

# **BT Life Protection Plans (Wrap and Wrap Essentials)**

Product Disclosure Statement and Policy Document ('PDS')



## → Contents

3	Section A: Important Information for all BT Life Protection Plans	12	Section B: BT Life Protection Plans Product Range
3	Welcome to the BT Life Protection Plans	12	BT Term Life
3	Welcome to Insurance on Wrap	30	BT Standalone Living Insurance
4	Features at a glance	44	BT Standalone Total and Permanent Disablement
8	Things to read first	49	BT Children's Benefit
8	About this PDS	51	BT Income Protection and Income Protection Plus
8	Other matters	71	Section C: Interim Accident and Sickness Cover
8	Definitions	73	Section D: Additional Information for all BT Life Protection Plans
9	How to apply	73	Premiums and Charges
9	Information you must provide – your duty of disclosure	73	Further Information
10	Assessing your application	74	Making a claim
10	When this Policy starts and your Review Date	74	Continuation Option
10	Cooling off period	75	Contact Details
11	Protection against inflation	75	Taxation treatment of your product
11	Closing Wrap Account	75	Privacy information and consents
11	Westpac Life Statutory Funds	76	Replacing your existing cover
11	This Policy has no cash value	76	Complaints

### **Who's responsible for BT Life Protection Plans (Wrap and Wrap Essentials)**

Arranger: BT Portfolio Services Ltd ('the Arranger')  
ABN 73 095 055 208  
Australian Financial Services Licence ('AFSL') Number 233 715

The Issuer of this PDS and Insurer:  
Westpac Life Insurance Services Limited ('the Issuer' and 'the Insurer')  
ABN 31 003 149 157  
AFSL 233 728

BT Portfolio Services Ltd arranges the issue of the BT Life Protection Plans (Wrap and Wrap Essentials) by Westpac Life Insurance Services Limited ('Westpac Life').

The Arranger has given and not withdrawn its consent to the PDS containing information referable to it in the form and context in which the information appears. The Arranger has not issued or caused the issue of the PDS and is not responsible for any other statements in the PDS which are not referable to it.

BT Portfolio Services Limited ('BTPS') is a subsidiary of the Westpac Banking Corporation ABN 33 007 457 141 ('Westpac'). An investment in, or acquired using Wrap or Wrap Essentials is not an investment in, or deposit with, or any other liability of Westpac or any other company in the Westpac Group. These investments are subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Neither Westpac nor any other company in the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any investments in, or acquired through Wrap or Wrap Essentials.

## → Section A: Important information for all BT Life Protection Plans

### **Welcome to the BT Life Protection Plans**

The range of market leading life insurance covers available through Wrap are called the BT Life Protection Plans and include BT Term Life, BT Standalone Living Insurance, BT Standalone Total and Permanent Disablement, BT Income Protection and BT Income Protection Plus.

This range of life insurance products are arranged by BT Portfolio Services Ltd, and the covers are provided by Westpac Life Insurance Services Limited which has been providing insurance since 1986, and has over 490,000 customers and annual in-force premiums of \$379 million<sup>1</sup> Westpac Life Insurance Services Limited and members of the BT Financial Group are wholly owned subsidiaries of Westpac Banking Corporation which has been providing banking and other financial services to Australians since 1817.

Obtaining insurance cover is simple and easy for the BT Life Protection Plans range. Your adviser has the ability to provide you with 'on the spot' insurance quotes and to lodge your application. This means that you can access insurance cover faster.

### **Welcome to Insurance on Wrap**

By applying for insurance through the Wrap platform you can benefit from the following features of Wrap:

- the convenience of consolidated reporting. You can view your insurance details online at [www.investorwrap.com.au](http://www.investorwrap.com.au) so you always know the status of your insurance and can ensure you have the right type, and amount, of cover. This can become particularly important when there are major life changes such as marriage, a mortgage, or starting a family;
- your premiums will be automatically deducted from the Wrap Cash Account. A drawdown process is in place to ensure insurance premiums are paid if the Wrap Cash Account has insufficient funds. This feature will help you ensure your premiums are always paid on time;
- your adviser will also be able to view all your insurance details on the same system that records your investments. That means your adviser can provide integrated advice as they seek to both grow and protect your wealth; and
- your adviser can track your insurance applications online and keep you updated on their status.

<sup>1</sup> Figures as at 1 April 2009 and excludes group life customers and related premium amounts.

→ Features at a glance

The BT Life Protection Plans offer the option of BT Term Life, BT Standalone Living Insurance, BT Standalone Total and Permanent Disablement, BT Income Protection and BT Income Protection Plus cover. Below are some of the key features offered. Go to the page specified for full information on each cover.

	BT Term Life	BT Standalone Living Insurance										
<b>Who needs this?</b>	People who want to cover their debt and protect their beneficiaries.	Anyone who is concerned about protecting themselves.										
<b>How does this help you?</b>	A benefit payable on death or terminal illness, with options for additional protection: → on Total and Permanent Disability; or → on suffering a specified medical event or undergoing specified surgery.	A benefit payable on suffering a specified medical event.										
<b>Eligibility</b>	<table border="1"> <thead> <tr> <th>Benefit</th> <th>Entry age<sup>2</sup></th> </tr> </thead> <tbody> <tr> <td>Death &amp; Terminal Illness</td> <td>15-69</td> </tr> <tr> <td>Future Insurability</td> <td>15-64</td> </tr> <tr> <td>TPD &amp; Living</td> <td>15-59</td> </tr> </tbody> </table>	Benefit	Entry age <sup>2</sup>	Death & Terminal Illness	15-69	Future Insurability	15-64	TPD & Living	15-59	Entry age <sup>1</sup> : Ages 15-59		
Benefit	Entry age <sup>2</sup>											
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<b>Availability</b>	<table border="1"> <thead> <tr> <th>Benefit</th> <th>Expiry</th> </tr> </thead> <tbody> <tr> <td>Death &amp; Terminal Illness</td> <td>Last Review Date before the Insured Person's 99th birthday.</td> </tr> <tr> <td>Future Insurability</td> <td>Last Review Date before the Insured Person's 65th birthday.</td> </tr> <tr> <td>TPD</td> <td>Last Review Date before the Insured Person's 65th birthday. Continuation of cover may be offered, otherwise cover reverts to 'General Cover' definition which ceases on last review date prior to the Insured Person's 99th birthday.</td> </tr> <tr> <td>Living</td> <td>Last Review Date before the Insured Person's 65th birthday.</td> </tr> </tbody> </table>	Benefit	Expiry	Death & Terminal Illness	Last Review Date before the Insured Person's 99th birthday.	Future Insurability	Last Review Date before the Insured Person's 65th birthday.	TPD	Last Review Date before the Insured Person's 65th birthday. Continuation of cover may be offered, otherwise cover reverts to 'General Cover' definition which ceases on last review date prior to the Insured Person's 99th birthday.	Living	Last Review Date before the Insured Person's 65th birthday.	Expiry: Last review date before the Insured Person's 65th birthday
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Living	Last Review Date before the Insured Person's 65th birthday.											
<b>Key features</b>	<p><b>Standard benefits</b></p> <ul style="list-style-type: none"> <li>→ <b>Death:</b> Pays a benefit if the Insured Person dies before the Death Benefit ends.</li> <li>→ <b>Terminal Illness:</b> Pays a benefit if the Insured Person suffers a terminal illness or condition and is not expected to live more than 12 months.</li> <li>→ <b>Future Insurability:</b> Allows you to increase the Death Benefit without further health evidence when a special event occurs.</li> <li>→ <b>Financial Planning:</b> Reimburses up to \$5,000 (in addition to the Death Benefit) to cover the cost of obtaining financial advice following an eligible claim.</li> <li>→ <b>Funeral Advancement:</b> Advances you 10% of the Death Benefit, up to \$25,000 of the Death Benefit to cover funeral expenses and immediate costs following the Insured Person's death.</li> </ul> <p><b>Optional Benefits</b> (available at an additional cost)</p> <ul style="list-style-type: none"> <li>→ <b>TPD:</b> Pays a benefit if the Insured Person becomes Totally and Permanently Disabled or Partially and Permanently Disabled. The Waiver of Life Premium option is also available with the TPD Benefit.</li> <li>→ <b>Living:</b> Pays a benefit if the Insured Person suffers a specified medical event. You are automatically entitled to buy back your Death Benefit 1 year after a Living Benefit payment.</li> <li>→ <b>Buying back your Death Benefit:</b> Allows you to buy back some of your benefits in a variety of ways.</li> <li>→ <b>Multi-link:</b> This benefit is suitable for the purpose of business loan protection for two or more business owners. It enables each business owner to be insured for the full amount of a business loan.</li> </ul>	<p><b>Standard benefits</b></p> <ul style="list-style-type: none"> <li>→ <b>Living:</b> Pays a benefit if the Insured Person suffers a specified medical event, and subsequently survives 14 days.</li> <li>→ <b>Death:</b> Pays \$10,000 if the Insured Person suffers a specified serious medical event, and dies within 14 days.</li> <li>→ <b>Financial Planning:</b> Reimburses up to \$5,000 (in addition to the Living Benefit) to cover the cost of obtaining financial advice following an eligible claim.</li> </ul> <p><b>Optional Benefits</b> (available at an additional cost)</p> <ul style="list-style-type: none"> <li>→ <b>Reinstating the Living Benefit:</b> Allows you to reinstate the Living Benefit without further health evidence 1 year after we have paid you a Living Benefit.</li> </ul>										

1\_Entry age is the Insured Person's current age.

2\_The Insured Person's occupational category will determine the choices

available to you. Please see your adviser for more information.

BT Standalone Total & Permanent Disablement	BT Income Protection	BT Income Protection Plus
People who are concerned about their debt and loss of income. A benefit payable on becoming Totally and Permanently Disabled, or Partially and Permanently Disabled.	Anyone who needs to replace their income if they are not working. A regular monthly income if the Insured Person becomes disabled because of Sickness or Injury and is unable to work.	Anyone who needs to replace their income if they are not working. A regular monthly income if the Insured Person becomes disabled because of Sickness or Injury and is unable to work, together with a number of additional benefits.
Entry age <sup>1</sup> : Ages 15-59	Entry age <sup>1</sup> : Ages 17-59.	Entry age <sup>1</sup> : Ages 17-59.
Expiry: Last Review Date before the Insured Person's 65th birthday. Continuation of cover may be offered, otherwise cover reverts to General Cover definition which ceases on last Review Date prior to their 99th birthday.	Expiry: Last Review Date before the Insured Person's 65th birthday. Continuation of cover under different terms may be offered after this date.	Expiry: Last Review Date before the Insured Person's 65th birthday. Continuation of cover under different terms may be offered after this date.
There are four different types of TPD definitions depending on the level of protection required, circumstances and other factors <sup>2</sup> . These are called: → Any Occupation → Own Occupation → Home Duties → General Cover <b>Standard Benefits</b> → <b>TPD:</b> Pays a benefit if the Insured Person becomes Totally and Permanently Disabled or Partially and Permanently Disabled. → <b>Limited Death:</b> Pays \$10,000 if the Insured Person dies and the TPD Benefit has not been paid. → <b>Financial Planning:</b> Reimburses up to \$5,000 (in addition to your TPD Benefit) to cover the cost of obtaining financial advice following an eligible claim.	<p><b>Choices available to you<sup>2</sup></b></p> <ul style="list-style-type: none"> <li>→ <b>Waiting Period:</b> You can choose a Waiting Period of 14, 30, 90, 180 or 720 days.</li> <li>→ <b>Benefit Period:</b> You can choose a Benefit Period of two years, five years or to age 65.</li> <li>→ <b>Agreed Value or Indemnity:</b> Choose between an Agreed Value benefit type and receive a pre-determined amount of monthly benefit or choose an Indemnity benefit type and have the Insured Person's income assessed at time of claim.</li> </ul> <p><b>Standard benefits</b></p> <ul style="list-style-type: none"> <li>→ <b>Total Disability:</b> Pays a monthly benefit if the Insured Person is Totally Disabled because of Injury or Sickness and is unable to work.</li> <li>→ <b>Partial Disability:</b> Pays a monthly benefit if, because of the Injury or Sickness, the Insured Person is on reduced duties and earning less than before they became disabled.</li> <li>→ <b>Elective Surgery:</b> Pays a monthly benefit if the Insured Person is disabled because of a transplant (where they are the donor) or cosmetic surgery.</li> <li>→ <b>Rehabilitation Expense:</b> Pays a benefit to meet rehabilitation costs incurred while Totally Disabled.</li> </ul> <p><b>Other features</b></p> <ul style="list-style-type: none"> <li>→ Waiver of premium whilst on claim; and</li> <li>→ Income Protection cover can continue even if the Insured Person is unemployed.</li> </ul>	<p>In addition to BT Income Protection you have access to the following benefits:</p> <p><b>Additional benefits</b></p> <ul style="list-style-type: none"> <li>→ <b>Change of Waiting Period:</b> Allows you to reduce the Waiting Period without further health evidence if the Insured Person changes jobs.</li> <li>→ <b>Nursing Care:</b> Pays a benefit if the Insured Person is confined to a bed for more than 3 days during the Waiting Period.</li> <li>→ <b>Specified Injury:</b> Pays a monthly benefit for a specified period if the Insured Person suffers certain serious injuries, whether or not they are able to return to work.</li> <li>→ <b>Crisis:</b> Pays a monthly benefit for 6 months if the Insured Person suffers specified critical illnesses or undergo specified surgery, whether or not they are able to return to work.</li> <li>→ <b>Death:</b> Pays a benefit if the Insured Person dies while you are entitled to benefit payments.</li> <li>→ <b>Transport from overseas:</b> Pays a benefit to enable the Insured Person to return to Australia if they become Totally Disabled while overseas.</li> <li>→ <b>Accommodation:</b> Pays a benefit to assist in the accommodation costs of a family member who has to travel from their usual residence to be with the Insured Person.</li> <li>→ <b>Family Care:</b> Pays a monthly benefit to help cover the lost income of a family member if they have to stop work to look after the Insured Person.</li> <li>→ <b>Home Care:</b> Pays a monthly benefit to help cover the cost of a professional home carer if required.</li> </ul> <p><b>Optional benefits</b> (available at an additional cost)</p> <ul style="list-style-type: none"> <li>→ <b>Accident:</b> Pays a benefit if the Insured Person is Totally Disabled for more than 3 days during the Waiting Period due to Injury.</li> <li>→ <b>Superannuation Contribution:</b> Allows you to insure up to 80% of the Insured Person's Monthly Earnings if they are making superannuation contributions.</li> </ul>

→ Features at a glance (continued)

	BT Term Life	BT Standalone Living Insurance
<b>CPI Indexation</b>	You can increase your cover by the Consumer Price Index (CPI).	
<b>Interim Accident and Sickness Cover</b>	Whilst your application is being considered you will be provided with free Interim Death Benefit, you applied for) until your insurance cover is accepted or declined by the Insurer (subject to a	
<b>Continuation Option</b>	If you cease to be a Wrap Account Holder or the nominated Wrap Account is closed, you have the	
<b>Worldwide Cover</b>	Full cover is provided 24 hours a day, anywhere in the world.	
<b>Guaranteed Upgrades</b>	Your policy is automatically upgraded with new features and benefits as they become available (if	
<b>Easy payment process</b>	Your premiums will be automatically deducted from the Wrap Account Holder's Wrap Cash Account	
<b>What does it cost?</b>	Your insurance costs include the following: → your insurance premiums, including Stamp Duty (if applicable) <sup>1</sup> ; and → monthly insurance administration fee of \$7.03 <sup>2</sup> . Your adviser can provide you with an exact amount of the insurance premium and other costs	
<b>What commission is paid?</b>	We will pay BT Portfolio Services Ltd a commission for selling this product. A proportion of this Details of the relevant commissions will be set out in the Financial Services Guide (FSG) and Statement	
<b>For more information go to page</b>	12	30

BT Standalone Total and Permanent Disablement	BT Income Protection	BT Income Protection Plus
Interim Total and Permanent Disablement Benefit, Interim Living Benefit and Interim Income Protection Benefit (depending on which cover maximum period of 60 days).		
option to apply for a similar insurance policy with the Insurer (outside of Wrap).		
they don't result in an increase of premium).		
to help you ensure your premiums are always paid on time.		
applicable to your cover.		
commission may be passed onto your adviser or dealer group. These commissions are paid by us and are not an additional cost to you. of Advice (SoA) which your adviser or dealer group will provide to you. Please refer to section D.1.3.b for more information.		
44	51	51

1\_Your premium is calculated when your insurance begins and is recalculated at each Review Date. Your premium depends on a number of factors. For more information see section D.1.2.

2\_Figure as at the date of this document, and amount will be indexed according to CPI each subsequent year.

## → Section A: Important Information for all BT Life Protection Plans

### Things to read first

#### 1\_About this PDS

##### a\_The BT Life Protection Plans

This PDS contains important information about the following products, which are collectively referred to as the 'BT Life Protection Plans':

- BT Term Life;
- BT Standalone Living Insurance;
- BT Standalone Total and Permanent Disablement;
- BT Income Protection; and
- BT Income Protection Plus.

Any insured benefit to which you may be entitled will be paid in addition to your Wrap Account balance.

##### b\_Keep this booklet safe

You will be forwarded a 'Policy Schedule' once your application has been approved. Your Policy Schedule sets out the details of the insurance we provide you. This PDS contains important information about the BT Protection Plans. This PDS and Policy Schedule are evidence of your contract with us ('Policy'). You should keep this PDS and Policy Schedule in a safe place. You should read this PDS and the Policy Schedule carefully.

#### 2\_Other matters

##### a\_Changes to this PDS

The information in this PDS may change from time to time. When such a change is materially adverse, we will issue a supplementary or replacement PDS. When such a change is not materially adverse, the updated information in this PDS will be available to you at any time at [www.investorwrap.com.au](http://www.investorwrap.com.au) or by contacting your adviser. You can ask for a paper copy of such information free of charge by contacting us.

##### b\_PDS must be received in Australia

The offer made in this PDS is only available to persons receiving it (electronically or otherwise) in Australia and applications from outside Australia will not be accepted.

##### c\_Is this product suitable for you

The information in this PDS does not take account of your financial situation, objectives or needs. Before acting on any information in this PDS, you should consider whether the product is appropriate to your financial situation, objectives or needs.

#### 3\_Definitions

In this PDS:

- the person whose life is to be insured is called the '**Insured Person**'. There may be up to 5 Insured Persons. The name of each Insured Person is in the Policy Schedule under the heading, Insured Person
- the person to whom the benefit is paid is called the '**Policy Owner**'. Their name is on the Policy Schedule under the heading, Policy Owner. The Insured Person need not be the Policy Owner
- '**we**', '**us**' and '**our**' refers to Westpac Life Insurance Services Limited
- for BT Life Protection Plan products, '**you**' and '**your**' refer to the Policy Owner
- '**Review Date**' is the anniversary of the date your insurance cover started
- '**Term Life**' refers to the BT Term Life product
- '**Standalone Living Insurance**' refers to the BT Standalone Living Insurance product
- '**Standalone Total and Permanent Disablement**' refers to the BT Standalone Total and Permanent Disablement product
- '**Income Protection**' refers to the BT Income Protection product
- '**Income Protection Plus**' refers to the BT Income Protection Plus product
- '**Wrap**' refers to the Wrap and Wrap Essentials
- '**Wrap Account**' refers to the Wrap or Wrap Essentials Account from which the Policy premium is deducted
- '**Wrap Account Holder**' refers to the holder(s) of the Wrap Account from which Policy premiums are to be deducted.

## 4 How to apply

### a Integrated Insurance and Wrap

The BT Life Protection Plans are only available to you through the Wrap platform. Please note you cannot apply for these products unless there is, or will be, a Wrap Account to which your Policy can be linked.

You can only hold this insurance if there continues to be a Wrap Account to which the Policy is linked.

### b Application form

You can apply for a BT Life Protection Plans product by completing the application form attached to this PDS, or by completing an online form with your adviser. You must lodge the application through your adviser.

### c Personal Statement

The Insured Person will need to complete and lodge a personal statement, which asks questions about their health and medical history, occupation, financial information, pursuits, pastimes and other details we require to assess an insurance application. In some cases, we may require further information for example a medical examination, blood tests or more detailed financial information. Privacy legislation protects all personal information and gives you and each Insured Person rights in regard to the way we handle that information. Full information on Privacy can be found on page 76.

When completing the application form and Personal Statement or providing other information you and each Insured Person must comply with the duty of disclosure as outlined below in section A.5.

## 5 Information you must provide – your duty of disclosure

### a What your duty requires

Before you enter into a contract of life insurance with an insurer, you must, under the Insurance Contracts Act 1984, 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 the 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.

### b What your duty does not require

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 its business, ought to know; or
- as to which compliance with your duty is waived by the insurer.

Your duty of disclosure extends beyond the time of your completion of the application up until the time the insurer accepts the application and issues a Policy.

### c This Policy is based on the fact that you and each Insured Person:

- filled in the application form, the Personal Statement and any other form or information we requested, completely and accurately; and
- read and understood the material on these forms. This is very important.

This will help us determine:

- whether to provide the insurance;
- how much to charge for it; and
- whether any special conditions apply.

If you and any Insured Person complete an application online with your adviser, you and each Insured Person must ensure that the information provided on the application form, Personal Statement(s) and any other form is true and correct and that you and each Insured Person have not withheld any information material to the application. In addition, both you and each Insured Person must read, check and understand the information submitted to us.

## → Section A: Important Information for all BT Life Protection Plans

If the health, occupation or pastimes of any Insured Person has changed between the time you and that Insured Person filled in any of the forms that we required, and the time we issue your Policy Schedule to you, you must tell us. If you have not already told us, you must do so now.

### **d\_What happens if you or any Insured Person does not follow these instructions**

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 3 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 3 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.

So, if you think that either you, or any Insured Person, may not have followed the instructions, please tell us now.

## **6\_Assessing your application**

### **a\_What happens after we assess your application**

Once we have received all the required information your application will be assessed.

We may offer to provide insurance that is different to what you applied for. For example, we may offer insurance for a lower amount, at a higher premium<sup>1</sup> or with certain exclusions applying for certain types of claims. When this happens, we will notify you and obtain your agreement to proceed with the application on these terms. In some cases we will not be able to accept your application for cover. We will write and tell you if this occurs.

### **b\_Interim Accident and Sickness Cover**

After we have received a fully completed application form and Personal Statement and while we are assessing your application, we will provide you with Interim Accident and Sickness Cover. For full details of this cover refer to Section C of this PDS.

## **7\_When this Policy starts and your Review Date**

Your insurance cover commences once we accept your application and issue you a Policy Schedule. The Policy Commencement Date is listed in the Policy Schedule.

Once each year we review the premium that you pay. We call this the 'Review Date'. This is the anniversary of the date your Policy started and is shown in the Policy Schedule.

## **8\_Cooling off period**

When you receive your insurance documents, please read these carefully. If you are not completely satisfied you may cancel your insurance. You have until the earlier of:

- 19 days from the day your insurance commenced; or
- 14 days after you receive your insurance documents.

If you would like to cancel your insurance within this cooling off period, please contact your adviser. When we receive your advice to cancel, we will cancel the insurance from the Policy Commencement Date and refund any payments you have made less any tax that may apply to your premium.

Please note that you cannot exercise the right of cooling off if you have already made a claim under the Policy.

## 9\_Protection against inflation

### a\_Consumer Price Index (CPI)

To ensure the value of your benefits keep up with the cost of living, we will automatically increase the amount of your benefits each year on your Review Date in line with increases in the CPI. The increase we make to your benefits will normally be based on the weighted average CPI of eight capital cities combined, published by the Australian Bureau of Statistics or its successor over the 12 month period ending 31 March each year. It will apply from the Review Date in the following year.

Benefits under Term Life, Standalone Living Insurance and Standalone Total and Permanent Disablement are, subject to a minimum CPI increase of 3% a year.

Benefits under Income Protection and Income Protection Plus are also subject to a CPI increase each year (there is no minimum).

### b\_Declining the CPI increase

You may decline this increase by advising us in writing within 30 days of the Review Date. You may also request in writing that indexation increases never apply again. In this case, we may agree to a subsequent request to restart indexation increases, but we may ask you for information on the Insured Person's health, occupation or pastimes. If any of these have changed, we may not restart CPI indexation.

## 10\_Closing Wrap Account

If the Wrap Account Holder closes their Wrap Account, and the Policy Owner(s) fail to nominate another Wrap Account, the linked Policy will be automatically cancelled. Please note that claims will not be accepted after the date the Wrap Account is closed.

However, investors will have the ability to take up a continuation option for a separate policy outside of Wrap issued by Westpac Life. Refer to section D.4 for more details.

## 11\_Westpac Life Statutory Funds

Westpac Life will place your premiums into a fund called the Westpac Life Insurance Services Limited No.1 Statutory Fund for Term Life and Standalone TPD and a fund called the Westpac Life Insurance Services Limited No.4 Statutory fund for all other BT Life Protection Plan products. Westpac Life pays your respective benefits from these funds.

## 12\_This Policy has no cash value

The BT Life Protection Plans do not allow you to share in any profit or surplus, and your Policy does not have a surrender or cash value. If you cancel your insurance at any time except within the cooling off period, you will not be entitled to any payment.

## → BT Life Protection Plans Product Range

### Section B: BT Term Life

#### Examples of typical life insurance<sup>1</sup>

Geoffrey was a small business owner who took out a Term Life policy for \$1,000,000 12 years ago, nominating his wife, Vesna, as sole beneficiary. Geoffrey's cover was automatically increased with the Consumer Price Index (CPI) so that the benefit would keep pace with inflation.

Geoffrey died after becoming ill with melanoma. Vesna lodged a claim with us and a payment of \$1,163,775 was made (given that the rest of the policy terms and conditions were satisfied). The automatic CPI increase to Geoffrey's benefit saw his cover increase by \$163,775 over the life of his policy.

As Geoffrey had nominated his wife as his sole beneficiary, we were able to pay the claim in a timely fashion, protecting Vesna from financial stress during a time of great grief.

Some examples of life insurance claims paid by Westpac Life:

Cause	Skull fractures	Cardio/respiratory failure	Industrial accident
Occupation	Tree Surgeon	Accountant	Chemist
Age at claim	34	65	40
Years in force	4 years	8 years 6 months	13 years
Amount paid	\$365,115	\$852,061	\$374,178

Source: Claims data from Westpac Life Insurance Services Limited.

## BT Term Life

### 1\_Introduction

Term Life pays a benefit if the Insured Person dies or suffers a terminal illness. It can insure the lives of up to five people. Under this Policy we will pay you (or your Beneficiaries — see section B.2.4 on page 13) a benefit if any Insured Person dies. We call this a 'Death Benefit'. We may also pay you a benefit if any Insured Person suffers a terminal illness.

For an additional cost, optional benefits such as a TPD Benefit can be added to the Policy. These are set out in the table below.

Benefit	Description	For full details see page
<b>Standard benefits</b>		
<b>Death</b>	Pays a benefit if the Insured Person dies before the Death Benefit ends.	14
<b>Terminal Illness</b>	Pays a benefit if the Insured Person suffers a terminal illness or condition and is not expected to live more than 12 months.	14
<b>Future Insurability</b>	Allows you to increase the Death Benefit without further health evidence when a special event occurs.	15
<b>Financial Planning</b>	Reimburses up to \$5,000 (in addition to your Death Benefit) to cover the cost of obtaining financial advice following an eligible claim.	17
<b>Funeral Advancement</b>	Advances you 10% of the Death Benefit, up to \$25,000 of the Death Benefit to cover funeral expenses and immediate costs following the Insured Person's death.	18
<b>Loyalty</b>	Rewards your loyalty by adding 5% to your Death, Living and TPD Benefit when you hold a policy for more than 3 years <sup>2</sup> .	29
<b>Optional benefits (available at an additional cost)</b>		
<b>TPD</b>	Pays a benefit if the Insured Person becomes Totally and Permanently Disabled. A benefit may also be payable on partial disability. → Waiver of Life Premium Benefit: Waives all premiums payable on a Term Life policy if the Insured Person is Totally and Temporarily Disabled.	18
<b>Living</b>	Pays a benefit if the Insured Person suffers a specified serious medical event. You are automatically entitled to buy back your Death Benefit one year after a Living Benefit payment.	23
<b>Buying Back your Benefits</b>	Allows you to buy back some of the benefits in a variety of ways.	26
<b>Multi-link</b>	This benefit is suitable for the purpose of business loan protection for two or more business owners. It enables each business owner to be insured for the full amount of a business loan.	28

<sup>1</sup>For illustrative purposes only. The above is a case study of a real life example from a claim paid by Westpac Life, the insurer, for a similar product. Names have been altered and the

example demonstrates how this product may be able to aid you in times of need. Your adviser will be able to assist you in determining the appropriate cover for you.

<sup>2</sup>From the later of the Policy Commencement Date and 19 October 2009.

## 2\_How BT Term Life works

### 2.1\_Eligibility

Age Limits		
Benefit	Entry age*	Expiry age
Death	15-69	The last Review Date prior to the Insured Person's 99th birthday
Terminal Illness	15-69	The last Review Date prior to the Insured Person's 99th birthday
Future Insurability	15-64	The last Review Date prior to the Insured Person's 65th birthday
TPD	15-59	The last Review Date prior to the Insured Person's 65th birthday. Continuation of cover may be offered, otherwise cover reverts to the General Cover definition which ceases at the Review Date prior to the Insured Person's 99th birthday.
Living	15-59	The last Review Date prior to the Insured Person's 65th birthday

\*Entry age is the Insured Person's current age.

### 2.2\_Who is the Insured Person and who is the Policy Owner

You can apply for a Term Life Policy on your own life, in which case you are the Insured Person as well as the Policy Owner. You can also apply for a Term Life Policy on someone else's life (for example your spouse or partner), in which case the other person is the Insured Person and you are the Policy Owner.

Up to a maximum of five people can own the Policy and each Policy Owner will own the Policy jointly. The Policy Owner(s) pay premiums that are due under the Policy. When a Policy Owner dies, ownership of the Policy automatically goes to the surviving Policy Owners. If all Policy Owners have died, and the Policy has not ended (see section B.15 on page 29), the Policy Owner is the estate of the last surviving Policy Owner.

For each Insured Person, you apply for the amount of Death Benefit you wish to insure this person for. You can also apply for increased protection with a TPD Benefit and/or a Living Benefit. The amount you apply to insure for under each of these benefits can be different to, but no more than, the Death Benefit amount.

### 2.3\_Who receives any benefits payable

The Policy Owner will receive any benefits that become payable, except for a Death Benefit when there is a nominated Beneficiary. A 'Beneficiary' is a person who is paid a Death Benefit or share of a Death Benefit at your direction.

If there is no nomination of Beneficiaries and the Insured Person dies, the Death Benefit is paid equally between the surviving Policy Owners. If there are no surviving Policy Owners, and the Policy has not ended (see section B.15 on page 29), the benefit goes to the estate of the last surviving Policy Owner.

### 2.4\_Nominating a Beneficiary

You may nominate up to five Beneficiaries to receive a Death Benefit subject to the following rules:

- a nominated Beneficiary must be a natural person, corporation or trust;
- if a nominated Beneficiary dies or the corporation or trust ceases to exist before a claim is made under the Policy and no change in nomination has been made, then any money otherwise payable to that Beneficiary will be paid to the Policy Owner or their estate;
- if ownership of the Policy is assigned or transferred to another person or entity, then any previous nomination becomes invalid. If your nomination has lapsed in whole or in part the Death Benefit or relevant share of the Death Benefit will be paid to you or your estate; and
- you can change your nomination at any time before the Death Benefit becomes payable by sending us written notice of the change.

## → Section B: BT Term Life (continued)

### **3\_Death Benefit**

#### **3.1\_Availability**

You can apply to insure any person aged from 15 to 69.

#### **3.2\_When we will pay**

We will pay a benefit if the Insured Person dies before the Death Benefit ends (see section B.3.6 below).

#### **3.3\_What we will pay**

We will pay the amount of the Death Benefit for the Insured Person as shown in the Policy Schedule:

- increased by Future Insurability Benefit increases (see section B.5 on page 15);
- increased by us if any CPI or Loyalty Benefit increases have been applied;
- reduced by any TPD Benefit (including a TPD Partial Benefit) or Living Benefit (including an Advancement Benefit) paid or payable under the Policy for that Insured Person; and
- increased by any Death Benefit increases following buy back (see section B.11 on page 26).

#### **3.4\_When we will not pay**

We will not pay a Death Benefit if the Insured Person commits suicide (whether sane or insane) within 13 months of the later of:

- the Death Benefit for the Insured Person starting under this Policy;
- for an increase in the Death Benefit for the Insured Person, the date we increase the Death Benefit (other than a CPI or Loyalty Benefit increase); or
- the date this Policy was last reinstated.

We will not pay a Death Benefit if death was caused by any event or condition covered by an exclusion shown in the Policy Schedule.

#### **3.5\_What happens after we pay**

After we pay a Death Benefit, all benefits for that Insured Person end.

#### **3.6\_When this benefit ends**

The Death Benefit for an Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 99th birthday;
- we pay the Death Benefit for the Insured Person;
- the Death Benefit amount for the Insured Person is reduced to zero because we have paid a Terminal Illness, TPD or Living Benefit;
- you write and request us to cancel the Death Benefit for the Insured Person; or
- your insurance cover ends (see section B.15 on page 29).

### **4\_Terminal Illness Benefit**

#### **4.1\_Availability**

The Terminal Illness Benefit is automatically included with a Death Benefit.

#### **4.2\_When we will pay**

We will pay a benefit if the Insured Person suffers an illness or condition before this benefit ends (see section B.4.7 on page 15), and as a result of this he or she is not expected to live more than 12 months.

#### **4.3\_What we will pay**

We will pay the amount of the Death Benefit for the Insured Person at that time.

**4.4\_What evidence we require**

We will require the Insured Person's treating registered specialist medical practitioner to confirm in writing their opinion that the Insured Person has a terminal illness. You must pay for this report. We may require confirmation of the diagnosis by a registered medical practitioner of our choice and ask for any other medical reports we require. We will pay for these additional reports (see section D.3 — Making a claim — for more details).

**4.5\_When we will not pay**

A Terminal Illness Benefit will not be paid if the illness or condition giving rise to the claim was caused by an event or condition covered by an exclusion shown in your Policy Schedule.

**4.6\_What happens after we pay**

After we pay a Terminal Illness Benefit, all benefits for that Insured Person end.

**4.7\_When this benefit ends**

The Terminal Illness Benefit for an Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 99th birthday;
- we pay the Terminal Illness Benefit for the Insured Person;
- the Death Benefit amount for the Insured Person is reduced to zero because we have paid a TPD or Living Benefit;
- you write and request us to cancel the Death Benefit for the Insured Person; or
- your insurance cover ends (see section B.15 on page 29).

**5\_Future Insurability Benefit****5.1\_Availability**

The Future Insurability Benefit enables you to increase the Death Benefit for an Insured Person without providing further health evidence when one of the special events listed in section B.5.3 occurs.

The minimum increase per special event is \$25,000 and the maximum increase per special event is listed in section B.5.3 on page 16.

**5.2\_Applying**

You must apply for the increase in writing within 30 days of a personal event or within 30 days of the Review Date of the insurance cover immediately following a business event.

There can only be one increase in an Insured Person's Death Benefit under the Future Insurability Benefit in any 12 month period.

Your premium will increase to reflect the increase in cover. The increased cover does not apply until we have confirmed it in writing.

If you wish to increase your cover under this benefit, contact us and we will forward you the relevant forms to complete and evidence required. The evidence must be satisfactory to us, and demonstrate that the Personal Event or Business Event has occurred.

**5.3\_Maximum increase of Death Benefit for special events**

Personal events		Maximum increase per special event
<b>Marriage</b>	The Insured Person marries (which is recognised by an Australian Court).	The lesser of: → \$200,000; or → 25% of the original Death Benefit.
<b>A de facto spouse</b>	The first anniversary of the Insured Person living with another person (of the same or opposite sex) as de facto spouse on a continuous and bona fide domestic basis.	
<b>Birth or adoption</b>	The Insured Person or their spouse or de facto spouse gives birth to or adopts a child.	
<b>Mortgage</b>	The Insured Person takes out a Mortgage, or increases the original amount borrowed under an existing mortgage, to buy or improve their home.  'Mortgage' means a loan secured by a first mortgage over the Insured Person's principal place of residence. The Mortgage must be with an approved deposit- taking institution, credit union, building society or any other mortgage provider that we agree to.	The lesser of: → \$200,000; → 50% of the original Death Benefit; or → the amount of the new Mortgage or increase in the original amount borrowed under an existing Mortgage as applicable.
<b>Salary increase</b>	The Insured Person's annual salary package increases by at least \$10,000 a year.  The salary package does not include irregular payments such as bonuses or commissions that may not continue to be made in future.	The lesser of: → \$200,000; → 25% of the original Death Benefit; or → five times the annual amount of salary package increase.
An increase under the Future Insurability Benefit for a Personal Event will not occur if it would result in the total of all increases in Death Benefits for an Insured Person (under all policies with us) without health evidence (other than CPI and Loyalty Benefit increases) exceeding the lesser of \$1 million and the original Death Benefit for the Insured Person.		
Business events		Maximum increase per special event
<b>Value of key person in your business increases</b>	The Insured Person is a key person in their business and their value to the business increases.  The Insured Person's value to the business is their remuneration package, excluding discretionary benefits, plus their share of net profits of the business distributed in the 12 months immediately before the event occurs.	The lesser of: → \$500,000; → 25% of the original Death Benefit; → an increase which is proportionate to the increase in the Insured Person's value to the business; or → five times the average annual increase in the gross remuneration package of the Insured Person over the 3 years immediately before the event.
<b>The net value of the Insured Person's financial interest in the business increases</b>	The Insured Person is a partner, shareholder, unit holder or similar principal in a business.  The insurance was purchased in accordance with a written share purchase or business succession agreement and the net value of their financial interest in the business increases.  The net value of the Insured Person's financial interest in the business is their share of the value of the business, after deducting liabilities of the business, as determined by a valuation method that is acceptable to us.	The lesser of: → \$500,000; → 25% of the original Death Benefit; → an increase which is proportionate to the increase in the net value of the Insured Person's financial interest in the business; or → the average annual increase in the net value of the Insured Person's financial interest in the business over the 3 years immediately before the event.
<b>The value of the Insured Person's loan increases</b>	The Insured Person is the borrower for a business loan that the Death Benefit is designed to cover, and the value of the loan increases.	The lesser of: → \$500,000; → 25% of the original Death Benefit; or → an increase which is proportionate to the increase in the value of the Insured Person's loan.
An increase under the Future Insurability Benefit for a Business Event will not occur if it would result in the total of all increases in Death Benefits for an Insured Person (under all policies with us) without health evidence (other than CPI and Loyalty Benefit increases) exceeding the lesser of \$2 million and the original Death Benefit for the Insured Person.		

#### 5.4\_When you cannot apply

You cannot apply for a Future Insurability Benefit increase for an Insured Person under this insurance cover:

- after the Review Date of the insurance cover on or immediately before the Insured Person's 65th birthday;
- if you have had an increase under this benefit in the last 12 months;
- if a person has made, or is eligible to make, a claim in relation to the Insured Person for any benefit under any insurance cover issued by us;
- if we did not accept the Insured Person for the Death Benefit at standard premium rates; or
- for salary increases, if the Insured Person is self-employed, a controlling director of the employer or a holding company of the employer, or is able to (directly or indirectly) make or control a decision on the amount of the Insured Person's salary package.

#### 5.5\_Limits on increased cover

Any exclusions applying to the Insured Person's Death Benefit will also apply to an increase under the Future Insurability Benefit.

Except for the birth or adoption event, for 6 months immediately after the commencement date of an increase under the Future Insurability Benefit, the increased amount:

- will only be payable in the event of Accidental death; and
- will not be payable for terminal illness which arises during this period.

'**Accidental death**' means death as a result of a single event that results in Bodily Injury that is unexpected. This does not include an event that results from sickness or disease. '**Bodily injury**' means physical damage to the body sustained as a result of an external traumatic occurrence.

### 6\_Financial Planning Benefit

#### 6.1\_Availability

The Financial Planning Benefit is automatically included as part of your Term Life Policy, and is paid in addition to any Death Benefit.

#### 6.2\_Who we will pay

We will pay the benefit to either you or your Beneficiaries.

#### 6.3\_When we will pay

If we pay a Death Benefit, Terminal Illness Benefit, or the entire amount of the TPD Benefit or Living Benefit, we will reimburse the recipient of the benefit for the cost of obtaining financial advice.

#### 6.4\_What we will pay

We will pay the cost of obtaining financial advice up to a maximum of \$5,000.

We will only reimburse amounts relating to the preparation and presentation of the plan and not amounts relating to the implementation of the plan or commission paid to an adviser.

If there is more than one recipient of the benefit, each recipient will be entitled to receive an equal share of the benefit so the total amount payable does not exceed \$5,000.

The Financial Planning Benefit will only be paid once per Policy per Insured Person across all Policies issued by us in respect of that Insured Person.

#### 6.5\_Conditions

The following conditions must be met for the Financial Planning Benefit to be paid:

- the financial plan must be provided by an approved, accredited adviser;
- the Financial Planning Benefit must be claimed within 12 months of receiving the Death, Terminal Illness, TPD or Living Benefit; and
- the recipient must be able to provide a copy of the invoice showing a breakdown of the services provided and/or a receipt showing the amount paid.

## **7\_Funeral Advancement Benefit**

### **7.1\_Availability**

The Funeral Advancement Benefit is a part of the Death Benefit.

### **7.2\_Who we will pay**

The benefit will be paid in accordance with the following order of priority:

- to the named Beneficiary;
- to the Policy Owner; or
- to the legal representative (either the executor where there is a will, or the administrator where there is not a will) of the Insured Person.

### **7.3\_When we will pay**

We will pay funeral expenses and other immediate costs upon the Insured Person's death. This benefit is only payable once for each Insured Person, across all Policies issued by us.

The payment of this benefit does not mean that any other benefit under the Policy will be admitted.

### **7.4\_What we will pay**

We will reimburse 10% of the Death benefit, up to \$25,000.

The Death Benefit will be reduced by the amount paid under the Funeral Advancement Benefit.

### **7.5\_When we will not pay**

The Funeral Advancement Benefit will not be paid if:

- the Insured Person commits suicide (whether sane or insane) within 13 months of the later of the risk commencement date of the Death Benefit for the Insured Person, or the date the insurance was last reinstated; or
- death was caused by any event or condition covered by an exclusion shown in the Policy Schedule.

### **7.6\_Evidence required**

We will require a copy of the death certificate and invoice(s) showing the funeral and other related expenses paid (by whom and the amount paid) which are acceptable to us.

## **Optional benefits**

## **8\_TPD Benefit (also termed the Disability Benefit)**

### **8.1\_Availability**

If you are applying for a Death Benefit for a person, or an Insured Person is covered for the Death Benefit, and the Insured Person is aged from 15 to 59, you can also apply to insure them for a TPD Benefit.

However, this benefit will not be available to people in certain occupations. Your adviser can advise you in respect of your individual circumstances.

### **8.2\_Types of TPD Benefit**

There are four different types of Total and Permanent Disability definitions depending on the level of protection required and the circumstances of the Insured Person. We call these 'Own Occupation', 'Any Occupation', 'Home Duties' and 'General Cover' TPD definitions.

Own occupation cover is available if the Insured Person is in a professional occupation such as medicine or law (your adviser will be able to tell you which professional occupations are included).

You can apply to insure up to 100% of the Death Benefit for the Insured Person, up to a maximum amount.

If your TPD Benefit is made up of more than one definition of Total and Permanent Disability, each definition will be considered as a separate benefit for the purposes of calculating the premium amount.

## 8.3\_TPD Benefit Definitions

<p><b>Any Occupation</b></p> <p><b>Under Any Occupation, Total and Permanent Disability means:</b></p> <ul style="list-style-type: none"> <li>→ an injury or sickness which has prevented the Insured Person from working for at least 3 consecutive months; and</li> <li>→ the 3 month period has ended before the final Review Date before the Insured Person turns 65; and</li> <li>→ in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to work in any occupation for which they are reasonably qualified because of education, training or experience, and which would pay remuneration at a rate greater than 25% of their earnings in the last 12 months of work.</li> </ul> <p><b>'Earnings'</b> is the income earned by the Insured Person's own personal exertion, after deduction of any expenses incurred in earning that income before tax;</p> <p>or</p> <p>→ the Insured Person meets the General Cover meaning of 'Total and Permanent Disability' (see below).</p>
<p><b>Additional information</b></p> <p><b>'General Cover'</b> will apply if the Insured Person had permanently retired prior to the event.</p>
<p><b>Own Occupation</b></p> <p><b>Under Own Occupation, Total and Permanent Disability means:</b></p> <ul style="list-style-type: none"> <li>→ an injury or sickness which has prevented the Insured Person from working for at least 3 consecutive months; and</li> <li>→ the 3 month period has ended before the final Review Date before the Insured Person turns 65; and</li> <li>→ in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to work in their own occupation.</li> </ul> <p><b>'Own occupation'</b> is taken to mean the occupation that the Insured Person was last engaged in immediately prior to the event giving rise to a claim;</p> <p>or</p> <p>→ the Insured Person meets the General Cover meaning of 'Total and Permanent Disability' (see below).</p>
<p><b>Additional information</b></p> <p><b>'General Cover'</b> will apply if the Insured Person had permanently retired prior to the event.</p>
<p><b>Home Duties</b></p> <p><b>Under Home Duties, Total and Permanent Disability means:</b></p> <ul style="list-style-type: none"> <li>→ an injury or sickness which has prevented the Insured Person from carrying out all Normal household duties for at least 3 consecutive months; and</li> <li>→ the 3 month period has ended before the final Review Date before the Insured Person turns 65; and</li> <li>→ in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to carry out all normal household duties.</li> </ul> <p><b>'Normal household duties'</b> means the duties normally performed by a person who remains at home and is not working in a regular occupation for income, including cleaning the house, washing, shopping for food, cooking meals and caring for minor children. For the avoidance of doubt, an Insured Person will not be considered to be unable to carry out all Normal household duties if the Insured Person is able to perform any one or more of the listed duties;</p> <p>or</p> <p>→ the Insured Person meets the General Cover meaning of 'Total and Permanent Disability' (see below).</p>
<p><b>General Cover</b></p> <p><b>Under General Cover, Total and Permanent Disability means:</b></p> <p>The Insured Person has suffered either:</p> <ul style="list-style-type: none"> <li>→ loss of independent existence, which means as a result of sickness or injury, the Insured Person: <ul style="list-style-type: none"> <li>— has a permanent and irreversible inability to perform, without assistance, any two of the Activities of Daily Living (see page 41 for definitions); or</li> <li>— suffers cognitive impairment that requires permanent and constant supervision, which must be established and the diagnosis reaffirmed after a continuous period of at least 6 months of such impairment;</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>→ total and permanent loss of use of two limbs, use of one limb and sight in one eye or sight in both eyes.</li> </ul> <p><b>'Limb'</b> means an arm or leg, including the whole hand or the whole foot.</p>
<p><b>Partially and Permanently Disabled means:</b></p> <ul style="list-style-type: none"> <li>→ the total and permanent loss of use of one limb or sight in one eye due to sickness or injury before the TPD Benefit ends.</li> </ul> <p><b>'Limb'</b> means an arm or leg, including the whole hand or the whole foot.</p>

## → Section B: BT Term Life (continued)

### 8.4\_When this benefit applies

This benefit will only apply if:

- we have accepted your application for this benefit for an Insured Person;
- you continue to pay premiums for this benefit; and
- you continue to have a Death Benefit for that Insured Person.

### 8.5\_When we will pay

#### a\_Full benefit

We will pay the entire amount of the TPD benefit if the Insured Person becomes Totally and Permanently Disabled before the TPD Benefit ends (see section B.8.11 on page 21).

#### b\_TPD Partial Benefit

We will pay a TPD Partial Benefit if the Insured Person becomes Partially and Permanently Disabled before the TPD Benefit ends.

### 8.6\_What we will pay

#### a\_Full benefit

If the Insured Person is Totally and Permanently Disabled the amount we will pay is:

- the TPD Benefit shown in the Policy Schedule for the Insured Person;
- increased by us if any CPI or Loyalty Benefit increase has been applied; and
- reduced by any Living Benefit (including Advancement Benefit) or TPD Partial Benefit paid or payable under the Policy for that Insured Person.

If you do not qualify for TPD Benefit Continuation at the Review Date immediately before the Insured Person turns age 65, the definition of Total and Permanent Disability changes to General Cover. The maximum benefit at this time is \$1 million (plus the Loyalty Benefit) which can be increased by CPI after this time.

#### b\_TPD Partial Benefit

If the Insured Person is Partially and Permanently Disabled, the amount we will pay is 25% of the TPD Benefit for the Insured Person at that time, up to a maximum of \$500,000.

### 8.7\_TPD Benefit Continuation

We may allow you to continue a TPD Benefit under an Any Occupation definition after age 65, up until age 70, if the Insured Person is still working on a full-time basis, and their occupation class is A as shown in the Policy Schedule.

At the Review Date preceding the Insured Person's 65th birthday, the offer to continue the benefit will be issued.

#### a\_This option will only apply if:

we have made the offer of continuation to you;

- the Insured Person can provide a declaration within 30 days of each Review Date that they:
  - are actively working on a full time basis;
  - are not planning to cease work in the next 12 months; and
  - have not made a claim, or are not eligible to make a claim for any benefit under any insurance cover issued by us; and
- we have accepted your application for this benefit for an Insured Person; and
- you continue to pay premiums for this policy.

#### b\_Limits on your cover

At the Review Date prior to the Insured Person's 65th birthday, the amount that can be insured is the lesser of:

- five times the Insured Person's annual income at the time the offer is made; and
- \$1 million.

However, if at the Review Date prior to the Insured Person's 65th birthday their annual income results in a reduced sum insured which will be less than \$1 million, the difference up to \$1 million can be held under a General Cover definition.

#### Example

At the Review Date prior to Max's 65th birthday, he had \$2 million in a TPD Benefit. As Max continued to work full time, earning \$110,000 per year, he was entitled to continue his TPD Benefit with;

- \$550,000 benefit amount under an Any Occupation definition and
- \$450,000 benefit amount under a General Cover definition.

#### c\_What we will pay

If the Insured Person:

- suffers an injury or sickness which has prevented the Insured Person from working for at least 3 consecutive months; and
- in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to work in any occupation for which they are reasonably qualified because of education, training or experience, and which would pay remuneration at a rate greater than 25% of their earnings in the last 12 months of work;

the amount we will pay is:

- the TPD Benefit shown in the Policy Schedule for the Insured Person
  - increased by us if any CPI or Loyalty Benefit increase has been applied;
  - reduced by any TPD Partial Benefit paid or payable under the Policy for that Insured Person; and
  - reduced by any Living Benefit (including Advancement Benefit) paid or payable under the Policy for that Insured Person.

If you do not qualify for TPD Benefit Continuation at any Review Date after the Insured Person turns age 65, the definition of Total and Permanent Disability changes to General Cover. The maximum benefit at this time is \$1 million (plus the Loyalty Benefit) which can be increased by CPI after this time.

#### 8.8\_When we will not pay

A TPD Benefit will not be paid if the injury or sickness giving rise to the claim:

- was caused by an intentional self-inflicted injury or attempted suicide (whether sane or insane);
- was caused by any event or condition covered by an exclusion shown in your Policy Schedule; or
- happened before the Insured Person's benefit began (or before the benefit was last reinstated) and you or the Insured Person did not tell us about it.

If the injury or sickness giving rise to a claim happens before any increase to the benefit amount (excluding CPI and Loyalty Benefit increases) and you or the Insured Person did not tell us about it, the increase will not be payable. The benefit payable will be the amount that would have applied if no increase had occurred.

#### 8.9\_When is the injury or sickness taken to have happened

An injury or sickness is taken to have happened when:

- a registered medical practitioner first gave the Insured Person advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the injury or sickness; or
- the Insured Person first had symptoms of the injury or sickness for which a reasonable person in the same circumstances would have sought advice, care or treatment from a registered medical practitioner.

#### 8.10\_What happens after we pay

After we pay the TPD Benefit we will reduce the amount of every other benefit for the Insured Person under this Policy by the amount paid, and the TPD Benefit for the Insured Person ends. If we pay a TPD Partial Benefit, we will reduce the amount of every other benefit for the Insured Person under this Policy as well as the TPD Benefit by the amount paid.

#### 8.11\_When this benefit ends

The TPD Benefit for an Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 99th birthday;
- we pay the TPD Benefit for the Insured Person;
- the TPD Benefit amount for the Insured Person is reduced to zero because we have paid a Terminal Illness or Living Benefit;

## → Section B: BT Term Life (continued)

- you write and request us to cancel the TPD Benefit for the Insured Person; or
- your Policy ends (see section B.15 on page 29).

### **9\_Waiver of Life Premium Benefit**

#### **9.1\_Availability**

If you are applying for a TPD Benefit for a person, or if the Insured Person is covered for the TPD Benefit, and is aged from 15 to 59, you can also apply to insure them for a Waiver of Life Premium Benefit.

This optional benefit can be taken out at any time while the Insured Person has a TPD Benefit, but if it is not taken out at the same time as the TPD Benefit is taken out, the Insured Person may be subject to further underwriting assessment.

An additional premium will be charged for the Waiver of Life Premium Benefit.

#### **9.2\_When this benefit applies**

This benefit will only apply if:

- we have accepted your application for this benefit for an Insured Person;
- you continue to pay premiums for this benefit; and
- you continue to have a TPD Benefit for that Insured Person.

This benefit will not apply if the Total and Temporary Disability was caused by an exclusion outlined in section B.8.8 on page 21.

#### **9.3\_When we will waive the premium**

We will waive payment of the entire premium payable under the Policy if the Insured Person has been Totally and Temporarily Disabled for a continuous period of 6 months and for as long as the Insured Person is Totally and Temporarily Disabled.

In addition, the premiums paid by you for the six months or more that the Insured Person was Totally and Temporarily Disabled will be reimbursed.

The Insured Person is considered Totally and Temporarily Disabled if:

- the Insured Person suffers a sickness or injury; and
- in our opinion, the Insured Person is unable to work because of that injury or sickness in any occupation for which the Insured Person is reasonably suited by education, training or experience. If the Insured Person's TPD Benefit is defined as Home Duties, the Insured Person is deemed to be unable to work if he or she is prevented from carrying out all normal household duties as described on page 19.

#### **9.4\_Conditions**

- Your benefits under the Policy will continue to be subject to CPI and Loyalty Benefit increases under section A.9.
- If the Insured Person's Total and Temporary Disablement recurs from the same or related course within 6 months of the Policy Owner recommencing payment of the premium under the Policy, payment of the premium will be waived again without the Insured Person having to be Totally and Temporarily Disabled for an additional continuous period of 6 months.
- If there is more than 6 months between two periods of Total and Temporary Disablement, payment of the premium under the Policy will not be waived again until the Insured Person has been Totally and Temporarily Disabled for an additional continuous period of 6 months.
- You are not entitled to apply for increases to the benefits payable in respect of any Insured Person under the Policy if the premium is currently waived (except for increases outlined in section B.5 on page 15).
- This option is not available to Insured Person's with General Cover.

#### **9.5\_When this benefit ends**

The Waiver of Life Premium continues until the earliest of:

- the last Review Date before the Insured Person's 65th birthday;

- the date the Insured Person, in our opinion, meets the definition of Total and Permanent Disability applicable to the type of TPD Benefit chosen by you (see section B.8.3 on page 19);
- the Insured Person ceases to have the TPD Benefit; or
- the date the nominated Wrap Account is closed.

## 10\_Living Benefit

### 10.1\_Availability

If you are applying for a Death Benefit for a person, or an Insured Person is covered for the Death Benefit, and they are aged from 15 to 59, you can also apply to insure them for a Living Benefit.

You can apply to insure up to 100% of the Death Benefit for the Insured Person.

### 10.2\_When this benefit applies

This benefit will only apply if:

- we have accepted your application for this benefit for an Insured Person;
- you continue to pay premiums for this benefit; and
- you continue to have a Death Benefit for that Insured Person.

### 10.3\_When we will pay

We will pay a Living Benefit (Full or Advancement) if:

- an Insured Person suffers a specified medical event, set out below; and
- a registered medical practitioner approved by us provides the medical evidence to support a claim (see section D.3 — Making a claim — for more information).

We will only pay a benefit when we are satisfied that the Insured Person has satisfied the full definition of the relevant injury, condition or surgery. In addition, for the following conditions and surgery:

- Angioplasty — single or double vessel
- Angioplasty — triple vessel
- Cancer (malignant tumours)
- Carcinoma in situ of female organs
- Coronary artery bypass surgery
- Early stage melanoma
- Heart attack
- Open heart surgery
- Prostate cancer (stages T1a, T1b and T1c)
- Stroke,

the benefit for the Insured Person is only payable if the medical event occurs at least 3 months after the Policy Commencement Date or the last reinstatement of the Policy (if it had lapsed). This includes any treatment or surgery that occurs over 3 months after the Policy Commencement Date, however the treatment or surgery is attributable to one of the conditions listed above, and that condition occurred with the first 3 months of the Policy Commencement Date, or last reinstatement of the Policy.

If any of the conditions listed above occur within 3 months of any increase to the benefit for the Insured Person (excluding CPI indexation increases — see section A.9), the increase will not be payable. The benefit payable will be the amount that would have applied if no increase had occurred.

→ Section B: BT Term Life (continued)

**10.4\_The medical conditions, injuries and surgery covered are:**

<b>Cancer</b>	<b>Blood disorders</b>
Cancer (malignant tumours)	Aplastic anaemia
<b>Heart disorders</b>	Medically acquired HIV
Angioplasty — triple vessel	Occupationally acquired HIV
Aortic surgery	<b>Other events</b>
Cardiomyopathy	Advanced diabetes
Coronary artery bypass surgery	Bacterial meningitis
Heart attack	Benign brain tumour
Heart valve surgery	Encephalitis
Open heart surgery	Intensive care
Out of hospital cardiac arrest	Loss of hearing
Pulmonary hypertension	Loss of independent existence
<b>Nervous system disorders</b>	Loss of limbs
Alzheimer's disease and other dementias	Loss of speech
Motor neurone disease	Meningococcal septicaemia
Multiple sclerosis	Pneumonectomy
Muscular dystrophy	Severe rheumatoid arthritis
Parkinson's disease	Stroke
<b>Accident</b>	<b>Advancement Benefit Conditions</b>
Coma	Alzheimer's disease and other dementias — advancement
Major head trauma	Angioplasty — single or double vessel
Paralysis	Carcinoma in situ of female organs
Severe burns	Diabetes complication
<b>Body organ disorders</b>	Early stage melanoma
Blindness	Loss of single limb
Chronic liver disease	Motor neurone disease — advancement
Chronic lung disease	Multiple sclerosis — advancement
Kidney failure	Muscular dystrophy — advancement
Major organ transplant	Parkinson's disease — advancement
	Prostate cancer (stages T1a, T1b and T1c)

**Important**

Full definitions of each event are given in Medical Definitions commencing on page 37. The Insured Person must satisfy the full definition of the appropriate event before we will pay a Living Benefit. Please read the full definitions.

**10.5\_What we will pay**

**a\_Full Benefit payment**

You are entitled to claim for a the entire amount of the Living Benefit if you meet the definition of the event or condition as defined under Medical Definitions commencing on page 37, except for the Advancement Benefit Conditions as outlined in section B.10.5.b on page 25.

The amount we will pay is:

- the Living Benefit shown in the Policy Schedule for that Insured Person;
- increased by us if any CPI or Loyalty Benefit increases have been applied;
- reduced by any Terminal Illness or TPD Benefit (including a TPD Partial Benefit) paid or payable under the Policy for that Insured Person; and
- reduced by any Advancement Benefit we have previously paid you for that Insured Person under this Policy (see next page).

**b\_Advancement Benefit payment**

We will pay an Advancement Benefit for the events listed in the following table:

Condition	What we will pay
Angioplasty — single or double vessel	20% of the Living Benefit up to a maximum of \$40,000.
Carcinoma in situ of female organs	25% of the Living Benefit up to a maximum of \$100,000.
Prostate cancer (stages T1a, T1b and T1c)	
Early stage melanoma	
Alzheimer's disease and other dementias — advancement	25% of the Living Benefit up to a maximum of \$50,000.
Motor neurone disease — advancement	
Multiple sclerosis — advancement	
Muscular dystrophy — advancement	
Parkinson's disease — advancement	
Loss of single limb	25% of the Living Benefit up to a maximum of \$100,000.
Diabetes complication	40% of the Living Benefit up to a maximum of \$200,000.

For Medical Definitions, please see page 37.

**c\_Conditions on Advancement Benefit**

Please note that the amounts of \$200,000, \$100,000, \$50,000 and \$40,000 are not indexed by CPI under section A.9. In addition, the minimum benefit payable under the Advancement Benefit is \$10,000.

We will only pay once under each of these groups of events:

- Angioplasty — single or double vessel;
- Carcinoma in situ of female organs or Prostate cancer (stages T1a, T1b and T1c);
- Early stage melanoma;
- Alzheimer's disease and other dementias — advancement, motor neurone disease — advancement, multiple sclerosis — advancement, muscular dystrophy — advancement or Parkinson's disease — advancement;
- Diabetes complication.

**10.6\_When we will not pay**

A Living Benefit will not be paid for any medical event that happened before the Insured Person's benefit began that you or the Insured Person did not tell us about. A medical event is taken to have happened when:

- a registered medical practitioner first gave the Insured Person advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the medical event; or
- the Insured Person first had symptoms of the medical event for which a reasonable person in the same circumstances would have sought advice, care or treatment from a registered medical practitioner.

We will not pay you a benefit if the medical event giving rise to the claim is caused directly or indirectly by:

- an intentional self-inflicted injury or attempted suicide (whether sane or insane); or
- any other event or condition covered by an exclusion specified in the Policy Schedule.

**10.7\_What happens after we pay**

After we pay a Living Benefit we will reduce every other benefit for the Insured Person under this Policy by the amount we paid and, unless the benefit was paid as an Advancement Benefit, the Living Benefit in respect of that Insured Person ends. If the Living Benefit was paid as an Advancement Benefit, we will also reduce the Living Benefit for the Insured Person by the amount we paid.

**10.8\_When this benefit ends**

The Living Benefit for an Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 65th birthday;

## → Section B: BT Term Life (continued)

- we pay the full Living Benefit for the Insured Person;
- the Living Benefit amount for the Insured Person is reduced to zero because we have paid a Terminal Illness or TPD Benefit;
- you write and request us to cancel the Living Benefit for the Insured Person; or
- your insurance cover ends (see section B.15 on page 29).

### **11\_Buying back your benefits (optional)**

#### **11.1\_Introduction**

After we have paid you either a Living Benefit or a TPD Benefit (and your Death Benefit has consequently been reduced), you may be able to buy back your Death Benefit. In the case of a Living Benefit payment, you simply exercise the option, which is automatically included as part of your Policy, in accordance with the conditions set out below. In the case of a TPD Benefit, you must have elected this option and paid additional premium, before you lodged your claim for the TPD Benefit.

In addition, after you have been paid a Living Benefit, you have the option of reinstating your Living Benefit after 12 months provided that you also reinstate your Death Benefit and you elected to include (and paid additional premium for) this option at the time of your original application.

#### **11.2\_Buy Back Benefit (buying back your Death Benefit only following a Living Benefit payment)**

##### **a\_When this benefit applies**

This benefit is automatically included as part of your Policy. 12 months after we pay the Living Benefit for any medical event, except for an Advancement Benefit, you can increase the Death Benefit for the Insured Person by up to 100% of the Living Benefit you were paid. You can do this without having to provide further evidence of health, occupation or pastimes and the original rating for premiums and any exclusions will still apply.

If the Living Benefit reduces the Death Benefit to zero, and this Policy is no longer available when this benefit is exercised, we will issue an individual Policy available at the time which we believe provides the same or similar benefits.

##### **b\_We place the following conditions on the Buy Back Benefit:**

- you cannot buy back more than the Living Benefit we have paid;
- you can increase the reinstated Death Benefit with CPI, provided we are still offering you CPI increases;
- the same underwriting assessment and exclusion clauses that we applied to the Insured Person's Death Benefit will apply to the reinstated Death Benefit;
- you must continue to meet any minimum premium rules that we set;
- you must request the Buy Back in writing within 30 days from the first anniversary of the payment of the Living Benefit. The offer lapses and will not be re-offered if we do not receive a written request within 30 days from the first anniversary of the payment of the Living Benefit; and
- the Insured Person must be alive at the time of the Buy Back application.

##### **c\_When this option ends**

This option for the Insured Person continues until the earliest of:

- the Review Date prior to the Insured Person's 65th birthday;
- the Living Benefit cover to which this option is attached ends, for reasons other than Living Benefit payment;
- your insurance cover ends (see section B.15 on page 29); or
- you exercise the option.

#### **11.3\_Disability Buy Back (buying back your Death Benefit only following a TPD Benefit Payment)**

##### **a\_Availability**

If the Insured Person is covered for the TPD Benefit, and they are aged from 15 to 59, you can also apply to insure them for a Disability Buy Back Benefit.

- This optional benefit can be taken out at any time, but if it is not taken out at the time of the original application you may be subject to further underwriting assessment; and
- an additional premium will be charged.

**b\_When this benefit applies**

14 days after we pay the TPD Benefit (except for a TPD Partial Benefit), you can increase the Death Benefit for that Insured Person by up to 100% of the TPD Benefit you were paid. You can do this without having to provide further evidence of health, occupation or pastimes and the original rating for premiums and any exclusions will still apply.

If the TPD Benefit reduces the Death Benefit to zero, and this Policy is no longer available when this benefit is exercised, we will issue an individual Policy available at the time which we believe provides the same or similar benefits.

**c\_We place the following conditions on the Disability Buy Back Benefit:**

- you cannot buy back more than the TPD Benefit we have paid;
- you can increase the reinstated Death Benefit with CPI, provided we are still offering you CPI increases (see section A.9);
- the same underwriting assessment and exclusion clauses that we applied to the Insured Person's Death Benefit plus any additional underwriting assessment will apply to the reinstated Death Benefit;
- you must continue to meet any minimum premium rules that we set;
- you must request the Disability Buy Back in writing within 30 days from the time you become eligible for this benefit (ie 14 days after we pay your TPD Benefit). The offer lapses and will not be re-offered if we do not receive a written request within this 30 day period;
- the Insured Person must be alive at the time of the Disability Buy Back application; and
- this option is not available to Insured Person's with General Cover.

**d\_When this option ends**

This option for the Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 65th birthday;
- the TPD Benefit cover to which this option is attached ends, for reasons other than the TPD Benefit payment;
- you write and ask us to cancel the TPD Benefit or this option for the Insured Person;
- your insurance policy ends (see section B.15 on page 29); or
- you exercise the option.

**11.4\_Living Reinstatement Benefit (buying back your Death Benefit following a Living Benefit payment and reinstating your Living Benefit)**

**a\_Availability**

12 months after we pay the Living Benefit for any medical event, except for an Advancement Benefit, you have the option to increase the Death Benefit and reinstate the Living Benefit for the Insured Person by up to 100% of the Living Benefit you were paid without providing further evidence of health.

- This optional benefit must be taken out at the time of the original application; and
- an additional premium will be charged.

The Policy terms and conditions may no longer be available when this benefit is exercised. If so, we will issue a new Policy available at the time which we believe provides similar benefits.

**b\_Conditions**

The Policy Owner can exercise the option provided that:

- the buy back or reinstatement request is received in writing within 30 days of the first anniversary date of the Living Benefit payment. If your request for reinstatement is not received in this period the offer of reinstatement lapses and will not be re-offered;
- the Living Benefit payment was made before the Review Date preceding the Insured Person's 65th birthday;
- a TPD Benefit, or Terminal Illness Benefit has not been paid; and

## → Section B: BT Term Life (continued)

- the Insured Person must be alive at the time of the buy back application.

The reinstated Living Benefit will be on the terms and conditions of the Living Benefit at the time of reinstatement with the exception of the following:

- a further reinstatement option will not be available;
- CPI increases and Future Insurability increases will not be available; and
- any original exclusions or special conditions applicable under your Policy will be maintained.

### c\_ Reinstated Living Benefit

We will pay a restricted amount of 10% of the reinstated Living Benefit, up to a maximum \$50,000 for a claim under the reinstated cover if the specified medical event claimed:

- is the same as the original medical event;
- has occurred as a direct or indirect result of the original specified medical event;
- is a heart related condition and the original specified condition event was also a heart related condition;
- is a lung related condition and the original specified condition event was a lung related condition;
- is a Stroke and the original specified condition event was a heart related condition;
- is a Loss of Independent Existence; or
- was a cancer related condition and the original event was also a cancer related condition.

The Insured Person must satisfy the definition of the specified medical event again in order to claim on the reinstated cover.

We will not pay a claim under the reinstated cover if the specified serious medical event occurred or was diagnosed, or the circumstances or symptoms leading to diagnosis were apparent before the Death and Living Benefit was reinstated.

We will not pay a claim under the reinstated cover for an Advancement Benefit which is related to the original medical event.

Otherwise, we will pay the reinstated Living Benefit as per section B.10.5 on page 24.

### d\_ When this option ends

This option for the Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 65th birthday;
- the Living Benefit cover to which this option is attached, ends for reasons other than Living Benefit payment;
- you write and ask us to cancel the Living Benefit or this option for the Insured Person;
- your policy ends (see section B.15 on page 29); or
- you exercise the option.

### e\_ When this option is unavailable

This option is not available for 'Multi-link' policies or 'Key person' insurance. This option is not available after you have exercised this once.

## **12\_ 'Multi-link' Benefit**

### **12.1\_ Availability**

The 'Multi-link' Benefit is available when applying for business loan protection for two or more Insured Persons.

### **12.2\_ How the benefit works**

If you choose the 'Multi-link' Benefit, then in the event we make a benefit payment being any Death, TPD (including a TPD Partial Benefit), Living (including an Advancement Benefit) or Terminal Illness Benefit, including an Interim Benefit, for an Insured Person, we will reduce the amount of every other benefit for all Insured Persons under this Policy. Each person's benefits will be reduced by the amount paid. If that amount exceeds an existing benefit for an Insured Person, then that benefit will be reduced to zero and will end.

**12.3\_Continuation option**

If you choose the 'Multi-link' Benefit and the Policy ends because a benefit has been paid, you can apply to continue the insurance for the Insured Persons for whom the benefit was not paid. You must apply in writing within 30 days of the Policy ending.

You can apply to continue the insurance (up to a maximum of the amount that applied immediately before the Policy ended) provided that, at the time of application, the Insured Person no older than 69 (for the Death Benefit) and age 59 (for the TPD and Living Benefits). No medical evidence is required however we will require financial information satisfactory to us before we will accept your application to continue the insurance. Any loadings, exclusions or special conditions will continue to apply.

**12.4\_No Buy Back Benefits**

If you choose the 'Multi-link' Benefit no buy back or reinstatement options are available to you.

**13\_Loyalty Benefit****13.1\_When this benefit applies**

The Loyalty Benefit will be added to all benefits listed on the Policy Schedule where the Policy has been in force for three years from the later of the Policy Commencement Date and 19 October 2009.

**13.2\_What we will pay**

The amount of the Loyalty Benefit will be 5% of any Death Benefit, TPD Benefit or Living Benefit.

**13.3\_Benefit conditions**

- The Loyalty Benefit will be taken into account when calculating a TPD Partial Benefit, Advancement Benefit, and any other benefit which is paid as a proportion of the total benefit.
- You are not entitled to reinstate the amount of any Loyalty Benefit for the purposes of Buy Back, Disability Buy Back and Living Reinstatement.
- The terms and conditions that apply to the payment of the Loyalty Benefit will be the same as those applying to the Death, TPD or Living Benefit (as applicable).

**14\_We will not pay more than one benefit at a time**

If an Insured Person suffers an injury or sickness or undergoes surgery that would make you eligible to claim for more than one benefit under this Policy, we will only pay one benefit for that injury, sickness or surgery. If you are eligible for a Living Benefit and TPD Benefit at the same time, we will pay the claim as a Living Benefit claim.

**15\_When your Policy ends**

Your Policy continues until the earliest of:

- the last Insured Person dies;
- all benefits for the last Insured Person end;
- your cover is cancelled because your account balance is insufficient to meet the insurance premium deduction or any amounts which relate to this Policy;
- we cancel or avoid the Policy as a result of an innocent or fraudulent non-disclosure and/or misrepresentation made by you or the insured Person prior to our acceptance of risk or during the making of a claim; or
- the date the nominated Wrap Account is closed.

## → Section B: BT Standalone Living Insurance

### Examples of typical standalone living insurance claims<sup>1</sup>

Nadia was self-employed, married and had two children. She decided to protect her family's financial position by taking out Standalone Living Insurance protection.

Her insurance cover was in the form of three benefits:

#### a\_ A Term Life policy which provides:

- a Death Benefit; and
- a TPD Benefit; and

#### b\_ Standalone cover for specific medical conditions, injuries and surgery

A couple of years later, Nadia was diagnosed with a rare form of cancer. She lodged a claim against the Living Insurance benefit. The medical reports confirmed Nadia's medical condition, and as she satisfied all of the policy terms and conditions, she was paid in excess of \$300,000.

Nadia's decision to cover herself against specific medical conditions gave her crucial financial flexibility at a time of great stress. She used the proceeds of her claim to meet the high costs of the latest cancer treatments. Her insurance payment also gave her the option to sell her business and work part time to give herself the best chance of recovery.

Some other examples of Living Insurance claims paid:

Cause	Breast cancer	Coronary artery surgery	Stomach cancer
Occupation	Computer consultant	Storeperson	Shop assistant
Age at claim	39	45	34
Years in force	7 years	10 years	4 years
Benefit	\$294,830	\$248,704	\$172,369

Source: Claims data from Westpac Life Insurance Services Limited.

## BT Standalone Living Insurance

### 1\_ Introduction

Standalone Living Insurance pays a benefit if the Insured Person suffers a specified medical event.

Benefit	Description	For full details see page
<b>Standard benefits</b>		
<b>Living</b>	Pays a benefit if the Insured Person suffers a specified medical event, and subsequently survives 14 days.	31
<b>Living Insurance Death Benefit</b>	Pays \$10,000 if the Insured Person suffers a specified medical event, and dies within 14 days.	34
<b>Financial Planning</b>	Reimburses up to \$5,000 (in addition to your Living Benefit) to cover the cost of obtaining financial advice following an eligible claim.	34
<b>Loyalty</b>	Rewards your loyalty by adding 5% to your Living Benefit when you hold a policy for more than 3 years <sup>2</sup> .	36
<b>Optional benefits (available at additional cost)</b>		
<b>Living Reinstatement</b>	Allows you to reinstate your Living Benefit without further health evidence 12 months after we have paid you a Living Benefit.	35

#### Important

The Living Insurance Death Benefit is only payable in limited circumstances and provides a maximum payment of \$10,000. If you require more comprehensive insurance for death in addition to medical conditions, both benefits are available in Term Life. Your adviser can provide professional advice in relation to your individual circumstances.

<sup>1</sup> For illustrative purposes only. The above is a case study of a real life example from a claim paid by Westpac Life, the insurer, for a similar product. Names have been altered and the

example demonstrates how this product may be able to aid you in times of need. Your adviser will be able to assist you in determining the appropriate cover for you.

<sup>2</sup> From the later of the Policy Commencement Date and 19 October 2009.

## 2\_How BT Standalone Living Insurance Works

### 2.1\_Who can apply

You can apply for a Standalone Living Insurance Policy on your own life, in which case you are the Insured Person as well as the Policy Owner. You can also apply for a Standalone Living Insurance Policy on someone else's life (for example your spouse or partner), in which case the other person is the Insured Person and you are the Policy Owner. You can apply to insure more than one person under the one Policy (up to a maximum of five people).

You apply for the amount of Living Benefit for which you wish to insure each person.

### 2.2\_Policy ownership

Up to a maximum of five people can own the Policy, and each Policy Owner will own the Policy jointly. The Policy Owner(s) pay premiums that are due under the Policy and when a Policy Owner dies, ownership of the Policy automatically goes to the surviving Policy Owners. If all Policy Owners have died, and the Policy has not ended (see section B.8 on page 36), the Policy Owner is the estate of the last surviving Policy Owner.

### 2.3\_Who receives any benefits payable

The Policy Owner(s) will receive any benefits that become payable. Benefits are divided equally between the surviving joint Policy Owners. If there are no surviving Policy Owners, and the Policy has not ended (see section B.8 on page 36) the benefit goes to the estate of the last surviving Policy Owner.

## 3\_Living Benefit

### 3.1\_Availability

You can apply to insure any person aged from 15 to 59.

### 3.2\_When we will pay

We will pay a Living Benefit (Full or Advancement) if:

- an Insured Person suffers a specified medical event (before the Living Benefit ends), set out in section B.9 on page 37 — Medical Definitions and subsequently survives at least 14 days;
- our medical advisers support the occurrence of any condition or event you intend to claim on. We reserve the right to require the Insured Person to undergo medical examinations and other reasonable tests to confirm the condition or event;
- where we require the Insured Person to go to an appropriate medical specialist, they must be acceptable to us;
- where we have used standard classifications and measurements to determine an event or condition, we may use an appropriate equivalent standard acceptable to us if that classification is replaced or changes significantly; and
- we will only pay a benefit when we are satisfied that the Insured Person has satisfied the full definition of the relevant medical event.

### 3.3\_Some conditions must occur at least 3 months after the commencement of cover

For the following conditions and surgery:

- Angioplasty — single or double vessel
- Angioplasty — triple vessel
- Cancer (malignant tumour)
- Carcinoma in situ of female organs
- Coronary artery bypass surgery
- Early stage melanoma
- Heart attack
- Open heart surgery
- Prostate cancer (stages T1a, T1b and T1c)
- Stroke,

## → Section B: BT Standalone Living Insurance (continued)

the benefit for the Insured Person is only payable if the medical event occurs at least 3 months after the Policy Commencement Date or the last reinstatement of the Policy (if it had lapsed). This includes any treatment or surgery that occurs over 3 months after the Policy Commencement Date, however the treatment or surgery is attributable to one of the conditions listed above, and that condition occurred with the first 3 months of the Policy Commencement Date, or last reinstatement of the Policy.

If any of the conditions listed above occur within 3 months of any increase to the benefit for the Insured Person (excluding CPI and Loyalty Benefit increases), the increase will not be payable. The benefit payable will be the amount that would have applied if no increase had occurred.

### 3.4\_The medical conditions, injuries and surgery covered are:

<b>Cancer</b>	<b>Blood disorders</b>
Cancer (malignant tumours)	Aplastic anaemia
<b>Heart disorders</b>	Medically acquired HIV
Angioplasty – triple vessel	Occupationally acquired HIV
Aortic surgery	<b>Other events</b>
Cardiomyopathy	Advanced diabetes
Coronary artery bypass surgery	Bacterial meningitis
Heart attack	Benign brain tumour
Heart valve surgery	Encephalitis
Open heart surgery	Intensive care
Out of hospital cardiac arrest	Loss of hearing
Pulmonary hypertension	Loss of independent existence
<b>Nervous system disorders</b>	Loss of limbs
Alzheimer's disease and other dementias	Loss of speech
Motor neurone disease	Meningococcal septicaemia
Multiple sclerosis	Pneumonectomy
Muscular dystrophy	Severe rheumatoid arthritis
Parkinson's disease	Stroke
<b>Accident</b>	<b>Advancement Benefit Conditions</b>
Coma	Alzheimer's disease and other dementias — advancement
Major head trauma	Angioplasty — single or double vessel
Paralysis	Carcinoma in situ of female organs
Severe burns	Diabetes complication
<b>Body organ disorders</b>	Early stage melanoma
Blindness	Loss of single limb
Chronic liver disease	Motor neurone disease — advancement
Chronic lung disease	Multiple sclerosis — advancement
Kidney failure	Muscular dystrophy — advancement
Major organ transplant	Parkinson's disease — advancement
	Prostate cancer (stages T1a, T1b and T1c)

#### Important

Full definitions of each event are given in Medical Definitions commencing on page 37. The Insured Person must satisfy the full definition of the appropriate event before we will pay a Living Benefit. Please read commencing the full definitions.

### 3.5\_What we will pay

#### a\_Full Benefit payment

You are entitled to claim for the entire amount of the Living Benefit if you meet the definition of the event or condition (as defined in section B.9 on page 37), except for the Advancement Benefit Conditions as outlined in section B.3.5.b on page 33.

The amount we will pay ('the relevant amount') is:

- the Living Benefit shown in the Policy Schedule for that Insured Person;
- increased by us if any CPI or Loyalty Benefit increases have been applied;
- reduced by any Advancement Benefit we have previously paid you for that Insured Person under this Policy (see following section).

#### b\_Advancement Benefit payment

Condition	What we will pay
Angioplasty — single or double vessel	20% of the Living Benefit up to a maximum of \$40,000.
Carcinoma in situ of female organs	25% of the Living Benefit up to a maximum of \$100,000.
Prostate cancer (stages T1a, T1b and T1c)	
Early stage melanoma	
Alzheimer's Disease and Other Dementias — advancement	25% of the Living Benefit up to a maximum of \$50,000.
Motor neurone disease — advancement	
Multiple sclerosis — advancement	
Muscular dystrophy — advancement	
Parkinson's Disease — advancement	
Loss of single limb	25% of the Living Benefit up to a maximum of \$100,000.
Diabetes complication	40% of the Living Benefit up to a maximum of \$200,000.

For Medical Definitions, please see page 37.

#### c\_Conditions on Advancement Benefit

Please note that the above amounts of \$200,000, \$100,000, \$50,000 and \$40,000 are not indexed by CPI under section A.9. In addition, the minimum benefit payable under the advancement benefit is \$10,000.

We will only pay once under each of these groups of events:

- Angioplasty — single or double vessel;
- Carcinoma in situ of female organs or Prostate cancer (stages T1a, T1b and T1c);
- Early stage melanoma;
- Alzheimer's disease and other dementias — advancement, motor neurone disease — advancement, multiple sclerosis — advancement, muscular dystrophy — advancement and Parkinson's disease — advancement;
- Diabetes complication.

### 3.6\_When we will not pay

#### a\_General

A Living Benefit will not be paid for any medical event that happened before the Insured Person's benefit began (or before the benefit was last reinstated), and you or the Insured Person did not tell us about it.

A medical event is taken to have happened when:

- a registered medical practitioner first gave the Insured Person advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the medical event; or
- the Insured Person first had symptoms of the medical event for which a reasonable person in the same circumstances would have sought advice, care or treatment from a registered medical practitioner.

#### b\_Other exclusions

We will not pay you a benefit if the medical event giving rise to the claim is caused directly or indirectly by:

- an intentional self-inflicted injury or attempted suicide (whether sane or insane); or
- any other event or condition covered by an exclusion specified in the Policy Schedule.

In addition, we will not pay a benefit within 3 months of the Policy Commencement Date for conditions outlined in section 3.3 on page 31.

## → Section B: BT Standalone Living Insurance (continued)

### **3.7\_What happens after we pay**

After we pay a Living Benefit for the Insured Person under this Policy, the Living Benefit for the Insured Person ends. If the Living Benefit was paid as an Advancement Benefit, we will also reduce the Living Benefit for the Insured Person by the amount we paid.

### **3.8\_When this benefit ends**

The Living Benefit for an Insured Person continues until the earliest of:

- the Review Date prior to the Insured Person's 65th birthday;
- we pay the full Living Benefit for that Insured Person;
- you write and request us to cancel the Living Benefit for that Insured Person; or
- your Policy ends (see section B.8 on page 36).

### **3.9\_Restrictions on increases**

If the medical event giving rise to a claim happens (as per section B.3.6.a on page 33) before any increase to the benefit amount (excluding CPI and Loyalty Benefit increases) and you or the Insured Person did not tell us about it, the increase will not be payable. The benefit payable will be the amount that would have applied if no increase had occurred.

## **4\_Living Insurance Death Benefit**

### **4.1\_Availability**

The Living Insurance Death Benefit is automatically included with a Living Benefit.

### **4.2\_When we will pay**

We will pay a benefit if the Insured Person:

- suffers one of the specified medical events (see table B.3.4 on page 32) before the Policy ends (see section B.8 on page 36); and
- subsequently dies within 14 days.

### **4.3\_What we will pay**

We will pay a benefit of \$10,000. This amount is not increased with CPI.

### **4.4\_What happens after we pay**

After we pay a Death Benefit, the Living Benefit for the Insured Person ends.

### **4.5\_When we will not pay**

A Living Insurance Death Benefit will not be paid if the event giving rise to the claim:

- was caused directly or indirectly by an intentional self-inflicted injury or attempted suicide (whether sane or insane);
- was caused directly or indirectly by an event or condition covered by an exclusion in your Policy Schedule; or
- happened (as per section B.3.6.a on page 33) before the Insured Person's benefit began (or before the benefit was last reinstated) and you or the Insured Person did not tell us about it.

## **5\_Financial Planning Benefit**

### **5.1\_Availability**

The Financial Planning Benefit is automatically included with a Standalone Living Insurance policy, and is paid in addition to a Living Benefit when the entire amount of the benefit is paid.

### **5.2\_Who we will pay**

We will pay you the benefit.

**5.3\_When we will pay**

If we pay a Living Benefit, we will reimburse the recipient of the benefit for the cost of obtaining financial advice.

**5.4\_What we will pay**

We will pay the cost of obtaining financial advice up to a maximum of \$5,000.

We will only reimburse amounts relating to the preparation and presentation of the plan and not amounts relating to the implementation of the plan or commission paid to an adviser.

If there is more than one recipient of the benefit, each recipient will be entitled to receive an equal share of the benefit so the total amount payable does not exceed \$5,000.

The Financial Planning Benefit will only be paid once per policy per Insured Person across all policies issued by us in respect of that Insured Person.

**5.5\_Conditions**

The following conditions must be met for the Financial Planning Benefit to be paid:

- the financial plan must be provided by an approved, accredited adviser;
- the Financial Planning Benefit must be claimed within 12 months of receiving the entire amount of the Living Benefit; and
- the recipient must be able to provide a copy of the invoice showing a breakdown of the services provided and a receipt showing the amount paid.

**6\_Living Reinstatement Benefit (buying back your Living Benefit following a Living Benefit payment – optional)****6.1\_Introduction**

After we have paid you a Living Benefit, and if you elected this option at the time your original application, you have the option of reinstating your Living Benefit in accordance with the terms and conditions set out below.

**6.2\_Availability**

12 months after we pay the Living Benefit for any medical event, except for an Advancement Benefit, you have the option to reinstate the Living Benefit for the Insured Person by up to 100% of the Living Benefit you were paid without providing further evidence of health.

- this optional benefit must be taken out at the time of the original application; and
- an additional premium will be charged.

The Policy terms and conditions may no longer be available when this benefit is exercised. If so, we will issue a new Policy available at the time which we believe provides the same or similar benefits.

**6.3\_Conditions**

You can exercise the option provided that:

- the reinstatement request is received in writing within 30 days from the 12 month anniversary date of the Living Benefit payment. If your request for reinstatement is not received in this period the offer of reinstatement lapses and will not be re-offered;
- you do not reinstate more than the Living Benefit we have paid;
- you continue to meet any minimum premium rules that we set; and
- the Living Benefit payment was made before the Review Date preceding the Insured Person's 65th birthday.

The reinstated Living Benefit will be on the terms and conditions of the Living Benefit at the time of reinstatement with the exception of the following:

- the reinstatement option will not be available;
- CPI indexation and future insurability increases will not be available;
- any original exclusions or special conditions applicable under your policy will be maintained; and
- the Insured Person must be alive at the time we reinstate the benefit.

## → Section B: BT Standalone Living Insurance (continued)

### **6.4\_Reinstated Living Benefit**

We will pay a restricted amount of 10% of the reinstated Living Benefit, up to a maximum \$50,000 for a claim under the reinstated cover if the specified medical event claimed:

- is the same as the original medical event;
- has occurred as a direct or indirect result of the original specified medical event;
- is a heart related condition and the original specified condition event was also a heart related condition;
- is a lung related condition and the original specified condition event was a lung related condition;
- is a Stroke and the original specified condition event was a heart related condition;
- is a Loss of Independent Existence; or
- was a cancer related condition and the original event was also a cancer related condition.

The Insured Person must satisfy the definition of the specified medical event again in order to claim on the reinstated cover.

We will not pay a claim under the reinstated cover if the specified serious medical event occurred or was diagnosed, or the circumstances or symptoms leading to diagnosis were apparent before the Death and Living Benefit was reinstated.

We will not pay a claim under the reinstated cover for an Advancement Benefit which is related to the original medical event.

Otherwise we will pay the reinstated Living Benefit as per section B.3.5 on page 32.

### **6.5\_When this option ends**

This option for the Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 65th birthday;
- you write and ask us to cancel your policy for the Insured Person;
- your insurance cover ends (see section B.8 below); or
- you exercise the option.

## **7\_Loyalty Benefit**

### **7.1\_When this benefit applies**

The Loyalty Benefit will be added to all benefits listed on the Policy Schedule where the Policy has been in force for three years from the later of the Policy Commencement Date and 19 October 2009.

### **7.2\_What we will pay**

The amount of the Loyalty Benefit will be 5% the Living Benefit.

### **7.3\_Benefit conditions**

- The Loyalty Benefit will be taken into account when calculating an Advancement Benefit, and any other benefit which is paid as a proportion of the total benefit.
- You are not entitled to reinstate the amount of any Loyalty Benefit for the purposes of Living Reinstatement.
- The terms and conditions that apply to the payment of the Loyalty Benefit will be the same as those applying to the Living Benefit.

## **8\_When your Policy ends**

Your Policy continues until the earliest of:

- the Living Benefit for the last Insured Person ends;
- the last Insured Person dies;
- your cover is cancelled because your account balance is insufficient to meet the insurance premium deduction or any amounts which relate to this Policy;
- we cancel or avoid the Policy as a result of an innocent or fraudulent non-disclosure and/or misrepresentation made by you or the Insured Person prior to our acceptance of risk or during the making of a claim; or
- the date the nominated Wrap Account is closed.

## 9\_Medical Definitions

### a\_Advanced diabetes

Severe diabetes mellitus, either insulin or non-insulin dependent, as certified by a consultant endocrinologist and resulting in at least two of the following criteria:

- i\_severe Diabetic Retinopathy resulting in visual acuity whether aided or unaided of 6/36 or less in both eyes;
- ii\_severe Diabetic Neuropathy causing motor and/or autonomic impairment;
- iii\_diabetic Gangrene leading to surgical intervention;
- iv\_severe Diabetic Nephropathy causing chronic irreversible renal impairment (as measured by a corrected creatinine clearance below the laboratory's measured normal range); or
- v\_persistent sensory neuropathy.

### b\_Alzheimer's disease and other dementias

Significant and permanent failure of brain function confirmed by a consultant neurologist. The dementia must also result in either:

- i\_an inability to perform at least one of the Activities of Daily Living (see 'Activities of Daily Living' on page 43); or
- ii\_a need for continual professional supervision as confirmed by the consultant neurologist.

Dementia resulting from alcohol or drug abuse is excluded.

### c\_Alzheimer's disease and other dementias — advancement

The Insured Person is diagnosed by a registered medical practitioner specialising in the field relevant to this condition, as suffering from this condition, but the condition has not caused a 25% permanent impairment of whole person function.

### d\_Angioplasty — single or double vessel

Undergoing for the first time either angioplasty, cardiac keyhole surgery or stent insertion on one or two coronary arteries, as considered necessary by a cardiologist to treat coronary artery disease.

Angiographic evidence is required to confirm the need for this procedure.

### e\_Angioplasty - triple vessel

Undergoing for the first time either angioplasty, cardiac keyhole surgery or stent insertion on 3 or more coronary arteries in the same procedure, as considered necessary by a cardiologist to treat coronary artery disease.

Angiographic evidence is required to confirm the need for this procedure.

### f\_Aortic Surgery

Surgery performed to correct any narrowing, dissection or aneurysm of the thoracic or abdominal aorta, but not its branches. This does not include angioplasty, intra-arterial procedures and other non-surgical procedures.

### g\_Aplastic Anaemia

Permanent bone marrow failure, which results in anaemia, neutropenia and thrombocytopenia requiring treatment, with at least one of the following:

- i\_permanent reliance on blood product transfusions;
- ii\_marrow stimulating agents;
- iii\_bone marrow transplantation; or
- iv\_immunosuppressive agents.

### h\_Bacterial meningitis

Unequivocal diagnosis of bacterial meningitis by a consultant neurologist resulting in:

- i\_at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guides to the Evaluation of Permanent Impairment'); or
- ii\_has a permanent and irreversible inability to perform, without assistance, any one of the Activities of Daily Living.

## → Section B: BT Standalone Living Insurance (continued)

### **i\_Benign brain tumour**

Non-cancerous tumour in the brain or spinal cord which is histologically described and which produces neurological deficit causing permanent and significant functional impairment, as confirmed by a consultant neurologist and by imaging studies such as a CT or MRI scan or requires radical surgery for its removal.

The following are excluded:

- i\_cysts, granulomas and cerebral abscesses;
- ii\_malformations in, or of, the arteries or veins of the brain;
- iii\_haematomas;
- iv\_tumours in the pituitary gland; and
- v\_acoustic neuroma and other cranial nerve tumours.

### **j\_Blindness**

The permanent loss of sight of both eyes, whether aided or unaided, as a result of disease, illness or injury such that visual acuity is 6/60 or less in both eyes, or such that the visual field is reduced to 20 degrees or less of arc.

Blindness resulting from alcohol or drug abuse is excluded.

### **k\_Brain Damage**

Brain damage, as confirmed by a medical practitioner who is a consultant neurologist, which results in neurological deficit causing at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guides to the Evaluation of Permanent Impairment')

### **l\_Cancer (malignant tumour)**

A malignant tumour pathologically confirmed and characterised by the uncontrolled spread of malignant cells and the invasion of normal tissue. Also included are Hodgkin's disease, lymphoma, colorectal cancer (from Dukes stage A) and leukaemia. The following are specifically excluded:

- i\_all skin cancers except metastatic squamous cells carcinomas or melanomas of 1.5 millimetres or more in thickness or Clark Level 3 or more depth of invasion;
- ii\_all tumours which are histologically described as micro-carcinoma, pre-malignant or showing the malignant changes of 'carcinoma in situ', including cervical dysplasia rated as CIN 1, 2 or 3 ('carcinoma in situ' of the breast is covered if it results directly in the removal of the entire breast. This procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment);
- iii\_chronic lymphocytic leukaemia (less than Rai stage 1); and
- iv\_prostatic tumours which are histologically described as TNM classification T1 (including T1a, T1b and T1c) or are of another equivalent or lesser classification (prostate cancer is covered if it results directly in total prostatectomy. This procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment).

### **m\_Carcinoma in situ of female organs**

Carcinoma in situ means localised cancer characterised by a focal autonomous new growth of carcinomatous cells, which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane.

Carcinoma in situ of the following sites is covered:

- i\_Cervix-uteri — the tumour must be classified as TIS according to the TNM staging method or FIGO stage 0 (this excludes Cervical Intraepithelial (CIN) classifications CIN 1, CIN2 and CIN 3).
- ii\_Fallopian tube — where the tumour must be limited to the tubal mucosa and classified as TIS according to the TNM staging method or FIGO stage 0.
- iii\_Vagina — where the tumour must be classified as TIS according to the TNM staging method or FIGO stage 0.
- iv\_Vulva — where the tumour must be classified as TIS according to the TNM staging method or FIGO stage 0.
- v\_Breast — where the tumour must be classified as TIS according to the TNM staging method or FIGO stage 0.

FIGO refers to the staging method of the International Federation of Gynaecology.

**n\_Cardiomyopathy**

Impaired ventricular function of variable aetiology resulting in significant permanent physical impairment to the degree of at least Class 3 of the New York Heart Association (or equivalent) classification of cardiac impairment.

Cardiomyopathy resulting from alcohol or drug abuse is excluded.

**o\_Chronic liver disease**

End stage liver failure characterised by permanent jaundice, ascites and encephalopathy.

Disease resulting from alcohol or drug abuse is excluded.

**p\_Chronic lung disease**

End stage respiratory failure requiring permanent oxygen therapy, the diagnosis of which includes an FEV 1 test result of less than 1 litre.

**q\_Coma**

A state of unconsciousness with no reaction to external stimuli, persisting continuously and requiring the use of a life support system for a period of at least 3 consecutive days and resulting in neurological deficit, as confirmed by a consultant neurologist.

Coma resulting from alcohol or drug abuse is excluded.

**r\_Coronary artery bypass surgery**

Coronary artery bypass surgery with the use of bypass graft(s) to one or more coronary arteries for treatment of coronary artery disease. The surgery must be the most appropriate treatment for the disease.

All non-surgical procedures such as laser, angioplasty or other intra-arterial techniques are excluded.

**s\_Diabetes complication**

Type 1 insulin dependent diabetes mellitus, as certified by a consultant endocrinologist and resulting in at least two of the following criteria:

- i\_urinary protein excretion of more than 300mg per day;
- ii\_diabetic retinopathy with a minimum severity of at least exudates and/or dot-blot haemorrhages; or
- iii\_persistent sensory neuropathy.

**t\_Early stage melanoma**

The presence of one or more malignant melanomas which are both less than 1.5mm Breslow thickness and less than Clark level 3 depth of invasion, confirmed histologically by biopsy.

The malignancy must be characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.

**u\_Encephalitis**

Severe inflammatory disease of the brain resulting in neurological deficit that causes at least 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guide to the Evaluation of Permanent Impairment'), as confirmed by a consultant neurologist.

**v\_Heart Attack**

The occurrence of an acute myocardial infarction, which means the death of a portion of heart muscle due to inadequate blood supply as evidenced by:

- i\_new electrocardiograph changes associated with myocardial infarction; and
- ii\_the elevation above the laboratory's upper limit of normal of the biochemical markers (such as troponin or cardiac enzymes) indicative of myocardial infarction.

If the above tests are inconclusive or superseded by technological advances, we will consider other appropriate and medically recognised tests in support of a diagnosis as confirmed by a consultant cardiologist.

Lesser acute coronary syndromes including unstable angina and acute coronary insufficiency are excluded as part of this definition.

→ Section B: BT Standalone Living Insurance (continued)

**w\_Heart valve surgery**

Any surgery performed to repair or replace a cardiac valve as a consequence of a heart valve defect.

**x\_Intensive care**

Sickness or injury that has for the first time resulted in the Insured Person requiring continuous mechanical ventilation by means of tracheal intubation for 10 consecutive days (24 hours per day) in an authorised intensive care unit of an acute care hospital.

Intensive care as a result of drug or alcohol use is excluded.

**y\_Kidney failure**

End stage renal failure presenting as chronic irreversible failure of both kidneys to function as a result of which permanent regular renal dialysis is instituted or renal transplantation undergone.

**z\_Loss of hearing**

Total irreversible and irreparable loss of hearing, both natural and assisted, in both ears as a result of a disease, illness or injury as certified by an appropriate medical specialist.

**aa\_Loss of independent existence**

As a result of sickness or injury, the Insured Person:

i\_has a permanent and irreversible inability to perform, without assistance, any two of the Activities of Daily Living (see 'Activities of Daily Living' on page 43); or

ii\_suffers cognitive impairment that requires permanent and constant supervision, which must be established and the diagnosis reaffirmed after a continuous period of at least 6 months of such impairment.

**bb\_Loss of limbs**

The complete and irrecoverable loss of use of both hands or both feet, or one hand and one foot, as a result of disease, injury or illness.

**cc\_Loss of single limb**

The complete and irrecoverable loss of use of one hand or one foot as a result of disease, injury or illness.

**dd\_Loss of speech**

Complete and irrecoverable loss of speech as a result of disease, injury or illness as certified by a consultant neurologist.

**ee\_Major head trauma**

Accidental head injury resulting in neurological deficit that:

i\_causes at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guide to the Evaluation of Permanent Impairment'), as certified by a consultant neurologist; or

ii\_results in a permanent and irreversible inability of the Insured Person, to perform, without the physical assistance of an adult, any one of the Activities of Daily Living.

**ff\_Major organ transplant**

The medically necessary

i\_human to human transplant from a donor to the Insured Person (or Insured Child if applicable), or

ii\_placement of the Insured Person (or Insured Child) on a waiting list, and the Insured Person (or Insured Child) has been on the waiting list for at least 6 months, to undergo organ transplant from a human donor,

of one or more of the following: a heart, lung, kidney, liver, pancreas or bone marrow.

**gg\_Medically acquired HIV**

Infection with the Human Immunodeficiency Virus (HIV) that on the balance of probabilities arose from one of the following medical procedures performed in Australia by a registered health professional:

i\_blood or blood product transfusion;

ii\_organ transplant to the Insured Person;

iii\_assisted reproductive techniques; or

iv\_medical/dental procedure or operation.

This benefit will not apply in the event that any cure is found for AIDS or the effects of the HIV virus, or a medical treatment is developed that results in the prevention of infection with the HIV virus or the occurrence of AIDS prior to the making of a claim.

#### **hh\_Meningococcal septicaemia**

Unequivocal diagnosis of bacterial meningitis by a consultant neurologist resulting in:

- i\_at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guides to the Evaluation of Permanent Impairment') or
- ii\_has a permanent and irreversible inability to perform, without assistance, any one of the Activities of Daily Living.

#### **ii\_Motor neurone disease**

Significant neurological deficit due to the unequivocal diagnosis of Motor Neurone Disease, that causes at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guide to the Evaluation of Permanent Impairment'), as confirmed by a consultant neurologist.

#### **jj\_Motor neurone disease — advancement**

The Insured Person is diagnosed by a registered medical practitioner specialising in the field relevant to motor neurone disease, as suffering from motor neurone disease, but the condition has not caused a 25% permanent impairment of whole person function.

#### **kk\_Multiple sclerosis**

The definite diagnosis of multiple sclerosis with persisting neurological abnormalities that cause at least 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guide to the Evaluation of Permanent Impairment'), as confirmed by a consultant neurologist.

#### **ll\_Multiple sclerosis — advancement**

The Insured Person is diagnosed by a registered medical practitioner specialising in the field relevant to multiple sclerosis, as suffering from multiple sclerosis, but the condition has not caused a 25% permanent impairment of whole person function.

#### **mm\_Muscular dystrophy**

The definite diagnosis of muscular dystrophy, resulting in neurological deficit that causes at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guide to the Evaluation of Permanent Impairment'), as confirmed by a consultant neurologist.

#### **nn\_Muscular dystrophy — advancement**

The Insured Person is diagnosed by a registered medical practitioner specialising in the field relevant to muscular dystrophy, as suffering from muscular dystrophy, but the condition has not caused a 25% permanent impairment of whole person function.

#### **oo\_Occupationally acquired HIV**

Infection with the Human Immunodeficiency Virus (HIV) where the virus was acquired on the balance of probabilities as a result of an accident occurring during the course of the Insured Person's normal occupation. Sero-conversion of the HIV infection must occur within 6 months of the accident. HIV infection acquired by any other means including sexual activity or non-prescribed intravenous drug use is excluded.

Any accident giving rise to a potential claim must be reported to us within 7 days of the accident and supported by a negative HIV Antibody test taken after the accident. We must be given access to test independently all the blood samples used.

This benefit will not apply in the event that any cure is found for AIDS or the effects of the HIV virus, or a medical treatment is developed that results in the prevention of infection with the HIV virus or the occurrence of AIDS prior to the making of a claim.

#### **pp\_Open heart surgery**

Open chest surgery for the surgical treatment of a cardiac defect, cardiac aneurism or cardiac tumour.

## → Section B: BT Standalone Living Insurance (continued)

### **qq\_Out of hospital cardiac arrest**

Cardiac arrest occurring out of hospital not associated with any medical procedure and documented by an ECG or ECG rhythm strip showing cardiac asystole or ventricular fibrillation.

### **rr\_Paralysis**

The total and permanent loss of use through accident or disease of:

- i\_both legs (paraplegia);
- ii\_both arms and legs (quadriplegia);
- iii\_one side of the body (hemiplegia); or
- iv\_both sides of the body (diplegia).

### **ss\_Parkinson's disease**

The definite diagnosis of Parkinson's disease with persisting neurological abnormalities that causes at least a 25% permanent impairment of whole person function (according to the current edition at the time of claim of the American Medical Association publication entitled 'Guide to the Evaluation of Permanent Impairment'), as confirmed by a consultant neurologist.

Parkinson's disease resulting from alcohol or drug abuse is excluded.

### **tt\_Parkinson's disease – advancement**

The Insured Person is diagnosed by a registered medical practitioner specialising in the field relevant to Parkinson's disease, as suffering from Parkinson's disease, but the condition has not caused a 25% permanent impairment of whole person function.

### **uu\_Pneumonectomy**

The undergoing of surgery to remove an entire lung. This treatment must be deemed the most appropriate treatment and medically necessary by an appropriate medical specialist and supported by our medical advisers.

Pneumonectomy which is directly caused by smoking tobacco or use of other drugs not prescribed by a doctor is excluded.

### **vv\_Prostate Cancer (stages T1a, T1b and T1c)**

The tumour is located within the prostate gland and is histologically described as TNM Classification T1a, T1b or T1c.

### **ww\_Pulmonary Hypertension**

Primary pulmonary hypertension associated with right ventricular enlargement, established by cardiac catheterisation, resulting in significant permanent physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment as confirmed by a cardiologist.

### **xx\_Severe Burns**

Tissue injury caused by thermal, electrical or chemical agents causing third degree burns to:

- i\_at least 20% of the body surface area as measured by the 'rule of 9' or the Lund & Browder Body Surface Chart (or equivalent classification);
- ii\_both hands, requiring surgical debridement and/or grafting; or
- iii\_the face, requiring surgical debridement and/or grafting.

### **yy\_Severe Rheumatoid Arthritis**

The diagnosis of severe rheumatoid arthritis by a rheumatologist. The diagnosis must be supported and evidenced by all of the following criteria:

- i\_at least a 6 week history of severe rheumatoid arthritis which involves 3 or more of the following joint areas:
  - a) proximal interphalangeal joints in the hands
  - b) metacarpophalangeal joints in the hands
  - c) metatarsophalangeal joints in the foot, or any joint of the wrist, elbow, knee or ankle;
- ii\_simultaneous bilateral and symmetrical joint soft tissue swelling or fluid (not bony overgrowth alone);
- iii\_typical rheumatoid joint deformity; and
- iv\_at least 2 of the following criteria:
  - a) morning stiffness
  - b) rheumatoid nodules

- c) erosions seen on x-ray imaging
- d) the presence of either a positive rheumatoid factor or the serological markers consistent with the diagnosis of severe rheumatoid arthritis.

Degenerative osteoarthritis and all other arthritides are excluded.

#### zz\_Stroke

Any cerebrovascular accident or incident resulting in neurological deficit that last for at least 24 hours, as confirmed by a consultant neurologist. There must be clear evidence on a CT, MRI or similar scan that a stroke has occurred to our satisfaction.

The following are excluded:

- i\_transient ischaemic attacks;
- ii\_symptoms due to migraine;
- iii\_vascular disease of the optic nerve;
- iv\_physical head injury;
- v\_reversible neurological deficit; and
- vi\_any blood vessel incident outside the cranium, except embolism resulting in stroke.

Definition of Activities of Daily Living	
Bathing	The ability to shower or bathe.
Dressing	The ability to put on or take off clothing.
Toileting	The ability to use the toilet, including getting on or off.
Mobility	The ability to get in and out of bed and a chair.
Continence	The ability to control bladder and bowel function.
Feeding	The ability to get food from a plate into the mouth.

## → Section B: BT Standalone Total and Permanent Disablement

### 1\_Introduction

Standalone Total and Permanent Disablement pays a benefit equal to the amount of the TPD Benefit to the Policy Owner should an Insured Person become Totally and Permanently Disabled. It may assist the Insured Person with medical and rehabilitation costs and provide the insured and their family security.

Benefit	Description	For full details see page
<b>Standard benefits</b>		
<b>TPD</b>	Pays a benefit if the Insured Person becomes Totally and Permanently Disabled.	44
<b>TPD Death</b>	Pays \$10,000 if the Insured Person dies and the TPD Benefit has not been paid.	47
<b>Financial Planning</b>	Reimburses up to \$5,000 (in addition to your TPD Benefit) to cover the cost of obtaining financial advice following an eligible claim.	48
<b>Loyalty</b>	Rewards your loyalty by adding 5% to your TPD Benefit when you hold a policy for more than 3 years <sup>1</sup> .	48

### 2\_How BT Standalone Total and Permanent Disablement Works

#### 2.1\_When can you apply

You can apply for a Standalone Total and Permanent Disablement Policy on your own life, in which case you are the Insured Person as well as the Policy Owner. You can also apply for a Standalone Total and Permanent Disablement Policy on someone else's life (for example your spouse or partner), in which case the other person is the Insured Person and you are the Policy Owner. You can apply to insure more than one person under the one Policy (up to a maximum of five people).

#### 2.2\_Who can own this Policy

Up to a maximum of five people can own the Policy and each Policy Owner will own the Policy jointly. The Policy Owner(s) pay premiums that are due under the Policy and when a Policy Owner dies, ownership of the Policy automatically transfers to the surviving Policy Owners. If all Policy Owners have died, and the Policy has not ended (see section B.7 on page 48), the Policy Owner is the estate of the last surviving Policy Owner.

You apply for the amount of TPD Benefit you wish to insure each person for.

#### 2.3\_Who receives any benefits payable

The Policy Owner(s) will receive any benefits that become payable. Benefits are divided equally between the surviving joint Policy Owners. If there are no surviving Policy Owners, and the Policy has not ended (see section B.7 on page 48) the benefit goes to the estate of the last surviving Policy Owner.

### 3\_TPD Benefit (also termed the Disability Benefit)

#### 3.1\_Availability

You can apply to insure any person from 15 to 59. However, this benefit will not be available to people in certain occupations or if they are working a limited number of hours per week. Your adviser can advise you on your individual circumstances.

#### 3.2\_Types of TPD Benefit

##### a\_Your choice

There are four different types of Total and Permanent Disability definitions depending on the level of protection required and the circumstances of the Insured Person. We call these 'Own Occupation', 'Any Occupation', 'Home Duties' and 'General Cover' TPD definitions.

If your TPD Benefit is made up of more than one definition of Total and Permanent Disability, each definition will be considered as a separate benefit for the purposes of calculating the premium amount.

##### b\_Own Occupation

Own Occupation cover is available if the Insured Person is in a professional occupation such as medicine or law (your adviser will be able to tell you which professional occupations are included).

### 3.3\_Types of Disability Benefits

<p><b>Any Occupation</b></p> <p><b>Under Any Occupation, Total and Permanent Disability means:</b></p> <ul style="list-style-type: none"> <li>→ an injury or sickness which has prevented the Insured Person from working for at least 3 consecutive months; and</li> <li>→ the 3 month period has ended before the final Review Date before the Insured Person turns 65; and</li> <li>→ in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to work in any occupation for which they are reasonably qualified because of education, training or experience, and which would pay remuneration at a rate greater than 25% of their earnings in the last 12 months of work.</li> </ul> <p><b>'Earnings'</b> is the income earned by the Insured Person's own personal exertion, after deduction of any expenses incurred in earning that income before tax;</p> <p>or</p> <ul style="list-style-type: none"> <li>→ the Insured Person meets the General Cover meaning of 'Total and Permanent Disability' (see below).</li> </ul>
<p><b>Additional information</b></p> <p><b>'General Cover'</b> will apply if the Insured Person had permanently retired prior to the event.</p>
<p><b>Own Occupation</b></p> <p><b>Under Own Occupation, Total and Permanent Disability means:</b></p> <ul style="list-style-type: none"> <li>→ an injury or sickness which has prevented the Insured Person from working for at least 3 consecutive months; and</li> <li>→ the 3 month period has ended before the final Review Date before the Insured Person turns 65; and</li> <li>→ in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to work in their own occupation.</li> </ul> <p><b>'Own occupation'</b> is taken to mean the occupation that the Insured Person was last engaged in immediately prior to the event giving rise to a claim;</p> <p>or</p> <ul style="list-style-type: none"> <li>→ the Insured Person meets the 'General Cover' meaning of 'Total and Permanent Disability' (see below).</li> </ul>
<p><b>Additional information</b></p> <p><b>'General Cover'</b> will apply if the Insured Person had permanently retired prior to the event.</p>
<p><b>Home Duties</b></p> <p><b>Under Home Duties, Total and Permanent Disability means:</b></p> <ul style="list-style-type: none"> <li>→ an injury or sickness which has prevented the Insured Person from carrying out all Normal household duties for at least 3 consecutive months; and</li> <li>→ the 3 month period has ended before the final Review Date before the Insured Person turns 65; and</li> <li>→ in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to carry out all normal household duties.</li> </ul> <p><b>'Normal household duties'</b> means the duties normally performed by a person who remains at home and is not working in a regular occupation for income, including cleaning the house, washing, shopping for food, cooking meals and caring for minor children. For the avoidance of doubt, an Insured Person will not be considered to be unable to carry out all Normal household duties if the Insured Person is able to perform any one or more of the listed duties;</p> <p>or</p> <ul style="list-style-type: none"> <li>→ the Insured Person meets the 'General Cover' meaning of 'Total and Permanent Disability' (see below).</li> </ul>
<p><b>General Cover</b></p> <p><b>Under General Cover, Total and Permanent Disability means:</b></p> <p>The Insured Person has suffered either:</p> <ul style="list-style-type: none"> <li>→ loss of independent existence, which means as a result of sickness or injury, the Insured Person: <ul style="list-style-type: none"> <li>— has a permanent and irreversible inability to perform, without assistance, any two of the Activities of Daily Living (see page 41 for definitions); or</li> <li>— suffers cognitive impairment that requires permanent and constant supervision, which must be established and the diagnosis reaffirmed after a continuous period of at least 6 months of such impairment;</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>→ total and permanent loss of use of two limbs, use of one limb and sight in one eye or sight in both eyes.</li> </ul> <p><b>'Limb'</b> means an arm or leg, including the whole hand or the whole foot.</p> <p>We will only consider the Insured Person to be Totally and Permanently Disabled under 'General' cover if the Insured Person survives at least 14 days after the date of loss of independent existence or total and permanent loss as described above.</p>
<p><b>Partially and Permanently Disabled means:</b></p> <ul style="list-style-type: none"> <li>→ the total and permanent loss of use of one limb or sight in one eye due to sickness or injury before the TPD Benefit ends.</li> </ul> <p><b>'Limb'</b> means an arm or leg, including the whole hand or the whole foot.</p>

## → Section B: BT Standalone Total and Permanent Disablement

### 3.4\_When we will pay

#### a\_Full benefit

We will pay the entire amount of the TPD Benefit if the Insured Person becomes Totally and Permanently Disabled before the TPD Benefit ends (see section B.7 on page 48).

#### b\_TPD Partial Benefit

We will pay a TPD Partial Benefit if the Insured Person becomes Partially and Permanently Disabled before the TPD Benefit ends.

### 3.5\_What we will pay

#### a\_Full benefit

If the Insured Person is Totally and Permanently Disabled the amount we will pay is:

- the TPD Benefit shown in the Policy Schedule for the Insured Person; and
- increased by us if any CPI or Loyalty Benefit increases have been applied.
- reduced by any TPD Partial Benefit paid or payable under the Policy for that Insured Person.

If you do not qualify for TPD Benefit Continuation at the Review Date immediately before the Insured Person turns age 65, the definition of Total and Permanent Disability changes to General Cover. The maximum benefit at this time is \$1million (plus the Loyalty Benefit) which can be increased by the CPI after this time.

#### b\_TPD Partial Benefit

If the Insured Person is Partially and Permanently Disabled, the amount we will pay is 25% of the TPD Benefit for the Insured Person at that time, up to a maximum of \$500,000.

### 3.6\_TPD Benefit Continuation

We may allow you to continue a TPD Benefit under an Any Occupation definition after age 65, up until age 70, if the Insured Person is still working on a full-time basis, and their occupation class is A as shown in the Policy Schedule.

At the Review Date preceding the Insured Person's 65th birthday, the offer to continue the benefit will be issued.

#### a\_This option will only apply if:

- we have made the offer of continuation to you;
- the Insured Person can provide a declaration within 30 days of each Review Date that they:
  - are actively working on a full time basis;
  - are not planning to cease work in the next 12 months; and
  - have not made a claim, or are not eligible to make a claim for any benefit under any insurance cover issued by us
- we have accepted your application for this benefit for an Insured Person; and
- you continue to pay premiums for this policy.

#### b\_Limits on your cover

At the Review Date prior to the Insured Person's 65th birthday, the amount that can be insured is the lesser of:

- five times the Insured Person's annual income; and
- \$1 million.

However, if at the Review Date prior to the Insured Person's 65th birthday their annual income results in a reduced sum insured which will be less than \$1 million, the difference up to \$1 million can be held under a General Cover definition.

#### Example

At the Review Date prior to Max's 65th birthday, he had \$2 million in a TPD Benefit. As Max continued to work full time, earning \$110,000 per year, he was entitled to continue his TPD Benefit with;

- \$550,000 benefit amount under an Any Occupation definition and
- \$450,000 benefit amount under a General Cover definition.

#### c\_What we will pay

If the Insured Person:

- suffers an injury or sickness which has prevented the Insured Person from working for at least 3 consecutive months; and
- in our opinion, and on the date we form that opinion, the injury or sickness is likely to prevent the Insured Person from ever again being able to work in any occupation for which they are reasonably qualified because of education, training or experience, and which would pay remuneration at a rate greater than 25% of their earnings in the last 12 months of work;

the amount we will pay is:

- the TPD Benefit shown in the Policy Schedule for the Insured Person;
- increased by us if any CPI or Loyalty Benefit increase has been applied; and
- reduced by any TPD Partial Benefit paid or payable under the Policy for that Insured Person.

If you do not qualify for TPD Benefit Continuation at any Review Date after the Insured Person turns age 65, the definition of Total and Permanent Disability changes to General Cover. The maximum benefit at this time is \$1 million (plus the Loyalty Benefit) which can be increased by the CPI after this time.

### 3.7\_When we will not pay

A TPD Benefit will not be paid if the injury or sickness giving rise to the claim:

- was caused by an intentional self-inflicted injury or attempted suicide (whether sane or insane);
- was caused by an event or condition covered by an exclusion shown in your Policy Schedule; or
- happened before the Insured Person's benefit began (or before the benefit was last reinstated) and you or the Insured Person did not tell us about it.

If the injury or sickness giving rise to a claim happens (as per section B.3.8 below) before any increase to the benefit amount (excluding CPI increases) and you or the Insured Person did not tell us about it, the increase will not be payable. The benefit payable will be the amount that would have applied if no increase had occurred.

### 3.8\_When is an injury or sickness taken to have happened

An injury or sickness is taken to have happened when:

- a registered medical practitioner first gave the Insured Person advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the injury or sickness; or
- the Insured Person first had symptoms of the injury or sickness for which a reasonable person in the same circumstances would have sought advice, care or treatment from a registered medical practitioner.

### 3.9\_When this benefit ends

The TPD Benefit for the Insured Person continues until the earliest of:

- the last Review Date prior to the Insured Person's 99th birthday;
- we pay the full TPD Benefit for that Insured Person;
- you write to us and ask us to cancel the TPD Benefit for that Insured Person; or
- your Policy ends (see section B.7 on page 48).

## 4\_TPD Death Benefit

### 4.1\_Availability

The TPD Death Benefit is automatically included in this Policy.

### 4.2\_When we will pay

We will pay a TPD Death Benefit if the Insured Person dies and the Disability Benefit has not been paid.

### 4.3\_What we will pay

We will pay a benefit of \$10,000. This amount is not increased with CPI.

### 4.4\_When we will not pay

A TPD Death Benefit will not be paid if the Insured Person commits suicide (whether sane or insane) within 13 months of the later of:

- the commencement date of this Policy; or
- the date this Policy was last reinstated.

## Section B: BT Standalone Total and Permanent Disablement

### 5\_Financial Planning Benefit

#### 5.1\_Availability

The Financial Planning Benefit is automatically included with a Standalone Total and Permanent Disablement Policy, and is paid in addition to any TPD Benefit.

#### 5.2\_Who we will pay

We will pay you the benefit.

#### 5.3\_When we will pay

If we pay the entire amount of the TPD Benefit, we will reimburse the recipient of the benefit for the cost of obtaining financial advice.

#### 5.4\_What we will pay

We will pay the cost of obtaining financial advice up to a maximum of \$5,000.

We will only reimburse amounts relating to the preparation and presentation of the plan and not amounts relating to the implementation of the plan or commission paid to an adviser.

If there is more than one recipient of the benefit, each recipient will be entitled to receive an equal share of the benefit so the total amount payable does not exceed \$5,000.

The Financial Planning Benefit will only be paid once per Policy per Insured Person across all Policies issued by us in respect of that Insured Person.

#### 5.5\_Conditions

The following conditions must be met for the Financial Planning Benefit to be paid:

- the financial plan must be provided by an approved, accredited adviser;
- the Financial Planning Benefit must be claimed within 12 months of receiving the TPD Benefit; and
- the recipient must be able to provide a copy of the invoice showing a breakdown of the services provided and a receipt showing the amount paid.

### 6\_Loyalty Benefit

#### 6.1\_When this benefit applies

The Loyalty Benefit will be added to all benefits listed on the Policy Schedule where the Policy has been in force for three years from the later of the Policy Commencement Date and 19 October 2009.

#### 6.2\_What we will pay

The amount of the Loyalty Benefit will be 5% the TPD Benefit.

#### 6.3\_Benefit conditions

- The Loyalty Benefit will be taken into account when calculating a TPD Partial Benefit, and any other benefit which is paid as a proportion of the total benefit.
- The terms and conditions that apply to the payment of the Loyalty Benefit will be the same as those applying to the TPD Benefit.

### 7\_When your Policy ends

Your Policy continues until the earliest of:

- the date we pay the TPD Benefit for the Insured Person;
- the last Insured Person dies;
- you write and request us to cancel the TPD Benefit for the Insured Person;
- we cancel or avoid the Policy as a result of an innocent or fraudulent non-disclosure and/or misrepresentation made by you or the Insured Person prior to our acceptance of the risk or during the making of a claim;
- your cover is cancelled because your account balance is insufficient to meet the insurance premium deduction or any amounts which relate to this Policy; and
- the date the nominated Wrap Account is closed.

## → Section B: BT Children's Benefit

### 1\_Introduction

The BT Children's Benefit is an optional policy available with a Term Life, Standalone Total and Permanent Disablement, Standalone Living Insurance, Income Protection, or Income Protection Plus policy.

You can apply to insure any child aged between 2 and 14, up to a maximum \$200,000.

### 2\_Who is the Policy Owner?

You must be the natural parent or Legal guardian of the Insured Child. A Legal Guardian is a person who has been given the legal power to make important decisions on behalf of another person, such as where that person should live, or what care and services that person should have.

You must be either an Insured Person or Policy Owner of another BT Life Protection Plans Policy.

### 3\_When we will pay

We will pay a Children's Benefit if:

- an Insured Child dies, or suffers a specified Children's Medical Event; and
- a registered medical practitioner approved by us provides the medical evidence to support the claim.

We will pay a benefit when we are satisfied that the Insured Child has satisfied the full definition of the relevant injury, condition or surgery. The specified Children's Medical Events are:

- Aplastic Anaemia
- Benign Brain Tumour
- Blindness
- Brain Damage
- Cancer
- Cardiomyopathy
- Kidney Failure
- Encephalitis
- Loss of Hearing
- Loss of Limbs
- Loss of Speech
- Major Head Trauma
- Major Organ Transplant
- Meningitis
- Meningococcal Septicaemia
- Paralysis
- Stroke
- Terminal Illness.

Terminal Illness means the Insured Child suffers an illness or condition and as a result of this he or she is not expected to live more than 12 months. This is to be evidenced by a medical report from the treating registered specialist medical practitioner, and in some circumstances, confirmed by a registered medical practitioner of our choice.

The definitions of the other Children's Medical Events can be found in the Medical Definitions starting on page 37.

### 4\_What we will pay

We will pay the amount of the Children's Benefit for the Insured Child as shown in the Policy Schedule, increased by us if any CPI or Loyalty Benefit increases have been applied.

### 5\_Loyalty Benefit

#### 5.1\_When this benefit applies

The Loyalty Benefit will be added to the Children's Benefit where the Policy has been in force for three years from the later of the Policy Commencement Date and 19 October 2009.

## → Section B: BT Children's Benefit (continued)

### **5.2\_What we will pay**

The amount of the Loyalty Benefit will be 5% the Children's Benefit.

### **5.3\_Benefit conditions**

The terms and conditions that apply to the payment of the Loyalty Benefit will be the same as those applying to the Children's Benefit.

### **6\_When we will not pay**

The BT Children's Benefit will not be paid:

- if Children's Medical Event giving rise to the claim is caused directly or indirectly by an intentional self-inflicted injury or attempted suicide (whether sane or insane);
- if the condition giving rise to the claim is due to a congenital condition. Congenital condition means a condition present at birth as a result of either hereditary or environmental influences;
- for cancer and stroke, if the Children's Medical Event giving rise to the claim occurs within 3 months of the Commencement Date or last reinstatement of the benefit; or
- if the Children's Medical Event is caused directly or indirectly by a Pre-existing Condition that existed prior to, or at the time of application.

Pre-existing Condition means and injury, sickness, illness or symptom that:

- you or the Insured Child were aware of, or a reasonable person should have been aware of;
- you or the Insured Child should have sought advice or treatment (conventional or alternative) from a medical practitioner or other health professional for (in circumstances where a reasonable person would have sought advice or treatment); or
- you or the Insured Person had a medical consultation for or were prescribed medication or therapy for.

### **7\_Benefit conditions**

We have placed the following conditions on the BT Children's Benefit:

- The sum insured on your other BT Life Protection Plans policy must be greater than
  - \$50,000 for Term Life, Standalone Living Insurance and Standalone Total and Permanent Disablement policies; or
  - \$1,000 per month for Income Protection and Income Protection Plus.
- At the Review Date prior to the Insured Child's 16th birthday, the Insured Child has the option of applying for cover over their own life. The maximum sum that is able to be applied for is \$200,000. Benefits over this amount will be subject to medical and financial underwriting.
- We will only pay this benefit once for each Insured Child, and a child may only be named under one Policy.

### **8\_When this benefits ends**

The BT Children's Benefit will end on the earliest of:

- the date the Children's Benefit is paid;
- the Review Date prior to the Insured Child's 16th birthday;
- the date the Policy to which the Children's Benefit is linked ends for any reason; or
- the date we receive your written request to cancel the Policy.

## → Section B: BT Income Protection and BT Income Protection Plus

### Examples of typical insurance claims<sup>1</sup>

Harry was a 35 year old married man with two young children. He worked as a project manager in the building industry.

Harry's family returned home from an overseas posting in the middle of Australia's property boom. As a result they took out a large mortgage to buy the family home.

Later Harry was diagnosed with a blood vessel malformation that put pressure on the lower spinal nerves and reduced his mobility. He required surgery and physiotherapy as well as a long period off work for rehabilitation.

Harry had taken out an Income Protection policy 3 years ago. He claimed against this policy, satisfied all of the policy terms and conditions, and as a result received a monthly benefit payment of \$6,619. We also paid nursing benefits for the period of his hospitalisation. Harry's family could then meet the mortgage costs and other expenses during his time off work.

Some other examples of income protection insurance claims paid by Westpac Life:

Cause	Leukaemia	Stroke	Testicular cancer
Occupation	Plumber	Lecturer	Quantity Surveyor
Age at claim	48	52	60
Years in force	8 years	3 years	1 year
Benefit	\$5,451 per month	\$3,319 per month	\$2,295 per month

Source: Claims data from Westpac Life Insurance Services Limited.

### BT Income Protection and Income Protection Plus

#### 1\_Introduction

Income Protection provides a regular monthly income if the Insured Person becomes disabled because of Sickness or Injury and is unable to work, while Income Protection Plus provides more comprehensive cover by including a number of additional benefits.

Benefit	Description	Income Protection	Income Protection Plus	For full details see page
<b>Standard benefits</b>				
<b>Total Disability</b>	Pays a monthly benefit if the Insured Person is Totally Disabled because of Injury or Sickness and is unable to work.	✓	✓	56
<b>Partial Disability</b>	Pays a monthly benefit if because of the Injury or Sickness the Insured Person is on reduced duties and earning less than before they became disabled.	✓	✓	57
<b>Elective Surgery</b>	Pays a monthly benefit if the Insured Person is disabled because of a transplant (where they are the donor) or cosmetic surgery.	✓	✓	57
<b>Rehabilitation Expense</b>	Pays a benefit to help meet rehabilitation costs incurred while the Insured Person is Totally Disabled.	✓	✓	58
<b>Rehabilitation Program</b>	Reimburses the cost of a rehabilitation program should required when the Insured Person is Totally or Partially Disabled.	✓	✓	58
<b>Recurrent Disability</b>	Waives the Waiting Period if you become Totally or Partially Disabled from the same cause within the specified period.	✓	✓	59
<b>IP Continuation</b>	Allows you to continue your Policy after the Insured Person's 65th birthday.	✓	✓	59
<b>Loyalty Benefit</b>	Rewards your loyalty by adding a \$50,000 benefit if the Insured Person dies when you hold a Policy for more than 3 years.	✓	✓	60

<sup>1</sup>For illustrative purposes only. The above is a case study of a real life example from a claim paid by Westpac Life, the insurer, for a similar product. Names have been altered and the

example demonstrates how this product may be able to aid you in times of need. Your adviser will be able to assist you in determining the appropriate cover for you.

→ Section B: BT Income Protection and BT Income Protection Plus (continued)

Benefit	Description	Income Protection	Income Protection Plus	For full details see page
<b>Additional benefits</b>				
<b>Change of Waiting Period</b>	Allows you to reduce the Waiting Period without further health evidence if the Insured Person changes jobs.	Not available	✓	60
<b>Nursing Care</b>	Pays a benefit if the Insured Person is confined to bed for more than 3 consecutive days during the Waiting Period.	Not available	✓	61
<b>Specified Injury</b>	Pays a monthly benefit for a specified period if the Insured Person suffers certain serious injuries, whether or not they are able to return to work.	Not available	✓	61
<b>Crisis</b>	Pays a monthly benefit for 6 months if the Insured Person suffers specified illnesses or undergo specified surgery, whether or not they are able to return to work.	Not available	✓	63
<b>Death</b>	Pays a benefit if the Insured Person dies while you are entitled to monthly benefit payments.	Not available	✓	64
<b>Transport from Overseas</b>	Pays a benefit to enable the Insured Person to return to Australia if they become Totally Disabled whilst overseas.	Not available	✓	64
<b>Accommodation</b>	Pays a benefit to assist in the accommodation costs of a family member who has to travel from their usual residence to be with the Insured Person.	Not available	✓	64
<b>Family Care</b>	Pays a monthly benefit to help cover the lost income of a family member if they have to stop work to look after the Insured Person.	Not available	✓	64
<b>Home Care</b>	Pays a monthly benefit to help cover the cost of a professional home carer if required.	Not available	✓	65
<b>Future Insurability</b>	Allows you to increase your Insured Monthly Disability Benefit every 3 years without underwriting.	Not available	✓	66
<b>Optional benefit (available at additional cost)</b>				
<b>Accident</b>	Pays a benefit if the Insured Person is Totally Disabled for more than 3 consecutive days during the Waiting Period due to an Injury.	Not available	✓	66
<b>Superannuation Contribution</b>	Allows you to cover up to 80% of the Insured Person's Monthly Earnings to cover up to 100% of Superannuation Contributions.	Not available	✓	67

## 2 Definitions

In this Policy some words and terms have special meanings:

- a\_ **Benefit Period** means the maximum period of time measured from the end of the Waiting Period for which a benefit entitlement in respect of any one Injury or Sickness may continue to accrue (subject to recurrent disability under section B.9 on page 59). Your Benefit Period is shown in the Policy Schedule.
- b\_ **Confined to Bed** means Totally Disabled and required by a Doctor to stay in bed under the full-time care of a registered nurse. The nurse cannot be you or a spouse, de facto partner, parent, child, sibling or business partner of you or the Insured Person.
- c\_ **CPI** means the percentage increase in the Consumer Price Index (CPI) (weighted average of eight capital cities combined) as published by the Australian Bureau of Statistics or its successor over the 12 month period ending 31 March each year. The CPI will apply for the subsequent year commencing on 1 October.
- If the Consumer Price Index is not published, or is considered by us to be inappropriate, the percentage increase shall be calculated by reference to such other index of inflation as, in our opinion, most nearly replaces it.

If the CPI is negative, we will consider it to be zero.

d\_ **Doctor** means a person who:

- is a registered medical practitioner in Australia or New Zealand (or is a medical practitioner of another country with qualifications acceptable to Westpac Life); and
- is not:
  - you or the Insured Person; or

- a spouse, de facto partner, parent, child, sibling or business partner of you or the Insured Person.

**e\_Gainful Employment and Gainfully Employed means**

- For Employees, a person is working for salary, wages, or commission.
- For Self-Employed, a person is working in a business or professional practice and as a result of their personal exertion is generating an income for the business or professional practice.

**f\_Income Ratio** means the Insured Monthly Disability Benefit as a percentage of Monthly Earnings. It is calculated at the time of application, and is used as the basis for claim payments.

**g\_Injury** means an accidental bodily injury which is sustained by the Insured Person after the later of:

- the commencement date;
- for an increase in the Insured Monthly Disability Benefit, the date we increase the Insured Monthly Disability Benefit (other than a CPI increase — see section B.26 on page 69); or
- the date this Policy was last reinstated, but before this Policy ends.

Injury also means an accidental bodily injury which you and the Insured Person fully disclosed to us and we agreed to cover.

**h\_Insured Monthly Disability Benefit** is shown in the Policy Schedule.

**i\_Monthly Earnings** means:

- if the Insured Person is not self-employed, the normal monthly value of the remuneration package paid to the Insured Person by their employer, including salary, superannuation contributions, fees, commissions, regular overtime and bonus payments and packaged fringe benefits.

'Remuneration package' does not include income which is not derived from the Insured Person's personal exertion or activities, such as interest or dividend payments; or

- if the Insured Person is self-employed:
  - the normal monthly income earned by the Insured Person's business, practice or partnership due to the Insured Person's personal exertion or activities, less
  - the Insured Person's share of the expenses of the business, practice or partnership that were necessarily incurred in producing the normal monthly income.

Monthly Earnings are calculated before deducting income tax.

**j\_Partial Disability and Partially Disabled** mean:

- the Insured Person:
  - is working and is able to perform one or more of the important income producing duties of their usual occupation, but is unable to perform all of them; or
  - is working and is able to perform all of the important income producing duties of their usual occupation, but in a reduced capacity; or
  - is working in another occupation; and
- the monthly earnings of the Insured Person are less than the amount of their Pre-disability Monthly Earnings; and
- the Insured Person is under the regular care of a doctor.

**k\_Partial Disability Benefit** means the benefit provided under section B.5 on page 57 of this Policy.

**l\_Post-disability Monthly Earnings** means the Insured Person's Monthly Earnings after becoming Partially Disabled.

**m\_Pre-disability Monthly Earnings** means:

for Income Protection and Income Protection Plus:

- if the monthly Benefit Type shown in the Policy Schedule is 'Indemnity', the Insured Person's highest average Monthly Earnings in any consecutive 12 month period in the 36 months immediately preceding the commencement of Total Disability, increased by the CPI Indexation Factor each Review Date since that date; or
- if the monthly Benefit Type shown in the Policy Schedule is 'Agreed Value', the Insured Person's highest average Monthly Earnings in any consecutive 12 month period between the 2 years prior to the

## → Section B: BT Income Protection and BT Income Protection Plus (continued)

Commencement Date and when the Waiting Period commences, increased by the CPI Indexation Factor each Review Date since that date.

for IP Continuation;

- the Insured Person's Monthly Earnings in the 12 month period immediately preceding the commencement of Total Disability.

n\_Regular Care of a Doctor means the Insured Person has:

- has sought advice, care and treatment from a Doctor in relation to your Injury or Sickness and is continuing to do so at such times as is reasonable in the circumstances;
- is following the advice, care and treatment of the Doctor; and
- is taking all other reasonable measures to avert or minimise any disabling Injury or Sickness.

o\_Sickness means a sickness or disease which first becomes apparent after the later of:

- the commencement date; or
- for an increase in the Insured Monthly Disability Benefit, the date we increase the Insured Monthly Disability Benefit (other than a CPI increase — see section B.26 on page 69); or
- the date this Policy was last reinstated, but before this Policy ends.

Sickness also means a sickness or disease which you and the Insured Person fully disclosed to us and we agreed to cover.

A Sickness is taken to have first become apparent when:

- a Doctor first gave the Insured Person advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the Sickness; or
- the Insured Person first had symptoms of the Sickness for which a reasonable person in the same circumstances would have sought advice, care or treatment from a Doctor.

p\_Total Disability and Totally Disabled mean:

the Insured Person is, because of Injury or Sickness:

- unable to perform one or more of the important income producing duties of their usual occupation, and
- not working; and
- under the Regular Care of a Doctor.

The above definition applies to occupation categories (as shown in the Policy Schedule) AA, A or BB during the life of a claim, and, only applies to occupation categories B, C and E for the first 2 years of a claim, after which, the Insured Person will need to demonstrate that you are, because of Injury or Sickness:

- unable to perform any occupation for which you are reasonably suited by education, training or experience; and
- not working; and
- under the Regular Care of a Doctor.

Important income producing duties mean those duties which could reasonably be considered primarily essential to producing your Monthly Earnings.

Usual occupation means the occupation in which the Insured Person was last engaged before becoming Totally or Partially Disabled.

q\_Total Disability Benefit means the benefit provided under section B.4 on page 56 of this Policy.

r\_Waiting Period means the minimum period of time which must elapse from the commencement of Total or Partial Disability before any disability benefit entitlement may accrue. Your Waiting Period is shown in the Policy Schedule.

- Total Disability Benefit

The Insured Person must be totally disabled throughout the Waiting Period in order to keep it running. If they cease to be totally disabled at any time, the Waiting Period stops running. The Waiting Period will not start to run again unless the Insured Person again becomes Totally Disabled, and then it will do so from the beginning.

## → Partial Disability Benefit

For Income Protection Plus occupation categories AA, and A, it is enough

- that the Insured Person is totally disabled for at least 14 of the first 19 days of the Waiting Period and Partially Disabled for the balance of the Waiting Period; or
- Partially Disabled for the entire Waiting Period

For Westpac Income Protection Plus occupation categories BB, B, C and E, and for all occupation categories in Westpac Income Protection, it is enough that from the date of Total Disability the Insured Person is Totally Disabled for at least 14 of the first 19 days of the Waiting Period and Totally or Partially Disabled for the balance of the Waiting Period.

## → Returning to work in the Waiting Period

For the Total Disability Benefit, if the Insured Person returns to work for 5 consecutive days or less during the Waiting Period (10 consecutive days or less if the Waiting Period is 90 days or more), the Waiting Period does not stop running. Instead those days will be added to (and count towards) the Waiting Period.

The table below shows the maximum number of consecutive days you can return to work during the Waiting Period.

Waiting Period	Maximum number of days
14 or 30 days	5
90, 180, or 720 days	10

For the Partial Disability Benefit if the Insured Person returns to work other than in a partial capacity for 5 consecutive days or less during the Waiting Period (10 consecutive days or less if the Waiting Period is 90 days or more), the Waiting Period does not stop running, instead those days will be added to (and count towards) the Waiting Period. However, if the Insured Person returns to work in other than a partial capacity for more than 5 consecutive days during the Waiting Period (10 consecutive days if the Waiting Period is 90 days or more), the Waiting Period stops running.

### 3\_How BT Income Protection works

#### 3.1\_Who can apply

You generally apply for Income Protection on your own life, in which case you are the Insured Person as well as the Policy Owner.

#### 3.2\_Who can own this Policy

In some limited circumstances, the Insured Person can be different to the Policy Owner. See your adviser for more information.

#### 3.3\_What you can apply for

You apply for the monthly benefit amount you wish to cover the Insured Person for. You can insure up to 75% (or 80% if the Superannuation Contribution option is selected) of their regular Monthly Earnings. Depending on the Insured Person's occupation and income, there may be maximum monthly benefits for which you can insure.

#### 3.4\_Who receives any benefits payable

As Policy Owner you pay premiums that are due under the Policy and will generally receive any benefits that become payable. If you are the Insured Person and the Policy Owner, the Death Benefit will be paid to your estate.

#### 3.5\_Options available when applying for a BT Income Protection Plan

##### a\_Waiting Period, Benefit Period and Agreed Value or Indemnity option

When you apply for an Income Protection Plan you will choose a Waiting Period, Benefit Period and either the Agreed Value or Indemnity option (refer to the following table). The premium you need to pay will vary depending on your choices. Your adviser can advise you on your individual circumstances.

**b\_Choices available to you**

<b>Waiting Period</b>	The Waiting Period is the minimum length of time between when the Insured Person is disabled and when they become eligible for benefit payments. You can choose a Waiting Period of 14, 30, 90, 180 or 720 days.
<b>Benefit Period</b>	The Benefit Period is the maximum length of time for which benefits are payable for any one injury or sickness. You can choose a Benefit Period of 2 years, 5 years or to age 65.
<b>Agreed Value or Indemnity option</b>	<p>The main difference between an Agreed Value Policy and an Indemnity Policy is what we will pay you if the Insured Person's earnings have reduced since taking out your insurance.</p> <p><b>Agreed Value</b> Under the Agreed Value option, we will not reduce the amount you are paid when the Insured Person is disabled because their Monthly Earnings have reduced since taking out your insurance, provided income details were correctly disclosed at the time of application.</p> <p><b>Indemnity</b> Under the Indemnity option, if the Insured Person's Monthly Earnings have reduced since taking out your insurance we may reduce the amount you are paid when they are disabled. The definition of Monthly Earnings, as well as how we allow for amounts you may be paid from other sources in relation to an Injury or Sickness are also different for the Agreed Value and Indemnity options. Full details are provided below.</p>

**3.6\_Ages and occupations – when you can apply**

You can apply if the Insured Person is aged from 17 to 59.

For people in certain occupations, there are limits on the benefit periods available for you to choose. In addition, BT Income Protection will not be available to people in certain occupations or if they are working a limited number of hours per week. Your adviser can advise you on your individual circumstances.

**4\_Total Disability Benefit**

**4.1\_When we will pay**

If the Insured Person is Totally Disabled, we will pay you a Total Disability Benefit after the end of your Waiting Period.

The benefit will be payable monthly in arrears and you will continue to receive a monthly benefit payment until the earliest of the following events:

- the Insured Person is no longer Totally Disabled;
- the end of your Benefit Period; or
- when your Policy ends (see section B.28 on page 70 for details).

**4.2\_What we will pay**

**a\_Indemnity or Agreed Value**

The benefit you receive will depend on whether you have chosen an Agreed Value or Indemnity Policy.

The amount of this benefit is reduced by any limitations on benefits (see section B.24 on page 68).

<b>What we will pay when the Insured Person is Totally Disabled</b>	
<b>Agreed value</b>	The monthly Total Disability Benefit is the Insured Monthly Disability Benefit increased in accordance with section B.26 on page 69.
<b>Indemnity</b>	<p>The monthly Total Disability Benefit is the lesser of:</p> <ul style="list-style-type: none"> <li>→ the Insured Monthly Disability Benefit, increased in accordance with section B.26 on page 69, and</li> <li>→ 75%<sup>1</sup> of your Pre-disability Monthly Earnings.</li> </ul>

**b\_When does the benefit accrue**

The benefit accrues from the first day of Total Disability after the Waiting Period and is payable monthly in arrears.

The benefit will continue to accrue until:

<sup>1</sup>For the purposes of the Superannuation Contribution Option under Income Protection Plus, we will use the greater of the Income Ratio and 75%.

- the end of the Insured Person's Total Disability;
- the time when the aggregate of the period for which a Total Disability Benefit was payable to you and any period for which a Partial Disability Benefit was payable to you is equal to the Benefit Period; or
- your Policy ends (see section B.28 on page 70);

whichever occurs first.

**c\_What if I am disabled for less than a month**

If the Insured Person is Totally Disabled in a month for less than the complete month, the amount of the benefit will be reduced on a pro-rata basis based on a 30 day month. They will still need to meet the Waiting Period.

## 5\_Partial Disability Benefit

### 5.1\_When we will pay

We will pay you a monthly Partial Disability Benefit if the Insured Person is Partially Disabled and meets the Waiting Period.

### 5.2\_What we will pay

**a\_Formula**

We will pay you a monthly Partial Disability Benefit, calculated as follows:

$$\text{The monthly Total Disability Benefit} \times \frac{\text{Pre-disability Monthly Earnings} - \text{Post-disability Monthly Earnings}}{\text{Pre-disability Monthly Earnings}}$$

If the Insured Person is continuously disabled for the first 3 months immediately after the end of the Waiting Period, and the Post-disability Monthly Earnings while Partially Disabled is less than or equal to 20% of Pre-disability Monthly Earnings, we will pay the monthly Total Disability Benefit for the first 3 months.

The amount of this benefit is reduced by any limitations on benefits (see section B.24 on page 68).

**b\_When does the benefit accrue**

The benefit accrues from the first day of Partial Disability after the Waiting Period and is payable monthly in arrears. The benefit will continue to accrue until the earliest of:

- the end of the Insured Person's Partial Disability;
- the time when the aggregate of the period for which a Partial Disability Benefit was payable to you and any period for which a Total Disability Benefit was payable to you is equal to the Benefit Period; or
- your Policy ends (see section B.28 on page 71);

whichever occurs first.

**c\_What if I am Partially Disabled for less than a month**

If the Insured Person is Partially Disabled in a month for less than the complete month, the amount of the benefit will be reduced on a pro-rata basis based on a 30 day month. They will still need to meet the Waiting Period.

## 6\_Elective Surgery Benefit

### 6.1\_When we will pay

We will regard the Insured Person as being Totally Disabled or Partially Disabled, as applicable, due to Sickness if:

- the Insured Person undergoes surgery by a Doctor while covered under this Policy to:
  - transplant part of their body to another person; or
  - improve their appearance or to prevent their disfigurement; and
- as a consequence of the surgery, the Insured Person would be Totally Disabled or Partially Disabled, except for the fact that their disability is caused by the surgery and not an Injury or Sickness.

The Waiting Period will commence from the day on which the Insured Person undergoes surgery.

## → Section B: BT Income Protection and BT Income Protection Plus (continued)

The benefit will be payable monthly in arrears and you will continue to receive monthly payments until they are well enough to return to work and earn their regular income, the end of the Benefit Period or your Policy ends (see section B.28 on page 70), whichever is the earlier.

### **6.2\_When we will not pay**

This benefit will not apply to surgery that takes place within 6 months after the later of:

- the Commencement Date; or
- for an increase in the Insured Monthly Disability Benefit, the date we increase the Insured Monthly Disability Benefit (other than a CPI increase under section B.26 on page 69); or
- the date this Policy was last reinstated.

## **7\_Rehabilitation Expense Benefit**

### **7.1\_When we will pay**

We will pay you a Rehabilitation Expense Benefit, in addition to any other benefit under this Policy, if:

- the Insured Person has suffered Total Disability for a continuous period at least as long as the Waiting Period; and
- you or the Insured Person incurs the cost of equipment or other capital expenses during the course of rehabilitation or engaging (or attempting to engage) in an occupation, which the Insured Person's Doctor has certified as being necessary.

The costs must be approved by us before they are incurred.

Examples of eligible expenses include the cost of a wheelchair, artificial limbs, re-education expenses and home or workplace modifications.

### **7.2\_What we will pay**

We will reimburse the actual rehabilitation expenses incurred by you or the Insured Person up to a maximum amount, determined in accordance with your type of cover as set out below:

- for Income Protection, up to a maximum of 6 times the monthly Total Disability Benefit;
- for Income Protection Plus, up to a maximum of 12 times the monthly Total Disability Benefit.

### **7.3\_When we will not pay**

We will not pay you this benefit for expenses that are reimbursable from any other source.

## **8\_Rehabilitation Program Benefit**

### **8.1\_When we will pay**

#### **a\_Conditions**

We will pay you a Rehabilitation Program Benefit, in addition to any other benefit under this Policy, if:

- the Insured Person has suffered Total Disability for a continuous period at least as long as the Waiting Period; and
- you or the Insured Person incurs the cost of a rehabilitation program during the course of rehabilitation or engaging (or attempting to engage) in an occupation, which the Insured Person's Doctor has certified as being necessary.

#### **b\_Costs must be approved**

The costs must be approved by us before they are incurred.

### **8.2\_What we will pay**

We will reimburse the actual rehabilitation program costs incurred by you or the Insured Person up to a maximum amount, determined in accordance with your type of cover:

- for Income Protection, up to a maximum of 6 times the monthly Total Disability Benefit;
- for Income Protection Plus, up to a maximum of 12 times the monthly Total Disability Benefit.

### 8.3\_Benefit conditions

The Insured Person must take part in the rehabilitation program to rehabilitate themselves because of the Total Disability you are claiming and not for any other reason. We will not pay you this benefit for expenses that are reimbursable from any other source.

## 9\_Recurrent Disability Benefit

If the Insured Person suffers from the same or related Sickness or Injury, we may not require you to meet the Waiting Period again.

### 9.1\_Benefit Periods of 2 and 5 years

For Benefit Periods of 2 and 5 years, as shown in the Policy Schedule, a new Waiting Period will not apply, if, within 6 months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, the Insured Person suffers Total Disability or Partial Disability from the same or a related Injury or Sickness. The successive periods during which benefits were payable are added together to determine when the Benefit Period has expired.

For Benefit Periods of 2 and 5 years as shown in the Policy Schedule, a new Waiting Period and a new Benefit Period will apply if:

- at least 6 months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, the Insured Person suffers Total Disability or Partial Disability from the same or a related Injury or Sickness, and
- either:
  - the Benefit Period for the previous period of Total Disability or Partial Disability had not ended; or
  - the Insured Person had returned to and performed the full duties of their usual occupation for their usual Monthly Earnings for at least 6 consecutive months after a Total Disability Benefit or a Partial Disability Benefit ceased to be payable.

Otherwise, no benefit is payable.

### 9.2\_Benefit Period to age 65

For a Benefit Period to age 65 as shown in the Policy Schedule, the Waiting Period will not apply, if within 12 months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, the Insured Person suffers Total Disability or Partial Disability from the same or a related Injury or Sickness.

For Benefit Period to age 65 as shown in the Policy Schedule, a new Waiting Period and a new Benefit Period will apply if at least 12 months after a Total Disability Benefit or a Partial Disability Benefit ceases to be payable, the Insured Person suffers Total Disability or Partial Disability from the same or a related Injury or Sickness.

Otherwise, no benefit is payable.

## 10\_IP Continuation Option

We may allow you to hold an Income Protection or Income Protection Plus after age 65 if the Insured Person is still working on a full-time basis, and their occupation class is AA or A as shown in the Policy Schedule.

At the Review Date preceding the Insured Person's 65th birthday, the offer to continue the policy will be issued.

### 10.1\_When this benefit applies

This option will only apply if:

- we have made the offer of continuation to you;
- the Insured Person can provide a declaration within 30 days of each Review Date that they:
  - are actively working on a full time basis;

→ **Section B: BT Income Protection and BT Income Protection Plus (continued)**

- are not planning to cease work in the next 12 months; and
- have not made a claim, are not eligible to make a claim or are not on claim for any benefit under any insurance cover issued by us;
- we have accepted your application for this benefit for an Insured Person; and
- you continue to pay premiums for this policy.

**10.2\_Benefits payable**

From the Review Date preceding the Insured Person's 65th birthday, the policy will only pay benefits relating to;

- Total Disability Benefit;
- Specified Injury Benefit; and
- Waiver of Premium Benefit.

**10.3\_Benefit conditions**

The following conditions apply to cover provided under the IP Continuation Option:

- The Waiting Period for the IP Continuation Benefit is restricted to 90 days, the benefit period 2 years, and the maximum Insured Monthly Disability Benefit is \$20,000.
- The contract will be issued on an Indemnity basis, and Pre-disability Monthly Earnings will be taken as the Insured Person's Monthly Earnings in the 12 month period immediately preceding the commencement of Total Disability.
- The Insured Person will be required to sign a declaration within 30 days of the Review Date, and must make their declaration every year.
- The Benefit Period may extend beyond Review Date if the Insured Person is on claim, however the Policy will end following the completion of the Benefit Period.
- The IP Continuation Option is not guaranteed, and may not be offered, may not be re-offered, or may be withdrawn by us at any time.

**11\_Loyalty Benefit**

**11.1\_When this benefit applies**

The Loyalty Benefit will be added to all benefits listed on the Policy Schedule where the Policy has been in force for three years from the later of the Policy Commencement Date and 19 October 2009.

**11.2\_What we will pay**

We will pay an extra \$50,000 should the Insured Person die while the Policy is in force.

**11.3\_Benefit conditions**

The Loyalty Benefit is paid once per Insured Person across any Income Protection or Income Protection Plus Policy.

**Additional benefits available if you choose BT Income Protection Plus ('IP Plus')**

**12\_Change of Waiting Period Benefit (IP Plus only)**

**12.1\_When this benefit applies**

You can shorten the Waiting Period for the Insured Person if the Insured Person changes their employment status. You can do this without having to provide any evidence of the Insured Person's health.

As shown in the table below, a Waiting Period in the first column can be reduced to the corresponding Reduced Waiting Period in the second column.

Existing Waiting Period	Reduced Waiting Period
720 days	90 days or 180 days
180 days	90 days
90 days	30 days

Your premium will increase to reflect the shorter Waiting Period.

We consider that an Insured Person has changed their employment status if:

- they cease working for one employer and commence working for another unrelated employer; or
- they cease being employed and commence being self-employed.

### **12.2\_Conditions on shortening the Waiting Period**

You can only shorten the Waiting Period without having to provide evidence of the Insured Person's health if:

- the Insured Person is not Totally Disabled or Partially Disabled at the time (either during the Waiting Period or while a benefit is payable);
- the Insured Person was accepted for cover under this Policy at our standard premium rates;
- the Insured Person provides us with written proof that the change of employment status has occurred;
- you request the change in writing within 30 days of the Insured Person joining the new employer;
- the Insured Person is not eligible, and will not become eligible, for income protection cover with the new employer through an insurance Policy, superannuation or pension plan; and
- where a 720 day Waiting Period applies, you provide us with proof that the Insured Person was covered by an employer related income protection policy with a Benefit Period of 1 year or more while employed by the previous employer.

The right to reduce the Waiting Period under this benefit is not guaranteed and can be withdrawn by us advising you in writing.

## **13\_Nursing Care Benefit (IP Plus only)**

### **13.1\_When we will pay**

If the Insured Person is Confined to Bed for more than 3 consecutive days during the Waiting Period, we will pay you a Nursing Care Benefit equal to 1/30th of the monthly Total Disability Benefit for each consecutive day of confinement.

### **13.2\_How long we will pay**

We will stop paying the Nursing Care Benefit:

- when the Insured Person is no longer Confined to Bed;
- at the end of the Waiting Period;
- after 90 days; or
- when your Policy ends (see section B.28 on page 70);

whichever first occurs.

### **13.3\_If Confinement to Bed recurs**

If, following a period when the Insured Person was Confined to Bed, and within 6 months (for Benefit Periods of 2 and 5 years), or within 12 months (for Benefit Period to age 65), the Insured Person again becomes Confined to Bed from the same or a related Sickness or Injury, the Nursing Care Benefit becomes immediately payable. The successive periods of being Confined to Bed are added together to determine the duration of any Nursing Care Benefit that we will pay you.

## **14\_Specified Injury Benefit (IP Plus only)**

### **14.1\_When we will pay**

If the Insured Person suffers any of the injuries, defined as a 'Specified Injury' in section B.11.4 below, while covered under this Policy, we will pay you a benefit equal to the monthly Total Disability Benefit for the Specified Injury payment period from the date the Specified Injury occurred, even if the Insured Person is able to return to work during that period.

If the Insured Person suffers more than one Specified Injury at the same time, we will pay you a benefit for the injury with the longer payment period.

→ Section B: BT Income Protection and BT Income Protection Plus (continued)

**14.2\_How long we will pay**

We stop paying you a benefit when:

- we have paid you a Specified Injury Benefit for the payment period shown in section B.14.4 below;
  - your Benefit Period ends; or
  - your Policy ends (see section B.28 on page 70);
- whichever occurs first.

**14.3\_When you still receive a Total or Partial Benefit**

If, at the end of the specified payment period, the Insured Person is suffering Total Disability or Partial Disability as a result of the Specified Injury:

- you will be entitled to receive a Total or Partial Disability Benefit (if eligible) if the specified payment period is equal to or longer than the Waiting Period; or
- otherwise, the Waiting Period will be reduced by the specified payment period and will start from the first day the Insured Person is Totally Disabled after the end of the specified payment period. You will be eligible to receive a Total or Partial Disability Benefit (as appropriate) from the first day of Total Disability or Partial Disability (as appropriate) after the balance of the Waiting Period has expired.

The period of payment of the Specified Injury Benefit is included in determining whether the Benefit Period has expired.

**14.4\_Specified Injuries**

The following are covered:

For these injuries	Payment period (Months)
<b>Total and permanent loss of use of:</b>	
Both feet or both hands or sight of both eyes	24
Any combination of a hand, a foot, sight in one eye	24
One leg above the knee joint or one arm above the elbow	18
One hand or foot or sight in one eye	12
Thumb and index finger of same hand	6
<b>Fracture of:</b>	
Spine resulting in paraplegia or quadriplegia	60
A thigh	3
The pelvis	3
The skull (except bones of face or nose)	2
<b>Fracture of (continued):</b>	
An upper arm	2
A shoulder bone	2
The jaw	2
A leg (excluding ankle)	2
A kneecap	2
An ankle <sup>1</sup>	2
A forearm (above wrist)	1
A collarbone	1
A wrist <sup>1</sup>	1
Fracture means the disruption in the continuity of the bone, with or without displacement, demonstrated by radiographic or scanning technique.	
<sup>1</sup> Fracture must require a pin, traction, a plaster cast or other immobilising structure for these injuries.	

**14.5\_When we will not pay**

We will not pay a Specified Injury Benefit if your Waiting Period is 720 days.

If you are entitled to claim for both the Specified Injury Benefit and the Crisis Benefit as a result of the same event, we will only pay you for one of the benefits, being the benefit with the longest payment period.

## 15\_Crisis Benefit (IP Plus only)

### 15.1\_When we will pay

If the Insured Person suffers for the first time any of the conditions or undergoes for the first time any of the surgeries, defined as a 'Crisis' in section B.15.4 below, while covered under this Policy, we will pay you a benefit equal to the monthly Total Disability Benefit for 6 months from the date the Crisis occurred, even if the Insured Person is able to work during that period.

### 15.2\_For what period we will pay

We will stop paying you a benefit when:

- we have paid you a Crisis Benefit for 6 months; or
- your Policy ends (see section B.28 on page 70);

whichever occurs first.

If, at the end of the 6 month period, the Insured Person is suffering Total Disability or Partial Disability as a result of the Crisis you will be eligible to receive a Total or Partial Disability Benefit (as appropriate).

The period of payment of the Crisis Benefit is included in determining whether the Benefit Period has expired.

### 15.3\_When we will not pay

We will not pay a Crisis Benefit if the condition first becomes apparent, or the surgery first occurs, within 90 days after the later of:

- the Policy Commencement Date; or
- for an increase in the Insured Monthly Disability Benefit, the date we increase the Insured Monthly Disability Benefit (other than a CPI increase see — section B.26 on page 69); or
- the date this Policy was last reinstated.

We also will not pay a Crisis Benefit if your Waiting Period is 720 days.

If you are entitled to claim for both the Crisis Benefit and the Specified Injury Benefit as a result of the same event, we will only pay you for one of the benefits, being the benefit with the longest payment period.

### 15.4\_Definition of Crisis

Crisis means suffering any of the conditions or undergoing any of the surgeries below for the first time, diagnosed by clinical findings and reports acceptable to us:

- |   |                                 |
|---|---------------------------------|
| → Advanced diabetes                       | → Loss of independent existence |
| → Alzheimer's disease and other dementias | → Loss of limbs                 |
| → Angioplasty — triple vessel             | → Loss of speech                |
| → Aortic surgery                          | → Major head trauma             |
| → Aplastic anaemia                        | → Major organ transplant        |
| → Bacterial meningitis                    | → Medically acquired HIV        |
| → Benign brain tumour                     | → Meningococcal septicaemia     |
| → Blindness                               | → Motor neurone disease         |
| → Cancer (malignant tumour)               | → Multiple sclerosis            |
| → Cardiomyopathy                          | → Muscular dystrophy            |
| → Chronic liver disease                   | → Occupationally acquired HIV   |
| → Chronic lung disease                    | → Open heart surgery            |
| → Coma                                    | → Paralysis                     |
| → Coronary artery bypass surgery          | → Parkinson's disease           |
| → Encephalitis                            | → Pneumonectomy                 |
| → Heart attack                            | → Pulmonary hypertension        |
| → Heart valve surgery                     | → Severe burns                  |
| → Intensive care                          | → Severe rheumatoid arthritis   |
| → Kidney failure                          | → Stroke                        |
| → Loss of hearing                         |                                 |

## → Section B: BT Income Protection and BT Income Protection Plus (continued)

A full definition of each condition is given in Medical Definitions commencing on page 37. You must satisfy the full definition of the appropriate condition before we will pay this benefit.

### **16\_Death Benefit (IP Plus only)**

If the Insured Person dies while we are paying you a Total Disability Benefit, Partial Disability Benefit, Crisis Benefit, Specified Injury Benefit or Nursing Care Benefit, a benefit equal to 6 times your monthly Total Disability Benefit will be paid to you.

If you are both the Insured Person and the Policy Owner, we will pay the Death Benefit to your estate.

### **17\_Transport from Overseas Benefit (IP Plus only)**

#### **17.1\_When we will pay**

We will pay you a Transport from Overseas Benefit, in addition to any other benefits under this Policy, if the Insured Person:

- becomes Totally Disabled while out of Australia;
- is Totally Disabled for more than 30 days; and
- chooses to return to Australia while Totally Disabled.

#### **17.2\_What we will pay**

We will pay a benefit equal to the lesser of:

- reimbursement of the actual costs incurred;
- a single standard economy airfare to Australia by the most direct and available route; and
- 3 times the monthly Total Disability Benefit.

#### **17.3\_When we will not pay**

We will not pay you this benefit for expenses that are reimbursable from any other source.

We will only pay this benefit once for any particular Total Disability.

### **18\_Accommodation Benefit (IP Plus only)**

#### **18.1\_When we will pay**

We will pay you an Accommodation Benefit if:

- the Nursing Care Benefit is also payable;
- the Insured Person is Confined to Bed more than 100 kilometres away from their usual residence; and
- an Immediate Family Member has to stay away from their usual residence to be with the Insured Person. Immediate Family Member means a spouse, parent, child, sibling or de facto spouse.

#### **18.2\_What we will pay**

We will pay a benefit equal to reimbursement of accommodation costs incurred in order for the Immediate Family Member to be with the Insured Person of up to \$200 per day, for a maximum of 30 days in any 12 month period.

#### **18.3\_When we will not pay**

We will not pay you this benefit for expenses that are reimbursable from any other source.

### **19\_Family Care Benefit (IP Plus only)**

#### **19.1\_When we will pay**

We will pay you a monthly Family Care Benefit if:

- a Total Disability Benefit is payable in respect of the Insured Person;
- as a result of the disability, the Insured Person is totally dependent on an Immediate Family Member; and

- as a result, the Immediate Family Member has had to cease a paid full-time or permanent part-time occupation. Immediate Family Member means a spouse, parent, child, sibling or de facto spouse.

### 19.2\_What we will pay

We will pay a monthly benefit which is the lesser of:

- the monthly Total Disability Benefit; and
- \$2,000.

If the benefit is payable during a month for less than the complete month, the amount of the benefit will be reduced on a pro-rata basis based on a 30 day month.

### 19.3\_For what period we will pay

The benefit accrues from the first day of Total Disability after the Waiting Period and is payable monthly in arrears.

The benefit will continue to accrue until:

- the end of the Insured Person's Total Disability;
- we have paid you a Family Care Benefit for 6 months;
- your Policy ends (see section B.28 on page 70);
- the Insured Person ceases to be totally dependent on the Immediate Family Member; or
- the Immediate Family Member recommences gainful employment;

whichever occurs first.

## 20\_Home Care Benefit (IP Plus only)

### 20.1\_When we will pay

We will pay you a monthly Home Care Benefit if:

- a Total Disability Benefit is payable in respect of the Insured Person;
- as a result of the disability, the Insured Person is Confined to Bed at home; and
- in the opinion of a Doctor, the Insured Person is totally dependent upon the care of a paid professional home carer.

### 20.2\_What we will pay

We will pay you a monthly benefit which is the lesser of:

- the monthly Total Disability Benefit; and
- \$4,500.

If the benefit is payable in a month for less than the complete month, the amount of the benefit will be reduced on a pro-rata basis based on a 30 day month.

### 20.3\_When we will not pay

We will not pay you if the paid professional home carer is you or a family member of the Insured Person.

### 20.4\_For what period we will pay

The benefit accrues from the first day of Total Disability after the Waiting Period and is payable monthly in arrears.

The benefit will continue to accrue until:

- the end of the Insured Person's Total Disability;
- we have paid you a Home Care Benefit for 6 months;
- your Policy ends (see section B.28 on page 70); or
- the Insured Person ceases to be totally dependent upon the care of a paid professional home carer;

whichever occurs first.

## 21\_ Future Insurability Benefit (IP Plus only)

The Future Insurability Benefit enables you to increase the Insured Monthly Disability Benefit for an Insured Person on the terms and conditions set out below without providing evidence of health.

### 21.1\_Maximum amount of each increase

The Insured Monthly Disability Benefit may be increased up to 20% each time it is increased under this benefit.

Your premium will increase to reflect the increase in cover. The increased cover does not apply until we have confirmed it in writing.

### 21.2\_Maximum number of increases

The maximum number of increases to the Insured Monthly Disability Benefit allowed during the term of the Policy is calculated as follows:

$$\text{Maximum number of increases} = \frac{(55 - A)}{3}$$

where A = the age of the Insured Person at the commencement date of the Policy.

### 21.3\_When you can apply

You can apply for an increase in the Insured Monthly Disability Benefit in writing within 30 days of every third Review Date, subject to section B.21.4 below, and provided that:

- you apply for the increase before the Review Date on or immediately before the Insured Person turns 54;
- you have not had an increase under this benefit in the previous 12 months;
- a person has not made, or is not eligible to make, a claim in relation to the Insured Person for any benefit under any insurance cover issued by us;
- the Insured Person does not have a medical loading on the Policy;
- the maximum number of increases permitted under section B.21.2 has not been made;
- after the increase, the Insured Monthly Disability Benefit would not be more than 75% of the Insured Person's Pre-disability Monthly Earnings, or the proportion of the Insured Person's Pre-disability Monthly Earnings as outlined by the Income Ratio; and
- after the increase, the total amount of the Insured Monthly Disability Benefit would not be more than the maximum benefit limits available under BT Income Protection Plus.

### 21.4\_Acceleration of increases

You can request that an increase in the Insured Monthly Disability Benefit be brought forward up to 4 times during the term of the Policy provided that there is only one increase in any 12 month period.

### 21.5\_Existing exclusions apply

Any exclusions which apply to the Insured Person's Income Protection Plus Policy will also apply to an increase in the Insured Monthly Disability Benefit.

## 22\_Accident Benefit (Optional) (IP Plus only)

### 22.1\_When this Benefit applies

This benefit is available at an additional cost. This option can be added after the policy commences and you may be subject to further underwriting at that time. This benefit will only apply if:

- we have accepted your application for this benefit for an Insured Person;
- you continue to pay premiums for this benefit; and
- the Waiting Period for the Insured Person is either 14 or 30 days.

**22.2\_When we will pay**

We will pay you an Accident Benefit if, as a result of an Injury, the Insured Person is Totally Disabled for more than 3 consecutive days during the Waiting Period.

This benefit will be paid for the shorter of the Waiting Period and the period of Total Disability.

**22.3\_What we will pay**

We will pay an amount that is 1/30th of the Insured Person's monthly Total Disability Benefit for each day that the Insured Person is Totally Disabled during the Waiting Period.

**22.4\_When we will not pay**

We will not pay this benefit if the Insured Person is eligible for the Specified Injury Benefit, Crisis Benefit or Nursing Care Benefit under this Policy.

**22.5\_For what period we will pay**

The benefit accrues from the date the Insured Person first seeks medical advice for the Injury and has been certified as being Totally Disabled. The benefit is payable monthly in arrears. The benefit will continue to accrue until:

- the end of the Waiting Period;
- the end of the Insured Person's Total Disability; or
- your Policy ends (see section B.28 on page 70);

whichever occurs first.

**23\_Superannuation Contribution Option (IP Plus only)****23.1\_Availability**

This option allows you to have a monthly insured amount that is higher than is usually available under Income Protection Plus so that in the event of Total Disability, you can continue to make the same level of contribution into superannuation. You will be paid the Total Disability Benefit, of which the relevant amount can be paid into a nominated superannuation fund.

Generally the Insured Monthly Disability Benefit can be up to 75% of the Insured Person's Monthly Earnings however with this option the Policy Owner can insure up to 80% of the Insured Person's Monthly Earnings.

**23.2\_Benefit conditions**

The Superannuation Contribution Option is subject to the following conditions:

- the Insured Monthly Disability Benefit as a percentage of Monthly Earnings is calculated at the time of application is referred to as the Income Ratio;
- the Income Ratio will be displayed on your Policy Schedule;
- the Total Disability Benefit, inclusive of any Superannuation Contribution amount, is payable to you;
- the Income Ratio is used to determine the monthly Total Disability Benefit and Partial Disability Benefit; and
- by applying for this option, you agree to pay the Superannuation Contribution amount into your superannuation fund.

→ Section B: BT Income Protection and BT Income Protection Plus (continued)

**Example**

An Insured Person who has annual income of \$100,000, and makes superannuation contributions of 9% (superannuation guarantee amount) equating to \$9,000. Their total annual Earnings are therefore \$109,000. The Insured Monthly Disability Benefit can be calculated as follows:

	Annual Earnings calculation	Additional Superannuation amount	Maximum Insured Monthly Disability Benefit
<b>Without Superannuation Contribution Option</b>	$75\% \times 109,000$ $= 81,750 \div 12$ $= \$6,812.50$	0 0	= \$6,820
<b>With Superannuation Contribution Option</b>	$75\% \times 109,000$ $= 81,750 \div 12$ $= \$6,812.50$	$25\% \times 9,000$ $= 2,250 \div 12$ $= \$187.50$	= \$7,000
		<b>Income ratio</b>	$= 7,000 \times 12 \div 109,000$ $= 77.06\%$

**24\_We may limit the benefits we pay**

**24.1\_General**

- No benefit will be payable for a particular Sickness or Injury after the Benefit Period has expired.
- All benefits cease to be payable when the Policy ends (see section B.28 on page 71).
- If Total Disability or Partial Disability is caused by more than one Injury or Sickness, we will only pay Benefits in respect of one Injury or Sickness at any one time.

We will not pay the following benefits at the same time:

- Total Disability and Specified Injury;
- Partial Disability and Specified Injury;
- Total Disability and Crisis;
- Partial Disability and Crisis;
- Nursing Care and Crisis;
- Nursing Care and Specified Injury;
- Specified Injury and Crisis;
- Family Care and Home Care;
- Accident Benefit and Specified Injury;
- Accident Benefit and Crisis; or
- Accident Benefit and Nursing Care.

**24.2\_Total Disability Benefit and Partial Disability Benefit Offsets**

The amount of the monthly Total Disability Benefit or Partial Disability Benefit may be reduced or recovered from you if any amounts are paid by the sources referred to below. These offsets are applied differently depending on the occupational category the Insured Person is in. To find out which occupational category the Insured Person is in, please speak to your adviser.

**a\_For occupational categories AA and A (and for Income Protection — Agreed Value only) the following applies:**

- The amount of the monthly Total Disability Benefit or Partial Disability Benefit may be reduced or recovered from you if any amounts are paid as regular payments from an existing superannuation fund or another existing insurance policy, made in respect of Injury or Sickness, but only if that policy was not disclosed to us before we issued this Policy or agreed to any increase in cover under this Policy (including regular payments which are converted to a lump sum).

**b\_For all other occupational categories (regardless of whether it is Income Protection — Agreed Value or Indemnity) the following applies:**

The amount of the monthly Total Disability Benefit or Partial Disability Benefit may be reduced or recovered from you if any amounts are paid by the following sources:

- workers or motor accident compensation or under common law relating to sickness or injury; or
- regular payments from an existing superannuation fund or another existing insurance policy, made in respect of Injury or Sickness, but only if that policy was not disclosed to us before we issued this Policy or agreed to any increase in cover under this Policy (including regular payments which are converted to a lump sum).

c\_For all Indemnity policies the monthly Total Disability Benefit or Partial Disability Benefit may also be reduced or recovered from you if any amounts are paid from the following sources:

- under legislation, in respect of Injury or Sickness; or
- the Insured Person's employer, partnership or business.

The reduction in benefit will be such that the reduced benefit that we pay, when combined with the income from other sources (and the reduced Monthly Earnings for Partial Disability), does not exceed 75% of Pre-disability Monthly Earnings (100% for Partial Disability, and the Income Ratio if the Superannuation Contribution Option is selected).

If the Insured Person receives any amount as outlined in this section, that includes an amount for loss of income resulting from their disability for any period we have paid, or will pay, the Insured Person must, on demand by us, repay either the Benefits we have paid them or the amount they have been awarded for loss of income, whichever is lower. We can also choose to reduce any amounts we pay in the future to cover such overpayments.

### 24.3\_What we do not offset

The above sources do not include:

- payments made as compensation for pain and suffering or the loss of use of part of the body;
- Total and Permanent Disablement, trauma or terminal illness payments;
- payments made in respect of the Injury or Sickness from business expense insurance policies; or
- an entitlement to paid sick leave.

### 24.4\_Lump sums and non-monthly payments

Any of the amounts referred to in this section which are paid as a lump sum will be converted to an equivalent monthly amount by dividing the lump sum by 60. Any regular amounts that are paid other than monthly will be converted to equivalent monthly amounts.

## 25\_Exclusions

We will not pay you a benefit:

- if the Injury or Sickness giving rise to the claim is caused by:
  - an act of war (whether declared or not). This exclusion does not apply to the Death Benefit where the Insured Person dies on war service;
  - intentional self-inflicted injury (whether sane or insane);
  - attempted suicide (whether sane or insane);
  - normal and uncomplicated pregnancy and childbirth; or
- for any other specific exclusions which we have included in the Policy Schedule.

## 26\_Your monthly benefit payments are indexed

### a\_Increasing the amount of the Benefits by the CPI

Without further evidence of the insurability of the Insured Person, we will, each year on the Review Date, increase the Insured Monthly Disability Benefit by the CPI Indexation Factor applying at that Review Date, subject to the following provisions:

- you may decide to reject some or all of an indexation increase in any one year. You must reject the increase in writing and we must receive it prior to the Review Date on which the increase was made. This does not affect future offers of indexation increases; and

## → Section B: BT Income Protection and BT Income Protection Plus (continued)

- you may request in writing for indexation increases to never apply again under this Policy, which will apply from the date we receive your request. You may subsequently request that indexation increases recommence although we are not obliged to agree to this.

### **b\_Indexation while you are receiving a benefit**

If you are receiving benefits on any Review Date, the Insured Monthly Disability Benefit will be indexed on each Review Date by the CPI Indexation Factor.

## **27\_Other benefits**

### **a\_Premiums waived while we pay you**

You do not have to pay premiums for the period during which you are receiving a monthly Total Disability Benefit or Partial Disability Benefit payment.

### **b\_Cover can continue if you are unemployed**

If the Insured Person is unemployed for reasons other than Total Disability or they take leave without pay, parental or sabbatical leave for 12 months or more immediately before suffering Total Disability, they will only be considered Totally Disabled if, solely because of Sickness or Injury they are:

- unable to perform Any Occupation for which they are reasonably suited by education, training or experience;
- not working; and
- under the Regular Care of a Doctor.

Cover under the Policy will continue, provided you pay premiums and any other amounts due. Unemployment does not include permanent retirement from the workforce.

You cannot transfer ownership of this Policy unless we agree in writing to the transfer.

## **28\_When your Policy ends**

Your Policy continues until the earliest of:

- your cover is cancelled because your account balance is insufficient to meet the insurance premium deduction or any amounts which relate to this Policy;
- the Insured Person dies;
- the Insured Person retires or ceases gainful employment (unless they intend to return to gainful employment) for any reason other than due to Total or Partial Disability;
- we receive your written notice to end this Policy;
- we cancel or avoid the Policy as a result of an innocent or fraudulent non-disclosure and/or misrepresentation made by you prior to our acceptance of risk or during making the claim; or
- for Income Protection and Income Protection Plus occupation categories AA and A (as shown in the Policy Schedule):
  - the Review Date that the Insured Person fails to meet the conditions of the annual declaration; or
  - the Review Date preceding the Insured Person's 75th birthday;whichever occurs first; or
- for Income Protection and Income Protection Plus occupation categories BB, B, C and E (as shown in the Insurance Certificate), the Review Date preceding the Insured Person's 65th birthday; or
- the date the nominated Wrap Account is closed.

No benefits will be payable following the ending of this Policy.

## Section C: Interim Accident and Sickness Cover

### Interim Accident and Sickness Cover

#### 1\_ Introduction

We provide Interim Accident and Sickness Cover while we are considering your application for a BT Life Protection Plan policy or policies. We provide this cover on the terms and conditions set out in this section. You do not have to pay an extra premium for this cover. To the extent that they are relevant, the conditions in the BT Life Protection Plan policy or policies for which you have applied that relate to payment of a claim apply to this cover. Unless otherwise stated, terms used in this Interim Accident and Sickness Cover have the same meaning as in the relevant Policy for which you have applied.

#### 2\_ Commencement of Cover

Interim Accident and Sickness Cover commences when a fully completed application form and personal statement in respect of each Insured Person has been received by us, and the Wrap Cash Account balance is above zero. In addition, if your application is submitted electronically by your adviser, Interim Accident and Sickness Cover commences when the signed application is received by us.

#### 3\_ Period of cover

Cover will end on the earliest of the following:

- 60 days from the date this cover commences;
- in respect of each Interim Benefit for each Insured Person, the date we accept or decline the insurance application for that benefit under the BT Life Protection Plan(s);
- in respect of each Interim Benefit for each Insured Person, the date you withdraw your insurance application for that benefit under the BT Life Protection Plan(s); or
- the date we advise you that Interim Accident and Sickness Cover has ceased.

#### 4\_ Interim Benefits

##### a\_ Interim Death Benefit

The lesser of \$1,000,000 and the amount of Death Benefit applied for in respect of the Insured Person, is payable should the Insured Person die as a result of an Accident or Sickness whilst the Interim Accident and Sickness Cover is in force.

##### b\_ Interim Total and Permanent Disability Benefit

The lesser of \$1,000,000 and the TPD Benefit applied for in respect of the Insured Person, is payable should the Insured Person become Totally and Permanently Disabled as a result of an Accident or Sickness whilst the Interim Accident and Sickness Cover is in force.

The Total and Permanent Disablement (TPD) definition that applies is either 'Own Occupation', 'Any Occupation', 'Home Duties' or 'General Cover', as nominated by you in your application form.

##### c\_ Interim Living Benefit

The lesser of \$1,000,000 and the Living Benefit applied for in respect of the Insured Person, is payable should the Insured Person suffer a specified serious medical event as a result of an Accident or Sickness whilst the Interim Accident and Sickness Cover is in force and the Insured Person subsequently survives for 14 days.

The specified medical events relevant to the Interim Living Benefit are as defined in the BT Life Protection Plans PDS from which you applied for in your application form.

##### d\_ Interim Income Protection benefit

The lesser of \$5,000 per month and the Insured Monthly Disability Benefit applied for under BT Income Protection, or BT Income Protection Plus is payable should the Insured Person become Totally Disabled as a result of an Accident or Sickness whilst the Interim Accident and Sickness Cover is in force. The benefit accrues from the date of expiry of the Waiting Period applied for under the relevant income protection policy and ceases to accrue at the earliest of either the end of the Total Disability or 6 months from the end of the Waiting Period.

## 5\_Definitions

The following terms have special meanings for the purposes of Interim Accident and Sickness Cover:

### a\_Accident

A single event that results in Bodily Injury that is unexpected. This does not include an event that results from sickness or disease.

### b\_Bodily Injury

Physical damage to the body sustained as a result of an external traumatic occurrence.

### c\_Sickness

A sickness or disease which first becomes apparent after the later of the date the application and personal statement was signed.

### d\_Pre-existing conditions

Any Bodily Injury, Sickness, illness or symptom that:

- you or the Insured Person were aware of, or a reasonable person should have been aware of; or
- the Insured Person should have sought advice or treatment (conventional or alternative) from a medical practitioner or other health professional for (in circumstances where a reasonable person would have sought advice or treatment); or
- the Insured Person had a medical consultation for or was prescribed medication or therapy for.

## 6\_Exclusions

A benefit will not be paid if the death, disablement or living benefit condition is caused directly or indirectly:

- by an intentional self-inflicted act or attempted suicide (whether sane or insane);
- by an Accident or Sickness while the Insured Person is under the influence of alcohol or non-prescription drugs or drugs taken in excess of prescribed amounts;
- by an act of war (whether declared or not) except where the Insured Person dies on war service;
- by the Insured Person engaging in any sport, pastime or occupation that we would not normally cover at standard rates; or
- by a Pre-existing Condition that existed prior to, or at the time of application.

A benefit will not be paid if the insured occupation is one that we would not normally cover. In addition, we will take into account how the Insured Person would have been assessed in terms of definitions and benefits amounts under our underwriting rules.

## 7\_Claims

Only one Interim Benefit for an Insured Person will be paid in respect of any one Accident or Sickness. The cost of obtaining medical evidence that is required for the payment of an Interim Benefit claim is to be borne by you. The costs of further medical evidence may be borne by us, however this will be at our discretion.

If you are eligible to make a claim under this cover, it will not prevent your application for a BT Life Protection Plan Policies continuing to be assessed. However we will take into account the change in health of the Insured Person when assessing your application and we may decline your application or apply special loadings, conditions and exclusions.

## Section D: Additional Information for all BT Life Protection Plans

### 1\_Premiums and Charges

#### 1.1\_Introduction

This section applies to all BT Life Protection Plans.

#### 1.2\_Premiums

##### a\_Calculation of premiums

For each product that you have, the premium and any other charges (see below) make up the cost of your insurance cover.

The premium depends on a variety of factors, including:

- the type of insurance you have, including any optional benefits;
- the amount of insurance you have for each benefit (including CPI increases);
- the age, gender, smoking status, health, occupation, pastimes and pursuits of each Insured Person;
- how long you have had your insurance;
- the insurance administration fee (referred to as a Policy fee);
- our standard scales of premium rates;
- stamp duty (if applicable);
- Benefit Period and Waiting Period (Income Protection only);
- any discount factors applying; and
- any loading specified in your Policy Schedule.

We calculate your premium when your insurance begins and at each Review Date. Your premium will generally increase with age. We will notify you of your new premium in writing before each anniversary. We also calculate your premium if you request any changes to your insurance (eg an increase in a benefit). In this case, we will confirm your new premium in writing.

To calculate your premium, we add together the premium for each benefit for each Insured Person and then add the Policy fee (see below).

Copies of our standard premium rates for each type of insurance are available upon request. Your adviser can give you an illustration of the cost of the insurance cover you might require.

##### b\_Insurance administration fee (also known as a Policy fee)

Each monthly premium payment includes a Policy fee. At 1 October 2009 this fee (per payment) was \$7.03 per month. This increases each year according to the CPI indexation by the Review Date.

##### c\_Premium frequency and payment

Insurance premiums will be automatically deducted from your Wrap Cash Account or the nominated Wrap Cash Account on the last business day of each month.

##### d\_You or the nominated Wrap Cash Account Holder

You and your adviser, or the nominated Wrap Account Holder and their adviser are

responsible for ensuring that sufficient cleared funds are available in the Wrap Cash Account to cover the insurance premiums (and other charges, collectively called premiums in this section), while maintaining the Wrap Cash Account balance above the minimum required level.

In relation to the insurance premium, there is a facility which sells down the investments in accordance with the applicable drawdown strategy where necessary, to fund these insurance premiums. This means that the insurance premium payments may be processed even if cleared funds are not available. If, at any time, the administrator of Wrap (also the Arranger) determines that you will not have sufficient cleared funds available in the Wrap Cash Account to cover insurance premiums as they fall due while maintaining the minimum required balance in the Wrap Cash Account, this account will have a 'shortfall' equal to the amount required to fund the insurance premiums and maintain the minimum required balance in the Wrap Cash Account.

In the event of a shortfall:

- if this account is not geared with BT Margin Lending, the Account Holder is deemed to direct the administrator to sell the investments in accordance with the nominated drawdown strategy or, if the Account Holder does not have a nominated drawdown strategy, the standing drawdown strategy described below; or
- if this account is geared with BT Margin Lending and:
  - the Account Holder nominates in the Investor Registration Form to pay the shortfall by implementing a drawdown strategy; or
  - the Account Holder does not have available funds to borrow,

the Account Holder instructs the administrator to sell the investments in accordance with the nominated drawdown strategy or, if there is no nominated drawdown strategy, the standing drawdown strategy.

In all other circumstances where the account is geared with BT Margin Lending, the Account Holder instructs the Insurer to draw down from the BT Margin Loan.

In all cases, the Account Holder's instructions are to realise investments or draw down from the BT Margin Loan (as applicable) to the extent necessary to make good the shortfall.

If the Account Holder does not nominate a drawdown strategy, or if the nominated drawdown strategy cannot be implemented in respect of the investment holdings at the time of drawdown, the Account Holder instructs the administrator to sell the investments in accordance with

the standing drawdown strategy. Under this standing strategy, investments are sold in the following order:

- 1\_managed funds, starting with the holding with the highest value
- 2\_listed securities, starting with the holding with the highest value.

Please note in connection with this drawdown facility:

- where the Account Holder has a Preferred Portfolio, Account Holder instructs the administrator to draw down the holdings on a pro-rata basis (by value), across all of the investment holdings (excluding cash), including any holdings that are not included in the Preferred Portfolio (any nominated drawdown strategy and the standing drawdown strategy will not apply);
- transaction fees will not apply to transactions processed under the facility but any listed securities transactions will be placed with the online broker and brokerage will still apply;
- managed funds that are illiquid or have withdrawal restrictions should not be included in the drawdown strategy as withdrawals from such managed funds may not be processed under the facility in time to fund the relevant payment; and
- if separate transaction instructions are received by the administrator or any unrelated payment is processed after a sell-down of investments under the facility has commenced, it is possible that the proceeds of the sell-down may be appropriated to the subsequent transaction or payment. If this occurs, the payment to which the sell-down relates may not be processed.

However if the total value of the Wrap Account is insufficient to cover your premiums, your cover may be cancelled.

##### e\_If you add an Insured Person to your Policy

If you add an Insured Person to your Policy or increase an existing benefit for an Insured Person between Review Dates and you are paying monthly, your monthly premiums will increase from the next monthly premium that is payable after the benefit or increase started.

##### f\_Premium payment methods

Payments will be deducted from the nominated Wrap Cash Account.

##### g\_Minimum premium

For BT Life Protection Plans, the minimum premium is \$14 per month, plus insurance administration fee and stamp duty (if applicable).

##### h\_Maintaining your insurance

All BT Life Protection Plans products are guaranteed to continue for the term specified, which means that provided your

## → Section D: Additional Information for all BT Life Protection Plans

premiums are paid when due we cannot cancel your insurance even if there is a change in an Insured Person's health, occupation or pastimes.

To maintain your insurance, you must pay premiums, and any other charges payable, when they are due. If your premiums or any other amounts payable are overdue we will write to you. Your insurance will be cancelled if you do not pay these amounts within the time specified in our notice.

Insurance that has been cancelled can only be reinstated if we agree to your request to do so. All premium arrears must be paid in full and we can request further medical evidence and impose further conditions before we decide whether we are prepared to agree to reinstate your Policy.

### **i\_Changes to premium rates**

We can change the premium rates.

However, we can only do this by changing the premium rates of all Policy Owners who have this version of the Policy. We will write and tell you if we do this. We usually give you 3 months notice before changing the premium rates and discount factors. In the event of war or invasion involving Australia, we may give immediate notice.

### **j\_Cover reinstatement**

BT Life Protection Plans cover that has been cancelled can only be reinstated if your Wrap Account or the nominated Wrap Account remains open, and we agree to your request to do so. All premium in arrears must be paid in full and we may request further medical evidence and impose further conditions before we reinstate your cover.

### **1.3\_Other charges**

#### **a\_Stamp duty**

For Term Life, any stamp duty is currently included in the premium.

For Standalone Living Insurance, Standalone TPD, Income Protection, and Income Protection Plus, stamp duty, licence fees or similar charges payable in respect of your Policy must be paid in addition to your premium. The rate of stamp duty varies for each state of Australia and can be changed without notice. We will recalculate the amount of stamp duty payable whenever your premium is recalculated. The premium will also vary if the basis of calculating or charging stamp duty on the Policy is altered.

#### **b\_Adviser Remuneration**

We will make payments (commissions) to BT Portfolio Services Ltd for selling this product. The commissions are paid by us and are not an additional cost to you. A proportion of these commissions may be

passed onto your adviser or dealer group. Details of the relevant commissions will be set out in the Financial Services Guide (FSG) and Statement of Advice (SoA) which your adviser or dealer group will provide to you.

We will pay BT Portfolio Services Ltd up to a maximum of either:

- 160% of your first year's premium, plus 27% of each subsequent year's premium; or
- 38% of each year's premium.

#### **c\_Goods and Services Tax (GST)**

Under current legislation, GST does not have an impact on life insurance premiums (including policy fees).

#### **d\_You may be required to pay tax and other charges**

You may be required to pay taxes, levies or duties which relate to your cover.

If the level of tax, duties or levies is varied or if additional tax, duties or levies are imposed, we may require you to pay this additional amount. Your cover may be cancelled in accordance section D.1.2.h if you do not pay this amount.

#### **e\_Tax and other charges deducted from benefits**

We will deduct from any benefit paid under your Policy, any tax, duties or levies we are required by law to deduct.

#### **1.4\_Payment of premium while on claim**

For Income Protection and Income Protection Plus we will waive the proportion of any premium, stamp duty or other amount that falls due during any period in which we are paying you a Total Disability Benefit or Partial Disability Benefit.

### **2\_Further Information**

#### **2.1\_Notices**

We will send notices to the last address that you gave us. We say that you receive a notice on the date that you would have received it in the ordinary course of the mail. If you move, you need to tell us of your new address.

#### **2.2\_Changing your Policy**

If you:

- add an Insured Person to your Policy;
- remove an Insured Person from your Policy; or
- change any of the insurance under this Policy, we will send you written notice of the change.

We will show the date that any change starts. Any notice or endorsement we

send you forms part of the Policy or Schedule.

### **2.3\_Governing Law**

This policy is governed by the laws of New South Wales.

### **2.4\_Currency**

All dollar amounts referred to are in Australian currency.

All claims will be paid in Australian dollars.

### **2.5\_Worldwide cover — 24 hours a day**

Full cover is provided at all times, anywhere in the world.

## **3\_Making a claim**

### **3.1\_Who to contact**

Postal Address

#### **Wrap**

**GPO Box 2337  
Adelaide SA 5001**

### **3.2\_How and when to make a claim**

#### **a\_Claims under Income Protection and Income Protection Plus**

If you are making a claim under Income Protection or Income Protection Plus, you must write and tell us within 30 days of your disability. We ask you to return all claim forms within 60 days of receiving them.

If you notify us of your disability more than 90 days after the disability occurs, once we accept your claim your payments may start from the later of the date on which we receive your notification and the end of your Waiting Period.

#### **b\_Claims under Term Life, Standalone Living Insurance or Standalone TPD**

If you are making a claim under Term Life, Standalone Living Insurance or Standalone TPD you must tell us within 6 months of the injury, sickness, condition, disability or death occurring.

### **3.3\_Evidence required**

#### **a\_General**

Before we will pay a benefit, you must provide satisfactory evidence and the authorities we require for us to obtain further information.

This will include medical evidence from a registered medical practitioner acceptable to us. We may also require proof of the Insured Person's age as well as, and if appropriate, proof of the Insured Person's earnings or business expenses. You must provide this evidence at your own expense.

#### **b\_Medical Evidence**

We may from time to time require you to provide reports or certificates from the Doctor providing treatment to the Insured Person about the continuing disability of

the Insured Person (if claims are based on overseas reports or certificates, they must be translated into English by a certified translator). You must do so at your own expense.

We may also require the Insured Person to undergo medical examinations or tests by a Doctor whom we choose. The Insured Person must allow him or herself to be examined at any reasonable time we request. We will pay the reasonable costs of such examinations or tests.

#### c\_Proof of age

We can ask for proof of the Insured Person's age. You, or the Insured Person, must give us that information. If, when you applied for insurance:

- the Insured Person's age was lower than we were told it was, we will refund you any premium you have paid above what you should have paid plus interest; or
- the Insured Person's age was higher than we were told it was, we will reduce your benefit to what it would have been if the premium you paid us was based on their true age.

#### d\_Proof of earnings

We may require you to provide proof of Pre-disability Monthly Earnings and from time to time to provide proof of Post-disability Monthly Earnings in a period for which you are claiming a benefit. The proof required may include income tax returns, accountant's statements or other proof which is acceptable to us.

#### e\_Proof of Allowable Business expenses

We may require you to provide proof of Allowable Business expenses for any period for which you are claiming a benefit. We may also require you to provide proof

of the normal basis of accounting for such expenses. The proof required may include bills, invoices or other proof which is acceptable to us.

#### f\_We rely on the information you provide

Please note that we rely on the information that you provide during a claim. If either you or any Insured Person acts fraudulently, we may be able to cancel the Policy or any of its benefits and not have to pay any benefits.

#### 3.4\_What happens after you make your claim?

For Term Life, Standalone Living Insurance and Standalone TPD, after you make a claim we will assess it having regard to the information provided or obtained. We must act reasonably in doing this. In assessing a claim for a Disability Benefit, we will assume that the Insured Person had taken or will take such measures as may have been or as may be or become reasonable to avert or minimise the injury, disease or sickness giving rise to the claim.

#### 3.5\_Payment of claims

For Income Protection and Income Protection Plus, we will start payment of any benefit (including any amounts that have accrued), after we have accepted liability to pay the claim. We will pay benefits to you monthly in arrears. All payments are made in Australian currency. Should we accept liability to pay a claim, this is not a representation by us that we will continue to accept liability for so long as the Insured Person is not working. We may cease payment of the benefit at any time where we are of the opinion that the Insured Person is not Totally or Partially Disabled as required by this Policy. This right

exists irrespective of whether the condition of the Insured Person has changed.

#### 4\_Continuation option

The continuation option allows you to apply for a similar insurance policy with Westpac Life (outside of Wrap), following the closure of your Wrap Account or the nominated Wrap Account.

You can exercise the continuation option provided that:

- you held a BT Life Protection Plans policy at the date you cease to be a Wrap Account holder or at the date the nominated Wrap Account is closed; and
- your continuation form is completed and returned to Westpac Life within 30 days of your Wrap Account or the nominated Wrap Account closing.

Certain terms and conditions of your insurance (eg sum insured, loadings, exclusions or special conditions) will continue to apply. However, other terms and conditions of the new policy and the applicable premium will be based on those available at the time of your application. For more details please contact us.

#### 5\_Contact details

Arranger Contact Details  
Postal address

**Wrap**  
GPO Box 2337,  
Adelaide SA 5001

**Online access**  
[www.investorwrap.com.au](http://www.investorwrap.com.au)

Issuer and Insurer Contact Details  
**Westpac Life**  
GPO Box 524  
Sydney NSW 2001

## 6\_Taxation Treatment of your Product

### 6.1\_Introduction

The taxation information described in this section is a general statement only, and is based on continuance of present tax laws at August 2009 and interpretation of those laws. Your individual situation may differ and you should seek independent professional tax advice.

Product	Premium impact	Benefit impact
<b>Term Life, Standalone Living Insurance, Standalone Total and Permanent Disablement and Children's Benefit</b>	<p><b>For individuals</b> Premiums are not tax deductible.</p> <p><b>For business</b> The deductibility of premiums will depend on the specific circumstances of each Policy. For example, if you take out Term Life and the objective of the Policy is to cover the loss of business revenue associated with the loss of a key employee, the premiums paid by the business may be an allowable tax deduction. There may be fringe benefits tax implications in respect of premiums, where benefits are to be applied for employees or their dependants. Certain components of the Total and Permanent Disablement insurance premium may be considered to be not tax deductible and you should seek specific tax advice.</p>	<p><b>For individuals</b> Generally any benefits will not be treated as assessable income for tax purposes. However, there may be capital gains tax implications in certain circumstances<sup>1</sup>. We recommend you seek individual tax advice.</p> <p><b>For business</b> The assessability of the benefit will depend on the specific circumstances of the Policy. For example, if you take out Term Life and the objective of the Policy is to cover the loss of business revenue associated with the loss of a key employee, the benefit may be treated as assessable income. There may also be tax implications if a death benefit termination payment is made by the business to dependants or non-dependants of the deceased.</p>
<b>Income Protection and Income Protection Plus</b>	Premiums paid are generally tax deductible.	Payments you receive are generally assessable for tax purposes.

<sup>1</sup> Such as when we pay a Death Benefit under a Term Life Policy and the Policy Owner is not the original owner of the Policy,

or where we pay a benefit under a Living Insurance or Standalone Total and Permanent Disablement Policy and the

Policy Owner is not the Insured Person or a relative (as defined for tax purposes).

## 7 Privacy information and consents

### 7.1 Privacy

Privacy legislation protects your personal information and gives you rights in regard to the way we handle that information. The following privacy information and consents are for the Policy Owner. Additional information and consents for the Insured Person are set out in the personal statement.

By signing the application form, you agree to the following:

Westpac Life Insurance Services Limited ('Westpac Life'), any other member of the Westpac Group, and third parties such as your adviser and reinsurers ('the Parties') may exchange with each other any information about you including:

- any information provided by you in this application and
- any other personal information you provide to any of them or which they otherwise lawfully obtain about you.

If you have identified any person as a Beneficiary, you agree to ensure that each such person is made aware that:

- you have nominated him/her as a Beneficiary of the Policy;
- Westpac Life hold a record of their personal information for this purpose; and
- he/she may contact the Westpac Group, or request access to his/her information

If Westpac Life engages anyone (a 'Service Provider') to do something on its behalf (for example technology providers) then you agree Westpac Life and the Service Provider may exchange with each other any information referred to above.

Westpac Life might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where you have otherwise consented.

You agree that any information referred to above can be used by the Parties and any Service Provider for assessing the application for this Policy and, if the application is accepted, to issue the Policy, for administration of the Policy, planning, product development and research purposes.

You can access most personal information that members of the Westpac Group hold about you (sometimes there will be a reason why that is not possible, in which case you will be told why).

If you fail to provide any information requested in this form, or do not agree to

any of the possible exchanges or uses detailed above, Westpac Life may be unable to accept the application. To find out what sort of personal information members of the Westpac Group have about you, or to make a request for access, please write to Wrap at:

**Wrap**  
**GPO Box 2337,**  
**Adelaide SA 5001**

### 7.2 Financial Crimes Monitoring

To meet our regulatory and compliance obligations for anti-money laundering and counter financing of terrorism, we will be increasing the levels of control and monitoring we perform. You should be aware that:

- transactions may be delayed, blocked or refused where we have reasonable grounds to believe that they breach Australian law or the law of any other country; and
- we may from time to time require additional information from you to assist us in the above compliance process.

Where legally obliged to do so, we may disclose the information gathered to regulatory and/or law enforcement agencies.

You must not initiate, engage in or effect a transaction that may be in breach of Australian law (or the law of any other country).

## 8 Replacing your existing cover

If you are intending to replace your existing cover from another insurer, Westpac Life is willing to offer take over terms for individuals if certain requirements are met. Your adviser can provide you with a copy of the applicable take over terms upon request.

## 9 Complaints

### 9.1 Contact Us

If you wish to make a formal inquiry or complaint, please speak to your adviser or address it in writing to:

**Wrap**  
**GPO Box 2337,**  
**Adelaide SA 5001**

When we receive your written enquiry or complaint it will be recorded, investigated and acted upon. We will endeavour to respond to a complaint as soon as possible and within 45 days.

### 9.2 Financial Ombudsman Service

If you have a complaint about your Policy which is not answered to your satisfaction or within 45 days, you may raise the matter directly with the:

Financial Ombudsman Service

**GPO Box 3**  
**Melbourne VIC 8007**  
**Telephone 1300 780 808**  
**Facsimile: (03) 9613 6399**  
**Website: [www.fos.org.au](http://www.fos.org.au)**  
**Email: [info@fos.org.au](mailto:info@fos.org.au)**

The Service will attempt to settle the matter by conciliation. It also has the power to arrange a formal hearing if the matter cannot be resolved.

Before you ask the Service to help you, please try to resolve the issue with us. There are some circumstances where the Service cannot deal with your complaint. They can advise you of these circumstances.





Insurance