

Amendments to 25 May 2009 OneCare Policy Terms

1 March 2010

About these amendments

All OneCare policies issued after 1 March 2010 will be governed by the OneCare Policy Terms dated 25 May 2009 (2009 Policy Terms) as amended by this document. The amendments described in this document will be referred to below as the 2010 Policy Terms Amendments. The amendments include changes to:

- Life Cover
- TPD Cover
- General benefits, features and options for Life Cover, TPD Cover, Trauma Cover and Extra Care Cover
- Income Secure Cover
- Business Expense Cover

The revised wording in these amendments for any specified section replaces the policy wording for that same section in the Policy Terms.

Terms defined in these amendments have the same meaning as in the Policy Terms.

Life Cover

2.4 Life Cover exclusions

There is a change within section 2.4 of the 2009 Policy Terms as follows.

2009 Policy Terms text:	Replace with 2010 Policy Terms Amendments text:
We will not pay any benefits under Life Cover... if, as a result of the life insured's intentional act or omission, the life insured dies or becomes terminally ill during the first 13 months	We will not pay any benefits under Life Cover... if, as a result of the life insured's intentional act or omission, the life insured dies during the first 13 months

TPD Cover

3.2.1.2 TPD definitions

There is a change within the Any Occupation TPD definition, section 3.2.1.2 of the Policy Terms, as follows.

2009 Policy Terms text:	Replace with 2010 Policy Terms Amendments text:
Any Occupation TPD means that, as a result of illness or injury , the life insured: (1) a) has been absent from and unable to work for three consecutive months and b) is disabled at the end of the period of three consecutive months, to such an extent that they are unlikely ever again to be able to engage in any occupation for which they are reasonably suited by their education, training or experience.	Any Occupation TPD means that, as a result of illness or injury, the life insured: (1) a) has been absent from and unable to work for three consecutive months and b) is disabled at the end of the period of three consecutive months, to such an extent that they are unlikely ever again to be able to engage in any occupation: - for which they are reasonably suited by their education, training or experience, and - which is likely to generate average monthly earnings of at least 25% of the life insured's average monthly earnings in the 12 months prior to claim.

There is also a change within the Own Occupation TPD definition, section 3.2.1.2 of the Policy Terms, as follows.

2009 Policy Terms text:	Replace with 2010 Policy Terms Amendments text:
<p>Own Occupation means the occupation in which the life insured was engaged immediately prior to the date of disability.</p> <p>If the life insured has been unemployed for less than 12 months immediately prior to the date of disability then the Own Occupation definition will apply. In these circumstances, Own Occupation means that occupation in which the life insured was engaged immediately prior to ceasing work.</p> <p>If the life insured has been unemployed for more than 12 months prior to the date of disability, then the Any Occupation definition will replace the Own Occupation definition.</p>	<p>Own Occupation means the most recent occupation in which the life insured was engaged prior to the date of disability.</p>

3.2.1.4 Partial payment for specific loss

There is a change within section 3.2.1.4 of the Policy Terms as follows.

2009 Policy Terms text:	Replace with 2010 Policy Terms Amendments text:
<p>The partial payment for 'specific loss' is 20% of the TPD Cover amount insured at the time the 'specific loss' occurs, subject to a minimum of \$10,000 and a maximum of \$100,000, or if an instalment benefit payment type applies, an equivalent instalment amount.</p>	<p>The partial payment for 'specific loss' is 25% of the TPD Cover amount insured at the time the 'specific loss' occurs, subject to a minimum of \$10,000 and a maximum of \$500,000, or if an instalment benefit payment type applies, an equivalent instalment amount.</p>

General benefits, features and options for Life Cover, TPD Cover, Trauma Cover and Extra Care Cover

5.1 Future Insurability

There is a change within section 5.1 of the Policy Terms as follows.

2009 Policy Terms text:	Replace with 2010 Policy Terms Amendments text:
<p>Future Insurability increases are not available...</p> <ul style="list-style-type: none"> if the original cover was issued by us with a medical loading as shown on the Policy Schedule 	<p>Future Insurability increases are not available...</p> <ul style="list-style-type: none"> if the original cover was issued by us with a medical loading greater than 50% as shown on the Policy Schedule

5.1.1 Future Insurability for Life Cover, TPD Cover, Trauma Cover and Extra Care Cover

There is a new item to add to the table under section 5.1.1 of the Policy Terms as follows.

Personal events (occurring after the cover start date)	Evidence required	Benefit
<p>The life insured has a change in tax dependency status as a result of the life insured ceasing to have any tax dependants as defined by current law.*#^</p>	<ul style="list-style-type: none"> A completed Future Insurability Increase Application Form. Statutory declaration that the life insured no longer has any tax dependants, and that this change in circumstance occurred within the previous 12 months. 	<p>The Life/Extra Care (Accidental Death) Cover amount may be increased by up to the lesser of:</p> <ul style="list-style-type: none"> 25% of the Life/Extra Care Cover amount insured (as applicable) at the cover start date \$200,000, or if an equivalent instalment benefit payment type applies, and equivalent instalment amount.

A new paragraph with an additional Future Insurability event follows the table prior to the footnotes, as follows.

If, during the first three years since the cover start date, and every three year period thereafter, you have not increased the Life/TPD/Trauma/Extra Care Cover amount insured under Future Insurability as a result of a business event or personal event, you may increase cover by 25% of the amount insured at the cover start date to a maximum of \$200,000 at that third policy anniversary.*

* within the first six months of an increase to Life, TPD, Trauma and/or Extra Care amounts insured for this event, the increased amount insured is only payable for death, total and permanent disability or trauma conditions (as applicable) which result from an accident.

only available if the cover is taken out under superannuation.

^ we will increase the amount insured under Future Insurability for this event only once during the period of the policy.

Income Secure Cover

6.5.2 Partial Disability Benefit

There is a change within section 6.5.2 of the Policy Terms as follows.

2009 Policy Terms text:	Replace with 2010 Policy Terms Amendments text:
<p>Calculating the Partial Disability Benefit</p> <p>The Partial Disability Benefit is calculated as follows:</p> $\frac{(A-B)}{A} \times C$ <p>where:</p> <p>A = the life insured's pre-claim earnings.</p> <p>B = the life insured's monthly earnings for the month in which they are partially disabled. If the life insured is not working to their assessed capacity then 'B' will be the amount they could expect to earn if they were. When assessing capacity, consideration will be given to medical evidence, and other factors related to the life insured's condition. 'B' must be less than the amount of 'A'. If 'B' is negative in a month, we will treat 'B' as zero.</p> <p>C = the monthly amount insured payable as described in section 6.2.</p>	<p>Calculating the Partial Disability Benefit</p> <p>The Partial Disability Benefit is calculated as follows:</p> $\frac{(A-B)}{A} \times C$ <p>where:</p> <p>A = the life insured's pre-claim earnings.</p> <p>B = the life insured's monthly earnings for the month in which they are partially disabled. If the life insured is partially disabled and is not working to their capability as a result of causes other than illness or injury and this situation continues for at least 3 months, then 'B' will be calculated on what the life insured could reasonably be expected to earn if they were working to the extent of their capability.</p> <p>In determining what the life insured could reasonably be expected to earn if they were working to the extent of their capability, we will take into account available medical evidence (including the opinion of the life insured's medical practitioner) and any other relevant considerations directly related to the life insured's medical condition (including information provided by you).</p> <p>If we are making monthly payments and intend to adjust future payments due to a change in how we calculate 'B', we will notify you 30 days prior to this taking place.</p> <p>'B' must be less than the amount of 'A'. If 'B' is negative in a month, we will treat 'B' as zero.</p> <p>C = the monthly amount insured payable as described in section 6.2.</p>

Business Expense Cover

7.12 Business Expense Cover glossary

There is a change to the definition of Business Expenses in section 7.12 of the Policy Terms as follows.

2009 Policy terms definition:	Replace with 2010 Policy Terms Amendments text:
<p>Business expenses means the normal day-to-day running expenses of the life insured's business. These include, but are not limited to:</p> <ul style="list-style-type: none"> • accounting and audit fees • bank charges • office cleaning costs • electricity, property/water rates • equipment hire and motor vehicle leases • business related insurance premiums (not including premiums for this policy) • interest payments • office leasing fees • office rent or mortgage payments (interest only, not principal) • salaries and superannuation contributions for employees not directly involved in the generation of revenue • payroll tax for the above salaries • regular advertising costs 	<p>Business expenses means the normal day-to-day running expenses of the life insured's business. These include, but are not limited to:</p> <ul style="list-style-type: none"> • accounting and audit fees • bank fees and charges • office cleaning costs • electricity, gas, water and property rates • equipment hire and motor vehicle leases • business related insurance premiums (not including premiums for this Business Expense Cover) • minimum monthly loan repayments, as per the relevant loan agreement, on: <ul style="list-style-type: none"> - business loans (short term and long term bank debt that relates to the operations and capitalisation of the business) including mortgage repayments on the business premises. - finance lease payments relating to plant and equipment loans that commenced prior to the date of disability. • office rent or leasing fees • salaries and superannuation contributions for employees not directly involved in the generation of revenue

2009 Policy terms definition (continued):	Replace with 2010 Policy Terms Amendments text: (continued):
<ul style="list-style-type: none"> • telephone costs • subscriptions/fees/dues to professional associations • net cost of a locum (a person from outside the life insured's business who is a direct replacement for the life insured in their business), less any business earnings generated by the locum • any other expenses agreed to by us. 	<ul style="list-style-type: none"> • payroll tax for the above salaries • regular advertising costs • telephone costs • subscriptions/fees/dues to professional associations • net cost of a locum (a person from outside the life insured's business who is a direct replacement for the life insured in their business), less any business earnings generated by the locum • any other expenses agreed to by us.
<p>The following business expenses cannot be included:</p> <ul style="list-style-type: none"> • the life insured's personal remuneration, salary, fees or drawings • cost of goods or merchandise, mortgage principal, cost of implements of the life insured's profession • premiums payable on this policy • salaries and superannuation contributions for employees involved in the generation of income • depreciation. 	<p>The following business expenses cannot be included:</p> <ul style="list-style-type: none"> • the life insured's personal remuneration, salary, fees or drawings • payments to related entities or businesses also owned or controlled by the life insured or an immediate family member • cost of goods or merchandise, cost of implements to the life insured's profession • premiums payable on this Business Expense Cover • salaries and superannuation contributions for employees directly involved in the generation of income • depreciation and the purchase cost of any assets, tools or other capital items.