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PREFSURE
Holdings Limited

Lumley Disability Income Portfolio

Lumley Disability Income Insurance
Lumley Optimal Income Protection Insurance
Lumley Business Expenses Insurance

**This document contains a Product Disclosure Statement (PDS) for:
Lumley Disability Income Portfolio**

The Lumley Disability Income Portfolio Product Disclosure Statement (PDS), dated 1 January 2004, is issued by Lumley Life Limited ABN 20 000 017 194 (Australian Financial Service Licence 239632).

Issued: 1 January 2004

About this document

This document contains a Product Disclosure Statement for the Lumley Disability Income Portfolio.

The Lumley Disability Income Portfolio consists of a range of modern, value-for-money disability insurance products:

- Lumley Disability Income Insurance
- Lumley Optimal Income Protection Insurance
- Lumley Business Expenses Insurance

These disability insurance products are issued by Lumley Life Limited ABN 20 000 017 194.

Lumley Disability Income Portfolio PDS follows guidelines set down by the Australian Securities and Investments Commission. It will help you to:

- decide whether the product will meet your needs; and
- compare the product with others that you may be considering.

Lumley Disability Income Portfolio

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Applying for Lumley Disability Income 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 brochure provide cover 24 hours a day, worldwide. A benefit is payable if a nominated event occurs in respect of a life insured during the term of the policy.

Each policy in the Lumley Life Disability Income Portfolio is referable to Lumley Life's 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 Lumley Disability Income Portfolio policy are 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, there will be no refund of premiums.

Lumley Disability Income Portfolio

Summary of Key Information

What is the Lumley Disability Income Portfolio?

The Lumley Disability Income Portfolio consists of 3 separate policies; Lumley Disability Income Insurance, Lumley Optimal Income Protection Insurance and Lumley Business Expenses Insurance.

A summary of each of these insurance products is set out below.

Lumley 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 of policy - Platinum and Gold.
Standard Benefits	<ul style="list-style-type: none"> Total Disability Partial Disability 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
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
Waiting Period	<p>The 'waiting period' is the period for which a benefit is not payable under some benefits. The waiting periods you can choose are:</p> <p>Gold – 14, 30, 60, 90, 180, 360 and 720 days</p> <p>Platinum – 14, 30, 60 and 90 days</p>
Benefit Period	<p>The 'benefit period' is the maximum period of time that a benefit will be paid. The benefit periods you can choose are:</p> <p>Gold – 2 years, 5 years, to Age 60, to Age 65 and to Age 70</p> <p>Platinum – to Age 60 and to Age 65</p>
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.</p> <p>'Level premiums' are based on the life insured's age next birthday at the start of the policy. The premium rate does not change on each policy anniversary.</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 7).</p> <p>Platinum Cover</p> <p>Where at the date of Partial Disability the life insured is aged:</p> <ul style="list-style-type: none"> • less than 55 years, there is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled; • between 55 and 59 years, Partial Disability must follow a period of Total Disability of at least 7 continuous days; • 60 years or more, Partial Disability must follow a period of Total Disability of at least 10 continuous days. <p>Gold Cover</p> <p>Partial Disability must follow a period of Total Disability of at least 14 continuous days.</p>
Where do I get more Information?	You can get more information on pages 6-11

Lumley Optimal Income Protection Insurance

What is it?	Optimal Income Protection is an innovative policy 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	Total Disability Specified Injury Partial Disability Waiver of Premium Death Benefit Recurring Claim Benefit
Optional Features	None
Premium Options	Stepped premiums only. 'Stepped premiums' change (usually increase) on each policy anniversary based on the life insured's age.
Where do I get more information?	You can get more information on pages 12-16

Lumley Disability Income Portfolio

Summary of Key Information (continued)

Lumley Business Expenses Insurance	
What is it?	Lumley 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 policy - Platinum and Gold.
Standard Benefits	Total Disability Partial Disability Waiver of Premium Recurring Claim Benefit Waiver of Waiting Period Elective Surgery Benefit
Optional Benefits (Subject to the payment of an additional premium)	Leasepay Benefit Option Accident Benefit Option
Waiting Period	The 'waiting period' is the period for which a benefit is not payable under some benefits. The waiting periods you can choose are: 14 and 30 days
Benefit Period	1 year (although benefits can sometimes continue after this period - see page 19)
Premium Options	Stepped premiums only. 'Stepped premiums' change (usually increase) on each policy anniversary based on the life insured's age.
Platinum vs Gold	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 18). Platinum Cover Where at the date of Partial Disability the life insured is aged: <ul style="list-style-type: none"> • less than 55 years, there is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled; • between 55 and 59 years, Partial Disability must follow a period of Total Disability of at least 7 continuous days; • 60 years or more, Partial Disability must follow a period of Total Disability of at least 10 continuous days. Gold Cover Partial Disability must follow a period of Total Disability of at least 14 continuous days.
Where do I get more Information?	You can get more information on pages 17-19

Other Information				
Minimum Premium	\$400 per annum			
Occupation Categories	Class 1 – White Collar Professionals e.g. Barrister, Accountant, Doctor Class 2 – White Collar Administration e.g. Clerk, Administration Manager Class 3 – Light Blue Collar e.g. Domestic Electrician Class 4 – Blue Collar e.g. House painter to 10 metres Class 5 – Heavy Blue Collar e.g. Roof tiler Your adviser will inform you which occupation class applies.			
Payment Frequency		Monthly	Half-Yearly	Annually
	Cheque	X	✓	✓
	Credit Card	X	✓	✓
	Direct Debit	✓	✓	✓
A frequency loading applies for payments more frequently than annually. Please refer to page 22 for the loading factors.				

Lumley Disability Income Portfolio

Lumley Disability Income Insurance

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 caused by illness or injury. 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 this policy is \$240,000 per annum.

Earned Income and Annual Benefit are defined in the Definitions section of this PDS.

You may apply for Lumley Disability Income Insurance if the life to be insured is aged 16 to 64 next birthday.

The policy 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.

The following section of the PDS contains information about the benefits available under the policy. There is also other important information you should know before deciding whether to apply for Lumley Disability Income Insurance. The following table indicates where that information can be found:

Cooling off period – the short period of time after we issue the policy during which you can cancel the policy and obtain a refund	Page 20
Your duty of disclosure – the things you must tell us before applying for the policy, and the consequences of failing to do so	Application
Taxation – how tax impacts on premiums you pay and benefits you receive	Page 24
Enquiries or Complaints – what to do if you have an enquiry or complaint	Page 29

Some words and expressions used in this PDS have a particular meaning. Those words and expressions are defined in the Definitions section on pages 25 to 28 of the PDS.

Benefits

Standard Benefits

The following benefits are included under the Disability Income policy and are described below:

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

You must also satisfy our claim requirements before we pay a benefit (see page 23), otherwise, benefits will be paid in the circumstances set out in this section of the PDS.

All benefits will be paid in Australian currency.

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 the policy.

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
- is not currently working in any gainful occupation; and
- is under the care and following the advice of a Medical Practitioner.

However, if the life insured has been on maternity 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;
- 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.

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 next	% of Annual Benefit
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 the Accident Benefit Option) and is paid monthly in arrears.

Total Disability Benefit payments will cease upon the occurrence of the earliest of the following:

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

Partial Disability Benefit

When we pay

The Partial Disability Benefit is payable if:

- the life insured is Partially Disabled after the Waiting Period while covered under the policy; and

<p>If Gold Cover is selected:</p> <ul style="list-style-type: none"> • Partial Disability must follow a period of Total Disability of at least 14 continuous days. 	<p>If Platinum Cover is selected and at the date the life insured is Partially Disabled, he or she is aged:</p> <ul style="list-style-type: none"> • less than 55 years - there is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled; • between 55 and 59 years – Partial Disability must follow a period of Total Disability of at least 7 continuous days; • 60 years or more – Partial Disability must follow a period of Total Disability of at least 10 continuous days
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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:

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

'A' is Prior Earnings and

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

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 policy commencement date or 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.

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

If the life insured is Partially Disabled, and no work is available to the life insured, we will substitute for 'B' an amount calculated by us as the life insured's capacity to earn.

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 cease upon the occurrence of the earliest of:

- 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 6 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.

Lumley Disability Income Portfolio

Lumley Disability Income Insurance (continued)

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 full time care is required; 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 in respect of the life insured.

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 the policy:

- 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.

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 first hour of Total Disability.

The benefit is only payable during the Waiting Period, or up to 90 days, whichever is the lesser.

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 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 with our written approval.

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 of Disability 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 the policy.

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 policyowner or, if the policyowner 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 Life Insurance Act.

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 twelve months of the life insured returning to work. 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 was for a continuous period of 30 days or more.

Benefits will then accrue from the first day of the new claim. The life insured has the option of applying the Waiting Period.

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.

Specific Injury Benefit

When we pay

We will pay the Specific Injury Benefit if the life insured suffers a Specific Injury while covered under the policy, 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 means	The Payment Period
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia)	60 months
Loss of:	
(i) both feet or both hands or sight of both eyes	24 months
(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:	
(i) leg above the knee (femur), pelvis	90 days
(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.

Lumley Disability Income Portfolio

Lumley Disability Income Insurance (continued)

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.

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
- the policy ends.

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.

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 the policy, undergoes:

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

and is Totally Disabled (except that Total 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 policy start date;
- 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.

Benefits Which Are Optional

For the payment of an additional premium, the following benefits may be included under the policy in addition to the Standard Benefits above.

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

Increasing Claim Option

Whilst we are paying a Total or Partial Disability Benefit under the policy, the Annual Benefit will be increased at three monthly intervals, following the date of Total Disability, 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 Statistician from time to time (or such other index as we consider appropriate).

Increases to the Annual Benefit amount under this option will cease when the first of the following occurs:

- the date Disability of the life insured ceases; or
- the end of the Benefit Period in respect of the life insured; or
- the date the policy 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 policy, 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 from the first hour of Total Disability until the end 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 is diagnosed by a Medical Practitioner; and
- diagnosis of the Medical Catastrophe is supported by appropriate clinical, histological and laboratory evidence.

Each Medical Catastrophe is as defined in the Definitions section 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.

Immediate cover in the event of an accident

Provided the premium has been received and the Application is not replacing an existing Lumley Life policy, the cover applies immediately in respect of Total Disability caused by an accident for a period of sixty days for the lesser of the Annual Benefit amount applied for, or \$10,000 per month (on any one life).

The details of this benefit and the exclusions that apply are included on page 30.

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 the policy because money is recoverable from other sources.

For all other occupation classes, Workers Compensation or Social Security payments in respect of lost income will be taken into account when calculating the Total or Partial Disability benefit. (However, any 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 seventy-five percent (75%) of Prior Earnings.

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 the policy.

If Disability Benefits are reduced, a proportionate refund of premiums paid will be made. 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 disablement 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:

- intentionally self-inflicted act or injury; or
- 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 policyowner.

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.

When does cover end?

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

- attaining the age stated in the Policy Information Statement and 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), or
- when the policy lapses due to non-payment of premiums, or
- we receive a written request from the policyowner to cancel the policy; or
- at the end of the Benefit Period.

Lumley Disability Income Portfolio

Lumley Optimal Income Protection Insurance

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 caused by illness or injury. The Total Disability Benefit is explained later on this page. 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.

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

- aged 16 to 64 next birthday (Class 1 and 2 occupations only), or
- aged 16 to 60 next birthday (Class 3, 4 and 5 occupations).

Your adviser can tell you what occupation class applies.

The maximum initial Annual Benefit under this policy is \$300,000 per annum.

'Earned Income' and 'Annual Benefit' are defined in the Definitions section of this PDS.

The following section of the PDS contains information about the benefits available under the policy. There is also other important information you should know before deciding whether to apply for Lumley Optimal Income Protection Insurance. The following table indicates where that information can be found:

Cooling off period – the short period of time after we issue the policy during which you can cancel the policy and obtain a refund	Page 20
Your duty of disclosure – the things you must tell us before applying for the policy, and the consequences of failing to do so	Application
Taxation – how tax impacts on premiums you pay and benefits you receive	Page 24
Enquiries or Complaints – what to do if you have an enquiry or complaint	Page 29

Some words and expressions used in this PDS have a particular meaning. Those words and expressions are defined in the Definitions section on pages 25 to 28 of the PDS.

Benefits

The benefits available under Optimal Income Protection Insurance are:

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

You must also satisfy our claim requirements before we pay a benefit (see page 23), otherwise, benefits will be paid in the circumstances set out in this section of the PDS.

All benefits are paid in Australian currency.

Total Disability Benefit

When we pay

The Total Disability Benefit is payable if the life insured is Totally Disabled while covered under the policy due to:

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

If Total Disability is caused by a Specified Medical Condition, the Total Disability Benefit is payable from the first day of Total Disability.

What does 'Total Disability' mean?

'Total Disability' means that 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
- is not currently working in any gainful occupation; and
- is 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
- an injury or illness other than a Specified Medical Condition.

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 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 (i.e. 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 75%.

Total Disability caused by an injury or illness other than a Specified Medical Condition

If the life insured is Totally Disabled due to an injury or illness (other than a Specified Medical Condition), we will pay the 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 Pre Disability Earnings 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 75%.

The Specified Medical Conditions

- Alzheimer's Disease
- Angioplasty
- Aplastic Anaemia
- Benign Brain Tumour
- Cancer
- Cardiomyopathy
- Cerebrovascular Accident (Stroke)
- Chronic Liver Failure
- Chronic Lung Failure
- Chronic Renal Failure (Kidney Failure)
- Coma
- Dementia
- Encephalitis

- Loss of:
 - both feet or both hands or the sight of both eyes or
 - any combination of two of the following:
 - a hand
 - a foot
 - the sight in one eye
 - a leg
 - an arm
- Loss of Independent Existence
- Loss of Speech
- Major Abdominal Aortic Surgery
- Major Head Trauma
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Myocardial Infarction (Heart Attack)
- Occupationally Acquired HIV
- Open Chest Surgery to:
 - correct coronary artery disease
 - repair or replace heart valves
- Paralysis:
 - Diplegia
 - Hemiplegia
 - Paraplegia
 - Quadriplegia
 - Tetraplegia
- Parkinson's Disease
- Primary Pulmonary Hypertension
- Severe Burns
- Total Blindness
- Total Deafness

When payments for Total Disability start and stop

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 Medical Condition

If the life insured is Totally Disabled due to an injury or illness (other than 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.

Lumley Disability Income Portfolio

Lumley Optimal Income Protection Insurance (continued)

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 Benefit 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 the policy 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?

'Partially Disabled' 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 an 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 we pay under the Partial Disability Benefit depends on whether the life insured's Partial Disability is caused by:

- a Specified Medical Condition; or
- an injury or illness other than a Specified Medical Condition.

The amount of the Partial Disability Benefit equals:

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

'A' is Pre-Disability Earnings;

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

If the life insured is Partially Disabled, and no work is available to him or her, we will substitute for 'B' an amount calculated by us as the life insured's capacity to earn.

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 (there must be at least 14 continuous days of Total Disability during the 30 day period).

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 Benefit 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 the result of the Specified Medical Condition;
- the life insured's 70th birthday; or
- the life insured dies.

Specified Injury Benefit

When we pay

The Specified Injury Benefit is payable if the life insured suffers a Specified Injury while covered under the policy.

We will pay the Specified Injury Benefit for the minimum payment period for the Specified Injury which has occurred, as shown in the table below. The Specified Injury Benefit is payable whether or not the life insured is working.

Specified Injury means	Minimum Payment Period in days
(i) The total and permanent loss of the use of the hand from the wrist or the foot from the ankle joint	365
(ii) The total and irrecoverable loss of an eye or the sight in the eye	365
(iii) The complete severance of the thumb and index finger from the first phalangeal joint on the same hand	180
(iv) The fracture of:	
(i) Leg above the knee (femur), pelvis	90
(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 Specific Injury Benefit is paid instead of the Total Disability Benefit or the Partial Disability Benefit.

The amount we pay

If the life insured is suffers a Specified Injury, we will pay the benefit as set out below.

During the first six months of a claim

The amount we pay under the Specified 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 Specified Injury Benefit, for each day of the remaining Minimum Payment Period, will be 1/365th of the lesser of 75% of the life insured's Pre-Disability Earnings 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 75%.

When payments under the Specified Injury Benefit start and stop

The Specified Injury Benefit starts to accrue when the Specified Injury occurs.

Payments under the Specified Injury 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.

Waiver of premium

If we are paying the Total Disability Benefit or the Specified Injury 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 the policy.

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 policyowner or, if the policyowner and the life insured are the same person, to the life insured's legal personal representative or a person we are entitled to pay under the Life Insurance Act.

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.

The policyowner has the option of having the claim treated as a new claim.

Immediate cover in the event of an accident

Provided the premium has been received and the Application is not replacing an existing Lumley Life policy, the cover applies immediately in respect of Total Disability caused by an accident for a period of sixty (60) days for the lesser of the

Annual Benefit amount applied for, or \$10,000 per month (on any one life).

The details of this benefit and the exclusions that apply are included on page 30.

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, Partial Disability or Specified Injury Benefit payable under the policy 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 or Social Security payments in respect of lost income (excluding any 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 the policy.

Lumley Disability Income Portfolio

Lumley Optimal Income Protection Insurance (continued)

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

Insured lump sum total and permanent disablement 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 in connection with:

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

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,
- we receive a written request from the policyowner to cancel the policy; or
- when the policy lapses due to non-payment of premiums.

Lumley Business Expense Insurance

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. Up to 100% of the life insured's business expenses may be insured under a Business Expenses Insurance policy.

The maximum initial Annual Benefit under this policy is \$300,000 per annum.

You may apply for Lumley Business Expense Insurance if you are aged 16 to 64 next birthday.

The policy 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.

The following section of the PDS contains information about the benefits available under the policy. There is also other important information you should know before deciding whether to apply for Lumley Business Expenses Insurance. The following table indicates where that information can be found:

Cooling off period – the short period of time after we issue the policy during which you can cancel the policy and obtain a refund	Page 20
Your duty of disclosure – the things you must tell us before applying for the policy, and the consequences of failing to do so	Application
Taxation – how tax impacts on premiums you pay and benefits you receive	Page 24
Enquiries or Complaints – what to do if you have an enquiry or complaint	Page 29

Some words and expressions used in this PDS have a particular meaning. Those words and expressions are defined in the Definitions section on pages 25 to 28 of the PDS.

Benefits

Standard Benefits

The following benefits are included under the Business Expenses policy.

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

You must also satisfy our claim requirements before we pay a benefit (see page 23), otherwise, benefits will be paid in the circumstances set out in this section of the PDS.

All benefits will be paid in Australian currency.

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.

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/her regular occupation; and
- is not currently working in any gainful occupation, and
- is 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 Business Expenses incurred.

Business Expenses covered by the policy

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.

Lumley Disability Income Portfolio

Lumley Business Expense Insurance (continued)

Where more than one person is responsible for generating income, Lumley Life 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:

- 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 – refer to page 25.

Partial Disability Benefit

When we pay

The Partial Disability Benefit is payable if:

- the life insured is Partially Disabled after the Waiting Period; and

<p>If Gold Cover is selected:</p> <ul style="list-style-type: none"> • Partial Disability must follow a period of Total Disability of at least 14 continuous days. 	<p>If Platinum Cover is selected and the life insured is aged:</p> <ul style="list-style-type: none"> • less than 55 years - there is no requirement for the life insured to suffer a period of Total Disability before qualifying as Partially Disabled; • between 55 and 59 years – Partial Disability must follow a period of Total Disability of at least 7 continuous days; • 60 years or more – Partial Disability must follow a period of Total Disability of at least 10 continuous days
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What does 'Partial Disability' mean?

Partial Disability means that due to suffering an illness or injury, the life insured:

- suffers a partial loss of business turnover following a period of Total Disability of at least fourteen (14) continuous days;
- 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:

- $\frac{(A-B)}{A}$ x the Annual Benefit, and
- $\frac{(A-B)}{A}$ x 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.

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 – refer to page 25.

Waiver of Premium

If the life insured suffers Disability for longer than the Waiting Period, we will refund premiums paid in that period of Disability 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.

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 was for a continuous period 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 is Total Disabled (except that Total 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 policy start date;
- 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.

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.

Benefits Which Are Optional

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

- Accident Benefit Option
- Leasepay Benefit Option

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 from the first hour of Total Disability until the expiration of the Waiting Period.

Leasepay Benefit Option

Where we have been paying the Total Disability Benefits under the Business Expenses policy for a continuous period of twelve months and the life insured is Totally Disabled under the policy, 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 under the policy;
- the date on which the Leasepay Benefit is exhausted;
- 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.

Immediate cover in the event of an accident

Provided the premium has been received and the Application is not replacing an existing Lumley Life policy, the cover applies immediately in respect of Total Disability caused by an accident for a period of sixty days for the lesser of the Annual Benefit amount applied for, or \$10,000 per month (on any one life).

The details of this benefit and the exclusions that apply are included on page 30.

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.

When we will not pay a benefit

We will not pay a benefit under the policy for any illness or injury in connection with:

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

When does cover end?

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

- attaining the age stated in the Policy Information Statement and 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), or
- when the policy lapses due to non-payment of premiums, or
- we receive a written request from the policyowner to cancel the policy; or
- at the end of the Benefit Period.

Lumley Disability Income Portfolio

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 Renewal of Cover

We guarantee to offer renewal of the policy each year until the expiry date of the cover selected.

Guaranteed Non-Cancellable

Provided the policyowner has 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. 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 Information Statement and Schedule and receive a full refund of premium(s) promptly. Your request should be in writing.

Automatic increases in insurance

Unless otherwise stated in the Policy Information Statement and 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 Statistician from time to time (or such other index as we consider appropriate).

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

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 on 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).

Premiums

Premiums

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. All fees and charges associated with the issue and management of the policy are included in the premium you pay.

How we calculate the premium

When you apply for a policy within the Lumley Disability Income Portfolio, you select the level of cover and any additional premium optional benefits. The premium rate that we apply to the policy you have selected will depend on:

- the amount of the Annual Benefit - a discount applies where the Annual Benefit exceeds \$84,000
- the life insured's age - the premium rate generally increases with increases in age
- the life insured's gender – the premium rates for disability income policies are higher for women than they are for men
- whether the life insured smokes – a higher premium rate applies to smokers
- 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 works in an occupation that involves a higher risk of accident or injury (eg jobs involving manual labour)
- 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 premium rates are an option only for Lumley Disability Income Insurance policies. 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.

However, the premium you pay will increase if you increase the Annual Benefit (for example, through automatic increases). 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.

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 are guaranteed not to increase for the currency of the policy.

If stepped premium rates apply, we can increase the rates. We will only do this if we have provided you with 3 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.

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 (see 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	X	✓	✓

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 in advance 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.

Lumley Disability Income Portfolio

Premiums (continued)

Sample premiums

Below are sample premium amounts for the Standard Benefits included in each of the policies described in this PDS. Your adviser can provide you with a personal illustration of premiums for your specific circumstances.

The premiums below are samples only and demonstrate the effect of changing some of the factors that impact on the premium calculation.

Lumley Disability Income Insurance			
37 year old male non-smoker Solicitor Annual benefit – \$60,000 Benefit Period – to Age 65 Waiting Period – 90 days No Optional Benefits	Decrease in Benefit Period to Age 60 and Level Premium	Life insured is female	Occupation is plumber
\$ 56.21 per month	\$ 76.99 per month	\$ 89.94 per month	\$ 134.91 per month

Lumley Optimal Income Protection Insurance			
37 year old male non-smoker Solicitor Annual benefit – \$60,000	Female non-smoker Clerk Annual benefit – \$45,000	Life insured is female	Occupation is plumber
\$ 47.20 per month	\$ 70.79 per month	\$ 75.51 per month	\$ 94.39 per month

Lumley Business Expenses Insurance			
37 year old male non-smoker Solicitor Annual benefit – \$60,000 Waiting Period – 30 days No Optional Benefits	Reduction in Waiting Period to 14 days	Life insured is female	Occupation is plumber
\$ 35.32 per month	\$ 52.60 per month	\$ 56.51 per month	\$ 84.76 per month

Fees and charges

The only cost associated with the issue and management of the policy are the premiums you pay.

Where premiums are paid more frequently than yearly, a frequency loading will be applied to offset the costs of the additional transactions.

Frequency	Loading of Premium
Monthly	8%
Half Yearly	6%

Any increases to these loadings will be advised to the policyowner in writing at least ninety days prior to the increase taking place.

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 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.

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. We will not consider any claim submitted more than one year after the Disability began, except in the case of certified absence of legal capacity.

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 in respect of a life insured.

Claim Information

In the event of a claim, the policyowner must at their expense provide to us:

- any medical report from a Medical Practitioner or any other person who has been, or is treating, the life insured; and
- copies of personal and business tax returns, assessment notices, financial statements and any other financial evidence reasonably required to confirm or calculate the life insured's Earned Income, Prior Earnings or earnings; and
- any other information required by us.

Payment of a benefit is subject to proof of the policyowner's entitlement in such a manner we may reasonably request. We have the right to require, from time to time, proof of the policyowner's continuing entitlement to any benefit and to reduce or terminate payment if the policyowner is no longer entitled to the benefit under the policy.

The policyowner 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. Lumley Life will waive this provision, if in the opinion of the Medical Practitioner, continued or future treatment would be of no benefit.

Medical Catastrophe claims

The Medical Catastrophe benefit is payable at the date that Lumley Life receives proof to its satisfaction that the Medical Catastrophe definition under the policy has been satisfied.

Lumley Disability Income Portfolio

Taxation

Premiums

Premiums for Disability Income Portfolio policies are generally deductible when calculating assessable income.

Benefits

Benefits payable under Disability Income Portfolio 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 different insurance policies disclosed in this PDS.

Accident

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.

Annual Benefit

For Disability Income Insurance – Is 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 policy. It is paid at the rate of one three hundred and sixty fifth (1/365th) of the Benefit for every day of Total Disability commencing on the first day after the Waiting Period.

For Optimal Income Protection Insurance – Is the amount shown in the Policy Information Statement and Schedule plus any indexation increases and less any deductions which may apply.

For Business Expenses Insurance – Is the amount shown in the Policy Information Statement and Schedule less other monies received. It is paid at the rate of one three hundred and sixty fifth (1/365th) of the Annual Benefit for every day of Total Disability.

Benefit Period

For Disability Income Insurance – Is the maximum period of time for which benefits will be paid as specified in the Policy Information Statement and 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.

Earned Income

For Disability Income Insurance – 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.

For Optimal Income Protection Insurance – 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 the share of business expenses necessarily incurred in the conduct of his/her 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 which would not be considered as part of the total income.

Illness

A disease or sickness, which becomes apparent whilst the life insured is covered under a policy described in this PDS.

Injury

This is bodily injury not caused by illness, which occurs during the life of a policy described in this PDS.

Loss or Disability

For Disability Income Insurance – Is Total (or Partial) Disability for which a benefit is payable under the policy.

For 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 policyowner or their relatives, business partners, shareholders or employees. Where the practice is outside Australia, the medical practitioner must have qualifications equivalent to Australian standards.

PDS

Means this Product Disclosure Statement.

Policy

Your policy comprising the policy document and the Policy Information Statement and Schedule.

Policy Information Statement and Schedule

The document we send you, which has your policy number and details of your cover.

Lumley Disability Income Portfolio

Definitions (continued)

Policy Commencement Date

The date from which insurance cover commences. This date is shown on your Policy Information Statement and Schedule and applies so long as the premium has been paid in full and within the specified time frame.

Policyowner

The owner of the policy as specified in the Policy Information Statement and Schedule.

Pre Disability Earnings (for Optimal Income Protection Insurance)

Means the highest average monthly Earned Income in any 12 consecutive months in the two years prior to the current claim. Pre Disability Earnings will not exceed the Annual Benefit divided by 75%.

Pre-Existing Conditions

As long as the policyowner and life insured have fully satisfied the "Duty of Disclosure", which is described in the application, the policyowner will be paid benefits for any claim arising from a pre-existing sickness or disability provided it has not been specifically excluded in the special provisions of the policy.

Prior earnings (for Disability Income and Business Expenses Insurance)

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 or in the five years immediately preceding any period of Total Disability, whichever is the greater.

Waiting Period

Is the number of days shown on the Policy Information Statement and Schedule starting from the day the life insured is Totally Disabled. It may vary subject to:

- Return to work during the Waiting Period;
- Partial Disability;
- Recurring Claim Benefit;
- Waiver of Waiting Period;
- Specific Injury Benefit; and
- Accident Benefit Option.

Medical Catastrophe Benefit and Optimal Income Protection Specified Medical Conditions 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 you 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.

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.

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 (Medical Catastrophe benefit only).

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. The diagnosis must be based on the following criteria:

- a rapidly decreasing liver size
- necrosis involving entire lobules
- rapid degeneration of liver function tests
- deepening jaundice

Liver disease secondary to alcohol usage or intravenous drug use is excluded.

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 four days. Coma directly related to alcohol abuse is excluded.

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

Means severe inflammation of brain substance which results in significant and permanent neurological sequelae as certified by a consultant neurologist.

Loss of limbs (Optimal Income Protection only)

Means loss of:

- both feet or both hands or the sight of both eyes or
- any combination of two of the following:
 - a hand
 - a foot
 - the sight in one eye
 - a leg
 - an arm

Loss means that 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; or
- irrecoverable total loss of an eye or sight in the eye.

Loss of Independent Existence

Means a condition as a result of a disease, illness or injury whereby you are totally and irreversibly unable to perform at least two of the following five 'Activities of Daily Living':

- bathing or showering;
- dressing and undressing;
- eating and drinking;
- using a toilet;
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

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 sickness. The above must be certified by two appropriate medical specialists not less than ninety days after the ability to speak was first lost.

Major Abdominal Aortic Surgery

Means the actual undergoing of surgery via a thoracotomy or laparotomy to repair or correct an aortic aneurysm, an obstruction of the aorta or a coarctation of the aorta. For the purpose of this definition aorta shall mean the thoracic and abdominal aorta but not its branches. Surgery performed using catheter techniques only are specifically excluded.

Major Head Trauma

Means neurological deficit resulting from trauma, causing at least 25% impairment of whole person function lasting more than three weeks from the date of the trauma, and likely to persist, as certified by a consultant neurologist.

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.

Lumley Disability Income Portfolio

Definitions (continued)

Motor Neurone Disease

Means amyotrophic lateral sclerosis with significant persistent neurological deficit resulting in at least 25% permanent impairment of whole person function as certified by a consultant neurologist.

Multiple Sclerosis

Means demyelination of nervous tissue. The diagnosis has to be made by a consultant neurologist confirming more than one episode of well defined neurological deficit with persisting permanent neurological abnormalities and with at least 25% impairment of whole person function (but not necessarily confined to a wheelchair). The diagnosis will be based on confirmatory neurological investigations eg. lumbar puncture, evoked visual responses, evoked auditory responses and NMR (Nuclear Magnetic Resonance) evidence of lesions of the central nervous system.

Muscular Dystrophy

Means the unequivocal diagnosis of muscular dystrophy by a consultant neurologist resulting in a permanent impairment of whole body function of at least 25%.

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,
- elevation of cardiac enzymes consistent with a Myocardial Infarction.

If ECG or enzyme evidence of infarction are unavailable or inconclusive, then Lumley Life 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 Lumley Life 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.

Open Chest Surgery

In respect of any of the following:

- coronary artery ... being open chest surgery to correct or treat coronary artery disease. Angioplasty, intra-arterial procedures and other non-surgical techniques are excluded
- repair or replacement of valves...being open chest surgery to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities.

Paralysis

- Diplegia
Means the permanent and total loss of function of both sides of the body due to injury or disease.
- Hemiplegia
Means the permanent and total loss of function of one side of the body due to injury or disease.
- Paraplegia
Means the permanent and total loss of use of both legs resulting from injury or disease.
- Quadriplegia
Means the permanent and total loss of use of both arms and both legs resulting from injury or disease.
- Tetraplegia
Means the permanent and total loss of use of the head, both arms and both legs resulting from injury or disease.

Parkinson's Disease

Means fully developed, moderately disabling disease of the extrapyramidal system clinically confirmed by a consultant neurologist, and requiring continual assistance in the activities of daily living.

Idiopathic Parkinson's supranuclear palsy and cortico-basal degeneration are included. Iatrogenic parkinsonism and parkinsonism secondary to infection or trauma are excluded.

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.

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 disease, illness or injury.

Enquiries and complaints

We will always seek to resolve complaints quickly and efficiently and with the fairest possible result. If you have any queries, please telephone us on

1800 221 142 or write to:

Complaints Officer
Lumley Life Limited
Level 9, 1 O'Connell Street, Sydney NSW, 2000.

Every effort will be made to assist you. However, if you are not satisfied, you may then refer a complaint to:

The Manager
Financial Industry Complaints Service
PO Box 579, Collins 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 advise and assist policyholders to resolve complaints with their life insurance company.

Before seeking to use the Service, a policyholder must try to resolve the complaint with the insurer directly.

Accidental Total Disability Interim Certificate Of Insurance

No Cost Accident Cover on the following terms is hereby given by Lumley Life to the person from whom it receives a fully completed application and personal statement for Disability Income Insurance, Optimal Income Protection Insurance or Business Expenses Insurance (the Application) and payment of the first premium or instalment premium (the Premium). The first premium or instalment premium is deemed to have been paid if Lumley Life has received an authorisation to collect the first premium from a financial institution.

Cover only applies if you have disclosed to Lumley Life all information required by your duty of disclosure as set out in the application form.

This Interim Accident Cover is a benefit of the policies described in this PDS. It does not represent a separate insurance policy. The remaining benefits of your policy will be issued after your application has been assessed.



The Cover

- An accidental event which causes Total Disability of the life insured prior to age 60,
- The Benefit applied for, or \$10,000 per month, for a period of six months, whichever is the lesser amount. (This is the maximum cover applicable on any one life insured irrespective of the number of applications received.)

Duration of the Cover

- Commences when Lumley Life receives the Application and the Premium (the Commencement Date)
- Terminates
 - When Lumley Life accepts or declines the Application or cancels the cover,
 - If the life insured dies or leaves Australia,
 - 60 days from the Commencement Date whichever happens first.

Exclusions

Cover will not apply if Total Disability is caused by or results from:

- Intentionally self-inflicted act or injury,
- Any medical or physical condition of the life insured existing at the Commencement Date,
- Engaging in any sport, pastime or occupation for which Lumley Life would not offer cover at standard rates,
- War, or any acts of war, whether declared or not.

Lumley Life Limited
A member of the PrefSure Holdings Group
Level 9, 1 O'Connell Street, Sydney NSW 2000
Telephone (02) 8258 8740 Facsimile (02) 8258 8746
Freecall 1800 221 142

Privacy Statement

At Lumley Life 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 Lumley from time to time, it may affect Lumley'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.

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.

Personal information will not be used or disclosed for any purpose without your consent, except where required by law.

By completing an application form or any other form, you consent to Lumley Life collecting, using, disclosing and handling your personal information as set out in this document.

You may 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 Lumley's Privacy Officer at:

Lumley Life Limited
Level 9
1 O'Connell Street
Sydney NSW 2000
Phone (02) 8258 8740 or
Fax (02) 8258 8746

** Includes Security and General Nominees Pty Limited as trustee for Lumley Life Personal Superannuation Fund.*

Lumley Disability Income Portfolio

Directory

The Company:

Lumley Life Limited

ABN 20 000 017 194

A member of the PrefSure Holdings Group

Head Office:

1 O'Connell Street

Sydney NSW 2000

Telephone: (02) 8258 8740

Freecall: 1800 221 142

Facsimile: (02) 8258 8746

Directors:

S R Swil

R H Howden

G M Black

G Z Burg

B A Edwards

I M Kirk

L M Nestadt

T B Thomas

PLEASE ATTACH PREMIUM QUOTE



PREFSURE
Holdings Limited

Lumley
ABN 20 000 017 194
Life



A member of the PrefSure Holdings Group

Application for

- **DISABILITY INCOME INSURANCE**
- **BUSINESS EXPENSES INSURANCE**
- **OPTIMAL INCOME PROTECTION INSURANCE**

IMPORTANT INFORMATION:

Before you sign this application form, be aware that the product issuer or your adviser is obliged to have provided you with a Product Disclosure Statement (PDS) containing a summary of the important information in relation to the relevant product. This information will help you to understand the relevant product and whether it is appropriate to your needs.



LIFE TO BE INSURED DETAILS

Title Given name(s) *Use BLOCK letters*

Surname

Gender Date of birth Age next birthday

M F / /

Place of birth

Marital status Occupation class

Permanent resident of Australia? Do you smoke?

Yes No Yes No

Residential address

Postcode

Home phone number Mobile phone number

()

Work phone number Fax number

() ()

Email address

**POLICYOWNER DETAILS
(IF DIFFERENT FROM ABOVE)**

Full name of policyowner

Relationship to the life to be insured (e.g. own company, family trust)

Contact phone number

()

Address for notices

Postcode

Email address

Specify the policy number(s) if increasing an existing Lumley Life insurance policy

DI BE

DISABILITY INCOME INSURANCE DETAILS

Cover type Waiting period (days)

Platinum 14 60 180 720
Gold 30 90 360

Premium Benefit period

Stepped 2 years Age 60 Age 70
Level 5 years Age 65

Additional benefits required (please tick if required)

Medical Catastrophe
Accident Benefit (14, 30 & 90 day waiting periods only)
Increasing Claim (Not available for 2 year benefit periods)

Annual Benefit Instalment premium

\$ \$

Method of payment *

Monthly 1/2 yearly Yearly

* If you choose the Monthly Payment option, please make sure that you complete the Direct Debit Request on page 11.

Please make cheques payable to "Lumley Life Limited"

**OPTIMAL INCOME PROTECTION
INSURANCE DETAILS**

Occupation class Annual Benefit

\$

Instalment premium Method of payment *

\$ Mthly 1/2 yearly Yearly

* If you choose the Monthly Payment option, please make sure that you complete the Direct Debit Request on page 11.

Please make cheques payable to "Lumley Life Limited"

OCCUPATION DETAILS

Occupation

Hours worked per week Number of years in industry

Qualifications (relevant to your occupation)

Main duties of your occupation

Nature of business or industry

--

Present employer

--

Business address

<i>Postcode</i>

Are you self employed?

No Yes How many employees do you have?

Income producing	
Non-income producing	

Date commenced **current** employment or business venture

	/		/	
--	---	--	---	--

Does your occupation involve lifting, driving or other manual duties?

No Yes Please give details in the table below

Duties	Hours per week	% Manual

Do you intend to change your occupation?

No Yes Please give details below

Type of new occupation

--

Date of intended change

	/		/	
--	---	--	---	--

Do you have a second occupation?

No Yes Please give details below

Occupation

--

Date commenced Hours per week

	/		/		
--	---	--	---	--	--

Main duties of this occupation

INCOME DETAILS

What is your annual earned income (net of business expenses, but before tax) from your **main occupation**?

\$	
----	--

Year ended 30/06/2003	\$
Year ended 30/06/2002	\$
Year ended 30/06/2001	\$

Give details of any "packaged" items e.g. superannuation, group salary continuance, telephone, motor vehicle leasing/running costs, income splitting, regular bonuses, etc

Item	Amount
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total Annual Remuneration	\$

Annual income from **second occupation** (if applicable) (net of business expenses, but before tax)

\$	
----	--

Will your income continue if you are disabled?

No Yes Please give details below including the amount, type of income and for how long e.g. sick leave 35 days; GSC \$3,000 per month for 2 years

Have you ever been declared bankrupt or entered into an arrangement under the Bankruptcy Act?

No Yes Make sure that you also complete the separate Bankruptcy Statement. **Proof of income may be required.**

BUSINESS EXPENSES INSURANCE DETAILS

Cover type Waiting period (days)

Platinum <input type="checkbox"/>	14 <input type="checkbox"/>
Gold <input type="checkbox"/>	30 <input type="checkbox"/>

Additional benefits required (please tick if required)

Accident Benefit	<input type="checkbox"/>
Leasepay Benefit	<input type="checkbox"/>

Annual Benefit

\$

Instalment premium

\$

Address of premises

<input type="text"/>
<input type="text"/>
Postcode

Leasepay sum insured

\$

Term of lease

years

Method of payment *

Monthly 1/2 yearly Yearly

* If you choose the Monthly Payment option, please make sure that you complete the Direct Debit Request on page 11.

Please make cheques payable to "Lumley Life Limited"

List your share of total ANNUAL BUSINESS expenses for:

Accounting and audit fees	\$
Business insurance premiums <i>(fire, liability, professional indemnity etc)</i>	\$
Council rates and taxes	\$
Depreciation of business equipment	\$
Leasing - specify e.g. <i>MV, business equipment</i>	\$
Locum - net cost	\$
Mortgage interest repayments	\$
Rent (business premises)	\$
Salaries including payroll tax, etc <i>(non-income producing employees only)</i>	\$
Subscriptions to prof. organisations	\$
Telephone	\$
Utilities <i>(e.g. electricity, gas, water, cleaning)</i>	\$
Other expenses <i>(specify)</i>	\$
	\$
Total	\$

What proportion of total business income is derived from your personal exertion?	<input type="text"/>	%
What amount of total business expenses are you responsible for	\$	
What was the profit before tax in the last financial year of the business	\$	

CREDIT CARD PAYMENT DETAILS

For Half Yearly or Yearly Premiums only. Complete the following details if you wish to use this option.

Type of credit card

Bankcard MasterCard VISA Amex Diners

Amount to be debited

\$

Credit card expiry date

/

Credit card number

: : : : : : : : :

Credit cardholder's name

Cardholder's signature

Date

/ /

DISCLOSURE INFORMATION

Your Duty of Disclosure

Before you enter into a contract of life insurance with an insurer, you have a duty under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you extend, vary or reinstate a contract of life insurance.

Your duty however, does not require disclosure of a matter: that diminishes the risk to be undertaken by the insurer; that is of common knowledge; that your insurer knows or, in the ordinary course of his business, ought to know; disclosure of which is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within three years of entering into it.

If your non-disclosure is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may within three years of entering into it, elect not to avoid it, but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

PRIVACY

Privacy laws protect the privacy of individuals. The way in which we collect, use, disclose and handle your information is described in the Lumley Privacy Statement. Please be aware that if you wish to provide information to us, the duty of disclosure explained in your application for insurance applies to the information you give in this form. If you fail to comply with this duty you may be in breach of it. The consequences of this are explained in your application. Please phone the Privacy Officer on 1800 221 142 or (02) 8258 8740 if you have any questions or would like to request a copy of our Privacy Policy.

DECLARATION AND SIGNATURE BY POLICYOWNER AND THE LIFE TO BE INSURED

1. I/We acknowledge that I/we have read the notice explaining **my/our duty of disclosure and understand that this duty also applies until the Application has been accepted** by Lumley Life Limited and the first premium or instalment of premium has been paid.

2. I/We have read and checked any answers not completed in my/our handwriting and to the best of my/our knowledge and belief, all the answers to the questions in this application and any supplementary application or personal statement which relate to me/us are true and correct and no information material to the assessment of this insurance has been withheld.

3. I, the proposed Life Insured, authorise and direct any medical or other practitioner to divulge at any time to Lumley Life Limited or to any lawfully constituted tribunal any and all information concerning my state of health and medical history, acquired in the course of any professional attendance or consultation. To this extent, all professional confidence and privilege is waived. I acknowledge that this authority does not in anyway diminish my duty of disclosure to Lumley Life.

4. I/We acknowledge that I/we have read and understood the Product Disclosure Statement relating to the benefits proposed. I/We acknowledge that other than any interim cover applying as outlined in the Product Disclosure Statement, no cover commences until this application has been accepted by Lumley Life and the first premium or instalment of premium has been paid.

5. I/We acknowledge that, in completing this application, I/we have (*please tick relevant boxes*):
 - provided information requested by my/our Adviser through a *Fact Finder and Needs Analysis*, and decided to purchase the policy, (and benefits) recommended;
 - chosen not to provide the information requested by the Adviser;
 - decided to purchase a policy (and benefits) that differ from the Adviser's recommendation;
 - sought no advice;
 - sought advice only about a limited range of products;
 and understand that a policy (and benefits) purchased without, or on the basis of an incomplete, *Fact Finder and Needs Analysis*, or which differs from the recommendation received, may result in a financial commitment to life insurance that may not be appropriate to my/our needs and objectives.

6. I/We consent to personal information (including any sensitive information) being collected, used and disclosed by Lumley Life Limited and its agents.

Signature of **policyowner**

X

Date

/ /

Signature of the **life to be insured**

X

Date

/ /

ADVISER'S DETAILS

The information shown on this application accurately and completely records information given by the policyowner and the life to be insured.

NB Ren
 % %

Adviser company name

Adviser code

Percentage

AFSL number

Name of contact person

Phone number

()

Email address

Signature

X

Adviser company name

Adviser code

Percentage

AFSL number

Name of contact person

Phone number

()

Email address

Signature

X

ADVISER NOTES

PERSONAL STATEMENT

OTHER INSURANCE

Tell us about your other insurance. *If you answer "Yes" to any of these questions, give details in the table below.*

1. Have you ever held or applied for any life, disability or trauma insurance that has been refused, postponed, loaded, restricted or dealt with adversely in any way?	No <input type="checkbox"/> Yes <input type="checkbox"/>
2. Have you ever claimed on any type of trauma, sickness, accident or workers' compensation insurance?	No <input type="checkbox"/> Yes <input type="checkbox"/>
3. Do you have any existing life, disability or trauma insurance?	No <input type="checkbox"/> Yes <input type="checkbox"/>
4. Are you currently applying for life, disability or trauma insurance with another company?	No <input type="checkbox"/> Yes <input type="checkbox"/>

If you answer "Yes" to any of the above questions, give details in the table below

No.	Name of company	Cover type	Sum insured	Comments	To be replaced?
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>
			\$		No <input type="checkbox"/> Yes <input type="checkbox"/>

PASTIMES

Do you engage in any hazardous activities or sports e.g. football, scuba diving, motor racing, rock climbing or aviation other than as a fare paying passenger travelling over recognised routes?

No Yes Complete the separate "Sports and Pastimes" or "Aviation" statement

Do you intend to travel/reside overseas **in the future**?

No Yes Destination

When For how long?

QUESTIONS IN CONNECTION WITH HIV/AIDS

Are you suffering from Acquired Immune Deficiency Syndrome (AIDS) or are you infected with the HIV virus or carrying antibodies to the HIV virus?	No <input type="checkbox"/> Yes <input type="checkbox"/>
Since 1980, have you used intravenous drugs, or engaged in male to male anal sexual intercourse or worked as a prostitute?	No <input type="checkbox"/> Yes <input type="checkbox"/>
Have you had sexual intercourse with someone you know or suspect to be HIV positive?	No <input type="checkbox"/> Yes <input type="checkbox"/>
Have you had a needlestick injury?	No <input type="checkbox"/> Yes <input type="checkbox"/>

Important Notice:

If you have answered "Yes" to any of the above questions, we may require you to undertake an HIV antibody test and complete a special questionnaire.

DOCTOR'S DETAILS

*Please give details of your **usual doctor or of the last doctor you attended**, if you do not have a regular G.P.*

Name of doctor

Address of doctor

Postcode

Doctor's phone number

 ()

Date of last consultation

 / /

How long have you been a patient of this doctor?

 years months

Reason for your last consultation

Result of your last consultation

MEDICAL DETAILS

Have you **ever had** any of the following? *If "Yes", please give details in the table below.*

1. Heart or vascular disorder, heart murmur, high blood pressure, pain in the chest or rheumatic fever	No <input type="checkbox"/> Yes <input type="checkbox"/>
2. Gastric or duodenal ulcer, bowel disease, colitis, hepatitis or any liver or gall bladder disease	No <input type="checkbox"/> Yes <input type="checkbox"/>
3. Epilepsy, fainting attacks or fits of any kind	No <input type="checkbox"/> Yes <input type="checkbox"/>
4. Mental illness, depression, stress or anxiety state	No <input type="checkbox"/> Yes <input type="checkbox"/>
5. Diabetes or any other pancreatic disease	No <input type="checkbox"/> Yes <input type="checkbox"/>
6. Cancer, cyst or tumour of any kind	No <input type="checkbox"/> Yes <input type="checkbox"/>
7. Disease of, or injury to, the neck or spine including back strain, disc disorder, lumbago, fibrositis, sciatica, neuritis, etc	No <input type="checkbox"/> Yes <input type="checkbox"/>
8. Tendonitis, tenosynovitis, "RSI" or muscle overuse syndrome	No <input type="checkbox"/> Yes <input type="checkbox"/>
9. Any impairment of sight or hearing	No <input type="checkbox"/> Yes <input type="checkbox"/>
10. Hernia	No <input type="checkbox"/> Yes <input type="checkbox"/>
11. Asthma, bronchitis or any lung complaint	No <input type="checkbox"/> Yes <input type="checkbox"/>
12. Anaemia, leukaemia, haemophilia or any other blood disorder	No <input type="checkbox"/> Yes <input type="checkbox"/>
13. Paralysis, stroke or cerebrovascular disease	No <input type="checkbox"/> Yes <input type="checkbox"/>
14. Kidney or bladder disease (including renal colic, nephritis, pyelitis, cystitis)	No <input type="checkbox"/> Yes <input type="checkbox"/>

15. Coughing of blood or the passage of blood from the bowel or urine	No <input type="checkbox"/> Yes <input type="checkbox"/>
16. Arthritis or gout	No <input type="checkbox"/> Yes <input type="checkbox"/>
17. Any injury, deformity or disease involving any joint or limb	No <input type="checkbox"/> Yes <input type="checkbox"/>
18. Any skin disorder	No <input type="checkbox"/> Yes <input type="checkbox"/>
19. Any other operation, disability, illness or injury	No <input type="checkbox"/> Yes <input type="checkbox"/>

For reasons other than those stated in Questions 1-19, have you in the last 5 years:

If "Yes", please give details in the table below.

20. Had any examination, advice or treatment by a medical practitioner, chiropractor or other health care professional?	No <input type="checkbox"/> Yes <input type="checkbox"/>
21. Occasionally or regularly taken any medication, drugs, stimulants, sedatives or tranquillisers?	No <input type="checkbox"/> Yes <input type="checkbox"/>
22. Been a patient in a hospital, clinic or nursing home?	No <input type="checkbox"/> Yes <input type="checkbox"/>
23. Undertaken any tests, including blood tests, ECG, X-rays, etc?	No <input type="checkbox"/> Yes <input type="checkbox"/>
24. Have you been advised to or do you intend to seek any medical advice or treatment in the near future? <i>If "Yes", give details in the table below.</i>	No <input type="checkbox"/> Yes <input type="checkbox"/>

For females only

25. Are you pregnant?	No <input type="checkbox"/> Yes <input type="checkbox"/>
<i>If "Yes", specify expected delivery date</i>	/ /

If you answered **"Yes"** to any of Questions 1 to 24, please give details in the table below. *If there is insufficient space below, please attach a separate schedule.*

No.	Name of illness, injury or test	Date commenced	Time off work	Details of treatment including date of last symptoms and degree of recovery %	Name and address of doctor or hospital (if any)

Completing this page is OPTIONAL if you are having a Medical Examination

FAMILY HISTORY

Please give details of your family medical history

Relative	Living relatives		Deceased relatives	
	Current age	Specify current state of health <i>(if not good, state reason)</i>	Age at death	Specify cause of death <i>(please state fully and exactly)</i>
Father				
Mother				
Brothers				
Sisters				

Has any near blood relative suffered from diabetes, heart disease, mental disorder or breakdown, haemophilia, Huntington's Chorea, kidney disease, high blood pressure, cancer or any hereditary disease?

No Yes Give details

ADDITIONAL MEDICAL DETAILS

Height *(without shoes)* and weight *(clothed)*

Height	<i>cm</i>	Weight	<i>kg</i>
--------	-----------	--------	-----------

Indicate your alcohol consumption habits

I have never drunk alcohol Specify:

I do not currently drink alcohol, but I used to Type:

I currently drink alcohol Quantity: *Daily Weekly*

Indicate your smoking habits *(include tobacco and other substances)*

I have never smoked Specify:

I do not currently smoke, but I used to Type:

I currently smoke Quantity: *Daily*

Date stopped *(if applicable)* / /

Have you used drug(s) not prescribed by a doctor?

No Yes Give details

ADDITIONAL INFORMATION / ADVISER COMMENTS

MEDICAL AUTHORITY

Authority to obtain a report from a Medical Practitioner or Hospital

Dear Sir/Madam – I request and authorise you to supply Lumley Life Limited with full details of my medical history including details of any clinical notes that have been made.

Please send the report to:
**Lumley Life Limited
GPO Box 5380
Sydney NSW 2001**

Name of Life to be Insured	Signature	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>



DIRECT DEBIT SERVICE AGREEMENT

1. Agreement

1.1. If you sign the attached Direct Debit Request ("DDR") you agree that you have read this agreement and the DDR (together referred to as the "Agreement") and that the Agreement sets out all of the terms by which you authorise Lumley Life Limited ("Lumley") to make debits to your account as described in the DDR ("your account").

2. Authority to Debit Your Account

- 2.1. If a premium falls due for payment to Lumley in accordance with the insurance policy you have agreed to purchase from Lumley ("premium(s)") Lumley may debit your account as specified in the DDR in the amount of that premium.
- 2.2. If a premium is payable on a day that the financial institution nominated in the DDR ("financial institution") is not open for business in New South Wales, the debit relating to the premium will be debited from your account on the next day that the financial institution is so open for business.
- 2.3. Lumley may make a debit to your account which apart from this clause would not be authorised, provided it is equal to the value of any returned unpaid debit(s) which at the time of the debit remain(s) unpaid.

3. Your Obligations

- 3.1. You will ensure that there are sufficient funds available in your account to allow each debit under this Agreement to be made.
- 3.2. You represent to Lumley that you are authorised to operate your account without any other person's signature or authority.
- 3.3. You represent to Lumley that the financial institution at which your account is held makes a direct debit facility available in respect of your account and you represent that the details of your account in the DDR are correct.
- 3.4. You will promptly advise Lumley in writing if any of the details of your account change.

4. Lumley's Rights

- 4.1. If a debit is not made in accordance with this Agreement, Lumley shall not be liable for any direct, indirect or consequential loss or damage you or any other person may suffer.
- 4.2. If a debit cannot be made to your account in accordance with this Agreement or is returned unpaid, you agree to pay Lumley any fee or charge that Lumley incurs or imposes in connection with processing the debit or Lumley's attempt(s) to do so.

5. Termination and Variation

- 5.1. You may terminate this Agreement upon giving written notice which must be received by Lumley at least 5 days before the debit is due but you may not otherwise stop payment or suspend the operation of this Agreement without Lumley's prior written agreement.
- 5.2. Lumley may:
 - terminate this Agreement without notice; or
 - vary any term of this Agreement or the value or frequency of the debit authorised by you under this Agreement upon giving you 14 days written notice.
- 5.3. Without limitation to the preceding clause, Lumley may terminate this Agreement if three or more debits are returned unpaid.

6. Confidentiality

- 6.1. Subject to Clause 6.2, Lumley will make all reasonable efforts to keep the information in the DDR secure.
- 6.2. Lumley will disclose information in the DDR when required to do so by law or in order to carry out the terms of this Agreement.

7. Dispute Resolution

If you believe that a debit to your account has been incorrectly made under this Agreement; or if you wish to inquire of Lumley the reason for a proposed variation to a term of this Agreement or the value or frequency of the debit authorised by it, you may notify Lumley in writing, by letter addressed to:

The Company Secretary, Lumley Life Ltd, GPO Box 5380, Sydney NSW 2001.

DIRECT DEBIT REQUEST

Total premium	Instalment	Frequency
\$ <input type="text"/>	\$ <input type="text"/>	Monthly <input type="checkbox"/>
Policy number		Half yearly <input type="checkbox"/>
<input type="text"/>		Yearly <input type="checkbox"/>

To: **Lumley Life Limited ABN 20 000 017 194**
("Lumley") (User ID 15339)

I/We request that monies due in accordance with my/our payment arrangements be drawn under the Direct Debit System from my/our account with: *(insert name of financial institution)*

BSB number	Account number <i>(max. 9 digits)</i>
<input type="text"/>	<input type="text"/>

Name of account to be debited

I/We acknowledge that this Direct Debit Request is governed by the terms of the Direct Debit Service Agreement above.

Customer Signature(s)	Date
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Please return this form to:
Lumley Life Limited
GPO Box 5380
Sydney NSW 2001

About the Insurer – Lumley Life

Lumley Life Limited (“Lumley Life”) has been providing quality life insurance protection to Australians for over 70 years. Lumley Life is a member of the PrefSure Holdings Group (“PrefSure”), which includes PrefSure Life Limited (ABN 79 084 524 425), a member of the international Capital Alliance Holdings group of companies (“Capital Alliance”). Capital Alliance is a multi-billion dollar financial services organisation with over 1 million policy owners and is listed on the Johannesburg Stock Exchange in South Africa.

A key feature of Capital Alliance is its financial strength, which provides the confidence for policy owners and advisers in continuing support for the PrefSure Group in Australia.

PrefSure’s aim is to be Australia’s preferred insurer. The company innovates constantly to ensure they maintain a competitive edge with exceptional customer service and was recognised by Money Management as the 2003 Risk Company of the Year.

Prefsure continues to prosper in its speciality which is designing, underwriting and managing a range of competitive life insurance products, working closely with leading insurance advisers in Australia.