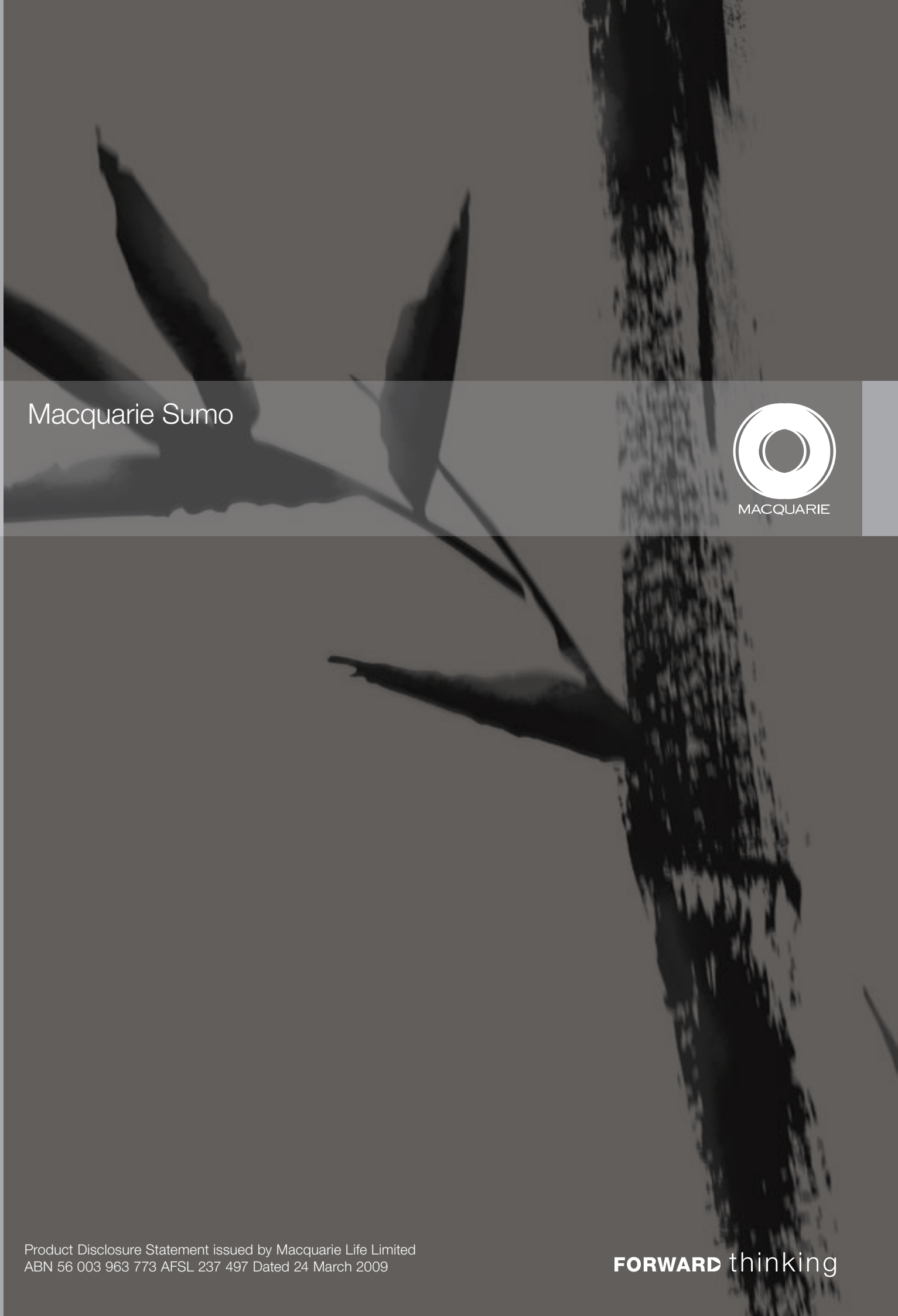

Macquarie Sumo

MACQUARIE

Product Disclosure Statement issued by Macquarie Life Limited
ABN 56 003 963 773 AFSL 237 497 Dated 24 March 2009

FORWARD thinking

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Important Information

This Product Disclosure Statement (**PDS**) contains important information about insurance products issued by Macquarie Life Limited (Macquarie Life).

Macquarie Life is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959 and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Life.

Information contained in this PDS can change from time to time. If the change is not materially adverse, the updated information will be available on our website, www.macquarie.com.au. A paper copy of any updated information will be given to you on request without charge.

You can apply for a Macquarie Sumo policy using the application accompanying this PDS, or by downloading an application from our website. It is important that you consider this PDS before completing the application.

This PDS has been prepared by Macquarie Life and does not take into account your objectives, financial situation or needs. Before acting on this PDS you should consider whether it is appropriate to your situation. We recommend you obtain financial, legal and taxation advice before making a decision to acquire the product.

About this document

When reading this PDS a reference to "we", "our" and "us" means Macquarie Life. Any reference to "you" or "your" means the applicant for, or owner of, a Macquarie Sumo policy.

There are also other terms used which have a special meaning. These terms are shown in *italics* and are explained in the **Glossary** at the end of this PDS.

The importance of insurance

Welcome to Macquarie Sumo. Your adviser has introduced this product to you as a reflection of your success and a desire to help you protect those things you've strived hard to achieve.

The status you have attained; the assets that you have acquired; the lifestyle you continue to enjoy is all supported by the income you derive from hard work, knowledge and perseverance.

Our aim through Macquarie Sumo, is to provide a wealth protection solution that may help reduce the risk of you being exposed to drastic lifestyle changes, such as forced asset sales, should you suffer from an injury, illness or worse.

We believe Macquarie Sumo represents a new high-water mark in personal insurance and offers you higher levels of protection for your personal and business requirements than typically available in the Australian insurance market place.

Macquarie Sumo summary

Macquarie Sumo provides insurance solutions that allow you to arrange the right combination of benefits to meet your needs.

Macquarie Sumo offers you the choice of:

- Life Insurance;
- Life Insurance with Total and Permanent Disablement (TPD) Insurance and/or Trauma Insurance options;
- Disability Income Insurance.

These policies are generally available to individuals, companies, trusts, and trustees of self managed superannuation funds. Macquarie Sumo is not offered as part of the Macquarie Superannuation Plan.

You can apply for cover under a Macquarie Sumo Life Insurance Policy on your own life, or on the life of another person. If you are the trustee of a self managed superannuation fund, you may apply for Macquarie Sumo Life Insurance as the trustee on behalf of a member or members of your self managed superannuation fund.

You can apply for cover under a Macquarie Sumo Disability Income Insurance Policy on your own life. However, if you are the trustee of a self managed superannuation fund, you may apply for a Macquarie Sumo Disability Income Insurance Policy as the trustee on behalf of a member or members of your self managed superannuation fund.

If you are applying for a Macquarie Sumo policy as trustee of a self managed superannuation fund, it is your responsibility as trustee to consider the appropriateness of providing each type of insurance cover within superannuation and superannuation law that operates to limit the release of benefits.

LIFE INSURANCE POLICY

The Life Insurance Policy provides a lump sum (called the Life sum insured) if the insured person dies or is diagnosed with a *terminal illness*. Life Insurance is available in a policy on its own. Alternatively, Life Insurance is available in a policy that includes linked Total and Permanent Disablement (TPD) and/or Trauma Insurance.

TPD Insurance provides a lump sum (called the TPD sum insured) if the insured person suffers *total and permanent disablement*.

Trauma Insurance provides a lump sum (called the Trauma sum insured) if the insured person suffers a covered Trauma Condition (for some conditions a partial benefit is payable).

When TPD and/or Trauma Insurance are included in a Life Insurance Policy, the Life sum insured will be reduced by any benefit paid for *terminal illness*, TPD or Trauma.

Similarly, the TPD and/or Trauma Insurance will also be reduced by any benefit paid for *terminal illness*, TPD or Trauma under the policy.

DISABILITY INCOME INSURANCE POLICY

The Disability Income Insurance Policy provides a *monthly benefit* that replaces income if the insured person is disabled, in most cases, for longer than the specified waiting period.

The key characteristics of the types of insurance cover available are summarised in the following tables.

Life Insurance	
Provides a lump sum if the insured person dies or is diagnosed with a *terminal illness*.	
Entry ages	20 – 70 (inclusive of these ages)
Expiry age	99
Sum insured	Minimum $2 million No maximum (subject to financial justification)

Total & Permanent Disablement (TPD) Insurance Option	
Provides a lump sum if the insured person suffers *total and permanent disablement*.	
Entry ages	20 – 60 (inclusive of these ages)
Expiry age	99 Cover limited from age 65
Sum insured	Minimum $3 million Maximum $15 million (but not more than the Life sum insured) ■ Cover above $10 million is provided on the basis of *Activities of Daily Working (ADW)* definition of TPD.

Trauma Insurance Option	
Provides a lump sum if the insured person suffers a Trauma condition.	
Entry ages	20 – 60 (inclusive of these ages)
Expiry age	99 Cover limited from age 70
Sum insured	Minimum $2 million Maximum $10 million (but not more than the Life sum insured) ■ Cover up to $2 million provided for Standard Trauma Conditions ■ Cover above $2 million provided for Sumo Trauma Conditions.

Disability Income Insurance	
Provides a benefit if the insured person is unable to work due to illness or injury and is *disabled* for longer than the waiting period.	
Entry ages	20 – 55 (inclusive of these ages)
Expiry age	65
Monthly benefit	Minimum monthly insured amount $30,000 Maximum monthly insured amount $60,000 The monthly insured amount up to the monthly equivalent of 75% of first $320,000 and 50% of the next $240,000 and 25% thereafter of: ■ *pre-disability income* (for cover on an indemnity basis); ■ *pre-application income* (for cover on an agreed value basis), of the insured person.
Type of cover	■ Up to $30,000 on an agreed value basis; and ■ Up to an additional $30,000 on an indemnity basis.
Waiting periods available	■ 60 days ■ 90 days
Benefit periods available	■ 1 year ■ 2 years ■ 5 years ■ 10 years Cover may be restricted depending on the employment classification of the person to be insured.
Included benefits and features	■ *Total disability* benefit ■ *Partial disability* benefit ■ Specific Injury benefit ■ Bed Confinement benefit ■ Home Care benefit ■ Rehabilitation Expenses benefit ■ Accommodation benefit ■ Overseas Return benefit ■ Death benefit ■ Premium waiver ■ Claims escalation

1. Macquarie Sumo terms and conditions

1.1 THE INSURED PERSON

You can apply for cover on your own life or, if you are applying for a Life Insurance Policy, on the life of another person. If you are the trustee of a self managed superannuation fund, you may apply for a Macquarie Sumo Disability Income Insurance Policy on behalf of a member or members of your self managed superannuation fund. The person to be insured must be within the applicable entry ages and, if you are applying for cover on the life of another person, you must have a satisfactory insurable interest in that person. We will assess your application and, if accepted, will issue you a Macquarie Sumo policy detailing the cover provided. The terms and conditions applying to each type of Macquarie Sumo policy are set out in this section of the PDS.

Words or expressions shown in *italics* have the meaning explained in the **Glossary** at the end of the PDS.

1.2 LIFE INSURANCE

Applying for Life Insurance

You can apply for Life Insurance under a Macquarie Sumo Life Insurance Policy if the person to be insured is aged between 20 and 70 inclusive of those ages.

The amount of cover, called the Life sum insured, that you can apply for depends on the financial circumstances and any existing insurance cover on the person to be insured, and your insurable interest. The amount you apply for must be at least $2 million.

If you are applying for Life Insurance as the trustee of a self managed superannuation fund, there may be circumstances in which the trustee will be unable to release the benefit at the time of claim under superannuation law. We recommend you seek advice before you apply if you are considering taking this insurance cover within superannuation.

Increases in Life Insurance

You can apply to increase the existing Life sum insured at any time while the insured person is aged less than 70, by completing an application and providing any additional information we request. Applications for increases are subject to our acceptance.

When the Life sum insured is payable

The Life sum insured will be paid if the insured person:

- dies; or
- is diagnosed with a *terminal illness*

after the Life Insurance cover start date shown in your policy and before the Life Insurance ends, explained in the section titled ‘When cover ends’ on page 16.

When the Life sum insured is reduced

The Life sum insured will be reduced by the following amounts paid under your Macquarie Sumo Life Insurance Policy:

- the amount of any TPD Insurance paid, when TPD Insurance is included in your policy; and
- the amount of any Trauma Insurance paid, when Trauma Insurance is included in your policy.

Your policy will show whether TPD and/or Trauma Insurance are included.

When we won’t pay

A Life Insurance claim will not be payable if death or *terminal illness* is directly or indirectly caused, or contributed to, by:

- suicide, or an intentional self inflicted act (this exclusion does not apply beyond 13 months from the Cover start date for the component of Life sum insured below $15 million);
- the voluntary disappearance of the insured person;
- a criminal act by the insured person;
- *alcohol abuse* or *alcohol dependence*;
- improper use of prescription drugs, over-the-counter drugs, and controlled substances;
- an act of terrorism; or
- war, invasion, acts of foreign enemies, hostilities (whether war is or is not declared), civil war, rebellion, revolution, insurrection or military or usurped power.

1.3 TPD INSURANCE OPTION

Applying for TPD Insurance

You can apply for TPD Insurance under a Macquarie Sumo Life Insurance Policy if the person to be insured is aged between 20 and 60 (inclusive of these ages).

You apply for a specified amount of insurance that is known as the TPD sum insured. The minimum amount you can apply for is $3 million and the maximum is $15 million.

The definition of TPD varies depending on the level of cover, with a distinct definition applying for each component of the cover as follows:

- the first component of Cover up to $3 million is based on the *own occupation* definition of *total and permanent disablement*, only in respect of that component;
- any component of Cover between $3 million and $10 million is based on the *suited occupation* definition of *total and permanent disablement*, only in respect of that component; and
- any component of Cover above $10 million is based on the *ADW* definition of *total and permanent disablement*, only in respect of that component.

The TPD sum insured you apply for cannot exceed the Life sum insured.

These limits may be affected by similar cover already in place on the person to be insured.

If you are applying for the TPD Insurance Option as the trustee of a self managed superannuation fund, there may be circumstances in which the trustee will be unable to release the benefit at the time of claim under superannuation law (for example, if you are paid a TPD benefit under the insurance cover but the member does not meet a condition of release under superannuation law). We recommend you seek advice before you apply if you are considering taking this insurance cover within superannuation.

Increases in TPD Insurance

You can apply to increase the TPD sum insured (but not above the maximum) at any time while the insured person is aged between 20 and 60. You can do this by completing an application and providing any additional information we request. Applications for increases are subject to our acceptance.

Changes in the TPD Insurance

On the cover anniversary on or after the insured person reaches age 65:

- the TPD sum insured reduces to $1 million across all policies issued by Macquarie Life covering the insured person; and
- the benefit is only payable under the *modified TPD* definition of *total and permanent disablement*.

The premium for your Macquarie Sumo policy will be adjusted to reflect the reduced TPD sum insured.

The *own occupation* definition of *total and permanent disablement* applies for the component of cover up to $3 million.

The *suited occupation* definition of *total and permanent disablement* applies if there is a component of cover between $3 million and $10 million, in respect of that component.

The *ADW* definition of *total and permanent disablement* applies if:

- there is a component of the sum insured above $10 million, in respect of that component; and/or
- at the time of the injury or illness for which the claim for *total and permanent disablement* is made, the insured person has not been *gainfully employed* at any time within the preceding twelve months.

When the TPD sum insured is reduced

The TPD sum insured will be reduced by the amount of any Trauma Insurance paid. Any reduction will be applied to the components of TPD in the following order:

1. *own occupation* component first; then
2. *suited occupation* component; then
3. *ADW* component.

If the TPD sum insured is reduced, but part of the sum insured remains, the premium for your policy is adjusted accordingly.

Changes to TPD benefit

* The ADW definition applies for the total insured amount if the insured person has not been *gainfully employed* at any time within the 12 months preceding the injury or illness for which the TPD claim is being made.

When the TPD sum insured is payable

If your Macquarie Sumo Life Insurance Policy includes TPD Insurance, the TPD sum insured will be paid if the insured person suffers *total and permanent disablement* after the TPD Insurance cover start date shown in your policy and before the TPD Insurance ends, explained in the section titled 'When cover ends' on page 16.

If the claim for TPD is related to a *mental illness*, the maximum benefit payable will be $3 million.

When we won't pay

A TPD Insurance claim will not be payable if *total and permanent disablement* is directly or indirectly caused, or contributed to, by:

- an intentional self inflicted act;
- a criminal act by the insured person;
- *alcohol abuse* or *alcohol dependence*;
- improper use of prescription drugs, over-the-counter drugs, and controlled substances;
- an act of terrorism; or
- war, invasion, acts of foreign enemies, hostilities (whether war is or is not declared), civil war, rebellion, revolution, insurrection or military or usurped power.

A TPD Insurance claim will not be payable if the insured person does not undergo any rehabilitation program we consider reasonable.

1.4 TRAUMA INSURANCE OPTION

Applying for Trauma Insurance

You can apply for Trauma Insurance under a Macquarie Sumo Life Insurance Policy if the person to be insured is aged between 20 and 60 inclusive of these ages.

You apply for a specified amount of insurance that is known as the Trauma sum insured. The minimum Trauma sum insured you can apply for is $2 million. Applications above $2 million, to a maximum of $10 million, can be made on the basis that the Trauma sum insured above $2 million is only payable if the insured person satisfies a Sumo Trauma Condition.

The first $2 million component of the Trauma sum insured is called the Standard Trauma sum insured. The component of the Trauma sum insured above $2 million, if any, is called the Sumo Trauma sum insured.

The Trauma sum insured must not exceed the Life sum insured.

These limits may be affected by similar cover already in place on the person to be insured.

If you are applying for the Trauma Insurance Option as the trustee of a self managed superannuation fund, there may be circumstances in which the trustee will be unable to release the benefit at the time of claim under superannuation law. We recommend you seek advice before you apply if you are considering taking this insurance cover within superannuation.

Increases in Trauma Insurance

You can apply to increase the Trauma sum insured (but not above the maximum) at any time while the insured person is aged between 20 and 60. You can do this by completing an application and providing any additional information we request. Applications for increases are subject to our acceptance.

When the Trauma sum insured is payable

If your Macquarie Sumo Life Insurance Policy includes Trauma Insurance, all or part of the Standard Trauma sum insured is payable if the insured person suffers one of the Standard Trauma Conditions listed on pages 9 and 10 after the Trauma Insurance cover starts for the condition and before the earlier of:

- the Trauma Insurance ending; and
- the cover anniversary on or after the insured person reaches age 99. Cover is limited from age 70.

The Standard Trauma sum insured is payable if the insured person suffers one of the conditions listed in the Table headed "Standard Trauma Conditions – Full Benefit".

A partial benefit is payable if the insured person suffers one of the conditions listed in the Table headed "Standard Trauma Conditions – Partial Benefit".

The total of any part of the Standard Trauma sum insured not previously paid, and the Sumo Trauma sum insured, if any, is payable if the insured person suffers one of the conditions listed in the Table headed "Sumo Trauma Conditions" after the Trauma Insurance cover starts for the condition and before the earlier of:

- the Trauma Insurance ending; and
- the cover anniversary on or after the insured person reaches age 70.

The Trauma Insurance ends in the circumstances explained in the section titled 'When cover ends' on page 16.

We will only pay once for any one Trauma Condition, except:

- in the case of *angioplasty,* where a subsequent claim is made for an angioplasty procedure which has occurred at least six months after the previous *angioplasty* claim;
- in the case of *cancer, stroke* or *heart attack*, where the Standard Trauma sum insured has been paid for that condition and a subsequent claim is made for the Sumo Trauma sum insured for that condition.

Changes in the Trauma Insurance

On the cover anniversary on or after the insured person reaches age 70, the Trauma sum insured reduces to $1 million across all policies issued by Macquarie Life and is only payable if the insured person suffers the *loss of independent existence* condition before the Trauma Insurance ends.

If your policy includes TPD cover, the Trauma sum insured reduces to zero on the cover anniversary on or after the insured person reaches age 70 and your premium for Trauma Insurance will cease. This is because cover for *loss of independent existence* is provided under the *modified TPD* definition of *total and permanent disablement*.

When the Trauma sum insured is reduced

The Trauma sum insured will be reduced by the following amounts paid under your Macquarie Sumo Life Insurance Policy:

- the amount of any TPD Insurance paid;
- any amount paid as a Partial Benefit for a Trauma Condition; and
- the amount of any Standard Trauma sum insured paid if your Macquarie Sumo policy includes a Sumo Trauma sum insured.

If your Macquarie Sumo policy includes a Sumo Trauma sum insured, any reduction in the Trauma sum insured will be applied first to the Standard Trauma sum insured.

If the Trauma sum insured is reduced, but part of the sum insured remains, the premium for your policy is adjusted accordingly.

When Trauma Insurance starts

Except for the Trauma Conditions marked #, Trauma Insurance starts on:

- the cover start date shown in your Macquarie Sumo Life Insurance Policy;
- the date any cover is reinstated, (but only in respect of the reinstated cover); or
- the cover start date for any increase in the Trauma sum insured that you applied for (but only in respect of that increase).

For the Trauma Conditions marked #, Trauma Insurance starts 90 days after the applicable date referred to above.

The deferred commencement of cover by 90 days on certain Trauma Conditions, as outlined above, does not apply to that part of the Trauma sum insured that replaces other similar insurance under a policy issued by another insurer or another policy issued by Macquarie Life, if:

- we were specifically told about the intended replacement of the other policy in your answer to the relevant question in your application for this policy and we agreed to issue this policy on the basis that it replaced the other policy;
- the other policy provided similar cover for the Trauma Condition;
- the other policy was continuously in force for 90 days immediately prior to the issue of this policy;
- the other policy was cancelled immediately after the issue of this policy; and
- no claim is pending or payable under the other policy.

Standard Trauma Conditions – Full Benefit

aortic surgery#	*loss of limbs*
aplastic anaemia	*loss of sight*
benign brain tumour	*loss of speech*
cancer#	*major head trauma*
cardiomyopathy	*major organ transplant*
chronic kidney failure	*medically acquired HIV*
chronic liver disease	*motor neurone disease with impairment level#*
chronic lung disease	*multiple sclerosis with impairment level*
cognitive loss	*muscular dystrophy with impairment level*
coma	*occupationally acquired HIV*
coronary artery by-pass surgery#	*Parkinson's disease with impairment level*
dementia including Alzheimer's disease	*paralysis*
encephalitis	*primary pulmonary hypertension*
heart attack#	*severe burns*
heart valve surgery#	*stroke#*
loss of hearing	*triple vessel angioplasty#*
loss of independent existence	

Special conditions apply to when cover starts for these Trauma Conditions. See the section titled 'When Trauma Insurance starts' on this page.

Standard Trauma Conditions – Partial Benefit

angioplasty#	*multiple sclerosis#*
carcinoma in situ of breast#	*muscular dystrophy#*
carcinoma in situ of the cervix and cervical dysplasia#	*Parkinson's disease#*
carcinoma in situ of the fallopian tube#	*partial loss of limbs*
carcinoma in situ of the ovary#	*partial loss of sight*
carcinoma in situ of the vagina#	*severe burns of limited extent*
carcinoma in situ of the vulva#	*severe Crohn's disease*
colostomy/ileostomy	*severe osteoporosis*
early stage melanoma#	*severe rheumatoid arthritis*
early stage prostate cancer#	*severe ulcerative colitis*
hydrocephalus	
major organ transplant waiting list	

Special conditions apply to when cover starts for these Trauma Conditions. See the section titled 'When Trauma Insurance starts' on page 9.

The partial benefit payable for the above conditions is $100,000, except for *angioplasty,* for which the benefit is $20,000.

Sumo Trauma Conditions

cancer#
paralysis
heart attack#
stroke#
loss of independent existence

Special conditions apply to when cover starts for these Trauma Conditions. See the section titled 'When Trauma Insurance starts' on page 9.

When we won't pay

A Trauma Insurance claim will not be payable if the Trauma Condition (or where the condition involves surgery or a procedure, the disease or condition for which the surgery or procedure is undertaken) is directly or indirectly caused, or contributed to, by:

- an intentional self inflicted act;
- a criminal act by the insured person;
- *alcohol abuse* or *alcohol dependence*;
- improper use of prescription drugs, over-the-counter drugs, and controlled substances;
- an act of terrorism; or
- war, invasion, acts of foreign enemies, hostilities (whether war is or is not declared), civil war, rebellion, revolution, insurrection or military or usurped power.

A Trauma Insurance claim will also not be payable for a Trauma Condition:

- if, at any time before the Trauma Insurance starts for that Trauma Condition, you or the insured person were aware of the Trauma Condition (or, where the condition involves surgery or a procedure, were aware of the disease or condition for which the surgery or procedure is required); or
- if, during the 12 months before the Trauma Insurance starts for that Trauma Condition, you or the insured person were aware, or a reasonable person in the circumstances would have been aware, of symptoms referable to that Trauma Condition (or, where the condition involves surgery or a procedure, referable to the disease or condition for which the surgery or procedure is required).

The exclusions apply in relation to each increase in Trauma Insurance that we accept in the same way as the exclusions applied to the Trauma Insurance cover under your Macquarie Sumo Life Insurance Policy when that cover started.

The Trauma Insurance starts in the circumstances explained in the section titled 'When Trauma Insurance starts' on page 9.

1.5 DISABILITY INCOME INSURANCE

Applying for Disability Income Insurance

You can apply for Disability Income insurance under a Macquarie Sumo Disability Income Insurance Policy if the person to be insured is aged between 20 and 55, inclusive of these ages, and *gainfully employed*.

The minimum amount you can apply for is a monthly insured amount of $30,000. The maximum amount you can apply for depends on the financial circumstances of the person to be insured and the basis on which the cover is provided.

Depending on where the person to be insured is living, you can apply for a maximum monthly insured amount of:

- $30,000 per month on an agreed value basis; and
- up to an additional $30,000 per month on an indemnity basis.

In some circumstances the monthly insured amount may only be offered on an indemnity basis up to $60,000 per month. These limits may be affected if you, or the insured person, have similar existing cover with us, or with another insurer.

If you are applying as the Trustee of a self managed superannuation fund, there may be circumstances in which the trustee will be unable to release some of the benefits at the time of claim under superannuation laws. We recommend you seek advice before you apply if you are considering taking this insurance cover within superannuation.

Disability Income Insurance Cover

The basis on which cover is provided will be shown in the Macquarie Sumo Disability Income Insurance Policy issued to you. Where provided:

- on an agreed value basis, the benefit payable in the event of a claim will be based on the insured person's *pre-application income* to a maximum of the monthly insured amount;
- on an indemnity basis, the benefit payable in the event of a claim is based on the insured person's *pre-disability income* to a maximum of the monthly insured amount.

It is important to note that, while the benefit payable will never exceed the monthly insured amount, in some cases it may be less than the monthly insured amount.

Increases in Disability Income Insurance

If you have a Macquarie Sumo Disability Income Insurance Policy, you can apply to increase the monthly insured amount (but not above the maximum) at any time while the insured person is aged between 20 and 55 and *gainfully employed*. You will need to complete an application and provide any additional information we request.

Applications to increase the monthly insured amount are subject to our acceptance.

Waiting period

Disability Income Insurance benefits are usually subject to a waiting period before the benefit becomes payable.

The following waiting periods are available:

- 60 days;
- 90 days.

The waiting period that applies is shown in the Macquarie Sumo Disability Income Insurance Policy issued to you.

The waiting period begins the day the insured person is *disabled*.

The insured person can return to work (and not be *disabled*) during the waiting period for up to:

- five consecutive days if your waiting period is 60 days;
- ten consecutive days if your waiting period is 90 days,

before we will restart the waiting period. Where the waiting period is not restarted, it will be extended by the number of days worked while the insured person is not *disabled*.

Benefit period

The benefit period is the maximum period for which a claim for a *disability* is payable.

The following benefit periods are available:

- 1 year;
- 2 years;
- 5 years;
- 10 years.

Availability of benefit periods depends on the employment classification of the person to be insured when applying for a Macquarie Sumo Disability Income Policy.

The benefit period that applies is shown in the Macquarie Sumo Disability Income Insurance Policy issued to you.

The benefit period for an individual claim starts at the end of the waiting period and continues until the earlier of:

- the end of the selected benefit period; and
- the date when cover ends (see the section, 'When cover ends' on page 16).

Claim for *Total Disability*

If you have a Macquarie Sumo Disability Income Insurance Policy, a benefit is payable if, after the cover start date shown in your policy and before the Macquarie Sumo Disability Income Insurance ends, the insured person:

- has been continuously *disabled* during the waiting period and *totally disabled* for at least 7 out of 12 consecutive days during that time; and
- is *totally disabled* after the end of the waiting period, or after a period during which a benefit for *partial disability* has been paid for the same *disability*.

The benefit payable is the *monthly benefit*, adjusted to take into account any:

- offsets which apply, as explained in the section titled 'When the *monthly benefit* is reduced' on page 15; and
- claims for *mental illness*, as explained in the section titled 'When the *monthly benefit* is reduced' on page 15; and
- increases under 'Claims Escalation', as explained on page 15.

The *monthly benefit* for *total disability* is payable monthly in arrears for each day of *total disability* after the end of the waiting period, or after a period during which a benefit for *partial disability* has been paid for the same *disability,* but not beyond the end of the benefit period for that *disability*. If the benefit is only payable for part of a month, it will be paid at the rate of 1/30th of the *monthly benefit* for each day that it is payable.

Claim for *Partial Disability*

If you have a Macquarie Sumo Disability Income Insurance Policy, a benefit is payable if, after the cover start date shown in your policy and before Macquarie Sumo Disability Income Insurance ends, the insured person:

- has been continuously *disabled* during the waiting period and *totally disabled* for at least 7 out of 12 consecutive days during that time; and
- is *partially disabled* after the end of the waiting period, or after a period during which a benefit for *total disability* has been paid for the same *disability*.

The benefit payable is a proportion of the *monthly benefit,* calculated as follows:

$$\frac{\textit{pre-disability income} - \textit{post-disability income}}{\textit{pre-disability income}} \times \textit{monthly benefit}$$

adjusted to take into account any:

- offsets which apply, as explained in the section titled 'When the *monthly benefit* is reduced' on page 15; and
- increases under 'Claims Escalation', as explained on page 15.

For *partial disability* claims related to a *mental illness*, the benefit payable is at a reduced proportion of the *monthly benefit*, calculated as follows:

$$\frac{\textit{pre-disability income} - \textit{post-disability income}}{\textit{pre-disability income}} \times \text{60\% of the } \textit{monthly benefit}$$

adjusted to take into account any:

- offsets which apply, as explained in the section titled 'When the *monthly benefit* is reduced' on page 15; and
- increases under 'Claims Escalation', as explained on page 15.

The proportion of the *monthly benefit* for *partial disability* is payable monthly in arrears for each day of *partial disability* after the end of the waiting period, or after a period during which a benefit for *total disability* has been paid for the same *disability*, but not beyond the end of the benefit period for that *disability*. If the benefit is only payable for part of a month, it will be paid at the rate of 1/30th of the *monthly benefit* for *partial disability* for each day that it is payable.

Recurrent Disability

Any claim for a *disability* arising from the same or a related cause as a previous claim within six months of the previous claim ending, will be treated as a continuation of the previous claim and the waiting period will be waived. Where a subsequent claim is a claim for a *disability* arising from the same or a related cause as a previous claim or claims, a benefit will only be paid for that part of the benefit period, if any, remaining after allowing for the period during which benefits were paid for the previous claim or claims.

Specific Injury benefit

If you have a Macquarie Sumo Disability Income Insurance policy and the insured person suffers one of the injuries listed below after the cover start date shown in your policy and before the Macquarie Sumo Disability Income Insurance ends, we will pay the *monthly benefit* for the payment period indicated for that injury as a lump sum.

Injury	Payment Period
Paralysis*	60 months*
Total and permanent loss of any two of: ■ the use of a foot from the ankle joint; ■ the use of a hand from the wrist; or ■ the sight of an eye that is irreversible.	24 months^
Total and permanent loss of any one of: ■ the use of a foot from the ankle joint; ■ the use of a hand from the wrist; or ■ the sight of an eye that is irreversible.	12 months
Total and complete severance of the thumb and index finger from the phalangeal joint of the same hand	6 months
Fracture of thigh or pelvis	3 months
Fracture of the leg (between the knee and foot) or knee cap	2 months
Fracture of upper arm (including elbow and shoulder bone)	2 months
Fracture of the skull (except bones of the nose or face)	2 months
Fracture of the lower arm (including wrist, but excluding elbow, hands or fingers)	1 month
Fracture of the jaw or collarbone	1 month

* If the benefit period is 1 or 2 years, the payment period for paralysis under this feature is 12 or 24 months respectively.

^ If the benefit period is 1 year, the payment period for this event is limited to 12 months.

The benefit period for a *disability* due or related to an injury for which we have paid the Specific Injury benefit is reduced by the payment period for which we have paid the Specific Injury benefit.

If the insured person suffers more than one specific injury at the same time, we will only pay for one specific injury, being the one with the longest payment period.

Death benefit

If you have a Macquarie Sumo Disability Income Insurance policy and the insured person dies after the cover start date shown in your policy and before the Macquarie Sumo Disability Income Insurance ends, we will pay an amount equal to four times the monthly insured amount, to a maximum of $150,000 on receipt of the death certificate.

Premium Waiver

We will waive the premium and membership fee payable under your Macquarie Sumo Disability Income Insurance policy while a benefit is payable.

Bed Confinement benefit

If, after the cover start date shown in your policy and before the Macquarie Sumo Disability Income Insurance ends, the insured person is *totally disabled*, confined to bed (as confirmed by a *medical practitioner*) and is under the care of a registered nurse for 72 hours or more during the waiting period, we will pay 1/30th of the *monthly benefit* for each day of such bed confinement.

The Bed Confinement benefit is payable for a maximum of 30 days and only during the waiting period.

Home Care benefit

If a benefit for *total disability* has been paid for at least 30 days, and the insured person is confined to bed as a result of continuing *total disability*, as confirmed by a *medical practitioner*, we will reimburse the cost of employing a registered nurse, housekeeper or childminder up to $2100 per month for a maximum of six months.

This benefit starts to accrue on the first day all of the above requirements are met and is paid monthly in arrears. This benefit is in addition to any benefit payable for *total disability*.

Rehabilitation Expenses benefit

If a *disability* benefit is payable, we will pay all or part of any rehabilitation expenses or costs associated with a rehabilitation programme for the insured person that we have approved in advance, to a maximum of six times the monthly insured amount.

This benefit is in addition to any benefit payable for *total disability* or *partial disability*.

Accommodation benefit

If the insured person is hospitalised while *totally disabled,* and an *immediate family member* requires accommodation at a location more than 100km from their home to be closer to the insured person, we will reimburse the costs of accommodation up to $250 per day while the insured person is hospitalised, for a maximum of 30 days in any 12 month period.

The accommodation benefit is payable during the waiting period. This benefit is in addition to any benefit payable for *total disability*.

Overseas return benefit

If, after the cover start date shown in your policy and before the Macquarie Sumo Disability Income Insurance ends, the insured person is *totally disabled* for more than 30 days outside Australia and subsequently returns to Australia while *totally disabled*, we will pay the lesser of;

- the cost of a single standard business class airfare by the most direct route to an Australian port which is closest to the insured person's residence; and
- the cost incurred by the insured person in changing pre-booked travel arrangements as a result of *total disability*,

to a maximum of three times the monthly insured amount. Any amount received from any other source as reimbursement of these costs is deducted from the amount payable. This benefit is in addition to any benefit payable for *total disability* or *partial disability*.

Claims Escalation

Claims escalation applies if the *monthly benefit* payable on *total disability* or *partial disability* of the insured person is less than $60,000 and the insured person resides in Australia.

Where claims escalation applies, we will increase the *monthly benefit* by any increase in the *consumer price index* (to a maximum of 7.5%) on each 12 month anniversary of the commencement of your claim, to a maximum of $60,000.

When claim payments cease, the monthly insured amount will revert to that which applied at the commencement of your claim.

More than one benefit payable

If the insured person is eligible for one or more of the benefits for *total disability, partial disability,* Bed Confinement or Specific Injury Benefit at the same time, only one benefit is payable, being the benefit which provides the highest payment.

When the *monthly benefit* is reduced

The *monthly benefit* payable for *total disability* or *partial disability* may be reduced by any of the following payments you receive:

- legislated compensation schemes;
- social security or other statutory or Government payments;
- sick leave payments;
- any other insurance that provides *income* replacement benefits due to sickness or injury, unless we have expressly agreed not to apply a reduction.

If a lump sum is received from any of the above sources, we will convert that lump sum to a monthly payment at the rate of 1% of the lump sum paid per month.

The benefit we will pay will only be reduced to ensure that, when combined with the payments from any of the above sources, it does not exceed the monthly equivalent of 75% of *pre-disability income* (80% of *pre-disability income* in the case of a benefit for *partial disability*).

If your claim for *disability* is related to *mental illness,* we may reduce the *monthly benefit* so that it does not exceed $30,000 per month.

When we won't pay

A benefit will not be payable under Macquarie Sumo Disability Income Insurance for a claim which is caused by or attributed to:

- an intentional self inflicted act;
- normal or uncomplicated pregnancy or childbirth;
- elective surgery that occurs within 6 months of:
  - the cover start date;
  - the date any cover is reinstated (but only in respect of the reinstated cover); or
  - the cover start date for any increase in cover that you applied for (but only in respect of that increase);
- a criminal act by the insured person;
- *alcohol abuse* or *alcohol dependence*;
- improper use of prescription drugs, over-the-counter drugs, and controlled substances;
- an act of terrorism; or
- war, invasion, acts of foreign enemies, hostilities (whether war is or is not declared), civil war, rebellion, revolution, insurrection or military or usurped power.

We will not pay for any period while the insured person is in jail.

1.6 YOUR POLICY

When cover starts

Subject to any special conditions noted on your policy, cover starts from the cover start date shown for the insurance provided in the policy issued to you. Cover for some benefits provided in the Trauma Insurance option starts 90 days after the cover start date.

If we accept your application, we will issue a Sumo policy (or policies) detailing:

- policy owner(s);
- the insured person;
- the cover provided and insured amount;
- in the case of a Disability Income Insurance Policy, whether cover is provided on an agreed value or indemnity basis, the waiting period and the benefit period;
- cover start date;
- cover anniversary;
- any premium adjustments which apply;
- any special conditions which apply; and
- the premium and membership fee payable for the first year and when it is payable.

Your Macquarie Sumo policy is referable to our No 4 Statutory Fund and any claims paid under the policy will be paid from this fund.

Macquarie Life may, when lawfully entitled to do so, avoid or adjust your cover if you have breached your duty of disclosure (or you or the person to be insured have made a misrepresentation) in your application for Macquarie Sumo or when applying for an increase in cover. Your duty of disclosure is explained on page 20.

When cover ends

Insurance cover provided under a Macquarie Sumo policy ends on the earliest of:

- the cover anniversary on or after the insured person reaches the expiry age for the type of Insurance provided, as indicated in the table below;
- the death of the insured person;
- in the case of a Life Insurance Policy, payment of the Life sum insured in full, or the sum(s) insured for all insurance option(s) included under the policy, reduces the Life sum insured amount to nil;
- cancellation of the cover upon the written request of the policy owner;
- cancellation of the cover by Macquarie Life due to non-payment of the premium (and membership fee) when due; and
- any other date applied under a special condition shown in your policy.

Type of Insurance	Expiry Age
Life Insurance	99
TPD Insurance*	99
Trauma Insurance**	99
Disability Income Insurance	65

* TPD Insurance is limited from the cover anniversary on or after the insured person reaches age 65, as explained on page 6.

** Trauma Insurance is limited from the cover anniversary on or after the insured person reaches age 70, as explained on page 8.

Nominating your beneficiary – Life Insurance

If you are the policy owner, generally you will receive any benefit payment.

If you are the policy owner and also the insured person (and you do not own the policy in your capacity as trustee of a self managed superannuation fund), you can nominate up to ten beneficiaries to receive the Life sum insured should you die.

If you do not nominate a beneficiary, the Life sum insured will be paid to your legal personal representative, or other person we are permitted to pay under the Life Insurance Act.

Each beneficiary you nominate must be a person, a company or a legally recognised charity. You can change or cancel these nominations at any time in writing. A change in a nomination only takes effect when received by us.

At time of claim, if part of a nomination is invalid or one of the nominated beneficiaries has predeceased the insured person, the proceeds in relation to that invalid part or predeceased nominated beneficiary will be paid to your legal personal representative.

If a nominated beneficiary is a minor, we will pay the proceeds in relation to that nominated beneficiary to their legal guardian or into a trust for which that minor is a beneficiary.

All nominations will automatically cease if ownership of the policy is transferred.

If you own the policy in your capacity as trustee of a self managed superannuation fund, any benefit will be paid to you in that capacity. You are responsible for the payment of the benefit in accordance with the rules of your self managed superannuation fund and superannuation law current at the time of payment.

Guaranteed renewable

Provided you continue to pay your premiums and membership fee when due, your Macquarie Sumo policy is guaranteed renewable until cover ends, as explained in the section titled 'When cover ends' on page 16. This means that we cannot cancel or alter the terms of the cover because of changes in the insured person's health, occupation or pastimes.

If you request to extend, vary or reinstate your cover, your duty of disclosure applies but only in respect of the cover that is being extended, varied or reinstated. Your duty of disclosure is explained on page 20.

World wide cover

Your policy covers the insured person 24 hours a day, anywhere in the world.

Transferring ownership of your policy

You can transfer your policy by completing a Memorandum of Transfer, which must be signed by both you and the transferee, and sending it to us, with your policy, for registration.

The transferee must have an insurable interest in the insured person that is satisfactory to Macquarie Life.

You can obtain a Memorandum of Transfer by contacting us.

Keeping us informed

To ensure that our records are kept up to date and correct, we request that you advise us in writing:

- of a change in your address or contact details;
- of a change in banking or credit card details; or
- if you or the insured person plan to leave Australia for more than a year.

1.7 PREMIUMS AND OTHER COSTS

How the premium is calculated

The premium that you pay for your Macquarie Sumo policy is calculated as at the cover start date and each subsequent cover anniversary, by applying our Macquarie Sumo premium rates to the sum insured/monthly insured amount for each type of insurance.

The factors upon which the premium will depend include, the sum insured/monthly insured amount, the options which apply and the insured person's:

- age (premiums generally increase with age);
- gender;
- general health;
- smoking status (premiums are higher for smokers);
- recreational pursuits;
- occupation; and
- place of residence.

In the case of a Macquarie Sumo Disability Income Insurance Policy, the premium will also depend on the waiting period and benefit period for the cover provided.

Unless we agree to a level premium, the premium rates are 'stepped', which means that, generally, each year the premium increases based on the insured person's age.

If you increase your sum insured, then the premium will also increase. Before each cover anniversary, we will notify you of the premium and membership fee for the period to the next cover anniversary.

As part of the application process, an indicative premium will be provided to you. You can also request a copy of our Macquarie Sumo premium rates. The actual premium could increase if the person to be insured has a birthday after the indicative premium is provided and before the cover start date. We may also only be able to offer you cover if you agree to a higher premium.

Membership fee

A membership fee is also payable each year and is shown in the policy issued to you.

If more than one Macquarie Sumo policy is issued as a result of a single application for an insured person, only one membership fee is payable.

As at January 2009, the membership fee is $1000 per annum if you pay your premium annually or $83.34 per month if you pay your premium monthly. The membership fee will be adjusted each year on the 1st March by the greater of 3% and the consumer price index, and will be effective from the cover start date or cover anniversary on or following that date.

Payment of the premium

Your premium is calculated on an annual basis and can be paid yearly or monthly in advance.

The premium can be paid from the following sources:

- credit card;
- direct debit from a bank account;
- 'cash hub' of a Macquarie Investment Manager or Investment Accumulator account;
- Macquarie Cash Management Trust (CMT) or Cash Management Account (CMA).

You must provide us with a valid premium deduction authority to enable us to deduct the premium and membership fee when due for payment.

The premium and membership fee payable for the first year are shown in your policy. If you pay annually, we will deduct the first premium (and membership fee) on the cover start date and all subsequent premiums will be deducted on the cover anniversary each year.

If you pay monthly, we will deduct the premium (and membership fee) every month on the same day of the month as the cover anniversary. If the date shown falls on a weekend or public holiday, the premium and membership fee will be deducted on the next business day following the due date.

All payments to us must be in Australian dollars.

Non payment of premium

If a premium (and membership fee) payment is not made, we will notify you advising the date on which the policy will end if the amount due is not paid. If a payment sufficient to meet the amount due is not made by that date, we will cancel the policy.

We will give at least 20 business days notice before the policy is cancelled because of non payment of premiums.

Changes to the premium and/or membership fee

We can change the Macquarie Sumo premium rates for a type of Macquarie Sumo insurance, but only if we do this for all Macquarie Sumo policies with that type of insurance. Any changes to premium rates will come into effect for your policy on the next cover anniversary after we make the change. We can also increase the membership fee for Macquarie Sumo policies and/or pass on any government taxes and charges which may be introduced or increased during the life of your policy.

If we increase premium rates (or the membership fee by an amount more than the annual adjustment explained in the section headed 'Membership fee' on this page) we will provide 30 days notice before the increase comes into effect for your policy.

No Surrender value

Your Macquarie Sumo policy does not have a surrender value.

A pro-rata refund will be made where a premium and membership fee is paid annually and cover is cancelled prior to the next cover anniversary.

1.8 MAKING A CLAIM

Notifying us of a claim

Please contact Macquarie Life on 1800 208 130 if you think you are eligible to make a claim, or are unsure and would like some assistance. It is important that you notify us as soon as possible after any event that may lead to a claim. If you do not notify us within 30 days of an event, we may be able to adjust the benefit payable if we have been prejudiced by the delay.

We will send you a claim form and explain in detail our requirements and what the next steps are.

Assessing a claim

Macquarie Life will pay a benefit only after all our claim requirements have been met and we admit liability. To assess the claim, and ongoing payments in the case of Macquarie Sumo Disability Income Insurance, we will require some or all of the following (to be provided at your expense), in a form that is satisfactory to us:

- a completed claim form;
- your policy;
- proof of age of the insured person (unless previously provided);
- a certified copy of the death certificate (for death claims only);
- evidence of *terminal illness, total and permanent disablement*, Trauma Condition, *disability* or injury, whichever is applicable for the claim being made, including test results and medical attendant statements;
- in the case of a claim requiring the insured person to satisfy one or more of the five *activities of daily living* or *activities of daily working*, evidence must be supplied that the person has sought advice from, and is following the treatment indicated by, a *medical practitioner* for his or her condition;
- financial evidence relevant to the assessment of a claim, including but not limited to proof of income prior to the claim and evidence of other insurance cover on the insured person's life; and
- in the case of a Disability Income Insurance claim, evidence of p*re-application income, pre-disability income, post-disability income* and any payments received or payable while on claim.

It is a pre-condition to our payment of any claim, that we receive, from a specialist physician, medical examiner or therapist (Expert), appropriate verification that the diagnosis, or assessment of the impact, of the relevant injury, illness or condition, as applicable, satisfies the terms of the insurance provided under your Macquarie Sumo policy (Certification). We will determine the type of Expert required to give the Certification and we must approve the particular Expert who provides the Certification. We may also require other information where relevant to assess or finalise payment of the claim.

Where we request an examination, assessment or financial audit by an Expert or other person we nominate, we will meet the cost. Otherwise you must meet the cost of satisfying our claim requirements.

Payment of a claim

We will pay the claim in Australian dollars as soon as possible once it has been approved.

2. Macquarie Sumo general information

2.1 YOUR ADVISER

This product is available through licensed financial advisers who can assist you with advice in considering Macquarie Sumo and help you determine the amount and type of cover you require considering your personal circumstances.

Your adviser is your main point of contact for your insurance so, if you have any questions about your Macquarie Sumo cover, please talk to your adviser.

If your application for Macquarie Sumo is accepted, we may pay your adviser a commission for selling this product. The commission is paid by Macquarie Life and does not affect your premium. You can obtain details from your adviser of any commission paid.

2.2 HOW TO APPLY

To apply for cover you need to complete an application, which your adviser can assist you with. Generally the application will include an application for Macquarie Sumo and a detailed health declaration from the person to be insured.

We may seek additional information about the medical and financial circumstances of the person to be insured, as well as any hazardous pursuits or pastimes, occupational duties and other information that may assist with assessment of your application. We may ask the person to be insured to undergo a range of medical examinations or tests, including blood tests. Where possible, this will be arranged through our nominated provider in a way which will minimise any inconvenience to you or the person to be insured.

Where we request an examination or test, Macquarie Life will meet the cost.

We will promptly notify you or your adviser of any additional information needed to underwrite your application. If you do not want your adviser to receive information relating to the underwriting assessment of the person to be insured, you must inform us in writing at the time of application. On request, we can send medical examination and blood test results to a doctor nominated by the person to be insured.

If your adviser submits the application on your behalf, it is your responsibility to ensure that the information provided to your adviser and to us is accurate and complete.

Your duty of disclosure

Before entering into a contract with Macquarie Life Limited you have a duty, under the Insurance Contracts Act, to disclose to us every matter 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.

You have the same duty to disclose those matters to us before your cover is extended, varied or reinstated. 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;
- as to which compliance with your duty is waived by us.

Importantly, your duty of disclosure continues until a written contract of life insurance has been issued by Macquarie Life.

Non-disclosure

If you fail to comply with your duty of disclosure and we would not have entered into the contract on any terms 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 avoid the contract at any time.

If we are entitled to avoid a contract of life insurance, we may, within 3 years of entering into it, elect not to avoid it but reduce the amount that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to us.

Who should authorise the application

Both you and the person to be insured (if not you) must authorise the declaration, payment authority, medical authority and financial information authority that are required to complete the application.

If the applicant is a company, the application must be authorised by two directors or one director and the company secretary or by one director for a single director company. You must specify whether you are a director or secretary when authorising the application.

If the applicant is the trustee of a superannuation fund, the trustee(s) must authorise the application and Trustee Declaration.

Cooling-off period

You have a 14 day "cooling-off period" after your Macquarie Sumo policy commences during which time you can cancel your policy if you decide that the insurance cover does not meet your needs. You will receive a refund of the premium and membership fee that you have paid. If you wish to use the cooling-off period, you must not have made a claim and must notify us within 14 days of the earlier of:

- the date you receive your policy; or
- the end of the 5th day after we issue the policy.

Privacy

Your privacy and that of the insured person, is important to us. This statement explains how personal information can be used or disclosed and provides information about your privacy rights.

By completing the application you and the person to be insured agree to allow Macquarie Life to use the personal information of you and the person to be insured to:

- assess and process the application for insurance;
- communicate with you and your nominated adviser about the application and any cover provided;
- monitor, audit, evaluate and otherwise administer your policy; and
- assess, process and investigate any claims; and
- verify your, or the person to be insured's, identity.

Unless you notify us otherwise, the personal information may be used by us or other companies in the Macquarie Group to offer products or services which may be of interest to you.

If you, or the person to be insured, do not supply the personal information requested, we may not be able to provide the cover applied for.

Health information

The references in this Privacy Statement to personal information include sensitive information such as medical and health related details of the person to be insured.

If required to assess your application, administer your policy or process any claims, we may seek further information from any medical attendant consulted by the insured person.

Disclosure of personal information

You and the person to be insured also agree that other companies in the Macquarie Group and our external service providers (including for example, reinsurers, mailing houses and claims assessors) may access personal information when appropriate to assess your application, administer your policy or process any claims.

Macquarie Life may also disclose the personal information of you and the person to be insured:

- if acting in good faith, we believe that the law requires or permits us to do so;
- if you or the person to be insured consent; or
- to the doctor identified in the application of the person to be insured in the event that any medical tests that we have requested return an abnormal result.

The personal information will also be provided to your adviser in connection with the application for insurance and on-going management of your policy, unless you instruct us not to supply your adviser with any detailed medical information received by us. You can do this in the declaration that forms part of your application, or by writing to us.

Your rights and responsibilities

If you do not supply all of the personal information requested, we may not be able to provide you with the cover for which you apply. You also have a duty of disclosure (explained on page 20) under the Insurance Contracts Act.

Under the Privacy Act, you may request access to your personal information held by Macquarie Life. You can contact us to make such a request or for any other reason relating to the privacy of your personal information. Contact details are shown in the section titled 'Who to contact'.

2.3 DIRECT DEBIT SERVICE AGREEMENT

Where you have elected to have your Macquarie Sumo premium deducted from your account by direct debit, you agree to the terms detailed below.

1. I/we have requested Macquarie Life Limited, ABN 56 003 963 773 AFSL No. 237497, (User ID 145096) to deduct my nominated account with any amounts that become payable in relation to my Sumo policy through the BECS (Bulk Electronic Clearing System).
2. The financial institution may, in its absolute discretion, at any time by notice in writing to me terminate this request as to future debits.
3. Macquarie Life may, by notifying me within 14 days, vary the timing of future debits.
4. Where the due date does not fall on a business day and I am uncertain whether sufficient cleared funds will be available to meet the direct debit, I will contact my financial institution directly and ensure that sufficient cleared funds are available.
5. I can modify or defer this regular Direct Debit Request at any time by giving Macquarie Life 14 days notice.
6. I can stop or cancel the regular Direct Debit Request at any time by giving Macquarie Life or my financial institution 14 days notice.
7. If at any time I feel that a direct debit against my nominated account is inappropriate or wrong it is my responsibility to notify Macquarie Life or my financial institution as soon as possible.
8. If I believe there has been an error in debiting my account, I will notify Macquarie Life or my financial institution and confirm that notice in writing with Macquarie Life as soon as possible.
9. Direct debiting through BECS is not available on all accounts. I can check my account details against a regular statement or check with my financial institution as to whether I can request a direct debit from my account.
10. It is my responsibility to ensure that there are sufficient cleared funds in my nominated account to honour the Direct Debit Request. I understand that the Direct Debit Request will be automatically cancelled if two debit payments are dishonoured because of insufficient funds. Macquarie Life will give me 14 days notice in writing if they intend to cancel my Direct Debit Request. Macquarie Life will also charge the cost of dishonoured direct debits against my account. Macquarie Life may cancel my Sumo cover if the Direct Debit Request is cancelled because of dishonours.
11. Macquarie Life may need to pass on details of my direct debit request to their sponsor bank in BECS to assist with the checking of any incorrect or wrongful debits to my nominated account.

2.4 WHO TO CONTACT

We are here to help with any questions you have about your cover. The contact details for Macquarie Life are:

Telephone: 1800 631 807
Fax: 1800 812 175
Email: sumo@macquarie.com
Post: Macquarie Life
GPO Box 5216
BRISBANE QLD 4001

You should be aware that we record all of our telephone conversations with you or your adviser relating to your policy.

What to do if you have a complaint

Macquarie Life has procedures in place to properly consider and deal with your enquiries and complaints within 45 days of a complaint being made. If you have a complaint you may contact the Complaints Officer of Macquarie Life on the contact details shown above.

If your complaint is not resolved to your satisfaction within 90 days you may refer it to the Financial Ombudsman Service on 1300 780 808.

2.5 TAX

The information provided in this section is a guide only and we recommend you speak to your tax adviser regarding the tax consequences of insurance cover and policy ownership.

Tax treatment of premiums

Generally you are unable to claim a tax deduction in respect of the premiums that you pay for Life Insurance. However, there are some circumstances where the premium (in full or in part) may be claimed as a tax deduction. For example, this may be relevant in situations where an employer owns the policy or pays the premiums, or if the policy is owned by the trustee of a superannuation fund. We recommend you consult your tax adviser to discuss your particular circumstances.

The premiums that you pay for Disability Income Insurance are generally a tax deductible expense to you.

If you are applying for a Macquarie Sumo policy as the trustee of a self managed superannuation fund, the premiums you pay for Life Insurance and Disability Income Insurance on behalf of your member/s will generally be a deductible expense to you. Policy premiums for TPD Insurance may be fully or partially deductible where certain conditions are met. Policy premiums for Trauma Insurance are generally not deductible.

Tax treatment of benefits

Generally a benefit that is payable under a Life Insurance Policy is not subject to income tax or capital gains tax (CGT). However, there may be some cases where the benefit is taxable and we recommend you discuss your particular circumstances with your tax adviser.

Benefits that are payable under a Disability Income Insurance policy are generally included in your assessable income and will be subject to tax at your marginal tax rate.

If you are applying for a Macquarie Sumo policy as the trustee of a self managed superannuation fund, the gross amount of any benefit that is payable under a policy will be paid by Macquarie Life to you in your capacity as the trustee. You are responsible for determining any tax liability in respect of a Macquarie Sumo benefit that you distribute from your self managed superannuation fund. We recommend independent tax advice is sought.

2.6 INTERIM COVER

We provide you with interim cover for *accidental* injury or death, while your application is being assessed on the basis explained below.

Life Insurance Policy

If you have applied for a Macquarie Sumo Life Insurance Policy, we will pay the interim Life Insurance if the person to be insured dies as the result of an *accident*, where the *accident* occurs during the period of interim cover and death occurs within 3 months of the *accident*.

If you have applied for TPD Insurance, we will pay the interim TPD Insurance if the person to be insured suffers *total and permanent disablement* as a result of an *accident*, where the *accident* occurs during the period of interim cover and *total and permanent disablement* occurs within 3 months of the *accident*.

If the person to be insured is not in *gainful employment* at the time of the *accident* causing *total and permanent disablement*, the *modified TPD* definition of TPD applies.

If you have applied for Trauma Insurance, we will pay the interim Trauma Insurance if the person to be insured suffers one of the Trauma Conditions listed below as the result of an *accident,* where the *accident* occurs during the period of interim cover and the condition occurs within 3 months of the *accident*.

Trauma Conditions covered for interim cover are:

- *coma;*
- *paralysis;*
- *loss of limbs;*
- *loss of sight;*
- *major head trauma;*
- *severe burns.*

Disability Income Insurance Policy

If you have applied for a Macquarie Sumo Disability Income Insurance policy, we will pay the interim benefit for *total disability* from the end of the waiting period applied for in the application, for up to a maximum of 6 months, if:

- the person to be insured is *totally disabled* as the result of an *accident* that occurs during the period of interim cover; and
- *total disability* due to the *accident* starts within 3 months of the *accident.*

When interim cover starts

Interim cover starts on the date an authorised application is received by Macquarie Life.

When interim cover ends

Interim cover will end when the application for cover is:

- accepted;
- declined;
- cancelled or withdrawn by you;
- cancelled by Macquarie Life by written notice to you;

OR

- 14 days from the date we advise that cover may be available if you apply for Insurance on special terms;
- 90 days from the date the interim cover started; or
- a claim under this interim cover is accepted or declined,

whichever occurs first.

When interim cover is not payable

Nothing will be payable if the condition or event giving rise to the claim under interim cover was caused directly or indirectly by:

- an *accident* or injury that first occurred before interim cover started;
- an intentional self-inflicted act;
- consumption of alcohol or drugs; or
- the person to be insured engaging in any sport, pastime or occupation that we would not normally cover at standard rates.

What we will pay

The maximum that we will pay across all interim cover (including interim cover provided by other insurers) that applies to the person to be insured is the lesser of:

- the amount of cover that has been applied for to a maximum of:
  - Life Insurance – $1 million;
  - TPD Insurance – $1 million;
  - Trauma Insurance – $1 million;
  - Disability Income Insurance – $5,000 per month and with a maximum benefit period of 6 months.

We may adjust the interim cover otherwise payable to take into account any amount payable in respect of the person to be insured under interim cover with another company.

Glossary – Trauma conditions

TRAUMA CONDITIONS

angioplasty means the undergoing of angioplasty on one or two coronary arteries to correct a narrowing or blockage that is considered the appropriate and necessary treatment on the basis of angiographic evidence.

aortic surgery means the undergoing of surgery that is considered the appropriate and necessary treatment to correct any narrowing, dissection or aneurysm of the thoracic or abdominal aorta. Angioplasty, intra-arterial procedures or other non-surgical techniques are excluded.

aplastic anaemia means severe aplasia of bone marrow which results in anaemia, neutropenia and thrombocytopenia requiring one of the following treatments:

- immunosuppressive agents;
- bone marrow transplant; or
- peripheral blood stem cell transplant.

benign brain tumour means a non-malignant tumour in the brain resulting in *permanent neurological deficit with persisting clinical symptoms* causing the total and irreversible inability to perform at least one of the five *activities of daily living*. The presence of the tumour must be confirmed by imaging studies such as CT scan or MRI.

Cysts, granulomas, aneurysms in or of the arteries or veins of the brain, haematomas, and tumours in the pituitary gland or spine are excluded.

cancer means the presence of one or more malignant tumours characterised by the uncontrolled growth and spread of malignant cells with invasion and destruction of normal tissue, including malignant lymphoma, Hodgkin's disease, leukaemia and malignant bone marrow disorders.

Tumours which are histologically described as premalignant or show the malignant changes of carcinoma in situ, including cervical dysplasia CIN-3 and lower, are excluded except, in the case of the Standard Trauma sum insured, Carcinoma in situ of the breast which results directly in the removal of the entire breast as the result of a procedure which is performed specifically to arrest the spread of malignancy and is considered to be the appropriate and necessary treatment.

All hyperkeratoses and basal cell carcinomas are excluded.

All squamous cell carcinomas of skin are excluded unless there is evidence of metastases.

All tumours of the prostate are excluded unless histologically classified as having:

- in the case of the Standard Trauma sum insured, a Gleason score of greater than 6 or having progressed to a least clinical TNM classification T2 N0M0; or
- in the case of the Sumo Trauma sum insured, progressed to at least clinical TNM classification T3 N0M0.

All melanomas are excluded unless:

- in the case of the Standard Trauma sum insured, the melanoma is stage 1B (T1bN0M0) or higher; or
- in the case of the Sumo Trauma sum insured, the melanoma is stage 2A (T2bN0M0) or higher.

In the case of the Sumo Trauma sum insured, the following are excluded:

- breast cancer unless the tumour is greater than 2cm in size or there is lymph node involvement or metastases;
- chronic lymphocytic leukaemia unless Binet stage C or Rai stages 3 or 4;

- Hodgkin's disease unless stage 3 or higher;
- Non-Hodgkin's Lymphoma (NHL) unless stage 2 or higher;
- thyroid cancers unless extending outside the organ of origin, invading lymph nodes or with distant metastases;
- testicular cancers unless extending outside the organ of origin, invading lymph nodes or with distant metastases; and
- cancers of the cervix unless stage 2 and higher.

carcinoma in situ of breast means localised cancer characterised by a focal autonomous new growth of cancer cells, which has not yet infiltrated or destroyed normal tissue, and where there is a confirmed histopathological diagnosis of ductal carcinoma in situ without evidence of invasive cancer.

carcinoma in situ of the cervix and cervical dysplasia means high grade dysplasia of the cervix at CIN3 or above, confirmed histologically by biopsy.

carcinoma in situ of the fallopian tube means a focal autonomous new growth of carcinomatous cells within the fallopian tube which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane. The tumour must be limited to the tubal mucosa and classified as Tis according to the TNM staging method or FIGO Stage 0.

carcinoma in situ of the ovary means a focal autonomous new growth of carcinomatous cells within the ovary which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane. The tumour must be classified as Tis according to the TNM staging method or FIGO Stage 0.

carcinoma in situ of the vagina means a focal autonomous new growth of carcinomatous cells within the vagina which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane. The tumour must be classified as Tis according to the TNM staging method or FIGO Stage 0.

carcinoma in situ of the vulva means a focal autonomous new growth of carcinomatous cells within the vulva which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane. The tumour must be classified as Tis according to the TNM staging method or FIGO Stage 0.

cardiomyopathy means disease of the heart muscle causing it to enlarge and become weaker, resulting in significant cardiac impairment to the degree of at least Class 3 of the *New York Heart Association functional classification system*.

chronic kidney failure means chronic irreversible failure of the function of both kidneys requiring either regular renal dialysis or renal transplantation.

chronic liver disease means end stage liver failure resulting in permanent jaundice, ascites and encephalopathy.

chronic lung disease means end stage lung disease requiring permanent and continuous oxygen therapy.

colostomy/ileostomy means the creation of a permanent non-reversible opening, linking the colon and/or ileum to the external surface of the body.

cognitive loss means a total and permanent deterioration or loss of intellectual capacity that has required the insured person to be under continuous care and supervision by another person for at least six consecutive months and at the end of that six month period the insured person is likely in our opinion on the basis of medical evidence, to require ongoing continuous care and supervision by another person because of impairment in the following areas:

- short or long term memory;
- orientation as to person (such as personal identity), place (such as location) and time (such as day, date and year); and
- deductive or abstract reasoning.

coma means a state of total unconsciousness and unresponsiveness to all external stimuli, resulting in a score of 8 or less on the Glasgow Coma Scale, as outlined below, for a continuous period of at least four days. There must be evidence of *permanent neurological deficit with persisting clinical symptoms*.

Glasgow coma scale is a scoring system used to measure the level of consciousness following traumatic brain injury. It is composed of three parameters as given below:

Best Eye Response (4)

1. No eye opening.
2. Eye opening to pain.
3. Eye opening to verbal command.
4. Eyes open spontaneously.

Best Verbal Response (5)

1. No verbal response.
2. Incomprehensible sounds.
3. Inappropriate words.
4. Confused.
5. Orientated.

Best Motor Response (6)

1. No motor response.
2. Extension to pain.
3. Flexion to pain.
4. Withdrawal from pain.
5. Localising pain.
6. Obeys commands.

A Coma Score of 13 or higher correlates with a mild brain injury, 9 to 12 a moderate injury and 8 or less to a severe brain injury.

Comas which are induced medically, or which result from drug or alcohol abuse, are excluded.

coronary artery by-pass surgery means the undergoing of coronary artery by-pass surgery that is considered appropriate and necessary for the treatment of coronary artery disease.

dementia and Alzheimer's disease means the unequivocal diagnosis of dementia or Alzheimer's disease which must confirm dementia or Alzheimer's due to failure of brain function resulting in:

- significant cognitive impairment as measured by the Mini Mental State Examination score of 20 or less; and
- the need for continual care and supervision by another person.

early stage melanoma means the presence of a melanoma which is stage 1A (T1aN0M0) as determined by histological examination.

early stage prostate cancer means localised cancer characterised by focal autonomous new growth of cancer cells. The tumour must be confirmed as clinical TNM Classification T1N0M0 and have a Gleason score of 6 or less confirmed histologically by biopsy.

encephalitis means acute inflammation of the brain caused by viral infection resulting in *permanent neurological deficit with persisting clinical symptoms* and leading to total and irreversible inability to perform at least one of the five *activities of daily living*. Encephalitis in the presence of *HIV* infection is excluded.

heart attack means, in the case of the Standard Trauma sum insured, myocardial infarction, characterised by death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The following clinical features must be present (and not caused by medical intervention):

- new ECG changes consistent with myocardial infarction; and
- elevation of cardiac biomarkers with CK-MB above the upper limit of normal or Troponin I greater than 2.0 ug/L or Troponin T greater than 0.6ug/L.

Other causes of severe non-cardiac chest pain, heart failure or angina are excluded.

In the case of the Sumo Trauma sum insured, heart attack means, in addition to the above being met, the left ventricular ejection fraction (taken 6 or more weeks after the event) is 40% or less.

Other causes of severe non cardiac chest pain, heart failure or angina are excluded.

heart valve surgery means the undergoing of surgery that is considered necessary to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities. It does not include *angioplasty,* intra-arterial procedures or other non-surgical techniques.

hydrocephalus means an excessive accumulation of cerebrospinal fluid within the cranium requiring the insertion of a shunt.

loss of hearing means the total and irreversible loss of hearing in both ears.

loss of independent existence means, due to injury or illness, the total and irreversible inability to perform at least two of the five *activities of daily living* without the assistance of another person.

loss of limbs means the total and irreversible loss of the use of:

- two limbs;
- sight in both eyes; or
- one limb and the sight in one eye,

where 'limb' means whole hand or whole foot.

loss of sight means the irrecoverable loss of sight to the extent that eyesight is reduced in both eyes to 6/60 or less of central visual acuity on the Snellen test chart, or the degree of vision is less than or equal to 20 degrees of arc.

loss of speech means total and irreversible loss of speech. The loss must be assessed as being total and irreversible at least three months after speech was first lost. Loss of speech due to *mental illness* is excluded.

major head trauma means *accidental* head injury, resulting in *permanent neurological deficit with persistent clinical symptoms* causing the total and irreversible inability to perform at least one of the five *activities of daily living*.

major organ transplant means the insured person is the recipient of an organ transplant of one of the following organs:

- heart;
- kidney;
- liver;
- lung;
- pancreas;
- small bowel; or
- the transplantation of bone marrow.

The transplant must be considered the appropriate and necessary treatment.

major organ transplant waiting list means the insured person, upon the advice of an appropriate medical specialist, has been placed on an official Australian waiting list, approved by us, for the organ transplant of one of the following organs:

- heart;
- kidney;
- liver;
- lung;
- pancreas;
- small bowel; or
- the transplantation of bone marrow.

medically acquired HIV means the *accidental* infection with *HIV* which, on the balance of probabilities, arose from one of the following medical procedures:

- transfusion of blood or blood products;
- organ transplant;
- assisted reproduction techniques; or
- other medical procedure or operation performed by a doctor or at a registered medical facility.

The procedure must have been performed by a registered health professional and have occurred in Australia. We require a statement from the appropriate Statutory Health Authority that provides documented proof of the incident and confirms that the infection is medically acquired. *HIV* infection by other means, including sexual activity or recreational intravenous drug use, is excluded.

motor neurone disease with impairment level means unequivocal diagnosis of motor neurone disease, resulting in *permanent neurological deficit with persisting clinical symptoms* and the total and irreversible inability to perform at least one of the five *activities of daily living*.

multiple sclerosis with impairment level means unequivocal diagnosis of multiple sclerosis with more than one episode of well defined neurological deficit with persisting neurological abnormalities, and evidenced by appropriate neuro-imaging and spinal fluid abnormalities, resulting in clinical impairment of motor or sensory function and a total and irreversible inability to perform at least one of the the five *activities of daily living*.

multiple sclerosis means unequivocal diagnosis of multiple sclerosis, and evidenced by appropriate neuro-imaging and spinal fluid abnormalities and resulting in clinical impairment of motor or sensory function.

muscular dystrophy with impairment level means unequivocal diagnosis of muscular dystrophy, which causes progressive and selective degeneration and weakness of voluntary muscles resulting in total and irreversible inability to perform at least one of the five *activities of daily living*.

muscular dystrophy means unequivocal diagnosis of muscular dystrophy, which causes progressive and selective degeneration and weakness of voluntary muscles.

occupationally acquired HIV means infection with *HIV* as the result of an accident during the course of the insured person's regular occupation. The production and detection of *HIV* antibodies (sero-conversion) must be confirmed by way of a positive *HIV* antibody test within six months of the *accident*.

Any *accident* giving rise to a potential claim must be reported to us within seven days of the incident and supported by a negative *HIV* antibody test taken after the *accident*. We must be given access to test all blood samples used. *HIV* infection by other means, including sexual activity or recreational intravenous drug use, is excluded.

Parkinson's disease with impairment level means unequivocal diagnosis of Parkinson's disease where the condition:

- cannot be controlled by medication;
- is characterised by the clinical manifestation of one or more of tremor, rigidity, akinesia and resulting in the degeneration of the nigrostriatal system; and
- results in the total and irreversible inability to perform at least one of the five *activities of daily living*.

Drug induced or toxic causes of Parkinsonism are excluded.

Parkinson's disease means unequivocal diagnosis of Parkinson's disease where the condition is characterised by the clinical manifestation of one or more of tremor, rigidity, akinesia and resulting on the degeneration of the nigrostriatal system. Drug induced or toxic causes of Parkinsonism are excluded.

paralysis means the total and irreversible loss of the use of two limbs due to injury or illness, where a limb is defined as the shoulder down to the hand or the hip down to the foot. Paralysis due to *mental illness* is excluded.

partial loss of limbs means the total and irreversible loss of the use of one limb, where 'limb' means whole hand or whole foot.

partial loss of sight means the irrecoverable loss of sight in one eye to the extent that eyesight is reduced in that eye to 6/60 or less of central visual acuity on the Snellen test chart, or the degree of vision is less than or equal to 20 degrees of arc.

primary pulmonary hypertension means primary pulmonary hypertension characterised by enlargement of the right ventricle as a result of high pulmonary artery pressure. It must have resulted in significant cardiac and respiratory impairment leading to impairment equivalent to at least Class 3 of the *New York Heart Association functional classification system*.

severe burns means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to at least:

- 20% of body surface as measured by the Rule of Nines or the Lund and Browder Body Surface Chart;
- the whole of both hands, requiring surgical debridement and/or grafting; or
- the whole of the face, requiring surgical debridement and/or grafting.

severe burns of limited extent means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to at least:

- 10% of body surface as measured by the Rule of Nines or the Lund and Browder Body Surface Chart;
- 50% of the combined surface area of both hands, requiring surgical debridement and/or grafting; or
- 50% of the face, requiring surgical debridement and/or grafting.

severe Crohn's disease means diagnosis of Crohn's disease requiring permanent immunosuppressive medication.

severe osteoporosis means:

- before the age of 50, the insured person suffers at least two vertebral body fractures or a fracture of the neck or the femur, due to osteoporosis; and
- the insured person has a bone mineral density reading with a T-score of less than -2.5 (ie 2.5 standard deviations below the young adult mean for bone density). This must be measured in at least two sites by dual energy x-ray absorptiometry (DEXA).

severe rheumatoid arthritis means diagnosis of rheumatoid arthritis. The diagnosis must be supported by, and have evidence of (a), (b) and (c), and at least 2 of (d), (e), (f) and (g) below:

(a) at least a 6 week history of severe rheumatoid arthritis which involves 3 or more of the following joint areas:

- proximal interphalangeal joints in the hands;
- metacarpophalangeal joints in the hands;
- metatarsophalangeal joints in the foot, or any joint of the wrist, elbow, knee or ankle;

(b) simultaneous bilateral joint soft tissue swelling (not bony overgrowth alone);

(c) typical rheumatoid joint deformity;

(d) morning stiffness;

(e) rheumatoid nodules;

(f) erosions seen on x-ray imaging;

(g) the presence of either a positive rheumatoid factor or the serological markers consistent with the diagnosis of severe rheumatoid arthritis.

Degenerative osteoarthritis and all other arthritidies are excluded.

severe ulcerative colitis means diagnosis of ulcerative colitis.

stroke means a cerebrovascular incident characterised by the sudden disruption of blood supply via one or more of the arteries to the brain due to a blood clot or plaque or because an artery breaks or bursts. The stroke must:

- in the case of the Standard Trauma sum insured, result in an acute onset of objective and ongoing neurological signs and clinical symptoms lasting for more than 24 hours and be evidenced by neuroimaging (such as magnetic resonance imaging, computerised tomography, or other reliable imaging techniques) that demonstrate a lesion consistent with the acute haemorrhage, embolism or thrombosis; and
- in the case of the Sumo Trauma sum insured, the stroke must also result in *permanent neurological deficit with persisting clinical symptoms*, and result in a score of 2 or greater on the modified Rankin scale.

Brain damage due to an *accident*, infection, reversible ischaemic neurological deficit, transient ischaemic attack, vasculitis or an inflammatory disease is excluded.

For the purposes of the *stroke* definition, the Modified Rankin scale is as follows:

0 No symptoms at all

1 No significant disability despite symptoms; able to carry out all usual duties and activities

2 Slight disability; unable to carry out all previous activities, but able to look after own affairs without assistance

3 Moderate disability; requiring some help, but able to walk without assistance

4 Moderately severe disability; unable to walk without assistance and unable to attend to own bodily needs without assistance

5 Severe disability; bedridden, incontinent and requiring constant nursing care and attention

6 Dead

triple vessel angioplasty means the undergoing of *angioplasty* on three or more coronary arteries in the same procedure to correct a narrowing or blockage. It must be considered the appropriate and necessary treatment on the basis of angiographic evidence.

Glossary
– Other defined terms

OTHER DEFINED TERMS

accident/accidental means a fortuitous and unforeseen event, resulting in an injury, which is not caused, or contributed to, by an intentional act of the insured person.

activities of daily living means:

Bathing – the ability of the insured person to wash himself or herself either in the bath or shower or by sponge bath without the standby assistance of another person. The insured person 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 – the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them, without the standby assistance of another person. The insured person 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 – the ability to get nourishment into the body by any means once it has been prepared and made available to the insured person without the standby assistance of another person.

Toileting – the ability 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 standby assistance of another person. The insured person will be considered able to toilet himself or herself even if the insured person has an ostomy and is able to empty it himself or herself, or if the insured person uses a commode, bedpan or urinal, and is able to empty and clean it without the standby assistance of another person.

Transferring – the ability to move in and out of a chair or bed without the standby assistance of another person. The insured person 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.

ADW means *activities of daily working*.

activities of daily working (ADW) means:

Walking – ability to walk more than 200m on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body.

Rising/Sitting – ability to rise and sit using a raised chair with arms without the help of another person.

Dexterity – ability to write legibly with a pen or pencil or use a keyboard with either hand.

Communication – ability to:

(a) clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room in the insured person's first language; or

(b) understand simple messages in insured person's first language; or

(c) speak with sufficient clarity to be clearly understood in the insured person's first language.

Eyesight – the insured person's visual ability, allows independent functioning in a workplace without requiring physical assistance from another person.

alcohol abuse means an established pattern of problem drinking that results in health consequences and/or social problems.

alcohol dependence means a physiological and/or psychological reliance on or addiction to alcohol, which results from recurrent use; characterised by mental and/or physical changes in the user that make it difficult to stop usage despite repeated alcohol related problems.

cognitive loss has the meaning given in the previous section of the Glossary.

consumer price index is the weighted average of the eight Australian capital cities combined, published by the Australian Bureau of Statistics or any body which succeeds it, in respect of the 12 month period finishing on or prior to 30th September. It will be determined at 31st December each year and applied at the cover anniversary on or following 1st March in the next year.

disability/disabled means *total disability* or *partial disability*.

FIGO refers to the staging method of the International Federation of Gynaecology and Obstetrics.

fracture means any fracture that requires a pin, traction, plaster or other immobilising structure.

gainful employment/gainfully employed means that the insured person is engaged in an occupation, business or employment for remuneration or reward for at least 30 hours per week.

HIV means infection with Human Immunodeficiency Virus.

immediate family member means a married or de facto partner, child, brother, sister or parent.

income means income earned through personal exertion calculated:

- after the deduction of expenses incurred in producing that income; and
- before the deduction of income tax.

It is based on the total remuneration package and includes salary, wages, packaged fringe benefits, regular commissions, regular bonuses, regular overtime payments and pre-tax superannuation contributions.

For the self-employed it also includes that share of net income of the business directly generated by personal exertion after deduction of all business expenses but before the deduction of tax.

Income does not include:

- income that the insured person would continue to receive from his or her business even if unable to work, including any ongoing profit generated by other employees of the business; or
- other unearned income such as dividends, interest, rental income.

loss of independent existence has the meaning given in the previous section of the Glossary.

loss of limbs has the meaning given in the previous section of the Glossary.

medical practitioner means a doctor who is legally qualified and registered to practice in Australia (or if outside Australia, has equivalent qualifications and registration) not being you, the insured person, or a business partner or *immediate family member* of you or the insured person.

mental illness means a condition (other than *dementia and Alzheimer's disease*, as defined in the previous section of the Glossary):

- for which one might ordinarily expect to receive treatment, advice or counselling from a psychiatrist, psychologist, therapist or mental health professional, or for which one might commonly be prescribed psychotropic medications, including, but not limited to, depression, bi-polar disorder, schizophrenia, post-traumatic stress syndrome, anxiety, nervousness, sleeplessness, and phobias (including the fear, whether rational or irrational, of harming others by practicing in one's occupation), or

- that is classified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM), published by the American Psychiatric Association (or the diagnostic manual then in use by the American Psychiatric Association as of the date of disability), or
- caused by stress, or related to substance abuse or dependency.

mental illness for the purpose of this contract also means conditions classified as chronic fatigue syndrome, myalgic encephalomyelitis, post viral fatigue syndrome, behavioural disorders, fibromyalgia (chronic widespread pain) or physical disorders attributable to stress and/or any mental health disorder.

modified TPD means the insured person has, due to injury or illness, suffered:

- *loss of limbs;*
- *loss of independent existence*; or
- *cognitive loss*.

monthly benefit means:

- in relation to Disability Income Insurance which is provided solely on an indemnity basis, the lesser of:
  - the monthly insured amount; and
  - the monthly equivalent of 75% of the first $320,000 of annual *income*, 50% of the next $240,000 and 25% of the balance (up to annual *income* of $2,230,000) of the insured person's *pre-disability income*;
- in relation to Disability Income Insurance which is provided solely on an agreed value basis, the lesser of:
  - the monthly insured amount; and
  - the monthly equivalent of 75% of the first $250,000 of annual *income*, 50% of the next $150,000 and 25% of the balance (up to annual *income* of $790,000) of the insured person's *pre-application income*;
- in relation to Disability Income Insurance which is provided on an agreed value basis and an indemnity basis, the lesser of:
  - the monthly insured amount; and
  - the monthly equivalent of the amount determined on the agreed value basis plus 25% of the insured person's annualised *pre-disability income* between $790,000 and $2,230,000.

New York Heart Association functional classification system means a scale used to assess cardiac impairment:

I. no symptoms and no limitation in ordinary physical activity;

II. mild symptoms and slight limitation during ordinary activity. Comfortable at rest;

III. marked limitation in activity due to symptoms, even during less-than-ordinary activity. Comfortable only at rest;

IV. severe limitations. Experiences symptoms even while at rest.

own occupation means the occupation, business or employment in which the insured person was *gainfully employed* at the time of the injury or illness for which the claim for *total and permanent disablement* is made (or, if within 12 months prior to that time the insured ceased to be *gainfully employed*, the occupation, business or employment in which the insured person was most recently *gainfully employed*).

partial disability/partially disabled means that, immediately following a period of *disability,* and solely as a result of the same injury or illness which caused that *disability,* the insured person:

- has returned to work (whether in his or her *usual occupation* or in another occupation) in a reduced capacity; or
- has been assessed (after taking into account all medical, occupational, functional and other appropriate evidence) as:

- during the first two years of the benefit period, being capable of performing the material and substantial duties of his or her *usual occupation*, but only in a reduced capacity;
- for the remainder (if any) of the benefit period, being capable of performing the material and substantial duties of his or her *usual occupation* or any other occupation for which the insured person is suited by education, training or experience, but only in a reduced capacity; and

- has a *post-disability income* which is less than 80% of the insured person's *pre-disability income*; and
- is under the regular care of, and following the advice of, a *medical practitioner* in relation to the same injury or illness which caused *total disability*.

paralysis has the meaning given in the previous section of the Glossary.

permanent neurological deficit with persisting clinical symptoms means symptoms of dysfunction of the nervous system that are present on clinical examination and expected to last throughout the insured person's life. These:

- include numbness, paralysis, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, seizures, dementia, delirium and coma; and
- exclude an abnormality seen on brain or other scans without definite related clinical symptoms, neurological signs occurring without symptomatic abnormality (eg, brisk reflexes without other symptoms), lessor symptoms such as lethargy, localised weakness, hyperaesthesia (increasing sensitivity), and symptoms of psychological or psychiatric origin.

pre-application income means the insured person's annual *income* at the time you applied for Disability Income Insurance or, if you have applied to increase the monthly insured amount which we accepted, when you applied for the increase.

pre-disability income means, if Disability Income Insurance is provided on an:

- agreed value basis, the highest average monthly *income* of the insured person for 12 consecutive months between two years before the cover start date and the start of the waiting period applying to the claim;
- indemnity basis, the greater of:
  - average monthly *income* of the insured person over the three year period immediately prior to the start of the waiting period applying to the claim; and
  - average monthly *income* of the insured person over the 12 months immediately preceding the start of the waiting period applying to the claim.

Pre-disability income will be increased by the increase in the *consumer price index* after each 12 month period the insured person remains on claim.

post-disability income means the greater of:

- average monthly *income* earned by the insured person from personal exertion at a reduced capacity as a result of injury or illness (being the same injury or illness which caused the *total disability* which preceded *partial disability*) while *partially disabled*; and
- the average monthly *income* we assess you as being reasonably capable of earning while *partially disabled* after taking into account all medical, occupational, functional and other appropriate evidence.

suited occupation means any occupation, business or employment for which the insured person is suited by education, training or experience that would generate an *income* greater than 25% of the insured person's *income* in the most recent period of 12 months in which he or she was *gainfully employed*.

terminal illness means that the insured person is diagnosed with an illness, which reduces life expectancy to less than 12 months from the date

of claim, as confirmed by a specialist physician approved by Macquarie Life.

total and permanent disablement means that:

(a) for the component where the *own occupation* definition of TPD applies:

- the insured person has been absent from work for a continuous period of at least six months due to injury or illness, and
- in our opinion, is incapacitated due to that injury or illness to the extent that he or she is unlikely ever again to be able to engage in his or her *own occupation*.

OR

- the insured person, due to injury or illness, meets the *modified TPD* definition;

(b) for the component where the *suited occupation* definition of TPD applies:

- the insured person has been absent from work for a continuous period of at least six months due to injury or illness, and
- in our opinion, is incapacitated due to that injury or illness to the extent that he or she is unlikely ever again to be able to engage in his or her *suited occupation*.

OR

- the insured person, due to injury or illness, meets the *modified TPD* definition;

(c) for the component where the ADW definition of TPD applies, the insured person is, due to injury or illness, totally and irreversibly unable to perform (with or without aids or adaptations) at least three of the five *activities of daily working*;

OR

(d) if the *modified TPD* definition applies, the insured person meets the *modified TPD* definition.

total disability/totally disabled means that the insured person is, solely as a result of injury or illness:

- for the first two years of the benefit period, unable to perform the material and substantial duties of his or her *usual occupation*;
- for the remainder (if any) of the benefit period, unable to perform the material and substantial duties of his or her *usual occupation* and any other occupation for which the insured person is suited by education, training or experience;
- not engaged in any occupation, whether paid or unpaid;
- not earning an *income*; and
- is under the regular care and following the advice of a *medical practitioner* in relation to that injury or illness.

usual occupation means:

- the occupation in which the insured person is regularly engaged, for remuneration or reward (or expectation of reward); or
- if the insured person has been unemployed or on maternity, paternity or sabbatical leave for greater than 12 months at the time of disability, any occupation which the insured person is reasonably capable of performing having regard to education, training or experience.

How to contact Macquarie Life

Financial Advisers

1800 631 807

sumo@maccquarie.com

Existing Clients

Your adviser is your main point of contact for your insurance cover, so if you have any questions about your cover, please talk to your financial adviser.

You can contact us by mail at:
GPO Box 5216
Brisbane QLD 4001

Claims

1800 208 130

OFD6355 03/09

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