

Life Insurance

ACCELERATED PROTECTION POLICY

Product Disclosure Statement

ACCELERATE

Product Disclosure Statement
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Important note

TOWER Australia Limited (TOWER, we, us, our) is the issuer of the insurance cover outlined in this Product Disclosure Statement (PDS). If insurance cover is taken through the TOWER Superannuation Fund, TOWER Australian Superannuation Limited will, as Trustee, issue an interest in the TOWER Superannuation Fund. Both TOWER Australia Limited and TOWER Australian Superannuation Limited take full responsibility for the whole of this PDS, however neither is responsible for the products issued by the other.

The information in this PDS is current at the date of issue. From time to time we may change or update information that is not materially adverse by providing a notice of any such changes on our website, www.accelerate.toweraustralia.com.au. A printed copy of information updated may also be obtained free of charge by contacting our Accelerate Customer Service team on 1800 064 159.

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

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

Applications for an Accelerated Protection Policy and Accelerated Protection Policy (Super) may only be made by using the Accelerate online platform. You need to read and consider this PDS before making an application.

You will see that there a number of terms in this PDS that have been capitalised. These terms have a particular definition when used in the PDS or Policy Document. We have included some of the most important definitions on page 27 of the PDS. All of the defined terms are explained fully in the Policy Document. It's important that you refer to these definitions and read them carefully because the meaning of the terms are relevant to your decision to apply for cover, our assessment of your application, your eligibility for insurance cover, your ability to make a claim and our decision in relation to any claim you may make. You should seek advice from your financial adviser if you're unsure of any of the definitions or what they mean for your insurance cover.

Additionally, in this PDS, **Policy** means the Accelerated Protection Policy and the **Policy Owner** means the person who legally owns the Policy. We use **Life Insured** to refer to the person whose life is insured under the Policy. **You** and **your** refer to either the Policy Owner or the Life Insured as required by the context. If you are in any doubt, please speak to your financial adviser and read the Policy Document.



Money Management Risk Company of the Year - Runner Up 2008



Money Management Risk Company of the Year - Winner 2007



Money Management Risk Company of the Year - Winner 2006



Risk Insurer of the Year 2007



Money Management 2008 Accelerated Protection Policy Bronze winner

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HAVE YOU GOT
BETTER THINGS
TO DO THAN SIT
AROUND **+** WAIT
FOR NEWS ON
YOUR INSURANCE?

Good, then you've come to the right place.

Introducing the Accelerated Protection Policy

We know you've got better things to do than sit around and wait for news on your insurance.

So we've created the Accelerated Protection Policy – a high quality life insurance product that's fast and easy to apply for. We believe it's the fastest, safest and most simple way to get the right level of life insurance for your needs.

We've created an online application process which means your financial adviser submits your application details electronically. The benefits of our approach are simple:

- **save time** – we only ask questions that are relevant to the cover you're applying for, making the application process shorter
- **hassle free** – we don't automatically request reports from your doctor which saves you the hassle of chasing up your medical history
- **immediate cover** – the online application process means you may be accepted for cover immediately, and if we can't give you an instant decision or if you'd prefer to answer your additional underwriting questions privately, an experienced consultant will contact you within days to collect additional information, finalising your application faster.

The Accelerated Protection Policy comprises the Life Plan and the Income Plan. In combination these Plans provide you and your family with comprehensive protection. In this PDS you will find summaries of the benefits available under each plan. We've tried to make your choice as easy as possible by highlighting your options and indicating what is covered and what isn't covered.

We hope you like our 'keep it simple' style. We suggest you take the time to read the information in this PDS carefully and discuss it with your financial adviser to work out the combination of options that will best meet your needs. If you want more information, a copy of the Policy Document or a copy of any important changes please ask your financial adviser, or call the Accelerate Customer Service team on 1800 064 159.

The Accelerated Protection Policy is provided by TOWER Australia Limited, one of Australia's largest and most trusted life insurance companies. When you purchase the Accelerated Protection Policy you're provided with worldwide insurance cover 24 hours a day – it's the type of protection you can expect from TOWER.

We think you'll find our approach to insurance a refreshing change, because we know you not only want cover, but you want to get on with life – fast!

What you need to know, including our 30 day 'cooling off' period

If we accept your application, your cover will be set out in the Policy Schedule which outlines your specific cover details, and the Policy Document which contains the formal terms and conditions of insurance. Together the Policy Schedule and Policy Document form your contract with us, to which you agree to be bound. We're not bound to accept your application for insurance, but if we do, you'll receive these documents once you've been accepted for cover.

At TOWER we offer a 30 day 'cooling off' period. The 30 day period starts on the Policy Commencement Date. If you do happen to change your mind before the end of the 'cooling off' period, you can return the Policy Document and Policy Schedule to us with a written request to cancel the policy. Naturally your premium will be promptly refunded in full.

If your Policy is structured through superannuation, in refunding the premiums paid you should be aware that this payment is subject to preservation. This means that it may need to be rolled over to another superannuation arrangement rather than be paid in cash. You must do this in writing within one month of advising the Trustee that you are cancelling the Accelerated Protection Policy (Super). If you nominate a superannuation arrangement that does not accept the payment, the Trustee can only pay the refund to an eligible rollover fund.

Accelerated Protection Policy – Life Plan

Benefit	Life Plan Benefit	Total and Permanent Disability Benefit	Critical Illness Benefit
A lump sum benefit is paid if:	the Life Insured dies	the Life Insured suffers Total and Permanent Disability	the Life Insured suffers a specified Critical Illness condition
Available as	Stand alone	Stand alone or as an option to a Life Plan Benefit	Stand alone or as an option to a Life Plan Benefit
Entry Ages			
Stepped Premiums	16–70	16–60	16–60
Level Premiums	16–55	16–55	16–55
Maximum Sum Insured	\$2,500,000	\$2,500,000	\$1,500,000

The Accelerated Protection Policy Life Plan provides a range of comprehensive lump sum benefits that you can select to ensure peace of mind and financial security for you and your loved ones.

The table above shows the main benefits available which you can structure into a tailored package to suit your priorities, needs and budget.

The Total and Permanent Disability Benefit and Critical Illness Benefit can be added as options to a Life Plan Benefit, or be taken on a stand alone basis. This is explained in the following pages, along with the other benefits and options available under the Life Plan.

This section of the PDS covers the benefits provided under the Life Plan. The PDS also covers some circumstances under which a benefit will not be paid. These exclusions are covered in the section titled Limitations and Exclusions on page 16. Your Policy Document will contain the formal terms and conditions.

The Life Plan is available under both the Accelerated Protection Policy and the Accelerated Protection Policy (Super).

If you purchase the Accelerated Protection Policy (Super), your Life Plan will be owned by the TOWER Superannuation Fund.

There are some important differences between owning your insurance yourself and purchasing your insurance through the TOWER Superannuation fund. For example, if you do elect to purchase your Life Plan under the Accelerated Protection Policy (Super) some benefits will not apply. However, given your financial circumstances purchasing the Life Plan through superannuation may be more advantageous.

For more information on owning your insurance through superannuation, please refer to the sections titled Accelerated Protection Policy (Super) and the TOWER Superannuation Fund.

We know you've got better things to do than read endless details on insurance options, so this PDS only gives you the important information about each benefit. If you want more details, or if you have any questions around your Life Plan ownership or any of the benefits explained here, please speak to your financial adviser and ask for a copy of the Policy Document.

Life Plan Standard Benefits

The following benefits are standard when you select the Life Plan Benefit.

Area covered	Benefit provided
Life Plan Benefit*	A lump sum payment of up to \$2,500,000 paid if the Life Insured dies.
Terminal Illness Benefit*	Early payment of the Life Plan Benefit if the Life Insured is diagnosed (by two doctors) with a Terminal Illness, and we are satisfied this illness is likely to result in the Life Insured's death within 12 months.
Advanced Payment Benefit*	On receipt of the death certificate for the Life Insured, we will pay a \$10,000 advance payment on the Life Plan Benefit to cover immediate expenses, like funeral expenses and outstanding bills. The balance of the Life Plan Benefit will be paid after our claim requirements are met.
Financial Planning Benefit	Working out how best to use a large claim payment from us can be tricky. This benefit gives you freedom to seek professional advice. We will reimburse up to \$1,000 toward the cost of a financial plan prepared by a financial adviser within 12 months of the date we finalise your claim. We reserve the right to see a copy of the financial plan.
Accommodation Benefit	Accommodation costs of an immediate family member will be met, up to \$150 per day and for a period of up to 14 days, if we pay the Terminal Illness, Total and Permanent Disability or Critical Illness Benefit, and the Life Insured is confined to bed more than 100km from home.
Guaranteed Future Insurability Benefit	As life changes, insurance needs change too, so we make it easy for you to increase your cover when you take a significant step in your life. We call these life steps 'Allowable Events', things like getting married, having a baby, obtaining a loan to buy your own home or increasing your stake in a business in which you are a key person. Until you turn 55, you can apply for additional insurance cover without giving us current health information when an Allowable Event happens. You must apply within certain time periods and there are limits that apply each time, for example the lesser of 25% of your original cover or \$200,000. This benefit is not available if a loading or exclusion applies to your cover.
Inflation Protection Benefit	This automatically increases the sum insured for each benefit under the Life Plan by CPI (or not less than 5%) each year until the expiry of cover. You can notify us if you want your cover amount to remain unchanged. As your premiums will increase over time, choosing not to exercise this benefit may reduce the size of your premium increases.

* These benefits do not apply to Stand-Alone Total and Permanent Disability or Stand-Alone Critical Illness.

Life Plan Optional Benefits

The Life Plan offers several Optional Benefits at an extra cost. Before applying for any Optional Benefits, you should consider your personal needs and talk to your financial adviser about your individual requirements. Some Optional Benefits may not be available if you purchase your insurance through superannuation. These Optional Benefits are described below and listed in the following table.

Optional Benefits only apply to your Accelerated Protection Policy if they are noted on your Policy Schedule.

Total and Permanent Disability (TPD) Benefit

The Total and Permanent Disability Benefit provides a cash lump sum that is paid upon the Life Insured's Total and Permanent Disability. This lump sum can help ease the financial burden of having to make lifestyle changes because of the total and permanent disablement.

The Accelerated Protection Policy also gives you the flexibility to purchase Stand-Alone Total and Permanent Disability. You should remember that stand alone means that it does not include some of the Life Plan Standard benefits.

Life Plan		Area covered	Benefit provided
Accelerated Protection Policy	Accelerated Protection Policy (Super)		
✓	✓	Total and Permanent Disability (TPD) Benefit	<p>A lump sum benefit paid out upon the Life Insured's Total and Permanent Disability.</p> <p>Except where this benefit has been purchased through the Accelerated Protection Policy (Super) an advanced payment will be made under this Benefit when the Life Insured suffers the total and irrecoverable Loss of a Single Limb or the Loss of sight in an eye. The amount payable will be the lesser of 25% of the Total and Permanent Disability sum insured or \$500,000. This is payable only once and the Total and Permanent Disability Benefit sum insured will be reduced by the amount paid for the Loss of a Single Limb or the Loss of Sight in One eye. This advanced payment is payable only if the condition or the circumstances leading to the claim first occurs after the plan start date.</p> <p>The definition of Total and Permanent Disability depends on which of the following definitions applies to the Life Insured under the Policy:</p> <ul style="list-style-type: none"> • Any Occupation definition • Own Occupation definition, or • Long Term Care definition. <p>You may choose between the Any Occupation definition or the Own Occupation definition when you apply for cover. When you turn 65, your definition is replaced with the Long Term Care definition. Further information on these definitions can be found on page 28.</p>
✓	✓	TPD Single Benefit	This option means that the Life Plan Benefit is reduced by any amount paid under the TPD Benefit. If the TPD Benefit is the same as the Life Plan Benefit, cover for the Life Insured ends.
✓	X	TPD Double Benefit	This option means that payment of a TPD Benefit will not reduce the Life Plan Benefit, however, the Guaranteed Future Insurability Benefit or Line of Cover Option (if applicable) will be cancelled when the TPD Benefit is paid.
✓	✓	Death Buy Back on TPD	An option to allow Single Benefit TPD Policy Owners to purchase back the level of Life Plan Benefit held prior to the payment of the TPD Benefit, 12 months after the payment of the TPD Benefit. The cover will be issued on the same terms as the original policy, but current premium rates will apply. The Guaranteed Future Insurability Benefit and Line of Cover Option do not apply on the re-purchased cover. Please see page 11 for a description of the Line of Cover Option.
✓	X	Stand-Alone TPD	The option means that your TPD benefit is separate to the Life Plan Benefit. Any amount paid under Stand-Alone TPD does not reduce any Life Plan Benefit you may purchase.

Critical Illness Benefit

The Critical Illness Benefit pays you a cash lump sum if you suffer from any of the Critical Illness conditions listed in the table on page 10. This benefit can be used to help pay medical bills or to pay off any debts such as a mortgage. For some Critical Illness conditions, we will pay less than 100% of the sum insured, for example payments for Angioplasty are limited to 25% of the sum insured up to a maximum of \$50,000.

The Accelerated Protection Policy also gives you the flexibility to purchase Stand-Alone Critical Illness. You should remember that stand alone means that it does not include some of the Life Plan Standard benefits.

Your Policy Document contains a comprehensive list of the Critical Illness conditions that may be covered under the Policy and the medical terms associated with those conditions. It is important that you read and understand those definitions as they determine what you will and won't be covered for. As with all benefits, we suggest you speak to your financial adviser and ask for a copy of the Policy Document if you require further information. Please note, the Critical Illness Benefit is only available under the Accelerated Protection Policy. It is not available under the Accelerated Protection Policy (Super).

Area covered	Benefit provided
Critical Illness Benefit	Provides a lump sum payment for a range of conditions listed in the table on page 10. The Life Plan Benefit is reduced by any amount paid relating to Critical Illness.
Death Buy Back on Critical Illness	An option to repurchase the Life Plan Benefit 12 months after the payment of 100% of the Critical Illness Benefit. The repurchased cover is subject to any conditions in the original Policy. This benefit is not available if you purchase Stand-Alone Critical Illness.
Stand-Alone Critical Illness	The option means that your Critical Illness Benefit is separate to the Life Plan Benefit. Any amount paid under the Stand-alone Critical Illness Benefit does not reduce any Life Plan Benefit you may purchase The Stand-Alone Critical Illness Benefit will only become payable if the Life Insured survives for at least 14 days from diagnosis of the Critical Illness condition.
Advancement Benefit	An advance payment of 25% of the Critical Illness Benefit up to a maximum payment of \$25,000 to cover immediate expenses. This benefit is only paid on the first occurrence of one of the following: <ul style="list-style-type: none"> • diagnosis of Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Parkinson's Disease or Primary Pulmonary Hypertension, or • suffering Carcinoma In Situ, Chronic Lymphocytic Leukaemia or Melanoma, or • the Life Insured is placed on a waiting list to receive a major organ transplant. The Critical Illness Benefit is reduced by the amount paid.
Critical Illness Buy Back Option	An option to repurchase up to 100% of the Critical Illness Benefit 12 months after the payment of a Critical Illness Benefit. This option ensures you're protected against the future threat of any other Critical Illness. The Critical Illness condition originally claimed on, and related Critical Illness conditions are excluded on the repurchased cover.

Life Plan Optional Benefits

The Critical Illness conditions covered are:

- Heart conditions
 - Angioplasty*#
 - Angioplasty – Triple Vessel*
 - Cardiomyopathy
 - Coronary Artery Bypass Surgery*
 - Heart Valve Surgery*
 - Major Abdominal Aortic Surgery*
 - Myocardial Infarction (Heart Attack)*
 - Primary Pulmonary Hypertension
- Neurological conditions
 - Alzheimer’s Disease
 - Cerebrovascular Accident (Stroke)*
 - Coma
 - Dementia
 - Encephalitis and Meningitis
 - Major Head Trauma
 - Meningococcal Disease
 - Motor Neurone Disease
 - Multiple Sclerosis
 - Muscular Dystrophy
 - Paralysis
 - Parkinson’s Disease
- Blood disorders
 - Aplastic Anaemia
 - Occupationally and Medically Acquired HIV
- Cancer
 - Benign Brain Tumour
 - Cancer*
 - Carcinoma In Situ**
 - Chronic Lymphocytic Leukaemia**
 - Melanoma**
- Organ disorders
 - Chronic Liver Failure
 - Chronic Lung Failure
 - Chronic Renal Failure (Kidney Failure)
 - Major Organ Transplant
 - Pneumonectomy
 - Severe Burns
- Permanent conditions
 - Loss of Independent Existence
 - Loss of Limbs
 - Loss of Speech
 - Total Blindness
 - Total Deafness

* These conditions are not covered until 90 days after the commencement of the Policy and are not covered under the Accelerated Protection Policy Interim Cover. For more information on Interim Cover refer to page 31.

+ These conditions have a maximum payment of \$25,000.

This condition has a maximum payment of \$50,000.

Line of Cover Option

The Line of Cover Option means if you take out cover on a key person in your business you have the flexibility to increase the Life Plan Benefit sum insured, and TPD Benefit sum insured if applicable, when certain specified events happen. Please note, the Line of Cover Option is not available under the Accelerated Protection Policy (Super), or for Stand-Alone TPD.

Area covered	Benefit provided
Line of Cover Option	Up to \$2,500,000 or three times the original sum insured (whichever is the lesser) can be added to the value of the Life Plan Benefit and TPD Benefit (if applicable) without the need for additional health information on the occurrence of a nominated business event.

The Line of Cover Option is available for the following business events:

- business value – an increase in the Life Insured’s share or value of the business for which the cover was originally established
- key person value (employee with no ownership or financial interest in the business) – an increase in the value of the Life Insured key person to the business entity for which the cover was originally established, or
- loan guarantee – an increase in level of a business loan for which the Life Insured is a guarantor.

When you apply for this option, you choose the business event you want covered. If that event occurs, you have 30 days from the business event taking place to notify us and apply to increase your cover.

Any increase to a TPD Benefit will prompt an increase to the Life Plan Benefit of the same amount.

The Line of Cover Option expires at age 65 and in certain other circumstances. For more information on the Line of Cover Option and to ensure you have the right cover to meet your business needs, you should speak to your financial adviser and ask for a copy of the Policy Document.

Waiver of Premium on Total Disability

Life Plan	Area covered	Benefit provided
Accelerated Protection Policy	Accelerated Protection Policy (Super)	Waiver of Premium Option on Total Disability
✓	✓	This option helps when your Total Disability lasts for 90 days or longer. Premiums for the Life Plan will be waived while the Life Insured is Totally Disabled and under the age of 65.

Accelerated Protection Policy – Income Plan

An Accelerated Protection Policy Income Plan covering up to 75% of your income and up to 10% of your income contributed to superannuation, protects your income and retirement benefits when Sickness or Injury prevents you from working.

There are two types of Income Plan cover – Standard and Comprehensive. We've provided a table of benefits on pages 12 and 13 to allow a quick comparison of your options.

Income Plan – Standard (but not Income Plan – Comprehensive) can be owned through the TOWER Superannuation Fund under the Accelerated Protection Policy (Super). There are some important differences between owning your insurance yourself and purchasing your insurance through superannuation. For example, if you do elect to purchase your Income Plan under the Accelerated Protection Policy (Super) some benefits will not apply. For more information on owning your insurance through superannuation, please refer to the sections titled Accelerated Protection Policy (Super) and The TOWER Superannuation Fund.

To be eligible to purchase the Income Plan, you must be between the ages of 19 and 60 on your next birthday (for certain occupations it may be between 19 and 55 on your next birthday).

This section of the PDS covers the benefits provided through the Income Plan. The PDS also covers some circumstances under which a benefit will not be paid. These exclusions are covered in the section titled

Limitations and Exclusions on page 16. Your Policy Document will contain the formal terms and conditions.

You should refer to page 27 of this PDS for some important definitions relating to Income Plan cover. Please also note that further terms are defined in the Policy Document. For any further information about the Income Plan, you should speak to your financial adviser and ask for a copy of the Policy Document.

In addition to choosing the level of cover that's right for you, you should also consider the Waiting Period and the Benefit Period applied to your Accelerated Protection Policy Income Plan.

The Waiting Period refers to the amount of time you must be unable to work before being entitled to receive claim payments. Waiting Periods available under the Income Plan are:

- 14 days
- 30 days
- 90 days, or
- 730 days.

The Benefit Period determines how long your Income Plan benefits may be paid. Benefit Periods available under the Income Plan are:

- 2 years
- 5 years, or
- until age 65 (not available for all occupation classes).

Income Plan		Area covered	Benefit provided
Standard	Comprehensive		
✓	✓	Total Disability Benefit	A Monthly Benefit up to 75% of normal ongoing income paid in arrears upon the Life Insured suffering Total Disability.
✓	✓	Partial Disability Benefit	A Monthly Benefit paid when the Life Insured is only able to work in a reduced capacity due to Sickness or Injury. The amount paid will take into account the amount of your Pre-Disability Earnings and any Monthly Earnings during the month.
✓	✓	Inflation Protection Benefit	This automatically increases the Monthly Benefit for each benefit under the Income Plan by CPI each year until the expiry of cover. You can notify us if you want your cover amount to remain unchanged. As your premiums will increase over time, choosing not to exercise this benefit may reduce the size of your premium increases.
✓	✓	Concurrent Disability Benefit	If Total or Partial Disability results from separate Sickness or Injury, benefit payments are calculated according to the Sickness or Injury which provides the highest payment. This ensures you are always receiving the maximum benefit to which you are entitled.
✓	✓	Recurrent Disability Benefit	If a disability recurs from the same or related cause within 12 months of a claim ending, it will be treated as a continuation of the original claim. This means no Waiting Period before benefits recommence. Please note that all claim periods will be added together to calculate the maximum Benefit Period for the particular disability.

Accelerated Protection – Income Plan

Income Plan		Area covered	Benefit provided
Standard	Comprehensive		
✓	✓	Waiver of Premium Benefit	Premiums for your Income Plan cover will be waived while the Life Insured is receiving a benefit payment for Total or Partial Disability.
✓	✓	Recovery Support Benefit*	Benefit to assist in rehabilitation and directed toward spending on items such as artificial limbs, prosthetic devices, travelling and education expenses, and house and car modifications. Maximum limit of six times the Monthly Benefit.
✓	✓	Scheduled Injury Benefit*	Established payment periods are provided for certain events based on the nature of the injury. This is explained in more detail on page 14.
✓	✓	Death Benefit	A lump sum payment of six times the Monthly Benefit will be paid if the Life Insured dies.
✗	✓	Rehabilitation Benefit	Cover provided to allow participation in an approved Rehabilitation Program. The amount paid will be 50% of the Monthly Benefit but excludes medical consultations or therapy.
✗	✓	Overseas Assistance Benefit	Reimbursement of up to \$5,000 for airfare costs for emergency transportation back to Australia if the Life Insured suffers Total Disability overseas which lasts for at least 30 consecutive days.
✗	✓	Accommodation Benefit	Reimbursement of accommodation costs for your family of up to \$250 per day, for a maximum of 30 days, when the Life Insured is Totally Disabled, and required to travel for treatment, more than 100km from home.
✗	✓	Bed Confinement Benefit	A specified percentage of the sum insured can be paid under certain circumstances for each day that you are confined to bed on the advice of a Medical Practitioner where that confinement continues for three days or more during the Income Plan Waiting Period.
✗	✓	Carer's Benefit	If you are Totally Disabled for 30 consecutive days, the Carer's Benefit will cover costs for a registered nurse or family member to look after you. The amount payable is limited to the lesser of the amount paid to the nurse (or loss of earnings of your Immediate Family Member), your Monthly Benefit or \$3,000 per month. Any amounts reimbursed from elsewhere will be deducted from these amounts.
✗	✓	Child Care Benefit	A Child Care Benefit is available for a maximum of three months to reimburse costs incurred in relation to providing outside care for any children under the age of 12 required as a result of your Sickness or Injury.
✗	✓	Child's Critical Illness Benefit	If your child suffers a Critical Illness condition, a lump sum payment of four times the Monthly Benefit up to a maximum of \$50,000 will be made. This is explained in more detail on page 14.

* Not available under the Accelerated Protection Policy (Super)

Income Plan Benefits

Scheduled Injury Benefit

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

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

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

Insured Event	Payment period (in months)
Paralysis*	60
Loss of:	
• Both feet or hands or sight in both eyes	24
• Any combination of two of, a hand, a foot and sight in one eye	24
• One leg or arm	18
• One foot or hand or sight in one eye	12
• The thumb and index finger of the same hand	6
Fracture of the:	
• Thigh or pelvis	3
• Leg (between the knee and foot), knee cap, upper arm, shoulder bone or jaw	2
• Forearm (above the wrist), collarbone or heel	1

* If you have selected the 2 year Benefit Period, and the Life Insured suffers Paralysis, the Payment period will be reduced to 24 months.

Child's Critical Illness Benefit

The Child's Critical Illness Benefit provides a lump sum payment of up to four times the Income Plan Monthly Benefit if your child is diagnosed with a Critical Illness condition. The benefit is payable up to a maximum of \$50,000 and ends on your child reaching 18 years of age. The Child's Critical Illness Benefit is only payable once and only in relation to one child.

The Child's Critical Illness conditions covered are the same as those under the Critical Illness Benefit Option under the Life Plan, as listed in the table on page 10.

Income Plan Optional Benefits

Whether you choose the Standard or Comprehensive cover, the Income Plan offers several Optional Benefits that will help you to create the Income Plan cover that best suits your needs. Some of these Optional Benefits are not available through the Accelerated Protection Policy (Super).

Your premium may increase with each Optional Benefit you choose. More information is contained within the Policy Document, which is available from your financial adviser.

Optional Benefits only apply to your Income Plan if they are noted on your Policy Schedule.

An overview of these options is provided below. Before applying to add any Optional Benefits, you should consider your personal needs and talk to your financial adviser about your individual requirements.

Optional Benefits

Income Plan		Area covered	Benefit provided
Accelerate Protection Policy	Accelerated Protection Policy (Super)		
✓	✓	Increasing Claim Option	This option ensures that your benefit payments keep up with inflation. While you are receiving payments, we will increase the benefit payments in line with the CPI on the anniversary of the commencement of continuous benefit payments. This increase will be capped to five per cent when the Income Plan is through the Accelerated Protection Policy (Super).
✓	✓	Accident Benefit Option	A proportionate percentage of your overall sum insured will be paid for each day you are disabled if you are injured and Totally Disabled for three consecutive days during the Waiting Period. Only available under 14 and 30 day Waiting Periods.
✓	X	Critical Illness Benefit Option	A lump sum payment of six times the Income Plan sum insured may be provided for a range of conditions including Cancer, Stroke and Heart Attack. This is explained in more detail below.
✓	X	Retirement Protection Option	This option helps you to ensure that your superannuation savings continue to grow while you are disabled. We will reimburse superannuation contributions made into a complying superannuation fund during the period the Life Insured is receiving benefit payments.

Critical Illness Benefit Option

The Critical Illness Benefit Option will provide you with a cash lump sum of six times the Income Plan Monthly Benefit if you're diagnosed with a Critical Illness condition such as Cancer. This payment helps cover the financial impact of medical treatments and expenses.

The Critical Illness conditions covered are the same as those under the Critical Illness Benefit Option within the Life Plan, as listed in the table on page 10.

Limitations and Exclusions

Each benefit available under the Accelerated Protection Policy is subject to terms and conditions that, amongst other things, help us to make decisions on payments in a consistent and fair manner. These terms and conditions will be contained in the Policy Document sent to you once your application for insurance is accepted. A copy is also available from your financial adviser or by calling the Accelerate Customer Service team on 1800 064 159.

When deciding on the right protection for your needs, please consider the limitations and exclusions outlined below and how they apply to certain benefits. For more information, please speak to your financial adviser and read the Policy Document.

Please be aware that if you are purchasing the Accelerated Protection Policy to replace an existing policy, until you cancel that other policy your cover under the Accelerated Protection Policy will be reduced by the amount you are entitled to claim under that other policy.

Life Plan

<p>Life Plan Benefit and Terminal Illness Benefit</p>	<p>Benefits will not be paid if the Life Insured dies or is Terminally Ill as a result of:</p> <ul style="list-style-type: none"> • An intentionally self-inflicted act, which occurs within 13 months of: <ul style="list-style-type: none"> – the Policy Commencement Date – an increase in cover other than under the Inflation Protection Benefit (but only in respect of the amount of the increase), or – the most recent reinstatement of the Accelerated Protection Policy, or • any other specific event or cause agreed between you and us.
<p>Total and Permanent Disability Benefit</p>	<p>Benefit will not be paid if the Total and Permanent Disability occurs as a result of:</p> <ul style="list-style-type: none"> • an intentionally self-inflicted act by the Life Insured, or • any other specific event or cause agreed between you and us. <p>If you select the TPD Benefit and the Critical Illness Benefit under the same Accelerated Protection Policy, irrespective of whether Single or Double Benefit is chosen, any payments under the TPD Benefit will reduce the Critical Illness Benefit. This does not apply if you select Stand-Alone TPD.</p>
<p>Waiver of Premium on Total Disability</p>	<p>The Waiver of Premium will not apply if Total Disability occurs as a result of:</p> <ul style="list-style-type: none"> • an intentionally self-inflicted act or injury • war or any act of war, whether declared or not, or • any other specific event or cause agreed between you and us.
<p>Adjustment of Critical Illness Benefit</p>	<p>When a TPD Benefit is paid under the Life Plan, this can impact other applicable benefits.</p> <p>If a Critical Illness Benefit is included in your Accelerated Protection Policy, the payment of a TPD Benefit will reduce the amount of cover you have under the Critical Illness Benefit. This will still be the case if you have taken the TPD Double Benefit. This does not apply if you select Stand-Alone Critical Illness.</p>
<p>Critical Illness Buy Back</p>	<p>The Critical Illness Buy Back Option cannot be exercised where:</p> <ul style="list-style-type: none"> • a TPD or Terminal Illness Benefit has been paid • a benefit is paid for Angioplasty • a benefit is paid under the Advancement Benefit, or • the Life Insured has turned 65.

Income Plan

Income Plan Standard and Comprehensive

Reductions to the Income Plan only apply to payments under Total and Partial Disability Benefits. These reductions differ depending on whether your Income Plan is through the Accelerated Protection Policy or the Accelerated Protection Policy (Super).

Income Plan through the Accelerated Protection Policy

A reduction will only be made if the Life Insured:

- receives a payment through any other individual or group disability income insurance, credit or mortgage insurance not disclosed at the time of underwriting, or
- has an occupation class shown on the Policy Schedule that is not 1 or 1.5 and receives a payment through workers' compensation, common law or statute where such payments are in respect of the disability of the Life Insured and in calculating the payment the relevant authority did not, or could not, take into account payments due under this Plan.

Income Plan through the Accelerated Protection Policy (Super)

A reduction will only be made if the Life Insured receives other payments through:

- any other individual or group disability income insurance, credit or mortgage insurance not disclosed at the time of underwriting, or
- workers' compensation, common law or statute where such payments are in respect of the disability of the Life Insured and in calculating the payment the relevant authority did not, or could not, take into account payments due under this Plan.
- sick leave, where the life insured has accrued entitlements of at least 60 days at the commencement of the Waiting Period and chooses to use those entitlements during the Benefit Period. No adjustment will be made for accumulated sick leave where:
 - the life insured has less than 60 days' accumulated sick leave, or
 - the life insured has at least 60 days' accumulated sick leave but the life insured chooses not to use that leave during the Benefit Period.

For both Income Plan through the Accelerated Protection Policy and the Accelerated Protection Policy (Super)

- If any workers' compensation, common law, or statute payment is received as a lump sum:
 - We will deem it to be income on the basis of 1% of the lump sum for each month that a disability benefit is paid.
 - The disability payment will be calculated taking this figure into account for a maximum of eight years.
 - If a reduction applies, it will be to ensure that the Monthly Benefit plus the other payments, including any lump sum payments deemed as income, is not greater than 75% of the first \$20,833 of Pre-Disability Earnings, 50% of the next \$12,500 and 25% of the balance.
 - No benefit will be paid when the other payments plus the Monthly Earnings of the Life Insured in the month to be paid, is greater than or equal to 100% of Pre-Disability Earnings.
 - In those months that a benefit payment is reduced, a proportionate refund of premiums paid for the Life Insured will be made. The refund will be $A \times B$, where:
 - A = the percentage reduction in the benefit payment
 - B = the average monthly Income Plan premium (less the premium for benefit options or packages under it) over the 12 months prior to the claim starting.
 - The maximum period for which a refund will apply is the lesser of 12 months or the number of months the Income Plan was current prior to the claim starting.
- In addition, no payments will be made under the Income Plan or any benefit or option attached to it, if the event giving rise to the claim is caused directly or indirectly by:
 - an intentional self-inflicted act or injury by the Life Insured, or
 - pregnancy, unless disability continues for longer than three months after the pregnancy ends, in which case disability will be considered to have started the date the pregnancy ends, or
 - war or an act of war at any time, even if the disability manifests itself after the war or warlike activity.
- No payments will be made under the Critical Illness Benefit Option unless the Life Insured survives a Critical Illness condition for at least 14 days.

Premiums and charges

The cost of the insurance cover under the Accelerated Protection Policy is made up of premiums, fees and charges. The following information is applicable to all Plans.

Premium payable

All premiums are due and payable in advance. The premium payable in the first year of the Accelerated Protection Policy will be shown on the Policy Schedule. The premium payable in subsequent years will be advised to you before each Policy anniversary.

Premium frequency and payment method

The premium frequency will be shown on the Policy Schedule and you can choose to pay your premiums either annually or monthly. You may apply in writing at any time to change your method and/or frequency of payment. If premiums are paid annually, a discount of 4.75% will apply.

Premiums may be paid by direct debit from a bank account or by credit card (MasterCard or Visa). We do not accept payments via cheque or cash.

Grace Period

A 30 day period of grace beyond the premium due date will be allowed for payment, without interest. During this period your cover under the Accelerated Protection Policy will continue.

Non-payment of premiums

If premiums are not paid by the due date, you will be notified in writing that we will cancel your Accelerated Protection Policy if we do not receive payment of the premiums by the end of the Grace Period. If the overdue premium is not paid by the end of the Grace Period your Accelerated Protection Policy will be cancelled with effect from the end of the Grace Period.

Stepped Premium Rates

Stepped premium rates will apply if the Policy Schedule states that stepped premium rates apply. Stepped premiums are based on the Life Insured's age at each policy anniversary. This generally means your premium will increase each year.

Level Premium Rates

Level premium rates will apply if the Policy Schedule states that level premium rates apply.

Level premiums are based on the life insured's age at the commencement of the policy. This generally means your premium will only increase if your Benefit Amount increases, including through the Inflation Protection Benefit. Level premium rates revert to Stepped premiums rates on the policy anniversary date immediately preceding the life insured's 65th birthday.

Changes to premium rates

Your premium rates can only be increased after we have provided you with 30 days notice in writing. No one individual policy can be singled out for an increase in premium rates because of adverse change in the health or circumstances of the Life Insured.

Additional Increases to Benefit Amounts

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

Policy Fee

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

Premium payment frequency	Policy Fee from 17 November 2008
Yearly	\$44.00
Monthly	\$3.85

The Policy Fee will be increased on each subsequent Policy anniversary to allow for inflation. The rate of increase in the Policy Fee will be the greater of CPI and 3%.

Commission

We may pay commissions and other benefits to your financial adviser. Any amounts paid are factored into the cost of the insurance, and are not additional amounts you have to pay.

Important information about your cover

Duty of Disclosure

Before you enter into an insurance contract with us, you are required under the Insurance Contracts Act 1984 to provide us with the information we need to decide whether and on what terms your application for insurance is acceptable, and to calculate the premium payable.

Your Duty of Disclosure applies from the moment you start completing the Accelerated Protection Policy application questions, even though you don't have to provide us with your signature until we have accepted your insurance.

The Duty of Disclosure also applies to the period between your application being submitted and when we receive and accept your Customer Confirmation Pack which is explained below.

Finally, your Duty of Disclosure also applies if you apply to vary or replace your Accelerated Protection Policy.

Everyone who is insured under the Accelerated Protection Policy must comply with the Duty of Disclosure.

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

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

If you have not disclosed all relevant matters to us and we would not have entered into the contract of insurance on any terms had we known about those matters, we may avoid the Accelerated Protection Policy from commencement. This means that we can treat your Accelerated Protection Policy as if it never existed and pay nothing. Alternatively, we may decide to reduce the sum insured for your cover to an amount we would have been prepared to cover for the premium amount paid, had you disclosed all the relevant facts to us.

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

In many cases we are able to make an immediate decision based on your online application. If we accept your application, your cover will start immediately.

If you are accepted for the Accelerated Protection Policy you'll receive a number of important documents. The first document will be the Customer Confirmation Pack which includes your answers to the questions we have asked during the application process. When you receive the Customer Confirmation Pack you need to read it carefully, approve it with your signature and return it to us within 45 days. If there is any information contained within the Customer Confirmation Pack that you don't

agree with or is incorrect, please mark up any changes on the Policy Declaration form and send back to us so we can make the necessary adjustments to your application. During this 45 day period, TOWER will send reminders and contact you and your financial adviser to help you manage this process.

Your response to the Customer Confirmation Pack is critical to our decision to accept your application. Therefore should we not receive the Customer Confirmation Pack back from you within the 45 days period we will have no alternative other than to lapse your cover under this insurance policy. The lapsing of the policy will take place despite anything to the contrary contained in this PDS and/or any other Policy Document.

At or around the same time you'll receive your Accelerate Welcome Pack. This pack includes your Policy Document and Policy Schedule setting out the terms of the contract of insurance between TOWER Australia Limited and you as the Policy Owner. The Policy Schedule spells out who the Policy Owner is at the date the Accelerated Protection Policy is issued and also identifies the Lives Insured under the policy.

You'll need to provide both the Policy Document and the Policy Schedule to us if you have to make a claim under the Accelerated Protection Policy, so it's essential that you keep them together in a safe place.

The date at which cover ends depends on the conditions outlined below.

Life Plan

Cover for a Life Insured ends as soon as:

- the Life Insured's 99th birthday*:
 - the Life Insured's 65th birthday for Stand-Alone TPD
 - the Life Insured's 70th birthday for Stand-Alone Critical Illness
- the Policy Owner writes asking us to cancel the policy or cover as outlined in the Policy Document
- the policy lapses as a result of non-payment of the premium
- the Life Plan Benefit sum insured, in respect of the Life Insured, is reduced to nil because the Terminal Illness Benefit or the Total and Permanent Disability Benefit or the Critical Illness Benefit becomes payable, or
- the Life Insured dies.

* if the Life Plan is purchased through the Accelerated Protection Policy (Super), cover will end on the Life Insured's 75th birthday, after which the Policy Owner has the option of continuing cover under an Accelerated Protection Policy.

Important information about your cover

Income Plan

Cover for a Life Insured ends as soon as:

- the Life Insured reaches the age of 65
- the Policy Owner writes asking us to cancel the policy or cover as outlined in the Policy Document
- the policy lapses as a result of non-payment of the premium, or
- the Life Insured dies.

In some instances cover for a particular benefit may end earlier under the Life Plan. When this happens it is explained in the Life Plan Benefits section of the Policy Document, available from your financial adviser. Under the Life Plan, cover for some conditions under the Critical Illness Benefit Option starts 90 days after cover for the Critical Illness Benefit Option starts.

Taxation

If you are considering the tax implications of purchasing cover it is important that you seek independent, professional taxation advice. The complexity of taxation laws and rulings is such that this advice should be specific to your circumstances regarding any tax implications of purchasing a policy, or investing in or contributing to superannuation. The following information is provided as a general statement only to assist in your consideration of some of the relevant issues in obtaining appropriate cover for your needs.

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

Goods and Services Tax

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

Tax deductions

For the Income Plan, premiums are generally tax deductible and benefits paid are generally assessable as income. This is not the case for the Life Plan. A different position may apply if the Life Plan is effected for business purposes and you should seek professional taxation advice.

Contributions to a superannuation fund may also be eligible for tax deductions.

Capital Gains Tax

Benefits payable under the Life and Income Plans may be assessed under the capital gains provisions if you are not the original beneficial owner of the Accelerated Protection Policy (as defined under the Income Tax Assessment Act 1997), and you acquired the Accelerated Protection Policy for consideration. We usually do not deduct or remit tax from claim payments, unless required to by law.

Privacy

Personal information will be collected from or in respect of you to enable TOWER to provide or arrange for the provision of the Accelerated Protection Policy. Further personal information may be requested from you at a later time, such as if you want to make alterations to the policy or at claim time. If you do not supply the required information, we may not be able to provide the product or service requested or pay the claim.

By making the Policy Declaration you are agreeing to our collection, use and disclosure of your personal information as explained in our Privacy Policy. A summary of some of the important aspects of that policy is set out below.

In processing and administering your insurance (including at the time of claim) we may disclose your personal information (excluding health information) to a number of parties or such organisations to whom we outsource our mailing and information technology, the Insurance Reference Service, Government regulatory bodies and other companies within the TOWER group and accountants (if applicable).

We may also disclose your personal information (including health information) to other bodies such as the reinsurers, your adviser, health professionals, investigators, the administrator, lawyers, the trustee of any superannuation fund through which the policy is effected, external complaints resolution bodies and as required by law.

We would also like to provide you with information about other products and services that we or other companies within the TOWER group offer. To do so, we need to disclose personal information (excluding health information) to companies within the TOWER group, authorised TOWER advisers or financial planners and the distributors and suppliers who are commissioned by us to perform certain tasks such as market research.

If you do not want to be informed of other products or services, please notify the Accelerate Customer Service team on 1800 064 159. You may also be entitled to gain access to personal information we may have on file in respect of you.

For privacy access requests, we ask that you make a request in writing to:

TOWER Privacy Officer
PO Box 142
Milsons Point NSW 1565

The way we protect your personal information is set out in the TOWER Privacy Policy Statement which is available on our TOWER website at:
www.toweraustralia.com.au/privacy.asp

Information relating to your right to privacy is available at the website of the Officer of the Privacy Commissioner at: www.privacy.gov.au

Making a claim

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

After you become aware of any claim or potential claim under the Accelerated Protection Policy you have 30 days in which to notify us.

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

For the purposes of the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) we may need to carry out a procedure to identify you or, in the event of death, your beneficiary, and to verify the identification information provided. We will not process the withdrawal request until all information required is received. Anti-Money Laundering and Counter-Terrorism Financing legislation and regulations also stipulate that we need to report certain information about our customers to relevant authorities, including the Australian Transaction Reports and Analysis Centre (AUSTRAC). Where such reporting has taken place, we may be prevented by this legislation from telling you. Where legally permitted or obliged to do so, we may disclose that information to regulatory or law enforcement agencies, to our related bodies, or to other third parties. The AUSTRAC website at www.austrac.gov.au provides information relating to the Anti-Money Laundering and Counter-Terrorism Financing legislation and regulations. We will not be liable to you for any loss you suffer (including consequential loss) caused by the fact that we are required by law to delay, block freeze or refuse to process a transaction.

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

Guaranteed renewal of cover

As long as you and the Life Insured have complied with the Duty of Disclosure, answered all our questions accurately and fully paid your premiums when due, the Accelerated Protection Policy continues until all cover ends. See the section titled 'Your cover – when it starts and ends and some important things for you to do' on page 19 for more information. Importantly this guarantee of renewal applies regardless of any change in the Life Insured's health or personal circumstances.

Commitment to upgrade policies

At TOWER our commitment is that when improvements to benefits are made to new policies we also look to upgrade existing policies. Where improvements are made to new policies without increasing the premium rates, these improvements will be offered to you as an existing Policy Owner whenever possible.

Naturally if there is any disadvantage as a result of upgrading, then your previous Accelerated Protection Policy conditions will be applied.

No cash value

None of the policies outlined in this document – Life Plan, Life Plan (through superannuation), Income Plan or Income Plan (through superannuation) – have a cash value if cancelled. The premiums paid represent the amounts due for undertaking the risk of the insured event occurring.

Accelerated Protection Policy (Super)

Insurance through Superannuation

We know and understand that most people look to superannuation to provide for their future and that you may wish to structure your insurance within this environment. For this reason the option is available for you to elect to have the Accelerated Protection Policy owned by the trustee of a complying superannuation fund. Quite simply this approach means the trustee becomes the Policy Owner and you become a member of the fund.

If you are an employee and are an existing member of a complying superannuation fund, you may be able to fund the cost of the insurance from your existing or ongoing superannuation contributions.

You should first check with the Trustee to see whether they are able to pay us insurance premiums from your member account. This would be the case for most Self Managed Superannuation Funds, but may not be the case if you are a member of a large superannuation fund, such as a retail master trust, a corporate scheme or industry fund.

You should remember that when benefits are paid they will be received by the trustee who will then distribute them in accordance with the governing rules of the superannuation fund and superannuation laws.

If you are not a member of a complying superannuation fund, or you are a member of a fund which cannot pay us insurance premiums from your member account, we can simply set you up as a member of the TOWER Superannuation Fund and you can purchase the Accelerated Protection Policy (Super).

Accelerated Protection Policy (Super)

It is possible to obtain Life Plan cover and Income Plan cover through the TOWER Superannuation Fund by purchasing the Accelerated Protection Plan (Super).

There may be taxation benefits and consequences for you in choosing to take out your Life Plan or Income Plan cover under the Accelerated Protection Policy (Super), and it is important that you seek financial advice. The complexity of superannuation laws is such that this advice should be specific to your circumstances regarding any implications of purchasing a policy, or investing in or contributing to superannuation. Please see Tax Information on page 23 for more information.

The following section describes the situation where insurance cover is taken out through the TOWER Superannuation Fund. A similar process will apply if you take out insurance cover through a different superannuation fund but you should contact your superannuation fund or financial adviser for more information on the precise requirements that will apply to you.

The TOWER Superannuation Fund

The TOWER Superannuation Fund

Joining the Fund

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

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

Trust Deed

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

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

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

Insurance cover under the Fund

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

Providing your tax file number (TFN)

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

The Trustee is authorised to collect individuals tax file numbers under superannuation law and will request that you supply your TFN. Your tax file number will only be used for lawful purposes which include administering the Fund and may only be disclosed as permitted by the applicable laws. The purposes for which we are able to use your TFN may change in the future as a result of legislative change. You are under no obligation to provide

your tax file number and declining to quote your tax file number is not an offence.

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

Death Benefit Beneficiary

As a member of the Fund you may elect to make either a non-binding or binding death benefit nomination as to who receives any benefits (including your Life Plan benefit) in the event of your death.

If no binding nomination is held at the time of death, the Trustee will pay the benefit to the member's legal personal representative (estate).

If you make a non-binding nomination, the nomination will be made under category 6 of the Trust Deed, which means that the Trustee will consider your wishes but will consider each case individually to ensure that any benefits are paid appropriately.

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

When making (or amending) a binding nomination, superannuation law requires the application to be signed in the presence of two witnesses. Both of these witnesses need to be over the age of 18 and cannot be beneficiaries under the binding nomination.

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

General information about superannuation

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

Contributions to the Fund

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

The TOWER Superannuation Fund

Payment of a death benefit

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

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

Payment of superannuation benefits

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

Superannuation and family law

Provisions in the Family Law Act enable parties who are married to require superannuation fund trustees to carry out certain actions in relation to superannuation entitlements. Members (married persons only) should note that their spouse will be able to request the Trustee to disclose information in relation to the member's benefit entitlements ('Request for Information'). Members must understand that the Trustee is prohibited by law from informing them that such a request was made. The Trustee will not pass any information in relation to your present whereabouts to the person making the Request for Information.

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

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

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

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

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

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

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

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

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

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

Spouse contribution arrangements

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

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

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

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

Superannuation – Further points to consider

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

Tax Information

Individual Members

If you are self-employed, substantially self-employed or are a person with no superannuation support you may be eligible for a tax deduction for your personal superannuation contributions. In the past this eligibility has been subject to certain maximum limits, however the government has amended the rules relating to the tax deductibility of contributions to superannuation.

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

Concessional contributions will be capped at \$50,000 for the 2008/2009 financial year, for those under 50. This is the maximum amount for which a person can receive a tax deduction. You will be taxed on concessional contributions over the \$50,000 cap at an additional 30%, plus the Medicare levy.

Between 1 July 2007 and 30 June 2012, a transitional concessional contributions cap will apply. During this time, the annual cap will be \$100,000 for people aged 50 or over.

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

Non-concessional contributions made to super will be subject to an annual cap of \$150,000 for the 2008/2009 financial year. You will be taxed on non-concessional contributions over the cap at the rate of 45%, plus the Medicare levy.

As a transitional arrangement, there will be a 'bring-forward' option available, meaning that people under 65 years of age can make non-concessional contributions of up to \$450,000 over a three-year period.

If your income is less than \$60,342 annually, you may also benefit from Government co-contributions if you make a personal after tax contribution to your superannuation.

The Government co-contribution is a payment made by the Federal Government to the superannuation account of eligible members who make personal non-concessional super contributions. The Government will match a member's personal non-concessional (after tax) contributions, at the rate of \$1.50 for each \$1.00 of contributions, up to the maximum amount designated for that person's total income.

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

Employers

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

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

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

Where tax deductible (concessional) contributions exceed \$50,000 per person in a financial year, the amount in excess of this limit will be taxed at an additional 30%, plus the Medicare levy.

A transitional period applies for people aged 50 or over to be able to contribute up to \$100,000 annually until 30 June 2012. As part of this process, deductible contributions will be allowed up to age 75.

Tax paid on withdrawals

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

The two components are:

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

Tax paid on death benefits

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

Tax paid on Income Plan benefits

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

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

Complaints

Complaints

Complaints Process

If you wish to make a complaint relating to your privacy or in relation to our product or service, please contact:

TOWER Complaints Manager
PO Box 142
Milsons Point NSW 1565

We will attempt to resolve your complaint within 45 days of the date it is lodged. If we can't resolve your complaint within that period, we will inform you of the delay and ask for your consent to resolve the complaint within 90 days of the date it was lodged.

Complaints to the Ombudsman Service (FOS)

If you are not satisfied within 45 days of lodging your initial complaint to TOWER, (or if you have agreed, within 90 days) you may also contact the Financial Ombudsman Service. This is an industry sponsored service that provides free advice and assistance to consumers with complaints against financial services companies, including assisting Policy Owners to resolve complaints with their life insurance company. It's an independent and impartial body whose decisions are binding on us however it does not deal with issues relating to superannuation. FICS can be contacted on:

- Freecall 1300 780 808
- Fax (03) 9613 6399
- Email info@fos.org.au
- Writing to:

The General Manager
Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Superannuation Complaints Tribunal

If the Accelerated Protection Policy has been issued through the TOWER Superannuation Fund or another superannuation fund you can also choose to have your complaint addressed through the Superannuation Complaints Tribunal. The Tribunal may be contacted if, after 90 days of lodging your complaint with the Trustee, you're not satisfied with the resolution.

The Tribunal is an independent body established by the Federal Government to provide free advice and assistance to you and your beneficiaries to resolve certain superannuation complaints. The Tribunal can be contacted on:

- Freecall 1300 884 114
- Fax (03) 8635 5588
- Writing to:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne VIC 3001

Definitions

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

General Definitions

Loss of Independent Existence means Significant Cognitive Impairment or a condition as a result of a Sickness or Injury whereby the Life Insured is totally and irreversibly unable to perform at least two of the Activities of Daily Living, without the physical assistance of another person.

Loss of Limbs means complete and irrecoverable loss of the:

- use of both hands, or
- use of both feet, or
- sight of one eye and the loss of the use of one whole hand or whole foot.

Loss of Sight of an Eye means the total and irrecoverable loss of sight (whether aided or unaided) of the eye to the extent that visual acuity in the eye, on a Snellen Scale after correction by a suitable lens is less than 6/60, as a result of Sickness or Injury.

Loss of a Single Limb means complete and irrecoverable loss of use of one limb.

Limb means an arm, leg, hand or foot.

Monthly Benefit under the Income Plan Standard and Income Plan Comprehensive and benefit options attached to them, means the Monthly Benefit as shown in the Policy Schedule. The amount we pay you is determined by which option you have chosen ("agreed value" or "indemnity") at the time of application.

If "agreed value" is shown in the Policy Schedule, the Monthly Benefit we will pay is the Income Plan Standard or Income Plan Comprehensive Monthly Benefit shown in your Policy Schedule, inclusive of any indexation increases, and less any Plan Adjustments if applicable.

If "indemnity" is shown in the Policy Schedule, the Monthly Benefit we pay is the lesser of the following amounts:

- the Income Plan Standard or Income Plan Comprehensive Monthly Benefit shown in the Policy Schedule, inclusive of increases under the Inflation Protection Benefit, or
- 75% of the first \$20,833 of Monthly Earnings, 50% of the next \$12,500 and 25% of the balance of Monthly Earnings, earned by the Life Insured in any consecutive 12 month period in the 36 months immediately prior to the Sickness or Injury occurring, less any Plan Adjustments if applicable.

Monthly Earnings generally includes salary, awards, superannuation contributions, bonuses, commission, fees, fringe benefits and regular overtime payments.

When the Life Insured does not directly or indirectly own all or part of the business in which the Own Occupation of the Life Insured is performed (ignoring shares in publicly listed companies), Monthly Earnings is the monthly value of the remuneration paid by the employer in respect of the work performed by the Life Insured. This will be determined by calculating the amount the Life Insured would have to receive if total remuneration was received as a salary or wage (before income tax is deducted).

When the Life Insured does directly or indirectly own all or part of the business in which the Own Occupation of the Life Insured is performed (ignoring shares in publicly listed companies), Monthly Earnings are:

- the monthly value of remuneration paid by the business to the Life Insured as a result of personal exertion, and
- the Life Insured's share of the profits of the business, generated through work performed by the Life Insured, after the deduction of business expenses, both of which are determined in line with the usual manner that the profits and/or losses of the business are divided between the Life Insured and any co-owners of the business.

Own Occupation under the Life Plan is the occupation in which the Life Insured was working immediately prior to the Sickness or Injury causing disability.

If the Life Insured had been working in more than one occupation, "Own Occupation" will include all of those occupations.

Own Occupation under the Income Plan is the occupation in which the Life Insured was working immediately prior to the Sickness or Injury causing disability, unless the Life Insured was unemployed or on sabbatical, long service, maternity or paternity leave for more than 12 months, in which case "Own Occupation" will be any occupation for which the Life Insured is suited by training, education or experience.

If the Life Insured had been working in more than one occupation that meets these criteria, "Own Occupation" will include all of those occupations.

Partial Disability and **Partially Disabled** mean that, solely because of a Sickness or Injury the Life Insured:

- is working in his or her Own Occupation or any Gainful Occupation but in a reduced capacity, and,
- is following the advice of a Medical Practitioner, and
- has suffered a reduction of 20% or more, in the ability to:
 - generate Monthly Earnings, or
 - perform the income producing duties, or
 - maintain the same number of hours worked, in the Life Insured's Own Occupation.

Definitions

Pre-Disability Earnings means:

If “agreed value” is shown in the Policy Schedule, the highest average Monthly Earnings of the Life Insured for any 12 consecutive months between the date three years before the Policy Commencement Date and the start of the Waiting Period.

If a claim occurs in the 12 months subsequent to an underwritten increase in the Monthly Benefit of the Income Plan, Pre-Disability Earnings will then have a minimum value of the Monthly Benefit (excluding any benefit options) divided by 0.75.

If the Life Insured suffers a Sickness or Injury while in a Gainful Occupation and Monthly Earnings reduce as a direct result of the Sickness or Injury, while this continues Pre-Disability Earnings will be the value we agree would have applied at the time the reduction started, provided we are advised within 30 days of the reduction starting.

If “indemnity” is shown in the Policy Schedule, the highest average Monthly Earnings of the Life Insured for any consecutive 12 months in the 36 months immediately prior to the Sickness or Injury causing disability.

If the Life Insured is disabled, Pre-Disability Earnings will be increased by the Indexation Factor every 12 months, if Total or Partial Disability benefits have been paid continuously for 12 months, following the date disability started.

Total Disability and **Totally Disabled** mean that, solely because of a Sickness or Injury the Life Insured:

- is not in any Gainful Occupation,
- is following the advice of a Medical Practitioner, and
- is unable to:
 - perform one or more of the important income producing duties in his or her Own Occupation, or
 - perform the important income producing duties of his or her Own Occupation for more than 10 hours per week, or
 - generate at least 80% of his or her Monthly Earnings from personal exertion in his or her Own Occupation.

Total Blindness means the permanent loss of sight of both eyes.

Waiting Period is stated on the Policy Schedule and means the period of time between the Life Insured suffering disability and disability benefits starting to accrue.

If the Life Insured does not consult a Medical Practitioner concerning the Sickness or Injury causing disability within seven days of the Sickness starting, or the Injury occurring, the Waiting Period will start when the Life Insured consults a Medical Practitioner.

If the Life Insured returns to a full time Gainful Occupation during the Waiting Period for five consecutive days or less, the number of days that the Life Insured was working will be added to the Waiting Period remaining.

If the Life Insured returns to a full time Gainful Occupation during the Waiting Period for more than five consecutive days, the Waiting Period will recommence from the day after the last day the Life Insured was last working.

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

TPD Definitions

If the **Any Occupation** definition applies **Total and Permanent Disability** means we are satisfied that:

- solely because of a Sickness or Injury, the Life Insured has not worked in any occupation for three consecutive months and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the Life Insured’s earnings during their last twelve months of work, or
- solely because of a Sickness or Injury, the Life Insured has suffered a permanent impairment of at least 25% Whole Person Function and has not been working in any occupation, and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience, or
- the Life Insured suffers the loss of:
 - both feet, both hands or sight in both eyes, or
 - any combination of two of a hand, a foot or sight in an eye.

‘Loss’ in this instance means the total and permanent loss of:

 - the use of the hand or foot from the wrist or ankle joint, or
 - sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60, or
- the Life Insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

If the **Own Occupation** definition applies **Total and Permanent Disability** means that we are satisfied that:

- solely because of a Sickness or Injury, the Life Insured has not worked in any occupation for three consecutive months and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in their Own Occupation, or
- solely because of a Sickness or Injury, the Life Insured has suffered at least a permanent 25% impairment of Whole Person Function and has not been working in any occupation, and is incapacitated to such an extent as to render the Life Insured unlikely ever to be able to work in their Own Occupation, or

- the Life Insured suffers the loss of:
 - both feet, both hands or sight in both eyes, or
 - any combination of two of: a hand, a foot or sight in an eye.
- 'Loss' in this instance means the total and permanent loss of:
- the use of the hand or foot from the wrist or ankle joint, or
 - sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60, or
- the Life Insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

If the **Long Term Care** definition applies **Total and Permanent Disability** means we are satisfied that the Life Insured suffers:

- Loss of Limbs, or
- Total Blindness, or
- Loss of Independent Existence

Direct Debit Arrangements

Direct Debit Request Service Agreement

The Direct Debit Request (DDR) Service Agreement is issued to enable you to understand your rights and responsibilities when making premium payments by direct debit. Under the Agreement money will be debited from your nominated account to meet the premiums for your Policy. It is a simple and effective method of ensuring that your premiums are automatically deducted at the appropriate time. It is recommended that you keep this Agreement in a safe place for future reference.

If any changes are made to the terms of this Agreement you will be provided with at least 14 days notice to allow you to consider any implications. Under the terms of this Agreement all information relating to your nominated financial institution account is guaranteed to be kept confidential, except where required for the purposes of conducting direct debits with your financial institution, or otherwise by law.

Your commitment

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

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

Where the premium deduction date falls on a weekend or a public holiday, you should understand that the debit will automatically occur on the next business day.

How to make changes

If you wish to make any changes relating to the Agreement you will need to provide at least seven days notice to us before your next premium due date. This period of notice is applicable to changes such as:

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

Of course if you do choose to make any changes to the Agreement you will subsequently need to make alternative arrangements for future premiums to continue your Policy.

Contacting us

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

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

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

Interim Cover Certificate

If we're unable to make an immediate decision on your application, we will give you Interim Cover. Interim Cover is limited cover, but the protection it provides may give you some peace of mind before your application has been finalised. It applies from the date your financial adviser submits your Accelerated Protection Policy or Accelerated Protection Policy (Super) application online and is provided in accordance with the terms and conditions of the Interim Cover Certificate.

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

Terms and conditions

We will extend Interim Cover to you from the date your adviser submits a valid Policy application online. Interim Cover will be provided to the extent that your application is not replacing existing comparable cover with us or any other company on the same life to be insured.

The amount for which you are covered under Interim Cover may vary depending on whether the cause of any Interim Cover claim is due to an Accident or Sickness.

Please refer to the section headed 'Amount Payable' below.

Cover will start from the date your adviser submits a Policy application online, and will cease upon the earliest of:

- the date we accept your application (notification of acceptance to your adviser will also be taken as notification of termination of Interim Cover)
- the date you withdraw your application
- the expiration of 90 days from the date your adviser submitted your Policy application
- we advise your adviser that your application will not be accepted at standard rates or without modification, or
- we advise your adviser that your application has been declined.

Details of Interim Cover subject to the above terms are as follows:

Life Plan Benefit

If you applied for the Life Plan Benefit, we will insure the Life to be Insured against death.

Total and Permanent Disability Benefit

If you applied for the Total and Permanent Disability Benefit, we will insure the Life to be Insured against Total and Permanent Disability (TPD). The 'Any Occupation' definition will apply.

If the Life to be Insured suffers TPD prior to your application being accepted by us (but after your adviser submits your Policy application online), this Sickness or Injury will be taken into account in our assessment of your application once a decision on your Interim Cover claim is finalised.

Critical Illness Benefit

If you applied for the Critical Illness Benefit, we will insure the Life to be Insured against the Critical Illness conditions listed on page 10 of the Product Disclosure Statement that do not have an * next to the named condition.

If the Life to be Insured suffers a Critical Illness condition prior to your application being accepted by us (but after your adviser has submitted your Policy application online), this Sickness or Injury will be taken into account in our assessment of your application once a decision on your Interim Cover claim is finalised.

Interim Cover Certificate

Income Plan Monthly Benefit

If you applied for the Income Plan Standard or Comprehensive, we will insure the Life to be Insured should they suffer Total Disability. If the Life to be Insured suffers a Total Disability prior to your Policy application being accepted by us (but after your adviser submits your Policy application online), this Sickness or Injury will be taken into account in our assessment of your application once a decision on your Interim Cover claim is finalised.

Amount Payable

Accident

We will cover the Life to be Insured on the above basis for the sum insured and/or Monthly Benefit which we would have accepted in the normal course of underwriting to the lesser of, in the relevant case, the amount being applied for or:

- for the Income Plan Standard and Comprehensive a maximum of \$10,000 a month, for 12 months
- for the Life Plan Benefit, a maximum of \$1,000,000, and
- for the Critical Illness and Total and Permanent Disability Benefit, a maximum of \$500,000

to a total payment in respect of all benefits under the Interim Cover Certificate of \$1,000,000 for any one life.

Should more than one Interim Cover apply at the same time, with TOWER or any other company, the maximum total payment in respect of all benefits across all interim covers is \$1,000,000 for any one life.

Sickness

The purpose of Interim Cover is to provide coverage against unforeseeable events while we assess your application. Should the Life Insured suffer a Sickness which impacts on our ability to continue the underwriting process, it may be necessary to adjust the amount upon which our payment will be based, potentially to a prescribed minimum amount as outlined below.

1. For example, if the condition occurred or was first diagnosed, or the circumstances leading to diagnosis first became apparent after your adviser submitted your Policy application online and we can still complete our underwriting process, the amount payable would be the same as outlined in Accident above.
 2. However, if we decide that we cannot complete our underwriting process or if the condition was foreseeable/deemed pre-existing because of earlier diagnosis, or the circumstances leading to diagnosis were/became apparent before your adviser submitted your Accelerated Protection
1. Policy application online, an adjustment to the amount payable will be made.
 2. This is done because the condition may impact on our ability to follow our underwriting process.

If we are still able to complete our underwriting process, then the amount payable may be the same as outlined in Accident above unless any loadings or exclusions would have applied to your Policy, in which case the sum insured and/or Monthly Benefit will be reduced (please see section 'When cover or full cover will not be provided').

However, if our underwriting process is impacted by the condition, it may be necessary to reduce the amount of cover for which you have applied to \$250,000 (or \$3,000 per month for the Income Plan Standard or Comprehensive). This will enable us to reduce our underwriting requirements in an effort to gather sufficient information so as to consider a payment.

Finally, if we decide that we are unable to complete our underwriting process any payments under this Interim Cover will be restricted to the prescribed minimum amount of:

- \$25,000 as a lump sum for the Life Plan Benefit, Total and Permanent Disability and Critical Illness Benefit, and
- \$2,000 Monthly Benefit (for a maximum 12 months) for Income Plan Standard and Comprehensive.

Subject to the restrictions to the amount payable, the terms and conditions of the Policy Document (including but not limited to any applicable exclusions) will govern any payment under the Interim Cover Certificate.

Interim Cover is subject to the Accelerated Protection Policy underwriting guidelines. The amount of Interim Cover (if any) therefore cannot be verified until we either complete our assessment of your application (subject to any special terms or conditions) or we decide that assessment is not possible.

When cover or full cover will not be provided

Other than as previously mentioned, cover will also be restricted or may not be available if you or the Life to be Insured have not met the Duty of Disclosure, or would not have been entitled to the amount of cover applied for.

If under the Accelerated Protection Policy underwriting guidelines we would have declined your application, no payment will be made under this Interim Cover.

Any medical conditions existing at the time of your application, and any medical conditions arising from them, are excluded from this Interim Cover.

Cover may be excluded or modified if the life to be insured engages in any pursuit or occupation which we would not have accepted in accordance with the Accelerated Protection Policy underwriting guidelines.

If under our underwriting guidelines we would have modified or applied an additional loading on your Policy as a result of your medical history, we will reduce the level of Interim Cover based on the proposed premium and the terms that we would have offered. For example, if the policy is loaded by 100%, the level of Interim Cover will be half of the amount of cover applied for (subject to the maximums stated above). If the policy is loaded by 200%, the level of Interim Cover will be a third of the amount of cover applied for (subject to the maximums stated above).

Example of amount payable under Interim Cover

You are applying for:

- \$1.5 million Life Plan Benefit, and a
- \$6,000 Monthly Benefit under the Income Plan Standard.

Under Interim Cover, you are covered for:

- \$1 million Life Plan Benefit, and a
- \$6,000 Monthly Benefit under the Income Plan.

If the claimable event is the result of an Accident, and the claim is approved, the amounts payable will be based on the Interim Cover amounts above.

If the claimable event is the result of a Sickness we will endeavour to complete our assessment of your application based on the Life to be Insured's medical condition before the claimable event. For example, if the claimable event is a Coma we will endeavour to obtain medical evidence to support the level of cover before the Coma occurred.

It must be recognised that some of that evidence, e.g. blood tests, may be impacted by the Coma. Should we be able to obtain evidence of the Life to be Insured's state of health prior to the claimable event and the claim is approved the amount payable will be based on the Interim Cover amount above. Please note that if the decision is that we would have offered you alternative terms, they will be taken into account to reduce the amount payable.

For example, if:

- an exclusion would have applied it may result in no Interim Cover payment, and
- an extra premium would have been charged it will result in a reduced payment.

Should we not be able to obtain evidence of the Life to be Insured's state of health prior to the claimable event, then we will reduce the maximum Interim Cover sum insured to \$250,000 for the Life Plan Benefit and \$3,000 per month for the Income Plan. In turn, this will remove some underwriting requirements, thus hopefully allowing completion of assessment.

If, after all this, we decide that assessment is still not possible then we will determine the eligibility of your claim and, if successful, will make a payment of \$25,000 for the Life Plan Benefit and \$2,000 a month for the Income Plan.

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