

# Group Life Insurance Product Information Booklet

June 2017





## About AIA Australia

AIA Australia Limited (hereafter referred to as “AIA Australia”) is an independent life insurance specialist with over 40 years of experience building successful partnerships. One of the country’s leading life insurers, AIA Australia offers a range of products that protect the financial health and welfare of more than three million Australians.

AIA Australia is one of the country’s largest group life insurers by market share and works closely with major financial institutions and corporate partners.

In addition, AIA Australia offers retail insurance products through financial advisers and a valued network of affinity partners.

By having a partnership philosophy at the core of its business, AIA Australia is focused on building sustainable relationships that add true value to its business partners. We’ve received numerous industry awards<sup>1</sup> over the last few years which stand as a testament to our commitment to productive partnerships; more information can be found on the following page.

AIA Australia is part of the AIA Group Limited, a market leader in life insurance across the Asia Pacific region with more than 90 years’ experience.

## About AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai almost a century ago. It is a market leader in the Asia-Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$185 billion as of 30 November 2016.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia-Pacific, AIA serves the holders of more than 30 million individual policies and over 16 million participating members of group insurance schemes.

## Information about AIA Australia

### Partnering specialists

AIA Australia understands that the need of every client is different. That's why AIA Australia offers a flexible approach to life insurance. We can combine different types of cover within a single policy, tailoring specific solutions to deliver the most effective level of protection for our clients' needs. Our fresh and intelligent approach can add value, efficiency and a competitive advantage to our clients' business.

- We are one of Australia's largest group life insurers with 26.7% market share (Strategic Insight, October 2016).
- We provide solutions to some of Australia's major financial institutions and corporate partners.
- We also offer retail insurance products through financial advisers and through a valued network of affinity partners.
- We have been the recipient of multiple group insurance industry awards, including the ANZIFF Life Insurance Company of the Year (2016), FSC Life Insurance Consumer Innovation award (AIA Vitality 2017 and eClaims 2016), AB+F Life Insurance Product of the year award (AIA Vitality 2016), iSelect Life Insurance Company of the year award (2016) and iSelect Partner of the year award (2016), and Super Review's Life Insurance Company of the Year (2015) .
- We care for the health, insurance and rehabilitation needs of more than three million Australians
- AIA Australia employs almost 850 full time staff across Australia.

### Committed to the community

The AIA Australia philosophy is simple – helping people when they need it most. We want people to have adequate life insurance. We pay the claims that should be paid. We have the knowledge and experience to engage in controlled risk taking rather than risk avoidance. We are constantly reviewing our underwriting tools, such as non-medical limits, to minimise inconvenience to our clients and ultimately the lives insured.

We adopt a professional and positive approach to claims assessment to ensure claims are paid promptly.

### Entrepreneurial culture

Our aim is to set industry standards in both product and service through our experienced and approachable team and by providing comprehensive, flexible group insurance solutions.

AIA Australia's employees work as a team to deliver some of the industry's most innovative life insurance solutions, with the aim of providing a worry free future to our customers.

We are passionately committed to providing an efficient and sensitive claims service that will help our customers when they need it most.

### Experienced and proactive team

Our Business Development Team brings with them years of experience and insight in group insurance. We understand the specific needs of Australian group insurance clients and have superannuation fund and employer owned policy group insurance experience. The Business Development Team is supported by some of the industry's best group claims, actuarial, underwriting, administration and account management personnel from a myriad of backgrounds including superannuation, financial planning, consulting and administration to name but a few. We also provide all the technical and communication support required by our clients.

Our commitment to you is a long term one. We build open and rewarding relationships through which we can continuously improve our product offering, as well as the way we work together, to create as much value as possible for you and your clients.

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# 1. Information about this Policy

## 1.1 Who issues the Product Information Booklet

This Product Information Booklet (“PIB”) is issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) (“AIA Australia”), which describes the main features of AIA Australia’s Group Life insurance product.

AIA Australia is located at 509 St Kilda Road, Melbourne, 3004, Australia.

This PIB and the corresponding **Policy Schedule**, when issued together, form the **Policy**.

This PIB is only available to persons receiving the offer and making an application in Australia. It is not an offer, invitation or recommendation by AIA Australia. Applications from outside Australia will not be accepted. AIA Australia is also not bound to accept any application.

This PIB has been prepared with the intention of providing you with important information about AIA Australia’s Group Life insurance product. Any financial product advice contained in this PIB is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Therefore, before making any decision, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If you are deciding whether to acquire this **Policy**, you should read this PIB before making your decision. Anyone making this PIB available to another person must provide them with the entire electronic file or printout. We will also provide a paper copy of the PIB on request without charge.

In this PIB and in the **Policy Schedule** (when issued) any reference to:

- “AIA Australia”, “we”, “us”, “our” or “the insurer” means AIA Australia Limited (ABN 79 004 837 861, AFSL 230043).
- “You”, “client” means any potential customer likely to become a person insured unless otherwise specified.
- “Product Information Booklet” means the insurance plan referred to in the PIB unless otherwise specified.

## 1.2 How to interpret AIA Australia’s Product Information Booklet

Some words or expressions used in this PIB have a particular meaning. These words are expressed in bold, capitalised and explained in Section 13 of this PIB.

The documents issued by us that make up your **Policy** are:

1. This PIB;
2. The **Policy Schedule** issued and signed by us; and
3. Any riders or endorsements issued and signed by us.

Whether the **Policy** is ordinary (non-superannuation) or superannuation business will be set out under **Policy Type** in the **Policy Schedule** issued by us.

## 1.3 Implementing a Policy

In general, AIA Australia provides group insurance to organisations such as employers, superannuation funds, associations or other Australian based institutions where there is commonality in the membership and where those organisations have 200 or more lives to be insured on a consistent basis.

In some cases, AIA Australia will provide **Cover** to Australian organisations with less than 200 lives where those organisations, usually employers, operate and have offices in multiple countries.

After consultation with you, AIA Australia will provide a quotation summary which should be considered in conjunction with this document.

In order to implement an AIA Australia group insurance **Policy**, we require the following:

1. Acceptance by email from you of our terms and the time and date you would like us to assume risk from (we will then confirm we are on risk by return email, issue an invoice and a partially completed group insurance Proposal Form); and
2. A fully completed group insurance Proposal Form; and
3. Payment of the required deposit premium.

Once all these are received, we will assist you in completely installing the group insurance **Policy** and underwriting members where necessary.

**Cover** for eligible persons does not commence until either AIA Australia notifies you in writing that risk has been accepted or by the issuance of a **Policy**.

## 1.4 Policy Owner

All benefits payable under the **Policy** are paid to the **Policy Owner** unless otherwise instructed in writing by the **Policy Owner**.

## 1.5 Assignment of Policy

The **Policy** can be assigned in accordance with the *Life Insurance Act 1995* (Cth) with our prior written consent. If we allow the assignment, the assignee will be recorded as the new **Policy Owner** with all the rights, powers, duties, obligations and privileges of the original **Policy Owner**.

## 1.6 Variations to the Policy

Once the **Policy** is issued by us, any changes or variations to the **Policy** terms and conditions made after the **Policy** is first issued, must be agreed and issued by us in the form of an endorsement or rider.

## 1.7 Termination of the Policy

1. The **Policy Owner** may terminate the **Policy** at any time by giving prior written notice. **We** shall refund any premium for any period of unexpired risk and where applicable the **Policy Owner** must pay all outstanding premiums up to the date the **Policy** is terminated.
2. AIA Australia will give the **Policy Owner** 30 day's written notice of its intention to terminate the **Policy**.

## 1.8 Currency

All payments to or from us are to be made in Australian dollars.

## 1.9 Duty of Disclosure

If you are the **Policy Owner**, you have a duty to tell us anything that you know, or could reasonably be expected to know, which may affect our decision to insure you and any other **Insured Member** and on what terms.

You have this duty until we agree to insure you, and also before you extend, vary or reinstate the **Policy**.

You do not need to tell us anything that:

1. reduces our risk;
2. is common knowledge;
3. we know or should know as an insurer; or
4. we waive your duty to tell us about.

If you are an **Insured Member** (other than the **Policy Owner**), any failure by you to tell us this information may be treated as a failure by the **Policy Owner** to comply with this duty of disclosure.

### If you do not tell us something

We may apply the following rights separately to each type of cover that we consider could form a separate policy.

If you do not tell us something that you know, or could reasonably be expected to know, may affect our decision to provide the insurance and on what terms, this may be treated as a failure by the person entering into the contract to tell us something that he or she must tell us.

If you are the **Policy Owner** or **Insured Member**, and you do not tell us anything you are required to, and we would not have insured you if you had told us, we may avoid the contract within three years of entering into it.

If we choose not to avoid the contract, we may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told us everything you should have. However, if the contract has a surrender value, or provides cover on death, we may

only exercise this right within 3 years of entering into the contract.

If we choose not to avoid the contract or reduce the amount you have been insured for, we may, at any time vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have. However, this right does not apply if the contract has a surrender value or provides cover on death.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed. We may apply these rights separately to each type of cover that we consider could form a separate policy.

## 1.10 AIA Australia Privacy Statement

This section summarises key information in the AIA Australia Privacy Policy, which may be updated from time to time. For further information, please review the most up to date full version of the Privacy Policy on our website at [www.aia.com.au](http://www.aia.com.au). AIA Australia Limited is part of the AIA Group. Our customers' include any potential or former customers and any other individual referred to in the Privacy Policy on our website (together referred to as "**our customers**"). Our customers' privacy is important to us and AIA Australia Limited is bound by the privacy principles which apply to private sector organisations under the Privacy Act, and other laws which protect our customers' privacy.

AIA Australia Limited, AIA Financial Services Limited, AIA Group and their related bodies corporate and joint venture partners (together referred to as "**AIA Australia**", "**we**", "**us**" and "**our**") provide our customers the following notification and information about our Privacy Policy and their rights.

### Why we collect your personal information

We collect, use and disclose personal and sensitive information ("**Personal Information**") for purposes set out in our Privacy Policy, including to process our customers' applications, enquiries and requests in relation to insurance and other products, for underwriting and reinsurance purposes, to administer, assess and manage our customers' insurance and other products, including claims, and to provide, manage and improve our products and services. We may not be able to do these things without Personal Information. We may also collect, use and disclose Personal Information to understand our customers' needs, interests and behaviour, personalise our dealings with our customers, to verify our customers' identity, authority to act on behalf of a customer, maintain and update our records, manage our relationship with

our customers, comply with local and foreign laws and regulatory requests, detect, manage and deal with improper conduct and commercial risks, and for reporting, research and marketing purposes. Where our customers agree or we are otherwise permitted by law, we may also notify our customers of offers and other information about products or services we think may interest them. If our customers do not wish to receive these direct marketing communications, they may indicate this where prompted or by contacting us as set out in our Privacy Policy.

### How we collect, use and disclose your personal information

We may collect Personal Information from various sources including forms our customers submit and our records about our customers' use of our products and services and dealings with us, including any telephone, email and online interactions. We may also collect information from public sources, social media and from the parties described in our Privacy Policy. We are required or authorised to collect Personal Information under various laws including the Life Insurance Act, Insurance Contracts Act, Corporations Act and other laws set out in our Privacy Policy. Where our customers provide us with Personal Information about someone else they must have that party's consent to provide their Personal Information to us in the manner described in our Privacy Policy.

We may collect Personal Information from, and exchange Personal Information with, our related bodies corporate including without limitation, joint venture entities ("**Affiliates**") and third parties, including the **Insured Member**, policy owner or beneficiaries of an insurance policy, our and our Affiliates' service providers and contractors, our customers' representatives or intermediaries (including without limitation, our customers' financial advisers and the Australian Financial Service Licensee they represent, the distributors of our customers' insurance policies, the trustees or administrators of our customers' superannuation funds, our customers' employers, unions of current and former staff members of ours (including contractors) or anyone acting on our customers' behalf including any other representative or intermediary ("**Representatives**"), our customers' bank or health providers, partners used in our activities or business initiatives, reinsurers, insurance brokers and intermediaries, our distributors and clients, regulatory and law enforcement agencies, and other parties as described in our Privacy Policy. Parties to whom we disclose Personal Information may be located in Australia, South Africa, the US, the United Kingdom, Europe, Asia and other countries including those set out in our Privacy Policy and our customers acknowledge that

Australian Privacy Principle 8.1 (which relates to cross-border disclosures) will not apply to the disclosure, we will not be accountable for those overseas parties under the Privacy Act and our customers may not be able to seek redress under the Privacy Act.

Where we provide Personal Information to a third party, the third party may collect, use and disclose the Personal Information in accordance with their own privacy policy and procedures. These may be different to those of AIA Australia.

### Other important information

By providing information to us or to Representatives, the trustees or administrators of superannuation funds, submitting or continuing with a form or claim, or otherwise interacting or continuing a relationship with us, our customers confirm that they agree and consent to the collection, use (including holding and storage), disclosure and handling of Personal Information in the manner described in the most up to date version of our Privacy Policy on our website and that our customers have been notified of the matters set out in this summary and the AIA Australia Privacy Policy before providing Personal Information to us. Our customers agree that we may not issue a separate notice each time Personal Information is collected.

Our customers must obtain and read the most up to date version of the AIA Australia Privacy Policy from our website at [www.aia.com.au](http://www.aia.com.au) or by contacting us on 1800 333 613 to obtain a copy. Our customers have the right to access the Personal Information we hold about them, and can request the correction of Personal Information if it is inaccurate, incomplete or out of date. Requests for access or correction can be directed to us using the details in the 'Contact us' section below. Our Privacy Policy provides more detail about our collection, use (including handling and storage), disclosure of Personal Information and how our customers can access and correct Personal Information, make a privacy related complaint and how we will deal with that complaint, and our customers' opt-out rights.

For the avoidance of doubt, the Privacy Policy applicable to the management and handling of Personal Information will be the most current version published at [www.aia.com.au](http://www.aia.com.au), which shall supersede and replace all previous Privacy Policies and/or Privacy Statements and privacy summaries that our customers may receive or access, including but not limited to those contained in or referred to in any telephone recordings and calls, websites and applications, underwriting and claim forms, Product Disclosure Statements and other insurance and disclosure statements and documentation.

## Contact us

If our customers have any questions or concerns about their Personal Information, they can contact us as set out below:

### The Compliance Manager

AIA Australia Limited  
PO Box 6111  
Melbourne VIC 3004  
Phone 1800 333 613

## 1.11 Statutory Fund

The **Policy** will be written in the AIA Australia Statutory Fund No. 1.

## 1.12 Prohibition of certain transactions

Despite anything to the contrary, there is no cover under this **Policy** and AIA Australia is not obliged to make any payments or to provide any services or benefits in relation to this **Policy** if:

1. such cover, payments, services or benefits; or
2. cover, payments, services or benefits provided by a third party in relation to or arising from the **Policy** (including by a reinsurer of AIA Australia to AIA Australia);

would contravene any United Nations resolutions, prohibitions or restrictions on trade or economic sanctions or would contravene any laws, government policy, regulatory guidance or regulator requests (including in relation to trade or economic sanctions) in Australia, the European Union or in any other jurisdiction applicable to the cover, payments, services or benefits by AIA Australia or the third party.

## 1.13 Any questions or concerns?

If you should have any questions or concerns about your **Policy**, please contact us directly on 1800 333 613 and we will promptly investigate your enquiry, referring it if necessary to our Internal Disputes Resolution Committee (IDRC).

Internal complaints are normally resolved within 45 days. In special circumstances, we may take longer. If this is the case, we will advise you.

If you are not satisfied with the response provided, you may refer your concerns to the independent Financial Ombudsman Service (FOS) if the **Policy** is not owned by a superannuation fund, or the Superannuation Complaints Tribunal (SCT) if the **Policy** is owned by a superannuation fund.

Details of each are as follows:

### Financial Ombudsman Service (FOS)

GPO Box 3  
MELBOURNE VIC 3001  
Telephone: 1300 78 08 08  
Fax: (03) 9613 6399  
Email: info@fos.org.au

### Superannuation Complaints Tribunal (SCT)

Locked Bag 3060  
MELBOURNE VIC 3001  
Telephone: 1300 884 114  
Fax: (03) 8635 5588  
Email: info@sct.gov.au

## 2. Product features at a glance

### 2.1 What product features are available?

Product Feature	Description	Page
<b>Standard TPD Cover</b>	Available to all <b>Insured Members</b> , including <b>Permanent Employees, Casuals</b> and <b>Contractors</b>	5
<b>Maximum Benefit limits</b>	Unlimited <b>Death Cover</b> (including <b>Terminal Illness</b> ) and up to \$5,000,000 of <b>TPD Cover</b> (reducing to \$3,000,000 after age 65) is available to all eligible <b>Insured Members</b>	NA
<b>Automatic Uplift to new AAL</b>	We may apply an increased <b>AAL</b> to some <b>Insured Members</b> including those who have previously been restricted due to non-receipt of underwriting, had an exclusion applied, or a loading applied when taking over an existing group insurance policy	11
<b>Waiver of Underwriting Loadings</b>	Where a <b>Policy</b> has more than 100 <b>Insured Members</b> , we are able to waive underwriting loadings for any formula driven, non-voluntary underwritten <b>Cover</b>	12
<b>Interim Accidental Cover</b>	Interim Accidental Cover will be provided while an <b>Insured Member</b> is being underwritten	12
<b>Life Stages Cover</b>	An <b>Insured Member</b> may apply to increase <b>Cover</b> without the usual requirement of providing <b>Evidence of Insurability</b> when a specific life event occurs (e.g. marriage, divorce)	13
<b>Cover while on leave without pay</b>	<b>Cover</b> will continue for a maximum period of up to 24 months while on approved leave	15
<b>Cover while Overseas</b>	<b>Cover</b> is provided 24 hours a day, all year round while the <b>Insured Member</b> is working or travelling overseas	15
<b>Extended Cover</b>	<b>Cover</b> will continue for a maximum period of 60 days after the <b>Insured Member</b> ceases to meet the <b>Insured Member Eligibility</b> criteria	16
<b>Accidental Top Up benefit (optional)</b>	We will pay an additional benefit up to \$1,000,000 if the <b>Insured Member</b> dies as a result of an <b>Accident</b> within 90 days of the <b>Accident</b>	14
<b>Continuation Option (optional)</b>	An <b>Insured Member</b> may be able to continue their <b>Cover</b> once their employment ceases with the <b>Employer</b>	16

## 3. Eligibility Conditions, Commencement of Cover and Takeover Terms

### 3.1 Who can obtain Cover?

Death or Death and **Total and Permanent Disablement** (“TPD”) **Cover** is available to all persons who satisfy the following:

1. The person meets the **Insured Member Eligibility** criteria as set out in the **Policy Schedule**;
2. The person is aged between the **Minimum Benefit Entry Age** and the **Maximum Benefit Entry Age** on the earlier of the day he or she is first eligible for **Cover** or the date that he or she applies for **Cover**; and
3. The person is an **Australian Resident** or holder of a **Visa**.

The table below sets out the availability of **Cover** under the **Policy**.

	Death Cover (Including Terminal Illness)	TPD Cover
<b>Minimum Benefit Entry Age</b>	15	15
<b>Maximum Benefit Entry Age</b>	69	66
<b>Maximum Cover Expiry Age</b>	70	70

### 3.2 TPD Cover availability

The type of TPD **Cover** available and the definition that will apply in the event of a claim will depend on the **Insured Member**'s employment type and the average number of hours worked per week by the **Insured Member** at the time of disablement. The TPD definition which applies to an **Insured Member** may differ to the TPD definition which applied to the **Insured Member** at the time cover commenced.

There are three TPD definitions: **Standard**, **Own Occupation** and **Alternative**.

Employment Type	TPD Definition
Permanent Employees working on average 15 hours or more per week in the three months immediately prior to disablement <sup>†</sup>	<b>Standard or Own Occupation*</b>
Contractors or Casuals working on average 15 hours or more per week in the three months immediately prior to disablement <sup>†</sup>	<b>Standard</b>
Permanent Employees working on average less than 15 hours per week in the three months immediately prior to disablement <sup>†</sup>	<b>Alternative</b>
Contractors or Casuals working on average less than 15 hours per week in the three months immediately prior to disablement <sup>†</sup>	<b>Alternative</b>

\* **Own Occupation** definition is only available to non-superannuation owned policies where it is optional. Eligible members must meet the definitions of either **Professional** or **Senior Management**. If this definition applies it will be stated in the **Policy Schedule**.

<sup>†</sup> Where the **Insured Member** has been employed for less than three months, over the **Insured Member**'s period of employment.

### 3.3 Commencement of Cover

**Cover** for **Insured Members** will commence as follows:

1. Where **Cover** is accepted under Automatic Acceptance provisions, the later of the **Policy Commencement Date** or the date the **Insured Member** first meets the **Insured Member Eligibility** criteria;
2. Where **Cover** is accepted under Takeover Terms, the date the **Policy** commences with AIA Australia; or
3. Where **Evidence of Insurability** or **Voluntary Cover** applies, the date AIA Australia advises you in writing that **Cover** has been accepted.

### 3.4 Takeover Terms (if applicable)

Takeover Terms may be available if you had similar insurance with another insurer before choosing to transfer the insurance to AIA Australia.

AIA Australia will apply Takeover Terms in accordance with the 'FSC Group Insurance Takeover Terms' as described in FSC Guidance Note No. 11.00. If applicable, this will be stated in the **Policy Schedule**.

**Insured Members** will be covered for benefits on underwriting terms no less favourable than those provided by the previous insurer, including forward underwriting limits, premium loadings, restrictions, exclusions and any limitations imposed on an **Insured Member** by the previous insurer.

AIA Australia requires details of previous acceptance terms for **Insured Members** who have **Voluntary Cover** and/or **Cover** in excess of the previous insurer's **AAL** within 90 days of the takeover date, unless otherwise agreed in writing.

AIA Australia reserves the right to request proof that a person under a previous group insurance policy has been satisfactorily underwritten for takeover of **Cover** to apply.

If underwriting exclusions or loadings do apply, these will be carried forward and applied above the AIA Australia's **AAL** or the previous insurer's **AAL** (as applicable) to form part of the Takeover Terms.

If alternative Takeover Terms are agreed to by us, these will be stated in the **Policy Schedule**.

In the event the **Policy** is terminated and transferred to another bona fide Australian life insurer, AIA Australia will comply with the FSC Group Insurance Takeover Terms, as described in FSC Guidance Note No. 11.00.

## 4. Automatic Acceptance

### 4.1 Automatic Acceptance

Where an **Automatic Acceptance Limit (AAL)** is applicable, AIA Australia will provide an **Insured Member Cover** up to the lesser of the specified **AAL** and the **Sum Insured** at standard **Premium Rates** without having to provide **Evidence of Insurability**.

### 4.2 Who is eligible for Automatic Acceptance?

A person who:

1. meets the **Insured Member Eligibility**; and
2. is aged between the **Minimum Benefit Entry Age** and the **Maximum Benefit Entry Age**

will be provided with **Cover** up to the **AAL** (if any), from the first day the person meets the **Insured Member Eligibility** criteria (or on a later date as agreed to in writing by AIA Australia).

### 4.3 Conditions for Automatic Acceptance

Automatic Acceptance only applies to eligible persons who satisfy the **Insured Member Eligibility** and is subject to the following ongoing conditions:

1. The person is aged between the **Minimum Benefit Entry Age** and the **Maximum Benefit Entry Age**;
2. The **AAL** shown in the **Policy Schedule** is for an amount other than nil;
3. The **Insured Member Eligibility** ensures there is no ability for a person to choose to have **Cover** which is not consistent with the **Benefit Design**;
4. At least 75% of people who meet the **Insured Member Eligibility** are **Insured Members** under the **Policy**;
5. **Insured Members** join the **Policy** on the date they first meet the **Insured Member Eligibility**;
6. The **Sum Insured** for each **Insured Member** is calculated in accordance with the **Benefit Design**;
7. The **Policy** is the default superannuation fund of the **Employer** (condition limited to superannuation owned policies); and
8. **Insured Members** must be **At Work** on the date they first meet the **Insured Member Eligibility**, otherwise **New Events Cover** applies until the **Insured Member** is **At Work** for 30 consecutive days, at which point full **Cover** will be provided.

AIA Australia reserves the right to change the Automatic Acceptance conditions and/or **AAL** under the **Policy** at the end of the **Rate Guarantee Period**, or upon lapse of conditions (3), (4), (6) or (7) above.

**Evidence of Insurability** will be required for any person who does not meet the Automatic Acceptance conditions.

**Cover** will commence from the date we accept the **Cover** in writing.

### 4.4 Variations in the Sum Insured

Subject to Automatic Acceptance conditions described above, the **Sum Insured** amount in respect of an **Insured Member** will automatically increase or decrease in line with the **Benefit Design**. Any automatic increase in the **Sum Insured** will occur up to the higher of the **AAL** (if any) and the **Forward Underwriting Limit (FUL)**.

For plans of less than 50 lives, any automatic increases will be limited to a maximum increase of 30% in total within a given 12 month period.

The premium will be adjusted to take into account the variation in the **Sum Insured** in respect of an **Insured Member**.

### 4.5 Forward Underwriting Limit (FUL) and Cover over the AAL

**Evidence of Insurability** will be required once the **Sum Insured** for an **Insured Member** exceeds the **AAL** and/or where Automatic Acceptance conditions are not met. All **Insured Members** accepted for **Cover** above the **AAL** may receive a **FUL** in accordance with AIA Australia's underwriting rules. These rules may be altered from time to time.

### 4.6 Changes to the AAL

The **AAL** will apply for the duration of the **Rate Guarantee Period** however, if the number of eligible **Insured Members** reduces below 75% (unless we agree otherwise in writing) under the **Policy**, we reserve the right to reduce the **AAL**, after consultation with you.

When an **AAL** decreases, the lower **AAL** will apply to all **Insured Members** after that date with the exception of existing **Insured Members** whose **Sum Insured** is higher than the lower **AAL**, in which case they will maintain their existing **Sum Insured**.

When an **AAL** increases, the higher **AAL** may apply to some existing **Insured Members** above the previous lower **AAL**. This includes members who have previously been restricted due to non-receipt of underwriting, had an exclusion applied or a loading applied. Any loading, limitation or exclusion that previously applied to **Cover** above the lower **AAL** will also apply to **Cover** above the new higher **AAL**. AIA Australia will advise you in writing if we agree to do this. The higher **AAL** does not apply to any **Insured Members** who have previously been declined.

## 4.7 Automatic uplift to the new AAL

If stated in the **Policy Schedule** when taking over an existing group insurance policy, if AIA Australia has offered an **AAL** which is more competitive than the level under the previous policy, AIA Australia may apply the new **AAL** to some members. This includes members who have been previously restricted due to non- receipt of underwriting, had an exclusion applied or a loading applied. A Member declined under the previous policy will be restricted to the lower AAL or FUL (as applicable).

Any loading, limitation or exclusion that previously applied to **Cover** above the lower **AAL** will also apply to **Cover** above the new higher **AAL**. We will advise you in writing if we agree to do this. Any **Insured Members** who have been previously underwritten above AIA Australia's **AAL**, will continue to be covered up to the level provided under the previous policy.

## 5. Underwriting

### 5.1 When is underwriting required?

**Evidence of Insurability** is required in the following circumstances:

1. The proposed **Sum Insured** is in excess of the **AAL**;
2. The **Sum Insured** has automatically increased above the **AAL** or **FUL** in accordance with the **Benefit Design**;
3. The **Insured Member** is not eligible for an **AAL** due to not meeting Automatic Acceptance conditions;
4. An **AAL** does not apply to that **Policy**;
5. The **Insured Member** is applying for **Voluntary Cover** (other than for Life Stages Cover); or
6. The increase in an **Insured Member's Sum Insured** in the previous 12 month period, exceeds 30%, in which case, underwriting will be required (applicable to plans with less than 50 lives).

If **Evidence of Insurability** is required, an AIA Australia personal health statement is required to be completed in addition to any further underwriting evidence, the details of which may change from time to time and are available upon request.

Where a plan has more than 100 lives, AIA Australia will waive underwriting loadings for any formula driven, underwritten **Cover**. Loadings may be applied for any element of **Voluntary Cover** depending on the circumstances.

As a result of the underwriting process, AIA Australia will still record and advise of underwriting loadings for two reasons:

1. If at some point in the future the **Policy** is terminated with AIA Australia and transferred to another insurer that does apply loadings, these loadings can be applied.
2. Should a member exercise a Continuation Option, the correct retail premium can be charged.

### 5.2 Underwriting information access

AIA Australia practices open communication with our intermediary clients and our **Insured Members**. Any party related to the **Policy** is welcome to contact AIA Australia's underwriting staff for explanations on non-standard decisions, opinions and assistance with their life insurance application. The AIA Australia client website is an ideal way of submitting underwriting evidence and tracking the current status of an **Insured Member's** life insurance application.

### 5.3 Non-Standard terms

Where a person is underwritten and standard acceptance terms are not offered by AIA Australia, alternate assessment terms will be offered wherever possible. If this is the case, AIA Australia may:

1. Apply a premium loading (e.g. + 50%) on the standard rates\*
2. Apply an exclusion/s (e.g. spine, mental disorders, aviation)
3. Apply a combination of premium loadings and exclusions.

If AIA Australia is unable to offer any acceptance terms for insurance **Cover**, AIA Australia will decline the application for **Cover** in writing.

\*This loading will be recorded but not applied by AIA Australia unless an **Insured Member** affects a Continuation Option, the Cover being applied for is **Voluntary Cover**, or if there are less than 100 members in the **Policy**.

### 5.4 Costs of underwriting

We will pay all reasonable costs for providing the information we require for underwriting of an eligible person. Any costs incurred outside Australia in connection with the underwriting of an eligible person must be paid by the eligible person. AIA Australia may reimburse these costs at our discretion.

### 5.5 Interim Accidental Cover

Interim Accidental Cover will be provided while a person is being underwritten, from the date we receive the application for **Cover**, until the earlier of:

1. The date we either accept or reject the application in writing;
2. The date the person is cancelling or withdrawing the application in writing;
3. 90 days elapsing from the date we received the application; and
4. The **Cover** would have otherwise ceased under the **Policy**. A benefit will be paid in the event of **Accidental Injury** resulting in death and/or TPD.

The maximum benefit we will pay is the lesser of the **Sum Insured** applied for and \$2,000,000 for Death Cover and \$1,500,000 for TPD **Cover**. Where an **AAL** or **FUL** applies, the amount applied for is the excess of the relevant **AAL** or **FUL**.

The benefit will not be payable if, during the Interim Accidental Cover period, death or disability is caused directly or indirectly by:

1. Engaging in any sport or pastime that AIA Australia would not normally cover at standard rates or terms; and
2. Other excluded events (as described under clause 9.4).

## 6. Voluntary Cover and Life Stages Cover

An **Insured Member's Sum Insured** may vary either through applying for **Voluntary Cover** or applying for Life Stages Cover.

### 6.1 Voluntary Cover

**Voluntary Cover** is available if stated in the **Policy Schedule**.

A member can apply for **Voluntary Cover**, which will be subject to AIA Australia's acceptance following the provision of **Evidence of Insurability** – the extent of which is at the discretion of AIA Australia. AIA Australia reserves the right to offer modified acceptance terms or decline applications for such voluntary increases in **Cover**. The total of the TPD **Sum Insured** amount held by the **Insured Member** cannot exceed the Death **Sum Insured** amount.

### 6.2 Life Stages Cover

This applies if **Voluntary Cover** is stated in the **Policy Schedule**.

Upon the occurrence of one of the Life Stage events listed below, **Insured Members** can apply to increase their Death and TPD **Sum Insured** without the usual requirement of providing **Evidence of Insurability**:

1. Marriage;
2. Birth or adoption of a child;
3. Divorce;
4. Child attaining 12 years of age;
5. **Insured Member** attaining age 30; or
6. Mortgage\*.

\*Effecting a mortgage on the purchase of a home or increasing an existing mortgage, for the purposes of building or renovation works, on the **Insured Member's** principal place of residence with a registered mortgage provider.

Any increase in the **Sum Insured** is limited to the lesser of 25% of the existing **Sum Insured** and \$200,000.

#### 6.2.1 Conditions for Life Stages Cover

The ability to exercise an increase in their **Sum Insured** under this clause is subject to the following:

1. The Life Stage event must have occurred while the person is an **Insured Member** and be in relation to the **Insured Member**;
2. Relevant documentary proof of the event (e.g. Marriage Certificate, Birth/Adoption Certificate, Mortgage Documentation) must be provided for consideration to AIA Australia within 60 days of the Life Stage event;

3. The existing **Cover** for the **Insured Member** must have been accepted on standard terms, whether or not under Automatic Acceptance provisions, and the **Insured Member** not having previously been declined for life insurance **Cover** with AIA Australia or any other life insurance company;
4. The **Insured Member** must be under age 60 at the time of exercising this option;
5. The **Insured Member** must not have made a claim or be eligible to make a claim under this **Policy**, or any other insurance policy on their life; and
6. The **Insured Member** can exercise a maximum of one increase in their **Sum Insured** in any 12 month period with a maximum of three increases in their **Sum Insured** under this **Policy**.

An **Insured Member** is required to be **At Work** at the time AIA Australia accepts the Life Stages Cover application.

If they are not **At Work** at this time, **New Events Cover** will apply to the increased portion of **Cover** for the first 12 months after AIA Australia has accepted the Life Stages Cover application.

At the end of the 12 month period the **Insured Member** is required to be **At Work** for 30 consecutive days to receive full **Cover**.

#### 6.2.2 Exclusions on Life Stages Cover

1. Suicide exclusions will apply to any **Sum Insured** increase for the first 13 months from the date AIA Australia agrees to any increase in the **Sum Insured**; and
2. In respect to TPD **Cover**, a self-inflicted injury exclusion will apply to any **Sum Insured** increase for the first 13 months from the date AIA Australia agrees to any increase in the **Sum Insured**.

## 7. Benefit Details

### 7.1 Death benefit

If an **Insured Member** dies while covered under the **Policy**, we will pay the **Sum Insured** applicable to the **Insured Member** at the date of death. Once a Death benefit is paid, all Death **Cover** for the **Insured Member** will cease.

### 7.2 Terminal Illness benefit

If an **Insured Member** suffers a **Terminal Illness** while covered under the **Policy**, we will pay a **Terminal Illness** benefit equal to the Death **Cover Sum Insured** applicable at the date the **Insured Member** is last certified by a **Medical Practitioner** as suffering from a **Terminal Illness**. Once a **Terminal Illness** benefit is paid, all Death **Cover** for the **Insured Member** will cease.

### 7.3 Total and Permanent Disablement (TPD) benefit

#### 7.3.1 Which TPD definition applies?

An **Insured Member** working on average 15 hours or more per week in the three months (or where the **Insured Member** has been employed for less than three months, over the **Insured Member's** period of employment) immediately prior to disablement shall be entitled to claim under the **TPD Standard Definition** or, if applicable to the **Policy**, the **TPD Own Occupation Definition**.

Where an **Insured Member** is working on average less than 15 hours per week in the three months (or where the **Insured Member** has been employed for less than three months, over the **Insured Member's** period of employment) immediately prior to disablement, the **TPD Alternative Definition** will apply.

#### 7.3.2 What will we pay?

If an **Insured Member** becomes TPD while covered under the **Policy**, we will pay a benefit equal to the **Sum Insured** applicable to the **Insured Member**. The **Sum Insured** will be determined at the following dates based on the relevant TPD definition:

1. Part 1 **Standard, Alternative and Own Occupation** definition – the first day of the **Waiting Period** as described in the definition.
2. Part 2 **Standard, Alternative and Own Occupation** definition – the date the **Insured Member** suffers one of the permanent losses as described in the definition.

The TPD benefit will be paid when the **Insured Member** has satisfied the relevant TPD definition. The total of the TPD **Sum Insured** amount held by the **Insured Member** cannot exceed the Death **Sum Insured** amount.

### 7.3.3 TPD Tapering

Where a **Policy Benefit Design** does not contain the provision to systematically reduce the TPD **Sum Insured** to nil at the **Cover Expiry Age** (e.g. a fixed benefit amount), we will impose tapering of the Sum Insured on a consistent annual basis, from the age of 61 to be nil at the **Cover Expiry Age**. If **TPD Tapering** applies it will be stated in the **Policy Schedule**. **TPD Tapering** also applies to any Voluntary Cover.

#### Example

Original Benefit	Age	Tapered Benefit	Tapering Factor of the Original Benefit
\$1,000,000	Up to 60	\$1,000,000	0%
	61	\$900,000	10%
	62	\$800,000	20%
	63	\$700,000	30%
	64	\$600,000	40%
	65	\$500,000	50%
	66	\$400,000	60%
	67	\$300,000	70%
	68	\$200,000	80%
	69	\$100,000	90%
	70	\$0	100%

### 7.4 Accidental Top-up Death benefit – Optional

An Accidental Top-up Death benefit, if elected, will be stated in the **Policy Schedule**. We will pay out an additional benefit if an **Insured Member's** death is as a result of an **Accident**.

AIA Australia will not pay this benefit if:

1. Death occurs more than 90 days after the **Accident**; or
2. Death is due to suicide, attempted suicide or a deliberate self-inflicted injury while either sane or insane.

The maximum payable under this benefit is the lesser of the **Sum Insured** and \$1,000,000.

## 8. Cover while on Leave Without Pay and Cover while Overseas

### 8.1 Cover while on Leave Without Pay

Where the **Employer** approves a bona fide period of Leave Without Pay for an **Insured Member** (including maternity or paternity leave), and there is a documented 'return to work' date prior to leave commencing, **Cover** will continue for a maximum period of up to 24 months, provided premiums continue to be paid.

#### 8.1.1 Level of Cover while on Leave Without Pay

For **Insured Members** that either die or suffer a disability during Leave Without Pay (including maternity or paternity leave), the **Sum Insured** will be based on the **Insured Member's Sum Insured** at the date immediately prior to the commencement of Leave Without Pay.

For TPD **Cover**, the TPD definition used to assess the **Insured Member** will be that which would have applied to the **Insured Member** on the date immediately prior to the commencement of Leave Without Pay.

#### 8.1.2 Returning to work after being on Leave Without Pay

If the **Insured Member** does not return to work by the expected 'return to work' date, the **Cover** for the **Insured Member** will automatically cease 30 days after the expected 'return to work' date, and any subsequent reinstatement of **Cover** will require **Evidence of Insurability**. AIA Australia will determine the level of underwriting required based on individual circumstances.

If the **Insured Member** returns to work within the 30 day period, **Cover** will continue automatically subject to the continued payment of premiums for that **Insured Member**.

The **Insured Member** may apply to AIA Australia to extend **Cover** beyond 24 months and **Cover** may be granted at the discretion of AIA Australia.

### 8.2 Cover while on paid leave

Subject to continued remittance of insurance premiums, **Cover** will continue to be provided for an **Insured Member** while on paid leave approved by their **Employer**.

### 8.3 Cover while Overseas

**Insured Members** are provided with **Cover** 24 hours a day seven days a week subject to the terms below.

Subject to continued remittance of insurance premiums, **Cover** will continue to be provided for an **Insured Member** while they are overseas.

In the event of a claim, the **Insured Member** may be required to return to Australia (at their own expense) during the claims assessment process.

#### 8.3.1 Cover while working overseas

An **Insured Member** who is an **Australian Resident** and who is temporarily employed overseas for their **Employer**, will be provided with **Cover** for up to five years. The details regarding the whereabouts of **Insured Members** overseas must be provided to AIA Australia when requested and in line with the provision of membership data.

**Cover** may be extended beyond five years, provided a request to extend **Cover** for a longer period is made in writing to AIA Australia prior to the expiration of the initial overseas cover period. In these circumstances, a premium loading, **Cover** exclusion and/or restriction may be applied to the **Insured Member**.

For an **Insured Member** who is not an **Australian Resident** and who is temporarily employed overseas for their **Employer**, **Cover** will be provided for up to 3 months.

#### 8.3.2 Cover while travelling or holidaying overseas

Where an **Insured Member** is travelling or holidaying outside of Australia, **Cover** will continue without restriction.

## 9. When Cover ends and Policy Exclusions

### 9.1 Extended Cover

**Cover** for an **Insured Member** under this **Policy** will continue for a maximum period of 60 days after the **Insured Member** ceases to meet the **Insured Member Eligibility** criteria under the **Policy**.

**Cover** will continue at the same level and basis that was provided for the **Insured Member** immediately prior to the date that they ceased employment until the earliest of the following:

1. 60 days after the **Insured Member** ceases to meet the **Insured Member Eligibility**;
2. The date, AIA Australia accept or decline the **Insured Member's** Continuation Option; and
3. The date, the **Insured Member** meets any of the other provisions under clause 9.2.

### 9.2 Termination of Cover for an Insured Member

Death and TPD **Cover** of an **Insured Member** under this **Policy** shall terminate on the earliest of the date:

1. An **Insured Member** reaches the **Cover Expiry Age**;
2. A Death, **Terminal Illness** or **Total and Permanent Disablement** benefit is paid under the **Policy** in respect of the **Insured Member**;<sup>\*</sup>
3. The **Policy** is terminated;
4. 60 days after the **Insured Member** ceases to be an **Employee** of the **Employer**;
5. 60 days after the **Insured Member** ceases to meet the **Insured Member Eligibility** criteria;
6. 60 days after premium payments cease in respect of the **Insured Member**;
7. The date the **Insured Member** no longer meets the conditions under clause 8.1 for continuation of cover during Leave Without Pay;
8. The date the **Insured Member** no longer meets the conditions under clause 8.3 for continuation of cover during **Cover** while overseas;
9. AIA Australia accepts or declines the **Insured Member's** Continuation Option (where applicable);
10. The **Insured Member** who is not an **Australian Resident**, is no longer permanently in Australia or not eligible to work in Australia; and
11. the **Insured Member** has permanently departed Australia

In addition, where the **Policy Owner** is a superannuation fund:

12. 120 days after the last **Employer** superannuation guarantee contribution is paid into the superannuation fund.

<sup>\*</sup>Payment of the TPD benefit will reduce the Death **Cover Sum Insured** for the **Insured Member**, by the amount of the payment made. The reduced Death **Cover Sum Insured** (if any) will be frozen and subsequently payable upon the death or **Terminal Illness** of the **Insured Member** prior to the **Cover Expiry Age** and subject to the continued payment of premiums for the reduced **Sum Insured**.

### 9.3 Continuation Option – Optional

An **Insured Member** who ceases to be eligible for **Cover** under the **Policy** as a result of ceasing to be an **Employee** of the **Employer** – for reasons other than for injury or sickness – will be entitled to apply for an AIA Australia individual Death only policy or Death and TPD policy with AIA Australia without the requirement to provide medical evidence subject to the conditions outlined below. If an **Insured Member's** **Cover** has ceased due to the **Policy** being terminated by the **Employer** or by AIA Australia, they will not be eligible to apply for a **Continuation Option**.

#### 9.3.1 Amount of Cover

The amount of cover the **Insured Member** will be entitled to is the **Sum Insured** which applied to the **Insured Member** under the **Policy**, on the date immediately prior to **Cover** ceasing. Such cover will be subject to the same premium loadings and exclusions as those imposed under the **Policy** and the terms and conditions (with the exception of minimum hours) applying to AIA Australia's individual policies at that time.

#### 9.3.2 Conditions and how to apply?

A person applying for a Continuation Option must complete a group insurance Continuation Option application form (available upon request from the AIA Group Administration team at [continuationoptions.aus@iaa.com](mailto:continuationoptions.aus@iaa.com)). The Continuation Option application is then subject to AIA Australia's underwriting approval which includes the following:

1. The Continuation Option must be applied for within 60 days of leaving the service of the **Employer** with no individual consideration made for applications received after this date;
2. AIA Australia must receive a satisfactory Australian citizen or Residency and Smoker declaration;
3. The person is aged under 65 for Death **Cover** and aged under 60 for Death and TPD **Cover**;
4. The person must satisfy the eligibility criteria and terms under AIA Australia's Individual Death only or Death and TPD policy;

5. The person is not eligible to receive, or must have not previously been paid a benefit payment(s) under any **Terminal Illness** and/or TPD policy or submitted a claim for benefits under any **Terminal Illness** and/or TPD policy;
6. In the case of TPD, the person must be employed on a permanent basis for at least 15 hours per week or be a **Casual** or **Contractor** moving to permanent employment in their new role for at least 15 hours per week, in an occupation acceptable to AIA Australia at the time cover is to commence under the AIA Australia individual policy; and
7. The person was **At Work** performing their full and normal duties on the date of ceasing to be an **Employee** of the **Employer**.

#### 9.4 Policy Exclusions

No benefits are payable under the **Policy** for Death and TPD **Cover** (or Death only **Cover**, where applicable), which is caused wholly or partly, directly or indirectly by:

1. **War**;
2. active service in the armed forces of any country, territory, foreign or international organisation;
3. participation in a combat or fighting force of any country, territory or foreign organisation;
4. engagement in (including planning or preparing for) any terrorism act in Australia or any foreign country;
5. in the case of **Voluntary Death Cover**, increase or reinstatement of **Cover**, death by suicide within 13 months of commencing any **Voluntary Cover**, increase in **Voluntary Cover** or reinstatement of any **Cover**;
6. in the case of **Voluntary TPD Cover**, increase or reinstatement of **Cover** (including **Terminal Illness**), any deliberate self-inflicted injury/sickness or attempted suicide or self-destruction while either sane or insane within 13 months of commencing any **Voluntary Cover**, increase in **Voluntary Cover** reinstatement of any **Cover**; or
7. any other exclusions imposed by AIA Australia on an **Insured Member**.

Note: In the case of **Insured Members** who are enrolled in the Australian Army Reserve, the above exclusion (2) is only applicable where the **Insured Member** has been called up for active service.

## 10. Claims

AIA Australia will make every effort to pay claims promptly and ensure that every claim that should be paid, is paid (subject to the terms and conditions of the **Policy**).

AIA Australia should be notified of the death or disability of any **Insured Member** which gives rise to a claim, within a reasonable period of time of such occurrence. Once AIA Australia has been notified of a claim, we will provide the necessary claim forms as soon as is reasonably possible.

AIA Australia maintains the right to fully investigate and assess any claims to its satisfaction prior to the settlement of a claim. The **Insured Member** must cooperate with any such investigation including, but not limited to, attending medical practitioners or other independent specialists appointed by AIA Australia for the purpose of assessing a claim and providing documents or other materials when requested by AIA Australia.

In respect of **Total and Permanent Disablement** claims that arise while an **Insured Member** is overseas,

AIA Australia reserves the right to require assessment or any medical examination to be conducted in Australia as part of its consideration of a claim. The claimant will be responsible to pay any costs associated with them returning to Australia for the claims assessment.

If a claim arises during a period where no premiums have been received by AIA Australia but is nevertheless within the **Grace Period**, no **Sum Insured** in respect of such claim will be admitted until all premiums owing are paid.

AIA Australia will, wherever possible, use our network of overseas life insurance companies to gather the information necessary to assess claims overseas, however, AIA Australia reserves the right to require that a claimant return to Australia (at the claimant's expense) for claims assessment and examination prior to the payment or continued payment of any benefit. AIA Australia may not pay a benefit where a claimant does not return to Australia.

We are passionately committed to providing an efficient and sensitive claims service that will help our customers when they need it most.

# 11. Profit Share and Multinational Pooling

AIA Australia can generally offer participation in a number of different profit sharing arrangements.

If **Profit Share** or **Multinational Pooling** applies, it will be stated in the **Policy Schedule**.

## 11.1 Self Experience

For larger policies with at least 1,000 insured lives, we may offer a Self Experience Profit Sharing formula.

Consideration of a rebate will be based upon the experience of a client's individual group insurance arrangements.

A premium loading may apply for participation in this arrangement.

## 11.2 Multinational Pooling

For Corporate Multinational clients, AIA Australia offers access to the following pooling solutions, allowing AIA to further enhance its services to multinational companies:

1. AIA Pool offered by AIA Asia Benefits Network (AABN), a regional solution specifically designed for clients with Asia Pacific presence or with a mandate to manage employee benefit programs within the region.
2. ZGEBS Pool offered by Zurich Global Employee Benefit Solutions (ZGEBS), a global solution for clients with international needs.

Operating in 16 countries and with our partnership with ZGEBS, AIA will develop group insurance solutions for multinational companies through the creation, marketing and successful delivery of employee benefit programs.

AIA will pool the experience of multiple group insurance policies (or other eligible policies such as Corporate Medical) where the common link is the parent company, and depending on the needs and suitability based on the current situation of multinational companies, either a regional solution by AABN or a global solution offered in conjunction with ZGEBS will be recommended.

Generally, better benefits are obtainable under **Multinational Pooling** arrangements when compared to locally managed policies, due to economies of regional or global scale.

AIA Australia would be pleased to work with you in terms of facilitating the design, installation and operation of a **Multinational Pooling** plan and has the local and regional expertise internally to ensure this is promptly achieved.

## 12. Premiums

### 12.1 Calculation of Premium

Premiums are calculated at different stages of the **Policy** life. The premium for an **Insured Member** is calculated using the **Premium Rates** applicable for that renewal period. Premiums can be paid either:

1. Monthly in advance or in arrears;
2. Quarterly in advance; or
3. Annually in advance.

#### 12.1.1 Quotation Premium

When pricing a group insurance **Policy**, AIA Australia will provide you with a quotation based on our best interpretation of the information provided by you. In general, the more information that is provided, the more accurate and sustainable the quotation will be. The quotation should be considered in conjunction with all terms and conditions contained in this document.

The rating factors considered when setting the **Premium Rates** include age, gender, occupation, **Benefit Design** and policy history (particularly with respect to claims).

The quotation will be based on the assumption that the specifications, data and advice provided to AIA Australia are accurate and complete. If found this is not the case, AIA Australia reserves the right to alter the quoted **Premium Rates** or withdraw the quotation.

AIA Australia reserves the right to adjust the quoted **Premium Rates** at the **Policy Commencement Date** where the **Insured Member's** details at the **Policy Commencement Date** differ from the details upon which the quotation was based.

#### 12.1.2 Deposit Premium

The Deposit Premium is one of the requirements needed to implement an AIA Australia group insurance **Policy** and is payable prior to the **Policy Commencement Date** and will initially be calculated at the quotation stage. Upon commencement of the **Policy**, an adjusted premium will be calculated and be reduced by the Deposit Premium received.

#### 12.1.3 Annual Review Premium

At the **Policy Renewal Date**, the premiums will be re-calculated and an **Adjustment Premium** calculated to reflect changes in the **Policy** membership including variations to the **Insured Member's Sum Insured** or **Insured Members** joining or exiting the **Policy** since the last **Renewal Date**. Prior to the annual **Renewal Date**, a Deposit Premium will be requested by us. Upon receipt of updated membership data as at the annual **Renewal Date**, the annual review premium will be calculated and reduced by the Deposit Premium received.

### 12.2 Guarantee of Premium

We shall guarantee the quoted **Premium Rates** for a period as set out in the **Policy Schedule** for Death and **Total and Permanent Disablement** from the **Policy Commencement Date** provided:

1. The number of **Insured Members** does not fluctuate by more than 30% in any 12 month period;
2. No more than 10% of the **Insured Members** are outside of Australia; and
3. The **Benefit Design** does not change.

### 12.3 Variation of Premium Rates

AIA Australia also reserves the right to review and alter the **Premium Rates** and/or **AAL** within any **Rate Guarantee Period** where:

1. business activities (such as acquisition, takeover, merger activity) of the **Employer** result in unusual changes in the number of **Insured Members**; or
2. **War** in which the Commonwealth of Australia's armed forces are involved or the country of residence (including temporary residence) of the **Insured Member** is involved.

Should the number of **Minimum Insured Members** or the **Minimum Annual Premium** drop below those set out in the **Policy Schedule**, AIA Australia may issue a written notice to terminate the **Policy**.

### 12.4 Tax on Premiums

Where AIA Australia becomes liable for any tax or other imposts levied by any Commonwealth or State government, authority or body in connection with the

**Policy**, AIA Australia may reduce, vary or otherwise adjust any amounts (including but not limited to **Premium Rates**, charges and benefits) under the **Policy** in the manner and to the extent AIA Australia determines to be appropriate, to take account of the tax or impost.

### 12.5 Non-payment of Premiums

In the event that premiums are not paid within the **Grace Period**, AIA Australia will give the **Policy Owner** written notice of its intention to terminate the **Policy**. If the overdue premiums have not been paid within a further 30 days of that written notice, the **Policy** will terminate and all **Cover** will cease. If the event giving rise to a claim occurs within any period for which no premiums have been remitted to AIA Australia, no **Sum Insured** in respect of such claim will be paid until all premiums due for that **Policy** have been remitted to AIA Australia.

## 13. General Definitions

### Accident or Accidental Injury

A physical injury which occurs while the **Policy** is in force that is caused solely and directly by violent, visible, external and unexpected means that is not traceable, even indirectly, to any pre-existing mental or physical condition.

### Adjustment Premium

As set out in the **Policy Schedule**.

### At Work

Means the person is:

1. Engaged in his or her normal duties, without limitation or restriction due to injury or sickness, and is working normal hours on the day cover is to commence; and
2. Is not restricted by sickness or injury from being capable of performing their full and normal duties on a full time basis (for at least 30 hours per week) even though actual employment can be on a full-time, part-time, contract or casual basis; and
3. Is not in receipt of and/or entitled to claim any income support benefits from any source including workers' compensation benefits, statutory transport accident benefits and disability income benefits;

The person will be considered to be **At Work** if on the applicable date, as the context requires, the person is on **Employer** approved leave for reasons other than injury or sickness, and not taking into account the leave, is able to meet the **At Work** definition.

A person who does not meet these requirements is considered to be not **At Work**.

### Australian Resident

Means:

- a person who resides in Australia and is either an Australian citizen or a holder of an Australian Permanent Resident visa; or
- a person who is a New Zealand citizen and is the holder of a **Special Category visa (SCV)** while residing in Australia indefinitely

### Automatic Acceptance Limit (AAL)

The amount of **Cover** that applies to an **Insured Member** without having to provide **Evidence of Insurability**. The **AAL** includes **New Events Cover** which applies when an **Insured Member** is not **At Work** when first eligible to join the **Policy**. The **AAL** is as set out in the **Policy Schedule**.

### Benefit Design

As set out in the **Policy Schedule**, including but not limited to the **Insured Member Eligibility**, Minimum Hours,

**Minimum Benefit Entry Age, Maximum Benefit Entry Age, Cover Expiry Age**, Standard and/or Optional Benefits (where included) and Non-Standard **Policy** Terms and Conditions.

### Casual(s)

A person who is not a **Permanent Employee** and is employed with an **Employer** on a casual basis and whose **Employer** is making superannuation guarantee contributions in respect of the **Casual Employee**.

### Contractor(s)

A person who is employed under a written contract with an **Employer** for at least six months and whose **Employer**:

1. Requires the person to perform identifiable duties for a regular number of hours each week;
2. Provides the person with annual leave and sick leave entitlements; and
3. Is making superannuation guarantee contributions in respect of the person.

### Cover

Death only or Death and TPD cover provided to an **Insured Member** as set out in the **Policy Schedule** under the terms and conditions of the **Policy**.

### Cover Expiry Age

The age at which **Cover** ceases as set out in the **Policy Schedule**.

### Employee(s)

A person engaged by the **Employer** under a contract of employment to undertake identifiable duties.

### Employer(s)

As set out in the **Policy Schedule**.

### Evidence of Insurability

Such evidence of health and such other particulars of a person as AIA Australia may require and which is supplied or caused to be supplied in respect of that person to enable AIA Australia to determine whether the person is to be accepted for insurance and the terms of such acceptance.

### Forward Underwriting Limit (FUL)

**Forward Underwriting Limit (FUL)** refers to the level determined by AIA Australia which may be provided under certain circumstances after the assessment of the **Evidence of Insurability** in respect of an **Insured Member**, whereby future increases in amounts of benefit formula cover (in line with the **Benefit Design**) up to this level may be provided without further **Evidence of Insurability**.

**Grace Period**

30 days of grace shall be allowed for the payment of each premium. If a claim arises within that period, no **Sum Insured** amount will become payable under the **Policy** in respect of such claim until the outstanding premium amount is paid to AIA Australia in full.

**Insured Member(s)**

A person who meets the **Insured Member Eligibility** and is accepted by AIA Australia for **Cover** in accordance with the provisions of the **Policy**.

**Insured Member Eligibility**

As set out in the **Policy Schedule**.

**Maximum Benefit**

As set out in clause 2.1 unless otherwise stated in the **Policy Schedule**.

**Maximum Benefit Entry Age**

As set out in clause 3.1 of this **Policy**.

**Medical Practitioner**

A legally qualified and registered doctor of medicine. It does not include the **Employer**, the **Insured Member**, an **Employee** of the **Employer** or the **Insured Member's** immediate family or business partner/s.

**Minimum Annual Premium**

As set out in the **Policy Schedule**.

**Minimum Benefit Entry Age**

As set out in clause 3.1 of this **Policy**.

**Minimum Insured Members**

As set out in the **Policy Schedule**.

**Multinational Pooling**

As set out in the **Policy Schedule** and clause 11 of this **Policy**.

**New Events Cover**

The **Insured Member** is only covered for claims arising from a sickness which became apparent or an injury which occurred on or after the date the **Insured Member's Cover** commenced or most recently commenced under this **Policy**.

**Permanent Employee(s)**

A person who is employed by the **Employer** on a permanent basis to undertake identifiable duties and is paid sick and annual leave entitlements.

**Permanent Incapacity**

Means in our opinion the **Insured Member** has become incapacitated due to ill-health (whether physical or mental) and as a result of this ill-health is unlikely he or she will ever engage in or work for reward in any occupation for which he or she is reasonably qualified by education, training or experience.

**Policy**

This group insurance Product Information Booklet, corresponding **Policy Schedule**, any riders or endorsements therein, any amendments thereto signed by AIA Australia and provided to the **Policy Owner**.

**Policy Commencement Date**

As set out in the **Policy Schedule**.

**Policy Owner**

As set out in the **Policy Schedule**.

**Policy Schedule**

The document issued by us to you, stating the details of your **Policy** including any Non-Standard **Policy** Terms and Conditions agreed by us.

**Policy Type**

Means either ordinary (non-superannuation) or superannuation business as set out in the **Policy Schedule**.

**Premium Rate(s)**

As set out in the **Policy Schedule**.

**Profit Share**

As set out in the **Policy Schedule** and clause 11 of this **Policy**.

**Rate Guarantee Period**

As set out in the **Policy Schedule**.

**Renewal Date**

As set out in the **Policy Schedule**.

**Special Category visa (SCV)**

As per the guidelines provided under the Department of Immigration and Border Protection, a **Special Category visa** (subclass 444) is a temporary visa that allows a person to stay and work in Australia as long as that person remains a New Zealand citizen.

For avoidance of doubt, a New Zealand citizen who holds a **SCV** while residing in Australia and departs temporarily

overseas will be treated the same as an **Australian Resident**. They will be entitled to the same provisions, **Cover** terms and conditions as an **Australian Resident** under this **Policy**.

### Sum Insured

The amount of insured benefit as calculated in accordance with the **Benefit Design**.

### Terminal Illness (for superannuation owned policies)

Means:

1. Two registered **Medical Practitioners** have certified, jointly or separately, and approved by AIA Australia, that the **Insured Member** suffers from an illness, or has incurred an injury, that is likely to result in their death within a period (the certification period) that ends no more than 12 months after the date of the certification; and
2. At least one of the **Medical Practitioner** is a specialist practicing in an area related to the illness or injury suffered by the **Insured Member**; and
3. For each of the certificates, the certification period has not ended.

Where an **Insured Member** is diagnosed with a **Terminal Illness**, the maximum amount we will pay is equal to the Death **Sum Insured**.

### Terminal Illness (for non-superannuation owned policies)

The diagnosis of the **Insured Member** with an illness which in the opinion of an appropriate medical specialist(s), approved by AIA Australia, will result in the death of the **Insured Member** within 12 months of the diagnosis regardless of any treatment that may be undertaken.

Where an **Insured Member** is diagnosed with a **Terminal Illness**, the maximum amount we will pay is equal to the Death **Sum Insured**.

### Total and Permanent Disablement (TPD) Standard Definition

Under this definition, the **Insured Member** is deemed to be totally and permanently disabled if, in the opinion of AIA Australia, he or she has:

1. Suffered a disability through injury or sickness, for which the **Insured Member**:
  - a) Has been prevented from performing any work, paid or unpaid, for an uninterrupted period throughout the **Waiting Period** solely due to the same injury or sickness; and
  - b) Is attending and following the advice of a **Medical Practitioner** and has undergone all reasonable and

usual treatment including rehabilitation for the injury or sickness; and

- c) After consideration of all the medical evidence and such other evidence as AIA Australia may require, has become incapacitated to such an extent as to render him or her unlikely ever to be able to engage in his or her own occupation and any occupation for which he or she is reasonably suited by education, training or experience.

or

2. While insured under this **Policy**, suffered the permanent loss of use of two limbs, or the permanent loss of the sight of both eyes, or the permanent loss of use of one limb and the permanent loss of sight of one eye (where limb is defined as the whole hand or whole foot).

In the case of part 2 above, this only applies to ordinary (non-superannuation) policies.

### Total and Permanent Disablement (TPD) – Own Occupation Definition (if selected for non-superannuation owned policies)

The **Own Occupation Definition** applies where a **Permanent Employee** who still meets the definition of 'professional' or 'senior management' is working on average at least 15 hours or more per week in the three months (or where the **Insured Member** has been employed for less than three months, over the **Insured Member's** period of employment) immediately prior to disablement.

Under this definition, the **Insured Member** is deemed to be totally and permanently disabled if, in the opinion of AIA Australia, he or she has:

1. Suffered a disability through injury or sickness, for which the **Insured Member**:
  - a) Has been prevented from performing any work, paid or unpaid, for an uninterrupted period throughout the **Waiting Period** solely due to the same injury or sickness; and
  - b) Is attending and following the advice of a **Medical Practitioner** and has undergone all reasonable and usual treatment including rehabilitation for the injury or sickness; and
  - c) After consideration of all the medical evidence and such other evidence as AIA Australia may require, has become incapacitated to such an extent as to render him or her unlikely ever to be able to engage in his or her own occupation

or

2. While insured under this **Policy**, suffered the permanent loss of use of two limbs, or the permanent loss of the

sight of both eyes, or the permanent loss of use of one limb and the permanent loss of sight of one eye (where limb is defined as the whole hand or whole foot).

Where:

‘**occupation**’ means:

- for a ‘**professional**’ or a person in ‘**senior management**’, the person’s occupation based on the general area of expertise of the person;
- for all others, an occupation for which he or she is reasonably suited by education, training or experience.

‘**professional**’ means a person who:

- has an accredited higher education qualification;
- belongs, or is eligible to belong, to a professional body;
- earns a base salary greater than \$100,000 per annum; and
- works only in an office environment and in a sedentary capacity.

‘**senior management**’ means a person who:

- is part of the senior management of the **Employer**;
- earns a base salary greater than \$100,000 per annum; and
- only works in an office environment and in a sedentary capacity.

### Total and Permanent Disablement (TPD) Alternative Definition

Under this definition, the **Insured Member** is deemed to be totally and permanently disabled if, in the opinion of AIA Australia, he or she has:

1. For an uninterrupted period throughout the **Waiting Period** after the occurrence of the injury or sickness, is continuously, totally and permanently unable to perform at least two of the following activities of daily living as certified by a **Medical Practitioner**:
  - a) **Bathing**: the ability to wash themselves either in the bath or shower or by sponge bath without the assistance of another person;
  - b) **Dressing**: the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them without the assistance of another person;
  - c) **Eating**: the ability to feed themselves once food has been prepared and made available, without the assistance of another person;
  - d) **Toileting**: the ability to get to and from and on and off the toilet without the assistance of another person and the ability to manage bowel and bladder functions through the use of protective undergarments or surgical appliances, if appropriate;
  - e) **Transferring**: the ability to move in and out of a chair without the assistance of another person

and in the case of superannuation owned policies the Insured Member has a **Permanent Incapacity**

or

2. While insured under this **Policy**, suffered the permanent loss of use of two limbs, or the permanent loss of the sight of both eyes, or the permanent loss of use of one limb and the permanent loss of sight of one eye (where limb is defined as the whole hand or whole foot).

In the case of part 2 above, this only applies to ordinary (non-superannuation) policies.

### TPD Medical Condition

Means the **Insured Member** has been certified by a **Medical Practitioner** (specialising in the relevant field) as having **Alzheimer’s Disease, Dementia, Major Head Trauma, Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Parkinson’s Disease** or **Primary Pulmonary Hypertension** as defined under the Section 14 of the Policy.

### TPD Tapering

As set out in the **Policy Schedule**.

### Visa

A current and valid visa issued in accordance with the *Migration Act 1958* (Cth) or any amending or replacing Act which enables an eligible person or **Insured Member** to work in Australia.

### Voluntary Cover

If stated as being provided in the **Policy Schedule**, **Voluntary Cover** is the discretionary **Cover**, which is not based on the **Benefit Design** and which the **Insured Member** may elect, which is subject to underwriting and acceptance by AIA Australia.

### Waiting Period

Means for **TPD** three consecutive months unless:

1. Otherwise stated in the **Policy Schedule**; or
2. A **TPD Medical Condition** applies, in which case the **Waiting Period** may be waived at the Company’s discretion (for ordinary (non-superannuation) owned policies).

### War

Includes but is not limited to war (declared or undeclared) or war related activities, revolution, invasion or rebellion or civil unrest.

## 14. TPD Medical Definitions

### Alzheimer's Disease

The diagnosis of Alzheimer's Disease as confirmed by a consultant neurologist or geriatrician resulting in significant cognitive impairment.

Significant cognitive impairment means deterioration in the **Insured Member's** mini-mental state examination, or equivalent thereof, scores to 20 or less.

### Dementia

The diagnosis of Dementia as confirmed by a consultant neurologist or geriatrician resulting in significant cognitive impairment.

Significant cognitive impairment means deterioration in the **Insured Member's** mini-mental state examination or equivalent thereof, scores to 20 or less.

Dementia as a result of alcohol or drug abuse is excluded.

### Major Head Trauma

A head injury, as a result of an **Accident**, resulting in neurological deficit, as certified by a consultant neurologist acceptable to AIA Australia, causing at least a permanent 25% impairment of whole person function as defined in Guides to the Evaluation of Permanent Impairment 5th edition, American Medical Association.

### Motor Neurone Disease

The unequivocal diagnosis of Motor Neurone Disease confirmed by a consultant neurologist.

### Multiple Sclerosis

The unequivocal diagnosis of Multiple Sclerosis confirmed by a consultant neurologist, evidenced by:

1. More than one episode of well-defined neurological deficit; and
2. Residual neurological impairment persisting for a continuous period of at least six months.

### Muscular Dystrophy

The unequivocal diagnosis of Muscular Dystrophy, confirmed by a consultant neurologist.

### Parkinson's Disease

The unequivocal diagnosis of idiopathic Parkinson's Disease as confirmed by a consultant neurologist and requiring treatment. All other types of Parkinsonism are excluded.

### Pulmonary Arterial Hypertension (Primary)

Primary pulmonary hypertension associated with right ventricular enlargement established by cardiac catheterisation, resulting in significant irreversible physical impairment of at least Class III of the New York Heart Association classification of cardiac impairment. Pulmonary Hypertension in association with chronic lung disease is specifically excluded.

Other forms of hypertension (involving increased blood pressure) are specifically excluded.

The New York Heart Association classifications are:

Class I – no limitation of physical activity, no symptoms with ordinary physical activity.

Class II – slight limitation of physical activity, symptoms occur with ordinary physical activity.

Class III – marked limitation of physical activity and comfortable at rest, symptoms occur with less than ordinary physical activity.

Class IV – symptoms with any physical activity and may occur at rest, symptoms increased in severity with any physical activity.

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