



MORE
BENEFITS
AND MORE
SMILES



YOUR MULTI-AWARD WINNING TOWER PROTECTION POLICY IS NOW EVEN BETTER!

2 The following terms and conditions apply to the Customer Information Booklet (CIB) dated 15 March 2003 – 10 March 2004 and Product Disclosure Statements (PDS) issued from 11 March 2004 – 10 April 2006.

We want you to receive the very best from your TOWER Protection Policy, that's why we've made a number of improvements to the policy benefits.

Each of these improvements came into effect on 1 April 2008 and are described in detail in this booklet.

The TOWER Protection Policy offers four types of insurance plans.

TOWER PROTECTION POLICY

- **Life Protection Plan**
- **Crisis Protection Plan**
- **Income Protection Plan**
- **Business Expense Plan**

The number of insurance plans you own will depend on your insurance needs at the time of purchase.

This booklet contains details of the improvements we have made to each plan, however, you only need to read about the improvements made to the plans that you own (details of which can be found on the Policy Schedule you received when you bought your insurance).

It is worth noting that each improved policy definition will replace its predecessor. This means the information in this booklet, which applies to your insurance plans, will now form part of your TOWER Protection Policy.

So if you ever make a claim in the future, the definitions outlined in this booklet will apply. If you are currently on claim, or if you make a claim based on existing medical conditions, the old definition will apply. But you don't need to do

anything, our claims team has all your new and old policy details on file.

As some of the improvements can get very technical, we've included a 'benefits in a nutshell' summary towards the front of the booklet which explains each benefit change in every day language. However, the actual policy terms and conditions are the ones that will apply to your insurance policy, so we've included them as well. These can be found towards the back of the booklet in the 'long and legally binding section'.

At TOWER your peace of mind is our priority. Now surely that's a reason to smile.

For further information on your policy improvements contact your adviser or visit www.toweraustralia.com.au. Alternatively contact a member of our friendly service team on 1800 226 364 during business hours or send an email to customerservice@toweraustralia.com.au

THE BENEFITS... IN A NUTSHELL

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1. Life Protection Plan and Total and Permanent Disablement (TPD)

Life Protection Plan pays a lump sum amount upon death or diagnosis of a terminal illness. **TPD** pays a lump sum amount upon total and permanent disablement as a result of sickness or injury.

Improvement

1.1 Terminal Illness

You will receive the full amount of your death benefit 12 months in advance, if you are diagnosed with a terminal illness. Previously you would have only been able to receive up to \$2.5 million in advance.

1.2 Guaranteed Personal Insurability Benefit

You are now entitled to increase your life insurance, without providing any medical evidence, if you complete a post graduate degree or get divorced. This already applies for getting married, the birth or adoption of a child, taking out a mortgage, a child starting secondary school and a salary increase.

1.3 TPD: Loss of sight or limb

You are now entitled to make a claim for an advanced payment if you lose a single limb or the sight in one eye (this does not apply if your policy is owned by the TOWER Superannuation Fund).

1.4 TPD over 65s

You are now able to make a claim for loss of limbs or blindness if you are over 65.

1.5 TPD: Any Occupation

You are now entitled to make a claim even if you are capable of earning up to 25% of your annual income. Previously you had to be unable to earn 100% of your annual income to be able to claim.

1.6 TPD: Own Occupation

You no longer need to be employed to make a claim. Previously you were required to be working more than 10 hours a week, or not have been on leave for more than 12 months prior to disablement to make a claim.

1.7 TPD All: Unlikely to return to work

You can now lodge a claim three months after becoming disabled, rather than having to wait six months to lodge a claim.

2. Crisis Protection Plan and stand-alone Crisis Protection Plan

Crisis insurance provides financial protection in the event of a traumatic medical condition such as a major accident, heart attack or cancer. This plan will pay a lump sum amount upon diagnosis of a terminal illness, the occurrence of a specified trauma condition or death*.

* Not available for stand-alone Crisis Protection Plan

Improvement

2.1 Guaranteed Personal Insurability Benefit

You are now entitled to increase your life insurance without providing any medical evidence if you complete a post graduate degree or get divorced. This already applies for getting married, the birth or adoption of a child, taking out a mortgage, a child starting secondary school and a salary increase.

2.2 Child's Crisis

You can now also make a claim under this option if your child suffers a heart attack.

2.3 Cardiomyopathy

You are now entitled to make a claim even if you are still able to perform your own occupation.

2.4 Primary Pulmonary Hypertension

You are now entitled to make a claim even if you are still able to perform your own occupation.

2.5 Total and Permanent Disability and Totally and Permanently Disabled

You are now entitled to make a claim even if you are capable of earning up to 25% of your annual income. Previously you had to be unable to earn 100% of your annual income to be able to claim. Further to this, you can now lodge a claim three months after becoming disabled, rather than having to wait six months to lodge a claim.

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3. Income Protection Plan and Income Protection Plan Plus

Income protection pays a monthly benefit in the event that you are unable to work as a result of injury or illness.

Improvement

3.1 Day One Accident Option

You can now benefit under this option after only three days, instead of 14 days.

3.2 Pre-Disability Earnings

We have made the calculation relating to pre-disability earnings more generous for you. Your pre-disability earnings are used to calculate the amount you would receive if you made a claim under your Partial Disability Benefit.

4. Business Expense Plan

The Business Expense Plan pays a monthly amount, up to allowable business expenses, if you are unable to work as a result of injury or illness.

Improvement

4.1 Payment Extension

We will now extend the amount of time by which you continue to receive monthly payments by 12 months instead of six months.

4.2 Recurrent Disability

You are now eligible to make a new claim if you suffer from the same illness or injury more than once.

POLICY TERMS AND CONDITIONS

THE LONG AND LEGALLY BINDING VERSION

The actual replacement terms and conditions that now form part of your legally binding insurance contract are contained in this section.

This part of the booklet should be read in conjunction with your policy documentation, such as your PDS or CIB to determine which changes relate to your policy.

You can relax knowing that in each case the new definition is an improvement on the old.

1. Life Protection Plan and Total and Permanent Disablement (TPD)

1.1 Terminal Illness Benefit

The Terminal Illness Benefit does not apply to stand-alone Total and Permanent Disability.

When the life insured is diagnosed as Terminally Ill, the Benefit Amount will be paid and the Life Protection Plan will cease.

1.2 Guaranteed Personal Insurability Benefit

You can increase the Benefit Amount of the Death Benefit and/or Total and Permanent Disability Benefit (if applicable) for a life insured, subject to:

- an application in writing for an increase being made within 30 days of an Allowable Event (as described below) or within 30 days of the Policy anniversary following an Allowable Event
- the life insured being less than age 55 at the time of an Allowable Event
- the increase being up to the lesser of:
 - 25% of the original Benefit Amount;
 - \$200,000;
 - five times the annual amount of salary increase (if applicable); and
 - the amount of mortgage being taken out or increased (if applicable)
- total death cover on the life insured (including the cover with TOWER and any other organisation) being less than \$3,000,000

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- total Total and Permanent Disability cover on the life insured (including the cover with TOWER and any other organisation) being less than \$3,000,000; and
- evidence, satisfactory to us, of the Allowable Event, being provided.

For all increases applied for under this benefit, the maximum amount by which you can increase the Benefit Amount is the lower of:

- the original Benefit Amount; and
- \$1,000,000

subject to total cover (with TOWER and any other organisation) not exceeding \$3,000,000 for death and \$3,000,000 for Total and Permanent Disability.

If Total and Permanent Disability Benefits are attached to the Life Protection Plan, or you have a stand-alone Total and Permanent Disability Plan linked to a Life Protection Plan, the Total and Permanent Disability cover cannot exceed the death cover.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Plan Conditions.

If cover increases as a result of the Guaranteed Personal Insurability Benefit, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- the birth of a child where the life insured is a parent
- the adoption of a child by the life insured
- a dependent child of the life insured starts secondary school
- marriage of the life insured
- divorce of the life insured
- a change in employment status of the life insured where the life insured's salary increases by at least \$10,000 a year
- the life insured completes a post graduate degree; or
- taking out, or increasing, a mortgage by the life insured (either alone or jointly with another person) on a home which is the primary residence of the life insured.

During the first six months after exercising the Guaranteed Personal Insurability Benefit, the increased portion of the Benefit Amount will only be paid in the event of the life insured suffering:

- Accidental Death (unless the cover is stand-alone Total and Permanent Disability); or
- Total and Permanent Disability that is caused by Accident (if applicable).

It should be noted that the Guaranteed Personal Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

This benefit is not available if:

- a loading or an exclusion has been applied to your cover for the life insured; or
- your Life Protection Plan cover results from applying the Death Buy-Back on Total and Permanent Disability; or
- your Life Protection Plan cover results from applying the Death Buy-Back on a Crisis Protection Plan.

1.3 New Benefit payable under the Total and Permanent Disability Benefit for the Loss of a Single Limb or the Loss of Sight in one eye

The Total and Permanent Disability Benefit is payable if the life insured becomes Totally and Permanently Disabled. The Benefit is paid immediately upon any one of the four criteria in the definition of Total and Permanent Disability being satisfied.

Unless you have chosen to structure the Life Protection Plan through the TOWER Superannuation Fund, an advanced payment will be made under this Benefit if the life insured suffers the Loss of a Single Limb or the Loss of Sight in one eye. The amount to be paid will be 25% of the Benefit Amount, up to a maximum payment of \$500,000. This is payable only once and the Total and Permanent Disability Benefit Amount will be reduced by the amount paid for the Loss of a Single Limb or the Loss of Sight in one eye. The advanced payment will only be paid if the condition or the circumstances leading to the claim occurs after the Plan start date.

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If the Total and Permanent Disability Benefit is attached to the Life Protection Plan, or a stand-alone Total and Permanent Disability Plan is linked to a Life Protection Plan, when a Total and Permanent Disability Benefit is paid, the following will apply:

- the Death Benefit Amount will be reduced by the Total and Permanent Disability Benefit paid
- the Total and Permanent Disability Benefit will be reduced by any Terminal Illness Benefit paid; and
- premiums will be payable based on the reduced Benefit Amount.

If the stand-alone Total and Permanent Disability Benefit applies in respect of the life insured:

- any current Death Benefit will not be reduced after a Total and Permanent Disability Benefit is paid; and
- the Total and Permanent Disability Benefit will not be reduced if a Terminal Illness Benefit is paid.

1.4-1.7 Total and Permanent Disability and Total and Permanent Disablement mean that:

- solely because of a Sickness or Injury, the life insured has not been in any occupation for three consecutive months and, in our opinion, after consideration of medical and any other evidence, is incapacitated to such an extent as to render the life insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the life insured's earnings during their last 12 months of work; or
- solely because of a Sickness or Injury, the life insured has suffered at least 25% impairment of Whole Person Function and has not been working in any occupation, and, in our opinion, after consideration of medical and any other evidence, is incapacitated to such an extent as to render the life insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience

which would pay remuneration at a rate greater than 25% of the life insured's earnings during their last 12 months of work; or

- the life insured suffers the loss of:
 - both feet, both hands or sight in both eyes; or
 - any combination of two of, a hand, a foot or sight in an eye.

'Loss' in this instance means the total and permanent loss of:

 - the use of the hand or foot from the wrist or ankle joint; or
 - sight to the extent that visual acuity in the eye, on a Snellen Scale after the correction by a suitable lens, is less than 6/60; or
- the life insured is totally and permanently unable to perform at least two of the five Activities of Daily Living without the physical assistance of another person.

From the Policy anniversary prior to the life insured's 65th birthday, 'Total and Permanent Disability', and 'Totally and Permanently Disabled' mean that the life insured suffers:

- Loss of Independent Existence; or
- Loss of Limbs; or
- Blindness.

When 'Own Occupation' is shown in the Policy Certificate, the references above to 'any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the life insured's earnings during their last 12 months of work' will be replaced by 'their Own Occupation'.

Own Occupation

Own Occupation is the occupation in which the life insured was working immediately prior to the Sickness or Injury causing disability.

If the life insured had been working in more than one occupation that meets these criteria, 'Own Occupation' will include all of those occupations.

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2. Crisis Protection Plan and Stand Alone Crisis Protection Plan

2.1 Guaranteed Personal Insurability Benefit

Under the Guaranteed Personal Insurability Benefit you can increase the Benefit Amount of the Crisis Protection Plan, subject to:

- application in writing for an increase being made within 30 days of an Allowable Event (as described below), or within 30 days of the Policy anniversary following an Allowable Event
- the life insured being less than age 55 at the time of an Allowable Event
- the increase being up to the lesser of:
 - 25% of the original Benefit Amount
 - \$200,000
 - five times the annual amount of salary increase (if applicable); and
 - the amount of mortgage being taken out or increased (if applicable);
- total crisis cover on the life insured, (including the cover with TOWER and any other organisation), being less than \$2,000,000; and
- evidence, satisfactory to us, of the Allowable Event, being provided.

For all increases under this Benefit, the maximum amount by which you can increase the sum is the lower of:

- the original Benefit Amount; and
- \$1,000,000

subject to total crisis cover (including cover with TOWER and any other organisation) not exceeding \$2,000,000.

Only one Guaranteed Insurability Benefit (either Personal or Business) may be exercised in any 12 month period.

The premium for the new Benefit Amount will be calculated in line with the Plan Conditions and will take into account any extra premiums charged and special provisions that apply to the Crisis Protection Plan.

If cover increases as a result of Guaranteed Personal Insurability, changes in the health, occupation or pastimes of the life insured will not be taken into account.

Allowable events are:

- the birth of a child where the life insured is a parent;
- the adoption of a child by the life insured;
- a dependent child of the life insured starts secondary school;
- marriage of the life insured;
- divorce of the life insured;
- a change in employment status of the life insured where the life insured's salary increases by at least \$10,000 a year;
- the life insured completes a post graduate degree; and
- taking out, or increasing, a mortgage by the life insured (either alone or jointly with another person) on the purchase of a home which is the primary residence of the life insured.

During the first six months after exercising the Guaranteed Personal Insurability Benefit, the increased portion of the Benefit Amount will only be paid in the event of the life insured suffering any of the listed Crisis Protection Plan events that are caused by Accident.

The Guaranteed Personal Insurability Benefit cannot be exercised while premiums are being waived under the Premium Relief Option.

If a loading or an exclusion has been applied to your cover, this benefit is not available.

This benefit is not available if your Crisis Protection Plan cover results from applying the Crisis Buy-Back Option.

2.2 Child's Crisis Option

The Benefit Amount under the Child's Crisis Option will be paid when an insured child suffers a Crisis Event under the Child's Crisis Option as described below.

If an insured child suffers more than one Crisis Event, the Benefit Amount is only paid for the Crisis Event which occurs first.

14 Crisis Events under the Child's Crisis Option are:

- Death
- Terminal Illness
- Aplastic Anaemia
- Benign Brain Tumour
- Blindness
- Cancer*
- Cardiomyopathy
- Chronic Kidney Failure
- Coma
- Encephalitis and Meningitis
- Heart Attack*
- Loss of Hearing
- Loss of Limbs
- Loss of Limbs and Sight
- Loss of Speech
- Major Head Trauma
- Major Organ Transplant
- Meningococcal Disease
- Paralysis (the Paralysis Support Benefit will not apply)
- Severe Burns
- Stroke*
- Subacute Sclerosing Panencephalitis

* In the case of these events, no benefit would be paid under the Plan if the condition occurred or was diagnosed, or the circumstances leading to diagnosis became apparent, within three months after:

- the Plan start date
- the date of an applied for increase but only in respect of the increase; or
- the most recent date that we have agreed to reinstate either the Plan or Policy.

Grief Counselling is available to the immediate family members of the insured child. This counselling is provided to assist family members to come to terms with their reaction to grief which arises from the death of, or other Crisis Event, occurring to the child. We will reimburse the costs of the initial consultation up to a maximum of \$500. The consultation must be with an independent, qualified counselling organisation.

On expiry of the Crisis Protection Plan, all cover provided under the Child's Crisis Option will cease.

On the anniversary of the Policy start date immediately prior to the insured child's 19th birthday, if no benefit has been paid under the Child's Crisis Option for the insured

child, you can elect to continue the Crisis cover for your child under the Crisis Protection Plan. If the Crisis Protection Plan is no longer sold by TOWER, continued cover will be available under TOWER's Crisis product that replaces it.

If the Benefit Amount under the new Crisis Protection Plan (or other replacement Policy) is less than or the same as the original Benefit Amount, the insured child's health will not be underwritten, but we will require details of smoking status, occupation and pursuits.

However, any increase to the Benefit Amount for such a Policy will be subject to full underwriting. This applies in all circumstances including (but not limited to):

- if the Benefit Amount is increased at the time of continuing cover under the Crisis Protection Plan (or replacement policy); or
- the Benefit Amount is increased during the lifetime of that new Policy, regardless of whether the terms and conditions of the new Policy allow a guaranteed increase of the Benefit Amount without underwriting.

These conditions override the terms of any new or continued Policy arising from the exercising of the continuation option under the Child's Crisis Option.

The premium rate under the new Crisis Protection Plan (or other replacement Policy) will be the standard rate for that Policy applying for the sex, smoking status and any other premium rating factors that apply at the time the continuation option is exercised. Any special conditions, loadings or exclusions that applied to the original Child's Crisis Policy will continue to apply under the new Crisis Protection Plan Policy.

If you wish to exercise this continuation option, you must apply to us in writing within 30 days of the Policy anniversary prior to the insured child's 19th birthday.

2.3 Cardiomyopathy

Cardiomyopathy means impaired ventricular function of variable aetiology resulting in permanent and irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

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2.4 Primary Pulmonary Hypertension

Primary Pulmonary Hypertension means the life insured has Primary Pulmonary Hypertension with substantial right ventricular enlargement established by investigations including cardiac catheterisation, resulting in permanent irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association Classification of Cardiac Impairment.

2.5 Total and Permanent Disability and Totally and Permanently Disabled

under the Total and Permanent Disability Option mean that solely because of a Sickness or Injury, the life insured has not been in any occupation for three consecutive months and, in our opinion, after consideration of medical and other evidence, is incapacitated to such an extent as to render the life insured unlikely ever to be able to work in any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the life insured's earnings during their last 12 months of work.

When 'Own Occupation' is shown in the Policy Certificate, the reference above to 'any occupation for which they are reasonably suited by training, education or experience which would pay remuneration at a rate greater than 25% of the life insured's earnings during their last 12 months of work' will be replaced by 'their Own Occupation'

3. Income Protection Plan and Income Protection Plan Plus

3.1 Day One Accident Option

When the life insured is Totally Disabled for three consecutive days, as a result of an Injury, 1/30th of the Benefit Amount will be paid for each day the life insured is Totally Disabled.

Payment will stop on the earliest of:

- the life insured no longer being Totally Disabled
- the Plan end date; or
- the expiry of 14 days if the Plan has a 14 day Waiting Period, and 28 days if the Plan has a Waiting Period of longer than 14 days.

When the life insured is eligible for payment under the Scheduled Injury Benefit, Scheduled Illness Option and Day One Accident Option, the greater of these benefit payments will be paid.

3.2 Pre-Disability Earnings

Pre-Disability means if you have chosen 'agreed value', the highest average Monthly Earnings of the life insured for any 12 consecutive months between the date two years before

the Policy Commencement Date and the start of the Waiting Period.

If a claim occurs in the 12 months subsequent to an underwritten increase in the Benefit Amount for the Income Protection Plan, Pre-Disability Earnings will then have a minimum value of the Benefit Amount (excluding any benefit options) divided by 0.75 for the first \$15,625, 0.50 for the next \$6,250, 0.25 for the next \$2,083, and 0.15 for the next \$6,250, except in the following circumstances:

- where you have an additional benefit for a benefit period of one or two years in addition to the maximum monthly Benefit Amount of \$30,000, Pre-Disability Earnings for that benefit will then have a minimum value of the Benefit Amount (excluding any benefit options) divided by 0.15
- if at the time of application the life insured was classified as a part-time occupation (occupations PAAA, PAA+ and PAA as specified in the Policy Certificate), Pre-Disability Earnings will then have a minimum value of the Benefit Amount (excluding any benefit options) divided by 0.50.

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If you have chosen 'indemnity', the average Monthly Earnings of the life insured for the 12 months immediately prior to the Sickness or Injury causing disability.

When the life insured is disabled, Pre-Disability Earnings will be increased by the Indexation Factor every 12 months following the date disability started.

4. Business Expense Plan

4.1 Payment Extension Benefit

The Payment Extension Benefit applies under certain conditions at the end of the Benefit Period. If at the end of the Benefit Period the life insured continues to be Totally or Partially Disabled but the total amount paid is less than 12 times the Business Expense Plan Benefit Amount, the Benefit Period will be extended.

The extension will end on the earliest of the following:

- the expiry of 12 months
- the life insured no longer being Totally or Partially Disabled
- the Plan end date; and
- the total amount paid equalling 12 times the Business Expense Plan Benefit Amount.

4.2 Recurrent Disability Benefit

When the life insured makes a claim on the Total or Partial Disability Benefit we understand that in certain circumstances the condition may reoccur from the same or a related cause during the term of the Plan. Where this happens within 12 months of the claim ending it will be considered a continuation of the claim.

In this case the Waiting Period will not be reapplied, however, all periods of claim will be added together for the purpose of assessing the maximum Benefit Period.

If we have made payments for the full Benefit Period, you must return to full-time work for at least 12 consecutive months and perform all of the income producing duties of your Own Occupation without restriction before becoming eligible to submit a new claim for the same or related Sickness or Injury. A new Waiting Period and Benefit Period will then apply.



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