MACQUARIE

Macquarie Life Active Product Disclosure Statement

Macquarie Life

Product Disclosure Statement jointly issued by: Macquarie Life Limited ABN 56 003 963 773 AFSL 237 497 and Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSE No. R10044496 RSE Licence No. L0001281

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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). This PDS also contains important information about a superannuation interest issued by the trustee of the Macquarie Superannuation Plan ABN 65 508 799 106, Macquarie Investment Management Limited (Trustee). Macquarie Life and the Trustee are the joint issuers of this PDS. However, each issuer is not responsible for the products issued by the other issuer.

Macquarie Life and the Trustee are not authorised deposit-taking institutions for the purposes of the Banking Act (Cth) 1959, and their respective obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Neither Macquarie Bank Limited, nor any other company in the Macquarie Group, guarantees or otherwise provides assurance in respect of the obligations of Macquarie Life or the Trustee.

All of the information contained in this PDS is current at the time of issue. 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, macquarielife.com.au. A paper copy of any updated information will be given to you on request without charge. Applications can be made via the electronic application available through Macquarie Life's online insurance platform or a current paper application form. It is important that you consider this PDS before completing the application form.

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 Macquarie Life Active is appropriate to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision.

The importance of insurance

Your life is full of promise and potential. All your hard work is building towards a bigger and brighter future for you and your family. It's a future that's worth protecting.

Life insurance helps you protect against the financial consequences of losing your most valuable asset – your health. It gives you the security of knowing that even if you get seriously ill or injured, you will have financial support to help you still achieve your long-term plans.

Active summary

Types of cover available

Active allows you to get more of the cover you need in one convenient package.

You can make multiple claims over the life of your Active policy and it provides broad coverage for a range of *Health Events.* Even if you suffer a medical condition that is not listed, you may be entitled to claim if the condition leads to a physical, mental or occupational impairment.

Active Cover (*Health Events, terminal illness,* and death cover)	We will pay a lump sum on the occurrence of covered *Health Events*, (such as heart attack, stroke, cancer, digestive conditions, psychiatric conditions and many others), *terminal illness,* and death. The amount for a *Health Event* depends on how serious the condition is. An important aspect of this cover is that we will pay a benefit if the *Health Event* meets the specific criteria set out under the policy and falls into one of the benefit categories. These benefit categories are found starting on page 51.
Income Cover (optional)	We will pay a monthly amount for the inability to work due to *illness* or injury that results in *disability* longer than the selected waiting period.
Child Cover (optional)	We will pay a lump sum if the insured child dies, is diagnosed with a *terminal illness* or suffers one of the covered *Child Cover Conditions.*

Cover for *Health Events, terminal illness* and death are automatically included in Active. You simply choose an *Initial Amount of Cover* based on how much insurance you need. Income Cover and Child Cover are optional. You can indicate whether you want to include these in your Active policy when you apply.

A claims approach that makes sense

If you are eligible to claim for a *Health Event* under your Active policy, the severity of your *illness* or injury will determine how much we pay. The more serious the *Health Event*, the larger the benefit, and if your health deteriorates further following a claim we may pay you another benefit.

Your Active policy will not cease after a *Health Event* claim and will remain in place (at a reduced level), allowing you to claim multiple times over the policy term subject to specified limits (see Claim Protector on page 11). For subsequent claims we will pay:

- the difference in benefit severity for a deterioration of a condition for which a claim has been paid (see Progressive Conditions on page 9)
- the difference in benefit severity for unrelated conditions that occur within the 12 month *Limited Claim Period* (see Limited Claim Period on page 10) or
- the full amount of the applicable benefit for unrelated conditions that occur outside the *Limited Claim Period*, subject to remaining levels of cover (see Subsequent claims under the policy on page 9).

Understanding your Macquarie Life Active policy

Different terminology applies depending on how you are covered under an Active policy:

Policy owner	The person who is insured under the policy (insured person)	Terminology used in this document		
		"we", "our" or "us"	"you" or "your"	Policy is referred to as:
A person or company (that is not a trustee of a superannuation fund).	Either: • same person as the policy owner, or • a different person.	Macquarie Life	The policy owner	Either: • being held outside superannuation, or • a non-superannuation policy.
A person or company who is a trustee of a self managed superannuation fund.	A member of the relevant self managed superannuation fund.	Macquarie Life	The policy owner	Either: • being held within (or issued through) superannuation, or • a superannuation policy.
Macquarie Investment Management Limited (MIML) or the trustee of another *eligible superannuation plan.*	A member of an *eligible superannuation plan.*	In relation to the policy • Macquarie Life In relation to your membership of a superannuation plan	The member of the *eligible superannuation plan.*	
MIML	A member of the insurance-only division of the Macquarie Superannuation Plan.	MIML or the trustee of an *eligible superannuation plan.*	The member of the insurance-only division of the Macquarie Superannuation Plan.	

Ownership and structure of your insurance

Ownership of your Macquarie Life Active policy is an important consideration.

Your adviser will be able to recommend an appropriate ownership structure for you based on your personal circumstances. You can choose either non-superannuation ownership or superannuation ownership.

If you choose to hold your cover within superannuation, Superannuation Optimiser will apply.

Ownership	Description
Non-superannuation	The policy can be issued to an individual, a company, family trust, or other entity that is not a trustee of a superannuation fund. If a benefit becomes payable, the benefit is generally paid to the policy owner. If the insured person and policy owner are the same, the amount payable on the death of the insured person will be paid to their legal personal representative, unless any beneficiaries have been nominated under the policy, in which case it will be paid to the nominated beneficiaries.
Superannuation	The policy is issued to a trustee of a superannuation fund as policy owner and the insured person is a member of the superannuation fund. Some Active cover cannot be held within superannuation. If a benefit under the policy becomes payable, it will be paid to the trustee of the superannuation fund as policy owner, who must distribute the benefit in accordance with the governing rules of the superannuation plan and *superannuation law* current at the time of payment.

Superannuation Optimiser

Superannuation Optimiser allows you to split your cover so that it is held across two policies. One policy is issued to a trustee of a superannuation fund while the other is issued to the insured person (or other entity who is not a trustee of a superannuation fund). This enables you to hold those benefits that comply with a superannuation condition of release within superannuation and the remainder outside of superannuation.

For more information on how Superannuation Optimiser works refer to pages 29 to 31.

Macquarie Life Active

Active at a glance

Active Cover

Provides a lump sum if the insured person is diagnosed with a *terminal illness*, dies, or suffers a *Health Event* for which they are covered.

Entry ages	15–65 stepped premium 15–60 level premium
Expiry age	No expiry for death and *terminal illness* 99 for *Health Events* (cover changes between the age 65 and 70)
Amount of cover	For *Health Events* • minimum $100,000 • maximum $4 million For death and *terminal illness* • minimum is the *Health Events* sum insured • no maximum
Included benefits and features	• *Health Events, terminal illness* and Death cover Page 6 • Claim Protector *(Health Events)* feature Page 11 • Financial Planning benefit Page 12 • Funeral Assistance benefit Page 12 • Indexation Increases feature Page 12 • Future Increases feature Page 13
Available options	• Additional Death Cover option Page 14 • Extended Care option Page 14

Optional Child Cover

Provides a lump sum payment if the insured child is diagnosed with a *terminal illness*, dies, or suffers a *Child Cover Condition* for which they are covered.

Entry ages	2–14
Expiry age	21 (cover may be converted to a full policy prior to the child turning 21)
Amount of cover	• minimum $10,000 • maximum $250,000
Included benefits and features	• Indexation Increases feature Page 16 • Continuation of Cover feature Page 16

Optional Income Cover

Provides a monthly benefit if the insured person is unable to work due to an *illness* or injury and is *totally disabled*, or *partially disabled*, in most cases, for longer than the specified waiting period.

Entry ages	17–60 (64, for to age 70 benefit period)
Expiry age	65 (70, for to age 70 benefit period)
Monthly Amount of Cover	• minimum $1,250 per month • maximum $40,000 per month (for the first 24 months, then $30,000 per month for the remainder of the benefit period)
Benefit type	• Income at Claim • Income at Application • Endorsed Income at Application
Waiting periods available	• 30 days • 60 days • 90 days • 180 days • 1 year • 2 years
Benefit periods available	• 2 years • 5 years • To age 65 • To age 70
Included benefits and features	• Total Disability benefit Page 20 • Partial Disability benefit Page 21 • Specific Injury benefit Page 21 • Death benefit Page 22 • Indexation Increases feature Page 22 • Premium Waiver feature Page 22 • Involuntary Unemployment Premium Waiver feature Page 22 • Waiting Period Reduction feature Page 23 • Medical Professionals feature Page 23
Available options	• Extra Benefits option Page 23 – Health Event benefit Page 23 – Bed Confinement benefit Page 23 – Home Care benefit Page 24 – Rehabilitation Expense benefit Page 24 – Accommodation benefit Page 24 – Future Increases feature Page 24 – Cover Extension feature Page 25 • Accident option Page 25 • Claims Escalation option Page 25 • Superannuation Cover option Page 25 • Booster option Page 26

Active Cover

Active Cover provides a lump sum payment if you die, are diagnosed with a *terminal illness* or suffer one of the listed *Health Events*. The payment could be used by your family to pay down debts like your mortgage or credit cards, provide funds to cover unexpected expenses during your illness, or to help maintain your family's current lifestyle in the absence of your income.

Eligible entry ages	15 – 70 (stepped premiums) 15 – 60 (level premiums)
Expiry age	no expiry for death and *terminal illness* 99 for *Health Events*, the *Health Events* covered change between the ages 65 and 70
Minimum sum insured	$100,000
Maximum sum insured	$4 million (there is no maximum for the Additional Death Cover option, subject to financial justification and insurable interest)

The tables below summarise the benefits, features, and extra cost options that are available with Active Cover. Please refer to the relevant sections of this PDS for the complete terms and conditions.

Included benefits

Benefit name	Description	Page
Health Events, terminal illness and Death cover	Provides a lump sum payment if you die, are diagnosed with a *terminal illness,* or suffer one of the listed *Health Events.*	6
Funeral Assistance benefit	Advances a small portion of the *Initial Amount of Cover* so that immediate expenses can be met following the death of the insured person.	12
Financial Planning benefit	Reimburses up to $1,000 paid to a qualified financial adviser for the purpose of preparing a financial plan following the payment of a benefit category A or B claim.	12

Included features

Feature name	Description	Page
Claim Protector (*Health Events*) feature	Ensures 25% of the *Initial Amount of Cover* is retained on your policy so that funds will be available in the event that you suffer more than one claim over the life of the policy.	11
Indexation Increases feature	Increases the *Initial Amount of Cover* every year by the greater of 3% and the increase in the *consumer price index* so that cover retains its value against inflation.	12
Future Increases feature	Allows existing cover to be increased without further medical underwriting after the occurrence of a specified life event (eg the birth of a child).	13

Extra cost options

Option name	Description	Page
Additional Death Cover option	Pays an additional lump sum if the insured person dies or is diagnosed with a *terminal illness*.	14
Extended Care option	Pays an additional benefit amount if the insured person suffers a Category A *Health Event* that meets at least either 4 of the 6 *activities of daily living* or 60% *whole person impairment*.	14

The information provided in this section forms part of your *Health Events, terminal illness* and death cover terms and conditions. Words or expressions shown in *italics* have their meaning explained in the Glossary at the end of this PDS.

When a benefit is payable

Health Events, terminal illness and death cover

A benefit is payable if, during the *period of insurance* for H*ealth Events, terminal illness* and death cover, the insured person:

- dies
- is diagnosed with a *terminal illness*, or
- suffers a *Health Event* covered under the policy, and the *Maximum Amount Payable* for the benefit category under which the benefit is payable is not nil.

Whenever a benefit is paid for a *Health Event* and the policy has not ended, we will issue you with a replacement policy schedule that applies from the Schedule Date stated in the policy schedule which will reflect the date of the occurrence of the *Health Event* and state the *Remaining Amount of Cover* and *Maximum Amounts Payable* for each benefit category.

Where we do not accept your application for *Health Events* cover, we may choose to issue a policy with death and *terminal illness* cover only. In this situation, your policy schedule will show the *Maximum Amount Payable* for *Health Events* benefit categories as zero. Refer to the section titled 'Benefit categories' on page 7.

You may request the removal of the Health Events benefit from your policy. In which case we will reduce the *Initial Amount of Cover* on the corresponding benefit categories to zero. We will issue you with a replacement policy schedule that applies from the Schedule Date stated in the policy schedule, which will reflect the changes.

Where your policy schedule indicates that Superannuation Optimiser applies, your Active Cover will be held over two policies with a payment available under only one of these policies for any one *Health Event.* Please refer to the 'Superannuation Optimiser – Active Cover' section on page 29 for further information regarding the policy from which the benefit will be paid.

When cover changes

From the cover anniversary when the insured person turns age 65, cover for *occupational impairment* and cover under the Extended Care option, if applicable, ceases. From the cover anniversary when the insured person turns age 70, cover for all *Health Events* ceases and cover is only provided for:

- *loss of independent existence* (under benefit category A), and
- death and *terminal illness* (under benefit category AA).

From the cover anniversary when the insured person is aged 99, cover for *loss of independent existence* ceases and cover is only provided for death and *terminal illness* under benefit category AA.

Benefit categories

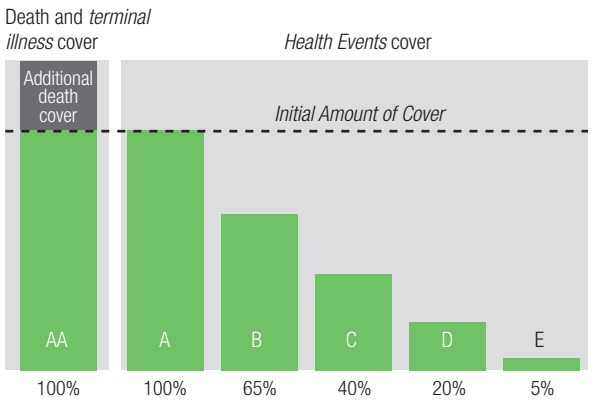
If you make a claim, the amount we will pay depends (in part) on the benefit category that your claim falls into, which is determined according to how serious the condition or event is. The highest benefit category is for death and *terminal illness* (benefit category AA) and the cover is based on the *Initial Amount of Cover* plus any additional death cover that you choose to include. After that, the *Health Event* benefit categories range from A through to E (from most serious to least serious), with the cover based on a percentage of the *Initial Amount of Cover*, as shown in the table below.

The list of *Health Events* covered by your Active policy and their corresponding benefit categories can be found in the section entitled 'Health Events' on page 51 of this PDS.

The amount we will pay may be reduced if it is not the first claim under the policy. See the section on 'How we calculate the amount we will pay' on page 8.

Benefit category	Type of cover	Percentage of the *Initial Amount of Cover*
AA	Death and *terminal illness*	100%, plus any additional death cover purchased
A	*Health Events*	100% *(Initial Amount of Cover)*
B	*Health Events*	65%
C	*Health Events*	40%
D	*Health Events*	20%
E	*Health Events*	5%[1]

[1] If the *Initial Amount of Cover* is less than $200,000, benefit category E will be $10,000 and the percentage for benefit category E will be adjusted accordingly.

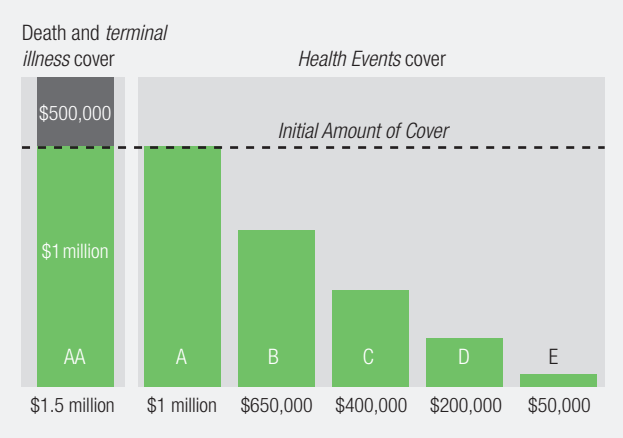


Examples

Throughout the PDS we will provide examples to show how Active cover works. These do not form part of your Active policy terms and conditions.

All examples are based on Active cover held by Michael, who is a 38 year old male.

Michael applied for an *Initial Amount of Cover* of $1 million plus $500,000 of additional death cover, which when issued provides the following levels of cover per benefit category:



In the examples throughout the PDS, cover has been assumed not to have been increased due to *indexation*.

How we calculate the amount we will pay

First claim under the policy

For a *Health Event*, the amount we will pay for the first claim under the policy is calculated in the following way:

1. **Determine the benefit category and percentage that applies for the *Health Event***
2. **Multiply the percentage by the *Initial Amount of Cover***

For death or *terminal illness*, we will pay the *Initial Amount of Cover* plus any additional death cover under benefit category AA.

Initial Amount of Cover

The *Initial Amount of Cover* is the amount originally issued, adjusted for Indexation Increases over time, plus any subsequent increases or decreases to the cover that you apply for and we accept. Refer to the Indexation Increases feature on page 12 for more information.

Remaining Amount of Cover

When your policy starts, the *Remaining Amount of Cover* under the policy is equal to the *Initial Amount of Cover*. When a *Health Event* claim is paid under the policy, the *Remaining Amount of Cover* under the policy is reduced by the amount paid for any *Health Event*.

Once the *Remaining Amount of Cover* has reduced to nil under the policy, there is no cover for *terminal illness* or death, unless additional death cover, which is not reduced by *Health Event* claims, has been included.

The Claim Protector feature included in your policy limits the extent to which the *Remaining Amount of Cover* for *Health Events* under benefit categories A to E will reduce. Refer to the Claim Protector feature section on page 11 for more information.

The *Remaining Amount of Cover* is adjusted for indexation increases in line with the *indexation* of the *Initial Amount of Cover*. Refer to Indexation Increases feature on page 12 for more information.

If you request a change to the *Initial Amount of Cover* under your policy, the *Remaining Amount of Cover* will be adjusted so that it retains the same proportion to the *Initial Amount of Cover* as it did before the requested change.

Maximum Amount Payable

The *Maximum Amount Payable* for each of the *Health Event* benefit categories A to E is calculated as the lesser of:

- the *Initial Amount of Cover* multiplied by the applicable percentage for the relevant benefit category, and
- the *Remaining Amount of Cover* under the policy.

If the *Initial Amount of Cover* is less than $200,000, the *Maximum Amount Payable* for benefit category E will be $10,000 and the percentage for benefit category E will be adjusted accordingly.

The *Maximum Amount Payable* for *terminal illness* and death under benefit category AA is the *Remaining Amount of Cover* under the policy plus any additional death cover.

Example: first claim

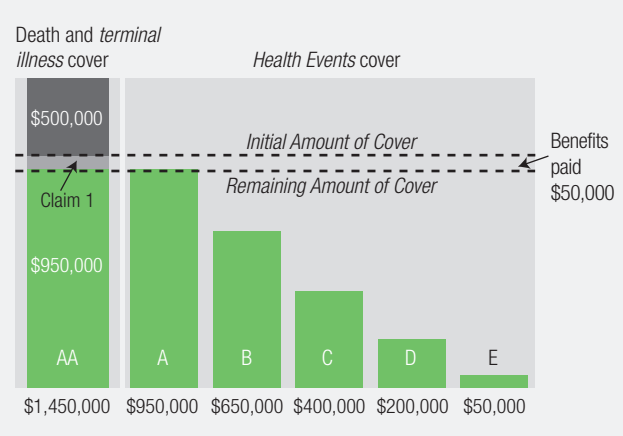
Michael is diagnosed with an early stage melanoma.

The depth and stage of the melanoma falls into the defined criteria for benefit category E under the *Health Event* category for solid tumour cancers, see the Cancer body system on page 51. For this claim, an amount of $50,000 is paid to Michael.

Following this claim, the *Remaining Amount of Cover* under the policy is reduced, resulting in the *Maximum Amount Payable* for each benefit category as shown below.

Benefit category	Type of cover	*Maximum Amount Payable*
AA	Death and *terminal illness*	$1,450,000
A	*Health Events*	$950,000
B	*Health Events*	$650,000
C	*Health Events*	$400,000
D	*Health Events*	$200,000
E	*Health Events*	$50,000

In the example, the claim for $50,000 reduces the *Maximum Amount Payable* for benefit categories AA and A as the *Remaining Amount of Cover* is less than the *Initial Amount of Cover* for these categories. For *Health Event* categories B to E there is no impact on the *Maximum Amount Payable.*



Subsequent claims under the policy

Multiple claims can be made under the policy. Any claims that are paid reduce the *Remaining Amount of Cover* available for subsequent claims.

For a subsequent *Health Event* claim, we will pay the *Maximum Amount Payable* applicable to the relevant benefit category for the claim, unless it is a *Progressive Condition* (see below) or falls within the *Limited Claim Period* (see page 10), in which case the amount we pay will be reduced.

For a subsequent claim under the policy that is for death or *terminal illness*, we will pay the *Maximum Amount Payable* under benefit category AA (which is based on the *Remaining Amount of Cover* plus any additional death cover).

Progressive Conditions

There are a number of medical conditions that we will treat as a progression of a prior condition when calculating how much we will pay.

A *Progressive Condition* is any condition or procedure that is directly or indirectly related to the same underlying condition, medical cause or pathology as a prior claim. For full details of *Health Events* we consider to be *Progressive Conditions*, refer to page 59.

If the condition has progressed in severity, we will pay the difference between the benefit category applicable to the current *Health Event* and the highest benefit category previously paid for the *Progressive Condition(s)*. If the benefit category for the current *Health Event* is the same as the highest benefit category previously paid for the *Progressive Condition(s)*, no benefit is payable.

The amount we will pay for a *Health Event* due to a condition that is a *Progressive Condition* to a claim that has previously been paid is calculated in the following way:

1. **Determine the benefit category and percentage that applies for the *Health Event***
2. **Deduct the percentage applicable to the benefit category paid for the prior claim that was the *Progressive Condition*[1]**
3. **Multiply the resulting percentage by the *Initial Amount of Cover***
4. **The amount we will pay will be the lesser of the amount calculated above and the *Maximum Amount Payable* for the benefit category applicable to the *Health Event* being claimed**

Example: claim 2 – Progressive Condition

18 months after Michael's initial diagnosis of early stage melanoma, despite treatment, it has recurred and has been detected at a higher stage.

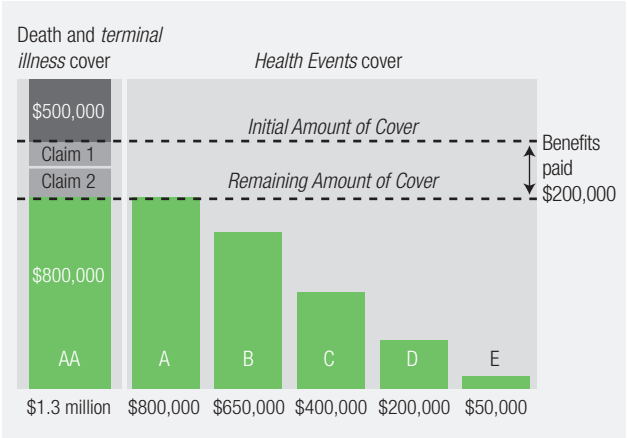
It now meets the defined criteria for benefit category D under the *Health Event* category for solid tumour cancers (see the Cancer body system on page 51).

As this recurrence of the melanoma is a *Progressive Condition* to the previous claim, we will pay the difference between the percentage payable for benefit category of the current claim and that of the previous claim.

In this case, the current benefit category of D provides a benefit of 20%, whilst the previous claim under benefit category E provided a benefit of 5%, therefore the amount payable is 15% of the *Initial Amount of Cover*, which is $150,000. This is the amount that will be paid, as it is not greater than the *Maximum Amount Payable* for benefit category D ($200,000). For this claim, an amount of $150,000 is paid to Michael.

Following this claim, the *Remaining Amount of Cover* under the policy is reduced, resulting in the *Maximum Amount Payable* for each benefit category as shown below.

Benefit category	Type of cover	*Maximum Amount Payable*
AA	Death and *terminal illness*	$1,300,000
A	*Health Events*	$800,000
B	*Health Events*	$650,000
C	*Health Events*	$400,000
D	*Health Events*	$200,000
E	*Health Events*	$50,000



[1] The relevant percentage for the prior claim (ie the actual amount paid for the claim as a percentage of the *Initial Amount of Cover*) will be used if the prior claim was for the *Health Event angioplasty* or the benefit category E amount was set at $10,000 because the *Initial Amount of Cover* was less than $200,000.

Limited Claim Period

As complications from a medical condition, or its treatment, often arise within the months following a condition and it can be difficult to identify all of these complications, a *Limited Claim Period* applies for 12 months following a *Health Event* claim.

When a *Health Event* occurs, a *Limited Claim Period* starts and lasts for 12 months. If a subsequent *Health Event* occurs during this *Limited Claim Period*, any amounts already paid during the current *Limited Claim Period* will be deducted from the amount we will pay for the current claim. This may result in no benefit being payable for a subsequent condition that falls within the *Limited Claim Period.*

We will not deduct amounts paid for a prior claim for a *Health Event* within the *Limited Claim Period* where either the current claim or the prior claim is/was for a *Health Event* that is the result of an *accident*, unless the *Health Events* are directly or indirectly due to the same underlying cause or event.

Any *Health Event* that occurs during an existing *Limited Claim Period* will not start a new 12 month period. However, the next *Health Event* that occurs outside of a *Limited Claim Period* will start a new *Limited Claim Period*.

The 12 month period commences on the occurrence of each of the *Health Events* and not when the claim for that *Health Event* is paid.

The amount we will pay for a *Health Event* that falls during a *Limited Claim Period* is calculated in the following way.

1. **Determine the benefit category and percentage that applies for the *Health Event.***

   If it is a *Progressive Condition* to a claim that occurred prior to the current *Limited Claim Period* apply the *Progressive Condition* reduction (see page 9).

2. **Multiply the percentage by the *Initial Amount of Cover.***
3. **Deduct all amounts that have been paid during the current *Limited Claim Period.***
4. **The amount we will pay will be the lesser of the amount calculated above and the *Maximum Amount Payable* for the benefit category applicable to the *Health Event* being claimed.**

Example: claim 3 – Limited Claim Period

Six months following his second claim, Michael has a heart attack.

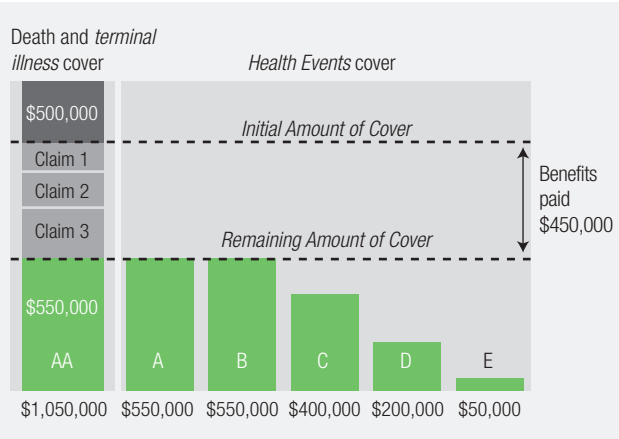
The severity of the heart attack meets the defined criteria for benefit category C under the *Health Event* category for heart attack, see the Heart and artery body system on page 53.

As this claim falls within the *Limited Claim Period* following the previous claim, we will only pay the difference between the amount payable for the current claim and the total of all other amounts paid during the current *Limited Claim Period*. This is calculated as $400,000 for the current benefit category C claim less the $150,000 already paid during the *Limited Claim Period*.

For this claim, an amount of $250,000 is paid to Michael.

Following this claim, the *Remaining Amount of Cover* under the policy is reduced, resulting in the *Maximum Amount Payable* for each benefit category as shown below.

Benefit category	Type of cover	*Maximum Amount Payable*
AA	Death and *terminal illness*	$1,050,000
A	*Health Events*	$550,000
B	*Health Events*	$550,000
C	*Health Events*	$400,000
D	*Health Events*	$200,000
E	*Health Events*	$50,000



Michael received a benefit in this case because the heart attack fell within a higher benefit category than the previous melanoma claim that was paid in the same *Limited Claim Period*. Had there been two claims within the *Limited Claim Period* that were within the same benefit category, no further benefit would have been paid.

Claim Protector (Health Events) feature

The Claim Protector feature is an important part of your Active cover that applies up to age 65 to ensure that you will have cover for subsequent *Health Events* available, up to the maximums shown in the table below. Under this feature, 25% of the *Initial Amount of Cover* is protected (called the Protected Amount).

For the first 14 days following the occurrence of a *Health Event*, the Claim Protector will not apply and the *Maximum Amount Payable* will be limited to the *Remaining Amount of Cover* under the policy. 14 days after a *Health Event*, if the *Maximum Amount Payable* is less than the Protected Amount, the *Maximum Amount Payable* for benefit categories A to E is increased to the lesser of:

- the Protected Amount, and
- the *Initial Amount of Cover* multiplied by the applicable percentage for the relevant benefit category (refer to page 7 for the percentages that apply),

provided the total amount claimed for *Health Events* under your Active cover does not exceed the limits shown in the table below.

Highest benefit category for which a claim has been paid	Maximum combined total payable for claims that are *Progressive Conditions**	Maximum combined total payable for all *Health Event* claims*
A	$4 million	$6.6 million
B to E	$2.6 million	$5.2 million

* The maximum amount payable includes any amounts paid under the Extended Care option.

The Claim Protector feature does not apply to *terminal illness* or death cover provided under the policy, therefore your death and *terminal illness* cover under the policy may reduce to nil unless additional death cover is included.

Increases to the *Maximum Amount Payable* under the Claim Protector feature are not available:

- after age 65, or
- if a claim for a *terminal illness* under benefit category AA or a *Health Event* that is a *terminal illness* under benefit categories A to E has been paid.

The Protected Amount is adjusted for Indexation Increases in line with *indexation* of the *Initial Amount of Cover*. Refer to the Indexation Increases feature on page 12.

Example: claim 4 – Claim Protector

Five years later, Michael is in a car accident and suffers a back injury.

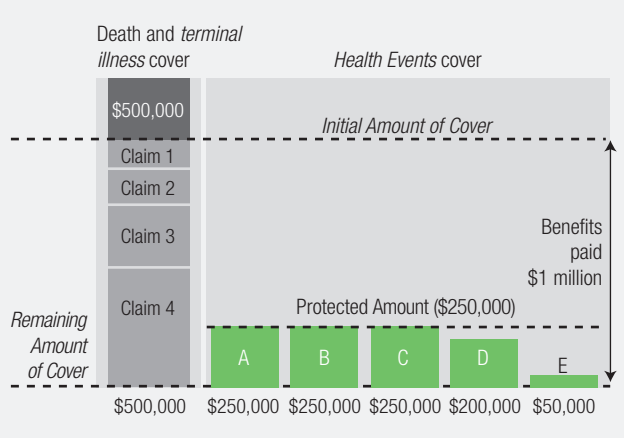
This injury meets the defined criteria for benefit category B under the *Health Event* category for back, limb and whole person impairment, see the Musculoskeletal body system on page 57.

This Health Event is not a *Progressive Condition* of any prior claim, nor has it fallen within a *Limited Claim Period*. Due to the previous claims paid under the policy, the *Maximum Amount Payable* for benefit category B is now $550,000 and this amount is paid to Michael. In total, $1 million has been paid to Michael for his *Health Events* claims.

This last claim has resulted in the *Remaining Amount of Cover* for the policy reducing to nil, making it less than the Protected Amount of $250,000 (25% of the *Initial Amount of Cover*). 14 days following the claim the Claim Protector applies and the *Maximum Amount Payable* for benefit categories A to D is increased as shown in the table below:

Benefit category	*Maximum Amount Payable* in the 14 days following the claim	*Maximum Amount Payable* 14 days after the claim
AA	$500,000	$500,000
A	$0	$250,000
B	$0	$250,000
C	$0	$250,000
D	$0	$200,000
E	$0	$50,000

Benefit categories A to C are increased to the Protected Amount. Benefit category D is increased to $200,000 based on 20% of the *Initial Amount of Cover* and benefit category E is increased to $50,000 based on 5% of the *Initial Amount of Cover.*



The automatic cover for *terminal illness* and death under Michael's policy has reduced to nil. However, because he chose to purchase additional death cover, he has $500,000 of cover remaining for death or *terminal illness.* The additional death cover is not reduced by claims for *Health Events* so will be available despite any future *Health Event* claims.

Financial Planning benefit

Under this feature, we will reimburse the cost of engaging a qualified financial adviser to prepare a financial plan following payment of a claim for *terminal illness,* death or a *Health Event* that falls within benefit category A or B.

The total amount payable under this benefit is the lesser of the actual fee paid for the financial planning advice (excluding any commissions received by the adviser) and $1,000. It is payable on receipt of evidence of:

- the financial advice provided
- the qualifications of the financial adviser, and
- the payment made for that advice.

This evidence must be received by us within 12 months of payment of the claim.

The benefit is payable to the person who receives the claim proceeds. If the claim proceeds are paid to more than one person, the maximum amount payable to each beneficiary for reimbursement of financial planning costs incurred by them will be split proportionally in line with the split of the benefit payment. The benefit is only payable once for the insured person across all cover with us. The financial adviser whose services are being reimbursed must be qualified and operating under an Australian Financial Services Licence.

This benefit is not available under a policy that is owned by the trustee of a superannuation fund.

Funeral Assistance benefit

Under this feature, part of the claim payment for death will be paid in advance so that immediate expenses can be met following your death.

The amount payable is the lesser of:

- 10% of the *Maximum Amount Payable* for benefit category AA, and
- $15,000.

The maximum amount we will pay under the Funeral Assistance benefit (or similar benefit) is $15,000 across all cover held with Macquarie Life for the insured person.

This benefit is not payable if:

- the insured person's death is the result of suicide within 13 months of *cover commencement*
- it is the result of anything that is excluded under the policy, or
- there is reasonable doubt about whether the death benefit will become payable.

Before this benefit becomes payable, we must receive medical evidence as to the cause and the date of death. If we agree this benefit is payable, it will be paid to the nominated beneficiary, the policy owner if different to the insured person, or the legal personal representative of the policy owner, within two business days of receipt of all of the required documents.

The death benefit that is paid will be reduced by the amount of the Funeral Assistance benefit.

The payment of a Funeral Assistance benefit is not an admission of liability and we reserves the right to recover the amount paid if the death benefit is subsequently not paid.

This benefit is not available under a policy that is owned by the trustee of a superannuation fund.

Indexation Increases feature

We will increase the *Initial Amount of Cover*, *Remaining Amount of Cover,* additional death cover and Protected Amount for benefit categories AA to E by the *indexation* rate on each cover anniversary before age 65, so that the policy retains its value over time in line with inflation.

We will tell you the proposed *indexation* increase before it applies and you can choose to decline the increase. If you decline an increase it will not affect future increase offers. To decline an increase, we must receive your notice of decline before the applicable cover anniversary. If you decline an *indexation* increase on the *Initial Amount of Cover*, the *Remaining Amount of Cover* and Protected Amount will also not be increased.

Under the Indexation Increases feature, the *Initial Amount of Cover* can increase above the maximum allowed at application.

Future Increases feature

Under this feature, after certain events for the insured person, you can apply to increase the *Initial Amount of Cover* until age 55, and we will accept the increase without the need for medical underwriting. However, satisfactory evidence of the event for which the increase is sought will be required. The application for an increase under this feature must be made on the appropriate form. The increase only takes effect from when we approve the application for the increase. The following table sets out the events and the maximum amounts by which you can apply to increase the *Initial Amount of Cover*.

The minimum increase to the *Initial Amount of Cover* under the Future Increases feature is $10,000. An increase under this feature cannot be made until 12 months after the cover start date for the applicable insurance cover.

The increase in cover must be requested in the six month period following the event and only one increase may be applied for in any 12 month period under this feature. The maximum amount by which the *Initial Amount of Cover* can be increased under this feature is $1 million.

The *Initial Amount of Cover* cannot be increased above the maximum amounts allowable, as stated on page 4. These maximum limits apply inclusive of all lump sum cover held with us or another insurer for the insured person.

Any premium adjustments, exclusions or special conditions which applied to the original cover will also apply to any increases made under this feature.

This feature is not available if:

- the policy was issued with a premium adjustment in the form of a medical loading of 75% or more, or
- a claim has been or can be made by you for lump sum cover under any policy provided by us.

If an event or condition giving rise to a claim occurs (or for a *Health Event*, the symptoms leading to the condition occurring or being diagnosed first became apparent) during the first six months after an increase in the *Initial Amount of Cover* under this feature, we will only pay a claim in respect of the increased cover if:

- the condition for which the claim is being made is due to an *accident,* and
- the *accident* occurs after the date of the increase.

If you increase your *Initial Amount of Cover,* you can also increase your additional death cover proportionately.

Events	Maximum increase
The insured person marries or registers a *partnership*	The lesser of: • 25% of the *Initial Amount of Cover* when your policy started, and • $200,000.
The insured person or their *partner* gives birth to or adopts a child	
The insured person takes out a new mortgage or increases an existing mortgage (excluding refinance or draw down)	The lowest of: • 25% of the *Initial Amount of Cover* when your policy started • $200,000, and • the increase in the size of the mortgage.
The *income* of the insured person increases by 15% or more in a 12 month period	The lowest of: • 25% of the *Initial Amount of Cover* when your policy started • $200,000, and • five times the increase in *income.*
The insured person becomes a *carer* for the first time	The lesser of: • 25% of the *Initial Amount of Cover* when your policy started, and • $200,000
The death of the insured person's *partner*	The lesser of: • 25% of the *Initial Amount of Cover* when your policy started, and • $200,000
The insured person divorces or de-registers a *partnership*	The lesser of: • 25% of the *Initial Amount of Cover* when your policy started, and • $200,000
A child of the insured person turns 18	The lesser of: • 25% of the *Initial Amount of Cover* when your policy started, and • $200,000

Additional Death Cover option

This is an option for which an additional premium is charged. Your policy will state whether additional death cover applies and, if so, the amount provided.

You can purchase an amount of additional death and *terminal illness* cover that will be paid if the insured person is diagnosed with a *terminal illness* or dies. The additional death and *terminal illness* cover is added to the *Remaining Amount of Cover* to derive the *Maximum Amount Payable* under benefit category AA. This option ensures you have an amount of death and *terminal illness* cover, separate from your *Health Events* cover, that is not affected by other claims under the policy.

Extended Care option

This is an option for which an additional premium is charged. Your policy schedule will state if the Extended Care option applies to your policy.

The Extended Care option is only available where the combined total of the *Initial Amount of Cover* plus the amount of cover provided under the Extended Care option (being an additional 50% of the *Initial Amount of Cover*) does not exceed $4 million at application.

Under this option, up until the cover anniversary when the insured person is aged 65, an additional amount of 50% of the *Initial Amount of Cover* will be paid if a claim has been paid for a *Health Event* under Benefit Category A, and the insured person either:

- has the presence of a medically recognised disease or disorder resulting in a *permanent* and irreversible inability to perform four out of six *activities of daily living*, or
- suffers *permanent* and irreversible *WPI* of at least 60%.

A benefit is only payable once under the Extended Care option.

The premium for this option will end on the earlier of the payment of a benefit under the Extended Care option or the cessation of cover for the Extended Care option on the policy cover anniversary when the insured person is aged 65.

When cover is reduced

Cover provided under the policy will be reduced if you request a decrease in your Active cover.

If you request a change to the *Initial Amount of Cover* for *Health Events*, *terminal illness* and death cover under your policy, the *Remaining Amount of Cover* and the Protected Amount will be adjusted so that it retains the same proportion to the *Initial Amount of Cover* as it did before the requested change. The amount we will pay for a *Health Event*, *terminal illness* or death claim may be reduced if it is not the first claim under your policy. Refer to the 'How we calculate the amount we will pay' section on page 8.

When a benefit will not be paid

We will not pay a benefit under your Active cover if any of the following apply in respect of an insured person:

- for death and *terminal illness* (benefit category AA):
  - if the *terminal illness* or death occurs directly or indirectly as a result of an intentional self-inflicted act within 13 months of *cover commencement*. This exclusion will not apply if the *replacement cover waiver – death and terminal illness* applies.
- for *Health Events* cover (benefit categories A–E):
  - if the *Health Event* is caused directly or indirectly by an intentional self-inflicted act at any time
  - if the *Health Event* has a specified exclusion and the claim is for that excluded condition (see *Health Events* section starting on page 51), or
  - if the *Health Event* occurs in the 90 day period following the *application date* or the date any cover is reinstated and the *Health Event* has a 90 day exclusion specified (see *Health Events* section starting on page 51). This exclusion will not apply if the *replacement cover waiver – Health Events and Child Cover* applies.
  - if the *Health Event* first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent before the *application date* or the date any cover is reinstated.
- for all cover:
  - if death, *terminal illness*, or the *Health Event* is caused or contributed to by anything excluded under the policy as indicated on the policy schedule.

Optional Child Cover

Child Cover provides a lump sum payment if the insured child suffers one of the *Child Cover Conditions* covered by your policy. The payment could be used to cover additional unexpected expenses as a result of the injury or illness, or provide funds to allow you or your partner to take time off work to care for your child while they are unwell.

Eligible entry ages	2 – 14
Expiry age	21 (cover may be converted to an adult policy once the child is 15)
Minimum Amount of Cover	$10,000
Maximum Amount of Cover	$250,000
Other requirements	You must have, or be applying for, (as policy owner or insured person) Active Cover. The child(ren) to be insured must be your natural, step or adopted child or grandchild.

The tables below summarise the benefits and features available for Child Cover. Please refer to the relevant sections of this PDS for the complete terms and conditions.

Child Cover cannot be owned by a trustee of a superannuation fund.

Included benefits

Benefit name	Description	Page
Child Cover	Pays the Child Cover Amount of Cover if the insured child suffers one of the listed *Child Cover Conditions.*	16

Included features

Feature name	Description	Page
Indexation Increases feature	Increases the Amount of Cover every year by the greater of 3% and the increase in the *consumer price index* so that your cover retains its value against inflation.	16
Continuation of Cover feature	Allows you or the insured child to convert the Child Cover to an adult policy without the need for medical underwriting once they reach the age of 15.	16

The information provided below forms part of your Child Cover terms and conditions. Words or expressions shown in *italics* have their meaning explained in the Glossary at the end of this PDS. Any references to the 'insured person' include references to the 'insured child', where applicable.

Child Cover Conditions

Body system	Condition
Cancer of any body system	*aplastic anaemia* *cancer*[#]
Heart and artery	*cardiomyopathy* *heart attack*[#] *open heart surgery*[#] *out of hospital cardiac arrest*[#]
Brain and nerves	*bacterial meningitis or meningococcal septicaemia* *benign brain tumour with impairment level* *brain damage* *coma* *encephalitis* *major head trauma* *muscular dystrophy with impairment level* *paralysis* *stroke*[#]

Body system	Condition
Lungs	*chronic lung disease* *primary pulmonary hypertension*
Kidneys	*chronic kidney failure*
Ear, nose and throat	*loss of hearing* *loss of speech or total aphasia*
Eye	*loss of sight*
Musculo-skeletal	*loss of limbs* *severe burns*
Digestive system	*chronic liver disease*
Other	*child's loss of independent existence* *intensive care* *major organ transplant*
	medically acquired HIV

[#] if the *Child Cover Condition* first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent in the 90 day period following the *application date* or the date any cover is reinstated for the Child Cover, a benefit will not be paid for the *Child Cover Condition* at any time under the policy. This exclusion will not apply if the *replacement cover waiver – Health Events* and *Child Cover applies.*

When a benefit is payable

Your policy schedule will state if Child Cover applies. If your Active policy includes Child Cover a benefit equal to the Amount of Cover is payable if, during the *period of insurance*, an insured child:

- dies
- is diagnosed with a *terminal illness*, or
- suffers one of the *Child Cover Conditions* listed in the table on page 15.

We will only pay the Amount of Cover once under the policy for each insured child. Any amount we pay for Child Cover does not reduce the *Remaining Amount of Cover* under your Active cover.

The definitions for all the *Child Cover Conditions* can be found in the Glossary at the end of this PDS.

Indexation Increases feature

We will increase the Amount of Cover, by the *indexation* rate on each cover anniversary before Child Cover ends, so that it retains its value over time in line with inflation.

We will tell you the proposed Indexation Increase before it applies and you can choose to decline the increase. If you decline an increase it will not affect future increase offers. To decline an increase, we must receive your notice of decline before the applicable cover anniversary.

Under the Indexation Increases feature, the Amount of Cover can increase above the maximum allowed at application.

Continuation of Cover feature

This feature allows you or the insured child to commence a policy for the same or lesser amount as the Amount of Cover for the insured child under Child Cover, on any cover anniversary for the Child Cover that falls when the insured child is aged 15 to 21 inclusive, without the need for medical underwriting. Additional information from the insured child may be required at the time of conversion to establish the premium rate that will apply to the insurance.

Once this election is made, the Child Cover for that insured child is cancelled. The Continuation of Cover feature is not available if a claim has been paid or is payable for the insured child under any cover with us.

When a benefit will not be paid

A Child Cover benefit will not be paid in respect of an insured child if the *Child Cover Condition* (or where the *Child Cover Condition* involves surgery or a procedure, the disease or condition for which the surgery or procedure is undertaken):

- is a congenital condition
- is *intensive care* and the *illness* or injury that has caused this condition is as a result of drug or alcohol intake or self-inflicted means
- is caused by the intentional act or intentional omission of the policy owner or the insured child's parent, guardian or a person acting in a regular de facto role as a parent, or
- occurs in the 90 day period following the *application date* or the date any cover is reinstated and the *Child Cover Condition* has a 90 day exclusion specified). This exclusion will not apply if the *replacement cover waiver – Health Events and Child Cover* applies.

A Child Cover benefit will not be paid if we do not receive consent to obtain medical records (past and present) of the insured child.

Optional Income Cover

Income Cover provides a monthly benefit if you are unable to work due to an *illness* or injury and are *totally* or *partially disabled* for longer than the waiting period. It contributes towards a replacement income so that you can concentrate on your recovery without having to worry about how to pay your ongoing expenses.

Eligible entry ages	17 – 60 17 – 64 for the 'to age 70' benefit period with stepped premiums
Expiry age	65, or 70 for the 'to age 70' benefit period
Minimum Monthly Amount of Cover	$1,250
Maximum Monthly Amount of Cover	$30,000 plus an additional $10,000 with a two year benefit period limited to the monthly equivalent of: • 75% of the first $320,000 of annual *income* • 50% of the next $240,000 of annual *income*, and • 20% of the balance of annual *income*.
Occupation requirement	The person to be insured must be *gainfully employed* for a minimum of 20 hours per week at the time of application.
Waiting periods	30 days, 60 days, 90 days, 180 days, 1 year and 2 years*
Benefit periods	2 years, 5 years, to age 65, to age 70#

Restricted to occupation classes 1E, 1L, 1M, and 1P. Subject to certain requirements.

* Not available with a 2 year or 5 year benefit period.

Pages 17 – 18 summarise the benefits, features, and extra cost options, as well as other important information about Income Cover. Please refer to the relevant sections of this PDS for the complete terms and conditions.

If Income Cover is to be held within superannuation, Superannuation Optimiser will apply.

Income Cover types	Description
Income Cover Plus	Available only to those working in occupations classed as 1, 1E, 1L, 1M or 1P.* It includes additional terms with respect to the waiting period requirements, *total disability* definition, and Premium Waiver feature.
Income Cover Standard	Available to all occupation classes.

* Your adviser will be able to assist you to determine your occupation class.

Included benefits	Description	Page
Total Disability benefit	Pays the *monthly benefit* if the insured person is *totally disabled* and unable to earn any income.	20
Partial Disability benefit	Pays part of the *monthly benefit* if the insured person is *disabled* but still earning some income.	21
Specific Injury benefit	Pays the *monthly benefit* for a set period of time if the insured person suffers one of a list of injuries, even if they return to work.	21
Death benefit	Pays up to four times the Monthly Amount of Cover if the insured person dies while receiving a benefit.	22

Included features	Description	Page
Indexation Increases feature	Increases the Monthly Amount of Cover each year by the increase in the *consumer price index* so that cover retains its value against inflation.	22
Involuntary Unemployment Waiver feature	Waives the premium if the insured person becomes *involuntarily unemployed*.	22
Premium Waiver feature	Waives the premium while a benefit is payable.	22
Recurrent Disability feature	Allows the insured person to continue with a previous claim without having to meet the waiting period requirements again if a recurrence of the same *disability* occurs within a certain period of time.	22
Waiting Period Reduction feature	Allows a one year or two year waiting period to be reduced if the insured person leaves an employer and existing salary continuance cover provided ceases.	23
Medical Professionals feature	Provides special terms for medical professionals who contract the Human Immunodeficiency Virus (HIV), Hepatitis B, or Hepatitis C and as a result have their occupational duties restricted.	23

Extra cost options	Description	Page
Extra Benefits option	Provides a comprehensive suite of additional benefits and features such as the Health Event benefit which pays the *monthly benefit* for six months if the insured person suffers a category A *Health Event*, even if they can return to work.	23
Accident option	Allows a benefit to be received during the waiting period if the insured person suffers an accident that causes them to be *totally disabled* for at least four consecutive days.	25
Claims Escalation option	Increases the *monthly benefit* each year by the *consumer price index* while receiving the Total Disability benefit or Partial Disability benefit.	25
Superannuation Cover option	Allows larger portion of *income* to be insured so that in the event of *disability*, a contribution can be made into superannuation.	25
Booster option	Increases the *monthly benefit* payable by 33% for 24 months if the insured person's *disability* meets the definition of a benefit category A *Health Event*.	26

Benefit types

The type of Income Cover chosen will determine how the benefit is calculated at claim time and the type of financial evidence that will need to be provided. Macquarie Life Active Income Cover provides the following three options: Income at Claim, Income at Application, and Endorsed Income at Application.

For some occupations, Income Cover may only be available on an Income at Claim basis.

Benefit type	Description
Income at Claim	When cover is provided on an Income at Claim basis, the benefit payable in the event of a claim is based on the *income* you were earning prior to your *illness* or injury occurring. If your *income* reduces after applying for your policy, you may not receive the full amount for which you are insured. You will need to provide financial evidence at the time of claim to support the benefit being claimed before any benefit can be paid. Evidence of any *post-disability income* will also be required before payment of the Partial Disability benefit.
Income at Application and Endorsed Income at Application	When cover is provided on an Income at Application or Endorsed Income at Application basis, the benefit payable in the event of a claim will be based on your *income* at the time you applied for the cover up to a maximum of the Monthly Amount of Cover. If you elect Endorsed Income at Application, you will need to provide financial evidence at the time of application that supports the benefit for which you are applying. If you elect Income at Application cover, you will instead need to provide this financial evidence at the time of claim before any benefit can be paid. If you cannot substantiate the *income* disclosed at application then your benefit will be reduced accordingly. For both Income at Application and Endorsed Income at Application, you will need to provide evidence of any *post-disability income* before the Partial Disability benefit can be paid.

The waiting period and benefit period

Two important aspects of your Income Cover are your waiting period and benefit period.

Waiting period

This is the period of time before a benefit is payable on your policy. Generally, benefits are not payable during the waiting period.

Income Cover benefits are paid monthly in arrears. This means that if you qualify for a benefit your first payment will be made one month after the end of the waiting period.

For example, consider a policy with a 30 day waiting period. If the insured person suffered an injury on 1 April and as a result could not work at all, provided they meet the claim requirements and supply all the necessary evidence we request:

- the waiting period would end on 1 May (30 days after the injury) and
- the first payment would be paid on 1 June (covering the period from 1 May to 1 June).

Benefit period

This is the maximum period of time for which we will make payments for the same *disability*.

For some occupations certain benefit periods may not be available.

If payments have been made for the full duration of a '2 year' or '5 year' benefit period, new claims with a new benefit period can be considered but only after the insured person makes a successful return to *gainful employment* for at least 20 hours per week for six months before the *disability* recurs. This applies whether the new claim is as a result of a related or unrelated cause.

The information provided in this section forms part of your Income Cover terms and conditions. Words or expressions shown in *italics* have their meaning explained in the Glossary at the end of this PDS.

The *monthly benefit*

If you have Macquarie Life Active Income Cover a Monthly Amount of Cover will be shown on your policy schedule.

The Monthly Amount of Cover (plus any applicable Indexation Increases) is the maximum amount that is payable for any given monthly period. However, where the Booster option applies, the *monthly benefit* may be higher. See the section entitled Booster option on page 26 for further details.

To determine the amount payable each month, we first calculate the *monthly benefit*. The way your *monthly benefit* is calculated is determined by the benefit type as indicated on your policy schedule.

The *monthly benefit* is calculated as follows:

Endorsed Income at Application

If the benefit type on your policy schedule is Endorsed Income at Application then the *monthly benefit* is your Monthly Amount of Cover.

Income at Application or Income at Claim

If the benefit type on your policy schedule is Income at Application or Income at Claim then the *monthly benefit* is calculated as the lesser of your Monthly Amount of Cover and the monthly equivalent of:

- 75% of the first $320,000 of *claimable income*,
- 50% of the next $240,000 of *claimable income*, and
- 20% of the balance of *claimable income.*

For both Income at Application and Income at Claim you will need to provide financial evidence satisfactory to us of *claimable income*.

If the Superannuation Cover option is indicated on your policy schedule, different limits will apply. Please see the section entitled Superannuation Cover option on page 25 for further details.

Different benefit types

If your policy schedule indicates that you have both Endorsed Income at Application and Income at Claim benefit portions then the *monthly benefit* will be the greater of:

- the Monthly Amount of Cover of the Endorsed Income at Application portion, and
- the *monthly benefit* calculated on the basis of the total of all Monthly Amounts of Cover being treated as Income at Claim.

Once calculated, the *monthly benefit* is used to determine the benefit payable from either the Total Disability benefit, Partial Disability benefit, Specific Injury benefit, or Health Events benefit (if the Extra Benefits option applies) depending on your *disability*. Please see the relevant sections of the PDS for further details of these benefits.

If the 'to age 70' benefit period has been selected, the *monthly benefit* will be calculated on an Income at Claim basis for any new claim where the waiting period commences on or after the cover anniversary when the insured person is 65.

If the policy schedule indicates that Superannuation Optimiser applies, please also refer to the section entitled 'Superannuation Optimiser – Income Cover' on page 29 for important information regarding how payments are made from the two linked policies under which your benefits are provided.

Claimable income

Claimable income is used to determine your *monthly benefit* if your benefit type is Income at Application or Income at Claim. You will need to provide evidence that is satisfactory to us of *claimable income* to support the Monthly Amount of Cover for which you applied before we will make any payments to you. If you are unable to provide financial evidence to support the Monthly Amount of Cover then your *monthly benefit* will be reduced accordingly.

IMPORTANT: the definition for *claimable income* is different for Income at Application and Income at Claim policies as detailed below.

Income at Application

Claimable income is the highest of either the highest average monthly *income* for any 12 consecutive months in the 36 months preceding the start of the waiting period applying to the claim, and

- if the insured person is an Employee:
  - their *income* for the 12 months immediately prior to the application for cover (or approved increase)
- if the insured person is Self-Employed and their *income* in the 12 months prior to the application for cover (or approved increase) reduced by more, or increased by less, than 20% when compared to the *income* of same period 12 months earlier:
  - their *income* in the 12 months immediately prior to the application for cover (or approved increase)
- if the insured person is Self-Employed and the above does not apply:
  - the average of their *income* over the 24 months immediately prior to the application for cover (or approved increase).

The insured person's *income* prior to application will be increased by the increase in the *consumer price index* at each cover anniversary until the date of *disability*.

Income at Claim

Claimable income is the highest average monthly *income* for any 12 consecutive months in the 36 months preceding the start of the waiting period applying to the claim.

The benefit period

The benefit period is the maximum period for which a claim for *disability* is payable. The benefit period that applies is shown on your policy schedule.

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

- the end of the selected benefit period (if the benefit period selected is 'to age 65' or 'to age 70', the benefit period ends at the cover anniversary when the insured person is aged 65 or 70, respectively), and
- the date when cover ends (see the section, 'When cover ends' on page 33).

If Superannuation Optimiser applies, the remaining benefit period for a two year or five year benefit period will also be reduced under a linked policy.

The waiting period

The waiting period is the period of time you must wait before a benefit is payable under your policy. The waiting period that applies is shown on your policy schedule.

The waiting period begins the day the insured person is *disabled* due to *illness* or injury and has consulted a *medical practitioner* in relation to their *disability*.

On the basis of medical and other evidence acceptable to us, we may reduce the waiting period by up to seven days, determined by the number of continuous days for which the insured person was absent from *gainful employment* due to *illness* or injury prior to first consulting a *medical practitioner* in relation to their *disability*.

Return to work during the waiting period

The waiting period will restart if the insured person returns to work and is no longer *disabled*. However we will allow the insured person to return to work during the waiting period, without the waiting period restarting for up to:

- five consecutive days if the waiting period is 30 days
- 10 consecutive days if the waiting period is 60 days, 90 days, 180 days, 1 year or 2 years, and
- six consecutive months if the waiting period is 2 years and the insured person is also covered by a type of disability income insurance with a benefit period of two years provided through membership of a regulated superannuation scheme in Australia or provided through their employer.

The waiting period will be extended by the number of days worked while the insured person is not *disabled*.

Total Disability benefit

If you have Income Cover Standard as shown on your policy schedule, the Total Disability benefit is payable if, during the *period of insurance*, the insured person:

- has been continuously *disabled* during the waiting period and is *totally disabled* for at least five consecutive days during that time
- is *totally disabled* after the end of the waiting period, or after a period during which a Partial Disability benefit has been paid for the same *illness* or injury, and
- continues to be *totally disabled*.

If you have Income Cover Plus as shown on your policy schedule, the Total Disability benefit is payable if, during the *period of insurance*, the insured person:

- has been continuously *disabled* during the waiting period
- is *totally disabled* after the end of the waiting period, or after a period during which the Partial Disability benefit has been paid for the same *illness* or injury, and
- continues to be *totally disabled*.

Calculating the benefit payable

The Total Disability 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 27, and
- increases under the Claims Escalation option, if it applies, as explained on page 25.

The Total Disability benefit is payable monthly in arrears for each day of *total disability* after the end of the waiting period (1/30th of the Total Disability benefit payable per day if the benefit is only payable for part of a month), but not beyond the end of the benefit period for that *disability*.

Partial Disability benefit

If you have an Active Income Cover policy as shown on your policy schedule, the Partial Disability benefit is payable if, during the *period of insurance*, the insured person:

- has been continuously *disabled* during the waiting period
- is *partially disabled* after the end of the waiting period, or after a period during which the Total Disability benefit has been paid for the same *illness* or injury, and
- continues to be *partially disabled*.

Calculating the benefit payable

The Partial Disability 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 27, and
- increases under the Claims Escalation option, if it applies, as explained on page 25.

The Partial Disability benefit is payable monthly in arrears for each day of *partial disability* after the end of the waiting period (1/30th of the Partial Disability benefit payable per day if the benefit is only for part of a month) but not beyond the end of the benefit period for that *disability*.

Specific Injury benefit

If you have an Active Income Cover policy as shown on your policy schedule, and the insured person suffers one of the injuries listed below during the *period of insurance*, we will pay the *monthly benefit* for the number of months indicated, regardless of whether the insured person is *totally disabled*.

Payments will be made during the waiting period.

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 • the sight in 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 • the sight in 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 the 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 two years, the payment period for paralysis under this feature is 24 months.

If the benefit period is '2 years' or '5 years', the benefit period for *disability* due to, or related to, an injury for which we have paid the Specific Injury benefit is reduced by the number of months 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.

If we are paying benefits under the Specific Injury benefit, payments will cease if Income Cover ends, explained in the section titled 'When cover ends' on page 33.

The Specific Injury benefit is only available on cover held outside of superannuation. Refer to the section titled 'Policy ownership' on page 28.

Death benefit

If you have an Active Income Cover policy and the insured person dies while a benefit is being paid, we will continue to pay a monthly benefit equal to the Monthly Amount of Cover, for a period of four months from the date of death upon receipt of the death certificate.

The maximum combined benefit we will pay for the four months is $75,000. If you have the Extra Benefits option as shown on your policy schedule, the maximum amount we will pay for the four months is $150,000.

Indexation Increases feature

So that your cover retains its value over time in line with inflation, on each cover anniversary before the insured person reaches age 65, we will increase the Monthly Amount of Cover by the increase in the *consumer price index*. If the change in the *consumer price index* is zero or negative, the Monthly Amount of Cover will not change.

We will tell you the proposed indexation increase before it applies and you can choose not to accept the increase. If you decline an indexation increase it will not affect future Indexation Increases offers. To decline an indexation increase, we must receive your notice of decline before the applicable cover anniversary.

If your Active Income Cover policy provides cover on an Income at Claim basis, you should consider whether, by accepting an increase, your Monthly Amount of Cover will exceed the *monthly benefit*.

If your Active Income Cover policy provides cover on an Income at Application or Endorsed Income at Application basis, the indexation increases applied to the Monthly Amount of Cover will not need to be financially verified at time of claim.

Under the Indexation Increases feature, the Monthly Amount of Cover can increase above the maximum allowed at application.

Premium Waiver feature

We will waive the premium payable under your Active Income Cover policy while a benefit is payable.

If you have Income Cover Plus as shown on your policy schedule, the premium will also be waived during the waiting period, if a benefit becomes payable under the policy.

Involuntary Unemployment Premium Waiver feature

If your Active Income Cover policy has been continuously in force for six months preceding *involuntary unemployment* of at least 10 consecutive working days, we will waive the premium payable under your policy for up to three months for the period while the insured person is *involuntarily unemployed* and registered with a recognised employment agency.

The premium will be waived due to *involuntary unemployment* for a maximum of three months in any 12 month period and a total maximum of six months inclusive of all cover held with Macquarie Life for the insured person over the life of the policy. If the premium is paid on an annual basis, we will provide a pro rata refund of the premium that has already been paid for each month that you are eligible for the Involuntary Unemployment Premium Waiver.

This feature is not available if the insured person was self-employed immediately prior to *involuntary unemployment*.

Recurrent Disability feature

If the benefit period under your Active Income Cover policy is 'to age 65' or 'to age 70', any claim for *disability* arising from the same or a related cause as a previous claim that occurs within 12 months of the date to which benefits have been paid for the previous claim, will be treated as a continuation of the previous claim and the waiting period will be waived. If the claim is made more than 12 months after the previous claim ended it will be treated as a new claim and a new waiting period will apply.

If the benefit period under your Active Income Cover policy is '2 years' or '5 years', or this insurance has been extended beyond the cover anniversary when the insured person is aged 65 under the terms of the Cover Extension feature on page 25, any claim for *disability* arising from the same or a related cause as a previous claim that occurs within six months of the date to which benefits have been paid for the previous claim, will be treated as a continuation of the previous claim and the waiting period will be waived. If the claim is made more than six months after date to which benefits have been paid for the previous claim, a new waiting period will apply. A new benefit period will apply only if the insured person made a successful return to *gainful employment* of at least 20 hours per week for a continuous period of six months.

Waiting Period Reduction feature

If you have an Active Income Cover policy and the waiting period is '1 year' or '2 years' as shown on your policy schedule, the waiting period can be reduced without medical underwriting to '1 year' or '90 days' if the insured person also has salary continuance cover provided through their employer and that cover terminates because they leave their employer. This is not available if they:

- elect to take up any continuation of cover option on the salary continuance cover
- are on claim or eligible to claim (on either policy) at the time of applying to reduce the waiting period, or
- are not engaged in *gainful employment* of at least 20 hours per week with a new employer.

You must apply to change the waiting period within 30 days of the insured person ceasing employment with the employer through which the salary continuance cover was provided. Evidence of the cover, cessation of employment and other information necessary to assess eligibility is required at the time of applying to reduce the waiting period.

The premium will be adjusted accordingly for any change made to the waiting period under this feature.

Medical Professionals feature

If a medical professional contracts HIV, Hepatitis B or Hepatitis C, professional guidelines may restrict their ability to perform certain procedures and result in a reduction of income, well before the illness results in a physical inability to perform the duties of their occupation.

Under Active Income Cover, we will consider that a medical professional has satisfied the occupational duties component of the *total disability* or *partial disability* definition if the following apply:

- the occupation class shown on your policy schedule is 1M
- the insured person becomes infected with HIV, Hepatitis B or Hepatitis C as confirmed by documented proof of the infection
- at the time of infection, exposure-prone procedures, as defined by the relevant professional governing body, are at least one of the duties of the insured person's *usual occupation* necessary to produce *income*, and
- due to the insured person's HIV, Hepatitis B or Hepatitis C status, they are required to cease performing exposure prone procedures as a result of the guidelines of the professional governing body in their state.

The other components of the Total Disability benefit and Partial Disability benefit as applicable, must also be satisfied in order for a claim to be admitted.

The Medical Professionals feature will not apply if:

- a treatment is available which renders the HIV or Hepatitis B or Hepatitis C virus (as applicable) inactive and non-infectious, or
- the insured person has elected not to take an approved vaccine that is recommended by the relevant professional governing body for use in the insured person's occupation and which is available prior to the event which causes infection.

Extra Benefits option

This is an optional package of additional benefits and features for which an additional premium is charged. If the Extra Benefits option applies, it will be shown on your policy schedule.

The Extra Benefits option includes the following benefits and features:

- Health Events benefit
- Bed Confinement benefit
- Home Care benefit
- Rehabilitation Expenses benefit
- Accommodation benefit
- Future Increases feature
- Cover Extension feature.

Health Events benefit

If you have Income Cover with the Extra Benefits option and the insured person suffers a *Health Event* that meets benefit category A or B after the Health Event benefit starts and before Income Cover ends, we will pay the *monthly benefit* for six months, regardless of whether the insured person is *disabled*. Payments will be made during the waiting period.

For some *Health Events*, a 90 day exclusion applies, as explained in the *Health Events* section starting on page 51.

We will only pay once for each *Health Event* (and *Progressive Condition*) under this benefit.

If the benefit period is 2 years or 5 years, the benefit period for *disability* due or related to a condition for which we have paid the Health Event benefit is reduced by number of months for which we have paid the Health Event benefit.

If the insured person suffers more than one *Health Event*, we will only pay for one *Health Event* at a time.

If we are paying benefits under the Health Event benefit, payments will cease if Income Cover ends, explained in the section titled 'When cover ends' on page 33.

Bed Confinement benefit

If 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 during the waiting period.

The Bed Confinement benefit is payable for a maximum of 90 days.

Home Care benefit

If a Total Disability benefit 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 increase the amount we will pay in a month to cover either:

- the forgone *income* of an *immediate family member* who provides satisfactory evidence to us that they were *gainfully employed* for at least 20 hours per week prior to the insured person suffering the *illness* or injury and have ceased to be *gainfully employed* to care for the insured person, or
- the cost of employing a registered nurse or housekeeper.

The additional amount we will pay each month is limited to the lesser of $5,000 or the amount equivalent to the *monthly benefit*, 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 the Total Disability benefit.

Rehabilitation Expenses benefit

If a Total Disability benefit is payable, we will increase the amount we will pay in a month to cover all or part of any rehabilitation expenses or costs associated with a rehabilitation programme for the insured person that we have approved in advance. A maximum payment of 12 times the *monthly benefit* applies under this benefit.

This benefit is in addition to any benefit payable for the Total Disability benefit or Partial Disability benefit.

Accommodation benefit

If the insured person is *totally disabled* and confined to bed, as confirmed by a *medical practitioner*, and an *immediate family member* requires accommodation at a location more than 100 kilometres from their home to be closer to the insured person, we will increase the amount we will pay in a month to cover the costs of accommodation up to $250 per day 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 the Total Disability benefit.

Future Increases feature

Under this feature, you can apply to increase your Monthly Amount of Cover on each cover anniversary until the insured person turns 55, and we will accept the increase without the need for medical underwriting.

Only increases to the Monthly Amount of Cover above $500 are eligible for applications under the Future Increases feature.

The Monthly Amount of Cover cannot be increased under the Future Increases feature:

- by more than 15% at any cover anniversary, or
- above the monthly equivalent of a percentage of the annual *income* of the insured person, calculated as follows:
  - 75% of the first $320,000
  - 50% of the next $240,000, and
  - 20% of the balance,

  subject to a maximum Monthly Amount of Cover of:
  - $40,000 per month if the benefit period is ‘2 years’, or
  - $30,000 per month for other benefit periods (plus an additional $10,000 per month for the first 24 months of the benefit period).

The combined total of all increases to the Monthly Amount of Cover made under this feature cannot exceed the Monthly Amount of Cover originally issued.

Financial evidence may be required to establish that the insured person’s *income* supports the increase to the Monthly Amount of Cover.

The increase in cover must be requested in the 30 days prior to the applicable cover anniversary and must be made on the appropriate form. The increase only takes effect from when we approve the application for the increase.

Any premium adjustments, exclusions or special conditions which apply to the insurance will also apply to any increases made under this feature.

This feature is not available if:

- the policy was issued with a premium adjustment in the form of a medical loading of 75% or more, or
- a claim has or can be made for the insured person under any income replacement or business expenses policy provided by us.

Cover Extension feature

This feature applies if the occupation class shown on your policy schedule is 1E, 1L, 1M or 1P.

Under this feature we will offer to continue Income Cover beyond the cover anniversary when the insured person is aged 65, if the insured person is employed in an occupation which we insure under our standard underwriting guidelines at the time the offer is made.

This offer will not apply if:

- we originally offered cover with a limitation on the term of the policy so that cover expires earlier than the cover anniversary when the insured person is aged 65
- we originally offered cover with a premium adjustment due to medical reasons, or
- the insured person was eligible to receive a Total Disability benefit or Partial Disability benefit in the 12 month period preceding the date the offer would otherwise be available.

Cover under this feature will be provided on the following modified terms:

- on an Income at Claim basis
- a benefit period of 12 months
- benefits will only be payable for the Total Disability benefit, Partial Disability benefit and Death benefit
- the Extra Benefits option, Claims Escalation option, Accident option and Superannuation Cover option will not apply
- the Indexation Increases feature will not apply, and
- the maximum *monthly benefit* we will pay is $15,000.

Cover can continue on the modified basis until the earlier of:

- the cover anniversary when the insured person is aged 70, and
- the insured person has not been in *gainful employment* of at least 20 hours a week for six consecutive months.

Accident option

This is an option for which an additional premium is charged. If the Accident option applies, it will be shown on your policy schedule.

It is only available if a 30 day waiting period applies. For some occupations, the Accident option may not be available.

If the insured person is *totally disabled* for at least four consecutive days within 30 days of suffering an *accident* the *monthly benefit* for the Total Disability benefit will be payable during the waiting period.

The *monthly benefit* is payable in arrears for each day of *total disability* including the first four consecutive days (1/30th of the *monthly benefit* per day if the benefit is only payable for part of the month), but not beyond the end of the waiting period for that *illness* or injury.

Claims Escalation option

This is an option for which an additional premium is charged. If the Claims Escalation option applies, it will be shown on your policy schedule.

While the Total Disability benefit or Partial Disability benefit is being paid, we will increase the *monthly benefit* by any increase in the *consumer price index* at the cover anniversary.

Superannuation Cover option

The Superannuation Cover option allows you to insure a higher portion of your *income* so that you can continue to make superannuation contributions while you are *disabled*. It is not available where Superannuation Optimiser applies. Refer to the section titled 'Policy ownership' on page 28.

If the Superannuation Cover option applies, it will be shown on your policy schedule along with a percentage which is the proportion of the *monthly benefit* that will be paid to a nominated superannuation fund (after any adjustment for tax) while we are paying you a benefit under Income Cover.

The percentage is calculated at the time of application and is calculated by dividing the monthly superannuation contribution being insured by the Monthly Amount of Cover.

Effect on the *monthly benefit* calculation

If the Superannuation Cover option applies then the way in which your Income at Claim and Income at Application *monthly benefit* is calculated will be altered to be the monthly equivalent of:

- 100% of *claimable income* contributed to superannuation (to a maximum of 20% of *claimable income*)
- 75% of the next $320,000 of *claimable income*
- 50% of the next $240,000 of *claimable income*, and
- 20% of the balance of *claimable income.*

The *monthly benefit* calculated cannot exceed the Monthly Amount of Cover.

Example

An applicant earns an annual salary package of $110,000 (inclusive of $10,000 superannuation contributions).

	Superannuation Cover amount	Remainder of Income	Monthly Amount of Cover
Without Superannuation Cover option	Nil	75% x $110,000 = $82,500 / 12 = $6,875	$6,875
With Superannuation Cover option	100% x $10,000 = $10,000 / 12 = $833	75% x $100,000 = $75,000 / 12 = $6,250	$7,083

The percentage of any benefits paid to the nominated superannuation fund at the time of claim is 11.76% ($833 / $7,083).

Payment of the Superannuation Cover amount

You must provide us with the name and details of a nominated superannuation fund to which the Superannuation Cover portion of any benefits payable is to be paid. If you do not provide us with a direction at time of claim, we may not be able to pay the Superannuation Cover amount.

If the fund you nominate does not accept the Superannuation Cover amount from us, we will pay it to you subject to proof that the amount is subsequently forwarded to a superannuation provider for the insured person's benefit.

We will adjust the Superannuation Cover amount for the potential tax liability that may apply to this amount based on the marginal rate of tax that would otherwise have applied to the last dollar of the insured person's *pre-disability income*. The tax adjustment amount will be paid directly to you and the Superannuation Cover amount reduced by this tax adjustment amount before it is paid to the nominated superannuation fund.

The amount that we pay to the nominated superannuation fund is paid on the insured person's behalf as a personal contribution and subject to the standard superannuation rules relating to preservation, contributions and tax.

Booster option

This is an option for which an additional premium is charged. If the Booster option applies, it will be shown on your policy schedule.

It is only available with a benefit period of 'to age 65' or 'to age 70' and where the Monthly Amount of Cover applied for at application, inclusive of any Superannuation Cover amount, is $30,000 per month or less.

Under this option, if the insured person is eligible for a *Health Event* claim under benefit category A, we will increase the *monthly benefit* by 33% under the Total Disability benefit, Specific Injury benefit or Health Event benefit for a maximum of 24 months for a claim for any *disability* arising from the same or a related cause.

Any benefits payable after the cover anniversary when the insured person is age 65 will not be subject to increases under this option. The Booster option does not apply to a claim for the Partial Disability benefit, Death benefit, Bed Confinement benefit, Home Care benefit, Rehabilitation benefit, Accommodation benefit or benefits payable under the Accident option.

The Indexation Increases feature and the Claims Escalation option will continue to apply.

If the Superannuation Cover option applies, the Superannuation Cover percentage will be applied to the increased benefit payable to determine the amount payable to the trustee of your nominated superannuation fund.

When the *monthly benefit* is reduced

The *monthly benefit* payable for the Total Disability benefit or Partial Disability benefit may be reduced by any of the following payments that are made or are payable in respect of the insured person:

- legislated compensation schemes and Workers Compensation (unless your Active Income Cover policy schedule shows the insured person is categorised with an occupation class of 1E, 1L, 1M or 1P), and
- any other insurance that provides income payments due to *illness* or injury, which commenced prior to the commencement of the Active Income Cover policy unless we have expressly agreed in writing not to apply a reduction.

If a lump sum is paid by any of the above sources in respect of the insured person, we will convert that lump sum to a monthly payment at the rate of 1% of the lump sum paid per month for the first 100 months. Benefit reductions will only start once the lump sum has been paid.

The benefit we will pay will only be reduced to ensure that, when combined with the payments from any of the above sources and any *post-disability income*, it does not exceed the monthly equivalent of 75% of *pre-disability income* (100% of *pre-disability income* for the Partial Disability benefit or while the *monthly benefit* is increased under the Booster option).

One benefit payable

If the insured person is eligible for one or more benefit(s) payable for the Total Disability benefit, Partial Disability benefit, Specific Injury benefit, Health Events benefit, Bed Confinement benefit or Accident option at the same time, only one benefit will be payable, being the benefit which provides the highest payment.

When portions of the Monthly Amount of Cover are subject to different terms

Where we agree, your Active Income Cover policy may be set up so that separate portions of the Monthly Amount of Cover are subject to different waiting periods, benefit periods, types of cover and/or options. Details of each portion of the Monthly Amount of Cover, and the waiting periods, benefit periods, types of cover and options that apply to each portion, will be shown on the policy schedule issued to you.

In determining the *monthly benefit* to be used as the basis for the payment of any benefit(s) under the policy in any given month, we will consider the sum of only those portions of the Monthly Amount of Cover for which the particular benefit is payable, having regard to the waiting period, benefit period, type of cover and options that are applicable.

When we won't pay

A benefit will not be payable under Income Cover for a claim which is caused or contributed to by:

- an intentional self-inflicted act
- normal or uncomplicated pregnancy or childbirth
- war or an act of war
- anything excluded under the policy as indicated on the policy schedule
- elective surgery that occurs within six months of *cover commencement*
- for claims payable under the Health Events benefit on page 23, if the *Health Event* occurs in the 90 day period following the *application date* or the date any cover is reinstated and the *Health Event* has a 90 day exclusion specified (see *Health Events* section on page 51). This exclusion will not apply if the *replacement cover waiver – Income Cover Health Events benefit* applies.

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

Benefits are only payable for up to six months while the insured person is outside Australia. In some circumstances, benefits may continue to be paid beyond six months if the insured person returns to Australia or attends a regional medical facility approved by us.

The payment of Income Cover benefits will end if the insured person unreasonably refuses to undergo the medical treatment including rehabilitation to treat their condition as recommended by their *medical practitioner*.

Policy ownership

Macquarie Life Active allows you to structure your insurance with:

- **non-superannuation ownership**: where one or more individuals, a company, or a trust (ie an entity that is not a trustee of a superannuation fund) owns the insurance
- **superannuation ownership**: where a trustee of a superannuation fund (of which you are a member) owns the insurance. This can include:
  - MIML as trustee of the insurance-only division of the Macquarie Superannuation Plan
  - MIML or another trustee approved by Macquarie Life as trustee of an *eligible superannuation plan*
  - a trustee of a self-managed superannuation fund (SMSF).

In some cases we allow insurance to be split across two policies, with different policy owners.

Non-superannuation ownership

When you apply for Active cover outside of superannuation, the policy is issued directly to you as policy owner. Any of the types of cover under Active cover can be held under a non-superannuation policy.

Where there are multiple owners of a single policy who are individual persons, each will own the policy as joint tenants (ie on the death of one of the policy owners, their share passes to the surviving joint tenants), unless they own the policy as trustees or we agree to a different arrangement which we will note on the policy.

If you hold an *eligible wrap service* in the same name, you can link your Active cover to it and the premiums will be deducted from your account.

If a benefit becomes payable, the benefit is generally paid to the policy owner. If the insured person and policy owner are the same, the amount payable on the death of the insured person will generally be paid to the legal personal representative, unless any beneficiaries have been nominated under the policy, in which case it will generally be paid to the nominated beneficiaries.

Nominating a beneficiary for death cover

If the policy owner is the same as the insured person, up to five beneficiaries can be nominated to receive the benefit payment if the insured person dies. If you do not nominate a beneficiary, the benefit will be paid to your legal personal representative or other person we are permitted to pay under the *Life Insurance Act 1995* (Cth).

Each beneficiary you nominate must be a person, a company, a trust, 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.

Ownership within superannuation

When you apply for cover within superannuation, the policy for cover on your life is issued to the trustee of the relevant superannuation fund as policy owner.

If you are the 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 its potential implications for the complying status of your fund
- the taxation consequences of holding the cover, and
- *superannuation law* that operates to limit when benefits received by you as trustee can be paid out of the fund.

If a benefit becomes payable under a Macquarie Life Active policy held within superannuation, it will be paid to the trustee, who must distribute the benefit in accordance with the governing rules of the superannuation plan and *superannuation law* current at the time of payment.

Restrictions on insurance held within superannuation

Superannuation law requires superannuation fund trustees to ensure insurance benefits they acquire from 1 July 2014 are aligned with the superannuation payment rules. We have applied restrictions to the insurance benefits we offer to superannuation fund trustees in accordance with these requirements.

See below for details of the terms that apply to Active cover held within superannuation. The 'Superannuation Optimiser – Income Cover' section on page 29 provides the terms that apply to Income Cover held within superannuation.

Active cover within superannuation

The Funeral Assistance benefit is not available if your insurance is held within superannuation.

All *Health Events* provided within superannuation are subject to the condition that, at the time of claim, the insured person also satisfies the definition of *permanent incapacity.*

Active Cover within superannuation is subject to the Superannuation Optimiser structure, in which case benefits that do not meet *permanent incapacity* are excluded from the superannuation policy, but will be held on a non-superannuation policy.

The Financial Planning benefit is held under the non-superannuation policy where Superannuation Optimiser applies.

Superannuation Optimiser – Active cover

If you choose to hold part of your Active cover within superannuation, two policies will be issued under a structure called Superannuation Optimiser:

- a superannuation policy which will be owned by the trustee of a superannuation fund, and
- a separate non-superannuation policy which will provide the cover that cannot be issued under a superannuation policy.

The policy issued to the trustee of a superannuation fund will hold the cover for death and *terminal illness* and part of the cover for *Health Events.* The *Health Events* which are included are those covered under benefit category A and which also meet the definition of *permanent incapacity*. We refer to this policy as the 'superannuation policy'. The cover provided under this policy has been designed to align with the *superannuation law* payment rules.

The balance of the cover for *Health Events* not included under the superannuation policy will be held under a separate policy which we refer to as the 'non-superannuation policy'. The two policies will be linked together in a Superannuation Optimiser structure so that claims that are paid under one policy will reduce the *Remaining Amount of Cover* available under both policies. The effect of this structure is that the same amount of cover is provided, but split between two separate policies.

Superannuation policy	Non-superannuation policy
• Death • *Terminal illness* • *Health Events* covered under benefit category A (meeting the definition of *permanent incapacity)* • Extended Care option (meeting the definition of *permanent incapacity)*	• *Health Events* covered under benefit category A (not meeting the definition of *permanent incapacity*) • *Health Events* covered under benefit category B, C, D and E • Extended Care option (not meeting the definition of *permanent incapacity)*

Claims under the superannuation policy

Claims for death and *terminal illness* will be paid under the superannuation policy to the trustee as policy owner. Claims for *Health Events* will first be assessed under the superannuation policy to determine if the following requirements are satisfied:

- the definition of a *Health Event* covered under benefit category A, and
- the definition of *permanent incapacity*.

If both requirements are satisfied and a benefit is payable under the superannuation policy, the benefit will be paid to the trustee. The release of the benefit from the superannuation fund to the member or beneficiaries will then be subject to the governing rules of the superannuation fund and superannuation and related taxation laws current at the time of payment.

Claims under the non-superannuation policy

If no benefit is payable under the superannuation policy, the claim will then be assessed under the non-superannuation policy. If a benefit is payable under the non-superannuation policy, the benefit is paid to the policy owner of the non-superannuation policy (and hence is not subject to *superannuation law).*

Other conditions that apply to Superannuation Optimiser policies

The *Initial Amount of Cover* under each of the policies must always be the same. If you request a decrease to the *Initial Amount of Cover*, it will be applied to both policies. Similarly, if you apply to increase the *Initial Amount of Cover*, you must apply to increase both policies. In the event that the cover is cancelled under one of the policies, the cover under the other policy will immediately end.

We will take into account prior claims under both policies when determining whether a claim under either policy is for a *Progressive Condition* or is subject to a *Limited Claim Period.*

In the event of a *Health Event* claim, the premium payable under the superannuation policy is reduced in the same proportion as the reduction applied to the *Remaining Amount of Cover,* while the premium payable under the non-superannuation policy is increased by a corresponding amount so that the total premium payable across the two policies is unchanged (excluding other changes to the policies or indexation or age related increases). For more information on how we calculate premiums see 'The Premium' section on page 34.

Superannuation Optimiser – Income Cover

When you apply for Income Cover that is to be owned by a trustee of a superannuation fund, the cover is issued as two separate Income Cover policies linked to each other under the Superannuation Optimiser structure.

One policy will be owned by a trustee of a superannuation fund (referred to as the superannuation policy) and the cover it provides is known as the 'superannuation component'. The Income Cover benefits held under this policy are restricted by us. Our restrictions include rules to ensure any payments made under the superannuation policy as a result of a disability will be consistent with the *superannuation law*.

The remainder of the Income Cover benefits which would otherwise be available under Income Cover will be provided under a policy issued outside superannuation (referred to as the non-superannuation policy). The Income Cover provided under this policy is called the 'non-superannuation component'.

The following conditions apply to Income Cover subject to Superannuation Optimiser:

- the Specific Injury benefit is not available under the superannuation policy (but will be available under the non-superannuation policy)
- the Extra Benefits option can only be included in the non-superannuation policy
- any injury or *illness* resulting in an entitlement under the Specific Injury benefit, Health Events benefit, or Bed Confinement benefit (which can only arise under the non-superannuation policy), is excluded from a benefit payment under the superannuation policy, but only for the period for which such benefit is payable under the non-superannuation policy
- the Death benefit is payable under the superannuation policy for amounts up to $75,000. If a Death benefit is payable in excess of $75,000 (only possible where the Extra Benefits option is selected), the portion above $75,000 will be paid from the non-superannuation policy.

The cover provided under each policy is summarised in the table below.

Superannuation component	Non-superannuation component
• Benefits that meet *temporary incapacity*, up to the *superannuation payment limit* for the: – Total Disability benefit, or – Partial Disability benefit. • Death benefit (up to $75,000). Benefits excluded: • Total Disability and Partial Disability for any injury or *illness* qualifying for payment under the Specific Injury benefit, Health Event benefit, or Bed Confinement benefit under the non-superannuation component. (But only for the period that such benefit is payable under the non-superannuation component.) • the portion of the Death benefit that exceeds $75,000.	• Benefits that do not meet *temporary incapacity* or, where the benefit meets *temporary incapacity*, any amount of the benefit that exceeds the *superannuation payment limit* for the: – Total Disability benefit, and – Partial Disability benefit. • Specific Injury benefit. • Any benefits payable under the Extra Benefits option (if selected) • Death benefit (only the portion of the benefit that exceeds $75,000 where Extra Benefits option has been selected). These benefit are not payable under the non-superannuation component: • the portion of the Death benefit that is less than $75,000.

The total benefits that are payable under the policies together will not exceed the amount that would otherwise be payable if the Income Cover policy had been issued to a single policyholder.

The 'non-superannuation component' only provides cover for a benefit also listed under the 'superannuation component' in any particular month where because of the Superannuation Optimiser restrictions, the 'superannuation component' cannot pay the benefits.

In any particular month, the Income Cover entitlements may be split across the two policies. For example, there may be instances when, in a particular month, the total benefit is payable under the 'superannuation component' or under the 'non-superannuation component'. There may also be instances where we pay a portion of the benefit payable under each of the linked Income Cover policies.

In the event of a claim we first consider the type of benefit to be assessed and the policy under which it is to be assessed. Claims will be assessed to determine whether they meet the requirements for a Specific Injury benefit. Similarly, if the Extra Benefits option applies, claims will be assessed to determine whether they meet the requirements of the Health Events benefit or the Bed confinement benefit.

We will pay the benefit under the appropriate policy based on the information available to us at the time the decision is made by us.

Income Cover claims under the superannuation policy

Claims for the following benefits are considered under the superannuation policy:

- Total Disability benefit (including payments under the Accident option and the Booster option, where selected)
- Partial Disability benefit
- Death benefit.

In the event of a claim for either the Total Disability benefit or Partial Disability benefit, assessment will first be made under the superannuation policy to determine:

- if a benefit can be paid under the policy (because the insured person satisfies the requirements of *temporary incapacity*), and if so
- how much of the benefit that can be paid under the terms of the insurance can be paid under the superannuation policy (because the amount of payments must not exceed the *superannuation payment limit*).

No benefit will be paid from the superannuation policy for the same period for which a benefit has been paid or is payable from the non-superannuation policy under the Specific Injury benefit, Health Events benefit, or Bed Confinement benefit.

The amount of the benefit that can be paid is determined as the lesser of:

- the amount otherwise calculated under the terms of the insurance, and
- the *superannuation payment limit*.

The Death benefit is payable through superannuation up to the limit of $75,000.

If a benefit is payable under the superannuation policy, the benefit will be paid to the trustee of the superannuation fund. The release of the benefit from the superannuation fund to the member will be determined by the trustee, subject to the governing rules of the superannuation fund and *superannuation law* current at the time of payment.

Income Cover claims under the non-superannuation policy

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

- any amount payable under the Specific Injury benefit or benefit payable under the Extra Benefits option
- any amount payable for the Total Disability benefit or Partial Disability benefit that cannot be paid under the superannuation policy because the insured person does not satisfy the requirements of *temporary incapacity*, and
- any amount payable under the Income Cover terms which exceeds the *superannuation payment limit* and could not be paid under the superannuation policy.

If the Extra benefits option applies and a Death benefit becomes payable, any portion payable in excess of $75,000, is payable under the non-superannuation policy.

Any benefit that becomes payable in respect of the non-superannuation component is paid to the policy owner of the non-superannuation policy and is not subject to *superannuation law*.

Restrictions to the Monthly Amount of Cover

The policy schedule will indicate if a policy is linked to another under Superannuation Optimiser and the policy number to which it is linked. If linked to another policy under this arrangement, the Monthly Amount of Cover under both policies must always be the same. If the Monthly Amount of Cover under either policy is altered, then the other will similarly be altered and the premium adjusted accordingly. If either policy is cancelled, then the other will also be cancelled.

Special conditions which apply to Income Cover policies linked by Superannuation Optimiser

The Monthly Amount of Cover, benefit type, benefit period and waiting period under each policy must be the same. If you request to change any of these under one policy, reduce the Monthly Amount of Cover or cancel one of the policies, the same changes will be made to the other policy to ensure that these policies continue to correspond with each other. If one policy is cancelled, the other policy will also be cancelled.

For the duration of a claim, each month we will determine, by applying the policy terms, whether a benefit is payable under the superannuation policy or the non-superannuation policy, or in some cases, by apportioning the total amount payable between the two policies so that benefits are payable under both policies. The payment of a benefit under one policy will also count towards the benefit period of the other policy.

If the requirements of the Premium Waiver feature are satisfied because a claim is payable under either or both of the policies under a Superannuation Optimiser structure, we will waive the premiums payable under both policies.

If the requirements of the Involuntary Unemployment Premium Waiver feature are satisfied, we will waive the premiums payable under both policies under a Superannuation Optimiser structure.

Ownership by the trustee of an *eligible superannuation plan*

You can apply for Active cover through superannuation if you are a member of an *eligible superannuation plan*.

Where the trustee of an *eligible superannuation plan* is the policy owner, all written notices regarding the policy, including, but not limited to, the policy document, renewal, dishonour and cancellation notices will be issued to the trustee of the *eligible superannuation plan*, as policy owner. The trustee is solely responsible for communicating with the member in regard to the policy and is responsible for payment of the premium in respect of the member by the due date.

In some circumstances, we may, by written agreement with the trustee, send notices to the member directly.

Insurance-only division of Macquarie Superannuation Plan

You can apply for Active cover through superannuation by becoming a member of the insurance-only division of the Macquarie Superannuation Plan.

Important information about applying for Active within superannuation by becoming a member of the insurance-only division of the Macquarie Superannuation Plan can be found on page 43.

Your policy

Terms of your policy

The terms of your policy are stated in the Macquarie Life Active PDS (the date of which is stated in the policy schedule), and the most recent version of the policy schedule.

The policy schedule states the Schedule Date which is the date from which the policy schedule applies. The Schedule Date will reflect the date of the event that resulted in a change to the policy schedule. This may be earlier than when it is received.

When cover starts

Your Active cover starts from the Cover Start Date shown in the policy schedule that will be sent to you, subject to any special conditions that apply, or any other date applying under *cover commencement*.

As explained in the 'When a benefit will not be paid' sections of this PDS, qualifying periods may continue to apply for a period after *cover commencement* for some claims.

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

Your Active cover is made up of the policy schedule and the terms and conditions contained in this PDS. We will send you the policy schedule for your Active cover. We recommend you keep your Macquarie Life Active policy schedule in a safe place with your PDS.

The policy schedule

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

- Macquarie Life Active policy number
- name(s) of the policy owner(s)
- name and personal details of the insured person
- *Initial Amount of Cover* provided
- *Remaining Amount of Cover* (if different from the *Initial Amount of Cover*)
- whether any additional death cover applies, and if so the amount provided
- *Maximum Amount Payable* under each of the benefit categories
- Protected Amount, which is a fixed proportion of the *Initial Amount of Cover*
- any options that apply
- whether the policy is part of a Superannuation Optimiser structure, and if so, whether the policy is the superannuation policy or the non-superannuation policy, and the other policy to which it is linked
- *application date*
- cover start date
- premium adjustments which apply, if any
- any special conditions which apply to you in addition to those outlined within this PDS
- amount of the Premium payable for the relevant period and whether it is payable monthly or annually,
- whether *occupational impairment* applies, and if so, the definition that is applicable.

If Child Cover applies it will be stated in the policy schedule. If it does, the policy schedule will also state the following details for that cover:

- Macquarie Life Active Child Cover policy number
- names of the policy owner(s)
- names and dates of birth of each insured child
- Amount of Cover for each insured child
- cover start date
- cover anniversary
- premium adjustments which apply if any,
- special conditions which apply, if any, and
- amount of the premium payable, and whether it is payable monthly or annually.

If Income Cover applies it will be stated in the policy schedule. If it does, the policy schedule will also state the following details for that cover:

- Macquarie Life Active policy number
- name(s) of the policy owner(s)
- name and personal details of the insured person
- Monthly Amount of Cover
- whether the cover is provided on an 'income at claim', 'income at application', or 'endorsed income at application' basis ('type of cover')
- waiting period
- benefit period
- any options that apply
- where cover is held within superannuation and Superannuation Optimiser applies whether the cover provided is the 'superannuation component' or 'non-superannuation component'
- cover start date
- cover anniversary
- any premium adjustments which apply
- any special conditions which apply, and
- amount of the premium payable, and whether it is payable monthly or annually.

We may, when lawfully entitled to do so, avoid or adjust your cover if you have breached your duty of disclosure or you or the insured person have made a misrepresentation in your application for Active cover or when applying for an increase in cover.

When cover ends

Insurance cover provided under Active cover ends on the earliest of:

- the cover anniversary following the expiry age shown in the table following
- the death of the insured person
- the *Maximum Amount Payable* under benefit category AA reduces to nil (only in respect of cover for *terminal illness* and death)
- before age 65, the maximum combined total payable for all *Health Events* claims has been reached, as explained under the Claim Protector feature, see page 11 (only in respect of cover for *Health Events*)
- after age 65, the *Maximum Amount Payable* under benefit categories A to E reduces to nil (only in respect of cover for *Health Events*)
- cancellation of the cover upon written request of the policy owner
- cancellation of the cover by us due to non-payment of the premium when due
- cancellation of the cover by us due to a failure to comply with the Duty of Disclosure (as described on pages 38 and 39)
- cancellation of cover by us due to a fraudulent claim
- for Child Cover, the Continuation of Cover feature, as explained in this PDS, is exercised*
- any other date applied under a special condition shown in the policy schedule, or
- if you are a member of an *eligible superannuation plan,* 30 days after the insured person has left the *eligible superannuation plan* or becomes ineligible for membership of the *eligible superannuation plan* under law.

Cover type	Expiry age
Death and *terminal illness*	No expiry
Child Cover	21*
Health Events	99**
Income Cover with the following benefit periods: • 2 years • 5 years • to age 65	65^
Income Cover with a to age 70 benefit period	70

* Child Cover ends only in respect of the insured child for whom the event has occurred.

** The cover provided for *Health Events* changes at age 70. See page 6.

^ Income Cover may be extended beyond the cover anniversary when you are aged 65 subject to the terms of the Cover Extension feature. See page 25.

Guaranteed upgrades

We will automatically provide any future improvements we make to your Active cover that you hold when they do not result in an increase in the premium rates. Where they do result in an increase in the premium rates, you will have the option to take up the offer of the upgrade.

Improvements will not apply to a claim resulting from an *illness* which first occurs (or symptoms leading to the condition occurring or being diagnosed first became reasonably apparent), or an injury or event which occurred, before these improvements took effect.

Guaranteed renewable

Provided the premiums continue to be paid when due, your Active policy is guaranteed renewable until the policy anniversary after the expiry age, shown in the table in the section titled 'When cover ends'. 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.

World wide cover

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

Please refer to the 'When we won't pay' section in Income Cover for additional terms regarding claims while outside of Australia.

Keeping us informed

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

- of a change in your address or contact details, or
- of a change in banking or credit card details (that are relevant for the payment of premiums).

Keeping you informed

Where permitted by law, we may communicate with you regarding your policy via a number of different methods depending on the circumstances. These include (but are not limited to) post, telephone, fax, email, and SMS.

The premium

How the premium is calculated

The premium payable for your Active cover is calculated as at the cover start date and at each subsequent cover anniversary, by applying our Active cover premium rates to the cover amount for each benefit.

The factors on which the premium will depend include how much cover you have selected, the options which apply, the premium payment frequency, the premium type 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
- state of residence.

The premiums for each type of insurance also depend on:

- whether the policy is structured under the Superannuation Optimiser structure (see page 29),
- for Income Cover, the waiting period, benefit period, whether the cover is provided on an '*income* at claim' or '*income* at application' basis, and whether Superannuation Optimiser applies.

For *Health Events, terminal illness* and death cover, the premium is based on the *Initial Amount of Cover* throughout the life of the policy. However, if the Extended Care option applies, the cost of this option included in the premium for the *Initial Amount of Cover* will end on the earlier of the payment of a benefit under the Extended Care option or the cessation of cover for the Extended Care option on the policy cover anniversary when the insured person is aged 65.

Generally, there are two premium types to choose from:

- **'Stepped' premium** – generally, the premium increases each year based on the insured person's age.
- **'Level' premium** – the premium remains the same until the cover anniversary when the insured person is aged 65, except for:
  - increases to your Active cover, including those made under Indexation Increases and Future Increases, and
  - increases we make to the underlying rates as explained on page 35 under 'Changes to the premium'.

  At the cover anniversary when the insured person is aged 65, the 'level' premium automatically converts to a 'stepped' premium.

Changes to the premium type will not be permitted while receiving Income Cover benefits or within six months of a claim ending.

If you request an increase or decrease in your Active cover, the premium will reflect the change. Before each cover anniversary, we will notify you of the premium 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 Active cover 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.

Payment of the premium

Your premium is calculated on an annual basis and can be paid yearly or monthly in advance. If you choose to pay it yearly in advance, a discount of 6% will apply.

If you are a member of an *eligible superannuation plan* your premium will automatically be deducted in advance from your account.

Otherwise the premium can be paid from the following sources:

- credit card
- direct debit from an Australian bank account
- an *eligible wrap service* held in the same name, or
- Macquarie Cash Management Account (CMA).

If you are paying your premiums on a annual basis, you may also pay via:

- BPAY®, or
- cheque made out to Macquarie Life, or for policies held within the Macquarie Superannuation Plan, MIML.

If you provide a cheque made out to another entity in the Macquarie Group to pay for your Macquarie Life insurance premiums, the cheque will be banked and the funds used in the manner as had the cheque been made out to the correct entity.

If you are a member of the insurance-only division of the Macquarie Superannuation Plan and your premiums are being paid on an annual basis, you may pay via a rollover from an external superannuation fund.

Any premiums paid (excluding those paid via rollover from an external superannuation fund) for a member of the insurance-only division of the Macquarie Superannuation Plan, are considered superannuation contributions and are counted towards any applicable contributions caps. If your employer is making contributions on your behalf, only certain payment options will meet the data and payment standard for superannuation contributions made from 1 July 2014, subject to transitional arrangements. Please contact the ATO for further information regarding the data and payment standards.

You, or your adviser acting as your agent, must provide us with a valid premium deduction authority to enable us to deduct the premium when due for payment.

The premium payable for the first year is shown in the policy. If paid annually, we will deduct the premium on the cover anniversary each year or another date to which we agree.

If paid monthly, we will deduct the premium every month on the same day of the month as the cover anniversary or another day of the month to which we agree. If the date shown falls on a weekend or public holiday, the premium will be deducted on the next business day following the due date.

All payments to us must be in Australian dollars.

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Non-payment of the premium

If a premium 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 in writing before the policy is cancelled because of non-payment of premiums.

Premium and policy suspension

If your Active policy has been continuously in force for 12 months you may request for your policy and premiums to be suspended. If your premium is paid on an annual basis, we will provide a pro rata refund of the premium that has already been paid for each whole month following the date of suspension.

During the suspension period you will not be required to pay your premium but you will be ineligible to claim any benefit under your policy. You must provide the suspension request to us in writing 30 days prior to the date that the suspension is to commence.

In addition to the above, no claim will be payable on recommenced cover at any time for any:

- injury that first occurs during the period of suspension, or
- *illness* that first occurs or presents symptoms from the date of cover suspension until 90 days following cover recommencement.

Your policy will only recommence upon written confirmation from us following receipt of a written request from you prior to the date the suspension period is due to end and prior to the benefit expiry date. If no such recommencement request is received and subsequent written confirmation of recommencement issued by us, your policy will lapse and cover will end under the policy.

Premiums on recommenced cover will be payable from the date of recommencement based on premium rates applicable at that date and will be payable on the date specified in your policy schedule.

Following recommencement of cover, any benefit(s) paid due to an *illness* or injury that first occurs or symptoms leading to the condition occurring or being diagnosed first becoming apparent prior to the suspension period commencing, will be reduced by the premium that was not collected by us during the suspension period.

You may only suspend your premiums once in any 12 month period and for a maximum total period of 12 months over the life of your policy. Indexation of the sum insured will not occur during the period of suspension.

Rollovers

A rollover of existing superannuation benefits from another superannuation fund can be used to pay the annual premium on your Active policy held within the insurance-only division of the Macquarie Superannuation Plan.

The rollover amount received by the MIML must match the annual premium exactly for the rollover to be accepted.

The insurance-only division is unable to accept rollovers that contain UK transfer or New Zealand KiwiSaver transfer amounts.

Rollovers that cannot be accepted will be returned to the external superannuation fund.

If you indicate that you wish to pay your annual premium by rollover then your policy will commence immediately on acceptance and issuance of a written contract of insurance by Macquarie Life. Your premium is due immediately on commencement, however, cover may remain in force for a period of up to 90 days while awaiting the receipt of rollover funds.

Changes to the premium

We can change the Active cover premium rates but only if we do this for all policies in a defined risk group.

Any changes to premium rates will come into effect for your policy on the next cover anniversary after we make the change.

If we increase premium rates we will provide 30 days prior notice of your new premium.

We reserve the right to pass on any government taxes and charges which may be introduced or increased during the life of your policy.

Surrender value

Your Active cover does not have a surrender value.

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

Insurance-only division of the Macquarie Superannuation Plan

If you have Active cover as a member of the insurance-only division of the Macquarie Superannuation Plan, MIML will use your contributions to the insurance-only division to pay the premium for the policy on your life. For further information on the insurance-only division of the Macquarie Superannuation Plan, see pages 43 to 46.

Direct Debit Service Agreement

Where you have elected to have your Active cover 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 Active cover, or
   - any amount needed to cover contributions to Active cover held in the insurance-only division of the Macquarie Superannuation Plan,

   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 Active cover if the Direct Debit Request is cancelled because of dishonours.
11. It is my responsibility to ensure that the authorisation given to debit the nominated account is identical to the account signing instruction held by the financial institution where the account is held.
12. 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.

Making a claim

Notifying us of a claim

Please contact us on 1800 208 130, or insuranceclaims@macquarie.com, or via our website (macquarielife.com.au) 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

We will not determine liability on a claim until all of our claim requirements have been met. While assessing a claim we may, at our discretion, pay a benefit(s). This is not an admission of liability. To assess the claim, and ongoing payments in the case of Income Cover, 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 (unless previously provided)
- a certified copy of the death certificate (for death claims only)
- evidence of *terminal illness*, the *Health Event* or *disability,* whichever is applicable for the claim being made, including test results, investigations, and medical attendant statements (which we will send separately to the treating medical specialist)
- financial evidence including evidence of other insurance cover
- evidence of *claimable income*, *pre-disability income* and *post-disability income* and any payments received while Income Cover benefits are being paid by us, and
- evidence of *income* at time of application (and, if we have accepted an application for an increase in cover, *income* at the time you applied for the increase in cover) if Income Cover is provided on an 'income at application' basis, unless it has already been supplied.

We may also require further medical and occupational assessments and other information where relevant to assess or finalise payment of the claim. This may include assessment by a *medical practitioner* nominated by us. Reasonable co-operation from you and/or the claimant is required.

All claim payments may be subject to an appropriate specialist physician approved by us verifying the diagnosis.

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

If the insured person dies while a *Health Event* or *terminal illness* claim is being assessed, we will finalise assessment of the claim in progress if we have sufficient evidence at the time of death to establish whether the insured person met the definition for which the original claim was being assessed. If we do not have sufficient evidence at that time to finalise assessment of the claim in progress, the claim will be assessed under the policy terms relating to death.

Health Event claims

An appropriate medical specialist or suitably qualified neuropsychologist or clinical psychologist will be required to confirm the diagnosis of the condition for any *Health Event* claim made under your Active cover.

In conjunction with the evidence provided and information from the treating medical specialist, we will determine the benefit category that applies to the condition for which you are making a claim. You cannot elect to have the claim assessed or paid under a lower benefit category.

Payment of a claim

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

All claims will be paid in Australian dollars.

We understand that at the time of claim it is not only financial support that is needed and so for severe claims, up to three free counselling sessions may be available for the claimant and/or their immediate family.

General information

Your adviser

This product is available through licensed intermediaries, who we refer to as 'your adviser'. This includes licensed financial advisers, who can assist you with advice in considering Active cover and help you determine the amount and type of cover you require considering your personal objectives, financial situation and needs. It also includes licensed distributors who may promote the product and make it available to you or assist you with an application.

Your adviser may act as your agent and lodge your application with us on your behalf.

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

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

How to apply

To apply for cover, you need to lodge an application with us, which your adviser can help you with. We will accept a paper application signed by you, or an online application lodged electronically by a financial adviser, where the adviser lodges the application as your agent. Generally the application will include an application for Active cover, a detailed personal statement and a number of declarations we will rely on in deciding whether or not to issue (and the terms on which we issue) the insurance being applied for, and to administer any policies we issue.

As an alternative to completing the personal statement via a paper or online application, you may elect for the insured person to complete their personal statement via our TeleConnect interview service. If selected, we will set up a time to complete the interview over the telephone. Once the interview is completed, the application will be assessed and we inform your adviser of our decision.

If your adviser lodges an online application on your behalf, the adviser is required to confirm that he or she has your authorisation to act as your agent and that you have made a number of declarations and authorisations. It is your responsibility to ensure that the information provided to us by your adviser is accurate and complete. We will rely on the accuracy of the information provided to us via the online application, as we would if a paper application was signed and submitted by you. We may contact you to verify that the information we have received from your adviser is accurate and complete.

If you are the policy owner, but are not also the insured person under the policy we issue, it will be necessary for personal and health information to be collected from the insured person. This can be provided on a paper application submitted to us, and signed by the insured person. Alternatively, it may be supplied to us via the online application process described above. In these cases, the adviser will also be acting as the agent of the person to be insured in submitting the information.

After an online application is lodged electronically by you or your adviser or you have completed an interview with our TeleConnect service, you will receive a copy of the completed application relied upon by us in assessing the application. You must carefully review the information provided to ensure it is accurate and complete and notify us as soon as possible if any corrections are required. If a policy has already been issued and the corrected information would have been relevant in our assessment of the application, we may seek to enforce our remedies for non-disclosure and cancel or vary the insurance to take into account the corrected information.

If the person to be insured has a birthday after the application is submitted and before cover commences, the premium will be adjusted to reflect the rate applicable for your age at *cover commencement*. In these cases the premium may differ from any indicative quotes provided to you prior to the issue of the policy.

Risks of holding insurance

There are risks you should consider when deciding to purchase this policy, including:

- the insurance you have chosen might be inadequate to protect your circumstances now or in the future
- the insured person becomes ill but your policy does not pay a benefit for their specific condition
- the insured person may be unable to work for longer than the selected benefit period for Income Cover
- you elect to reject indexation increases to your policy and as a result cover does not maintain its value against inflation
- a claim is not paid and this policy cancelled if you fail to comply with the Duty of Disclosure set out below
- your policy is cancelled because you become unable to pay your premiums by the due date as described on page 35
- the insurer becomes insolvent and is unable to meet liabilities that fall due under your policy.

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.

This duty extends until the time we issue the contract of insurance. This means you have a duty to update any disclosures you make to us if any change to your circumstances occurs in the period up until we have issued the contract of insurance.

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

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

Non-disclosure (for contracts issued prior to 30 June 2014)

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 three 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 three 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.

Non-disclosure (for contracts issued on or after 30 June 2014)

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

Where we are entitled to avoid a contract of life insurance, we may elect not to avoid it but apply either of the following options:

- reduce the sum that you would 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, or
- vary the contract in such a way as to place us in a position that we would have been had you disclosed all relevant matters.

Where your contract provides death cover, we may only apply the first of the two options and we must do so within three years of you entering into the contract with us.

Underwriting

We will promptly notify you or your adviser of any additional information needed to underwrite your application.

We may contact the person to be insured for additional information about their medical and financial circumstances, as well as any hazardous pursuits or pastimes, occupational duties and other information that may assist with assessment of the application.

We may ask the person to be insured to undergo a medical examination and/or blood tests. This will usually be arranged through our nominated pathology provider, who may be able to arrange the services to be undertaken at their workplace or home or at medical centres across Australia. On request, we can send the medical examination and blood test results to a doctor nominated by them. We will cover the associated costs of any tests required.

The tests and requirements may vary depending on the person to be insured's age and occupation and the amount and type of cover applied for.

The application

In accepting an application of insurance, we will be relying on declarations and authorisations made by you, either directly or via your agent, relating to the following matters:

Your adviser

- you have appointed your adviser to act on your behalf in relation to this insurance and, if we receive online applications lodged by your adviser, you have appointed your adviser as your agent to complete and lodge an application for insurance as your agent,
- you have received a Macquarie Life Active PDS and agree to be bound by it.

Disclosure obligations

- you and the person to be insured (if different) have read and understood the duty of disclosure as explained in this PDS and understand the duty continues until we have issued a contract of insurance
- you and the person to be insured (if different) confirm the information supplied in connection with the application is true and correct and no information material to the application has been withheld
- you acknowledge that we are entitled to rely on the information provided in the application, including online applications lodged on your behalf, in determining an application and assessing future claims, and that we may be entitled to vary or avoid the insurance if there has been non-disclosure, misrepresentation or fraud, and
- you and the person to be insured (if different) agree that you will review the information provided on an online application and agree to inform us immediately if there are any errors or omissions and understand that we may seek to vary or avoid the insurance if errors or omissions are identified.

Authorisations

- you and the person to be insured (if different) authorise and consent to the collection of medical information and its use by us, and
- you authorise the collection of premiums from the account designated in the application.

Other declarations

- you acknowledge that the terms and conditions of the Active policy we issue are available online at macquarielife.com.au and that a copy will be sent to you upon request
- you and the person to be insured (if different) have read the Privacy Statement contained in the PDS
- you have read the anti-money laundering terms and conditions in the PDS
- if applying for membership of the insurance-only division of the Macquarie Superannuation Plan, you are eligible to contribute to superannuation under *superannuation law*, and
- you acknowledge that Macquarie Bank Limited has no obligations in respect of Active cover issued by us.

Who should authorise the application

Both you as the policy owner and the person to be insured (if different) must authorise the application, payment authority and various other declarations and authorisations that are required to be completed for an application. As noted above, where an online application is lodged by your adviser electronically these authorisations will be provided to us by the adviser acting as your agent.

Cooling-off period

You have a 21 day cooling-off period after your Active cover commences during which time you can cancel your policy if you decide that the insurance cover does not meet your needs. You will be entitled to a refund of the premium that you have paid (but if you applied for cover within superannuation, the law may require your refund to be preserved within the superannuation system). If you wish to use the cooling-off period, you must not have made a claim and must notify us within 21 days of the earlier of:

- the date you receive your policy, or
- the end of the fifth business day after we issue the policy.

Privacy

Your privacy and that of the insured person, is important to Macquarie Life and the Trustee. 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 (and, if you are a member of a plan for which MIML is trustee, the Trustee) to collect, use and disclose the personal information of you and the person to be insured to:

- assess and process the application for insurance
- communicate with you and your adviser about the application and any cover Macquarie Life supplies to you
- monitor, audit, evaluate and otherwise administer your policy, and
- assess, process and investigate any claims.

Other than for the purposes set out in this document, we will not share sensitive, health or financial information. However, we, or other Macquarie companies, may contact you on an ongoing basis by telephone, electronic message (eg email or SMS), online and other means to offer other products or services which may be of interest to you, including offers of banking, financial, advisory, investment, and funds management services. If you do not wish that to occur please let us know by calling **1800 806 310** or visiting **macquarie.com.au/optout-bfs**

We collect personal information through our interactions with you and the person to be insured, as well as from public sources, information brokers and the third parties described under 'Disclosure of personal information' below. We may take steps to verify information collected. If you, or the person to be insured, do not supply Macquarie Life and (if applicable) the trustee with the personal information requested, Macquarie Life 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 your medical and health related details. If required to assess your application, administer your policy or process any claims, we (and, if you are a member of a plan for which MIML is trustee, the Trustee) may seek further information from any medical attendant consulted by you.

Disclosure of personal information

You and the person to be insured also agree that we and (if applicable) the Trustee may disclose personal information about you and the person to be insured to other companies in the Macquarie Group and external service providers (including reinsurers and other service providers as described in our Privacy Policy). Some of these third parties may be located outside of Australia (this includes locations in the Philippines, India, South Africa, and the United States of America). Where this occurs we take reasonable precautions to ensure your information is kept secure.

A current list of all locations to which your and the person to be insured's information may be sent and/or stored by Macquarie Group and its external service providers is available in our Privacy Policy, available at **macquarie.com.au**

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

- if you are a member of an *eligible superannuation plan*, to the trustee of the *eligible superannuation plan*
- 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 ongoing management of your policy. This excludes the release of any reports sourced by Macquarie Life from any outside parties. You can instruct us not to supply your adviser with any medical information received by us in the declaration that forms part of your application, or by writing to us.

Your rights and responsibilities

You have a duty of disclosure (explained on page 38 and 39) under the Insurance Contracts Act.

We are required or authorised to collect certain personal information about you and/or the person to be insured under that Act, the Superannuation Industry (Supervision) Act and the Anti-Money Laundering and Counter-Terrorism Financing Act.

Under the Privacy Act, you may request access to your personal information held by Macquarie Life (and, if you are a member of a plan for which MIML is trustee, the Trustee).

You can contact us to make such a request or for any other reason relating to the privacy of your personal information. You may also request a copy of the Macquarie Group Privacy Policy available at **macquarie.com.au** which contains further information about our handling of personal information including procedures for accessing and correcting personal information and dealing with your concerns. Contact details are shown in the section titled 'Who to contact'.

Client money

If a premium payment in relation to your insurance is paid by way of cheque, that money will be held in a non-interest bearing trust account with an Australian authorised deposit taking institution (currently Macquarie Bank) until we have issued a policy to you or renewed your insurance. Similarly, unless your premium is paid by direct debit, premium payments received by us prior to us issuing or renewing a policy may be placed in the trust account referred to above. If we do not issue the insurance applied for, or renew the insurance, within a period of one month of receipt of the money (or if this is not reasonably practicable, by the end of such longer period as is reasonable in the circumstances), we will return the money.

Anti-money laundering and Counter Terrorism Financing Act 2006 (AML/CTF Act)

1. Applications under the PDS are subject to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, rules and other subordinate instruments (AML/CTF Laws).
2. You undertake that you will not knowingly do anything to put us in breach of AML/CTF Laws and to notify us if you are aware of anything that would put Macquarie in breach of AML/CTF Laws.
3. We will be required to carry out procedures to verify your identify before providing services to you and from time to time thereafter.
4. If requested, you agree to provide additional information and assistance and comply with requests to facilitate Macquarie's compliance with AML/CTF Laws and/or its internal policies and procedures in Australia or equivalent overseas jurisdiction.
5. You acknowledge that you are not aware and have no reason to suspect that:
   a) the money used to fund the insurance is derived from or related to money laundering, terrorism financing or similar activities (Illegal Activities), and
   b) the proceeds of insurance made in connection with this product will fund illegal activities.
6. You acknowledge that we are subject to AML/CTF Laws and our internal policies and procedures. In making this application you consent to us disclosing in connection with AML/CTF Laws any of your Personal Information as defined in the Privacy Act 1988 (Cth) in accordance with the section titled 'Disclosure of Personal Information' on page 40.
7. You acknowledge that in certain circumstances transactions may be delayed or refused where we have reasonable grounds to believe that the transaction breaches applicable law or regulation and we may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws and/or our internal policies and procedures. If either of the above circumstances occurs, we are not liable to you for any consequences or losses whatsoever and you agree to indemnify us if we are found liable to a third party in connection with the freezing or blocking of your account.
8. You acknowledge that we retain the right not to provide services or issue products to any applicant that we decide, in our sole discretion, that we do not wish to supply.

Who to contact

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

General enquiries

Contact: Insurance consultant
Telephone: 1800 005 057
Fax: 1800 812 175
Email: insurance@macquarie.com
Post: Macquarie Life
GPO Box 5216
Brisbane QLD 4001

Claims

Telephone: 1800 208 130
Fax: 1800 065 145
Email: insuranceclaims@macquarie.com
Post: Macquarie Life Claims
GPO Box 4443
Sydney NSW 2001

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

Policy owners of Active cover (either directly or as the member or trustee of a self managed superannuation fund)

We have 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 via the contact details below.

Telephone: 1800 005 057
Fax: 1800 812 175
Email: complaints@macquarie.com
Post: Macquarie Life
GPO Box 5216
Brisbane QLD 4001

If your complaint is not resolved to your satisfaction within 45 days you may refer it to the Financial Ombudsman Service Limited which has the following contact details:

Telephone: 1300 780 808
Email: info@fos.org.au
Website: fos.org.au

Members of an *eligible superannuation plan* or the insurance-only division of the Macquarie Superannuation Plan

If you are a member of an *eligible superannuation* plan or the insurance-only division of Macquarie Superannuation Plan, *superannuation law* requires the trustee to take all reasonable steps to ensure that complaints are properly considered and dealt with within 90 days.

Where MIML is the trustee, complaints may be made to the Complaints Officer on the contact details shown above. Where the trustee is a party other than MIML, any complaint should be made directly to the other trustee. If you are not satisfied with the resolution of the complaint, you may refer the complaint to the Superannuation Complaints Tribunal which has the following contact details:

Telephone: 1300 884 114
Email: info@sct.gov.au
Website: sct.gov.au

Insurance-only division of the Macquarie Superannuation Plan

This section is applicable if you want to apply for Active cover within superannuation by becoming a member of the insurance-only division of the Macquarie Superannuation Plan. We do not allow some parts of the Active cover to be held through superannuation and a separate non-superannuation policy will be set up to hold these parts under the Superannuation Optimiser structure (see page 29).

The Macquarie Superannuation Plan is a resident, complying and regulated superannuation fund within the meaning of *superannuation law*. Macquarie Investment Management Limited (MIML) is trustee of the fund and any reference to Trustee in this section is a reference to MIML.

The Macquarie Superannuation Plan is not subject to a direction from the Australian Prudential Regulation Authority under Section 63 of the *Superannuation Industry (Supervision) Act 1993* (Cth), not to accept any contributions, made to the Plan by an employer sponsor.

Who can apply

Membership of the insurance-only division of the Macquarie Superannuation Plan is solely for the purpose of the provision of insurance cover within superannuation.

The Trustee will only accept your application for membership of the insurance-only division of the Macquarie Superannuation Plan if your application for insurance is accepted by Macquarie Life.

The insurance-only division of the Macquarie Superannuation Plan does not offer a superannuation savings facility. The only amounts that the Trustee will accept are contributions or rollovers from an external superannuation fund that are made for the purpose of paying the premiums for your Active cover.

The Trustee will not accept other amounts, including:

- contributions and rollovers that are made for a purpose other than the payment of premiums
- UK transfers or New Zealand KiwiSaver transfer amounts
- Government co-contributions, and
- low income superannuation contributions.

Contributions

Generally, you are eligible to contribute to superannuation (or have contributions made on your behalf) if you are either:

- under age 65, or
- aged 65 to 74 and have worked at least 40 hours in a period of not more than 30 consecutive days in the financial year in which contributions are made.

For the tax treatment of contributions, including contribution caps see the section titled 'Tax treatment of premiums' on page 47.

In the event that we receive a contribution from you before we issue an interest in the fund or issue you a policy, the money will be held in trust for you in a non-interest bearing account.

Electronic processing of rollovers and contributions

The Macquarie Superannuation Plan meets the data and payment standard required to process rollovers electronically.

If you are employed by a medium to large employer (one with 20 or more employees), this standard will apply to your employer remitted contributions from 1 July 2014, subject to transitional arrangements. For employees of smaller businesses, the standard will apply from 1 July 2015. When these rules become effective contributions made by your employer and information about these contributions must be sent from your employer to us in a format that meets the data and payment standard.

Benefit payments

If you suffer a *Health Event*, are diagnosed with a *terminal illness* or die and we pay a benefit to the Trustee, the Trustee can only pay a benefit from the insurance-only division of the Macquarie Superannuation Plan if:

- it receives a benefit from us in respect of an Active policy under which you are covered, and
- the Trustee is able to pay the benefit in accordance with *superannuation law* current at the time of payment and the governing rules of the fund.

The current conditions of release for superannuation benefits are outlined below.

Death

In the event of your death, any benefit paid to the Trustee will be paid from the fund to either your legal personal representative (estate) or one or more of your dependants as defined under *superannuation law*. The person we pay will depend on whether there is a valid non-lapsing death benefit nomination in place at the time of your death (see the section titled 'Death benefit nominations' on page 44).

However, the benefit may be paid to another individual if the Trustee has not been able to find a legal personal representative or a dependant of yours after making reasonable enquiries.

Death benefits can only be paid as a lump sum from the insurance-only division of the Macquarie Superannuation Plan.

However, certain beneficiaries may be eligible to receive your death benefit as a pension. In this situation, the beneficiary may apply to the Trustee to have the benefit transferred to a pension account within the Macquarie Superannuation Plan subject to *superannuation law* current at the time of payment and the governing rules of the fund.

Terminal medical condition

Under present *superannuation law*, in order for the Trustee to release a benefit due to a terminal medical condition, the following conditions must be met:

- two registered *medical practitioners* have certified that you suffer from an illness or have incurred an injury that is likely to result in your death within a period that ends not more than 12 months after the date of the certificate
- at least one of the registered *medical practitioners* is a specialist practising in an area related to the illness or injury suffered by you, and
- the period stated in each of the certificates has not ended.

Permanent incapacity

Under present *superannuation law*, in order for the Trustee to release a benefit due to permanent incapacity, the following condition must be met:

- the Trustee is reasonably satisfied that you are unlikely, because of ill-health, to engage in gainful employment in a capacity for which you are reasonably qualified because of education, training or experience.

Temporary incapacity

Under present *superannuation law*, in order for the Trustee to release a benefit due to temporary incapacity, the following conditions must be met:

- you suffer from physical or mental ill health that has caused you to cease, temporarily or otherwise, gainful employment, but that does not constitute permanent incapacity, and
- benefits can only be paid as an income stream for the period of incapacity (restrictions apply) which is unable to be converted to a lump sum.

Other conditions

The other conditions prescribed under *superannuation law* under which the Trustee may release a benefit from the fund include:

- where you have reached the age of 65
- where you have reached the age of 60 and you have ceased an arrangement of gainful employment on or after reaching the age of 60
- where you have reached your preservation age (see below), you have ceased an arrangement of gainful employment and the Trustee is reasonably satisfied that you intend to never again become gainfully employed for at least 10 hours per week
- where you are in severe financial hardship, as defined in superannuation legislation (limits may apply)
- where you are granted access on compassionate grounds approved by the Department of Human Services (limits may apply).

Your preservation age depends on when you were born as set out in the table below:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Death benefit nominations

You have the option of nominating to whom a death benefit payable from the insurance-only division of the Macquarie Superannuation Plan will be paid.

No nomination – if you do not nominate a beneficiary, your benefit will be paid as a lump sum to your legal personal representative (your estate) unless the trustee has not been able to find a legal personal representative after making reasonable enquiries, in which case payment may be made to another individual.

Non-lapsing death benefit nomination – where the Trustee has consented to your nomination, your benefit will be paid as a lump sum to the person that you have nominated as long as your nomination:

- is valid, and
- has been made in the prescribed manner.

A non-lapsing nomination can only be made by you. The Trustee will not accept a non-lapsing nomination made by an attorney or any other agent.

The Trustee can only consent to a nomination in respect of one or more of your dependants (explained on the following page) or legal personal representative. To remain a valid nomination, a nominated beneficiary must still be a dependant at the time of death.

If the Trustee has consented to your nomination and that nomination, or a part of it, is no longer valid at the time of payment, the Trustee will pay the non-valid portion of your death benefit to your legal personal representative. The Trustee will pay the valid portion of your death benefit in accordance with that part of your nomination which is valid.

Your benefit can only be paid as a pension if, at the time of death, the recipient is either:

- a dependant of yours (for example a spouse, a financial dependant or a person with whom you have an interdependency relationship) who is not a child, or
- a child of yours who is:
  - less than age 18 or
  - aged 18 to 24 inclusive and is financially dependent on you, or
  - aged 18 or more and has a qualifying disability.

Please refer to the section titled 'Benefit payments' on page 43 for further details about the payment of death benefits as a pension.

It is very important that you periodically review your nomination to ensure you still wish for the Trustee to pay the person(s) you have nominated, because:

- unlike a Will, your non-lapsing nomination will not automatically become invalid in the event of marriage, divorce or any other life-changing event, and
- a non-lapsing nomination will not become invalid after a period of time. We will send you regular reminders with the details of your nomination.

The Trustee can only consent to a nomination if it is made in writing and signed by you in the presence of two witnesses who are over 18 years of age and not named as beneficiaries in your nomination. To make a nomination simply complete the death benefit nomination section of the application, or complete a death benefit nomination form and send it to us.

A nomination applies across all death benefits with regard to your Active interest in the insurance-only division of the Macquarie Superannuation Plan. Any subsequent nomination revokes a prior nomination and applies across all death benefits with regard to your Active interest in the insurance-only division of the Macquarie Superannuation Plan.

You may revoke or change your nomination at any time by completing and sending to us a new non-lapsing death benefit nomination form. It will come into effect once the Trustee has consented to it.

Because there are special rules regarding how benefits can be paid from a superannuation fund in the event of your death, care should be taken when making your nomination as you may need to consider the impact it could have on your overall estate planning. You may want to seek legal or financial advice.

In some cases, upon special request, the Trustee will consent to nominations which are not catered for on the non-lapsing death benefit nomination form (eg because they are complex or because payment is contingent upon certain events occurring). If you wish to make a more detailed nomination, please speak to your financial adviser or contact us.

Who is a dependant?

Under present *superannuation law* a dependant includes:

- your spouse (including an opposite or same-sex de facto partner with whom you live on a genuine domestic basis as a couple or a person (whether of the same sex or a different sex) with whom you are in a prescribed kind of relationship that is registered under a State or Territory law prescribed for the purposes of the *Acts Interpretation Act 1901*)
- a child of yours (including an adopted child, a step-child, an ex nuptial child, a child of your spouse and a child within the meaning of the *Family Law Act 1975*)
- a person with whom you have an interdependency relationship, and
- a person who is otherwise your dependant (such as someone who is financially dependent on you).

Two people will typically have an interdependency relationship if:

- they have a close personal relationship
- they live together
- one or each of them provides the other with financial support, and
- one or each of them provides the other with domestic support and personal care.

Also, if two people have a close personal relationship but do not satisfy the conditions referred to above because either or both of them suffer from a physical, intellectual or psychiatric disability, they may nevertheless have an interdependency relationship.

Tax file number collection

Collection of tax file numbers (TFNs) is authorised under *superannuation law.* The Trustee will only use your TFN for purposes authorised by superannuation and taxation laws.

The purposes currently authorised include:

- taxing benefit payments at lower rates than may otherwise apply
- passing your TFN to the Australian Taxation Office, and
- allowing the Trustee to provide your TFN to the trustee of another superannuation fund or Retirement Savings Account (RSA) if your benefit is transferred to that fund. However, the Trustee will not do so if you advise us in writing that you do not want us to pass it on. However, the Trustee will not do so if you advise us in writing that you do not want us to pass it on, and
- locate accounts in the Fund or consolidate certain accounts within the superannuation environment.

Declining to quote your TFN is not an offence, however, if you do not give your superannuation fund your TFN, either now or later:

- the Trustee cannot accept contributions made by you or someone on your behalf (other than your employer)
- certain concessional contributions and other amounts may be subject to an additional TFN tax at the rate of 32 per cent[1]
- you may pay more tax on your superannuation benefits than you have to (you may get this back in your income tax assessment), and
- it may be more difficult to find your superannuation benefits if you lose contact with your superannuation fund.

[1] Proposed to increase to 34 per cent from 1 July 2014 due to the introduction of the Temporary Budget Repair Levy, as announced in the 2014/15 Federal Budget. At the time of writing, this had not become law.

As a consequence, the Trustee will not accept your application for membership of the insurance-only division of the Macquarie Superannuation Plan until you provide your TFN.

The lawful purpose for which your TFN can be used and the consequences of not quoting your TFN may change in future, as a result of legislative amendments.

Refunds

The insurance-only division of the Macquarie Superannuation Plan has been established purely for the purpose of providing insurance cover inside the superannuation environment and is not an accumulation based superannuation fund.

Premiums paid under Active cover can be funded by superannuation contributions or rollovers. These are subject to superannuation preservation rules and therefore are generally not refundable directly back to the member or contributor. In cases where a premium is refunded (for example, part refund of an annual insurance premium where cover is cancelled), the refund will need to be paid to another complying superannuation fund (the 'other fund') by way of a rollover, rather than as a direct payment back to the contributor.

When money is paid as a rollover to the other fund, contributions tax or tax on the untaxed element of a rollover received from an external fund that would otherwise have been offset by a tax deduction for insurance premiums may become payable by the fund. In these cases, the amount of the tax payable will be deducted from the amount refunded and the balance transferred to the other fund.

If the member does not provide details of the other fund to which they would like the rollover to be paid within 30 days, the Trustee may transfer the money to an Eligible Rollover Fund (ERF). The ERF chosen for this purpose is called the Super Safeguard Eligible Rollover Fund.

The Super Safeguard Eligible Rollover Fund

APRA has approved the Super Safeguard Eligible Rollover Fund to operate as an ERF. The trustee is the Trust Company (Superannuation) Limited ABN 49 006 421 638 AFSL 235 153. Should your superannuation benefit be transferred to the Super Safeguard Eligible Rollover Fund all subsequent enquiries relating to your benefit should be directed to:

Super Safeguard Eligible Rollover Fund
GPO Box 3426
Melbourne, VIC 3001
Phone: 1300 135 181
Fax: 1300 135 191
Email: supersafeguard@primary.com.au
Website: supersafeguard.com.au

Should your superannuation benefit be transferred to the Super Safeguard Eligible Rollover Fund:

- your interest in (and membership of) the Macquarie Superannuation Plan, including your insurance cover, will cease
- you will become a member of the Super Safeguard Eligible Rollover Fund and will be subject to its governing rules
- your account will be invested according to the investment strategy of the Super Safeguard Eligible Rollover Fund
- the Super Safeguard Eligible Rollover Fund may charge fees to your account, and
- you may not be offered insurance cover.

You should refer to the Product Disclosure Statement for the Super Safeguard Eligible Rollover Fund for more information.

The Trustee reserves the right to change the chosen ERF without prior notice to you.

Regular reports

An annual report about the management and financial condition of the Macquarie Superannuation Plan for the period to 30 June is prepared each year. This annual report is available free of charge from us, at macquarie.com.au or as a hard copy. If you do not elect to receive a hard copy annual report we will assume you wish to view the annual report online and we will not send you a copy.

Management fees and charges

The Trustee applies no management fees or costs to members or their benefits. The only amounts paid by members are contributions to meet the premium for the Active cover.

The Trust Deed

The Trust Deed and Rules of the insurance-only division of the Macquarie Superannuation Plan sets out the powers and duties of the Trustee and the rights and obligations of the members of the Macquarie Superannuation Plan. Members are bound by (and the Trustee must comply with) the Trust Deed and Rules (as amended from time to time) for the Macquarie Superannuation Plan. The Trustee is also subject to duties under the law, including to:

- act honestly
- exercise care and diligence, and
- exercise its powers in the best interests of members of the Macquarie Superannuation Plan (as a whole).

The Trust Deed and Rules and *superannuation law* also limit the Trustee's liabilities in relation to the Macquarie Superannuation Plan. Generally the Trustee can be indemnified for its costs and expenses in acting as the trustee of the Macquarie Superannuation Plan out of the assets of the Macquarie Superannuation Plan. The Trustee can (without your consent) amend the Trust Deed and Rules, terminate the Macquarie Superannuation Plan or transfer your interest to another superannuation fund.

A copy of the Trust Deed and Rules is available on request.

The information provided in this PDS is a guide only and is based on our understanding of the tax laws that were current at the date of this PDS. These laws can change, so we recommend you speak to your tax adviser regarding the tax consequences of insurance cover and policy ownership.

Where you are the policy owner

Any reference to 'you' in this section is in respect of your capacity as the policy owner (including circumstances in which you own the policy in your capacity as trustee of a self-managed superannuation fund).

Tax treatment of premiums

Non-superannuation

The premiums that you pay for a non-superannuation policy in respect of death, *terminal illness*, *Health Events* or Child Cover are generally not tax deductible to you. However, there are some circumstances where the premium, or part of the premium, 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. There may be other tax consequences associated with this situation such as fringe benefits tax. We recommend you consult your tax adviser to discuss your particular circumstances.

The premiums that you pay for Income Cover are typically a tax deductible expense to you.

Within superannuation (as trustee of a self managed superannuation fund)

The premiums for an insurance policy held inside superannuation are generally tax deductible to the trustee depending on the extent to which they relate to the fund's liability to pay:

- a superannuation death benefit
- a superannuation benefit because of a terminal medical condition
- a disability superannuation benefit
- an income stream because of temporary incapacity.

We recommend you seek professional tax advice.

Tax treatment of benefits

Non-superannuation

The tax treatment of a benefit payable for death, *terminal illness*, *Health Events* or Child Cover can vary depending on the policy owner. There may be some cases where the benefit is taxable, such as where an employer owns the policy, and we recommend you discuss your particular circumstances with your tax adviser.

Benefits that are payable under Income Cover (including any Superannuation Cover and the Extra Benefits cover) are generally included in your assessable income and will be subject to tax at your marginal tax rate.

Within superannuation (as trustee of a self managed superannuation fund)

If you own Active cover as the trustee of a self managed superannuation fund, the gross amount of any benefit that is payable under the cover will be paid by us to you in your capacity as the trustee. You are responsible for determining any tax liability in respect of an Active cover benefit that you receive or distribute from your self managed superannuation fund. The amounts received by the ultimate benefit recipients (for example, a member of the relevant superannuation fund) may have special tax treatment which does not necessarily depend on the nature of the original insurance claim payment. We recommend you seek professional tax advice.

Where you are a member of the insurance-only division of the Macquarie Superannuation Plan

Any reference to 'you' in this section is in respect of your capacity as a member of the insurance-only division of the Macquarie Superannuation Plan.

Tax treatment of premiums

Contributions or rollovers of your existing superannuation benefits are used by the Trustee to pay the premiums due on your policy held through the superannuation plan.

When contributing to superannuation, it is important to be mindful of contribution caps which operate to limit the amount of contributions that can be made tax effectively to superannuation. The caps generally apply to all contributions paid into the superannuation system for you during the course of a financial year, whether they are made to one or more superannuation funds.

It is your responsibility to ensure you do not exceed these caps. Significant tax penalties may apply where these caps are exceeded.

In some circumstances, you may be entitled to claim a tax deduction in respect of the personal contributions you make to the superannuation plan. To claim a tax deduction, you must meet a number of conditions including a requirement to submit a notice to the Trustee in an ATO approved format within certain time limits. We suggest you obtain professional tax advice if you are considering claiming a tax deduction for your contributions.

Generally the Trustee is required to pay tax of 15 per cent[2] on all employer contributions and personal contributions that you advise us you intend to claim as a tax deduction. The Trustee is also required to pay tax of 15 per cent on the untaxed element of an amount rolled over from an external superannuation fund. However, this tax may be offset (in full or part) by a tax deduction on the premiums.

[2] From 1 July 2012, an additional tax of 15 per cent applies to certain concessional contributions, that, when added to an individual's taxable income and certain other amounts, exceed a threshold of $300,000. Contributions affected are broadly those concessional contributions that do not exceed the concessional contributions cap. This tax is levied on the individual, not the superannuation fund. However, all or part of the tax may be withdrawn from superannuation.

In situations where the contributions or rollovers are not taxable (for example where you or your spouse make non-concessional contributions or where you roll over an amount that does not include an untaxed element) the tax effect of a deduction available to the Trustee in relation to policy premiums is not credited to your Active account.

The premium payable for the superannuation policy in respect of death, *terminal illness* and *Health Events* may be tax deductible to the Trustee. This is partly a result of the design of the policy terms that apply to the Superannuation Optimiser structure.

The premiums for an insurance policy held in the insurance-only division of the Macquarie Superannuation Plan are generally tax deductible to the Trustee.

Tax treatment of benefits

If an insured benefit becomes payable, Macquarie Life pays the insurance proceeds to the Trustee, who in turn is responsible for paying the benefit in accordance with the governing rules of the fund and *superannuation laws*.

Any insurance benefit that is payable through superannuation is paid from the fund after allowance for any fund tax liability. Special tax treatment may apply to payments made in the event of your death, diagnosis of a terminal medical condition or permanent disablement. This treatment is determined independently of the basis for which the original insurance claim was paid to the trustee.

A lump sum benefit paid after your death is tax free when it is paid to one or more of your tax dependants (either directly or via the estate). For tax purposes, a dependant includes:

- your spouse (including an opposite or same-sex de facto partner with whom you live on a genuine domestic basis as a couple or a person, (whether of the same sex or a different sex), with whom the you are in a prescribed kind of relationship that is registered under a State or Territory law prescribed for the purposes of the *Acts Interpretation Act 1901*)
- your former spouse
- a child of yours under the age of 18 (including an adopted child, a stepchild or an ex nuptial child, a child of your spouse and child within the meaning of the *Family Law Act 1975*)
- a person with whom you have an interdependency relationship, and
- a person who is otherwise your dependant (such as someone who is financially dependent on you).

In other circumstances, part or all of the death benefit may not be tax free. The level of tax applicable will depend on a number of factors.

A lump sum benefit paid in the event you suffer a from a terminal medical condition may be tax free in certain circumstances.

A lump sum benefit paid because of your permanent disablement may be a taxable superannuation benefit. In some cases, special tax treatment may apply to the payment.

An income stream paid from the insurance-only division of the Macquarie Superannuation Plan under an Income Cover policy will generally be taxed as ordinary income at your marginal rate. We may be required to withhold PAYG tax on any income stream benefits paid from the Fund to you.

Where you are a member of an *eligible superannuation plan*

Any reference to 'you' in this section is in respect of your capacity as a member of an *eligible superannuation plan*.

Tax treatment of premiums

The premiums for an insurance policy held within superannuation are generally tax deductible to the trustee depending on the extent to which they relate to the fund's liability to pay:

- a superannuation death benefit
- a superannuation benefit because of a terminal medical condition
- a disability superannuation benefit
- an income stream because of temporary incapacity.

Tax treatment of benefits

If an insured benefit becomes payable, Macquarie Life pays the insurance proceeds to the trustee, who in turn is responsible for paying the benefit in accordance with the governing rules of the fund and *superannuation laws*.

Any insurance benefit that is payable through superannuation may be paid from the fund after allowance for any fund tax liability.

Interim cover

While your application for Active cover is being assessed, we provide you with interim cover for *accidental* injury or death, except where the insurance applied for will replace existing insurance in place with us or with another insurer.

The person to be insured will be covered for *Health Events*, *terminal illness* and death that fall within benefit categories AA, A and B as the result of an *accident*, where the *accident* occurs during the period of interim cover and the condition occurs within three months of the *accident.* Only one benefit across the benefit categories AA, A and B will be payable during interim cover, being the one which pays the highest benefit.

If Income Cover is included in the application for cover, you will be covered for:

- the interim Total Disability benefit from the end of the waiting period applied for in the application, for up to a maximum of six months, if you are *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 three months of the *accident,* and
- the interim death benefit, if you die as the result of an *accident* that occurs during the period of interim cover and death occurs within three months of the *accident.*

If Child Cover is included in the application, the child to be insured will be covered for death as the result of an *accident* and the *Child Cover Conditions* listed below as the result of an *accident,* where the *accident* occurs during the period of interim cover and the condition occurs within three months of the *accident:*

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

When interim cover starts

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

When interim cover ends

Interim cover will end on the earlier of:

- your application for cover is accepted and cover commences
- your application for cover is cancelled or withdrawn by you
- your application for cover is declined by us
- insurance cover commences under another contract of insurance (whether or not it is an interim contract of insurance) between you (or the trustee if you become a member of an *eligible superannuation plan* or the insurance-only division of the Macquarie Superannuation Plan) and Macquarie Life or another insurer
- your interim cover is cancelled by us by providing you with at least 20 business days written notice, or
- 90 days from the date the interim cover started.

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 *accident* or injury that would have been excluded by underwriting based on information existing on the day of the date of application
- an intentional self-inflicted act
- consumption of alcohol or drugs
- for Child Cover, an intentional act or intentional omission of the policy owner or the insured child's parent, guardian or a person acting in a regular de facto role as a parent, or
- the person to be insured engaging in any sport, pastime or occupation that we would not normally cover at standard rates.

When lawfully entitled to do so, we may avoid or adjust your interim cover if you have breached your duty of disclosure or you or the insured person have made a misrepresentation when applying for cover.

What we will pay

The maximum interim cover benefit that we will pay for each type of cover across all applications for the person to be insured is set out below:

In the case of interim cover for death, *terminal illness* and *Health Events*, the lesser of:

- the *Initial Amount of Cover* applied for to a maximum of:
  - Benefit category AA: $1 million
  - Benefit category A: $500,000
  - Benefit category B: $325,000
- the *Initial Amount of Cover* that we would offer under our usual underwriting rules based on the proposed premium.

In the case of interim cover for *total disability* under Income Cover, the lesser of:

- the Monthly Amount of Cover applied for
- $5,000 per month
- the monthly equivalent of 75% of first $320,000, 50% of the next $240,000 and 20% of the balance of the person to be insured's *pre-disability income*, adjusted for any reductions which apply, as explained in the section titled 'When the *monthly benefit* is reduced' on page 27, and
- the Monthly Amount of Cover that we would offer under our usual underwriting rules based on the proposed premium.

In the case of the interim death benefit under Income Cover, the lesser of:

- four times the Monthly Amount of Cover applied for
- $20,000
- four times the monthly equivalent of 75% of the first $320,000, 50% of the next $240,000 and 20% of the balance of the person to be insured's *claimable income*, and
- four times the Monthly Amount of Cover that we would offer under our usual underwriting rules based on the proposed premium.

In the case of interim Child Cover, the lesser of:

- the Amount of Cover applied for, subject to a maximum of $50,000, and
- the Amount of Cover that we would offer under our usual underwriting rules based on the proposed premium.

If multiple policies for the same person to be insured are applied for, and the maximum interim cover benefit payable for the person to be insured is less than the total of all amounts applied for, we will reduce the maximum interim cover benefit across the multiple applications in the same proportion.

If interim cover benefits are paid for the person to be insured by other insurers for an *accident,* we will reduce the amount we will pay for the same *accident* under the same or similar type of insurance so that the total paid across all insurers is no more than the maximum amount we otherwise would have paid.

We will only pay one amount under interim cover for *Health Events*, *terminal illness* and death cover, being whichever provides the greatest benefit.

Benefit categories for Health Events

Benefit category	Health Events
Body system: Cancer	
Health Event category: Solid tumour cancers	
A	Any metastatic *cancer* classified as Stage III or above based on TNM classification where all treatment modalities have failed and been exhausted and where no other therapies are available and where progression of the cancer can be identified
B	Advanced *cancer* classified as Stage III or above based on TNM classification
C	Advanced *cancer* classified as Stage II based on TNM classification
D	*Cancer*
	Total mastectomy for *carcinoma in situ of breast* where the procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment by a *medical practitioner*
	Prostate cancer requiring radical prostatectomy where the procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment by a *medical practitioner*
	Prostate cancer where the tumour is described histologically as TNM Classification T1 and has a Gleason score greater than 6
E	*Carcinoma in situ*
	The presence of one or more melanomas which are classified as melanoma in situ or stage T1aN0M0.
	Prostate Cancer where the tumour is described histologically as TNM Classification T1 and has a Gleason score of 6 or less

The following are excluded under the 'solid tumour cancers' category:

- All hyperkeratoses, basal cell carcinomas, and squamous cell or intra-epidermal carcinomas of skin unless there has been a spread to other organs,
- pTa bladder tumours, and
- Stage 0 bowel cancer.

Health Event category: Lymphomas	
A	Advanced lymphoma classified as Ann-Arbor stage III or above where all treatment modalities have failed and been exhausted and where no other therapies are available and where progression of the cancer with resultant ongoing and continuous symptomatology can be identified
B	Hodgkin's Lymphoma classified as Ann-Arbor Stage III or above
	Non-Hodgkin's Lymphoma classified as Ann-Arbor Stage III or above
C	Hodgkin's Lymphoma classified as Ann-Arbor Stage II
	Non-Hodgkin's Lymphoma classified as Ann-Arbor Stage II
D	Hodgkin's Lymphoma classified as Ann-Arbor Stage I
	Non-Hodgkin's Lymphoma classified as Ann-Arbor Stage I
Health Event category: Brain tumours	
A	Malignant brain tumour classified as Grade III or above based on the WHO grading system for malignant neuroepithelial tumours of the central nervous system where all treatment modalities have failed and been exhausted and where no other therapies are available and where progression of the cancer can be identified
B	Malignant brain tumour classified as Grade III or above based on the WHO grading system for malignant neuroepithelial tumours of the central nervous system
C	Malignant brain tumour classified as Grade II based on the WHO grading system for malignant neuroepithelial tumours of the central nervous system
D	Malignant brain tumour classified as Grade I based on the WHO grading system for malignant neuroepithelial tumours of the central nervous system

Benefit category	Health Events
Body system: Cancer	
Health Event category: Leukaemias	
A	Leukaemia where all treatment modalities have failed and been exhausted and where no other therapies are available, where progression of the cancer can be identified and where there is resultant ongoing and continuous symptomatology
B	Acute myeloid leukaemia
	Advanced chronic lymphocytic leukaemia classified as RAI Stage 3 or above
	Chronic myeloid leukaemia
	Acute lymphoblastic leukaemia
C	Chronic lymphocytic leukaemia classified as RAI Stage 2
D	Chronic lymphocytic leukaemia classified as RAI Stage 1
Health Event category: Other cancers	
A	Multiple myeloma where all treatment modalities have failed and been exhausted and where no other therapies are available, where progression of the cancer can be identified and where there is resultant ongoing and continuous symptomatology
B	*Aplastic anaemia*
	Bone marrow or stem cell transplant specifically to treat cancer
	Transplant waiting list for the transplant of bone marrow specifically to treat cancer
	Multiple myeloma classified as stage 3 on the Durie Salmon scale or New ISS, requiring chemotherapy or radiotherapy
C	Multiple myeloma classified as stage 2 on the Durie Salmon scale or New ISS, requiring chemotherapy or radiotherapy
D	Multiple myeloma classified as stage 1 on the Durie Salmon scale or New ISS, requiring chemotherapy or radiotherapy
E	Confirmed diagnosis of myelodysplastic syndrome requiring continuing and ongoing supportive care with regular transfusion of blood products, chemotherapy, or other equivalent treatments
	Bone marrow or stem cell transplant to treat a disease other than cancer

The following are excluded under the *'Cancer'* body system:

- any myeloproliferative diseases including polycythaemia rubera vera, essential thrombocytosis and myelofibrosis
- chronic lymphocytic leukaemia classified as RAI Stage 0
- if the *Health Event* first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent in the 90 day period following the *application date* or the date any cover is reinstated, a benefit will not be paid for the *Health Event* (or *Progressive Condition*) at any time under the policy. This exclusion will not apply if the *replacement cover waiver – Health Events and Child Cover* applies.

Benefit category	Health Events
Body system: Heart and Artery	
Health Event category: Heart attack	
A	*Heart attack* resulting in permanent* and irreversible left ventricular ejection fraction of less than 30% whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the *New York Heart Association Functional Classification System* of cardiac impairment
B	*Heart attack* resulting in permanent* and irreversible left ventricular ejection fraction of 30 to 40% whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the *New York Heart Association Functional Classification System* of cardiac impairment
C	*Heart attack*
Health Event category: Cardiomyopathy	
A	*Cardiomyopathy* resulting in permanent* and irreversible left ventricular ejection fraction of less than 30% whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the *New York Heart Association Functional Classification System* of cardiac impairment
B	*Cardiomyopathy* resulting in permanent* and irreversible left ventricular ejection fraction of 30 to 40% whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the *New York Heart Association Functional Classification System* of cardiac impairment
Health Event category: Other heart and artery conditions	
A	*Severe congestive cardiac failure* with a permanent* BNP level of greater than 500ng/l, whilst on ongoing optimal therapy for a minimum of six months where BNP lowering is specifically targeted as a treatment outcome measure (Equivalent levels of proBNP will be accepted.)
	Severe peripheral vascular disease resulting in amputation of the leg below the knee or higher
C	*Severe peripheral vascular disease* with gangrene and amputation of more than one toe
Health Event category: Heart transplant	
B	*Heart or heart and lung transplant*
	Transplant waiting list for the transplant of a heart or a heart and lung transplant
Health Event category: Surgical procedures	
C	*Coronary artery bypass graft*
	Open aortic graft surgery – abdominal or thoracic
	Open iliac or femoral artery aneurysm grafting
	Surgical repair to correct structural lesions of the heart
	Heart valve replacement or repair
	Total pericardiectomy for constrictive pericarditis
E	*Percutaneous coronary angioplasty***
	Endovascular heart valve repair or replacement
	Endovascular or open carotid artery stenosis repair
	Endovascular repair of an aortic aneurysm
	Endovascular repair to correct structural lesions of the heart
	Endovascular iliac or femoral artery aneurysm repair
	Permanent cardiac defibrillator insertion

* Permanency to be established by three readings, three months apart. ** The maximum benefit payment per claim is $40,000.

The following are excluded under the 'Heart and artery' body system:

- if the *Health Event* first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent in the 90 day period following the *application date* or the date any cover is reinstated, a benefit will not be paid for the *Health Event* (or *Progressive Condition*) at any time under the policy. This exclusion will not apply if the *replacement cover waiver – Health Events and Child Cover* applies.

Benefit category	Health Events
Body system: Brain and Nerves	
Health Event category: Stroke	
A	Any *stroke* causing *permanent* and irreversible inability to perform 4 out 6 *activities of daily living*
B	Any *stroke* causing *permanent* and irreversible inability to perform 3 out 6 *activities of daily living*
C	Any *stroke* causing *permanent* and irreversible inability to perform 2 out 6 *activities of daily living*
E	*Stroke*

The following are excluded under the 'Stroke' category:

- if the *Health Event* first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent in the 90 day period following the *application date* or the date any cover is reinstated, a benefit will not be paid for the *Health Event* (or *Progressive Condition*) at any time under the policy. This exclusion will not apply if the *replacement cover waiver – Health Events and Child Cover* applies.

Health Event category: Cognitive conditions	
A	*Severe cognitive impairment*
B	*Moderate cognitive impairment*
D	*Mild cognitive impairment*
Health Event category: Coma	
E	*Coma*
Health Event category: Surgical procedures and events	
C	Craniotomy to treat a cerebral arteriovenous malformation
	Craniotomy to treat a cerebral aneurysm
	Open surgery to remove a *benign central nervous system tumour*
E	Keyhole surgery to remove a *benign central nervous system tumour*
	Endovascular treatment of a cerebral arteriovenous malformation
	Endovascular treatment of a cerebral aneurysm
	Endovascular treatment of a subarachnoid haemorrhage
	Stereotactic brain surgery used for ablation, stimulation, implantation or radiotherapy
	Shunt insertion for hydrocephalus

The following are excluded under the 'surgical procedures and events' category:

- Cysts, granulomas, abscesses, haematomas, trans-sphenoidal hypophysectomy and biopsy procedures.

Health Event category: Other brain and nerve conditions	
A	Any chronic neurological disease causing *permanent* and irreversible inability to perform 4 out 6 *activities of daily living*
	Permanent vegetative state
	Quadriplegia
	Severe epilepsy
	Psychiatric condition resulting in: • *Permanent* and irreversible inability to perform 4 out 6 *activities of daily living*, or • *Permanently* placed under public guardianship by the Guardianship Board due to concern for their own safety or safety of others, or • *Total lack of social interaction*
	Permanent total aphasia
B	Any chronic neurological disease causing *permanent* and irreversible inability to perform 3 out 6 *activities of daily living*
	Diagnosis of motor neurone disease
	Paraplegia
C	Any chronic neurological disease causing *permanent* and irreversible inability to perform 2 out 6 *activities of daily living*
	Diagnosis of bilateral hemianopia
D	*Psychiatric condition*

Benefit category	Health Events
Body system: Brain and Nerves	
Health Event category: Other brain and nerve conditions (continued)	
E	*Diagnosis of multiple sclerosis*
	Diagnosis of Parkinson's disease
	Diagnosis of muscular dystrophy
	Diagnosis of myasthenia gravis
	Diagnosis of cavernous sinus thrombosis

The following are excluded under the 'Brain and nerves' body system:
- any psychiatric condition as a result of drug or alcohol intake.

Body system: Digestive System	
Health Event category: Transplants	
B	*Liver transplant*
	Total pancreas transplant
	Small bowel transplant
	Transplant waiting list for the transplant of the liver, total pancreas or small bowel
Health Event category: Surgical procedures	
C	*Colectomy*
	Colostomy/Ileostomy
E	Surgical repair of a tracheo-oesophageal fistula
	Chronic anal fistula requiring three or more in-patient surgical procedures
Health Event category: Other digestive conditions	
A	Objective evidence of *gastrointestinal disease* with all of the following: • persistent disturbance of bowel function at rest with severe persistent pain • complete limitation of activity with continued restriction of the diet and no response to medical therapy • constitutional symptoms – fever, weight loss or anaemia where there is no prolonged remission, and • there have been at least 4 hospital admissions in a 12 month period
	Permanent and ongoing inability to swallow requiring *permanent* extraneous feeding methods
	Permanent ongoing faecal incontinence unresponsive to either medical or surgical therapy, including colostomy
B	Objective evidence of *gastrointestinal disease* with all of the following: • severe exacerbations of bowel dysfunction with disturbance of bowel function with continual pain • restriction of activity with continued restriction of the diet and no response to medical therapy • constitutional symptoms – fever, weight loss or anaemia, and • there have been at least two hospital admissions in a 12 month period
C	*Severe Crohn's disease*
E	*Portal vein thrombosis*
	Severe ulcerative colitis
	Crohn's disease
Health Event category: Liver conditions	
A	*End stage liver disease*
C	Chronic inflammatory hepatitis resulting in a Knodell score of at least 13 out of 22, and showing abnormal LFT's including ALT, AST and GGT of more than three times the normal range continuously for at least one year (tested at least three times over this period)
E	Partial hepatectomy (donors and liver biopsies excluded)

The following are excluded under the 'Digestive system' body system:
- any liver condition as a result of drug or alcohol intake.

Benefit category	Health Events
Body system: Kidneys and Urogenital Tract	
Health Event category: Renal failure	
A	*Chronic renal failure* where a renal physician has confirmed that on the basis of the insured person's medical condition, the insured person is *permanently* excluded from access to renal transplantation
B	*Chronic renal failure*
E	*Acute renal failure*
Health Event category: Kidney transplant	
B	*Renal transplant*
	Transplant waiting list for the transplant of a kidney
Health Event category: Surgical procedures	
C	Total cystectomy requiring a urinary conduit
E	Nephrectomy (donors excluded)
	Bilateral orchidectomy due to disease
	Bladder fistula requiring a surgical procedure for closure of the fistula
	Vesico/recto-vaginal fistula requiring a surgical procedure for closure of the fistula

The following are excluded under the 'Kidneys and urogenital tract' body system:
- acute renal failure as a result of drug or alcohol intake
- transgender surgery.

Body system: Lungs	
Health Event category: Diseases of the lung	
A	End stage lung disease requiring *permanent* and continuous oxygen therapy (according to current Thoracic Society of Australia and New Zealand treatment guidelines) as prescribed by an appropriate registered *medical practitioner*
B	*Chronic lung disease*
Health Event category: Surgical procedures	
C	*Pneumonectomy* (excluding donors)
D	Lobectomy (excluding biopsy procedures and donors)
Health Event category: Lung transplant	
B	*Lung or heart and lung transplant.*
	Transplant waiting list for the transplant of a lung or a heart and lung transplant
Health Event category: Other lung conditions	
E	Lung abscess requiring surgical drainage through an open thoracotomy (simple percutaneous drainage procedures excluded)
	Chronic bronchopleural fistula requiring a surgical procedure for closure of the fistula through an open thoracotomy
	Chronic bronchiectasis requiring daily physiotherapy or postural drainage on instruction of a lung specialist for a period of more than three months and under the continuous care of a respiratory physician
	Multiple episodes of recurrent pulmonary emboli separated by a period of six months requiring insertion of a veno-caval filter

Benefit category	Health Events
Body system: Musculoskeletal System	
Health Event category: Burns	
B	*Severe burns* where the third degree burns cover at least 20% of the body surface area as measured by the Rule of Nines or the Lund and Browder Body Surface Chart
C	*Severe burns* where the third degree burns cover at least 15% of the body surface area as measured by the Rule of Nines or the Lund and Browder Body Surface Chart
D	*Severe burns* where the third degree burns cover at least 10% of the body surface area as measured by the Rule of Nines or the Lund and Browder Body Surface Chart
E	*Severe burns* where the third degree burns cover at least 5% of the body surface area as measured by the Rule of Nines or the Lund and Browder Body Surface Chart
Health Event category: Back, limb and whole person impairment	
A	*loss of musculoskeletal function,* that even with the use of appropriate assistive devices and workplace modifications, results in the *permanent* inability to: • perform two or more *occupational core duties*, where these duties require the use of the specific musculoskeletal function to complete at least 80% of the insured person's average weekly work hours, and • earn an *income* in any occupation which provides at least 75% of the insured person's *income* in the most recent 12 month period in which they were *gainfully employed*
	Permanent and irreversible *WPI* of at least 60%
B	*Permanent* and irreversible *loss of the use of two limbs*
C	*Permanent* and irreversible *WPI* of at least 40%
D	*Permanent* and irreversible *loss of use of one upper limb*
	Permanent and irreversible *WPI* of at least 25%
E	*Permanent* and irreversible *loss of use of one lower limb*
	Le Fort III facial reconstruction surgery
	Amputation of two or more fingers at the PIP or MCP joint, one of which must be either the index finger or thumb (must be due to either disease or *accident)*
	Severe osteoporosis

Body system: Ear	
Health Event category: Loss of hearing	
A	*Complete loss of hearing*
B	*Severe loss of binaural hearing*
E	*Complete loss of hearing in one ear*
Health Event category: Surgical procedures	
E	*Inner ear or middle ear surgery*
	Radical or modified radical mastoidectomy where considered the appropriate and necessary treatment by a medical specialist

Benefit category	Health Events
Body system: Eye	
Health Event category: Loss of sight	
A	*Permanent* and irrecoverable loss of sight, with and without the use of an appropriate aid, to the extent that eyesight is reduced in both eyes to 6/60 or less of central visual acuity on the Snellen test chart
	Permanent and irrecoverable loss of sight, with and without the use of an appropriate aid, to the extent that the degree of vision is less than or equal to 20 degrees of arc from the centre of the horizontal plane of the visual field
C	*Permanent* and irrecoverable loss of sight, with and without the use of an appropriate aid, to the extent that eyesight is reduced in both eyes to 6/18 or less of central visual acuity on the Snellen test chart
E	*Permanent* and irrecoverable loss of sight in one eye, with and without the use of an appropriate aid, to the extent that eyesight is reduced in that eye to 6/60 or less of central visual acuity on the Snellen test chart
Health Event category: Surgical procedures	
E	Surgical repair of a detached retina (laser surgery excluded)
	Corneal transplant

Body system: HIV/AIDS	
A	*Advanced AIDS*
B	*Accidental HIV infection*

The following are excluded under the 'HIV/AIDS' body system:

- If a treatment is developed and approved which renders the HIV virus inactive and non-infectious, or
- If the insured person has elected not to take an approved vaccine that is recommended by the relevant government body for use in the insured person's occupation and is available prior to the event which causes infection.

Body system: General	
Health Event category: Hospital admission	
D	*Intensive care unit (ICU)* admission for at least five weeks where ongoing assisted mechanical ventilation is required for at least three weeks
E	Hospital admission for at least four weeks after spending at least one week in *ICU.* Ongoing medical treatment is required in an acute healthcare setting or rehabilitation facility throughout this entire hospital admission period (ie over the minimum five week period)

The following are excluded under the 'General' body system:

- *Intensive care unit (ICU)* admission as a result of drug or alcohol intake.

Body system: Other	
Health Event category: Inability to perform Activities of Daily Living (ADL)*	
A	Presence of a medically recognised disease or disorder resulting in *permanent* and irreversible inability to perform 4 out 6 *activities of daily living*
B	Presence of a medically recognised disease or disorder resulting in *permanent* and irreversible inability to perform 3 out 6 *activities of daily living*
C	Presence of a medically recognised disease or disorder resulting in *permanent* and irreversible inability to perform 2 out 6 *activities of daily living*
Health Event category: Occupational impairment*	
A	*occupational impairment*

* Unless specifically stated as a measurement tool for a *Health Event*, the use of the 'Other' Body System *Health Event* categories 'Inability to perform activities of daily living' and 'Occupational impairment' will only be applied to a condition for which we assess no benefit is payable and in our opinion there is no assessment criteria relevant to the condition under the *Health Event* categories of a different Body System.

Progressive Conditions

A *Progressive Condition* is any condition or procedure that is directly or indirectly related to the same underlying condition, medical cause or pathology as a prior claim. This includes any condition that is a recognised outcome and/or complication of a prior claim or a recognised complication of any treatment that might be administered in relation to the prior claim event.

Any two medical conditions that are both *Progressive Conditions* of a third medical condition, will be treated as *Progressive Conditions* to each other for calculating the amount payable.

The table below sets out the additional circumstances in which we will treat a condition as a *Progressive Condition.* This is relevant for determining the amount payable for any *Health Event* claim under the Active cover.

The terms used below are used in the broader medical meaning of the condition and not the defined *Health Events* as found in the *Health Events* tables in this section or in the defined terms in the Glossary.

Condition for which a claim has been paid:	Conditions which are considered to be *Progressive Conditions* to the condition for which a claim has been paid:
Any arthritis, osteoporosis	Any arthritis, osteoporosis.
Cancer	Cancer of the same cell type, including any treatment or disease for cancer of the same cell type.
Cognitive conditions	Coma, Parkinson's disease, stroke.
Multiple sclerosis	Any cognitive conditions.
Muscular dystrophy	Cardiomyopathy.
Parkinson's disease	Any cognitive conditions.
Stroke	Cognitive conditions, Parkinson's disease.
Any psychiatric condition	Any psychiatric condition.
Brain and neurological conditions, epilepsy	Brain and neurological conditions, coma, stroke, epilepsy.
Any other condition described by a neurologist to be a chronic neurological disease including but not limited to the following: permanent vegetative state, profound short term memory loss, multiple sclerosis, dementia, epilepsy, myasthenia gravis, Alzheimer's disease, muscular dystrophy, motor neurone disease.	Any other condition described by a neurologist to be a chronic neurological disease including but not limited to the following: permanent vegetative state, profound short term memory loss, multiple sclerosis, dementia, epilepsy, myasthenia gravis, Alzheimer's disease, muscular dystrophy, motor neurone disease.
Progressive systemic sclerosis, systemic lupus erythematosis, sarcoidosis, polyarteritis nodosa, giant cell arteritis, polymyositis, Wegener's granulomatosis, rheumatoid arthritis.	Progressive systemic sclerosis, systemic lupus erythematosis, sarcoidosis, polyarteritis nodosa, giant cell arteritis, polymyositis, Wegener's granulomatosis, rheumatoid arthritis.
Any cardiac condition or procedure	Any cardiac condition or procedure that is directly or indirectly related to the same underlying condition, medical cause or pathology as a prior claim. In the case of angioplasty, an angioplasty procedure will not be considered a *Progressive Condition* to a prior angioplasty procedure and a subsequent claim for angioplasty will be paid if it occurs outside of the *Limited Claim Period*.
Any lung condition or procedure	Any lung condition or procedure that is directly or indirectly related to the same underlying condition, medical cause or pathology as a prior claim.
Any kidney or urogenital tract condition or procedure	Any kidney or urogenital tract condition or procedure that is directly or indirectly related to the same underlying condition, medical cause or pathology as a prior claim.
Any eye condition or procedure	Any eye condition or procedure.
Any ear condition or procedure	Any ear condition or procedure.
Any gastrointestinal disease or procedure	Any gastrointestinal disease or procedure.
Any liver disease or procedure	Any liver disease or procedure.
Diabetes, diabetes progression, complications of diabetes	Stroke, pancreas transplant, loss of vision, heart attack, cardiac bypass, cardiomyopathy, angioplasty, peripheral vascular disease, renal failure, kidney transplant.
Any condition which is assessed on the basis of an inability to perform *activities of daily living*	Any condition which is assessed on the basis of an inability to perform *activities of daily living.*

Glossary

Health Events

Health Events defined terms	
permanent	Irreversible, present for a minimum of six months and expected to show no improvement or reversibility, while on optimal therapy, if appropriate (unless the *Health Event* specifically references an alternate timeframe over which the permanency will be measured).
transplant waiting list	Inclusion on an official transplant Australian waiting list, approved by us. The inclusion must be upon the advice of an appropriate medical specialist.
Body system: Cancer	
cancer	The presence of one or more malignant tumours, positively diagnosed with histological confirmation that are characterised by the uncontrolled growth of malignant cells and invasion and destruction of normal tissue. Any tumour described as early stage cancer, carcinoma in situ, premalignant, borderline malignant, non invasive, or of low malignant potential is excluded.
carcinoma in situ	A focal autonomous new growth of carcinomatous cells 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 fallopian tube is limited to the tubal mucosa. Carcinoma in situ of the vulva also requires high grade dysplasia of the cervix at CIN III or above, confirmed histologically by biopsy.
prostate cancer	Localised prostate cancer characterised by focal autonomous new growth of cancer cells.
aplastic anaemia	Severe *permanent* and irrecoverable aplasia of bone marrow which results in anaemia, neutropenia and thrombocytopenia requiring at least one of the following treatments: • immunosuppressive agents • bone marrow transplant, or • peripheral blood stem cell transplant.
bone marrow or stem cell transplant	The insured person is the recipient of a bone marrow or stem cell transplant, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner.*
FIGO	The staging method of the International Federation of Gynaecology and Obstetrics.
Body system: Heart and Artery	
heart attack	Myocardial infarction, characterised by the death of a portion of heart muscle due to inadequate blood supply. A rise and/or fall of cardiac enzymes, Troponin or other biochemical markers must be present and caused by myocardial infarction, with at least one value above generally accepted laboratory levels of normal. Furthermore, the clinical evidence and disease management pathway must be consistent with the diagnosis of acute myocardial infarction and confirmed as the hospital discharge diagnosis. If the above is inconclusive then we will consider a claim based on conclusive evidence that myocardial infarction has occurred.
New York Heart Association functional classification system	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 and comfortable at rest. III. Marked limitation in activity due to symptoms, even during less-than-ordinary activity and comfortable only at rest. IV. Severe limitations and experiences symptoms even while at rest.
cardiomyopathy	Disease of the heart muscle causing it to enlarge and become weaker.
severe congestive cardiac failure	Failure of the functioning of the ventricles of the heart with poor cardiac output and congestion of the lungs or systemic veins.
severe peripheral vascular disease	Severe arterial insufficiency in vessels resulting in ischaemia of the limbs as a consequence of atherosclerosis.
heart or heart and lung transplant	The insured person is the recipient of a heart or heart and lung transplant, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner.*
coronary artery bypass graft	The undergoing of coronary artery bypass grafting for the treatment of coronary artery disease that is considered the appropriate and necessary treatment by a *medical practitioner*. Angioplasty, intra-arterial procedures or other non-surgical techniques are excluded.
open aortic graft surgery – abdominal or thoracic	Open surgery with aortic grafting that is considered the appropriate and necessary treatment by a *medical practitioner* to correct any narrowing, dissection or aneurysm of the thoracic or abdominal aorta. Angioplasty, intra-arterial procedures or other non-surgical techniques are excluded.
open iliac or femoral artery aneurysm grafting	Open surgery for the purposes of grafting the iliac or femoral artery vessels for the treatment of an aneurysm. Angioplasty, intra-arterial procedures or other non-surgical techniques are excluded.

Health Events defined terms	
surgical repair to correct structural lesions of the heart	The undergoing of a thoracotomy that is considered necessary to repair a structural lesion of the heart. Angioplasty, intra-arterial procedures or other non-surgical techniques are excluded.
heart valve replacement or repair	The undergoing of a thoracotomy that is considered necessary to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities. Angioplasty, intra-arterial procedures or other non-surgical techniques are excluded.
total pericardiectomy for constrictive pericarditis	The undergoing of a thoracotomy with a total pericardiectomy for constrictive pericarditis.
percutaneous coronary angioplasty	The undergoing of percutaneous balloon dilatation, atherectomy or stent placement to correct a narrowing or blockage that is considered the appropriate and necessary treatment by a *medical practitioner* on the basis of angiographic evidence.
endovascular heart valve repair or replacement	Heart valve repair or replacement via percutaneous intravascular techniques not involving open thoracotomy.
endovascular or open carotid artery stenosis repair	The undergoing of percutaneous or open carotid artery stenosis repair.
endovascular repair of an aortic aneurysm	Abdominal or thoracic aneurysm repair or replacement via percutaneous techniques.
endovascular repair to correct structural lesions of the heart	Repair to correct structural lesions of the heart via percutaneous techniques.
endovascular iliac or femoral artery aneurysm repair	Iliac or femoral artery aneurysm repair or replacement via percutaneous techniques.
permanent cardiac defibrillator insertion	The insured person has a *permanent* cardiac defibrillator inserted. Cardiac pacemakers are specifically excluded.
Body system: Brain and nerves	
Stroke	A neurological event caused by a cerebrovascular incident. The stroke must: • be confirmed by an appropriate medical specialist • be evidenced by the acute onset of objective neurological signs and clinical symptoms, and • be evidenced by neuro-imaging. Transient ischaemic attacks, cerebral events due to reversible neurological deficits and migraine are excluded.
severe cognitive impairment	Total and *permanent* deterioration or loss of cognitive capacity supported by neuropsychometric testing, as set out in the Macquarie Life Neuropsychometric Test* (as current at the time of testing) with test scores of 'below average', as defined in the test score criteria, in all of the following domains: • Intelligence • Language • Attention • Visuo-spatial • Memory • Executive functioning
moderate cognitive impairment	Total and *permanent* deterioration or loss of cognitive capacity supported by neuropsychometric testing, as set out in the Macquarie Life Neuropsychometric Test* (as current at the time of testing) with test scores of 'below average', as defined in the test score criteria, in at least four of the following domains: • Intelligence • Language • Attention • Visuo-spatial • Memory • Executive functioning
Mild cognitive impairment	Total and *permanent* deterioration or loss of cognitive capacity supported by neuropsychometric testing, as set out in the Macquarie Life Neuropsychometric Test* (as current at the time of testing) with test scores of 'below average', as defined in the test score criteria, in at least two of the following domains: • Intelligence • Language • Attention • Visuo-spatial • Memory • Executive functioning

* The Macquarie Life Neuropsychometric Test, including scoring criteria, will be sent to the testing practitioner and is available on our website, macquarielife.com.au

Health Events defined terms	
Coma	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 three days. 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 a severe brain injury.
benign central nervous system tumour	A non-malignant tumour of the central nervous system, including tumours of the brain and spinal cord, meningiomas, cranial nerve tumours and pituitary tumours treated by non-transphenoidal techniques. The presence of the tumour must be confirmed by imaging studies such as CT scan or MRI.
permanent vegetative state	Persistent state of complete unresponsiveness to external stimuli associated with an incapacity to communicate or manage bodily functions for a continuous period of at least three months with no hope of recovery as confirmed by a medical specialist.
quadriplegia	total, *permanent* and irreversible loss of the use of all four limbs as a consequence of *illness* or injury, where a limb is defined as the shoulder down to the hand or the hip down to the foot.
severe epilepsy	Averaging more than two witnessed grand mal (tonic clonic) epileptic attacks per week over a six month period as documented by a neurologist despite optimal stabilised therapy, and under the control of a neurologist
total lack of social interaction	There is a *permanent* inability to carry out all of the following: • answering the telephone • holding a face to face conversation for at least five minutes and • travelling 50 metres outside using all available aids.
paraplegia	Total, *permanent* and irreversible loss of the use of two limbs as a consequence of illness or injury, where a limb is defined as the shoulder down to the hand or the hip down to the foot.
permanent total aphasia	Total and irreversible loss of speech with no intelligible vocalisation possible and incapacity to communicate in order to manage day-to-day activities. The loss must be confirmed to be total and irreversible at least three months after speech was first lost. Loss of speech due to psychological reasons and hysterical loss of speech are excluded.
psychiatric condition	A psychiatric condition resulting in ongoing medical treatment from a psychiatrist for more than two years and more than two-in patient admissions, each greater than one week, over a two year period.
diagnosis of motor neurone disease	Unequivocal diagnosis of motor neurone disease.
diagnosis of multiple sclerosis	Unequivocal diagnosis of multiple sclerosis, and evidenced by appropriate neuro-imaging and spinal fluid abnormalities.
diagnosis of Parkinson's disease	Unequivocal diagnosis of Parkinson's disease. Parkinson's disease as a result of medication or drugs is excluded.
diagnosis of muscular dystrophy	Unequivocal diagnosis of muscular dystrophy, which causes progressive and selective degeneration and weakness of voluntary muscles.
diagnosis of myasthenia gravis	Unequivocal diagnosis of myasthenia gravis.
diagnosis of cavernous sinus thrombosis	Unequivocal diagnosis of cavernous sinus thrombosis by a medical specialist via an MRI scan.
diagnosis of bilateral hemianopia	Unequivocal diagnosis of complete and *permanent* bilateral hemianopia as diagnosed by an appropriate medical specialist.

* The Macquarie Life Neuropsychometric Test, including scoring criteria, will be sent to the testing practitioner and is available on our website, macquarielife.com.au

Health Events defined terms	
Body system: Digestive system	
liver transplant	The insured person is the recipient of a liver, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner*.
total pancreas transplant	The insured person is the recipient of a total pancreas, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner*.
small bowel transplant	The insured person is the recipient of a small bowel, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner*.
colectomy	Total colectomy requiring *permanent* colostomy or resulting in ileorectal anastomosis.
colostomy/ileostomy	The creation of a *permanent* non-reversible opening, linking the colon and/or ileum to the external surface of the body.
gastrointestinal disease	Disease of the gastrointestinal system evidenced by organic pathology obtained by biopsy and present continuously for at least 12 months.
portal vein thrombosis	Isolated thrombosis of the portal vein.
severe Crohn's disease	Diagnosis of Crohn's disease with stricture formation, fistula formation and resection of the small bowel, that has failed to be controlled by standard therapy including cortisone treatment, and requires *permanent* immunosuppressive medication.
Crohn's disease	Diagnosis of Crohn's disease that has failed to be controlled by standard therapy including cortisone treatment, and requires *permanent* immunosuppressive medication.
severe ulcerative colitis	Diagnosis of ulcerative colitis that has failed to be controlled by standard therapy including cortisone treatment, and requires *permanent* immunosuppressive medication.
end stage liver disease	End stage liver failure defined by irreversible loss of liver biosynthetic function of the liver accompanied by a persistent coagulopathy and *permanent* jaundice, resulting in at least one of the following: • diuretic resistant refractory ascites • recurrent portal hypertensive bleeding • recurrent portal systemic encephalopathy • recurrent spontaneous bacterial peritonitis, • listing for liver transplantation.
Body system: Kidneys and urogenital tract	
chronic renal failure	Chronic irreversible failure of the function of both kidneys requiring *permanent* and ongoing haemodialysis or peritoneal dialysis. The insured person must be under the continuous care of a renal physician.
acute renal failure	Acute reversible failure of the function of both kidneys requiring admission to an ICU* or renal dialysis unit for temporary haemodialysis or haemofiltration treatment. *ICU must be an accredited Intensive Care Unit by the Australian Council on Healthcare Standards (ACHS)
renal transplant	The insured person is the recipient of a kidney transplant, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner*.
Body system: Lungs	
chronic lung disease	End stage lung disease requiring a persistent FEV1 less than 30% predicted or DLCO less than 40% predicted (according to current Thoracic Society of Australia and New Zealand treatment guidelines) measured on at least three separate occasions more than three months apart whilst on optimal therapy.
pneumonectomy	Removal of an entire lung.
lung or heart and lung transplant	The insured person is the recipient of a lung or heart and lung transplant, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner*.

Health Events defined terms	
Body system: Musculoskeletal system	
severe burns	Tissue injury caused by thermal, electrical or chemical agents causing third degree burns.
loss of musculoskeletal function	A condition affecting musculoskeletal function resulting in: a) loss of hand function where there is: • total and irreversible loss of muscle power resulting in the inability to grip any tool, utensil or assistive device, or • total and irreversible loss of the ability to use the hands and fingers with precision to perform activities such as picking up or manipulating small objects, manually operating a range of equipment or communicating through writing or typing, b) at least 80% *impairment of the upper limb*, or c) at least 50% *impairment of the lower limb.* The condition must be *permanent* and supported by appropriate radiological evidence.
impairment of the upper limb	*Permanent* and irreversible impairment of the hand based on the American Medical Association Guides to the Evaluation of Permanent Medical Impairment, 5th edition – the examining doctor will be provided with specific evaluating protocols.
impairment of the lower limb	*Permanent* and irreversible impairment of the foot based on the American Medical Association Guides to the Evaluation of Permanent Medical Impairment, 5th edition – the examining doctor will be provided with specific evaluating protocols.
occupational core duties	The primary *income* generating tasks being performed by the insured person in the occupation, business or employment in which they were *gainfully employed* at the time of the injury or *illness* (or if not *gainfully employed* at that time, the occupation, business or employment in which the insured person was most recently *gainfully employed*).
loss of the use of two limbs	The *permanent* and irreversible total loss of the use of two limbs, where 'limb' means the whole hand or whole foot.
loss of use of one upper limb	The *permanent* and irreversible total loss of the use of one whole hand.
loss of use of one lower limb	The *permanent* and irreversible total loss of the use of one whole foot.
whole person impairment (WPI)	Whole Person Impairment based on the American Medical Association Guides to the Evaluation of Permanent Medical Impairment, 5th edition – the examining doctor will be provided with specific evaluating protocols.
severe osteoporosis	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 • 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).
Body system: Ear	
complete loss of hearing	The total and irreversible loss of more than 90% of binaural hearing as per the American Medical Association Guides to the Evaluation of Permanent Medical Impairment: 4th edition, with and without the use of an appropriate aid.
severe loss of binaural hearing	Total and irreversible loss of more than 75% of binaural hearing as per the American Medical Association Guides to the Evaluation of Permanent Medical Impairment: 4th edition, with and without the use of an appropriate aid.
complete loss of hearing in one ear	The total and irreversible loss of hearing in one ear, with and without the use of an appropriate aid.
inner ear or middle ear surgery	Surgery to the cochlear or middle ear bones, where the surgery is considered the appropriate and necessary treatment by a medical specialist.
radical or modified radical mastoidectomy	Removal of the mastoid bone and bones of the middle ear due to chronic disease.

Health Events defined terms	
Body system: Eye	
corneal transplant	The insured person is the recipient of a cornea, where the transplant is considered the appropriate and necessary treatment by a *medical practitioner.*
Body system: HIV/AIDS	
advanced AIDS	HIV infection with a persistent CD4 cell count of less than 200/ul despite appropriate continuous antiretroviral therapy. There must be an associated AIDS defining illness with AIDS resulting in at least one of the following: • Kaposi's Sarcoma or Lymphoma • Pneumocystis Carinii infection, cryptoccal infection or any other opportunistic infection of the lungs or nervous system • Tuberculosis or other mycobacterium infection at any site • Progressive Multifocal Leukoencephalopathy • HIV Encephalopathy • HIV Wasting Syndrome characterised by more than 10% weight loss, chronic intractable diarrhoea and chronic candidiasis of the respiratory tract or gastrointestinal tract.
accidental HIV infection	*Accidental* infection with Human Immunodeficiency Virus (HIV) as the result of: • Transfusion of blood or blood products* • Organ transplantation* • *Accidental* incident occurring during the course of performing normal professional duties of the insured person's regular occupation with the requirement that appropriate care is being exercised**, or • Physical or sexual assault – a criminal case must be opened in addition to the insured person starting antiviral therapy**. The *accident* causing infection with HIV must have occurred after the date of policy commencement, or reinstatement, whichever is latest. HIV infection caused by any means other than those described above, including recreational intravenous drug use and sexual activity, other than assault as described is excluded. The incident must be reported to us within seven days of occurrence and we must be given access to test all blood tests and blood samples used. * 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. ** The incident must be reported to the appropriate authority and be supported by a negative HIV antibody test performed after the incident. The production and detection of HIV antibodies (sero-conversion) must be subsequently confirmed by way of a positive HIV antibody test within six months of the incident.
Body system: General	
intensive care unit (ICU)	An accredited Intensive Care Unit by the Australian Council on Healthcare Standards (ACHS)

Health Events defined terms

Body system: Other

activities of daily living (ADL)

There are six categories of ADLs. Each category is made up of a list of specific tasks. If the stated number of the specific tasks within a category cannot be performed, the whole category is scored as an inability to perform that ADL category.

The ability to perform the tasks of each ADL category must be assessed by a medical specialist, appropriate to the medical condition causing the impairment, using the Activities of Daily Living scoresheet provided by us.

When an insured person is being measured on their ability to perform any tasks of an ADL category:

- all tasks for which an impairment is present must be scored, irrespective of the medical condition(s) causing the impairment, and
- assistive devices must be used, where applicable.

Supporting objective medical evidence or investigations must be provided for each task of an ADL category scored. The ADL categories, specific tasks and required scores in order to be considered unable to perform the ADL category are detailed in the table below.

ADL category	Specific tasks		Scores required in order to be considered unable to perform the ADL category:
1. Self-care	• Bathing • Grooming • Dressing • Eating and feeding	• Bowel and bladder function • Mobility	• 'cannot' in at least one specific task, or • 'with help' in at least two specific tasks.
2. Communication	• Speaking • Reading • Writing • Keyboard use		• 'cannot' in at least one specific task, or • 'minimal' in at least two specific tasks.
3. Physical activity	**Intrinsic** • Standing • Sitting • Reclining • Walking • Stooping • Squatting • Kneeling • Reaching • Bending • Twisting	**Functional** • Carrying • Lifting • Pushing • Pulling • Climbing • Exercising	• 'cannot' in at least three specific tasks, or • 'with help' in at least six specific tasks.
4. Sensory function	• Hearing • Seeing • Tactile sensation • Tasting • Smelling		• 'cannot' in at least one specific task, or • 'minimal' in at least two specific tasks.
5. Hand functions	• Grasping • Holding • Pinching	• Percussive movements • Sensory discrimination	• 'cannot' in at least one specific task, or • 'minimal' in at least two specific tasks.
6. Advanced functions	• Travel (riding, driving) • Sexual function • Social interaction • Understand concepts • Memory	• Problem solving • Stress adaptation • Sleep pattern • Recreational/ social activities	• 'cannot' or 'poor' in at least four specific tasks.

ADL Scoring

The following scoring method is used to score the ADL Score Sheet:

- If a person is independent in performing that task, he is regarded as able to do that task (can), (normal) or (good).
- If a person makes use of assistive devices, or requires the supervision of another person in performing that task, he is regarded as requiring assistance to do the task (with help), (minimal) or (average). Examples of assistive devices are walking frames, raised toilet seats, shower or bath benches.
  Please note that glasses and hearing aids are not classified as assistive devices.
- If a person is completely dependent on another person(s) to perform a task, he is regarded as unable to do that task (cannot) or (poor). Poor means a rating of poor or below average as measured and evaluated by the relevant and appropriate neuropsychometric test(s).

Health Events defined terms	
Occupational impairment	The relevant definition of occupational impairment that applies is shown on your policy. Before the anniversary when the insured person is aged 65: a) if the Own Occupation definition applies, due to injury or *illness*: • the insured person has been absent from their *own occupation* for a continuous period of at least three months, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in their *own occupation* OR • The insured person has suffered irreversible *whole person impairment* of at least 25% which shows no further chance of improvement, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in their *own occupation* b) if the Any Occupation definition applies, due to injury or *illness*: • the insured person has been absent from work for a continuous period of at least three months, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in *any occupation* OR • The insured person has suffered irreversible *whole person impairment* of at least 25% which shows no further chance of improvement, and in our opinion, is incapacitated to the extent that they are unlikely ever again to be able to engage in *any occupation* c) if the Domestic Duties definition applies, due to injury or *illness*: • the insured person has not performed *domestic duties* for a continuous period of at least three months and, in our opinion, is incapacitated to the extent that it is likely they will be able to perform neither *domestic duties* nor engage in *any occupation* ever again OR • the insured person has suffered irreversible *whole person impairment* of at least 25% which shows no further chance of improvement and, in our opinion, is incapacitated to the extent that it is likely they will be able to perform neither *domestic duties* nor engage in *any occupation* ever again d) if the occupational impairment definition shown in your policy is 'not applicable', then no occupational impairment cover applies. e) if the occupational impairment definition shown in your policy is 'definition assessment at claim', whether cover for occupational impairment is included and, if so, which definition of occupational impairment applies, will be determined by Macquarie Life at the time of claim, based on the information provided to us during the application process and in accordance with Macquarie Life's standard underwriting rules applying as at May 2012. f) if the occupational impairment definition shown in your policy is 'occupational underwriting at claim' and if the insured person provides satisfactory information to us at the time of claim regarding the duties performed and hours worked as at the date of application, whether cover for occupational impairment is included and, if so, which definition of occupational impairment applies, will be determined by Macquarie Life at the time of claim in accordance with Macquarie Life's standard underwriting rules applying as at May 2012.

Child Cover

Child Cover Conditions defined terms	
Child activities of daily living	1. Bathing and showering 2. Dressing and undressing 3. Eating and drinking 4. Using the toilet to maintain personal hygiene 5. Moving from place to place by walking, wheelchair or with assistance of a walking aid or getting in and out of bed, a chair or wheelchair.
Cancer	
cancer	The presence of one or more malignant tumours, including lymphoma (including Hodgkin's and non-Hodgkin's disease), leukaemia, multiple myeloma and malignant bone marrow disorders, that are characterised by the uncontrolled growth and spread of malignant cells and the invasion and destruction of normal tissue. The following cancers are excluded: • tumours which are histologically described as premalignant or show the malignant changes of carcinoma in situ (including cervical dysplasia CIN-III and lower). Carcinoma in situ of the breast is covered if it results directly in the removal of the entire breast. This procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment by a *medical practitioner* • melanomas which are less than stage T1bN0M0 • all hyperkeratoses and basal cell carcinomas, and squamous cell carcinomas of skin unless it has spread to other organs • chronic lymphocytic leukaemia less than Rai stage 1, and • prostatic cancers which are TNM Classification T1 or less and have a Gleason score of 6 or less. Prostatic cancer which is TNM classification T1 or less and which has a Gleason score of 6 or less is covered if it results in the entire removal of the prostate. This procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment by a *medical practitioner*.
aplastic anaemia	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.
Heart and artery	
cardiomyopathy	Disease of the heart muscle causing it to enlarge and become weaker, resulting in significant cardiac impairment to the degree of at least Class III of the *New York Heart Association functional classification system.*
heart attack	Myocardial infarction, characterised by death of a portion of heart muscle due to inadequate blood supply. The following clinical features must be present (and not caused by medical intervention): • new ECG changes, and • elevation of cardiac biomarkers with CK-MB above the upper limit of normal or Troponin I greater than 2.0ug/L or Troponin T greater than 0.6ug/L. If the above is inconclusive then we will consider a claim based on conclusive evidence that myocardial infarction has occurred, resulting in either one of the following: • new pathological Q-waves, • a permanent left ventricular ejection fraction of 50% or less, measured six weeks or more after the event.
open heart surgery	The undergoing of a thoracotomy for treatment of cardiac defect(s), cardiac aneurysm or benign cardiac tumour(s).
out of hospital cardiac arrest	Cardiac arrest that occurs outside of a hospital due to cardiac asystole or ventricular fibrillation with or without ventricular tachycardia. The cardiac arrest must not be related to any medical procedure and must be documented by an electrocardiogram.

Child Cover Conditions defined terms	
Brains and nerves	
bacterial meningitis or meningococcal septicaemia	Bacterial meningitis or meningococcal septicaemia resulting in: • a permanent impairment of at least 25% whole person function, or • total and irreversible inability to perform at least one of the numbered *child activities of daily living.*
benign brain tumour	Non-malignant tumour in the brain, pituitary gland or spine, resulting in a neurological deficit causing: • a permanent impairment of at least 25% whole person function, or • total and irreversible inability to perform at least one of the numbered *child 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 and haematomas are not covered.
brain damage	Brain damage, as confirmed by a *medical practitioner* who is a consultant neurologist, which results in a neurological deficit causing a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 5th edition, or an equivalent impairment approved by us.
coma	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 three days. 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 a severe brain injury.
encephalitis	Acute inflammation of the brain caused by viral infection resulting in neurological deficit and leading to: • permanent impairment of at least 25% whole person function, or • total and irreversible inability to perform at least one of the numbered *child activities of daily living.*
major head trauma	*Accidental* head injury, leading to neurological deficit causing: • permanent impairment of at least 25% whole person function, or • total and irreversible inability to perform at least one of the numbered *child activities of daily living.*
muscular dystrophy with impairment level	Unequivocal diagnosis of muscular dystrophy, which causes progressive and selective degeneration and weakness of voluntary muscles resulting in: • permanent impairment of at least 25% whole person function, or • total and irreversible inability to perform at least one of the numbered *child activities of daily living.*
paralysis	The total and irreversible loss of the use of two limbs, where a limb is defined as the shoulder down to the hand or the hip down to the foot.
stroke	A neurological event caused by a cerebrovascular incident. The stroke must: • be confirmed by an appropriate medical specialist • be evidenced by the acute onset of objective neurological signs and clinical symptoms, and • be evidenced by neuro-imaging. Transient ischaemic attacks, cerebral events due to reversible neurological deficits, migraine, hypoxia or trauma, and vascular disease affecting the eye, optic nerve or vestibular functions are excluded.
Lungs	
chronic lung disease	End stage lung disease requiring permanent and continuous oxygen therapy, a persistent FEV1 less than 30% predicted or DLCO less than 40% predicted (American Thoracic Society 2004).
primary pulmonary hypertension	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 III of the *New York Heart Association functional classification system.*
Kidneys	
chronic kidney failure	Chronic irreversible failure of the function of both kidneys requiring either regular renal dialysis or renal transplantation.

Child Cover Conditions defined terms	
Ear, nose and throat	
loss of hearing	The total and irreversible loss of hearing in both ears with and without the use of an appropriate aid.
loss of speech or total aphasia	Total and irreversible loss of speech. The loss must be confirmed to be total and irreversible at least three months after speech was first lost. Loss of speech or total aphasia due to psychological reasons is excluded.
Eye	
loss of sight	The irrecoverable loss of sight, with and without the use of an appropriate aid, 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.
Musculoskeletal	
loss of limbs	The total and irreversible loss of the use of: • two limbs, or • sight in both eyes *(loss of sight),* • or the sight in one eye and one limb, where 'limb' means whole hand or whole foot and loss of sight in one eye means the irrecoverable loss of sight in one eye, with and without the use of an appropriate aid, to the extent that eyesight is reduced in that eye to 6/60 or less of central visual acuity on the Snellen test chart.
severe burns	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.
Digestive system	
chronic liver disease	End stage liver failure resulting in permanent jaundice, bleeding varices, ascites or encephalopathy.
Other	
child's loss of independent existence	After reaching seven years of age, the total and irreversible inability to perform at least two of the numbered *child activities of daily living* without the assistance of another person.
intensive care	A sickness or injury has resulted in the insured person requiring continuous mechanical ventilation by means of tracheal intubation for 10 consecutive days (24 hours per day) or more in an authorised intensive care unit of an acute care hospital. No benefit shall be payable where the sickness or injury is as a result of drug or alcohol intake or other self-inflicted means.
major organ transplant	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 by a *medical practitioner.*
medically acquired HIV	The *accidental* infection with Human Immunodeficiency Virus (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. A claim for medically acquired HIV will not be payable if: • HIV infection is caused by any other means, including sexual activity or recreational intravenous drug use, or • a treatment is developed and approved which renders the HIV virus inactive and non-infectious.

Other defined terms

Other defined terms	
accident/accidental	A fortuitous and unforeseen event, resulting in an injury, which is not caused, or contributed to, by an intentional act of the insured person.
application date	The application date shown on your policy, which is the Macquarie Life date stamp recorded on a paper application received by Macquarie Life or the date an electronic application is authorised via Macquarie's online website for: • a new type of cover with Macquarie Life, or • an increase to existing cover (but only in respect of the increase).
any occupation	Any occupation, business or employment for which the insured person is suited by education, training or experience that would generate earnings greater than 25% of the insured person's earnings in the most recent period of 12 months in which he or she was *gainfully employed*.
carer	The insured person begins to provide unpaid care for the first time and that care is: • medically necessary due to disability, chronic illness or frail age • was not previously required • is likely to be required for a continuous period of at least six months The commencement of care for the first time must be evidenced by either a letter from a *medical practitioner* or evidence that the insured person is receiving a Centrelink carer benefit for providing that care.
Child Cover Condition	An injury, *illness* or treatment for an injury or *illness*, meeting the criteria as defined in the Child Cover Condition section starting on page 68. The date of occurrence of the Child Cover Condition is: • for an injury, the date the injury occurs • for an *illness*, the date a *medical practitioner* confirms diagnosis, or • for treatment, the date the insured person undergoes the treatment. In order to be eligible to claim, the occurrence of the Child Cover Condition as described above must occur after *cover commencement* and before cover ends.
claimable income	If the benefit type indicated on your policy schedule is Income at Claim then *claimable income* is the highest average monthly *income* for any 12 consecutive months in the 36 months preceding the start of the waiting period applying to the claim. If the benefit type indicated on your policy schedule is Income at Application then *claimable income* is the highest of either the highest average monthly *income* for any 12 consecutive months in the 36 months preceding the start of the waiting period applying to the claim, and • if the insured person is an Employee: – their *income* for the 12 months immediately prior to the application for cover (or approved increase) • if the insured person is Self-Employed and their *income* in the 12 months prior to the application for cover (or approved increase) reduced by more, or increased by less, than 20% when compared to the *income* of same period 12 months earlier: – their *income* in the 12 months immediately prior to the application for cover (or approved increase) • if the insured person is Self-Employed and the above does not apply: – the average of their *income* over the 24 months immediately prior to the application for cover (or approved increase). The insured person's *income* prior to application will be increased by the increase in the *consumer price index* at each cover anniversary until the date of *disability*.
consumer price index	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.
cover commencement	The latest of: • cover start date shown in your policy schedule • the date cover is reinstated (but only in respect of the reinstated cover), or • the date cover commences for any increases in cover that you applied for (but only in respect of the increase).
disability/disabled	*Total disability* or *partial disability*.
domestic duties	The tasks performed by an insured person whose sole occupation is to maintain the family home. These tasks include, unassisted by another person, cleaning of the home, cooking of meals for their family, doing the family laundry, shopping for the family's groceries and taking care of dependent children (where applicable). Domestic duties do not include duties performed outside the insured person's home for remuneration or reward.

Other defined terms	
eligible superannuation plans	• Macquarie Super Consolidator, Macquarie Super Accumulator, Macquarie Super Manager or Macquarie SuperOptions • any other superannuation plan for which MIML acts as trustee (excluding the insurance-only division of the Macquarie Superannuation Plan), or • any other product issued by the trustee of a superannuation fund approved by Macquarie Life.
eligible wrap service	• Macquarie Investment Consolidator, Macquarie Investment Accumulator or Macquarie Investment Manager, or • a client branded version of one of the above products.
fracture	Any break in the bone that requires a pin, traction, plaster or other immobilising structure.
gainful employment/ gainfully employed	The insured person is engaged in an occupation, business or employment for remuneration or reward.
Health Event	An injury, *illness* or treatment for an injury or *illness*, meeting the criteria as defined in the *Health Events* section starting on page 51. The date of occurrence of the Health Event is: • for an injury, the date the injury occurs • for an *illness,* the date a *medical practitioner* confirms diagnosis, or • for treatment, the date the insured person undergoes the treatment. In order to be eligible to claim, the occurrence of the Health Event as described above must occur after *cover commencement* and before cover ends.
illness	A pathological condition evidenced by medically recognised signs and symptoms.
immediate family member	A married or de facto partner, child, brother, sister or parent.
income	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 or rental income.
indexation	The increase in consumer price index. For *Health Events, terminal illness* and death cover and Child Cover, the minimum indexation rate that will apply is 3%. The 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 31 December each year and applied at the cover anniversary on or following 1 March in the next year.
Initial Amount of Cover	The Initial Amount of Cover is the amount originally issued, adjusted for Indexation Increases over time, plus any subsequent increases or decreases to the cover that you apply for and are accepted by us. Refer to page 12 for information about Indexation Increases.
involuntary unemployment/ involuntarily unemployed	A period during which the insured person is: • not working • is actively seeking employment, and • is registered with Centrelink or other government approved job placement agencies as a job seeker, and where becoming unemployed was a result of: – the termination of the insured person's *gainful employment* by their employer without the consent of the insured person, or – the insured person being made redundant from *gainful employment* by their employer. It does not include unemployment as a result of: • the insured person ceasing *gainful employment* of a casual, seasonal or temporary nature • the expiration of a fixed term employment contract or other specified period of work, or • the deliberate or serious misconduct of the insured person.

Other defined terms	
Limited Claim Period	As complications from a medical condition, or its treatment, often arise within the months following a condition and it can be difficult to identify all of these complications, a *Limited Claim Period* applies for 12 months following a *Health Event* claim. When a *Health Event* occurs, a *Limited Claim Period* starts and lasts for 12 months. If a subsequent *Health Event* occurs during this *Limited Claim Period*, any amounts already paid during the current *Limited Claim Period* will be deducted from the amount we will pay for the current claim. We will not deduct amounts paid for a prior claim for a *Health Event* within the *Limited Claim Period* where either the current claim or the prior claim is/was for a *Health Event* that is the result of *accident*, unless the *Health Events* are directly or indirectly due to the same underlying cause or event.
loss of independent existence	The total and irreversible inability to perform at least two of the tasks under the Self-care category of Activities of Daily Living. In order to be considered unable to perform two of the Self-care tasks, the person must score 'cannot' for at least two of the Self-care tasks.
Maximum Amount Payable	The Maximum Amount Payable for each of the Health Event benefit categories A to E is calculated as the lesser of: • the *Initial Amount of Cover* multiplied by the applicable percentage for the relevant benefit category, and • the *Remaining Amount of Cover* under the policy. If the *Initial Amount of Cover* is less than $200,000, the Maximum Amount Payable for benefit category E will be $10,000 and the percentage for benefit category E will be adjusted accordingly. The *Maximum Amount Payable* for *terminal illness* and death under benefit category AA is the *Remaining Amount of Cover* under the policy plus any additional death cover.
medical practitioner	A doctor who is legally qualified and registered to practise medicine 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.
monthly benefit	The *monthly benefit* as described on page 19.
own occupation	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 *occupational impairment* is made (or, if not *gainfully employed* at that time, the occupation, business or employment in which the insured person was most recently *gainfully employed*).
partial disability/ partially disabled	The insured person is not totally disabled, and solely as a result of injury or *illness*: • is unable to perform at full capacity one or more of the duties their *usual occupation* necessary to produce income as confirmed by a *medical practitioner*, and • is *gainfully employed* but their *post-disability income* is less than *pre-disability income*, and is under the regular care and following the advice of a *medical practitioner*.
partner	A person with whom the insured person is legally married or in a *partnership*.
partnership	A prescribed relationship which is registered under State or Territory law for the purposes of the Acts Interpretation Act 1901.
period of insurance	Commences on *cover commencement* for each insurance cover, and continues until the insurance cover ends as explained in the section entitled 'When cover ends' on page 33 of this PDS. The *period of insurance* does not include any period during which the insurance cover is subject to premium and policy suspension (see the section entitled 'Premium and policy suspension' on page 35 for further details).
permanent incapacity	Permanent incapacity as defined by the *superannuation law,* as amended from time to time and applied as if Macquarie Life was the trustee of the relevant superannuation fund and the insured person was a member of the fund.
pre-disability income	If the Income Cover is provided on an: **Income at Application or Endorsed Income at Application basis**: the highest average monthly *income* of the insured person for any 12 consecutive months in the period commencing 24 months before the cover start date until the start of the waiting period applying to the claim **Income at Claim basis**: the highest average monthly income of the insured person for 12 consecutive months in the 36 months preceding the start of the waiting period applying to the claim For the purposes of calculating Partial Disability benefit payments, *pre-disability income* will be increased by the increase in the *consumer price index* at each cover anniversary while the insured person remains on claim.

Other defined terms	
Progressive Condition	There are a number of medical conditions that we will treat as a progression of a prior condition when calculating how much we will pay. A *Progressive Condition* is any condition or procedure that is directly or indirectly related to the same underlying condition, medical cause or pathology as a prior claim. For full details of *Health Events* we consider to be *Progressive Conditions,* refer to page 59.
post-disability income	The *income* earned in the month by the insured person from personal exertion following injury or *illness* while *partially disabled.*
Remaining Amount of Cover	When your policy starts, the *Remaining Amount of Cover* under the policy is equal to the *Initial Amount of Cover*. When a *Health Event* claim is paid under the policy, the *Remaining Amount of Cover* under the policy is reduced by the amount paid for the *Health Event*. Once the *Remaining Amount of Cover* has reduced to nil under the policy, there is no cover for t*erminal illness* or death, unless additional death cover, which is not reduced by *Health Event* claims, has been included.
replacement cover waiver – death and terminal illness	The specified exclusion will be waived and does not apply if the policy issued by us replaces other similar insurance under a policy or policies issued by us or another insurer (the other policy), and we agreed to issue this policy on the basis that it replaced the other policy (as shown in your policy) and the following conditions are also met: • the *Initial Amount of Cover* plus any additional death cover being issued by us is the same amount or less than that under the other policy. If the death and *terminal illness* cover (being the *Initial Amount of Cover* plus any additional death cover) under the policy being issued by us is higher than that under the other policy, the amount of death and *terminal illness* cover in excess of the cover under the other policy • the other policy was continuously in force for 13 months 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.
replacement cover waiver – Income Cover Health Event benefit	The specified exclusion will be waived and does not apply if the policy issued by us replaces other similar insurance under a policy or policies issued by Macquarie Life or another insurer (the other policy) and we agreed to issue this policy on the basis that it replaced the other policy (as shown in your policy document) and the following conditions are also met: • the Income Cover Monthly Amount of Cover under the policy being issued by us is the same amount or less than that under the other policy. If the monthly amount of cover under the policy being issued by us is higher than that under the other policy, the amount of the Monthly Amount of Cover in excess of the cover under the other policy • the other policy was continuously in force for 90 days immediately prior to the issue of this policy • the other policy provided similar cover for the *Health Event* • the other policy was cancelled immediately after the issue of this policy, and • no claim is pending or payable under the other policy.
replacement cover waiver – Health Events and Child Cover	The specified exclusion does not apply to a *Health Event* or *Child Cover Condition*, as relevant, if the policy issued by us replaces other similar insurance under a policy or policies issued by us or another insurer (the other policy) and we agreed to issue this policy on the basis that it replaced the other policy (as shown in your policy) and the following conditions are also met: • the *Initial Amount of Cover* being issued for *Health Events* (or the Amount of Cover for Child Cover) by us is the same amount or less than that under the other policy. If the *Initial Amount of Cover* (or Amount of Cover) under the policy being issued by us is higher than that under the other policy, the amount of the *Initial Amount of Cover* (or Amount of Cover) in excess of the cover under the other policy • the other policy was continuously in force for 90 days immediately prior to the issue of this policy • the other policy provided similar cover for the *Health Event* (or the *Child Cover Condition*) • the other policy was cancelled immediately after the issue of this policy, and • no claim is pending or payable under the other policy.
superannuation law	Superannuation law includes the *Superannuation Industry (Supervision) Act 1993* (Cth) and associated regulations as amended from time to time.
superannuation payment limit	The amount we determine in our absolute discretion as satisfying the requirements of the *superannuation law* in regard to the permissible insurance benefits payable in respect of a member of a superannuation fund and applied as if Macquarie Life was the trustee of the relevant superannuation fund and the insured person was a member of the fund. In making the determination, it is recognised that Macquarie Life may interpret the *superannuation law* in a particular manner which may change over time. We will make a determination in accordance with procedures maintained by us.
temporary incapacity	Temporary incapacity as defined by the *superannuation law* and applied as if Macquarie Life was the trustee of the relevant superannuation fund and the insured person was a member of the fund.
terminal illness	The insured person is diagnosed with an *illness,* which reduces life expectancy to less than 12 months from the date of diagnosis, as confirmed by two *medical practitioners*, one of whom is a medical specialist approved by Macquarie Life.

Other defined terms		
total disability/totally disabled	Income Cover Plus	Solely as a result of injury or *illness,* the insured person is not *gainfully employed* in any capacity and is unable to perform one or more of the duties of their *usual occupation* necessary to produce income, as confirmed by a *medical practitioner.* If you also have Income Cover Plus as indicated on your policy schedule, for a maximum of twelve monthly payments per claim, *totally disabled* will also include: • solely as a result of injury or *illness,* the insured person is not *gainfully employed* for more than 10 hours** per week, is unable to work more than 10 hours** per week in their *usual occupation,* and has a *post-disability income* that is not more than 25% of their *pre-disability income,* or • solely as a result of injury or *illness,* the insured person is not *gainfully employed* for more than 20 hours*** per week, is unable to earn a *post-disability income* that is more than 20% of their *pre-disability income*, and has a *post-disability income* that is not more than 20% of their *pre-disability income.* In addition to the above, the insured person must be under the regular care and following the advice of a *medical practitioner.*
	Income Cover Standard	Solely as a result of injury or *illness*, the insured person is not *gainfully employed* in any capacity and is unable to perform one or more of the duties of their *usual occupation* necessary to produce income, as confirmed by a *medical practitioner.* In addition to the above, the insured person must be under the regular care and following the advice of a *medical practitioner.*
usual occupation	The occupation in which the insured person is regularly engaged at the time of the *illness* or injury giving rise to the claim, except: • if your policy shows that we classified the occupation of the insured person as occupation class 4, after 36 months of claim, usual occupation means any occupation which the insured person is reasonably capable of performing having regard to their education, training or experience, • if the insured person has been unemployed or on maternity, paternity or sabbatical leave for greater than 12 months at the time of *disability,* then usual occupation means any occupation which the insured person is reasonably capable of performing having regard to their education, training or experience.	
whole person impairment (WPI)	Whole Person Impairment based on the American Medical Association Guides to the Evaluation of Permanent Medical Impairment, 5th edition – the examining doctor will be provided with specific evaluating protocols.	

** If the insured person was working less than 20 hours per week in their *usual occupation* in the 12 months immediately prior to the commencement of *disability,* the insured person must be unable to work more than five hours per week in their *usual occupation* and not be *gainfully employed* for more than five hours per week.

*** If the insured person was working less than 20 hours per week in their *usual occupation* in the 12 months immediately prior to the commencement of *disability,* then the insured must not be *gainfully employed* for more than 10 hours per week.

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For more information about Macquarie Life and Macquarie Investment Management Limited contact your Adviser or call 1800 005 057. You can also fax us on 1800 812 175, email us at insurance@macquarie.com or visit our website at macquarielife.com.au

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