



HEALTHIER, LONGER,
BETTER LIVES

INCOME PROTECTION PROVIDED BY AIA AUSTRALIA

Product Disclosure Statement and Policy Document
Version 5, Prepared 1 October 2021



aia.com.au



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

This PDS describes the main features of Income Protection provided by AIA Australia, including the terms and conditions of the policy as well as any exclusions. Please read it carefully as it is designed to help you decide if Income Protection provided by AIA Australia will meet your individual needs.

Details in this PDS are of a general nature only and do not take into account your personal circumstances including your objectives, financial situation, needs or any cover you may currently hold.

You should, before acting on this, consider the appropriateness of the information to your circumstances and read this PDS before deciding to acquire or continue to hold Income Protection provided by AIA Australia. If you are not sure you could consider consulting a financial adviser before making any decisions in relation to any financial product.

Who issues your policy?

Income Protection is provided and issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) and distributed by Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945 (CBA).

AIA Australia is not part of the CBA Group, being CBA and its related corporations from time to time. CBA and its related entities do not sell, issue or guarantee the obligations or performance of AIA Australia or the products it offers and this insurance product does not represent a deposit with or liability of either CBA or any of its related bodies corporate. Neither CBA nor any of its related corporations are authorised representatives or authorised representatives of AIA Australia or our related companies. For more information on the financial services CBA provides, you should read CBA's Financial Services Guide and Privacy Policy on www.commbank.com.au. If you purchase an Income Protection policy, CBA is paid a commission which is a percentage of your premium.



Understanding this PDS

Some words in this PDS have a special meaning – you'll recognise them because they begin with capital letters. You can find the meanings of these terms under Definitions on pages 35–39.

A few points before we get started...

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

Life Insurance means Life Insurance provided by AIA Australia as described in the Product Disclosure Statement titled "Life Insurance provided by AIA Australia" dated 21 October 2019 or in any subsequent version of that Product Disclosure Statement.

AIA Australia has prepared a Target Market Determination which describes the class of consumers that comprise the target market for this product. The Target Market Determination can be sourced at aia.com.au/tmds

The Life Insured is the Policy Owner.

- A Policy is an agreement between you, as the Policy Owner, and us. You have the right to instruct us in relation to the Policy (for example by making claims, by asking us to change Policy features as permitted under the terms of the Policy, by exercising options under the Policy terms and by asking us to cancel the Policy). You are responsible for paying all the premiums under the Policy.
- "Your premium" is the premium referable to benefits covering you as the Life Insured. Also, "your Sum Insured" is the sum insured of a benefit covering you as the Life Insured and "your benefit" or "your cover" are references to benefits covering you as the Life Insured.
- An insured benefit covering you as the Life Insured is payable when you suffer an insured event in accordance with the terms of the Policy.
- We will pay a benefit covering you as the Life Insured in the terms of the Policy as set out in this PDS. See the "Who receives the benefit?" section of this PDS on page 24 for further information.



You, your, we, our and us

In this PDS:

You and your refers to any existing or potential customer who is, or is likely to become, the Life Insured and Policy Owner under the Policy.

We, us, our, the insurer or AIA Australia, refers to AIA Australia Limited.

Issuing cover

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

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

If we issue cover, this PDS will be included in the terms and conditions of your Policy. Please see page 38 for a list of the documents that will make up your Policy.

CONTENTS

How this Product Disclosure Statement and Policy Document (PDS) works	2
Welcome to Income Protection provided by AIA Australia	6
Why choose Income Protection provided by AIA Australia?	7
Income Protection overview.....	8
Applying for cover	12
When does your cover start and stop?.....	12
If you change your mind – the cooling-off period.....	13
What you're covered for	14
Main benefits.....	14
Total Disability cover.....	14
Recurring Disability	16
Built-In benefits	16
What you're not covered for	18
Benefit Indexation	20
AIA Vitality	22
AIA Vitality eligibility requirements.....	22
How the claims process works	24
If you need to make a claim.....	24
Premiums and charges	25
Cancelling or changing your cover or personal information	27
How your Policy works	28
Other Policy terms and conditions.....	28
Other things to consider (risks).....	29

Who to contact	30
Your information	31
Your duty to take reasonable care	31
AIA Australia Privacy Policy	32
Definitions	35
Direct Debit Request Service Agreement	40

WELCOME TO INCOME PROTECTION PROVIDED BY AIA AUSTRALIA

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

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

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

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

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

Why choose Income Protection provided by AIA Australia?

- 1 A financial safety net in the event that Sickness or Injury stops you from earning an Income.
- 2 Cover from \$1,000 per month up to \$10,000 limited to 70% of your Pre-Disability Income per month to help you maintain your lifestyle while you recover.
- 3 A premium pause, for up to 12 months, if you are on Parental Leave or Involuntarily Unemployed that allows you to maintain your cover under an Activities of Daily Living definition, whilst you are not earning an Income.
- 4 Your premiums are waived if you are on claim, so you don't have to worry about the additional cost during this difficult time.
- 5 Access to AIA Vitality, the personalised, science-backed health and wellbeing program that rewards you for your healthy lifestyle. The range of benefits include an Income Protection premium discount of 5% if you achieve an AIA Vitality Status of Silver or higher[†].
 - † Where your annual premium on your Income Protection Policy or your combined annual premium on all Life Insurance and Income Protection policies is equal to or greater than \$750 per person.
- 6 Enjoy a 5% Partner discount for you and your Partner when you both take out Income Protection or Life Insurance policies^{‡§}.
 - ‡ The discount will continue to apply whilst both eligible policies remain in force.
 - § To be eligible for the Partner discount, you and your Partner must be living at the same residential address.
- 7 Easy to apply online via NetBank or the CommBank app with no medicals or blood tests, and you're covered as soon as your application is accepted.
- 8 An Income Protection policy that gives you worldwide cover whilst temporarily travelling overseas – so you are protected wherever you go – 24 hours a day, 7 days a week.
- 9 Once you're accepted, the continuation of your cover will not be affected by changes to your health or pastimes as long as you keep meeting the Policy terms and conditions.
- 10 Purchase a Life Insurance Policy in addition to your Income Protection Policy for a 5% ongoing discount across both policies [‡].

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

Income Protection overview

With Income Protection provided by AIA Australia you can apply for a benefit amount of up to 70% of your regular Income. The benefit we will pay is the lesser of your Sum Insured and 70% of your monthly Pre-Disability Income.

Cover is available for both:

- Permanently Employed; and
- Self-Employed people (not working at home more for more than 20% of your working hours),

with benefits payable for up to 2 years.

Income Protection offers an **Accident and Sickness** plan.

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

Please read the 'What you're not covered for' section on pages 19–20 to understand what is not covered.

Income Protection	Product summary
Age at entry	18 to 59
Eligibility	See page 12 for requirements
Expiry age of cover	Benefit ceases at the next Policy Anniversary immediately after your 65th birthday
Main benefits	If you become Totally Disabled , we will pay a monthly benefit. Benefit payments will commence following the Waiting Period and will continue as long as you remain Totally Disabled, up to the Benefit Period you have selected.
Built-in benefits	<p>Death benefit – If you die whilst on claim and receiving benefits for Total Disability, we will pay an additional benefit of three times your monthly benefit.</p> <p>Premium Waiver benefit – No premiums are payable for you whilst you are on claim and receiving benefits.</p> <p>Premium Pause benefit – No premiums are payable for you for up to 12 months whilst you are taking Parental Leave or are Involuntarily Unemployed, and your cover remains in place.</p> <p>Whilst you are on Premium Pause, claims for Total Disablement will be assessed under a Total Disability (Activities of Daily Living) definition, see page 39 for more details.</p>
Monthly benefit	Your monthly benefit is the lesser of your Sum Insured and 70% of your monthly Pre-Disability Income.
Minimum Sum Insured	<p>\$1,000 per month</p> <p>We will set a higher minimum Sum Insured to ensure you meet our minimum premium requirements of \$180 per annum.</p> <p>Once your Policy is issued, your Sum Insured may only be altered by agreement between you and us or as set out in this PDS.</p>

Income Protection	Product summary
Maximum Sum Insured at Policy Commencement Date	<p>70% of your Income up to \$10,000 per month</p> <p>The benefit we will pay is the lesser of your Sum Insured and 70% of your monthly Pre-Disability Income.</p> <p>If you are covered under more than one Income Protection Policy or more than one insurance policy issued by us, we may limit your claim so that your total Sum Insured under all insurance policies issued by us does not exceed \$10,000 per month. Please refer to Benefit Limitations on page 28.</p>
Benefit Period	<p>Your choice of:</p> <ul style="list-style-type: none"> • 6 months • 1 year • 2 years
Waiting Period	<p>Your choice of:</p> <p>30 days (Not applicable with a 2 year Benefit Period where your occupation is a fully qualified skilled tradesperson, e.g. qualified builder, carpenter or plumber).</p> <p>90 days</p>

Income Protection case study*

Brendan is a 32-year-old barista who earns \$60,000 per annum. He and his wife have a \$300,000 mortgage, with repayments of \$1,500 a month and have a second child on the way.

Brendan took out an Income Protection policy with a Benefit Period of 1 year and a 30 day Waiting Period. His Income Protection policy provides 70% of his Pre-Disability Income (a maximum of \$3,500 a month) in the event that Injury or Sickness prevents him from being able to work.

While walking home from work one evening, Brendan slipped and tore his knee ligament. He underwent a knee reconstruction surgery and was unable to perform the duties required as a barista.

Brendan used 10 days of paid sick leave in addition to his savings to support his family before his waiting period ended. Under the regular care of his medical practitioner, he was off work for four months while he recovered from surgery.

Fortunately for Brendan and his young family, his Income Protection policy paid him a monthly benefit of \$3,500 (after his 30 day waiting period) for three months and during this time, Brendan's policy Premiums were waived. This benefit payment enabled Brendan to meet his ongoing mortgage commitments as well as cover his family's general living expenses. Brendan could therefore concentrate on his rehabilitation knowing he had some financial assistance.

* This is an example only to illustrate the potential benefit of taking out Income Protection, and should not be relied upon as indicative of benefits payable under the Income Protection benefit.

This provides general information only, without taking into account the objectives, financial situation, needs or personal circumstances of any individual and is not intended to be financial, legal, tax, medical or other advice. The scenarios provided are for illustrative purposes only. You should consider the appropriateness of this information in the context of such factors and this PDS.



APPLYING FOR COVER

You must meet the eligibility requirements in order to apply for cover. Only one person can be insured under the Policy.

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

Eligibility requirements

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

- a Commonwealth Bank customer living permanently in Australia;
- an Australian citizen or permanent resident (as approved by the Department of Home Affairs) or a New Zealand citizen;
- aged 18 to 59;
- Gainfully Employed:
 - Permanent Employee; or
 - Self-Employed (spending no more than 20% of your working hours at your place of residence);
- working for at least 20 hours per week; and
- not performing heavy manual work*.

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

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

Application process

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

When does your cover start and stop?

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

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

Income Protection cover will cease on the earliest of:

- your death;
- the Expiry Date, which is the Policy Anniversary Date on or immediately after your 65th birthday;
- you ceasing to be an Australian citizen or permanent resident (as approved by the Department of Home Affairs) or a New Zealand citizen;
- the cancellation of your cover at your request; and
- the cancellation of your cover by us due to non-payment of premiums or as otherwise permitted by law.

If you change your mind – the cooling-off period

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

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

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

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

Email: customerservice@lifeinsurancebyaia.com

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

Phone: **1800 491 588**

WHAT YOU'RE COVERED FOR

Main benefits

Income Protection pays a monthly benefit in the event that you become **Totally Disabled**, so that you can focus on getting better and back to work, without having to worry about how to pay your monthly bills.

The amount of cover (Sum Insured) you can apply for depends on your Income. The benefit paid is the lesser of your Sum Insured and 70% of your monthly Pre-Disability Income.

Total Disability cover

Total Disability cover pays a monthly benefit in the event that you become Totally Disabled due to an Accident or Sickness and cannot work. You will be assessed under the **Total Disability (Usual Duties)** definition unless you are on Premium Pause at the time of the Accident or Sickness, in which case you will be assessed under the **Total Disability (Activities of Daily Living)** definition, see page 39.

We will start paying your benefit after the expiry of your **Waiting Period**.

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

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

Your benefit amount will be reduced by income or payments you may receive from other sources, known as **Offsets**. Offsets are in place so that the income you receive whilst you are Totally Disabled is not higher than 70% of your Pre-Disability Income.

Important: Please refer to the definitions of Total Disability (Usual Duties), Total Disability (Activities of Daily Living) and Offsets on page 36 and 39 for more details.



Waiting Period

Is the number of days you nominate to wait after your Disablement Date before the Benefit Period commences.

Refer to page 39 for more details.



Benefit Period

Is the maximum period of time you nominate that Total Disability benefits are payable for.

Refer to page 35 for more details.

Offsets – case study*

Income Protection case study recap from page 10

Brendan is a 32-year-old barista who earns \$60,000 per annum.

His Income Protection policy has a Benefit Period of 1 year and a 30 day Waiting Period.

His Income Protection policy provides 70% of his Pre-Disability Income (a maximum of \$3,500 a month) in the event that an Injury or Sickness prevents him from being able to work.

In this scenario, at the time Brendan submitted his Income Protection claim he had 45 days of combined sick and personal leave.

At the end of his 30 day Waiting Period, Brendan's employer pays him the remainder of his sick and personal leave and this amount would offset (reduce) his Income Protection benefit for that month.

Important: Please refer to the definitions of Offsets and Total Disability on pages 36 and 39 for more details.

This is an example only and should not be relied upon as indicative of how Offsets will be applied to your Income Protection benefit. This scenario is provided for illustrative purposes only. You should consider the appropriateness of this information in the context of such factors and this PDS.

Recurring Disability

Total Disability recurring within six months of last benefit payment

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

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

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

Total Disability after payment for the full Benefit Period

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

Built-In benefits

Death cover

In order to assist with any final expenses, such as funeral costs, if you die whilst we are paying your benefit for Total Disability, we will pay a lump sum benefit of three times the lesser of the monthly Sum Insured and 70% of your monthly Pre-Disability Income.

Premium Waiver

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

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

Premium Pause

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

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

If you choose to use the Premium Pause benefit because you are going on Parental Leave, you must nominate the date the Premium Pause will finish before you go on leave. This can be for no more than 12 months, and once nominated, cannot be changed. Once your premiums start to be paid again, any claim for Accident or Sickness first occurring following the end of the Premium Pause will be assessed under the the Total Disability (Usual Duties) definition.

If you use the Premium Pause benefit because you have become Involuntarily Unemployed, you don't have to nominate the date the Premium Pause will finish beforehand. It will finish when you tell us, but cannot be for longer than 12 months. Any claim for Sickness first occurring within six months after your premiums start to be paid again will still be assessed under the Total Disability (Activities of Daily Living) definition, while any claim for your Injury occurring following the end of the Premium Pause, will be assessed under the Total Disability (Usual Duties) definition. For more information see the Total Disability (Activities of Daily Living) and Total Disability (Usual Duties) definitions on page 39.

Once your premiums have been paid again for six months following the end of your Premium Pause, all claims for your Total Disability caused by Injury or Sickness occurring after this time will be assessed under the Total Disability (Usual Duties) definition. The maximum total period the Premium Pause can be used for Involuntary Unemployment is 24 months.

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

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

- starting Parental Leave; or
- becoming Involuntarily Unemployed.

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

WHAT YOU'RE NOT COVERED FOR

What you're not covered for under Total Disability cover and Death cover

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

"X" indicates where you will not be covered for a claim under Total Disability cover and Death cover.

Exclusions	Benefits
You will not be covered for Total Disability or death:	Total Disability cover and Death cover
<ul style="list-style-type: none"> • resulting from a deliberately self-inflicted Injury or Sickness, including suicide and attempted suicide. 	X
<ul style="list-style-type: none"> • caused by you engaging in any criminal activity or any unlawful act or whilst imprisoned, resulting from your imprisonment. 	X
<ul style="list-style-type: none"> • caused by war (whether declared or not*), riots or civil commotion. 	X
<ul style="list-style-type: none"> • resulting from a normal pregnancy, uncomplicated childbirth or miscarriage. 	X
<ul style="list-style-type: none"> • arising as a result of you engaging in the following activities in the course of your occupation where such activities constitute Duties of your occupation: <ul style="list-style-type: none"> - working above 10 metres from the ground; - working underground; - working offshore; - underwater diving; - working with explosives; - working as a professional sportsperson or coach; or - employment in the armed forces*. 	X

* This exclusion will not apply to death caused by you being on active military service

What you're not covered for under Premium Pause

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

"X" indicates where you will not be covered for a claim under Premium Pause for Involuntary Unemployment and Parental Leave.

Premium Pause Exclusions	Benefits	
You will not be covered for Involuntary Unemployment or Parental Leave:	Parental Leave	Involuntary Unemployment
<ul style="list-style-type: none"> • commencing within 12 months of the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase on the increase amount. 	X	X
<ul style="list-style-type: none"> • caused by you engaging in any criminal activity or any unlawful act whilst imprisoned, or resulting from your imprisonment. 	N/A	X
<ul style="list-style-type: none"> • as a result of you becoming unemployed whilst working outside the borders of Australia. 	N/A	X
<ul style="list-style-type: none"> • in respect of any event or circumstance arising prior to or within 90 days, or where written or verbal notification of impending unemployment occurs prior to or within 90 days, of the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase on the increase amount only. 	N/A	X
<ul style="list-style-type: none"> • as a result of you becoming Involuntarily Unemployed from a company or business owned in full or in part by your Partner or Relative. 	N/A	X
<ul style="list-style-type: none"> • as a result of you ending work under a fixed term contract or work of a seasonal nature. 	N/A	X
<ul style="list-style-type: none"> • as a result of your misconduct, fraud and dishonesty. 	N/A	X
<ul style="list-style-type: none"> • as a result of your unsatisfactory performance or behaviours or for breaching any of the terms of the employment contract. 	N/A	X
<ul style="list-style-type: none"> • as a result of any medical condition. 	N/A	X
<ul style="list-style-type: none"> • arising as a result of you engaging in the following activities in the course of your occupation where such activities constitute Duties of your occupation: <ul style="list-style-type: none"> - working above 10 metres from the ground; - working underground; - working offshore; - underwater diving; - working with explosives; - working as a professional sportsperson or coach; or - employment in the armed forces. 	N/A	X

BENEFIT INDEXATION

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

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

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

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

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

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

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

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

If after the grace period you decide to add benefit indexation, then acceptance will be subject to underwriting and your cover being below 70% of your Income up to \$10,000 per month. See 'Maximum Sum Insured at Policy Commencement Date' as outlined in the "Income Protection overview" section on pages 8 to 9.

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



You can choose to include automatic increases to your cover each year

If you select this option, each year on the Policy Anniversary Date we automatically increase your Sum Insured by the higher of the CPI Increase and 3%.

Income Protection policy with Benefit Indexation – case study*

Rebecca has been working as an IT developer, earning \$96,000 per year. She lives in Perth, with her husband and two kids. When Rebecca was 35 she took out an Income Protection policy with a Sum Insured of \$5,600, a Benefit Period of 1 year and a 30 day Waiting Period. Her Income Protection policy provides 70% of her Pre-Disability Income (up to a maximum of \$5,600 a month) in the event that Injury or Sickness prevents her from being able to work. Rebecca chooses to include benefit indexation as part of her Policy.

By including benefit indexation as part of her Income Protection cover, Rebecca's benefit will automatically increase every year, which may reduce the risk of inflation eroding her benefit. Every year, on her Policy Anniversary, her cover (Sum Insured) will increase by the higher of the Consumer Price Index Increase or 3%. This means her Income Protection benefit will increase to keep up with inflation and may assist with lifestyle changes including increases in expenses as well as increases to her salary.

After 1 year, Rebecca's cover increased from \$5,600 to \$5,768. In line with this, Rebecca's premium also increased to account for the higher cover (Sum Insured) and her age at the time.

After her 39th birthday, Rebecca was painting the front of her house when she fell off a ladder and broke her arm. She required surgery and had metal plates inserted to hold the bone in place. Whilst Rebecca's arm was healing she was unable to perform the duties required as an IT developer. Under the regular care of her medical practitioner, she was required to be off work for three months.

Fortunately for Rebecca and her family, her Income Protection policy had increased to a monthly benefit of \$6,303 due to the inclusion of benefit indexation. This helped future-proof her Income Protection Sum Insured at the time she needed it.

Income Protection policy without Benefit Indexation – case study*

Rebecca has been working as an IT developer, earning \$96,000 per year. She lives in Perth, with her husband and two kids. When Rebecca was 35 she took out an Income Protection policy with a Sum Insured of \$5,600, a Benefit Period of 1 year and a 30 day Waiting Period. Her Income Protection policy provides 70% of her Pre-Disability Income (up to a maximum of \$5,600 a month) in the event that Injury or Sickness prevents her from being able to work. Rebecca chooses not to include benefit indexation as part of her Policy.

By not including benefit indexation as part of her Income Protection cover, Rebecca's benefit will not automatically increase every year. Even though Rebecca's cover (Sum Insured) is not increasing every year, her premium will still increase in line with her age at the time.

After her 39th birthday, Rebecca submitted a claim under her Income Protection Policy. The monthly Sum Insured on Rebecca's Policy remained at \$5,600.

* These are examples only to illustrate the differences of taking out Income Protection with benefit indexation and Income Protection without benefit indexation and should not be relied upon as indicative of benefits payable under the Total Disability benefit.

This provides general information only, without taking into account the objectives, financial situation, needs or personal circumstances of any individual and is not intended to be financial, legal, tax, medical or other advice. The scenarios provided are for illustrative purposes only. You should consider the appropriateness of this information in the context of such factors and this PDS.

AIA VITALITY

AIA Vitality eligibility requirements

Eligibility for membership to the AIA Vitality program arises under and is subject to the AIA Vitality terms and conditions. Access to the AIA Vitality program as a result of holding Income Protection requires your annual premium on your Policy or combined annual premium on all Life Insurance and Income Protection policies to be equal to or greater than \$750 per person.

If you are eligible to join the AIA Vitality program, we will provide you with instructions which you must follow in order to obtain your membership to the AIA Vitality program.

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

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

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

As you make healthier choices like increasing your physical activity, eating better or going for a health check you earn AIA Vitality Points. These Points contribute to your overall AIA Vitality Status (Bronze, Silver, Gold and Platinum). The higher your status, the greater the rewards.

The range of benefits include an Income Protection premium discount of 5% if you achieve an AIA Vitality Silver Status or higher. The premium discount is applied at your next premium payment date. Capitalised terms in this section are referenced from the AIA Vitality Terms and Conditions. To find out more visit aiavitality.com.au

When you will no longer be eligible to access AIA Vitality

You will no longer be eligible to access the AIA Vitality program as a result of holding an Income Protection Policy if your:

- annual premium on all Life Insurance and Income Protection policies falls below \$750 (for example, if your sum insured is reduced or your additional cover options expire); or
- cover ceases on all Life Insurance and Income Protection policies (including expiry and cancellation of cover) (see the “When does your cover start and stop” section on page 12).

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

Termination of the AIA Vitality membership will result in the removal of the AIA Vitality premium discount.

For more information

To view the AIA Vitality terms and conditions and to find out more about how AIA Vitality works, simply visit aiavitality.com.au

Rules relating to premium discounts and ongoing AIA Vitality eligibility for Income Protection where you are an AIA Vitality Member are located at aiavitality.com.au

AIA Vitality partners, benefits, premium discounts and rewards are subject to change at any time and do not form part of your insurance contract. For the most up-to-date information and to view the AIA Vitality Terms and Conditions go to aiavitality.com.au, additional partner Terms and Conditions may also apply.

AIA Vitality Membership contact details:

Email: queries@aiavitality.com.au

Mail: AIA Vitality

PO Box 6313, Melbourne VIC 3004

Phone: **1800 848 254**

AIA Vitality membership features are not insurance and are exempt from regulation as financial products under the *Corporations Act 2001* pursuant to the ASIC Corporations (Non-cash Payment Facilities) Instrument 2016/211. Membership to the AIA Vitality program is not offered under this PDS.

HOW THE CLAIMS PROCESS WORKS

If you need to make a claim

You should notify us as soon as reasonably possible of any claimable event under your policy. To make a claim:

- 1 Contact us for a claim form:
Phone: **1800 491 588**
Email: claims@lifeinsurancebyaia.com
- 2 Mail your completed claim form to:
Claims Team, AIA Australia Customer Service
PO Box 6143, Melbourne VIC 3004

Things to note

To assess the claim we may need additional information.

We may ask for medical evidence, documents or other information (which in some cases may need to be provided by an appropriate Medical Practitioner) as reasonably appropriate and relevant in connection with your claim.

Once the claim has been approved by us, the benefit will be paid and, where applicable, the premium will be waived (see "Premium Waiver" on page 16). Any benefit paid will be paid in arrears.

We will not pay a benefit:

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

Who receives the benefit?

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

- The Total Disability benefit will be paid to you.
- On your death, the Death benefit will be paid in the following order:
 - any beneficiaries nominated by you (at time of application, or at any time by contacting us on **1800 491 588**);
 - your estate (where no beneficiaries have been nominated).

PREMIUMS AND CHARGES

What is the premium?

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

It is your responsibility to pay the premium for your Policy.

How your premium is calculated

Your premium amount will depend upon:

- the information provided by you at application,
- the level of cover and options you choose,
- your employment situation,
- occupation type,
- whether benefit indexation has been chosen (the higher of the CPI Increase and 3% each year),
- your health history,
- your age,
- gender,
- smoking status (premium rates are higher for smokers), and
- any discounts that apply.

Your premium also takes into account our reasonable operating costs, including but not limited to costs incurred in administering your policy and providing the AIA Vitality program, if applicable.

What is the minimum premium?

The minimum premium is \$180 per annum.

At application stage we will require your cover to be at a level sufficient to meet the minimum premium.

Changes to your premium at your Policy Anniversary

Your premium is guaranteed from one Policy Anniversary Date to the next. The premium payable by you for each year of the Policy will be based on your age at the applicable Policy Anniversary Date, and will take into account any increases to your Sum Insured as a result of benefit indexation or as otherwise agreed between us and you.

Premium frequency and payment method

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

If the Policy premiums aren't paid

If the Policy premiums aren't paid within 60 days of the due date (or within 30 days if premiums are paid fortnightly), the Policy will lapse. You won't be covered for any period from the date your policy lapses (see the "Cover Reinstatement" section on page 27).

Change of smoking status

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

Changes to fees and charges

We may vary any fees and charges, including premiums, with effect from your next Policy Anniversary Date, provided that any such variations are reasonably necessary to protect our legitimate business interests. This includes in circumstances where there are increases in the costs we incur, or are reasonably likely based on actuarial analysis to incur, in providing the insurance cover set out in this PDS.

You will be notified in advance of any fee changes that are, or result in, an increase in fees or costs for you. We will advise you in writing at least 30 days prior to any change.

This Policy will not be singled out for an increase in fees or charges.

Disclosure of Remuneration

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

Taxation and imposts

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

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

CANCELLING OR CHANGING YOUR COVER OR PERSONAL INFORMATION

Changes to your cover amount

The amount of the benefit we pay for you is limited to the lesser of your Sum Insured and 70% of your monthly Pre-Disability Income at the Disablement Date. Any changes to your Sum Insured while we are paying your benefit will not affect the amount of the benefit we pay.

Cancelling, decreasing or increasing your cover

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

Any increase in your cover (including adding benefit indexation increases after the 60 day grace period) will be subject to underwriting and acceptance by us. We will limit your maximum Sum Insured to 70% of your regular Income up to \$10,000 per month (see the 'Income Protection Product Summary' table on pages 8 to 9).

Any decrease in your cover will be subject to the minimum Sum Insured, as well as any minimum premium requirements (see the "What is the minimum premium?" section on page 25).

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

Cover reinstatement

If the Policy lapses (see the "If the Policy premiums aren't paid" section on page 26), we will send you a letter confirming that you have an additional 30 days in which to reinstate cover without requiring underwriting and our acceptance. We are not otherwise bound to accept any requests to reinstate cover, and any such requests are subject to underwriting and acceptance by us.

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

Changing your personal information

Please let us know as soon as practicable if you change your contact details or if there's any other change which may need to be reflected on your Policy, by:

Email: customerservice@lifeinsurancebyaia.com

Phone: **1800 491 588**

HOW YOUR POLICY WORKS

Other Policy terms and conditions

Benefit limitations

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

- 1 if you are covered under more than one Income Protection provided by AIA Australia policy, we may limit the total of all cover amounts payable to the maximum benefit of \$10,000 and the lesser of your Sum Insured and 70% of your Pre-Disability Income, as set out in the "Income Protection overview" section on pages 8 to 9; and
- 2 if you are covered under more than one insurance policy issued by us, we may limit the Sum Insured under this Policy so that your total Sum Insured under all insurance policies issued by us does not exceed \$10,000 per month.

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

Applicable law

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

Improvements

From time to time, we may make changes or updates to the terms on which new Income Protection products can be purchased from us.

Where we do so and the changes or updates constitute improvements when compared with the equivalent term under this Policy and you would not be disadvantaged by having the change or update applied in relation to this Policy, we may decide to administer this Policy on the basis that such changes or updates apply.

Where we do this, the relevant change or update will be applied to this Policy with effect from the first date that a new Income Protection policy containing the changed or updated term can be purchased from us. However, the relevant change or improvement will not be applied in relation to the assessment of claims made under this Policy in relation to any health conditions you already had prior to this date.

Where we do make a change or update to the terms on which new Income Protection products can be purchased from us and we decide to apply the change or update to your Policy in accordance with the above paragraph, we will notify you of this within 12 months following the date on which the change or update is applied to your Policy.

Currency

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

Economic sanctions

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

Statutory fund

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

Cover continues regardless of changes to your circumstances

Subject to payment of your premiums and the conditions that will end cover (see the "When does your cover start and stop?" section on page 12), your cover will continue in accordance with its terms regardless of any changes in your health, occupation or pastimes.

Other things to consider (risks)

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

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

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

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

Premiums may change over time, which may affect your capacity to keep paying your premiums on time. For more information please see the "Premiums and charges" section on pages 25 and 26.

WHO TO CONTACT

For enquiries about your Income Protection Policy:

Email: customerservice@lifeinsurancebyaia.com

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

Phone: **1800 491 588**

For complaints:

Email: complaints@lifeinsurancebyaia.com

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

Phone: **1800 491 588**

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

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

You can contact AFCA at:

Phone: **1800 931 678**

Website: afca.org.au

Email: info@afca.org.au

Mail: GPO Box 3, Melbourne, Victoria 3001

For AIA Vitality Membership enquiries:

Email: queries@aivitality.com.au

Website: aivitality.com.au

Mail: AIA Vitality
PO Box 6313, Melbourne VIC 3004

Phone: **1800 848 254**

YOUR INFORMATION

Your duty to take reasonable care

When applying for insurance, there is a legal duty to take reasonable care not to make a misrepresentation to the insurer before the contract of insurance is entered into.

A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth.

This duty applies to a new contract of insurance and also applies when extending or making changes to existing insurance, and reinstating insurance.

If you do not meet your duty

If you do not meet your legal duty, this can have serious impacts on your insurance. There are different remedies that may be available to us. These are set out in the Insurance Contracts Act 1984 (Cth). These are intended to put us in the position we would have been in if the duty had been met.

Your cover could be avoided (treated as if it never existed), or its terms may be varied. This may also result in a claim being declined or a benefit being reduced.

Please note that there may be circumstances where we later investigate whether the information given to us was true. For example, we may do this when a claim is made.

Before we exercise any of these remedies, we will explain our reasons and what you can do if you disagree.

About our application

When you apply for life insurance, we conduct a process called underwriting. It's how we decide whether we can cover you, and if so, on what terms and at what cost.

We will ask questions we need to know the answers to. These will be about your personal circumstances, such as your health and medical history, occupation, income, lifestyle, pastimes, and current and past insurance. The information you give us in response to our questions is vital to our decision.

Guidance for answering our questions

You are responsible for the information provided to us. When answering our questions, please:

- Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us before you respond.
- Answer every question.
- Answer truthfully, accurately and completely.

- Review your application carefully before it is submitted. If someone else helped prepare your application, please check every answer (and if necessary, make any corrections) before the application is submitted.

If you need help

It's important that you understand this information and the questions we ask. Ask us or a person you trust for help if you have difficulty understanding the process of buying insurance or answering our questions.

If you're having difficulty due to a disability, understanding English or for any other reason, we're here to help. If you want, you can have a support person you trust with you.

Notifying the insurer

If, after the cover starts, you think you may not have met your duty, please contact us immediately and we'll let you know whether it has any impact on the cover.

AIA Australia Privacy Policy

Summary

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

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

Why we collect, use and disclose Personal Information

We collect, use and disclose personal and sensitive information ("Personal Information"):

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

How we collect, use and disclose Personal Information

Personal Information may be collected from various sources, including:

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

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

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

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

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

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

Other important information

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

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

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

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

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

Contact us

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

Mail: AIA Australia Limited PO Box 6111
Melbourne VIC 3004

Phone: **1800 333 613**

DEFINITIONS

This section sets out the meanings of the capitalised terms used in this PDS.

If you need to make a claim on your Policy, we will rely on the relevant definitions when assessing your claim.

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

Activities of Daily Living are the following:

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

Benefit Period is the maximum period during which the Total Disability benefit is payable for any one period of Total Disability, as stated on the Policy Schedule

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

Disablement Date means the earliest of the date you as the Life Insured first:

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

Duties means for you as the Life Insured all those duties which could reasonably be considered primarily essential to producing your monthly Income.

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

Gainfully Employed means you as the Life Insured are:

- Gainfully employed for salary, reward or profit in any business, profession or occupation as a Permanent Employee; or
- Self-Employed

Except for the purposes of determining eligibility for receiving a benefit under Recurring Disability, where you have been on unpaid leave for up to 12 months, you will be considered to be Gainfully Employed. Once you have been on unpaid leave for longer than 12 months, you will no longer be considered Gainfully Employed.

Income means:

- in the case of a **Permanent Employee**, Income is the total pre-tax remuneration paid by your employer including salary, commission, bonuses, overtime and fringe benefits. This does not include income which is not derived from your personal exertion or activities, such as interest, dividend payments, rental income or proceeds from the sale of assets or royalties.
- in the case of a **Self-Employed** person, a working director or partner in a partnership, the Income generated by the business or practice due to your personal exertion or activities, less your share of necessarily incurred business expenses, for the last financial year. Income does not include other unearned income such as dividend payments, interest, rental income or proceeds from the sale of assets or royalties.

Injury means a physical injury which occurs whilst the Policy is in force. Any condition directly resulting from medical or surgical treatment rendered necessary by the physical injury will not constitute an 'Injury'.

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

Involuntary Unemployment has the corresponding meaning:

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

Life Insured means you, the person named as the Life Insured in the Policy Schedule.

Medical Practitioner means a legally qualified and registered doctor of medicine whose qualifications are recognised by the Medical Board of Australia. It does not include you, your employer, an employee of your employer or any of your Relatives or business partners.

Non-smoker means you have not smoked tobacco or any other substance for a continuous period of 12 months as at the time of making the declaration.

Offsets

If you make a claim under the Total Disability benefit, your benefit amount will be reduced by the following amounts received from other sources:

- sick leave or personal leave (including leave available but not taken, for the amount of that leave);

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

In addition, your benefit amount will be offset by any payments you receive or become entitled to in respect of your Injury or Sickness under any statute, or as damages under common law (whether or not modified by statute), for loss of income, loss of earning capacity or any other economic loss (including any benefits or payments for work injury damages), whether paid as a lump sum or not.

If any of these regular payments are paid in a lump sum (rather than a monthly payment), we will convert them to a monthly payment, equivalent to 1/60 of the lump sum payment for up to five years.

The following will not be offset:

- a lump sum or part of a lump sum paid as compensation for pain and suffering or as compensation for permanent impairment that results from an Injury; and
- any lump sum TPD, Trauma or Terminal Illness benefit payments will not be offset against your Total Disability benefit payments.

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

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

You must have an agreed date of return to work established prior to commencing the leave.

Partner means:

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

Permanent Employee means a person who:

- is employed on a permanent basis with no agreed employment cease date;
- receives regular remuneration from your employment;
- is entitled to sick leave, annual leave and superannuation payments as part of your employment;
- does not have any ownership interest in the organisation (in whole or in part, directly or indirectly) by whom the person is employed, except as a shareholder in a publicly listed company; and
- is not an employee or partner of a relative or family member.

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

Policy means the legal contract between you as the Life Insured who is also the Policy Owner and us. The terms and conditions of this contract are defined by:

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

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

Policy Commencement Date means the date your cover commences. The Policy Commencement Date is set out in the Policy Schedule. In the event of reinstatement of the Policy, the Policy Commencement Date in respect of the reinstated Policy is the effective Policy Reinstatement Date.

Policy Owner is the Life Insured on the Policy.

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

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

Pre-Disability Income is your average monthly Income for the 12 consecutive months preceding the Disablement Date.

In the event you become Totally Disabled during the period of Premium Pause then your Pre-Disability Income will be the average monthly Income for the six consecutive months preceding the commencement of the Premium Pause.

If you become Self-Employed in the 12 months prior to the Disablement Date, your Pre-Disability Income is the average monthly Income generated from the time since becoming Self-Employed to the Disablement Date.

In determining your pre-disability income, we may reference several sources of information including, amongst others, payslips and other employer information, bank statements and your lodged tax return (consistent with ATO normal specified time frames).

Relative means a person who is a:

- parent, grandparent, brother, sister, uncle, aunt, nephew or niece; or
- dependent biological, legally adopted or step child; of you or of your Partner.

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

Self-Employment means working for payment or reward (other than as an employee) in a business or an enterprise which you own or are a partner in.

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

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

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

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

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

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

Totally Disabled means you as the Life Insured meets the definition of Total Disability.

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

DIRECT DEBIT REQUEST SERVICE AGREEMENT

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

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

Definitions

For this Agreement only, the following definitions will apply.

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

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

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

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

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

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

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

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

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

1 Debiting Your Account

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

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

or

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

except where:

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

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

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

2 Amendments by Us

2.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least 14 days written notice.

2.2 We reserve the right to cancel this Agreement if the first debit from Your Account is returned unpaid or two or more debit attempts are returned unpaid by Your Financial Institution.

3 Amendments by You

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

writing to AIA Australia Customer Service,

PO Box 6143, Melbourne VIC 3004; or

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

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

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

4 Your obligations

4.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request and this Agreement.

4.2 If there are insufficient clear funds in Your Account to meet a Debit Payment;

a) You may be charged a fee and/or interest by Your Financial Institution;

b) You may also incur fees or charges imposed or incurred by Us; and

c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

4.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct.

5 Dispute

5.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly on **1800 491 588** and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. Alternatively You can take it up directly with Your Financial Institution.

5.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your Financial Institution to adjust Your Account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

- 5.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding in writing.
- 5.4 Any queries You may have about an error made in debiting Your Account should be directed to Us in the first instance and, if We are unable to resolve the matter, You can refer such queries to Your Financial Institution which will obtain details from You of the disputed transaction and may lodge a claim on Your behalf.

6 Accounts

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

7 Confidentiality

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

8 Notice

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

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

This PDS and the Income Protection product described within it are provided and issued by AIA Australia Limited ABN 79 004 837 861, AFSL 230043 (AIA Australia). AIA Australia is a subsidiary of the AIA Group, has been operating in Australia for over 40 years and is registered by the Australian Prudential Regulation Authority (APRA). AIA Australia takes full responsibility for the entirety of this PDS and can be contacted at PO Box 6111, Melbourne VIC 3004 or on **1800 333 613**.

AIA Australia has adopted the Financial Services Council Life Insurance Code of Practice, which contains minimum standards of service that customers can expect from insurers. The Code can be found at www.fsc.org.au.

AIA Australia has prepared a Target Market Determination which describes the class of consumers that comprise the target market for this product. The Target Market Determination can be sourced at aia.com.au/tmds

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

CBA is a distributor of Income Protection only. CBA and its related entities do not sell, issue or guarantee the obligations or performance of AIA Australia or the products it offers and these insurance products do not represent a deposit with or liability of either CBA or any of its related bodies corporate. Neither CBA nor any of its related corporations are authorised representatives or authorised representatives of AIA Australia or our related companies. CBA gave its consent to the statements about it in this PDS. CBA was not otherwise involved in the preparation of this PDS and is not otherwise responsible for any part of it. CBA has not withdrawn its consent before the date of this PDS. For more information on the financial services CBA provides, you should also read CBA's Financial Services Guide and Privacy Policy on **www.commbank.com.au**. If you purchase a Income Protection policy, CBA is paid a commission which is a percentage of your premium.

The information in this PDS is current as at the date of preparation of this PDS. In accordance with the ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055, the information contained in this PDS may be updated or replaced in a manner that is not materially adverse. Where such change is made, notice of the relevant change will be made available online at aia.com.au. A paper or electronic copy of any updated or changed information can be obtained free of charge on request, by calling us. Such updated or replaced information will not amend the terms of Policies issued prior to the date of the update or replacement, unless they result in improvements to Income Protection which are automatically applied to the terms of existing Policies in accordance with the Policy terms and conditions (see "Changes and Updated" under "Other Terms and Conditions" in this PDS).

Anyone making this PDS available to another person must provide them with the entire electronic file or printout. AIA Australia will also provide a paper or electronic copy of this PDS on request.

AIA Australia may from time to time provide campaigns and other promotional offers in relation to this product.

