



# Income Protection provided by AIA Australia

## Product Disclosure Statement and Policy Document

Version 2, Prepared 1 April 2020



## How this Product Disclosure Statement and Policy Document (PDS) works

This PDS describes the main features of Income Protection provided by AIA Australia, including the terms and conditions of the policy as well as any exclusions. Please read it carefully as it is designed to help you decide if Income Protection provided by AIA Australia will meet your individual needs. Details in this PDS are of a general nature only and do not take into account your personal circumstances including your objectives, financial situation, needs or any cover you may currently hold. You should, before acting on this, consider the appropriateness of the information to your circumstances and read this PDS before deciding to acquire or continue to hold Income Protection provided by AIA Australia. If you are not sure you could consider consulting a financial adviser before making any decisions in relation to any financial product. Some words in this PDS have a special meaning. These words are capitalised throughout and are defined on pages 30 to 36.

Income Protection is provided and issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) and distributed by Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945 (CBA). AIA Australia is not part of the CBA Group, being CBA and its related corporations from time to time. CBA and its related entities do not sell, issue or guarantee the obligations or performance of AIA Australia or the products it offers and this insurance product does not represent a deposit with or liability of either CBA or any of its related bodies corporate. Neither CBA nor any of its related corporations are authorised representatives or authorised representatives of AIA Australia or our related companies. For more information on the financial services CBA provides, you should read CBA's Financial Services Guide and Privacy Policy on [www.commbank.com.au](http://www.commbank.com.au). If you purchase an Income Protection policy, CBA is paid a commission which is a percentage of your premium.

**Income Protection** means Income Protection provided by AIA Australia, as described in this PDS.

**Life Insurance** means Life Insurance provided by AIA Australia as described in the Product Disclosure Statement titled "Life Insurance provided by AIA Australia" dated 1 April 2020.

Wherever you read the words 'we', 'us', 'our', 'the insurer' or 'AIA Australia', this refers to AIA Australia Limited.

The words 'you' and 'your' in this PDS refer to any existing or potential customer who is, or is likely to become, the Life Insured and Policy Owner under the Policy:

- The Life Insured is the Policy Owner.
- A Policy is an agreement between you, as the Policy Owner, and us. You have the right to instruct us in relation to the Policy (for example by making claims, by asking us to change Policy features as permitted under the terms of the Policy, by exercising options under the Policy terms and by asking us to cancel the Policy). You are responsible for paying all the premiums under the Policy.
- "Your premium" is the premium referable to benefits covering you as the Life Insured. Also, "your Sum Insured" is the sum insured of a benefit covering you as the Life Insured and "your benefit" or "your cover" are references to benefits covering you as the Life Insured.
- An insured benefit covering you as the Life Insured is payable when you suffer an insured event in accordance with the terms of the Policy.
- We will pay a benefit covering you as the Life Insured in the terms of the Policy as set out in this PDS. See the "Who receives the benefit?" section of this PDS on page 23 for further information.

If we issue cover, it will be issued on the Policy Commencement Date by AIA Australia to you as the Policy Owner named on the Policy Schedule:

- i) in consideration of the payment of the premium as stated on the Policy Schedule; and
- ii) on the basis of the application, declarations and any other statements made by you to us in connection with the Policy.

If we issue cover, this PDS will be included in the terms and conditions of your Policy. Please see page 34 for a list of the documents that will make up your Policy.

A Life Insured under Income Protection may be eligible to join the AIA Vitality program, a health and wellbeing program offered by AIA Australia. Eligibility for membership to the AIA Vitality program arises under and is subject to the AIA Vitality terms and conditions available at [aiavitality.com.au](http://aiavitality.com.au)

Access to the AIA Vitality program as a result of holding Income Protection requires your annual premium on your Policy or combined annual premium on all Life Insurance and Income Protection policies to be equal to or greater than \$750 per person. AIA Vitality partners, benefits and rewards are subject to change at any time. For the most up-to-date information and to view the AIA Vitality Terms and Conditions go to [aiavitality.com.au](http://aiavitality.com.au), additional partner Terms and Conditions may also apply. AIA Vitality membership features are not insurance and are exempt from regulation as financial products under the *Corporations Act 2001* pursuant to the ASIC Corporations (Non-cash Payment Facilities) Instrument 2016/211. Membership to the AIA Vitality program is not offered under this PDS. If you are eligible to join the AIA Vitality program, we will provide you with instructions which you must follow in order to obtain your membership to the AIA Vitality program.

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# Welcome to Income Protection provided by AIA Australia

Whilst most of us recognise the need to insure our home and car, it is amazing how many of us fail to protect our most valuable asset, our income. It's our income that provides for our rent or mortgage, our day to day living expenses and utilities, school fees or child care, our entertainment and holidays. It provides for everything we need for ourselves to live today and to plan for tomorrow.

If you became sick or injured and unable to work, would you have sufficient savings to provide for all of your ongoing expenses, without your regular Income coming in?

To help protect your lifestyle, AIA Australia, one of the country's leading life insurers, is providing Income Protection to Commonwealth Bank of Australia (CommBank) customers. Through CommBank, AIA Australia will help Australians protect their financial future and improve their health and wellbeing through a brand they already know and trust.

To help you take care of your monthly living expenses, Income Protection provided by AIA Australia offers a regular monthly payment should Sickness or Injury prevent you from earning an Income. You can apply for Income Protection in just minutes, with cover available immediately to successful applicants.

Income Protection provided by AIA Australia can provide you with financial support while you get back on your feet, without the worry of how you'll pay the bills or take care of those who depend on you.

## Why choose Income Protection provided by AIA Australia?

1. A financial safety net in the event that Sickness or Injury stops you from earning an Income.
2. Cover from \$1,000 per month up to \$10,000\* per month to help you maintain your lifestyle while you recover.
3. Cover for Specific Injuries, such as a Fractured leg or arm, even if you are able to keep working.
4. A premium pause if you are on Parental Leave or Involuntarily Unemployed allows you to maintain your cover, whilst you are not earning an Income.
5. Your premiums are waived if you are on claim, so you don't have to worry about the additional cost during this difficult time.
6. Access to AIA Vitality†, the personalised, science-backed health and wellbeing program that rewards you for your healthy lifestyle. The range of benefits include an Income Protection premium discount of 5% if you achieve an AIA Vitality status of Silver or higher.
7. Enjoy a 5% Partner discount for you and your Partner when you both take out Income Protection or Life Insurance policies‡§.
8. Easy to apply online via NetBank or the CommBank app with no medicals or blood tests, and you're covered as soon as your application is accepted.
9. An Income Protection policy that gives you worldwide cover whilst temporarily travelling overseas – so you are protected wherever you go – 24 hours a day, 7 days a week.
10. Cover is guaranteed renewable – once you're accepted, your cover will not be affected by changes to your health or pastimes as long as you keep meeting the Policy terms and conditions.
11. Purchase a Life Insurance Policy in addition to your Income Protection Policy for a 5% ongoing discount across both policies‡.

\* Limited to 75% of your monthly Pre-Disability Income.

† Where your annual premium on your Income Protection Policy or your combined annual premium on all Life Insurance and Income Protection policies is equal to or greater than \$750 per person.

‡ The discount will continue to apply whilst both eligible policies remain in force.

§ To be eligible for the Partner discount, you and your Partner must be living at the same residential address.

## What you're covered for

With Income Protection provided by AIA Australia you can apply for a benefit amount of up to 75% of your regular Income\*. Cover is available for both Permanently Employed and Self-Employed people, with benefits payable for up to 2 years.

Income Protection offers an **Accident and Sickness** plan for eligible applicants.

This table summarises the features and benefits of Income Protection provided by AIA Australia:

Income Protection	Features and Benefits
<b>Main benefits</b>	<p>If you become Totally Disabled, we will pay a monthly benefit until you are able to return to work, up to the Benefit Period you have selected.</p> <p>If you suffer a Specific Injury, we will pay a monthly benefit for a specific period, even if you don't cease working.</p>
<b>Age at entry</b>	18 to 59
<b>Expiry age of cover<sup>†</sup></b>	65
<b>Minimum Sum Insured<sup>‡</sup></b>	\$1,000 per month
<b>Maximum Sum Insured at Policy Commencement Date</b>	75% of your Income up to \$10,000 per month*
<b>Waiting Period<sup>§</sup></b>	Your choice of 30** or 90 days
<b>Benefit Period</b>	Your choice of 6 months, 1 year or 2 years
<b>Built-in benefits</b>	<p>Death benefit – If you die whilst on claim and receiving benefits, we will pay an additional benefit of three times your monthly benefit.</p> <p>Premium Pause benefit – No premiums are payable for you for up to 12 months whilst you are taking Parental Leave or are Involuntarily Unemployed, and your cover remains in place.</p> <p>Premium Waiver benefit – No premiums are payable for you whilst you are on claim and receiving benefits.</p>

\* The benefit paid is the lesser of your Sum Insured and 75% of your monthly Pre-Disability Income.

† Benefit ceases at the next anniversary immediately after your 65th birthday.

‡ We may set a higher minimum Sum Insured to ensure you meet our minimum premium requirements of \$180 per annum.

§ No Waiting Period applies for Specific Injury.

\*\*Not applicable with a 2 year Benefit Period where your occupation is a fully qualified skilled tradesperson (e.g. qualified builder, carpenter or plumber).

## Main benefits

Income Protection provided by AIA Australia pays a monthly benefit in the event that you become Totally Disabled or suffer a Specific Injury, so that you can focus on getting better and back to work, without having to worry about how to pay your monthly bills. The minimum amount of cover you can apply for is \$1,000 per month and the maximum is \$10,000 per month. The benefit paid is the lesser of your Sum Insured and 75% of your monthly Pre-Disability Income.

### Total Disability cover

Total Disability cover pays a monthly benefit in the event that you become Totally Disabled due to an Accident or Sickness and cannot work.

We will start paying your benefit after the expiry of your chosen Waiting Period, either 30\*\* or 90 days.

We will keep paying your benefit each month until the earliest of:

- you cease being Totally Disabled;
- us having paid you for your chosen Benefit Period;
- the Policy Anniversary Date after you turn 65; or
- your death.

Your benefit amount may be reduced by income or payments you may receive from other sources, known as Offsets. Please refer to the “Definitions” section on page 33.

### Eligibility at application

To be eligible for Income Protection – Total Disability cover, at the time of application you must meet the following criteria:

- Gainfully Employed for at least 20 hours per week;
- spending no more than 20% of your working hours at your place of residence; and
- not performing heavy manual work<sup>††</sup>.

If you do not meet the above eligibility criteria you will not be eligible to purchase Income Protection – Total Disability cover.

†† Occupations that are considered as performing heavy manual work are: occupations such as semi-skilled workers and unqualified tradespersons, who perform heavy manual work (e.g. cleaners, truck drivers, fencing contractors) and unskilled workers who perform extra heavy manual work (e.g. concreters, earth-moving workers, carpet layers).

\*\*Not applicable with a 2 year Benefit Period where your occupation is a fully qualified skilled tradesperson (e.g. qualified builder, carpenter or plumber).

### Accessing your Total Disability benefit

Your employment situation, occupation type, hours worked and work location will determine the Total Disability definition you are assessed under. You will be assessed under the Total Disability (Usual Duties) definition if at the time of claim and immediately prior to the Disablement Date you are:

- Employed or Self-Employed;
- working at least 20 hours per week;
- spending no more than 20% of your working hours at your place of residence; and
- not performing heavy manual work\*.

If the above Total Disability (Usual Duties) criteria are not met, you will be assessed under the Total Disability (Activities of Daily Living) definition.

**Important:** Please refer to the definitions of Total Disability on page 36 for more details.

\* Occupations that are considered as performing heavy manual work are: occupations such as semi-skilled workers and unqualified tradespersons, who perform heavy manual work (e.g. cleaners, truck drivers, fencing contractors) and unskilled workers who perform extra heavy manual work (e.g. concreters, earth-moving workers, carpet layers).

### Specific Injury cover

Specific Injury cover pays a monthly benefit in the event that you suffer one of the Specific Injuries listed on page 9 as a result of an Injury. The monthly benefit amount for your Specific Injury cover is the same as that for Total Disability; however you don't have to be Totally Disabled to receive this benefit. In addition, there is no Waiting Period prior to claiming and we won't reduce your payments due to Offsets, though we may reduce them by any income protection type benefit payments made under any other policy.

We will keep paying you each month until the earliest of:

- us having paid you for the Specific Injury Period;
- us having paid you for your chosen Benefit Period;
- the Policy Anniversary Date after you turn 65; or
- your death.

If you are Totally Disabled after the Specific Injury Period, you can then claim a benefit for Total Disability and your Waiting Period will be waived, though your Benefit Period for Total Disability will be reduced by the Specific Injury Period already paid. If you are not Totally Disabled after the Specific Injury Period, you will not receive any further benefit.

Specific Injury	Specific Injury Period <sup>†</sup>
Paralysis	24 months
Loss of Use of any combination of any two of a hand, a foot, sight in one eye (as defined by Blindness In One Eye)	24 months
Loss of Use of both feet or both hands or sight in both eyes (as defined by Blindness)	24 months
Loss of Use of one leg or arm	18 months
Loss of Use of one foot or hand or sight in one eye (as defined by Blindness In One Eye)	12 months
Loss of Use of the thumb and index finger of the same hand	6 months
Fracture of the thigh (above the knee) or pelvis	3 months
Fracture of the leg (below the knee and above the ankle), knee cap, upper arm, shoulder bone or jaw	2 months
Fracture of the forearm (above the wrist) or collarbone	1.5 months
Fracture of the heel	1 month

<sup>†</sup> We won't pay a Specific Injury for longer than your Benefit Period.

## Recurring Disability

### Total Disability recurring within six months of last benefit payment

If you become Totally Disabled within six months since we last paid a benefit for the same or a related condition, we will treat the new claim as a continuation of the previous claim. You don't have to serve a Waiting Period, but the total Benefit Period we will pay for will include the amount of time we paid a benefit on the previous claim.

### Total Disability recurring more than six months after the last benefit payment

If you become Totally Disabled again from the same or a related condition after more than six months since we last paid a benefit, we will treat this as a new claim with its own Waiting Period and Benefit Period.

### Total Disability after payment for the full Benefit Period

If you are on claim and we pay a benefit for the full Benefit Period, we won't pay any further benefits for the same or a related condition unless you have been doing work in the course of being Gainfully Employed for at least 20 hours per week for a continuous period of at least six months prior to the new claim.

## Additional benefits

### Death cover

In order to assist with any final expenses, such as funeral costs, if you die whilst we are paying your benefit for Total Disability or Specific Injury, we will pay a lump sum benefit of three times the lesser of the monthly Sum Insured and 75% of your monthly Pre-Disability Income.

### Premium Pause

If you take Parental Leave or become Involuntarily Unemployed, you can ask us to put your premium payments on hold, whilst maintaining your cover. Whilst you are on Premium Pause, any claim for your Total Disability will be assessed under the Total Disability (Activities of Daily Living) definition.

When the Premium Pause finishes, you must start paying your normal premium instalments again.

If you choose to use the Premium Pause benefit because you are going on Parental Leave, you must nominate the date the Premium Pause will finish before you go on leave. This can be for no more than 12 months, and once nominated, cannot be changed. Once your premiums start to be paid again, the Total Disability definition that applied to you prior to the Premium Pause will apply again.

If you use the Premium Pause benefit because you have become Involuntarily Unemployed, you don't have to nominate the date the Premium Pause will finish beforehand. It will finish when you tell us, but cannot be for longer than 12 months. For the first six months after your premiums start to be paid again, any claim for your Sickness will still be assessed under the Total Disability (Activities of Daily Living) definition, while any claim for your Injury will be assessed under the Total Disability (Usual Duties) definition\*. Once your premiums have been paid again for six months, all claims for your Total Disability will be assessed under the Total Disability (Usual Duties) definition\*. The maximum total period the Premium Pause can be used for Involuntary Unemployment is 24 months.

The Premium Pause will not be available in the first 12 months from the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase.

Your Premium Pause must be commenced within 12 months of you:

- starting Parental Leave; or
- becoming Involuntarily Unemployed.

The Premium Pause may be exercised more than once, although it can only be exercised once for the same child for Parental leave, or for the same period of Involuntary Unemployment. At least 12 months must elapse after the end of a Premium Pause period before a new Premium Pause can be exercised.

\* Where the Total Disability (Usual Duties) criteria is not met, you will be assessed under the Total Disability (Activities of Daily Living) definition. See the 'Assessing your Total Disability benefit' section on page 8 for more information.

### Premium Waiver

To assist you during the difficult time that you are on claim, while we are paying you your benefit your Income Protection premiums will be waived and nothing is payable for this time. We will also refund any of your premiums that have been paid in advance for that time.

When we stop paying a benefit, you must start paying your normal premium instalments again.

## About AIA Vitality – an award-winning health and wellbeing program

Income Protection provided by AIA Australia gives you access to AIA Vitality, a personalised, science-backed program that supports you every day to make healthier lifestyle choices. It shows you how healthy you are now, provides the tools to start improving your health right away, and offers amazing rewards to keep you motivated along your journey.

By activating your AIA Vitality membership, and taking steps to understand and improve your health, you can earn discounts on spa treatments, flights, gym memberships and more.

With AIA Vitality you can achieve a fitter, healthier lifestyle; and working towards improving your health will earn you points to grow your status from Bronze to Platinum, unlocking the added incentive of ongoing discounts and rewards along the way. The range of benefits include an Income Protection premium discount of 5% if you achieve an AIA Vitality status of Silver or higher. The premium discount is applied at your next premium payment date. Millions of people around the world are already living healthier, more fulfilling lives with the Vitality program.

## Eligibility

Eligibility for membership to the AIA Vitality program arises under and is subject to the AIA Vitality terms and conditions. Access to the AIA Vitality program as a result of holding Income Protection requires your annual premium on your Policy or combined annual premium on all Life Insurance and Income Protection policies to be equal to or greater than \$750 per person. You will no longer be eligible to access the AIA Vitality program as a result of holding an Income Protection Policy if you:

- annual premium on all Life Insurance and Income Protection policies falls below \$750 (for example, if you reduce your sum insured or your additional cover options expire); or
- cover ceases on all Life Insurance and Income Protection policies (including expiry and cancellation of cover) (see the “How your Policy Works” section on pages 16 to 17).

The AIA Vitality terms and conditions set out other circumstances where membership to the AIA Vitality program may terminate. Termination of your AIA Vitality membership will not reduce your premiums.

To view the AIA Vitality terms and conditions and to find out more about how AIA Vitality works, simply visit [aiavitality.com.au](https://aiavitality.com.au). Rules relating to premium discounts and ongoing AIA Vitality eligibility for Income Protection where the Life Insured is an AIA Vitality Member are located at [aiavitality.com.au](https://aiavitality.com.au)

## AIA Vitality Membership contact details:

Email: [queries@aiavitality.com.au](mailto:queries@aiavitality.com.au)

Mail: AIA Vitality

PO Box 6313, Melbourne VIC 3004

Phone: **1800 848 254**

## What you're not covered for

Please read this section carefully to understand what is not covered.

"X" indicates that the benefit is excluded.

Exclusions	Benefits		
	Total Disability cover, Specific Injury cover and Death cover	Premium Pause	
		Parental Leave	Involuntary Unemployment
Deliberately self-inflicted Injury or Sickness, including suicide and attempted suicide.	X	N/A	N/A
Engaging in any criminal activity or any unlawful act or whilst imprisoned, resulting from that imprisonment.	X	N/A	X
War (whether declared or not), riots or civil commotion.	X	N/A	N/A
Normal pregnancy, uncomplicated childbirth or miscarriage.	X	N/A	N/A
Parental Leave or Involuntary Unemployment commencing within 12 months of the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase on the increase amount.	N/A	X	X
Becoming voluntarily unemployed.	N/A	N/A	X
Becoming unemployed whilst working outside the borders of Australia.	N/A	N/A	X
Any event or circumstance arising prior to or within 90 days, or where written or verbal notification of impending unemployment occurs prior to or within 90 days, of the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase on the increase amount only.	N/A	N/A	X
Becoming Involuntarily Unemployed from a company or business owned in full or in part by your Partner or Relative.	N/A	N/A	X
The end of a fixed term contract or work of a seasonal nature.	N/A	N/A	X
Misconduct, fraud and dishonesty.	N/A	N/A	X
Unsatisfactory performance or behaviours or for breaching any of the terms of the employment contract.	N/A	N/A	X
Involuntary Unemployment as a result of any medical condition.	N/A	N/A	X
If the death, Injury or Sickness or Involuntary Unemployment is a direct or indirect result of carrying out the Duties of your occupation, if your occupation involves at least one of the following hazardous activities: <ul style="list-style-type: none"> <li>working above 10 metres from the ground;</li> <li>working underground;</li> <li>working offshore;</li> <li>underwater diving;</li> <li>working with explosives;</li> <li>working as a professional sports person or coach; or</li> <li>employment in the armed forces.</li> </ul>	X	N/A	X



# How your Policy works

## Who can be covered under the Policy?

Only one person can be insured under the Policy.

The Life Insured will also be the Policy Owner under the Policy.

### Eligibility requirements

At the time of application and when receiving this PDS, you must be:

- a CommBank customer living permanently in Australia;
- an Australian citizen or permanent resident\*, or a New Zealand citizen;
- aged 18 to 59;
- Gainfully Employed for at least 20 hours per week;
- spending no more than 20% of your working hours at your place of residence; and
- not performing heavy manual work<sup>†</sup>.

\* as approved by the Department of Immigration and Citizenship.

† Occupations that are considered as performing heavy manual work are: occupations such as semi-skilled workers and unqualified tradespersons, who perform heavy manual work (e.g. cleaners, truck drivers, fencing contractors) and unskilled workers who perform extra heavy manual work (e.g. concreters, earth-moving workers, carpet layers).

### Application process

You can apply for cover online via NetBank or the CommBank app. To help assess your application, you will need to answer some health, medical and lifestyle questions. This is called underwriting.

## When does your cover start and stop?

Your cover will start on the date we notify you that we have accepted your application. This is known as your Policy Commencement Date. As long as you continue to pay your full premium instalments when due, and subject to the terms of your Policy, your cover will continue regardless of changes to your health, occupation and pastimes until the Expiry Date.

We will send you a Policy Schedule which will outline your accepted benefits, Sum Insured, Policy Commencement Date and each cover's Expiry Date.

Your cover will cease on the earliest of:

- your death;
- the Expiry Date, which is the Policy Anniversary Date on or immediately after your 65th birthday;
- you ceasing to be an Australian citizen or permanent resident\*, or a New Zealand citizen;
- you no longer residing permanently in Australia;
- the cancellation of your cover at your request; and
- the cancellation of your cover by us due to non-payment of premiums or if the eligibility requirements have not been met or as otherwise permitted by law.

\* as approved by the Department of Immigration and Citizenship.

## If you change your mind – the cooling-off period

Should you change your mind after you become a Policy Owner, you have a 30 day cooling-off period, where you can cancel your Policy and receive a full refund of premiums paid.

The cooling-off period starts from the earliest of the date you receive your Policy documents from us (including this PDS) and the end of the fifth day after we send these documents to you.

To cancel your Policy within the cooling-off period, please contact the AIA Australia Customer Service team:

Email: [customerservice@lifeinsurancebyaia.com](mailto:customerservice@lifeinsurancebyaia.com)

Mail: AIA Australia Customer Service  
PO Box 6143, Melbourne VIC 3004

Phone: **1800 491 588**

There's just one exception, the cooling-off period automatically ends if you make a claim.

## Changes to your cover amount

The amount of the benefit we pay for you is limited to the lesser of your Sum Insured and 75% of your monthly Pre-Disability Income at the Disablement Date. Any changes to your Sum Insured while we are paying your benefit will not affect the amount of the benefit we pay.

## Benefit indexation

You can choose to include benefit indexation which automatically increases your monthly Sum Insured so it keeps up with inflation. Benefit indexation may reduce the risk of inflation eroding your benefit.

At application stage, you choose whether to include, or not to include, benefit indexation increases on your Policy.

If you have selected to include benefit indexation as part of your Policy, we will automatically increase the Sum Insured at the Policy Anniversary Date each year by the higher of the Consumer Price Index Increase (CPI Increase) and 3%. Your premium will be adjusted to allow for the higher Sum Insured and age at each Policy Anniversary Date.

Benefit indexation increases are not limited to the maximum Sum Insured at Policy Commencement Date. This means that increases to your Sum Insured as a result of Benefit Indexation may result in your Sum Insured exceeding the maximum sum insured allowed at Policy Commencement Date.

Once benefit indexation has been applied to your Policy, you can choose to remove it at any time by contacting us. Your request to remove benefit indexation increases must be received by us before the Policy Anniversary Date on which the increase would apply.

Once requested, benefit indexation increases will be removed from your Policy from the next Policy Anniversary Date.

Benefit indexation will cease on the Expiry Date of the benefit.

If you have chosen not to include benefit indexation increases on your Policy at application stage but have changed your mind, you may add benefit indexation up to 60 days from your Policy Commencement Date without requiring underwriting and our acceptance (grace period).

If you decide to add benefit indexation increases to your Policy after the grace period, the maximum Sum Insured based on your current age will apply (see the "What you're covered for" section on page 6) and your Policy will be subject to underwriting and acceptance by us.

Note: Where benefit indexation is selected, it will apply to all benefits under that policy.

## labelling, decreasing or increasing your cover

You may cancel, decrease or increase your cover at any time. If premiums are paid fortnightly or monthly, we will cancel or change your cover from the end of the fortnight or month for which the cover has already been paid. If premiums are paid annually, we will cancel or change your cover from the next monthly anniversary of your Policy Commencement Date, and refund any excess premiums or require extra premiums (as applicable) from that time.

Any increase in your cover (including adding benefit indexation increases after the grace period) will be subject to underwriting and acceptance by us. We will limit your maximum Sum Insured to the maximum amount available.

Any decrease in your cover will be subject to the minimum Sum Insured, as well as any minimum premium requirements (see the "Premiums and charges" section on pages 20 to 21).

To cancel, decrease or increase your cover, please contact the AIA Australia Customer Service team by phoning **1800 491 588**.

## Cover reinstatement

If you cancel or decrease your cover, the cancelled or decreased cover can only be reinstated at a later time if we agree.

If the Policy lapses (see the "If the Policy premiums aren't paid" section on page 21), we will send the Policy Owner a letter confirming that they have an additional 30 days in which to reinstate cover without requiring underwriting and our acceptance. We are not otherwise bound to accept any requests to reinstate cover, and any such requests are subject to underwriting and acceptance by us.

If cover is reinstated, we won't pay for any claims that occur between the date cover ceased and the Policy Reinstatement Date.

## Premiums and charges

The premium is the amount that needs to be paid to maintain your Income Protection Policy, including access to AIA Vitality, if applicable. Your premium also includes government charges such as stamp duty and taxes.

We will notify you of the premium applicable to your Policy once you complete an application for Income Protection. It is your responsibility to pay the premium for your Policy.

Your premium amount will depend upon the information provided by you at application, the level of cover and options you choose, your employment situation, occupation type, payment frequency, whether benefit indexation has been chosen (higher of CPI increases and 3%), your health history, your age, gender and smoking status (premium rates are higher for smokers) and any discounts that apply. We may charge a minimum premium of \$180 per annum, or require your cover to be at a level sufficient to meet the minimum premium. Your premium also takes into account our reasonable operating costs, including but not limited to costs incurred in administering your policy and providing the AIA Vitality program, if applicable.

Your premium is guaranteed from one Policy Anniversary Date to the next. Your premiums may increase each year at your Policy Anniversary Date, for example premiums generally increase in line with your age and any Sum Insured increase due to benefit indexation until the benefit Expiry Date.

You can pay the premiums on a fortnightly, monthly or annual basis by credit card or by direct debit from a bank account. If payment is by direct debit, the payment arrangement will be governed by the terms of the Direct Debit Request Service Agreement, which is attached to this PDS.

From time to time, we may make payments to CommBank or other entities involved in distributing Income Protection based on commercial arrangements. When we do so, such payments are included in your premiums and do not represent any additional charge or cost to you.

## If the Policy premiums aren't paid

If the Policy's premiums aren't paid within 60 days of the due date (or within 30 days if premiums are paid fortnightly), the Policy will lapse. You won't be covered for any period from the date your policy lapses.

## Change of smoking status

If you have ceased smoking tobacco or any other substance for a continuous period of 12 months you may change your status from a smoker to a Non-smoker, for the purpose of determining your insurance premium. Contact us on **1800 491 588** to obtain an application for Non-smoker rates. The application for Non-smoker rates is subject to approval and written confirmation by us.

## Changes to fees and charges

We retain the right to vary any fees and charges, including premiums, at our discretion. Any change, except changes due to taxes and imposts, will be advised to you in accordance with the law. This Policy will not be singled out for an increase in fees or charges.

## Taxation and imposts

Based on our interpretation of the current tax laws, we expect that Income Protection premiums would generally be tax deductible and benefits paid under the Policy would be treated as income for tax purposes. The tax treatment of your Policy will ultimately depend on your individual circumstances, changes in tax law and the views of the Australian Taxation Office. You should seek professional tax advice in this respect, if necessary.

Where we are, or believe we will become, liable for any tax or other imposts levied by any Commonwealth or State government, authority or body in connection with this Policy, we may reduce, vary or otherwise adjust any amounts (including but not limited to premiums, charges and benefits) under this Policy in the manner and to the extent we determine to be appropriate to take account of the tax or impost.

## If you need to make a claim

### How the claims process works

If you believe you have suffered a claimable event, we need to be notified within 30 days (or as soon after that event as reasonably possible).

To make a claim:

1. Call or email us for a claim form:  
Phone: **1800 491 588**  
Email: [claims@lifeinsurancebyaia.com](mailto:claims@lifeinsurancebyaia.com)
2. Mail your completed claim form to:  
Claims Team, AIA Australia Customer Service  
PO Box 6143, Melbourne VIC 3004

### Things to note

To process the claim we may need additional information. We may ask for medical evidence, documents or other information (which in some cases may need to be provided by an appropriate Medical Practitioner), for which you may have to pay. Once we have received all relevant information and the claim has been approved by us, the benefit will be paid. Any benefit paid will be paid in arrears.

We will not pay a benefit:

- if the Policy has lapsed; or
- if you do not meet the terms and conditions of the Policy; or
- if a claim is fraudulent in any way (and you will need to repay it if it has already been paid in part or full).

### Who receives the benefit?

If we pay a claim, we will determine who receives the benefit as follows.

- The Total Disability and Specific Injury benefits will be paid to you.
- On your death, the Death benefit will be paid in the following order:
  - any beneficiaries nominated by you;
  - your estate (where no beneficiaries have been nominated).

## Other Policy terms and conditions

### Benefit limitations

We may limit the total amount we pay under the policies covering you in two ways:

1. if you are covered under more than one Income Protection provided by AIA Australia policy, we may limit the total Sum Insured under all policies to the maximum Sum Insured available, as set out in the "What you're covered for" section on page 6; and
2. if you are covered under more than one insurance policy issued by us, we may limit the Sum Insured under this Policy so that your total Sum Insured under all insurance policies issued by us does not exceed \$10,000 per month.

If we limit cover for these reasons, we will refund premiums for the reduced portion of the Sum Insured on a pro-rata basis. The limit will not be applied to Sum Insured amounts in excess of the maximum Sum Insured due to benefit indexation increases.

### Changing your Personal Information

Please let us know straight away if you change your contact details or if there's any other change which may require an alteration to your Policy, by:

Email: [customerservice@lifeinsurancebyaia.com](mailto:customerservice@lifeinsurancebyaia.com)

Phone: **1800 491 588**

### Applicable law

This Policy is governed by the laws of the Australian State or Territory in which it was issued. Any dispute or action in connection to the Policy shall be conducted and determined in Australia.

### Changes and updates

We may improve the terms of Income Protection and to the extent that you are not disadvantaged, these improvements may be added automatically to the Policy. We will notify you of any changes as required by law. Changes that are not materially adverse to you will be updated and made available under policyholder information in Help & Support at [aia.com.au](http://aia.com.au). You can obtain the current terms by calling us on **1800 491 588**.

## Currency

All amounts under the Policy whether payable by us or by you are payable in Australian currency.

## Economic sanctions

Notwithstanding the terms of your Policy, we are subject to certain laws and economic sanctions (both local and international) which may prohibit us from completing some financial transactions and/or dealings with you or your beneficiaries. We will not deal with you or your beneficiaries or complete a financial transaction under the terms of the Policy if we are prohibited from doing so by law (including a law relating to sanctions).

## Statutory fund

The Income Protection Policy will be written in our Statutory Fund No.1. This Policy does not share in any profits.

## Guaranteed renewable

Subject to the conditions that will end cover (see the “When does your cover start and stop?” section on pages 16 to 17) your cover is guaranteed renewable on each Policy Anniversary Date, provided it is still in force (premiums are paid) at that date, regardless of any changes in your health, occupation or pastimes.

## Other things to consider (risks)

There are risks associated with choosing insurance cover that you need to consider.

You may select an insurance product that does not meet your needs. You should make sure that you read this PDS so you know what is and isn't covered.

You may choose an amount of cover that's not right for you so you need to consider both your needs and the cost of the cover so you should seek advice if necessary.

If you apply for cover or later apply to increase or vary your cover, your age, health or circumstances may prevent you from being eligible so you should not cancel existing life insurance cover until your new cover is in place.

Premiums may change over time, which may affect your capacity to keep paying your premiums on time. For more information please see the “Premiums and charges” section on pages 20 to 21.

## Who to contact

For enquiries about your Income Protection Policy:

Email: [customerservice@lifeinsurancebyaia.com](mailto:customerservice@lifeinsurancebyaia.com)

Mail: AIA Australia Customer Service  
PO Box 6143, Melbourne VIC 3004

Phone: **1800 491 588**

For complaints:

Email: [complaints@lifeinsurancebyaia.com](mailto:complaints@lifeinsurancebyaia.com)

Mail: AIA Australia Complaints Manager  
PO Box 6143, Melbourne VIC 3004

We will promptly investigate your complaint. We will refer it if necessary to our Internal Dispute Resolution Committee and it should be resolved within 45 days. In special circumstances it may take longer to resolve, in which case we will advise you.

If you are not satisfied with our response, you may take the matter up with an external dispute resolution body, the Australian Financial Complaints Authority (AFCA).

You can contact AFCA at:

Phone: **1800 931 678**

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

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

Mail: GPO Box 3, Melbourne, Victoria 3001

# Your information

## Your duty of disclosure

You have a duty to tell us anything that you know, or could reasonably be expected to know, which may affect our decision to insure you and on what terms.

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

You do not need to tell us anything that:

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

## If you do not tell us something

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

If we choose not to avoid the contract, we may reduce the amount you have been insured for, based on a statutory formula. We may only exercise this right within three years of entering into the Policy if it provides death cover.

If we choose not to avoid the Policy or reduce the amount you have been insured for, if your Policy does not provide death cover, we may vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

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

## AIA Australia Privacy Policy

### Summary

This section summarises key information about how we handle Personal Information including sensitive information. More information can be found in the full version of the AIA Australia Privacy Policy (Privacy Policy) published at [aia.com.au](http://aia.com.au)

We are part of the AIA Group. Your privacy is important to us and we are bound by the Privacy Act, and other laws which protect your privacy.

### Why we collect, use and disclose Personal Information

We collect, use and disclose personal and sensitive information (“**Personal Information**”):

- to process applications for our products and services;
- to assist with enquiries and requests in relation to our products and services;
- for underwriting and reinsurance purposes;
- to administer, assess and manage your products and services, including claims;
- to understand your needs, interests and behaviour and to personalise dealings with you;
- to provide, manage and improve our products and services;
- to maintain and update our records;
- to verify your identity and/or authority to act on behalf of a customer;
- to detect, manage and deal with improper conduct and commercial risks;
- for research, reporting and marketing purposes;
- otherwise to comply with local and foreign laws and regulatory obligations; and
- for any other purposes as outlined in the Privacy Policy.

### How we collect, use and disclose Personal Information

Personal Information may be collected from various sources, including:

- forms you submit;
- our records about your use of our products and services;
- our records from your dealings with us, including telephone, email or online interactions; and
- public sources, social media, and third parties described in our Privacy Policy.

Further, we will collect and use Personal Information as and when this is required or authorised by law.

We may provide, collect and exchange your Personal Information with third parties, including:

- our related bodies corporate and joint venture partners;
- the Life Insured, Policy Owner, or beneficiaries of an insurance Policy;
- service providers and contractors;
- your intermediaries, including your financial adviser, the distributor of your insurance Policy and the trustee or administrator of your superannuation fund, your employer, your treating doctor or your legal representatives, or anyone acting on your behalf (together, your **“Representatives”**);
- your employer, bank, medical professionals or health providers;
- partners used in our activities or business initiatives;
- our distributors, clients, and reinsurers;
- other insurers including worker’s compensation insurers, authorities and their agents;
- other super funds, trustees of those super funds and their agents;
- regulatory and law enforcement agencies;
- other bodies that administer applicable industry codes; and
- other parties described in our Privacy Policy.

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

Parties to whom we disclose Personal Information may be located in Australia, South Africa, the United States, the United Kingdom, Europe, Asia and other countries including those set out in our Privacy Policy. We will comply with the Financial Services Council Life Insurance Code of Practice (**“Code”**) when we collect, use and disclose your Personal Information.

### Other important information

By providing information to us or your Representatives, submitting or continuing with a form or claim, or otherwise interacting or continuing your relationship with us, you confirm that you agree and consent to the collection, use (including holding and storage), disclosure and handling of Personal Information as described in the Privacy Policy on our website and that you have been notified of

the matters set out in this summary and the AIA Australia Privacy Policy. You agree that we may not issue a separate notice each time Personal Information is collected.

You have the right to access the Personal Information we hold about you, and can request the correction of your Personal Information if it is inaccurate, incomplete or out of date. Requests for access or correction can be directed to us using the details in the ‘Contact Us’ section below.

Our full Privacy Policy provides more detail about our collection, use (including handling and storage), disclosure of Personal Information and how you can access and correct your Personal Information, make a privacy related complaint and how we will deal with that complaint, and your opt-out rights. Always ensure you are reviewing the most up-to-date version of the Privacy Policy as published at [aia.com.au](http://aia.com.au).

For the avoidance of doubt, the Privacy Policy applicable to the management and handling of Personal Information will be the most current version published at [aia.com.au](http://aia.com.au) from time to time, which shall supersede and replace all previous Privacy Policies and/or Privacy Statements and privacy summaries that you may have previously received or accessed.

### Contact us

If you have any questions or concerns about your Personal Information, please contact the Compliance Manager at:

Mail: AIA Australia Limited  
PO Box 6111  
Melbourne VIC 3004

Phone: **1800 333 613**

# Definitions

**Accident** means a physical injury which is caused solely and directly by violent, external and unexpected means and that is not traceable, even indirectly, to the Life Insured's state of mental or physical health before the event. Injury directly resulting from medical or surgical treatment will not constitute an 'Accident'.

**Activities of Daily Living** are the following:

- *Bathing and/or showering* which means the ability of the Life Insured to wash himself or herself either in the bath or shower or by sponge bath without the assistance of another person. The Life Insured will be considered to be able to bathe himself or herself even if the above tasks can only be performed by using equipment or adaptive devices.
- *Dressing and undressing* which means the ability of the Life Insured to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them, without the assistance of another person. The Life Insured will be considered able to dress himself or herself even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.
- *Eating and drinking* which means the ability of the Life Insured to get nourishment into the body by any means once it has been prepared and made available to the Life Insured without the assistance of another person.
- *Using a toilet to maintain personal hygiene* which means the ability of the Life Insured to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing without the assistance of another person. The Life Insured will be considered able to toilet himself or herself even if he or she has an ostomy and is able to empty it himself or herself, or if the Life Insured uses a commode, bedpan or urinal, and is able to empty and clean it without the assistance of another person.
- *Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with the assistance of a walking aid* which means the ability of the Life Insured to move in and out of a chair or bed without the assistance of another person. The Life Insured will be considered able to transfer himself or herself even if equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorised devices is used.

**Benefit Period** is the maximum period during which the Total Disability or Specific Injury benefit is payable for any one period of Total Disability.

**Blindness** as certified by an ophthalmologist, means the:

- a. visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in both eyes;
- b. field of vision is constricted to 20 degrees or less of arc around central fixation in the better eye irrespective of corrected visual activity (equivalent to 1/100 white test object); or
- c. combination of visual defects results in the same degree of vision impairment as that occurring in (a) or (b) above.

For Specific Injury cover, Blindness must arise solely and directly as a result of an Accident.

**Blindness In One Eye** as certified by an ophthalmologist, means the visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in one eye.

For Specific Injury cover, Blindness In One Eye must arise solely and directly as a result of an Accident.

**Consumer Price Index Increase (CPI Increase)** means the percentage increase in the average CPI for the eight state capital cities published by the Australian Bureau of Statistics and covering the most recent period of 12 months for which figures are available at the date the Sum Insured is to be increased.

**Disablement Date** means the earliest of the date the Life Insured first:

- consults a Medical Practitioner about the condition that is causing the Total Disability; or
- ceases work due to the condition that is causing the Total Disability as long as it is not more than seven days before the Life Insured first consults a Medical Practitioner about the condition and provides reasonable medical evidence about when the disablement began.

**Duties** means for a Life Insured all those duties which could reasonably be considered primarily essential to producing their monthly Income.

**Expiry Date** means in relation to a benefit, the date that cover for that benefit ceases, as set out in your Policy Schedule.

**Fracture** means any bone fracture requiring the application of a plaster cast or an immobilising device.

For Specific Injury cover, a Fracture must arise solely and directly as a result of an Accident.

**Gainfully Employed** means the Life Insured is:

- gainfully employed for salary, reward or profit in any business, profession or occupation as a Permanent Employee; or
- Self-Employed.
- Except for the purposes of determining eligibility for receiving a benefit under Recurring Disability, where the Life Insured has been on unpaid leave for up to 12 months, they will be considered to be Gainfully Employed. Once the Life Insured has been on unpaid leave for longer than 12 months, they will no longer be considered Gainfully Employed.



**Income** means:

- in the case of a Permanent Employee, the pre-tax remuneration paid by an employer, including salary, fees and fringe benefits. This will include any statutory superannuation contributions and any other superannuation contributions made by an employer including those that are part of a salary sacrifice arrangement between the employed person and the employer. Where commissions and bonuses form over 40% of the pre-tax remuneration, we will take them into account. Where the employed person is a professional person employed by a professional practice company, Income will include all commissions and bonuses paid, in addition to salary, fees, fringe benefits and superannuation contributions made by an employer.
- in the case of a Self-Employed person, a working director or partner in a partnership, the Income generated by the business or practice due to their personal exertion or activities, less their share of necessarily incurred business expenses.

Income does not include other unearned income such as dividends, interest, rental income or proceeds from the sale of assets or royalties.

**Injury** means a physical injury which occurs whilst the Policy is in force and which results solely and directly and independently of any other cause in disability. Injury directly resulting from medical or surgical treatment rendered necessary by the physical injury will not constitute an 'Injury'.

**Involuntarily Unemployed** means not being Gainfully Employed because the Life Insured has been made involuntarily redundant or has been involuntarily retrenched and the Life Insured is registered as unemployed with an approved employment agency within Australia and is actively seeking work.

**Involuntary Unemployment** has the corresponding meaning:

If the Life Insured is Self-Employed or a partner in business, in addition to meeting the above criteria, Involuntary Unemployment also means the business ceasing trading permanently due to actual or imminent insolvency, or business factors beyond the Life Insured's reasonable control and being wound up, or placed in the control of an insolvency administrator.

**Life Insured** means a person named as the Life Insured in the Policy Schedule.

**Loss of Use** means the total and irrecoverable loss by the Life Insured of the use of:

- the hand from the wrist or the foot from the ankle joint;
- the arm from the elbow or the leg from the knee joint; or
- the thumb and index finger from the first phalange joint.

For Specific Injury cover, Loss of Use must arise solely and directly as a result of an Accident.

**Medical Practitioner** means a legally qualified and registered doctor of medicine approved by us. It does not include you, your employer, an employee of your employer or any of your Relatives or business partners.

**Non-smoker** means a person not having smoked tobacco or any other substance for a continuous period of 12 months.

**Offsets** are the following:

- sick leave or personal leave (including leave available but not taken, for the amount of that leave);
- any remuneration received from the employer, including, but not limited to:
  - salary or wages, including allowances, commissions and bonuses; and
  - annual leave, long service leave, Parental Leave;
- workers compensation claim payments, accident compensation schemes and other statutory insurance claims paid or payable including government disability pensions (only applied once claim payments are actually paid to the Life Insured);
- payments received from other individual Income protection policies, group disability Income policies and superannuation plans; and
- any benefit or payment from another source which is paid regularly and in relation to your employment status, for example unemployment benefits or government parental leave entitlements. Where those payments are offset by benefits received under this Policy, those payments will not be offset by this Policy.

Where these amounts are paid or payable in a lump sum and cannot be allocated to specific months, then 1/60th of the lump sum will be taken into account each month for the duration of the Benefit Period.

The following will not be offset:

- a lump sum or part of a lump sum paid as compensation for pain and suffering or as compensation for permanent impairment that results from an Injury; and
- a lump sum total & permanent disablement or trauma benefit.

**Paralysis** is the following:

- Diplegia which means the total and permanent loss of function of both sides of the body.
- Hemiplegia which means the total and permanent loss of function of one side of the body.
- Paraplegia which means the total and permanent loss of function of the lower limbs.
- Quadriplegia which means the total and permanent loss of function of the lower and upper limbs.

For Specific Injury cover, Paralysis must arise solely and directly as a result of an Accident to the spinal cord or brain.

**Parental Leave** means the Life Insured has taken leave from their employer (either paid or unpaid), or if Self-Employed, has stopped working in their own business, due to:

- the birth of a child; or
- the legal adoption of a child under the age of three.

The Life Insured must have an agreed date of return to work established prior to commencing the leave.

**Partner** means:

- a person to whom you are legally married, or
- a person (whether of the same or a different sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple (de facto), or
- a person (whether of the same or different sex) with whom you are in a relationship that is registered under a relevant law of an Australian State or Territory.

**Permanent Employee** means the Life Insured:

- is employed on a permanent basis with no agreed employment cease date;
- receives regular remuneration from their employment;
- is entitled to sick leave, annual leave and superannuation payments as part of their employment; and
- does not own (in whole or in part) the business that employs them.

**Personal Information** means 'personal information' and 'sensitive information' as those terms are defined in the Privacy Act 1988 (Cth).

**Policy** means the legal contract between you as the Policy Owner and us.

The terms and conditions of this contract are defined by:

- this PDS;
- the Policy Schedule;
- the application for insurance, including any declaration and statements relating to the insurance and all information provided by you when applying for the Policy; and
- any special conditions, amendments or endorsements we issue to you.

**Policy Anniversary Date** means the anniversary of the Policy Commencement Date.

**Policy Commencement Date** means the date your cover commences. The Policy Commencement Date is set out in the Policy Schedule.

In the event of reinstatement of the Policy, the Policy Commencement Date in respect of the reinstated Policy is the effective Policy Reinstatement Date.

**Policy Owner** is the Life Insured on the Policy.

**Policy Reinstatement Date** means the date we agree to reinstate the Policy where requested by the Policy Owner. All premium arrears must be paid before a Policy can be reinstated.

**Policy Schedule** means the document entitled 'Policy Schedule' issued by us setting out the details of the insurance cover under the Policy.

**Pre-Disability Income** means that except in the circumstances listed below, the greater of the Life Insured's average monthly Income:

- for the six consecutive months preceding the Disablement Date; and
- for the latest financial year preceding the Disablement Date.

In the event the Life Insured becomes Totally Disabled during the period of Premium Pause then the Life Insured's Pre-Disability Income will be the average monthly Income for the six consecutive months preceding the commencement of the Premium Pause.

If the Life Insured becomes Self-Employed in the 12 months prior to the Disablement Date, their Pre-Disability Income is the average monthly Income generated from the time since becoming Self-Employed to the Disablement Date.

**Relative** means a person who is a:

- parent, grandparent, brother, sister, uncle, aunt, nephew or niece; or
- dependent biological, legally adopted or step child;

of you or of your Partner.

**Self-Employed** in relation to a person means that the person is in Self-Employment.

**Self-Employment** means gainful Self-Employment for salary, reward or profit in your business, profession or occupation (e.g. sole trader, contractor, employee of own company or in a business partnership/trust) other than as an employee.

**Sickness** means illness or disease which manifests itself after the Policy Commencement Date.

**Specific Injury** means an Injury listed in the table titled "Specific Injury" in this PDS.

**Specific Injury Period** means the period for which we will pay a Specific Injury, as listed in the table titled "Specific Injury" in this PDS.

**Sum Insured** means the agreed cover level for each insured benefit, as specified in the most recent Policy Schedule, endorsement letter or renewal certificate issued for this Policy.

**Total Disability (Activities of Daily Living)** means the Life Insured, solely and directly due to Injury or Sickness and independent of any other cause, is:

- unable to perform at least two of the Activities of Daily Living;
- under the regular care of and following the advice of a Medical Practitioner approved by us; and
- not working (whether paid or unpaid).

**Total Disability (Usual Duties)** means the Life Insured, solely and directly due to Injury or Sickness and independent of any other cause, is:

- unable to perform the Duties of their usual occupation;
- under the regular care of and following the advice of a Medical Practitioner approved by us; and
- not working (whether paid or unpaid).

**Totally Disabled** means the Life Insured meets the definition of Total Disability applicable to them.

**Waiting Period** means the Waiting Period as stated on the Policy Schedule, and is the number of days at the beginning of a period of Total Disability, in respect of which no Total Disability benefit is payable. The Waiting Period begins on the Disablement Date. The Benefit Period for Total Disability commences after the completion of the Waiting Period.

# Direct Debit Request Service Agreement

This is Your Direct Debit Request Service Agreement with AIA Australia Limited (ABN 79 004 837 861 AFSL 230043). It explains what Your obligations are when undertaking a Direct Debit arrangement with Us. It also details what Our obligations are to You as Your Direct Debit provider.

Please keep this agreement for future reference. It forms part of the terms and conditions of Your Direct Debit Request (DDR) and should be read in conjunction with Your DDR authorisation.

## Definitions

For this Agreement only, the following definitions will apply.

**Account** means the Account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

**Agreement** means this Direct Debit Request Service Agreement between You and Us.

**Business Day** means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

**Debit Day** means the day that payment by You to Us is due.

**Debit Payment** means a particular transaction where a debit is made.

**Direct Debit Request** means the Direct Debit Request between Us and You.

**Us or We** means AIA Australia Limited (ABN 79 004 837 861), Direct Debit User ID 000142 (the Debit User) You have authorised by requesting a Direct Debit Request.

**You** means the customer who has signed or authorised by other means the Direct Debit Request.

**Your Financial Institution** means the financial institution nominated by You on the DDR at which the Account is maintained.

## 1 Debiting Your Account

1.1 By signing a Direct Debit Request or by providing Us with a valid instruction, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this Agreement for the terms of the arrangement between Us and You.

1.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request

**or**

We will only arrange for funds to be debited from Your Account if We have sent to the address nominated by You in the Direct Debit Request, a billing advice which specifies the amount payable by You to Us and when it is due,

**Except where:**

We have agreed to a temporary variation in accordance with Your instructions under clause 3 of this Agreement; or

A credit tribunal or other legal tribunal has instructed Us to vary the arrangement.

- 1.3 If the Debit Day falls on a day that is not a Business Day, We may direct Your Financial Institution to debit Your Account on the following Business Day. If You are unsure about which day Your Account has or will be debited You should ask Your Financial Institution.

## 2 Amendments by Us

- 2.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least 14 days written notice.
- 2.2 We reserve the right to cancel this Agreement if the first debit from Your Account is returned unpaid or two or more debit attempts are returned unpaid by Your Financial Institution.

## 3 Amendments by You

- 3.1 You may change\*, stop or defer a Debit Payment, or terminate this Agreement by providing Us with at least 14 days notification by:

writing to AIA Australia Customer Service,  
PO Box 6143, Melbourne VIC 3004

**or**

telephoning Us on **1800 491 588** during business hours;

**or**

arranging it through Your Financial Institution, which is required to act promptly on Your instructions.

\*Note: in relation to the above reference to 'change', Your Financial Institution may 'change' Your Debit Payment only to the extent of advising Us of Your new Account details.

## 4 Your obligations

- 4.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request and this Agreement.
- 4.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:
- You may be charged a fee and/or interest by Your Financial Institution;
  - You may also incur fees or charges imposed or incurred by Us; and
  - You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.
- 4.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct.

## 5 Dispute

- 5.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly on 1800 491 588 and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. Alternatively You can take it up directly with Your Financial Institution.
- 5.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your Financial Institution to adjust Your Account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.
- 5.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding in writing.
- 5.4 Any queries You may have about an error made in debiting Your Account should be directed to Us in the first instance and, if We are unable to resolve the matter, You can refer such queries to Your Financial Institution which will obtain details from You of the disputed transaction and may lodge a claim on Your behalf.

## 6 Accounts

- 6.1 You should check:
- a. with Your Financial Institution whether direct debiting is available from Your Account as direct debiting is not available on all accounts offered by financial institutions.
  - b. Your Account details which You have provided to Us are correct by checking them against a recent Account statement; and
  - c. with Your Financial Institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

## 7 Confidentiality

- 7.1 Subject to clause 7.2, We will keep any information (including Your Account details) collected as part of Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of Our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information about You that We have collected as part of Your Direct Debit Request:
- a. to the extent specifically required or permitted by law or under Our privacy policy or procedures; or
  - b. for the purposes of this Agreement (including disclosing information in connection with any query or claim).

## 8 Notice

- 8.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to:  
AIA Australia Customer Service  
PO Box 6143, Melbourne VIC 3004
- 8.2 We will notify You by sending a notice in the ordinary post or via email to the address You have given Us in the Direct Debit Request.
- 8.3 Any notice will be deemed to have been received on the third Business Day after posting.

This PDS should be read before making a decision to acquire or continue to hold Income Protection. It is intended to help you decide whether Income Protection will meet your needs and compare it with other products you may be considering. Any financial product advice contained in this PDS is of a general nature only and has been prepared without taking into account your objectives, financial situation and needs.

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AIA Australia is not bound to accept your application. Cover is subject to AIA Australia accepting the application and the receipt of the required premium.

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# **AIA Australia**

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