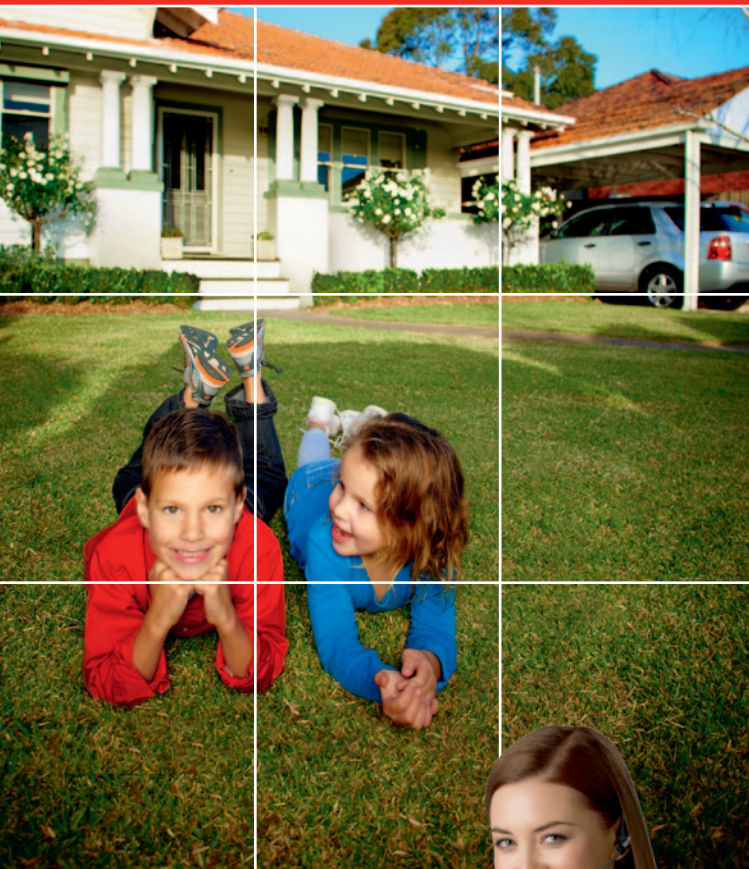




LIFE INSURANCE

Product Disclosure Statement



AAMI

This product and product disclosure statement are issued by Suncorp Life & Superannuation Limited
ABN 87 073 979 530 AFSL 229880 under the brand, AAMI.

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Important information

Your AAMI Product Disclosure Statement

The AAMI Life Insurance policy

This Product Disclosure Statement (PDS) provides information about the product we offer: the AAMI Life Insurance policy. When we agree to insure you, your policy comprises your policy document and your schedule which shows the detail of the policy particular to you.

Australian Associated Motor Insurers Limited ABN 92 004 791 744 (AAMI) does not provide any financial product advice in relation to AAMI Life Insurance, and does not issue, guarantee or underwrite AAMI Life Insurance. AAMI Life Insurance and this PDS are issued by Suncorp Life & Superannuation Limited ABN 87 073 979 530 AFSL 229880 (Suncorp).

AAMI and Suncorp are related bodies corporate of Suncorp-Metway Limited ABN 66 010 831 722 (Suncorp-Metway). Various products and services are provided by different entities of the Suncorp Group. The different entities of the Suncorp Group are not responsible for, do not guarantee and are not liable in respect of products and services provided by other entities in the Suncorp Group. Suncorp-Metway does not guarantee and is not liable for AAMI Life Insurance. This product is not a bank deposit or other bank liability.

AAMI Life Insurance is not a savings plan. For full terms and conditions, please refer to the policy issued by Suncorp. You can request a copy from us free of charge.

This PDS was completed on 30 June 2011.
This PDS is effective 29 August 2011.

Our commitment to you

When you are an AAMI Life Insurance policy owner and you, your nominated beneficiary or legal personal representative need to claim on your policy, our claim team can be contacted by calling 13 22 44. A claims pack will be sent out detailing what information is required by us to assess the claim.

Please read this PDS carefully and retain it so you can refer to it if required.

We rely on the accuracy of your information we receive

When we agree to insure you, to renew or vary your policy, or to pay your claim, our decision relies on the accuracy of the information you give us. If that information is not accurate, we can reduce or deny any claim you make or cancel your policy. We never want to have to do that, so you must honestly, correctly and completely answer the questions we ask about:

you;

your health; and

your occupation and pastimes.

Please refer to the Duty of Disclosure explained on page 20 for more information.

When you receive your schedule, please check carefully the information it shows. If any of that information is incorrect or incomplete, please call us and we will update our records.

We also require you to...

observe the conditions contained in your AAMI Life Insurance policy; and

pay or agree to pay us the premium we charge and any loadings that may apply.

Some words in this PDS have definite meanings

This PDS uses words that have definite meanings. To make sure you are aware of these words and their meanings, please read 'What do we mean by that?' on page 21.

Before you buy this insurance, please read this PDS carefully. Any information contained in this PDS has been prepared by Suncorp without taking into account your particular objectives, financial situation or needs. For that reason, before acting on the information, you should consider the appropriateness of the information in regards to your own circumstances.

See also "Important general information for you" on page 16.

The application and your cover

Who can apply?

You can apply for AAMI Life Insurance if you are aged between 18 and 60 (inclusive), you are an Australian citizen or permanent resident of Australia, and you received this PDS in Australia.

Your application

We consider many factors (such as your health and occupational duties) when making a decision about whether to accept your application for insurance. No medical tests are required when you apply. We will use the information provided by you in your application to assess whether or not we can provide you with cover or whether we can offer cover subject to special conditions that apply to your policy.

When you are covered

Once you apply and your application is accepted, you will be covered for the benefits outlined (on pages 6-10) 24 hours a day, 365 days a year. We guarantee to renew your policy every year until your 99th birthday, unless your cover stops earlier, please refer to 'When cover stops' on page 5.

When cover starts

As long as you satisfy the eligibility requirements (please refer to Who can apply? on page 3) full cover under your AAMI Life Insurance policy will commence when we have accepted your application and received correct payment details. In the meantime you are covered for limited benefits under your AAMI Life Insurance policy (please refer to Limited Accidental Death Cover below).

If we accept your application for cover under AAMI Life Insurance, we will send you a schedule and policy document confirming our acceptance. These documents, together, set out the full terms and conditions of your insurance with us. Please read these documents carefully and store them in a safe place.

Limited Accidental Death Cover

While your application is being processed, we will provide you with Accidental Death Cover. This means if you were to die as a result of an accident while we are processing your application, we will pay your estate the sum insured you have applied for. This limited cover will start on the date we receive your completed application for assessment and will cease on the earliest of the following events:

- 14 days from the date your limited cover begins;
- the date your application is accepted, declined or withdrawn;

the date we advise you that your limited cover is cancelled; or

the date you die.

Please note, the intentional self inflicted act exclusion will apply during your period of limited cover, please refer to 'What we do not cover' on page 11.

When cover stops

Once you reach your 99th birthday your cover will stop. Cover will also stop under this policy on the earliest of the following events:

you ask us to cancel the policy;

the date your policy is cancelled due to the non-payment of outstanding premiums;

the date the Terminal Illness Benefit is paid; or

the date you die.

If cover stops we will not consider any claim, unless the event giving rise to the claim occurred before cover stopped.

Your cooling off period

You have 30 days from the policy commencement date to check that this insurance meets your needs. This is the cooling off period.

If you wish, you can cancel your policy during the cooling off period by contacting us and, provided you have not made a claim, you will receive a refund in full of any money you have paid.

What we cover

AAMI Life Insurance is a single life policy only. As the sole owner of the policy, you will also be the only insured person.

Depending on the level of cover you think you need, you can apply for as little as \$100,000 or as much as \$1,000,000, in increments of \$100,000.

The most we will pay under your AAMI Life Insurance policy is the sum insured. The maximum amount payable under all yearly renewable term life insurance policies issued by us since May 2010 for the same insured person is \$1,000,000 (plus indexation).

You are entitled to the following benefits under your policy:

Death Benefit

If you die during the life of this policy, we will pay the sum insured for your policy as a lump sum to your nominated beneficiaries (if applicable), otherwise to your estate.

Terminal Illness Benefit

If you are diagnosed with a terminal illness by a registered doctor during the life of this policy, we will advance your full Death Benefit, helping you arrange your financial affairs the way you want.

Funeral Advancement Benefit

To help with the costs of your funeral or other similar expenses, we will advance \$10,000 of your Death Benefit if you die. We will pay this Funeral Advancement Benefit to your primary nominated beneficiary usually within 24 hours of receiving your death certificate and completed claim form. If you have not nominated a primary beneficiary, we will pay this benefit to your estate.

The Funeral Advancement Benefit is an advancement of your Death Benefit and will therefore reduce your total Death Benefit payable by \$10,000. Please note that the payment of this benefit does not mean that the remaining Death Benefit will be paid.

Lifestyle Increase Benefit

We understand life is always changing. To help keep your insurance in line with your changing lifestyle, you can increase your sum insured each year by \$100,000 without having to provide any medical information if you are under the age of 60 and you:

- get married;
- or your partner give birth to or adopt a child;
- have a child starting high school for the first time;
- purchase a home (owner occupied); and/or
- suffer the death of your partner.

You can also increase your sum insured under this benefit on your second policy anniversary.

How to apply for this benefit

Simply contact us for a Lifestyle Increase Benefit Application Form or download the form from www.aami.com.au/life-insurance. This benefit stops on your 60th birthday, unless cover stops earlier, please refer to 'When cover stops' on page 5.

Subject to the maximum sum insured limits that apply, please refer to 'What we cover' on page 6, you can increase your sum insured using this benefit, up to the value of your original sum insured.

For example, if your original sum insured was \$400,000, you can increase your sum insured under this benefit by a further \$400,000.

When to apply for this benefit

Increases to your sum insured using this benefit must occur within 30 days of your policy anniversary following the event and will be offered on the same terms as your original insurance with us. Once we accept your application, we will confirm your increased sum insured and advise you of your new premium. Please note the 13 months intentional self-inflicted act exclusion will apply to the increased portion from the date we accept your increase, please refer to 'What we do not cover' on page 11.

Premium Pause Benefit

If you are unable to pay your premiums, for example due to financial hardship, you can contact us and request your premium be paused for up to 3 months over the life of the policy.

When you can activate this benefit

To activate your Premium Pause Benefit, you must have paid premiums for the previous 12 consecutive months and your policy must have no outstanding premium payable at the time of your request.

What is covered during the premium pause

During the period your premiums are paused, your AAMI Life Insurance policy will only cover you in the event you die as a result of an accident. After the premium pause has ended and you have started paying your premiums, you will be eligible for all the benefits under your policy.

Managing your cover

To ensure your policy continues to meet your changing circumstances, we offer you the following ways to help you maintain affordable cover.

Automatic Indexation Benefit

We will automatically increase your sum insured each year on your policy anniversary, by the greater of the indexation factor or 5%, to help keep your insurance in line with inflation. Unless you decline the increase, we will recalculate your premium to reflect the increase in your sum insured as a result of the indexation factor (and your age) and we will advise you of your new premium prior to your policy anniversary.

Premium Freeze Benefit

You can ask us not to increase the cost of your premium, in which case your future premiums will remain the same as the amount you froze them at, resulting in your sum insured decreasing as you get older. We will advise you of your reduced sum insured prior to each policy anniversary. You can ask us to end the premium freeze at any time by contacting us.

AAMI Rewards

Your 13th month free!

After you have paid your first 12 months' premium in full, we will waive the premium for your 13th month of cover. This means after your first policy anniversary:

- if you pay your premiums monthly, your account will not be debited for your 13th month of cover; or
- if you pay your premiums annually, your first renewal notice will show a reduced annual premium, representing 11 months' premium.

Full cover continues during the time that your premium is waived. Your policy and premium payment will continue as normal thereafter.

Financial Planning Benefit

If you have continuously held your policy for 3 years, your policy will be automatically upgraded to include the Financial Planning Benefit at your 3rd policy anniversary. Under this benefit, we will reimburse up to \$2,000 for financial planning advice received from a licensed financial planner within 12 months of an accepted claim for either the Death Benefit or the Terminal Illness Benefit. This will allow you or your beneficiaries to best utilise the proceeds received. This benefit is only payable once per policy.

What we do not cover

We will not pay any benefit or refund any premiums if the event giving rise to the claim, directly or indirectly, is as a result of an intentional self-inflicted act within 13 months of your policy commencement date or the date we confirm reinstatement, or during your period of interim cover. Please note that if we accept an increase to your sum insured, the 13 months intentional self-inflicted act exclusion will apply for the increased portion.

Your premium

Your premium pays for your cover, government fees and charges and administration costs.

Premium payment options

You can choose to pay your premium monthly or annually from the financial institution account or credit card you nominate and you have up to 30 days from the date each premium is due to pay your premium.

What happens if your premium is not paid

If you do not pay a premium within this period, we will send a notice to you at the address last advised to us specifying the date we will cancel the policy without any refund of premium. We will not be liable for any claims after the date of cancellation.

If we cancel your policy due to non-payment of premiums, you can ask us to reinstate your policy up to 12 months after the date of cancellation. In order for us to process your application for reinstatement, we can ask for information relating to (but not limited to) your health and all outstanding premiums must be paid by you. If we accept your reinstatement, the 13 month intentional self-inflicted act exclusion will apply to your policy from the date we confirm reinstatement, please refer to 'What we do not cover' on page 11.

Premium guarantee

Your premium is guaranteed not to change for 12 months from your policy commencement date. After this period, your premium will generally increase with age and as a result of the Automatic Indexation Benefit, explained on page 9. We can also change the premium rate for all policies of the same kind by providing you with at least 30 days' written notice. You will be charged the new premium from your next policy anniversary.

Premiums received are paid into our No. 1 statutory fund. A policy issued in relation to AAMI Life Insurance does not participate in any surplus arising in our statutory funds.

Are you eligible for a discount?

There are two types of discounts available under AAMI Life Insurance: the Large Sum Insured and Family Discounts. You may be eligible for one or both of them.

Large Sum Insured Discount

The higher the sum insured you choose, the larger the discount that applies to your policy. The following table shows how the discounts will be applied:

| Sum Insured | Discount |
|-----------------------|----------|
| \$100,000 | Nil |
| \$200,000 | 10% |
| \$300,000 & \$400,000 | 20% |
| \$500,000 or more | 30% |

Family Discount

Should an immediate family member also purchase an AAMI Life Insurance policy, both you and your immediate family member will enjoy a 10% discount. The discount will apply to the premium payable, please refer to 'How to calculate your premium' on page 14.

For example, if you and your spouse each purchase a policy with a sum insured of \$600,000, you will both be eligible for a Large Sum Insured Discount (30%) and a Family Discount (10%), totalling a 40% reduction to your premium.

This is for illustrative purposes only. The level of discount you may be eligible for may differ depending on your circumstances.

How to calculate your premium

Your premium is based on the applicable premium rate multiplied by your sum insured. Your premium is based on your age, gender and smoking status. Depending on your health, a loading may also apply to your premium from the policy commencement date.

The following tables provide you with a sample of monthly premiums only and include the Large Sum Insured Discount explained above. For a personalised quote, please contact us on 13 22 44 or go to www.aami.com.au/life-insurance.

Sample premiums for males

| Sum Insured | \$200,000 | |
|-------------|-----------|------------|
| Age | Smoker | Non-Smoker |
| 25 | 32.40 | 22.09 |
| 35 | 41.21 | 21.63 |
| 45 | 88.20 | 39.60 |

Sample premiums for females

| Sum Insured | \$200,000 | |
|-------------|-----------|------------|
| Age | Smoker | Non-Smoker |
| 25 | 31.57 | 16.95 |
| 35 | 35.19 | 20.42 |
| 45 | 66.73 | 35.21 |

The premiums in these tables are samples only as not all ages or levels of cover are represented. They do not take into account any Family Discount which you may be entitled to or any loading that may apply to your premium. The premium which applies to you may differ depending on your own circumstances. These tables do not include any renewal premiums.

| \$400,000 | | \$600,000 | |
|------------------|-------------------|------------------|-------------------|
| Smoker | Non-Smoker | Smoker | Non-Smoker |
| 57.60 | 39.27 | 75.59 | 51.54 |
| 73.26 | 38.45 | 96.15 | 50.46 |
| 156.80 | 70.40 | 205.80 | 92.40 |

| \$400,000 | | \$600,000 | |
|------------------|-------------------|------------------|-------------------|
| Smoker | Non-Smoker | Smoker | Non-Smoker |
| 56.12 | 30.13 | 73.65 | 39.54 |
| 62.55 | 36.30 | 82.10 | 47.65 |
| 118.63 | 62.60 | 155.70 | 82.16 |

Important general information for you

You can apply for AAMI Life Insurance by:

calling 13 22 44 where you always speak to a real person 7 days a week.

visiting www.aami.com.au/life-insurance and completing an online application.

However you choose to complete your application for AAMI Life Insurance, you won't be required to undergo any blood tests or medical examinations - instead we will assess the health information you provide us in your application. Depending on the information you provide, we may on some occasions have to contact you with one or two outstanding questions that we need answered. If this is the case one of our trained underwriters will call you to confirm your details.

Nominating beneficiaries

The distribution of your estate on your death can take time and could be delayed depending on the circumstances. To help avoid any potential delay in the payment of your Death Benefit, you can nominate up to 5 beneficiaries (for example your partner or children) to receive the proceeds of your policy. Once your application has been accepted by us we will send you a Nomination of Beneficiaries form which you may choose to complete. The form and your policy will set out the terms that apply to your nomination including who you can nominate and in what proportions.

How to make changes to your policy

If you would like to make any changes to your policy, for example to adjust your sum insured, change your address or your payment type, please contact us. Please note that if you request an increase in the sum insured, the 13 month intentional self-inflicted act exclusion will apply from the date we accept your increase for the increased portion. We will confirm in writing any changes to your policy, including any impact the change may have to your premium.

Risks

You should be aware of the risks involved before buying any life insurance policy. Some of the risks associated with holding this life insurance policy include:

- your policy may not suit your needs;
- your level of cover may be insufficient; or
- a benefit may not be paid if in the event of a claim, an exclusion applies.

It's important that the policy meets your needs both now and in the future. You may need to seek assistance from an adviser if the terms are not consistent with your needs or do not suit your personal circumstances.

Taxation

Usually premiums are not tax deductible and any benefit payments are not assessable for tax purposes. These comments are a guide only and do not take into account changes in taxation laws or your particular circumstances. Please ask your tax adviser or the Australian Taxation Office about your own circumstances.

Making a claim

You, your nominated beneficiary or legal personal representative will need to contact us as soon as possible after the event giving rise to the claim. A claims pack will be sent out detailing what information is required by us to assess the claim.

Commission

The premiums you pay take into account any commissions payable so it is not an additional charge to you. The amount of commission may vary and could be up to 100% of your first year premium (excluding government charges).

Complaints resolution

If you have a complaint about this product or our services, we have established a complaints resolution process and are committed to working with you to resolve your concerns. You can call us on 13 22 44 or in writing to GPO Box 3950, Sydney, NSW, 2001.

If you are not satisfied with our decision or the way we handled your complaint, you can contact the Financial Ombudsman Service Limited (FOS) (ABN 67 131 124 448). FOS is an independent and impartial body who will deal with your complaint directly or follow up the matter on your behalf in accordance with its terms of reference. You can contact FOS by phone on 1300 780 808 or in writing to Financial Ombudsman Service, GPO Box 3, Melbourne Victoria 3001 or by fax on 03 9613 6399, or by visiting www.fos.org.au

Alternative remuneration register

All payments made or received by us will be in accordance with the Financial Services Council (FSC) Industry Code of Practice. We keep a register of these payments which you can view by contacting us on 13 22 44.

Your privacy is important to us

AAMI and Suncorp are each members of the Suncorp Group. As a Group, we comply with Australia's privacy laws.

Once we accept your application for AAMI Life Insurance, you will receive a full copy of our Privacy Statement in your policy document.

We would like to use and disclose your personal information to keep you up to date with the range of products and services available from the Suncorp Group. Generally, the companies in our Group will use and disclose your personal information for the purpose of marketing other products and services of third parties we think may be of interest to you. If you do not want us to use and disclose your personal information for these marketing purposes, please contact us and tell us.

Keeping you up to date

We may change any information in this PDS. If the change is a material or significant one, we will generally notify you within 3 months of the change occurring. We may also make improvements to your policy without any increase to your premium. If we make a change to your policy which in your opinion was adverse to you, we will, if you make a claim, assess your claim on the terms of the policy before the change took place.

All the information contained in this PDS is current at the time of issue. We may change or update information from time to time. If the change is not materially adverse, we may notify you about that change by preparing an update on our website www.aami.com.au/life-insurance. You can also obtain a printed copy of this free of charge by contacting us (refer to back page for details).

Your Duty of Disclosure

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

Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows, or in the ordinary course of their business, ought to know;
- as to which compliance with your duty is waived by the insurer.

Non-disclosure – If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within 3 years of entering into it. If your non-disclosure is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within 3 years of entering into it, elect not to avoid it but to reduce the sum that you have

been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

This duty continues to apply until the insurer notifies you that the risk has been accepted or an event occurs that gives rise to a claim for an Accidental Death Benefit under the Limited Accidental Death Cover. It also applies when you extend, vary or reinstate a contract of life insurance.

What do we mean by that?

Where any words appear in this PDS, whether the first letter is in upper or lower case, their meanings are listed below.

Where applicable, with respect to the definitions, singular includes the plural and vice versa.

accident means an event which solely and directly causes injury as a result of violent, external and visible means.

expiry date means the date your policy ends as stated on the schedule.

immediate family members means your partner, parents, siblings or children.

indexation factor means the percentage change in the consumer price index which is the weighted average of the 8 Australian capital cities combined as published by the Australian Bureau of Statistics or any body which succeeds it and in respect of the 12 month period finishing on 30 September. The indexation factor will be applied from 1 March the following year. If the CPI is not published by this date, the indexation factor will be calculated upon a retail price index which we consider most nearly replaces it.

injury means physical damage to your body which occurs while cover for the applicable benefit was in force under this policy.

insured person means the person who has been accepted by us and is listed on the schedule as the insured person under the policy.

legal personal representative means the executor or administrator of your estate, or any other person(s) who is authorised to administer and distribute your estate.

nominated beneficiary means the person(s) you nominate using the Nomination of Beneficiaries form to receive the Death Benefit and Funeral Advancement Benefit under your policy.

partner means your spouse or a person living with you as your spouse on a domestic basis in good faith. He or she can be the same sex as you.

policy means your AAMI Life Insurance, which consists of the policy document, schedule and information provided in your application.

policy anniversary means the anniversary of the policy commencement date.

policy commencement date means the date we accept your application for full cover under your AAMI Life Insurance policy as shown on the schedule.

policy owner means the person listed on the schedule as the owner of this policy.

premium means the amount you pay us for the insurance.

primary nominated beneficiary means the person you list first on your Nomination of Beneficiaries form.

registered doctor means a doctor who is legally qualified and properly registered. The doctor cannot be yourself or a member of your family. If practising outside Australia, the doctor must have qualifications equivalent to Australian Standards.

schedule means a document issued by us which shows important information about your policy, including your policy number, premiums, special conditions (if applicable) and policy commencement date.

sickness means an illness or disease you suffer while cover for the applicable benefit was in force under this policy.

sum insured means the amount you apply for and we accept as varied (for example if you apply for a decrease or through increases under the Automatic Indexation Benefit) by agreement.

terminal illness means a sickness which you have been diagnosed with, that in our opinion, having considered any evidence we may require, means that your life expectancy is not greater than 12 months, regardless of any available treatment.

we, us, and **our** means Suncorp Life & Superannuation Limited ABN 87 073 979 530 AFSL 229880.

you and **your** means the policy owner who is also the insured person who has been accepted by us and is shown on the schedule.

**We're here to help you
24 hours a day
7 days a week**

13 22 44

aami.com.au

1300 850 394

AAMI Life Customer Service
GPO Box 3950, Sydney, NSW, 2001

AAMI Life Insurance is issued by:
Suncorp Life & Superannuation Limited
ABN 87 073 979 530, AFSL 229880
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AAMI

