



# AAMI INCOME PROTECTION

Product Disclosure Statement  
and Policy Document



# AAMI



This is a combined Product Disclosure Statement and Policy Document (PDS). In this document Asteron Life & Superannuation Limited ABN 87 073 979 530, AFSL 229880 (Asteron), part of the TAL group of companies is the insurer other than the Redundancy Benefit. AAI Limited ABN 48 005 297 807, AFSL 230859 (AAI), part of the Suncorp group of companies, is the insurer of the Redundancy Benefit. Asteron is authorised to use the AAMI brand. Prepared on: 1 March 2019



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# Important information

This combined Product Disclosure Statement and Policy Document (together referred to as 'PDS') is designed to help you decide whether to buy or continue to hold this product. This PDS provides important information about the purpose of our product, the key features and benefits available, and the costs, risks and other important aspects of our product. The information contained in this document is general in nature and does not take into account your personal objectives, financial situation or needs. Therefore, before acting on this information, you should consider the appropriateness of our product having regard to those matters and carefully read this PDS before making a decision about our product.

Asteron Life & Superannuation Limited ABN 87 073 979 530, AFSL 229880 ("Asteron", "we", "our" or "us") is related to TAL Life Limited ABN 70 050 109 450, AFSL 237848 (TAL Life) and to the distributor TAL Direct Pty Limited ABN 39 084 666 017, AFSL 243260 (TAL Direct). Asteron, TAL Life and TAL Direct are part of the TAL Dai-ichi Life Australia Pty Limited ABN 97 150 070 483 group of companies (TAL).

This PDS covers two separate financial products, as follows:

Asteron is the insurer of, and incurs solely the obligations relating to, the life insurance product;

AAI Limited ABN 48 005 297 807 AFSL 230859 trading as AAMI (AAI) is the insurer of, and incurs solely the obligations relating to the redundancy benefit, a general insurance product (Redundancy Benefit).

In this PDS, AAI is responsible for the wording in relation to the Redundancy Benefit. Asteron is not

responsible for, or liable in respect of, insurance cover provided by AAI under this PDS and AAI is not responsible for, or liable in respect of, insurance cover provided by Asteron under this PDS.

Asteron is the issuer of this PDS and has been authorised to issue this PDS under the AAMI brand.

If you are issued an AAMI Income Protection policy, this PDS, together with the information you provide in your application and the schedule, constitutes your insurance policy and is evidence of your insurance contract with us. You should read this document in conjunction with the schedule because together they contain important information relating to your policy. Please keep this PDS and your schedule in a safe place. Your schedule is issued to you based on the information provided by you to us on your application for insurance.

AAMI Income Protection is not a savings plan. The primary purpose is to provide a benefit under the terms and conditions of the policy in the occurrence of a claimable event.

All the information contained in this PDS is current at the time of issue. We may change or update any information in this PDS from time to time. If the change is not materially adverse, we may notify you about that change by preparing an update on the website, [www.aami.com.au/income](http://www.aami.com.au/income). You can also obtain a printed copy of this free of charge by contacting us (please refer to the back page for details). If the change is a material or significant one, we will 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.

If you are issued an AAMI Income Protection policy, you are the sole policy owner and insured person listed on the schedule. You are covered subject to the terms and conditions of your policy 24 hours a day, 365 days a year. If premiums payable under the policy are paid (please refer to Section 7 Your premium), your policy will continue until your 65th birthday, unless your policy stops earlier (please refer to Section 5 When cover stops).

When reading this PDS, please refer to Section 15 What do we mean by that? which shows the meaning of various terms throughout.

**Before you buy this insurance, please read this PDS carefully, including Section 6 When we will not pay.**

For details on how to contact us, please refer to the back page.

## Quick facts about AAMI Income Protection

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Sometimes it's tempting to not read insurance documents from cover to cover. We appreciate that, but we encourage you to read the whole of this document because understanding your AAMI Income Protection policy is important. To help you out, below are some quick facts about the benefits we offer. We've also included references to where, in this document, you can find more detail.

## Disability Benefit (more details Section 3.1)

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If you can't work because you are sick or injured, you may be able to claim on your Disability Benefit. This will provide an income so you can concentrate on getting better and getting back to work. When you apply for Income Protection, you should consider the following:

The monthly benefit you can apply for can be up to 75% of your monthly income (including regular bonuses and commissions and superannuation), up to a maximum of \$10,000 (see Section 3.7).

No medical tests are required at application.

You can choose a benefit period of 1 or 2 years. Any benefits will stop after the chosen benefit period, regardless of whether you have fully recovered or if you have returned to work.

Your policy has a 30 day waiting period which means we won't pay the Disability Benefit until you have been off work for a minimum of 30 days.



## **Redundancy Benefit (more details Section 3.2)**

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If you are covered for the Redundancy Benefit, you may be eligible to claim if you become involuntarily unemployed. This cover is designed to provide you with some income while you are looking for work.

The monthly benefit you can apply for can be up to 75% of your monthly income (including regular bonuses and commissions and superannuation) up to a maximum of \$4,000 (see also Section 3.7).

The maximum benefit period for any one claim is 3 months.

Your policy has a 30 day waiting period which means we won't pay the Redundancy Benefit until you have been off work for a minimum of 30 days.

Eligibility to claim under the Redundancy Benefit starts 6 months after the policy commencement date. This is called the no claim period.

## **Recovery Support Plan (more details Section 3.3)**

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If you are on claim, setting the right plan can help to get your life back on track during sickness or injury, whilst you are disabled.

If recommended by your medical practitioner, we will work with you and your medical practitioner to put together a Recovery Support Plan to help you receive the right support and rehabilitation services to give you a hand on the road to recovery.

## Claims (more details Section 12)

If you make a claim on the Disability Benefit or Redundancy Benefit, you will need to provide evidence of your health, employment and income. It's important to know:

We are unable to pay more than 75% of your annual earnings so you should make sure that your insured monthly benefit is never more than this amount.

If you receive any other kind of insurance or compensation for your sickness or injury, we may reduce your Disability Benefit.

### Summary of Benefits

	<b>Disability Benefit</b>	<b>Redundancy Benefit</b>
Age at application (Section 1)	18-60 (inclusive)	
Minimum monthly benefit (Sections 3.1 and 3.2)	\$1,000/month	
Maximum monthly benefit (Sections 3.8)	\$10,000/month (plus indexation)	\$4,000/month (plus indexation)
No claim period (Section 3.2)	No	6 months
Waiting period (Sections 3.9)	30 days	
Maximum benefit period (Sections 3.1 and 3.2)	Choose 1 or 2 years	3 months
Expiry age (Section 5)	65th birthday	65th birthday
Premium Pause Benefit (Section 3.4)	Yes	

Now that you know the key facts, read on to learn more detail about your cover and other benefits available on your Income Protection policy.

## 1.0 Who can apply?

When you apply for AAMI Income Protection, you can choose to be covered for the Disability Benefit only, or you can also select the optional Redundancy Benefit.

You can apply for AAMI Income Protection if you:

- are aged between 18 and 60 (inclusive);
- are an Australian or New Zealand citizen or permanent resident and residing in Australia at the time of application;
- are working at least 20 hours per week in your gainful occupation averaged over the last 3 consecutive months immediately prior to your policy commencement date; and
- received this PDS in Australia.

When applying for the Disability Benefit we consider various factors (such as your health and occupational duties) when making a decision about whether to accept or decline 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 cover may be subject to special conditions that apply to your policy.

Once your application is accepted by us and we receive correct payment details, you will be covered for the benefits listed on your schedule 24 hours a day, 365 days a year as long as your policy remains active and subject to the terms and conditions of your policy.

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

Where we agree, you may apply for the Redundancy Benefit at a date after you first commence this policy.

## **2.0 Your cooling off period**

You have 30 days from the date you first commence this policy 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. If you notify us verbally, you will need to answer certain questions to confirm your identity. Provided you have not made a claim, you will receive a full refund of any money you have paid.

### **2.1 Cancelling your policy after the cooling off period**

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You may cancel your policy at any time after the cooling off period. If you pay premiums monthly, your cover will continue up until the date the policy is paid up to.

If you pay premiums annually and your request is to cancel prior to your next policy anniversary date (example, you cancel mid-year), you will be refunded any unused premium. We will confirm your policy has been cancelled immediately from the date of your request.

You may wish to discuss other financial options by contacting us.

## 3.0 What we cover

This section explains the benefits available under AAMI Income Protection.

### 3.1 Disability Benefit

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#### When do we pay the disability benefit?

The monthly benefit will be payable from the end of the waiting period if, solely due to sickness or injury, you:

- are unable to perform all the important income producing duties of your primary occupation;
- are not working, whether remunerated or not (including volunteering);
- are under regular care, treatment and following the advice of, a medical practitioner; and
- continue to be disabled.

You must have been disabled for the entire waiting period and not working in any occupation (whether remunerated or not) during this time.

Where the monthly benefit is payable for less than a month, payments will be calculated as 1/30th of the monthly benefit for each day you are disabled.

Unless cover ceases earlier (please refer to Section 5 When cover stops), monthly benefit payments will cease on the earliest of the following:

- your benefit period ends;
- you are no longer disabled;
- your 65th birthday; or
- you die

There are some circumstances when we will not pay, please see Section 6 When we will not pay.

## **What happens if you are on leave or unemployed at the time of your disability?**

If you have been unemployed or on leave such as; annual, long service, parental, sabbatical or leave of absence for less than 12 months at the date of your disability, your annual earnings will be calculated based on the 12 consecutive months immediately prior to commencing your leave or your being unemployed.

If you have been unemployed or on leave such as; annual, long service, parental, sabbatical or leave of absence for more than 12 months at the date of your disability, the monthly benefit will not be payable.

## **What happens if you are overseas at the time of your disability?**

If you are overseas at the date of your disability or at any time while you are disabled, your monthly benefit will only be payable for a maximum of 2 months while you are overseas, but will recommence when you return to Australia as long as you are still disabled and an event has not occurred that ceases payment of your monthly benefit (other than being overseas).

## **Benefit limitations**

Income Protection replaces up to 75% of your monthly income which has ceased because of your disability, however there are some circumstances when the monthly benefit payable to you may be altered or reduced.

The monthly benefit amount payable to you will be recalculated if, in relation to the sickness or injury which caused your disability, you receive 'other payments' by way of:

- other disability, group, sickness or accident insurance cover, including a mortgage replacement policy or through a superannuation fund;

workers' compensation schemes;  
accident compensation schemes; or  
other statutory insurances payable for loss of  
income.

If any of the other payments listed above are received in the form of a lump sum in compensation for loss of earnings, we will convert that part of the compensation to income on the basis of 1% of the loss of earnings component and reduce the monthly benefit amount payable to you by that component.

In the event of a claim, the monthly benefit amount payable will be the lesser of:

75% of your annual earnings (reduced by any 'other payments'); or  
the monthly benefit.

## **Recurring disability**

If you suffer from the same or related sickness or injury within 6 months of your last monthly benefit being payable, your cover is still active, and you continue to be disabled, we will consider your disablement as recurring and therefore will recommence benefit payments without applying a new waiting period.

Any benefit payments will be added to the remaining benefit period to ensure the maximum payment under the benefit period is not exceeded.

If you do not make a full recovery, no monthly benefit will be payable for the same or related sickness or injury for which the previous claim was paid in full; i.e. for the entire benefit period.

## **Choosing your disability monthly benefit**

You can choose to insure up to 75% of your monthly income; from as little as \$1,000 per month, up to \$10,000 per month. The monthly benefit that applies to you will be stated on your schedule.

## **What is your monthly income?**

This is the income you earn each month from your own personal exertion. This is your total remuneration package and includes:

- salary;
- wages;
- reportable fringe benefits;
- regular commissions;
- regular bonuses;
- overtime payments; and
- superannuation contributions.

If you are self-employed and have an ownership interest in the business which is operating as a sole trader or under a partnership, company and/or trust structure (including if you are an employee of your own company or trust), the monthly income you can insure is your share of the net income before tax of the business (your share of business income less business expenses), due directly to your personal exertion. Business expenses include (but are not limited to) motor vehicle expenses and depreciation.

The monthly income you can insure does not include:

- income that you will continue to receive from your business, even if you are unable to work, including any ongoing profit generated by other employees of the business;



other unearned income such as dividends, interest, rental income or proceeds from the sale of assets;  
or

on-going trailing commission or royalties.

## **Your benefit period**

The benefit period is the maximum period of time during which we will pay your monthly benefit while you are disabled for the same or related sickness or injury. When you apply, you can choose from 1 or 2 years. The benefit period that applies to you will be stated on your schedule.

## **3.2 Redundancy Benefit**

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The Redundancy Benefit is available as an optional cover and is only offered if you are working 20 hours or more a week in your gainful occupation, averaged over the last 3 consecutive months, at the time of your application. You are only covered for the Redundancy Benefit if it is shown on your schedule.

The Redundancy Benefit is designed to provide a monthly benefit to assist if you become involuntarily unemployed.

Eligibility to claim under the Redundancy Benefit starts 6 months after the policy commencement date – the first 6 months is called the no claim period for this benefit. If you become involuntarily unemployed during the no claim period, you will not be eligible to claim under the Redundancy Benefit. When the Redundancy Benefit is renewed, the 6 month no claim period does not start again.

After the no claim period has ended, the monthly benefit will be payable from the end of the waiting period if you become involuntarily unemployed as a result of either:

involuntary redundancy;  
dismissal by no choice of your own;  
a business you have a beneficial interest in is placed into insolvency administration; or  
your fixed term employment contract of 12 months or more ceasing prior to the agreed termination date by no choice of your own;  
and you continue to be unemployed after the waiting period.

In the event of a claim, the monthly benefit amount payable will be the lesser of:

75% of your annual earnings; and  
the monthly benefit.

## **What happens if you are on leave when you become involuntarily unemployed?**

If you have been on leave such as; annual, long service, parental, sabbatical or leave of absence for **less than 12 months** at the date of your involuntary unemployment, your annual earnings will be calculated based on the 12 consecutive months immediately prior to commencing your leave.

If you have been on leave such as; annual, long service, parental, sabbatical or leave of absence for **12 months or more** at the date of your involuntary unemployment, the monthly benefit will not be payable.

## **Your redundancy benefit period**

The maximum benefit period is 3 months for any one claim while you remain involuntarily unemployed. The total maximum benefit claimable for the same insured person during the life of the Redundancy Benefit is 12 months; for example, 4 lots of 3 months.

If the monthly benefit is payable for less than a month, payments will be calculated as 1/30th of the monthly benefit for each day you are involuntarily unemployed.

Unless cover ceases earlier (Please refer to Section 5 When cover stops for when the Redundancy Benefit under this policy will cease) ongoing monthly benefit payments will cease when:

- you return to work;
- you are no longer actively seeking employment;
- your benefit period ends;
- your 65th birthday; or
- you die.

## **Choosing your redundancy monthly benefit**

Your monthly benefit for the Redundancy Benefit does not need to be the same as your Disability Benefit. You can choose to insure up to 75% of your monthly income; from as little as \$1,000 per month, up to \$4,000 per month. The monthly benefit that applies to you will be stated on your schedule and each year on your renewal notice.

If you have the Redundancy Benefit, we will advise you prior to each policy anniversary whether we will:

- offer renewal of the Redundancy Benefit;
- offer to renew the Redundancy Benefit but on different terms and conditions, or
- not renew the Redundancy Benefit.

If we offer renewal and your premium payment continues, the Redundancy Benefit will continue automatically for a further one (1) year at each policy anniversary. Payment of your next premium payment is deemed to be acceptance of an offer of renewal for

that year. When the Redundancy Benefit is renewed, the 6 month no claim period does not start again.

There are some circumstances when we will not pay the Redundancy Benefit, please see Section 6 When we will not pay.

### **3.3 Recovery Support Plan**

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If you're on claim, this plan can help to get your life back on track during sickness or injury, whilst you are disabled. If recommended by your medical practitioner, we will work with you and your medical practitioner to put together a Recovery Support Plan to help you receive the right support and rehabilitation services to give you a hand on the road to recovery and to return to work sooner.

The Recovery Support Plan includes but is not limited to:

- setting the return to work goals and/or date, and
- helping you to receive optimal support, including rehabilitation, identified consistent with best practice guidelines for management for the condition.

We are not able to contribute towards the costs of any medical related expenses or provide you with any medical treatment. However, we have a range of rehabilitation services that may be available to you during disablement, as recommended by your treating medical practitioner and agreed to by us to assist you to return to work.

Examples of what we may help facilitate with recommendation from and arrangement by your medical practitioner, include:

- Transportation service. This could provide the transport (e.g. taxi) cost to assist with getting you to and from medical appointments.

Rehabilitation service. We may assist in contributing towards occupational and vocational retraining and rehabilitation services and fees.

If you do not follow the advice, care and treatment that is recommended by your treating medical practitioner and agreed to by us, your benefit payment may be stopped until you recommence.

### **3.4 Premium Pause Benefit**

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To help with affordability, the Premium Pause Benefit allows you to stop paying premiums for up to 3 months each year you hold your policy.

During this time, your policy continues (subject to your policy also continuing to be renewed if you have the Redundancy Benefit) but no cover will be provided by your policy for the Disability Benefit or the Redundancy Benefit. This means that any sickness, injury or notice of involuntary unemployment that occurs during the period of the Premium Pause Benefit will not be covered.

You must contact us to activate the Premium Pause Benefit. Premiums must have been paid for the previous 9 consecutive months and the policy must have no outstanding premium payable at the time of the request.

After the Premium Pause Benefit has ended and premiums have recommenced, you will be eligible for all the benefits you had selected under the policy, in accordance with their terms.

The Premium Pause Benefit cannot be applied while you are on claim or during your waiting period.

## **3.5 Waiver of Premium Benefit**

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If we are paying you a monthly benefit while you are either disabled or involuntarily unemployed, we will waive your Income Protection premiums for the period while you are on claim.

The Waiver of Premium Benefit does not apply to premiums paid during the waiting period. Unless cover ceases earlier (please refer to Section 5 cover stops) the Waiver of Premium Benefit will end on the earliest of:

- the end of your benefit period;
- the date you are no longer disabled;
- the date you are no longer unemployed;
- the date you are no longer actively seeking employment; or
- the date your policy ends.

While you are receiving the Waiver of Premium Benefit you cannot apply for any increase to the benefits under your AAMI Income Protection policy.

## **3.6 Automatic Indexation Benefit**

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

The increase will not apply if your policy anniversary occurs while you are receiving monthly benefit payments from us under this policy.

You can ask us not to apply the indexation factor to your monthly benefit. If you request this, your monthly benefit will not change, however your premium will generally still change each year, such as increasing because of age.

Unless cover ceases earlier (please refer to Section 5 When cover stops), the Automatic Indexation Benefit stops on your 65th birthday.

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AAMI Income Protection replaces up to 75% of your annual earnings, you need to check that the increase to your monthly benefit, after the indexation factor has been applied, does not result in your cover exceeding this maximum.

Refer to benefit limitations in Section 3.1.

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## **3.7 Maximum benefit**

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The most we will pay under your AAMI Income Protection policy is the monthly benefit. The maximum amount we will pay across all Income Protection policies issued by us for the same insured person is:

\$10,000 per month for the Disability Benefit;

\$4,000 per month for the Redundancy Benefit;

plus indexation – please refer to Section 3.6 Automatic Indexation Benefit.

## **3.8 Concurrent benefits**

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We will only pay one benefit at a time under your Income Protection policy. If you are eligible to receive both Disability and Redundancy Benefits under this policy at the same time, we will pay the benefit with the highest monthly benefit. For example, if your Disability Benefit is \$4,000 per month and your Redundancy Benefit is \$3,000 per month and you are eligible to receive benefits under Disability and

Redundancy Benefits at the same time, we will pay the higher monthly benefit, in this case your \$4,000 Disability Benefit.

If the monthly benefits are equal, we will pay the benefit with the longest benefit period, that being the Disability Benefit while you continue to be disabled.

### **3.9 Waiting period**

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Your Income Protection policy has a 30 day waiting period. The waiting period is the time that must elapse before a monthly benefit can start to be paid.

If you are eligible to be paid a benefit, payments are made monthly in arrears after the end of the waiting period. This means your first benefit payment would be 60 days after the start of the waiting period.

No benefit will be paid during the waiting period.

For the Disability Benefit, the waiting period starts when both of the following events have occurred you:

- first consult a medical practitioner for the sickness or injury giving rise to your claim; and
- cease all work due to that sickness or injury.

You must be disabled for the entire waiting period.

For the Redundancy Benefit, the waiting period starts when both of the following events have occurred you:

- become involuntarily unemployed; and
- are actively seeking employment.

You must have been unemployed and actively seeking employment for the entire waiting period.

No benefit will be paid during the waiting period. In addition to the waiting period, there is also a no claim period applicable to the Redundancy Benefit. For further details see Section 3.2 Redundancy Benefit.



## 4.0 When cover starts

As long as you satisfy the eligibility requirements (please refer to Section 1 Who can apply?) cover will commence on the date we accept your application and receive correct payment details. This date will be shown on your schedule as your policy commencement date.

Once we accept your application for cover under AAMI Income Protection, we will send you a schedule confirming our acceptance and your policy commencement date. If you take out the Redundancy Benefit after you first start your policy, your Redundancy Benefit may have a different policy commencement date to the remainder of your policy.

## 5.0 When cover stops

All cover will stop under this policy on the earliest of the following events:

- your 65th birthday;
- your request to cancel the policy;
- the date your policy is cancelled due to the non-payment of outstanding premiums;
- the date you retire; or
- the date of your death.

In addition to the above, cover under the Redundancy Benefit will also stop on the earlier of the date you:

- have been paid the benefit for a total of 12 months; or
- the insurer choose not to renew this benefit.

All benefit payments will cease when cover stops.

We will not consider any claim unless the event giving rise to the claim occurred while your policy was still active. For the Redundancy Benefit, a no claim period applies (see Section 3.2). We may also cancel this policy on any grounds permitted under relevant law by telling you in writing.

If you have the Redundancy Benefit, we will advise you prior to each policy anniversary whether we will:

- offer renewal of the Redundancy Benefit;
- offer to renew the Redundancy Benefit but on different terms and conditions; or
- not renew the Redundancy Benefit.

If we offer renewal and your premium payment continues, the Redundancy Benefit will continue automatically for a further one (1) year at each policy anniversary. Payment of your next premium payment is deemed to be acceptance of an offer of renewal for that year. When the Redundancy Benefit is renewed, the 6 month no claim period does not start again.

## 6.0 When we will not pay

### **Disability Benefit**

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We will not pay the Disability Benefit, refund or waive any premiums under your policy if the event giving rise to the claim, directly or indirectly, is as a result of:

- your intentional self-inflicted act;
- you working in an occupation:
  - at heights above 15 metres; or
  - underground in the mining industry.
- you attempting to engage in or engaging in:
  - aviation or aerial pursuit activities other than

as a fare paying passenger on a commercial airline on regular scheduled flights;

riding on or driving in any self-propelled vehicle engaged in any race, speed or reliability trial on any waterway, racing course, speedway or racing track;

mountaineering, abseiling, rock climbing or canyoning;

diving to a depth of 45 metres or more, pothole diving, wreck diving or diving in a cave.

the use of drugs, other than medication prescribed by a medical practitioner or health professional and taken as directed;

being under the influence of alcohol, where your blood alcohol content is over the prescribed legal limit for driving;

pregnancy, miscarriage or childbirth, unless disability continues for more than 3 months from the later of the date the pregnancy finishes and the disablement starts (the later date being the date we will consider your disablement to have started);

you not following the Recovery Support Plan (see Section 3.3); or

you engaging in any criminal activity.

No Disability Benefit will be payable for any period you are incarcerated.

Please also refer to benefit limitations in Section 3.1.

## Redundancy Benefit

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We will not pay the Redundancy Benefit or refund any premium if involuntary unemployment was caused directly or indirectly by:

- your intentional self-inflicted act;
- a war or an act of war, whether or not war has been declared;
- the use of drugs other than medication prescribed by a medical practitioner and taken as directed;
- voluntary resignation, retirement or abandonment of employment;
- misconduct, dishonesty or criminal activities;
- poor performance as documented by your employer, in carrying out your occupation;
- any strike or labour disturbance in which you or your employer is involved;
- the loss, currency or maintenance of any licence, authorisation or permit required to operate the business, including loss of drivers licence, trade or professional certification;
- the seasonal nature of your employment;
- the cessation of a fixed term contract of employment on or after the agreed termination date;
- sickness or injury; or
- elective surgery.

We will also not pay a benefit or refund any premium if:

- you were notified in writing, verbally or otherwise, of impending involuntary unemployment prior to the policy commencement date;

your employer has announced to the public, or publicised in the media, before the policy commencement date, an intention to reduce staff numbers by way of redundancy;

you have not been in employment or self-employed with an Australian registered business for a continuous period of 3 months prior to the policy commencement date;

you have not been working at least an average of 20 hours per week for the 3 consecutive months immediately prior to your involuntary unemployment;

you are involuntarily unemployed during the no claim period;

you are no longer actively seeking employment; or

you are incarcerated.

## 7.0 Your premium

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

The premium you pay is determined by multiplying your monthly benefit by the applicable premium rate (including any loading that may apply). Your premium rate for the Disability Benefit is dependent on the following factors: your age, gender, smoking status, your monthly benefit, benefit period, and your occupation. Your premium for the Redundancy Benefit is dependent on your monthly benefit.

Your premium for the Disability Benefit will not 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 in Section 3.6. 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. For the Redundancy Benefit, any change to your premium for the next 12 months will be shown on your renewal notice.

If your occupation or smoking status changes, please contact us.

Premiums received in relation to the Disability Benefit are paid into in our No. 1 Statutory fund. A policy issued in relation to AAMI Income Protection does not participate in any surplus arising in our statutory funds.

Premiums are subject to Commonwealth and state taxes and/or charges, including GST and stamp duty (where applicable). The amount of these taxes and/or charges (if applicable) will be shown on your policy schedule and renewal notices.

For a quote, please contact us on 13 22 44 or go to [www.aami.com.au/income](http://www.aami.com.au/income).

## **7.1 Are you eligible for a discount?**

### **Large Monthly Benefit Discount**

With the Large Monthly Benefit Discount, the higher the monthly benefit you choose, the larger the discount that applies to the premium for your Disability Benefit. The following table shows how the discounts will be applied:

<b>Monthly Disability Benefit range</b>	<b>Premium Discount</b>
\$1,000 - \$2,499	Nil
\$2,500 - \$4,999	10%
\$5,000 - \$6,999	20%
\$7,000 - \$9,999	25%
\$10,000 or above	30%

## 7.2 Paying your premium

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You can choose to pay your premium ,monthly or annually from the financial institution or credit card you nominate and you have up to 14 days (or 30 days if you pay monthly) from the date each premium is due to pay your premium.

If you do not pay a premium within the required 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 request that your policy be reinstated by contacting us within 30 days of the policy's cancellation date. In order for us to consider your reinstatement, we may ask for information relating to (but not limited to) your health and occupation and all outstanding premiums must be paid by you. Reinstatements are not guaranteed and, if approved, will be confirmed in writing.

## 8.0 Taxation

The tax treatment of Income Protection will depend on your individual circumstances. If you are working, premiums are usually tax deductible and any benefit payments received are generally 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

GST does not apply to the Disability Benefit but it does to the Redundancy Benefit. If tax laws are altered, we

reserve the right to increase premiums to reflect any applicable GST or any other Government taxes and charges that may be introduced. Any increase would be in accordance with our legal obligations

## 9.0 Risks

You should be aware of the risks involved before buying any insurance policy. Please read this PDS carefully before making any decision regarding this policy or the extent of cover you require. Some of the risks associated with holding this insurance policy include:

- your policy may not suit your needs;
- your monthly benefit may be insufficient or excessive;
- a monthly benefit may not be paid in the event of a claim if an exclusion applies;
- a monthly benefit may not be paid if in the event of a claim, you failed to disclose all information as part of the application process; and
- the monthly Disability Benefit may be reduced or not payable at all if in the event of a claim, you are receiving other payments (see Section 3.1).

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



## 10.0 How can I apply?

Contact us on 13 22 44 and talk to one of our Specialists.

Visit [www.aami.com.au/income](http://www.aami.com.au/income) and complete an online application.

However you choose to complete your application for AAMI Income Protection, you won't be required to undergo any blood tests or medical examinations. We will assess your occupation, health and lifestyle based on the information you provide to us in your application.

## 11.0 How to contact us

### 11.1 Administration queries and changes

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If you have any questions about your policy or you would like to make any changes to your policy, including a change to your address or to your payment type, please contact us (please refer to the back page for contact details). A change to this policy will only apply if we confirm the change in writing. You can apply to increase or decrease your monthly benefit on an existing policy by contacting us.

If you wish to apply for an increase to your existing monthly benefit, the maximum monthly benefit limits will apply (please refer to Section 3 What we cover).

If you add the Redundancy Benefit to your policy after your policy first starts, the period of cover for the Redundancy Benefit will be aligned with the policy anniversary date that applies to the remainder of your policy.

During the life of this policy, you cannot assign ownership of this policy to any other person or party.

## 11.2 Complaints resolution

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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 contact the Customer Relations team at [lifecustomerrelations@suncorp.com.au](mailto:lifecustomerrelations@suncorp.com.au).

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You can contact AFCA via the following:

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

## 12.0 Claims

If you need to make a claim, you can contact us on 13 22 44, as soon as reasonably possible after the event giving rise to the claim and we will conduct a Teleinterview to obtain information about your claim or provide a claim pack for completion and return to our office.

To claim a benefit, we require claim documentation in support of benefit entitlement. We may ask for additional information to ensure that the terms and conditions of the policy as set out in this PDS are satisfied.

Payment of a benefit is subject to our acceptance of your claim. Any monthly benefit payable will be

payable directly to you. All benefit payments are paid in Australian currency.

We must be notified of any claim as soon as reasonably possible. We may refuse or reduce the monthly benefit payable for a claim if we are disadvantaged by any delay in notifying us of a claim.

## **12.1 Claim documentation**

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To make a claim, the following documentation will be required:

### **Disability Benefit**

an initial claim form completed by you and your medical practitioner which will include proof of the event or condition for which the claim is being made and when it occurred;

when the claim is ongoing, a monthly claim form completed by you and your medical practitioner;

details of any hazardous activities; and

payslips or employer statement to confirm regular hours of work and terms of employment.

### **Redundancy Benefit**

an initial claim form completed by you which will include details of your involuntary unemployment for which the claim is being made and when it occurred;

proof of your unemployment (Separation Certificate, letter of Redundancy, letter of Termination of Contract);

proof of you actively seeking employment (e.g. registration with Centrelink or a recognised recruitment or personnel agency);

if you were employed, you must provide a separation certificate from Centrelink or from your immediate past employer; or

if you were self-employed, you must provide confirmation from the insolvency administrator receiver, liquidator or trustee that the business has ceased trading as direct result of actual imminent insolvency or bankruptcy.

## **For both the Disability Benefit and the Redundancy Benefit**

certified proof of your identity and age (birth certificate, driver's licence or passport);

authorisation of your legal representative and certified copy of Power of Attorney (if this applies);

proof of your employment and occupational details if necessary; and

any financial statements we reasonably require to assess your claim.

You will be required to pay for the cost of satisfying the above claim requirements, unless we notify you otherwise.

You must submit, at our expense, to any medical examination conducted by a medical practitioner or other health professional appointed by us as we deem necessary.

At our expense, we may appoint an accountant of our choice to verify your income and/or expenses and this may involve a financial audit of your business or your financial statements. You are required to comply with the audit requirements if we arrange a financial audit to be conducted.

Payment of benefits under this policy will be subject to relevant legislative requirements being adhered to and,

depending upon individual circumstances, additional information may be required by us.

To assess your claim promptly, we need to ensure the information provided to us at the time of application is correct, for example your age, medical history and smoking status. If we have received any false information, we may refuse the claim, avoid the policy, adjust the premiums paid by you or the monthly benefit payable by us.

We will only consider a claim if the event giving rise to the claim occurred while your policy was active. For the Redundancy Benefit, a no claim period applies, see Section 3.2.

## **13.0 Your privacy and our information handling practices**

We understand that the privacy of your information is important to you and we respect the confidentiality of the information that you provide to us.

In this Privacy section, all references to “We/Us/Our” means Asteron and its related bodies corporate.

The way in which we collect, use and disclose your personal and sensitive information (together ‘personal information’) is explained in our Australian Privacy Principle Privacy Policy (APP Privacy Policy) available using this link <https://www.tal.com.au/privacy-policy>. Alternatively, we would be pleased to provide a copy of this free of charge on request.

Our APP Privacy Policy contains details about the following:

- the kinds of personal information that we collect and hold;

how we collect and hold personal information (including sensitive information such as health and lifestyle information);

the purposes for which we collect, hold, use and disclose personal information (including sensitive information);

how our customers may access personal information about them which is held by us and how they can correct that information;

our approach to direct marketing and how you can opt out of receiving direct marketing communications; and

how we deal with any complaints that our customers may have regarding privacy issues.

Our information handling practices are based on relevant privacy laws and regulations, including, but not limited to the Privacy Act 1988 (Cth) and the 13 Australian Privacy Principles.

Additional information about relevant privacy laws and regulations and your privacy rights can be found at the website of the Australian Privacy Commissioner at <http://www.oaic.gov.au> including how to make a privacy related complaint and sensible steps that you can take to protect your information when dealing with organisations and when using modern technology.

If you would like a copy of our APP Privacy Policy or if you have any questions about the way in which we manage your information, or wish to make privacy related complaint, please contact us using the details below:

Telephone: 1300 209 088

Email: [customerservice@tal.com.au](mailto:customerservice@tal.com.au)

Post: GPO Box 5380 Sydney NSW 2001

## Collection, use and disclosure of information when providing our products and services

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Your personal information will be collected, used and disclosed to enable us to provide or arrange for the provision of our insurance products and services. Examples of why your personal information will be collected, used and disclosed include, but are not limited to, the following:

- to confirm your identification, for example when making payments and changes to your policy;
- to process new insurance policies, including underwriting and claims assessments;
- to carry out administrative and processing functions including pre-sales, sales and ongoing customer service and support;
- to assess claims against the policy terms;
- to meet legal and regulatory requirements; and
- to review and develop our products and services, including research and surveys to meet ongoing customer expectations.

We may collect your information from and disclose your information to (and receive information from) third parties (including related bodies corporate) such as:

- affiliated product and service providers, or distributors of our products or services, including other businesses with whom we have a business, distribution or branding arrangement, or where otherwise permitted or authorised by law; and
- organisations that are involved in a corporate re-organisation or are involved in a transfer of all or part of the assets or business of their organisation and/or a TAL organisation.

Typically, in providing our products and services to you we may collect and disclose information using online and paper forms, electronic transmission of data, telephone and other available technologies. We obtain your consent for the collection, use and disclosure of information including, but not limited to, your consent to liaise with relevant healthcare providers, financial advisers and professionals such as your accountant and doctors.

If you do not supply the required information, we may not be able to provide the requested product or service or pay a claim.

Your personal information will be managed and held securely and we have measures in place to protect your information. In processing and administering our products and services (including at the time of underwriting and claims assessment) we may need to disclose your personal information to other organisations and individuals. Examples of why your personal information will be disclosed include, but are not limited to, the following:

- to organisations assisting us in providing our products and services such as those providing mailing and information technology services;
- to organisations assisting us in promoting, marketing and distributing our products and obtaining feedback such as surveys and research;
- to our related bodies corporate and organisations with which we have a business alliance or contractual arrangement;
- in response to enquiries, complaints and litigation, for example, disclosure to external complaints resolution bodies and lawyers;
- to meet our legal and regulatory requirements; and



to respond to a request from a government agency or law enforcement body.

We may also disclose your personal information to other bodies such as reinsurers, your financial adviser, healthcare and rehabilitation providers and claims investigators.

In administering your insurance benefits and in operating this product, your personal information may be disclosed to service providers in another country.

Our Privacy Policies provide information regarding relevant offshore locations where we have service providers.

Generally, we do not use or disclose any customer information for a purpose other than providing our products and services unless:

- our customer consents to the use or disclosure of the customer information; or

- the use or disclosure is required or authorised under an Australian law or a court/tribunal order; or

- the purpose is related to improving our products and services and seeking customer input such as market research; or

- the use or disclosure of the information is reasonably necessary for one or more enforcement related activities conducted by, or on behalf of, a law enforcement body e.g. the police.

## **Your personal information and our marketing practices**

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Every now and then, we, or, our related bodies corporate, or organisations with which we have a business arrangement may wish to contact you to

provide you with information about special offers and information about products and services that we think will be of interest to you. These direct marketing communications may be through any available technologies including mail, email, SMS, telephone and online. Detailed information about our marketing practices, including data matching and analytics, is available in our APP Privacy Policy referenced above.

We will engage in marketing unless you tell us otherwise. If you prefer not to receive direct marketing communications from us, you can contact us at any time using the contact details above. When you contact us to opt out of receiving direct marketing communications going forward, you will be given a choice of ongoing marketing preferences.

## **Accuracy of information and access to information we hold**

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We rely on the accuracy of the information you provide. If you think that we hold information about you that is incorrect, incomplete or out of date, please let us know using the communication methods above.

Under current privacy laws and regulations, you are generally entitled to access the personal information we hold about you. To access that information, simply make a request in writing. This process enables us to confirm your identity for security reasons and to protect your personal information from being sought by a person other than yourself. There are some limited exemptions where we would be unable to provide the personal information that we hold about you in response to your request.

If, for any reason, we decline your request to access and/or update your information, we will provide you with details of the reasons and where appropriate, a list of the documents that are not being provided

directly to you. In some circumstances it may be appropriate to provide you with access to information that you've requested via an intermediary, such as providing medical information to a treating GP rather than directly to yourself. If this is the case, we will let you know.

## 14.0 your Duty of Disclosure

### **Life Insurance – Disability Benefit**

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Before you enter into a contract of life insurance with us, you have a duty, under the Insurance Contracts Act 1984, to disclose to us every matter that you know, or could reasonably be expected to know, that is relevant to our 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 us;
- that is of common knowledge;
- that we know, or in the ordinary course of our business, ought to know; or
- as to which compliance with your duty is waived by us.

### **Non-disclosure**

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If you fail to comply with your duty of disclosure and we would not have entered into the contract if the failure had not occurred, we may avoid the contract within 3 years of entering into it.

If your non-disclosure is fraudulent, we may refuse to pay a claim and avoid the contract at any time.

We may elect not to avoid your contract but to vary it by:

reducing the sum insured in accordance with a formula that takes into account the premium that would have been payable if you had complied with your duty of disclosure; or

placing us in the position in which we would have been in if you had complied with your duty of disclosure.

The options to vary the contract are available to us while the contract remains in force.

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**This duty continues to apply until the insurer notifies you that the risk has been accepted. It also applies when you extend, vary or reinstate a contract of life insurance.**

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## 15.0 What do we mean by that?

Where any of the following terms and 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.

**AAI:** means AAI Limited ABN 48 005 297 807 AFSL 230859.

**Asteron:** means Asteron Life & Superannuation Limited, ABN 87 073 979 530 AFSL 229880.

**Actively seeking employment:** means:

registered as being unemployed with Centrelink or equivalent government authority;

job seeking via a recognised recruitment or personnel agency;

job seeking on any other continuous basis which you can reasonably evidence; and/or

seeking to trade in a new business on a continuous basis which you can reasonably evidence.

This person cannot be you, your business partner or any members of your immediate family.

**Annual earnings:** means your average monthly income during the 12 consecutive months immediately before the start of your disablement or the start of your involuntary unemployment.

**Benefit:** means the amount payable under the Redundancy Benefit or Disability Benefit.

**Benefit period:** means the maximum period of time during which a payment will be paid.

**Criminal activity:** means any crime for which you are convicted where you could receive a custodial sentence, whether or not you do in fact receive a custodial sentence for that crime.

**Disabled, Disablement or Disability:** means that solely due to sickness or injury you are:

unable to perform all the important income producing duties of your primary occupation;

not working whether remunerated or not, including volunteering; and

under the care, treatment and following the advice of medical practitioner.

**Elective surgery:** means cosmetic surgery to alter or improve your appearance unless recommended by a medical practitioner to improve your physical health related to an underlying sickness or injury.

**Expiry date:** means the date your policy ends as stated on your schedule or, in relation to the Redundancy Benefit (if applicable), on the renewal notice we send you.

**Full recovery:** means for a continuous period of 6 months, you have returned to work and you have:

- performed all the important income producing duties of your primary occupation;

- not been suffering from the sickness or injury you were previously claiming for;

- not required or received advice, care or treatment from a medical practitioner for the sickness or injury you were previously claiming for; and

- not been receiving Disability Benefit payments.

**Gainful occupation:** means the occupation in which you work as an employee for a salary, wages or commission, or the occupation in which you are self-employed, working in a business or professional practice in a way that is capable of generating income for the business or professional practice.

**Important income producing duties:** means those duties which could reasonably be considered primarily essential to producing your monthly income.

**Indexation factor:** means the percentage change in the consumer price index (CPI) 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, subject to the terms and conditions of your policy. 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 as a result of violent, external and visible means while this policy is active.

**Insured person:** means the person who has been accepted by us and is listed on your schedule as the insured person under the policy. The insured person is also the policy owner.

**Involuntarily unemployed or involuntary unemployment:** means:

if you are an employee, you have been terminated from your gainful occupation by no choice of your own;

if you are an employee, which you had a fixed term employment contract of 12 months or greater, it ceased prior to the agreed termination date by no choice of your own; or

if you are self-employed, your business you have a beneficial interest in that it pays your primary course of income has ceased trading as a direct result of actual or imminent insolvency or bankruptcy.

**Legal personal representative:** means any person(s) who is authorised by law to act on your behalf.

**Medical practitioner:** means a doctor who is legally qualified and properly registered in Australia. The doctor cannot be you or an immediate member of your family (i.e. partner, parents, siblings or children).

If practising outside Australia, the medical practitioner must have qualifications equivalent to Australian Standards and approved by us.

A medical practitioner could be your general practitioner or treating medical specialist.

**Monthly benefit:** means the amount stated in the schedule as varied under this policy by agreement with us (for example if you apply for a decrease or through increases under automatic indexation). Where we have agreed to change the monthly benefit, the new monthly benefit will be as stated in our latest correspondence to you.

**Monthly income:** means the income earned each month by you from your own personal exertion. Please refer to Section 3.1, What is your monthly income?, for what is and isn't included.

**No claim period:** means 6 months from the policy commencement date; the amount of time you must hold the Redundancy Benefit before becoming eligible to claim.

**Policy:** means your Income Protection cover, which consists of this Product Disclosure Statement, the schedule, any endorsement, and the information provided in your application.

**Policy anniversary:** means the anniversary of your policy commencement date (or the earlier of your policy commencement dates, if applicable).

**Policy commencement date:** means the date cover first starts, as shown on your schedule. The policy commencement date in relation to the Redundancy Benefit is the date the cover first starts as shown on your schedule or, if the Redundancy Benefit is added after the date cover first starts, then the policy commencement date for the Redundancy Benefit is that later date the Redundancy Benefit started as shown on the endorsement we will send you.

**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 occupation:** means the occupation in which you were predominantly engaged immediately prior to you becoming disabled or involuntarily unemployed. If you were unemployed at the time of disablement, primary occupation means the occupation in which you were predominantly engaged immediately prior to unemployment.

**Schedule:** means the latest document issued by us which shows important information about your policy, including your policy number, your monthly benefit, your premium, any special conditions (if applicable), your policy commencement date and your expiry date. If there are any changes to your policy, we will confirm the change to you in writing and send you an endorsement which forms part of your schedule.

**Sickness:** means an illness or disease you suffer while this policy is active.

**Waiting period:** means the period of time that must elapse before a monthly benefit can be paid.

**War or an act of war:** means armed aggression by a country resisted by another country or organisation.

**We, us and our:** means Asteron or AAI (whichever is appropriate).

**You and your:** means the policy owner, who is also the insured person, and who is shown on the schedule.

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We're here to help you

**13 22 44**

**aami.com.au**

AAMI Life Customer Service

GPO Box 3950, Sydney, NSW, 2001

**AAMI**

