determine the eligibility of your claim and, if successful, will make a payment of \$25,000 for the Death cover and \$2,000 a month (up to 12 months) for the Disability Income cover.

Interim Cover Certificate for TOWER Australia Superannuation Limited

Interim Cover Certificate

Covering the Life to be Insured while the Application for Insurance is being assessed.

TOWER Australia Limited

Life to be Insured

The purpose of Interim Cover is to provide coverage up to maximum amounts against unforeseeable events while we assess your Application.

Please note that any medical conditions existing at the time of your Application, and any medical conditions arising from them, are excluded from this cover.

This also means that, should the life insured suffer an Illness which impacts on our ability to continue the underwriting process, it may be necessary to adjust the amount upon which our payment will be based, potentially to the extent that only a prescribed minimum payment is possible.

Please read the terms and conditions of Interim Cover on pages 78 to 79 of the PDS for further details regarding the amount of Interim Cover being provided.

Benefits

You applied to TOWER Superannuation Fund for the following:

Term Insurance \$

Total & Permanent Disability \$

I,

acknowledge receipt of \$

made payable to TOWER.

Adviser's Signature

Date / /

Interim Cover Certificate for TOWER Australian Superannuation Limited

The insurer will extend Interim Cover to you from the date the insurer have received your fully completed Application Form and the first premium or fully completed Credit Card or DDR authority at our Head Office or a State Office. Interim Cover will be provided to the extent that your Application is not replacing existing comparable cover with us or any other company on the same life to be insured.

The amount for which you are covered under Interim Cover may vary depending on whether the cause of any Interim Cover claim is due to an accident or Illness. Please refer to the section headed Amount Payable below.

Cover will start from the date we receive the Application Form and the first premium or a Credit Card or DDR authority, and will cease upon the earliest of:

- the date the insurers accept your Application (notification of which will be taken as notification of termination of Interim Cover);
- the date you withdraw your Application;
- the expiration of 90 days;
- the insurer advises you in writing that your Application will not be accepted at standard rates or without modification; or
- the insurer advises you in writing that your Application has been declined.

The insurer is entitled to cancel the interim cover with effect from the expiration of 90 days. The insurer will issue a notice advising when Interim Cover will cease.

Details of interim cover subject to the above terms are as follows:

Death Cover

If you applied for Term Insurance, the insurer will insure the life to be insured against death.

Total and Permanent Disability

If you applied for Total and Permanent Disability Benefits, the insurer will insure the life to be insured against Total and Permanent Disability (TPD). The 'Any Occupation' definition will apply (as defined on page 13). If the life insured suffers TPD prior to your application being accepted by us (but after the insurer receive your Application), this Illness or Injury will be taken into account in our assessment of your Application once a decision on your Interim Claim is finalised.

Amount Payable

Accident

The insurer will cover the life to be insured on the above basis for the Sum(s) Insured which the insurer would have accepted in the normal course of underwriting to the lesser of, in the relevant case, the amount being applied for or:

- for Death cover, a maximum of \$1,000,000; and
- for Total and Permanent Disability cover, a maximum of \$500,000; and

to a total payment in respect of all benefits under the Interim Cover Certificate of \$1,000,000, for any one life.

Should more than one Interim Cover certificate apply at the same time, with TOWER or any other company, the maximum total payment in respect of all benefits across all Interim Cover certificates is \$1,000,000, for any one life.

Illness

The purpose of Interim Cover is to provide coverage against unforeseeable events while the insurer assesses your application. Should the life insured suffer an Illness which impacts on our ability to continue the underwriting process, it may be necessary to adjust the amount upon which payment will be based, potentially to a prescribed minimum amount as outlined below.

1. If the condition occurred or was first diagnosed, or the circumstances leading to diagnosis first became apparent after the application form was received by us, and the insurer can still complete underwriting, the amount payable would be the same as outlined in Accident above.
2. However, if the insurer decides that it cannot complete its underwriting or if the condition was foreseeable or deemed pre-existing because of earlier diagnosis, or the circumstances leading to diagnosis were or became apparent before the insurer received the application, an adjustment to the amount payable will be made.

This is done because the condition may impact on the insurer's ability to follow its underwriting process.

- 2.1. If the insurer is still able to complete underwriting, then the amount payable may be the same as outlined in Accident above unless any loadings or exclusions would have applied to your Policy, in which case the benefit amount will be reduced (please see section: "When cover or full cover will not be provided").

- 2.2. However, if the insurer's underwriting process is impacted by the condition, it may be necessary to reduce the amount of cover for which you have applied to \$250,000 (or \$3,000 monthly if Disability Income or Business Expense Insurance). This will enable us to reduce its underwriting requirements in an effort to gather sufficient information so as to consider a payment.
- 2.3. Finally if the insurer decides that it is unable to complete its underwriting process any Interim Cover payments will be restricted to the prescribed minimum amount of \$25,000 as a lump sum.

Subject to these terms of Interim Cover, including restrictions to the amount payable, the terms and conditions of the Policy (including but not limited to any applicable exclusions) will govern any payment under the Interim Cover Certificate.

Interim Cover is subject to the underwriting guidelines of TOWER. The amount of Interim Cover (if any) therefore cannot be verified until they either complete the assessment of your Application (subject to any special terms or conditions) or the insurer decides that assessment is not possible.

When cover or full cover will not be provided

Other than as previously mentioned, cover will also be restricted or may not be available if you or the life to be insured have not met the duty of disclosure, or would not have been entitled to the amount of cover applied for.

If under the insurer's underwriting guidelines the insurer would have declined your Application, no interim cover is payable.

Any medical conditions existing at the time of your application, and any medical conditions arising from them, are excluded from this cover.

Cover may be excluded or modified if the life to be insured engages in any pursuit or occupation which the insurer would not have accepted in accordance with its underwriting guidelines.

If under the insurer's underwriting guidelines the insurer would have modified or applied an additional loading on your Policy as a result of your medical history, the insurer will reduce the level of Interim Cover based on the proposed premium and the terms that the insurer would have offered. For example, if the Policy is loaded by 100%, the level of interim cover will be half of the amount of cover applied for (subject to the maximums stated above). If the Policy is loaded by 200%, the level of interim cover will be a third of the amount of cover applied for (subject to the maximums stated above).

Example of amount payable under Interim Cover

You are applying for:

- \$1.5 million Death Cover

Under Interim Cover, you are covered for:

- \$1 million Death Cover

If the claimable event is the result of an **accident**, and the claim is approved, the amount payable will be based on the Interim Cover amount above.

If the claimable event is the result of an **Illness** the insurer will endeavour to complete its assessment of your application based on the life to be insured's medical condition before the claimable event. For example, if the claimable event is a Coma the insurer will endeavour to obtain medical evidence to support the level of cover before the Coma occurred. It must be recognised that some of that evidence, eg blood tests, may be impacted by the Coma.

Should the insurer be able to obtain evidence of the life to be insured's state of health prior to the claimable event and the claim is approved the amount payable will be based on the Interim Cover amount above. Please note that if the decision is that: the insurer would have offered you alternative terms they will be taken into account to reduce the amount payable. For example, if:

- An exclusion would have applied it may result in no Interim Cover payment, and
- An extra premium would have been charged it will result in a reduced payment.

Should the insurer not be able to obtain evidence of the life insured's state of health prior to the claimable event, then the insurer will reduce the maximum Interim Cover benefit amount to \$250,000 for Death cover. In turn, this will remove some underwriting requirements, thus hopefully allowing completion of assessment.

If, after all this, the insurer decides that assessment is still not possible then the insurer will determine the eligibility of your claim and, if successful, will make a payment of \$25,000 for the Death cover.

Privacy Statement

Partner Insurance Portfolio

At TOWER Australia Limited* your right to privacy has always been important to us. This document explains why we collect your personal information and how we may use or disclose that information.

We collect information about you to provide our insurance products and services to you. We usually collect personal information such as name, age, contact details, payment details, occupation, family and medical history, and employment information. The full details of the types of personal information we collect can be found in the questions we ask and/or in the forms we ask you to complete.

In some situations we may collect your personal information from a third party such as your insurance representative, medical practitioner or health professional, accountant or employer. We will only do so with your consent.

If you do not provide information sought by TOWER from time to time, it may affect TOWER's ability to provide you with and administer our products or services. You are required by insurance law to disclose all relevant information to us when you apply for insurance. Please refer to your application form for further details of this duty, and the consequences of not complying with this duty.

We use your personal information to manage and administer all products and services we provide to you, including to assess and process your application for insurance, process and investigate claims made against your insurance, provide you with information about other products or services that may be of benefit to you, and to ensure our internal business operations are running smoothly (which may include fulfilling regulatory and legal requirements and confidential system testing).

Depending on the type of product or service we provide to you, we may need to disclose your information to certain third parties. If we do this we require these parties to protect your information in the same way we do. The types of organisations we may need to disclose your personal information to (as necessary only) include:

- external service providers that provide financial, legal, administrative or other services in connection with the operation of our business (for example our reinsurers, auditors, claims investigators, compliance consultants or mailing/archiving services for document mailing services and secure storage);

- medical practitioners or health professionals for the purpose of assessing your application or claim;
- government agencies (as part of our regulatory or statutory obligations);
- where we collect your information from someone else or another entity (such as a superannuation fund or employer), then we may disclose your personal information to that person or entity; and
- your insurance representative or adviser or his/her responsible Australian Financial Services Licensee; or
- any other person or organisation with your consent.

Your health or medical information will only be disclosed (as necessary only) to service providers or authorised personnel who are directly involved in the assessment or administration of your application or claim.

Your personal information will not be used or disclosed for any purpose other than what is included in this statement without your consent, except where required by law.

By completing an application form or any other form, you consent to TOWER collecting, using, disclosing and handling your personal information as set out in this document.

You can request access to the personal information we hold about you. You may ask us at any time to correct this information where you believe it is incorrect or out of date.

There will be no fee for requesting access to your information. However we may charge you the reasonable cost of processing your request. To access personal information we hold about you, or to obtain more information about your rights or our Privacy Policy, please contact TOWER's Privacy Officer at:

TOWER Australia Limited
80 Alfred Street
Milsons Point NSW 2061

* Includes TOWER Australian Superannuation Limited as trustee for Partner Superannuation Fund.

About Tower

130 years of protection and care

If you are reading this document it stands to reason that you know at least a little about us and what we do (or at the very least you would like to know).

Just in case you don't know about us we would like to take this opportunity to introduce ourselves. We know that when your adviser talks to you about our products he or she needs to know about your lifestyle, your wants and needs, so we would like you to view this by way of you getting to know us a little better as well. After all, good relationships are built on trust and knowledge so we want you to know about us when you trust your insurance needs to TOWER.

TOWER Australia has been operating for over 20 years and has roots that go back more than a century. Hundreds of thousands of Policy owners trust TOWER for their insurance needs, so it's good to know this important protection for your family is in safe hands.

What we do, why we do it

Here at TOWER we provide life insurance, superannuation and investment solutions to our customers.

Our objective is to deliver the right products, services and information to our customers. This approach is designed to help you make informed decisions about your life insurance and superannuation needs. And our approach to informed decisions extends further to the way in which we make this information available. Because we believe that everyone can benefit from informed advice our approach is to deliver these services to you primarily through a network of advisers who can provide you with advice and assistance. Like everything we do it simply makes good sense!

Looking out for you

At TOWER, to stay ahead we know we need to be competitive and offer the right benefits and the flexibility you want. We regularly look at ways to enhance our products and our services to make sure we give you the choice and value you require. We also like to think of ourselves as being a people business that looks after your life insurance needs.

Big enough to make a difference, small enough to care

Like any business, we try do it better than anyone else. We are committed to providing excellent service and products to our customers and advisers. It is this approach which has been recognised by our customers and through industry awards. While public recognition for our hard work is not our focus it does show we are on the right track. Some of our awards over the past few years have been:

Financial Review Smart Investor Blue Ribbon Awards 2007

Winner – Risk Insurer of the year

Money Management

2006 Adviser Choice Risk Awards

Winner – Life Insurance Company of the Year

Silver Winner – Business Expense Product of the Year

Money Management and Financial Review Smart Investor have each consented to their respective awards being referred to in this document

Jim Minto, Managing Director of TOWER Australia Group Ltd is very pleased with continued progress and the life insurance specialist position TOWER maintains in the Australian Life market.

“TOWER in Australia has moved forward in a new phase of its development. We are now a solely Australian – listed life insurance business. We believe the life insurance market is a very attractive one with good underlying growth levels.

We believe that the market itself will continue to grow strongly, driven by consumer needs for risk protection and TOWER is well placed to participate in that market growth.

An important part of our future success will be the delivery of good service levels and high quality products that meet consumer needs. The ongoing quality of our products is therefore an aspect we will continue to focus on.

Thank you for your interest in TOWER”.

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