

Mortgage Protector – Total and Permanent Disability Cover

Your cover in detail.

1 INTRODUCTION

This Total and Permanent Disability Cover provides **you** with a lump sum payment if an **insured person** suffers a **total and permanent disability**.

The **schedule** will show which **insured person** this Total and Permanent Disability Cover applies to and any additional options that may apply.

2 BUILT-IN BENEFITS

2.1 Total and permanent disability

2.1.1 Total and permanent disability before age 65

Total and permanent disability means that **we** are satisfied that one of the following events occurs before the **insured person's** 65th birthday:

(a) **Own Occupation**

If Own Occupation is shown in the **schedule** for an **insured person**, then **he** or **she** has been absent from employment through sickness or injury for an uninterrupted period of three months, and in **our** reasonable opinion after considering all the medical evidence and other relevant evidence, has become so disabled that **he** or **she** will unlikely ever be able to work in any capacity in **his** or **her own occupation**;

Or

(b) **Any Occupation**

If Any Occupation is shown in the **schedule** for an **insured person**, then **he** or **she** has been absent from employment through sickness or injury for an uninterrupted period of three months and in **our** reasonable opinion after considering all the medical evidence and other relevant evidence, has become so disabled that **he** or **she** will unlikely ever be able to perform **his** or **her own occupation** or **any occupation**;

Or

(c) **Home Duties**

If the **insured person** was not **gainfully employed** immediately before the event causing disability due to undertaking full-time **home duties**, regardless of whether Own Occupation or Any Occupation is shown in the **schedule**, **total and permanent disability** shall mean that **he** or **she** for an uninterrupted period of at least three months:

- has been under medical supervision with the complete inability to perform all normal **home duties**; and
- has been unable to leave the home without assistance; and
- in **our** reasonable opinion based on medical and other relevant evidence, is unlikely to ever again be able to perform all normal **home duties**;

Or

(d) has suffered the total and permanent loss of the:

- sight of both eyes, or
- use of two limbs, or
- sight of one eye, and the loss of the use of either a whole hand, or a whole foot.

Loss of the sight in an eye must be confirmed by an ophthalmologist and measured by one of the following:

- visual acuity of less than 6/60 in the affected eye after correction, or
- a field of vision constricted to 20 degrees of arc or less, or
- a combination of visual defects resulting in the same degree of visual impairment as that occurring in either of the above,

Or

- (e) is totally and permanently unable to perform at least two **activities of daily living** as a result of sickness or injury without the assistance of an adult;

Or

- (f) has suffered an injury or illness of the brain resulting in permanent and irreversible loss of cognitive function that requires the **insured person** to be under continuous full time care for the **insured person's** safety to prevent such situations including but not limited to wandering away from their usual place of residence, physical aggression, neglect of self-care, misjudging or causing situations that are dangerous for themselves or others.

The loss needs to be measured by clinical evidence and standardised tests which reliably measure the impairment in the following areas:

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

2.1.2 Total and permanent disability from age 65 to age 70

If **we** are satisfied that after **his** or **her** 65th birthday the **insured person** was continuing to perform **his** or **her** usual occupational duties without limitation or restriction due to sickness or injury for at least 25 hours per week, then **we** will assess any claim for **total and permanent disability** made before **his** or **her** 70th birthday under the definition that applied before the **insured person's** 65th birthday.

If the **insured person** was performing **his** or **her** occupational duties with limitations or restrictions due to sickness or injury, **we** will assess the claim under the definition applying under section 2.1.4.

2.1.3 Home Duties from age 65

If the **insured person** was not **gainfully employed** immediately before the event causing disability due to undertaking full-time **home duties** and the event causing the **total and permanent disability** happens after the **insured person's** 65th birthday, **we** will assess the claim under the definition applying under section 2.1.4.

2.1.4 Total and permanent disability from age 70

Where the event causing the **total and permanent disability** happens after the **insured person's** 70th birthday, or where sections 2.1.2 or 2.1.3 apply, the following definition applies:

Total and permanent disability means that **we** are satisfied that the **insured person**:

- (a) has suffered the total and permanent loss of the:
- sight of both eyes, or
 - use of two limbs, or
 - sight of one eye, and the loss of the use of either a whole hand, or a whole foot.

Loss of the sight in an eye must be confirmed by a specialist medical practitioner and measured by one of the following:

- visual acuity of less than 6/60 in the affected eye after correction, or
- a field of vision constricted to 20 degrees of arc or less, or
- a combination of visual defects resulting in the same degree of visual impairment as that occurring in either of the above,

Or

(b) is totally and permanently unable to perform at least two **activities of daily living** as a result of sickness or injury without the assistance of an adult;

Or

(c) has suffered an injury or illness of the brain resulting in permanent and irreversible loss of cognitive function that requires the **insured person** to be under continuous full time care for the **insured person's** safety to prevent such situations including but not limited to wandering away from their usual place of residence, physical aggression, neglect of self-care, misjudging or causing situations that are dangerous for themselves or others.

The loss needs to be measured by clinical evidence and standardised tests which reliably measure the impairment in the following areas:

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

2.1.6 Partial benefit

We will pay a **partial benefit** if the **insured person** suffers the total and permanent loss of use of one hand, one foot or the sight in one eye.

The loss of the sight must be confirmed by an appropriate **specialist medical practitioner** and measured by one of the following:

- visual acuity of less than 6/60 in the affected eye after correction, or
- a field of vision constricted to 20 degrees of arc or less, or
- a combination of visual defects resulting in the same degree of visual impairment as that occurring in either of the above.

2.2 How much do we pay?

When the **insured person** suffers a **total and permanent disability** **we** will pay **you** either:

- the **sum assured**; or
- if the **total and permanent disability** is a **partial benefit**, 25% of the **sum assured** up to \$75,000.

Where the event giving rise to the payment of the **sum assured** was already covered at the **date of commencement** by a policy issued by **us** or another insurer (existing policy), then **we** will reduce the **sum assured** and **our** payment so that when added to any amount paid or payable under the existing policy, the total for that **insured person** does not exceed \$5,000,000.

The Total and Permanent Disability Cover **sum assured** will reduce by any amount payable under this cover. **We** will adjust the premium accordingly.

2.2.1 Total and Permanent Disability Cover - Accelerated

If the **schedule** shows Total and Permanent Disability Cover - Accelerated applies to an **insured person**, payment of the Total and Permanent Disability Cover - Accelerated **sum assured** is an advance payment of the Life Assurance Cover this Total and Permanent Disability Cover - Accelerated is attached to. **We** will reduce that Life Assurance Cover by the amount **we** pay for the **total and permanent disability** and adjust the premium accordingly.

An **insured person's** Total and Permanent Disability Cover - Accelerated **sum assured** cannot exceed **his** or **her** Life Assurance Cover **sum assured**.

2.3 Total and Permanent Disability Early Payment

If the cause of the **insured person's total and permanent disability** is due to one of the below conditions, **we** will waive the requirement for the **insured person** to be absent from employment or undertake full-time **home duties** for an uninterrupted period of three months. The conditions are:

- Alzheimer's disease
- Cardiomyopathy
- Chronic lung disease
- Dementia

- Major head trauma
- Motor neurone disease
- Multiple sclerosis
- Muscular dystrophy
- Parkinson's disease
- Severe rheumatoid arthritis
- Systemic sclerosis

2.4 Financial Planning Benefit

When **we** pay a lump sum benefit of at least \$100,000 to a beneficiary under this Policy, **we** will reimburse, up to a maximum of \$2,500, the cost of a fully documented financial plan prepared by an Authorised Financial Adviser for the beneficiary.

Where there is more than one beneficiary **we** will divide the Financial Planning Benefit equally between those beneficiaries who each receive a benefit of at least \$100,000.

The reimbursement must be claimed within six months of receiving the lump sum benefit and will be payable only once in respect of all policies with **us** covering the same **insured person**.

We will require evidence to show that the financial plan has been provided, the qualifications of the financial adviser and the costs charged by the financial adviser.

2.5 Special Events

You can increase an **insured person's sum assured** once in any 12 month period before **his** or **her** 55th birthday without providing additional health information if one of the circumstances shown below occurs.

- (a) **You** can increase that **insured person's sum assured** by up to the lesser of \$250,000 or 25% of **his** or **her sum assured** at the **date of commencement** of the cover if any of the following events apply to **him** or **her**:
- Marriage, civil union, divorce or being subject to a separation agreement or order, or
 - birth or adoption of a **child**, or
 - dependent **child** starting secondary school, or
 - reaching ages 25, 30, 35, 40 or 45, or
 - death of a spouse, defacto partner, **child** or civil union partner, or
 - the **insured person** permanently stops work to provide full time physical care for the first time for a dependant **relative** who did not require full time physical care before the **date of commencement**.
- (b) If the **insured person** takes out or increases a mortgage on **his** or **her** own home, you can increase **his** or **her sum assured** by up to the lesser of:
- 50% of the **sum assured** at the **date of commencement**; or
 - the increase in the value of the existing mortgage or the amount of a new mortgage; or
 - \$250,000.
- (c) If the **insured person** has a **salary** increase of at least \$10,000 or a **salary** increase of at least 10% of **his** or **her salary**, **you** can increase **his** or **her sum assured** by up to the lesser of:
- 25% of the **sum assured** at the **date of commencement**; or
 - 5 times the increase in **his** or **her salary**; or
 - \$250,000.

Conditions

- (a) **You** must exercise a Special Events increase in writing with supporting evidence within the later of either:
- six months following the event, or
 - 30 days of the following **policy anniversary**.
- (b) An increase under Special Events is not available if:

- The **sum assured** at the **date of commencement** includes a premium loading greater than 100%.
 - The **insured person** has either had a claim paid or is entitled to be paid a claim under any policy with **us** or any other insurance company.
 - The premiums are not up to date or are being waived for any reason.
- (c) Any special terms and loadings that applied to the **sum assured** at the **date of commencement** will also apply to the increase on that cover.
- (d) **Your** premiums will increase in line with the increased **sum assured**. **We** will calculate the premium for the increase using the age of the **insured person** at the date **you** exercise a Special Events increase. The increased **sum assured** applies from the date **we** confirm the new **sum assured** to **you**, subject to payment of the additional premium.
- (e) The maximum increase for all events is the lesser of:
- \$1,000,000, or
 - the **sum assured** at the **date of commencement**.
- (f) If the **insured person** has Total and Permanent Disability Cover - Accelerated, **his** or **her** Total and Permanent Disability **sum assured** cannot exceed the Life Assurance Cover **sum assured**.
- (g) The total cover, added to all other total and permanent disability type covers with any insurer, after an increase cannot exceed \$5,000,000.

2.6 Premium Holiday Option

You can apply to **us** in writing once to ask **us** to suspend this Total and Permanent Disability Cover and the premiums for an **insured person** for up to 12 consecutive months. The Premium Holiday Option is only available for the following reasons: redundancy, bankruptcy, tertiary studies or overseas travel.

You must advise **us** how long **you** want the cover and the premiums suspended. In applying for the Premium Holiday Option **you** acknowledge that reinstating this Total and Permanent Disability Cover within the 12 month period is **your** sole responsibility. **You** can exercise this Premium Holiday Option during the days of grace by writing to **us** advising the reason why premium payments have stopped.

Conditions

- (a) **We** will acknowledge the request, suspend this Cover confirming that the Premium Holiday Option has been activated if a valid reason is given. **We** may require evidence of the reason for the suspension.
- (b) The maximum **sum assured** under this Premium Holiday Option is \$500,000.
- (c) **You** can reinstate this Total and Permanent Disability Cover without providing the **insured person's** health information.
- (d) From the date **you** reinstate this Total and Permanent Disability Cover, premiums are payable on the same terms that applied before the premium holiday. **We** will base the premium on the **insured person's** then current age and the premium rates that apply at that time.

3 ADDITIONAL OPTIONS

3.1 Buy Back Option

If this option is included in this cover, the **schedule** will show which **insured person** this applies to.

Twelve months after the payment of the full **sum assured** under the Total and Permanent Disability Cover – Accelerated **you** may buy back the Life Assurance Cover without providing additional health information.

The maximum amount of Life Assurance Cover that **you** can buy back is the Total and Permanent Disability Cover – Accelerated amount **we** paid. **We** will contact you to let you know that the option is able to be exercised.

You may exercise this Buy Back Option once only within 90 days after the end of the 12 month period and before the **insured person's** 65th birthday.

Once the Life Assurance Cover has been bought back, the portion of the Life Assurance Cover which has been bought back cannot be bought back again at any time.

We will calculate the premium based on the rates applicable for the age and gender of the **insured person** and the Life Assurance Cover **sum assured** bought back at the time **you** exercise the Buy Back Option.

Any Life Assurance Cover bought back under the Buy Back Option will be subject to the same terms and conditions that applied to the Life Assurance Cover when issued.

3.2 CPI Option

If this option is included in this cover, the **schedule** will show which **insured person** this applies to. How **we** apply the CPI Option is set out in section 4 of the Policy Terms and Conditions.

The last increase under this CPI Option for an **insured person** will be applied on the earlier of:

- the **policy anniversary** before **his** or **her** 65th birthday, or
- the total sum assured for all total and permanent disability type cover/s for that **insured person** with **us** and any other insurer, reaches \$5,000,000.

4 CLAIMS

4.1 Notice

You or the **insured person** must notify **us** in writing immediately or as soon as practically possible if **you** or the **insured person** become aware of any claim or potential claim under this Total and Permanent Disability Cover.

We will advise **you** of the requirements **we** need to assess **your** claim.

We will not pay any claim until we receive all of the requirements **we** need to assess the claim and confirm that the **insured person** meets the definition of **total and permanent disability**.

4.2 Obligations

You and the **insured person** (if possible) must:

- (a) Complete **our** claim form in full and send it to **us** as soon as reasonably possible.
- (b) Supply **us** with all relevant medical evidence **we** reasonably require in connection with the claim.
- (c) Authorise the disclosure to **us** of **his** or **her** or **your** personal information in connection with the claim held by any other party.
- (d) Authorise the disclosure of **his** or **her** or **your** personal information held by **us** to another party to evaluate the claim.
- (e) Provide **us** with any other relevant information **we** reasonably require. This may include financial and occupational evidence.

The **insured person** must:

- (a) Provide a signed report from an appropriate **specialist medical practitioner** confirming the occurrence of the **total and permanent disability**.
- (b) Undergo one or more medical examinations if **we** reasonably request them at **our** expense. This may include blood tests and medical testing.
- (c) **We** may also request other additional claim proofs necessary to complete our assessment of the claim including an independent opinion from an appropriate **medical practitioner** or **specialist medical practitioner** approved by us.

You must pay any expenses incurred in proving **your** claim.

5 EXCLUSIONS

You cannot claim under this cover in connection with an intentional self-inflicted act or injury.

6 WHEN THIS COVER ENDS

This Total and Permanent Disability Cover ends for an **insured person** on the earliest of the date:

- (a) **you** cancel **his** or **her** Total and Permanent Disability Cover, or
- (b) this Policy ends for any reason, or
- (c) **we** pay the **sum assured** for that **insured person**, or
- (d) **he** or **she** dies, or
- (e) of **his** or **her** 100th birthday.

7 DEFINITIONS

The definitions shown below apply to all derivatives of the words defined.

Any occupation

An occupation for which the **insured person** is suited to by education, training or experience, which would remunerate at a rate greater than 25% of **his** or **her** earnings over the last 12 month period of employment

Gainfully employed

Working in an occupation or job as an employee for reward, salary, commission or any other income. For an **insured person** who is self-employed, working in any business or professional practice which could produce income for that business or professional practice.

Home duties

The duties normally associated with a person who is engaged in full time unpaid home duties within the family home, and is not employed in any occupation or working outside the **insured person's** home for salary, reward or profit and includes:

- (a) cleaning the family home, such as using a vacuum cleaner, sweeping with a broom, using a mop and cleaning dishes (automatic or manual).
- (b) cooking the family meals, such as preparing fresh and frozen food and using an oven, stove or microwave oven.
- (c) doing the family's laundry, such as loading and unloading a washing machine, hanging out clothes or using a dryer, folding clothes and ironing.
- (d) shopping, such as attending shops or using the phone or internet to purchase food for the family.
- (e) taking care of the **insured person's** dependent children (where applicable) such as supervising, lifting, transporting, feeding and bathing.

We will not consider an **insured person** who is actively seeking employment or is performing less than full time unpaid **home duties** to be performing **home duties**.

Own occupation

The field of work in which the **insured person** has trained in, specialises in and was engaged in immediately before becoming **totally and permanently disabled**.

Partial benefit

A part payment of the **sum assured**.

Total and permanent disability

A sickness or injury resulting in the **insured person** meeting the definition as outlined in section 2.1.