

Income Protection Insurance

Product Disclosure Statement and
Policy Document (PDS)



Your duty of disclosure

What you must tell us

If you are the Policy Owner, you have a duty to tell us anything that you know, or could reasonably be expected to know, which may affect our decision to insure you and any other Life Insured and on what terms.

You have this duty until we agree to insure you, and also before you extend, vary or reinstate the Policy.

You do not need to tell us anything that:

- reduces our risk;
- is common knowledge;
- we know or should know as an insurer; or
- we waive your duty to tell us about.

For contracts of insurance entered into, renewed, extended, varied or reinstated from 28 December 2015, if you are a Life Insured (other than the Policy Owner), any failure by you to tell us this information may be treated as a failure by the Policy Owner to comply with this duty of disclosure.

If you do not tell us something

If you are the Policy Owner, and you do not tell us anything you are required to, and we would not have insured you if you had told us, we may avoid the contract within three years of entering into it.

If we choose not to avoid the contract, we may reduce the amount you have been insured for, based on a statutory formula. (We may only exercise this right within three years of entering into the Policy if it provides death cover.)

If we choose not to avoid the Policy or reduce the amount you have been insured for, if your Policy does not provide death cover, we may vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

We may apply these rights separately to each type of cover that we consider could form a separate policy.

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.

To cancel your Policy within the cooling-off period, please contact us.

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

Who issues your policy?

Income Protection Insurance, as described in this PDS, is issued by AIA Australia Limited ABN 79 004 837 861, AFSL 230043 trading as RACQ Life Insurance. Income Protection Insurance is distributed by RACQ Operations Pty Ltd ABN 80 009 663 414, Authorised Representative Number 234978 (RACQ0), an authorised representative of AIA Financial Services Limited ABN 68 008 540 252, AFSL 231109 (AIAFS). AIAFS and other representatives of AIAFS are also involved in distributing this product. Income Protection Insurance is not a product of, nor is it guaranteed by, any entity of the RACQ Group (RACQ) encompassing The Royal Automobile Club of Queensland Limited ABN 72 009 660 575 and all related bodies corporate of this entity. 'Income Protection Insurance' refers to the life insurance product described in this PDS.

Wherever you read the words 'we', 'us', 'our', 'the insurer' or 'AIA Australia', this refers to AIA Australia Limited.

Our Privacy Statement

Details about how we collect and use your Personal Information and your rights are contained in our Privacy Policy. Pages 30–33 of this PDS summarise our Privacy Policy as at the date of this PDS. Please ensure that you refer to the most up-to date version of our Privacy Policy at aia.com.au.

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Welcome

Welcome to Income Protection Insurance with RACQ.

RACQ understands the needs of its members and will do whatever it can to help you in your time of need. RACQ have partnered with AIA Australia, one of Australia's most trusted life insurers, to offer cover that your family can depend on when they need it most.

Why choose Income Protection Insurance with RACQ

By purchasing Income Protection Insurance through RACQ you are protecting one of your most valuable assets – your Income. You also gain access to a wide range of benefits, including:

- all the benefits and discounts that come with being a member of RACQ, Queensland's largest club
- access to AIA Vitality, the health and wellbeing program that rewards you for living a healthy lifestyle. The range of benefits include 5% off your Income Protection Insurance premium when you get to an AIA Vitality Status of Silver or higher (applied at your Policy Anniversary Date).

In addition, where both you and your Partner take out cover on the same Income Protection Insurance Policy, you will receive a 5% discount. Plus, you get a 5% ongoing discount on your Income Protection Insurance premium from RACQ whilst you hold both an Income Protection Insurance and a health insurance policy from RACQ.

This PDS and any Supplementary PDSs are very important documents and you should read them carefully. If you don't understand anything in them, you should consider getting advice or call us so we can explain them to you.

We're here to help

If you have any questions about our products or services or need help to make a claim, you can:

- Call:
Policy and claims enquiries **1800 722 777**
General RACQ enquiries **13 1905**
- Visit racq.com/incomeprotection

You, your, we, our and us



In this PDS:

You and **your** generally refers to the Policy Owner and all Lives Insured on the Policy. Refer to page 10 for more details.

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

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Snapshot

This is a guide to the key features of Income Protection Insurance. Please read this PDS and any Supplementary PDSs for full details.

What you're covered for p12 > 17

- A benefit amount of up to 75% of your regular income
- Income Protection Insurance offers two plans:
 - Accident and Illness
 - Accident only

Main features and benefits

- Total Disability cover
- Specific Injury cover
- Recurring Disability

Included benefits

- Death cover
- Premium Pause
- Premium Waiver
- Access to AIA Vitality

What is Total Disability cover? p13

- Total Disability cover pays a monthly benefit in the event that you become Totally Disabled and cannot work
- There are two definitions of Total Disability – Total Disability (Usual Duties) and Total Disability (Activities of Daily Living)
- The definition applicable to you will depend upon your working status at both the time of application and claim

What is Specific Injury cover? p14

- Specific Injury cover pays a monthly benefit in the event that you suffer one of the Specific Injuries listed on page 15 solely due to an Accident
- There is no Waiting Period prior to claiming and we won't reduce your payments due to Offsets

What is Premium Pause? p16

- Allows you to put your premiums on hold if you take Parental Leave or become Involuntarily Unemployed
- Your level of cover is maintained however any claims during a period of Premium Pause will be assessed under the Total Disability (Activities of Daily Living) definition

Making a claim p24 > 25

- The Insured's benefit will be paid once all relevant information has been received and the claim has been approved by us
- Benefits are usually paid to the Life Insured, however, this can vary depending on the circumstances pertaining to the claim

Other Policy terms and conditions p26 > 27

- Benefit limitations may apply to the total amount we pay as outlined on page 26
- Your cover is guaranteed renewable on each Policy Anniversary Date regardless of changes in your health, occupation, or pastimes. Conditions do apply and are outlined on page 27

How this PDS works

This PDS describes the main features of Income Protection Insurance, including the terms and conditions of the Policy as well as any exclusions and limitations.

Please read it carefully as it is designed to help you decide if Income Protection Insurance will meet your individual needs. Details in this PDS are of a general nature only and do not take into account your personal circumstances.

Understanding this PDS



Some words in this PDS have a special meaning. These words are defined on pages 38–44. All defined words can be recognised as they are capitalised.

Context around ‘You’ and ‘Your’

The words ‘you’ and ‘your’ in this PDS refer to any existing or potential member who is, or is likely to become, the Policy Owner or an Insured under the Policy, depending on the context. The following is relevant to the context:

- A Policy is an agreement between the Policy Owner and us. The Policy Owner has 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). The Policy Owner must be a Life Insured. The Policy Owner is responsible for paying all the premiums under the Policy.
- Where “you” is a reference to a Life Insured, “your premium” is the premium referable to benefits covering that Life Insured. Also, “your Sum Insured” is the Sum Insured of a benefit covering that Life Insured and “your benefit” or “your cover” are references to benefits covering that Life Insured.
- An insured benefit covering a Life Insured is payable when that Life Insured suffers an insured event in accordance with the terms of the Policy.
- We will pay a benefit covering a Life Insured in the manner agreed with the Policy Owner in the terms of the Policy as set out in this PDS. See the “Who receives the benefit” section of this PDS on page 25 for further information.

Issuing cover

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

- i) in consideration of the payment of the premium as stated on the Policy Schedule; and
- ii) 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 42 for a list of the documents that will make up your Policy.

Where there are two Lives Insured on the same Policy, the terms and conditions of cover described in this PDS apply in respect of each Life Insured's cover separately and individually (except any rights and obligations relating specifically to the Policy Owner).

Lives Insured under Income Protection Insurance are eligible to join the AIA Vitality program, a health and wellbeing program offered by AIA Australia. Eligibility arises under and is subject to the separate terms and conditions of the AIA Vitality program. To see those terms and conditions and for further information about the AIA Vitality program generally, please refer to aiavitality.com.au or see the information set out on page 17 of this PDS. AIA Vitality membership features are not insurance and are exempt from regulation as financial products under the Corporations Act pursuant to ASIC Class Order [CO 05/737]. Membership to the AIA Vitality program is not offered under this PDS and must be applied for separately.

RACQ membership

By entering into this policy you, as the Policy Owner, agree to become a member of RACQ.

As an RACQ member, you may vote at RACQ general meetings and agree to the constitution of RACQ and any rules made under the constitution, which may vary from time to time. The RACQ constitution and rules are available at racq.com/terms.

RACQ members enjoy wide-ranging benefits. You can find out more about the specific rewards, discounts and privileges RACQ membership offers by:

- visiting RACQ at racq.com/membership
- calling RACQ 7 days a week on **13 1905**
- visiting an RACQ store
- writing to RACQ at PO Box 4, Springwood Queensland 4217.

If you cease to hold your policy and do not hold any other eligible RACQ products, you will no longer be entitled to be an RACQ member.

1. What you're covered for

With Income Protection Insurance you can apply for a benefit amount of up to 75% of your regular income. Cover is available for both employed and self-employed people, with benefits payable for up to 2 years.

Income Protection Insurance offers two plans:

- **Accident and Illness**, or
- **Accident only**, which is guaranteed acceptance for eligible applicants.

This table summarises the features and benefits of Income Protection Insurance.

	FEATURES AND BENEFITS
Main Benefit	If you become Totally Disabled, we will pay a monthly benefit until you are able to return to work, up to the Benefit Period you have selected. If you suffer a Specific Injury, we will pay a monthly benefit for a specific period, even if you don't cease working.
Age at entry	18 to 59
Expiry age of cover [^]	65
Minimum Sum Insured*	\$1,000 per month
Maximum Sum Insured at Policy Commencement Date	75% of your Income up to \$10,000 per month.
Waiting Period [†]	Your choice of 30 or 90 days
Benefit Period	Your choice of 6 months, 1 year or 2 years
Included benefits	Death benefit If you die whilst on claim and receiving benefits, we will pay an additional benefit of three times your monthly benefit. 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. Premium Waiver benefit No premiums are payable for you whilst you are on claim and receiving benefits.

[^] Benefit ceases at the next anniversary immediately after your 65th birthday

* We may set a higher minimum Sum Insured to ensure you meet our minimum premium requirements.

[†] No Waiting Period applies for Specific Injury.

Expiry age



means in relation to a benefit, the age that cover for that benefit ceases.

Your Income Protection Insurance

Income Protection Insurance pays a monthly benefit of up to 75% of your Pre-Disability Income in the event that you become Totally Disabled or suffer a Specific Injury, so that you can focus on getting better and back to work, without having to worry about how to pay your monthly bills.

The minimum amount of cover you can apply for is \$1,000 per month and the maximum is \$10,000 per month, and the benefit paid is the lesser of your Sum Insured and 75% of your Pre-Disability Income.

Total Disability cover

Total Disability cover pays a monthly benefit in the event that you become Totally Disabled and cannot work.

If you have the:

- **Accident and Illness** plan, you are covered for Total Disability arising due to both Accident and Illness.
- **Accident only** plan, you are covered for Total Disability arising due to Accident only.

We will start paying your benefit after the expiry of your chosen Waiting Period, either 30 or 90 days.

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 may be reduced by income or payments you receive from other sources, known as Offsets.

There are two definitions of Total Disability. The definition applicable to you will depend upon your working status at both the time of application and claim.

Waiting Period[†]



Is the number of days you nominate, and as stated in your Policy Schedule, to wait after your Disablement Date before the Benefit Period commences. Refer to page 44 for more details.

Benefit Period



Is the maximum period of time you nominate, and as stated in your Policy Schedule, that Total Disability benefits are payable for. Refer to page 38 for more details.

Total Disability (Usual Duties)

If at the time of application you are:

- Gainfully Employed for at least 20 hours per week;
- spending no more than 20% of your working hours at your place of residence; and
- not performing heavy manual work;

and immediately prior to the Disablement Date you are working at least 20 hours per week, you will be assessed under the Total Disability (Usual Duties) definition.

Total Disability (Activities of Daily Living)

If at the time of application or claim you do not qualify for the Total Disability (Usual Duties) definition above, you will be assessed under the Total Disability (Activities of Daily Living) definition.

Please refer to the definitions of Total Disability on page 44 for more details.

Specific Injury cover

Specific Injury cover pays a monthly benefit in the event that you suffer one of the Specific Injuries listed on page 15 solely due to an Accident.

The monthly benefit amount for your Specific Injury cover is the same as that for Total Disability; however you don't have to be Totally Disabled to receive this benefit. In addition, there is no Waiting Period prior to claiming and we won't reduce your payments due to Offsets, though we may reduce them by any income protection type benefit payments made under any other policy.

We will keep paying you each month until the earliest of:

- us having paid you for the Specific Injury Period;
- us having paid you for your chosen Benefit Period;
- the Policy Anniversary Date after you turn 65; or
- your death.

If you are Totally Disabled after the Specific Injury Period, you can then claim a benefit for Total Disability and your Waiting Period will be waived, though your Benefit Period for Total Disability will be reduced by the Specific Injury Period already paid. If you are not Totally Disabled after the Specific Injury Period, you will not receive any further benefit.

	Specific Injury Period*
Paralysis	24 months
Loss of Use of any combination of any two of a hand, a foot, sight in one eye (as defined by Blindness In One Eye)	24 months
Loss of Use of both feet or both hands or sight in both eyes (as defined by Blindness)	24 months
Loss of Use of one leg or arm	18 months
Loss of Use of one foot or hand or sight in one eye (as defined by Blindness In One Eye)	12 months
Loss of Use of the thumb and index finger of the same hand	6 months
Fracture of the thigh (above the knee) or pelvis	3 months
Fracture of the leg (below the knee and above the ankle), knee cap, upper arm, shoulder bone or jaw	2 months
Fracture of the forearm (above the wrist) or collarbone	1.5 months
Fracture of the heel	1 month

* We won't pay a Specific Injury for longer than your Benefit Period.

Recurring Disability

Total Disability recurring within six months of last benefit payment

If you become Totally Disabled within six months since we last paid a benefit for the same or 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 and we did not pay you the full Benefit Period, or from a different cause at any time, 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.

Included benefits

Death cover

In order to assist with final expenses, such as funeral costs, if you die whilst we are paying your benefit for Total Disability or Specific Injury, we will pay a lump sum benefit of three times the lesser of the Sum Insured and 75% of your Pre-Disability Income.

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 will be assessed under the Total Disability (Activities of Daily Living) definition.

When the Premium Pause finishes, the Policy Owner 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 will be assessed under the Total Disability definition that would normally apply to you (see page 13).
- 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. For the first six months after your premiums start to be paid again, any claim for your Illness will still be assessed under the Total Disability (Activities of Daily Living) definition, while any claim for your Injury will be assessed under the Total Disability definition that would normally apply to you (see page 13). Once your premiums have been paid again for six months, all claims for Total Disability will be assessed under the Total Disability definition that would normally apply to you (see page 13). 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 for the same period of Involuntary Employment. At least 12 months must elapse after the end of a Premium Pause period before a new Premium Pause can be exercised.

Premium Waiver

To assist you during the difficult time that you are on claim, while we are paying you your benefit your 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, the Policy Owner must start paying your normal premium instalments again.

Access to AIA Vitality – an award winning health and wellbeing program

Income Protection Insurance gives you access to AIA Vitality, an award-winning, scientifically proven health and wellbeing program that rewards your healthy choices. AIA Vitality keeps you motivated with fantastic savings and rewards, so it's easier to achieve your health goals. Along the way you can earn discounts on spa treatments and flights.

Access to AIA Vitality arises under the AIA Vitality Terms and Conditions. To view the AIA Vitality Terms and Conditions and to find out more about how AIA Vitality works, simply visit aiavitality.com.au

You can contact us at:

Email: queries@aiavitality.com.au

Mail: AIA Vitality
PO Box 6313, Melbourne VIC 3004

Phone: **1800 VITALITY (1800 848 254)**

2. What you're not covered for

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

Exclusions	BENEFITS		
	Total Disability cover, Specific Injury cover and Death cover	Premium Pause due to Parental Leave	Premium Pause due to Involuntary Unemployment
Deliberately self-inflicted Injury or Illness, including suicide and attempted suicide	✗	N/A	N/A
Engaging in any criminal activity or any unlawful act or whilst imprisoned, resulting from that imprisonment.	✗	N/A	✗
Any aerial activity (except as a fare paying passenger in a fixed wing, motorised aircraft owned and operated by a licensed airline or charter company).	✗	N/A	N/A
War (whether declared or not), any acts of terrorism, riots or civil commotion.	✗	N/A	N/A
The direct or indirect effects of alcohol or drug misuse or any illicit drug use.	✗	N/A	✗
Participating in any motorised sport in any capacity.	✗	N/A	N/A
Normal pregnancy, terminating a pregnancy or giving birth (including any associated conditions).	✗	N/A	✗
Mental Illness, including any condition which is directly or indirectly contributed to, caused or aggravated by Mental Illness.	✗	N/A	N/A
Abselling, mountaineering, football (all codes), long distance sailing, martial arts (except Tai Chi), trail bike riding, scuba diving, hang gliding, parachuting, non-motorised aviation activities or participation in any hazardous recreational activities of a competitive nature including but not limited to training in or engaging in speed or time trials.	✗	N/A	N/A
Parental Leave or Involuntary Unemployment 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.	N/A	✗	✗

Exclusions	BENEFITS		
	Total Disability cover, Specific Injury cover and Death cover	Premium Pause due to Parental Leave	Premium Pause due to Involuntary Unemployment
Becoming voluntarily unemployed.	N/A	N/A	✗
Becoming unemployed whilst working outside the borders of Australia.	N/A	N/A	✗
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.	N/A	N/A	✗
Becoming Involuntarily Unemployed from a company or business owned in full or in part by their Partner or a Relative.	N/A	N/A	✗
The end of a fixed term contract or work of a seasonal nature.	N/A	N/A	✗
Misconduct, fraud and dishonesty.	N/A	N/A	✗
Unsatisfactory performance or behaviours or for breaching any of the terms of the employment contract.	N/A	N/A	✗
Any medical condition.	N/A	N/A	✗
If the death, Injury or Illness is a direct or indirect result of carrying out the Duties of your occupation, if your occupation involves: • working above 10 metres from the ground; • working underground; • working offshore; • underwater diving; • working with explosives; • working as a professional sports person or coach; or • employment in the armed forces.	✗	N/A	N/A

“✗” indicates that the benefit is excluded.

2. What you're not covered for

3. How your Policy works

Who can be covered under the Policy?

A maximum of two adult lives can be insured under one Policy as follows:

- the Policy Owner (primary Life Insured);
- the Partner or an adult Relative of the Policy Owner (secondary Life Insured).

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

- aged 18 to 59;
- a Permanent Employee or Self-Employed, but not a casual employee; and
- permanently residing in Australia and be:
 - an Australian citizen, or
 - an Australian permanent resident, or
 - a New Zealand citizen.

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, and subject to the terms of your Policy, your cover will continue 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.

Your cover will cease on the earliest of:

- your death;
- for the secondary Life Insured, the Policy Owner ceasing cover for any reason (unless ownership has passed to the secondary Life Insured);
- the Expiry Date, which is the Policy Anniversary Date on or immediately after your 65th birthday;
- you ceasing to permanently reside in Australia;
- the cancellation of your cover at the Policy Owner's request; and
- the cancellation of your cover by us due to non-payment of premiums or if the eligibility requirements have not been met or as otherwise permitted by law.

Changes to your cover amount

The amount of the benefit we pay for you is limited to the Sum Insured 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.

Benefit indexation

Your Sum Insured will automatically increase each year by 5% on the Policy Anniversary Date. Your premium will be adjusted to allow for the higher Sum Insured and age at the time. Benefit indexation will cease at the last Policy Anniversary Date prior to the Life Insured's 65th birthday.

The amount of increases under benefit indexation is not limited – so your Sum Insured may increase to be more than the maximum Sum Insured we usually allow.

The Policy Owner can reject a benefit indexation increase by contacting us. The rejection must be received by us prior to the Policy Anniversary Date on which the increase would apply. The rejection will apply to each Life Insured under the Policy. If you reject the benefit indexation increase two years in a row, the indexation increase facility will be removed and not offered again.

If the Policy Owner doesn't want cover to increase annually via benefit indexation, they can request a permanent cancellation of benefit indexation by writing to us. Benefit indexation will then be removed from the Policy on the next Policy Anniversary Date. The cancellation will apply to each Life Insured under the Policy and once removed, reinstatement of benefit indexation will not be permitted.

Where there is more than one Life Insured on the same Policy, benefit indexation is applied to all Lives Insured in the same way. So if benefit indexation is rejected or cancelled, it will be cancelled for all Lives Insured under the Policy.

Automatic increases to your cover each year



Each year on the Policy Anniversary Date we will automatically increase your Sum Insured by 5%, unless you ask us not to.

Cancelling, decreasing or increasing your cover

The Policy Owner 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 (apart from benefit indexation) will be subject to underwriting and acceptance by us. We will limit your maximum Sum Insured to 75% of your Pre-Disability Income up to \$10,000 per month.

Any decrease in your cover will be subject to the minimum Sum Insured, as well as any minimum premium requirements (see "Premiums and charges" on page 22).

To cancel, decrease or increase your cover, please contact us on **1800 722 777**.

Cover reinstatement

If the Policy Owner cancels or decreases your cover, the cancelled or decreased cover can only be reinstated at a later time if we agree.

If the Policy lapses (see “If the Policy premiums aren’t paid” below), we will send the Policy Owner a letter confirming that they 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.

Premiums and charges

The premium is the amount that needs to be paid to maintain your Income Protection Insurance Policy.

We will notify the Policy Owner of the premium applicable to the Policy. It is the Policy Owner’s responsibility to pay the premium for all Lives Insured under the Policy.

Your premium amount will depend upon the level of cover and options you choose, your payment frequency, whether that cover automatically increases by 5% each year, your employment situation, occupation type, hours worked and work location, your health history, your age, gender and smoking status and any discounts that apply. We may charge a minimum premium, or require your cover to be at a level sufficient to meet the minimum premium.

Your premium is based on the information provided about you at application and includes government charges such as stamp duty and taxes.

Your premium is guaranteed from one Policy Anniversary Date to the next. We may vary your premium each year at your Policy Anniversary Date, for example in line with your age and any automatic increases in cover that apply.

The Policy Owner 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 located in section 8 of this PDS.

From time to time, we may make payments to distribution partners and other entities involved in distributing RACQ’s Life and Income Protection Insurance policies 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.

Change of Smoking Status

You may change your status from a smoker to a Non-smoker, for the purpose of determining your insurance premium. Contact us on **1800 722 777** to obtain an application for Non-smoker rates. The application for Non-smoker rates is subject to approval and written confirmation by us.

If the Policy premiums aren't paid

If the Policy's premiums aren't paid within 60 days of the due date (or within 30 days if premiums are paid fortnightly), the Policy will lapse and you won't be covered for any period for which premiums have not been paid.

Changes to fees and charges

We retain the right to vary any fees and charges, including premiums, at our discretion. Any change, except changes due to taxes and imposts, will be advised to the Policy Owner in accordance with the law. This Policy will not be singled out for an increase in fees or charges.

Taxation and imposts

Based on our interpretation of the current tax laws, we expect that Income Protection Insurance 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 appropriate to take account of the tax or impost.

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 so you should make sure that you read this PDS to understand 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 and 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 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 "How your Policy works" section of this PDS on pages 20–23.

4. If you need to make a claim

How the claims process works

If you believe you have suffered a claimable event, we need to be notified within 30 days (or as soon after that event as reasonably possible).

To make a claim:

1. Call or email us for a claim form:
Phone: **1800 722 777**
Email: **claims@lifeinsurance.racq.com.au**
2. Mail your completed claim form to:
Claims Team, RACQ's Life and Income Protection Insurance
PO Box 4556, Eight Mile Plains QLD 4113

Things to note

To process 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), for which the person making the claim may have to pay.

Once we have received all relevant information and the claim has been approved by us, the Insured's benefit will be paid and, where applicable, the premium will be waived (see "Premium Waiver" on page 17).

Who receives the benefit

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

- The Total Disability and Specific Injury benefits will be paid to the applicable Life Insured.
- On the death of the primary Life Insured, the Death benefit will be paid in the following order:
 - the secondary Life Insured (if there is one);
 - the Policy Owner's estate.
- On the death of the secondary Life Insured, the Death benefit will be paid to the Policy Owner.

When we will not pay a benefit

We will not pay a benefit:

- if the Policy has lapsed; or
- if a claim is fraudulent in any way (and the Policy Owner will need to repay it if it has already been paid in part or full).

5. 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 Insurance 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 75% of your Pre-Disability Income; 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.

Changing your Personal Information

Please let us know straight away if you change your contact details or if there's any other change which may require an alteration to your Policy, by emailing us at enquiries@lifeinsurance.racq.com.au or calling us on **1800 722 777**.

Transferring your Policy

If the Policy Owner's cover is cancelled or ceases, the Policy can be transferred to the secondary Life Insured (if applicable and subject to relevant regulatory requirements). At any other time, the Policy Owner may request that a secondary Life Insured be transferred to their own separate Policy, in which case a new RACQ membership (see page 11) would be created. However in that event we will no longer provide a discount for having more than one person on the same Policy.

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.

Changes and updates

We may improve the terms of Income Protection Insurance and to the extent that the Policy Owner is not disadvantaged, these improvements may be added automatically to the Policy. We will notify the Policy Owner of any changes as required by law. Changes that are not materially adverse to the Policy Owner will be updated and made available at racq.com

You can obtain the current terms by calling us on **1800 722 777**.

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.

Statutory fund

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

Guaranteed renewable

Subject to the conditions that will end cover set out elsewhere in this PDS, your cover is guaranteed renewable on each Policy Anniversary Date, provided it is still in force (premiums are paid) at that date, regardless of any changes in your health, occupation or pastimes.

6. Who to contact

For enquiries about your Income Protection Insurance Policy, please:

Email: **enquiries@lifeinsurance.racq.com.au**

Mail: Member Services, RACQ's Life and Income Protection Insurance
PO Box 4556, Eight Mile Plains QLD 4113

Phone: **1800 722 777**

For complaints please:

Email: **complaints@lifeinsurance.racq.com.au**

Mail: Complaints Manager, RACQ's Life and Income Protection Insurance
PO Box 4556, Eight Mile Plains QLD 4113

We will promptly investigate your complaint, referring 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 can lodge your complaint with the Financial Ombudsman Service (FOS) Australia, by contacting:

Financial Ombudsman Service Limited

Email: **info@fos.org.au**

Mail: GPO Box 3, Melbourne VIC 3001

Phone: **1800 367 287**

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7. Your information

How we handle your information

We are part of the AIA Group. We are bound by privacy principles which apply to private sector organisations under the Privacy Act 1988 (Cth), and other laws which protect your privacy.

Details about how we use your Personal Information and your rights are contained in our Privacy Policy. This section of the PDS summarises our Privacy Policy as at the date of this PDS. Please ensure that you refer to the most up-to date version of our Privacy Policy at **aia.com.au**. To the extent that this section of the PDS is inconsistent with the Privacy Policy on the website, the latter prevails. We reserve the right to review and amend the Privacy Policy for any reason and to make the updated version available on the website, which you should check periodically. If you have any questions about the AIA Australia Privacy Policy, or have difficulty accessing the Privacy Policy on the website, please call AIA Australia on **1800 333 613**.

You should also read the RACQ Privacy Statement. To obtain a copy of the RACQ Group Privacy Statement visit the website at **racq.com/insurance** or **racq.com/privacy**. You can also call RACQ on **13 1905** or email RACQ on **privacy@racq.com** to request a copy.

Collection of Personal Information

We collect Personal Information when you contact us, make an enquiry or use or request our products or services. We collect (amongst other things) information provided by you in any application forms or other information submitted in respect of your insurance or membership, your AIA Vitality membership, transactional information when using cards and other facilities in respect of your membership, insurance or other product application information (including health, family and beneficiary information), insurance claims information and payment information, some sensitive and health and medical-related information, AIA Vitality related information, information about your name and contact details, identifying information (e.g. date of birth), demographic characteristics (e.g. gender), health, occupation and pastimes, financial information and payment details. We may collect this information from you when you fill out an application form or statement, or when we are dealing with you over the telephone or the internet.

We are required or authorised to collect your Personal Information under various laws including the Life Insurance Act, Insurance Contracts Act, Corporations Act, Anti-Money Laundering and Counter-Terrorism Financing Act, Crimes Act (Vic), Crimes Act (NSW), Criminal Law Consolidation Act (SA) and the Criminal Codes of Queensland, Tasmania, WA, NT, ACT and the Commonwealth. We may take steps separate to this Privacy Policy to ensure you are aware of any other relevant laws.

We may also monitor and record your communications with us. We collect Personal Information directly from you as well as from third parties (including information service providers, partners, affiliates and related companies, joint venture partners and business partners in co-branded activities and public sources), your financial planner or adviser, the distributor of your Policy, your employer or employer's adviser, financial institutions you nominate, your health professional or accountant, or any other party with which we have an arrangement for the promotion and sale of products offered or distributed by us and anyone acting on your behalf. We may take steps to verify information collected and to confirm this information is up to date.

Where you provide us with Personal Information about someone else you must have their consent to provide their Personal Information to us based on our Privacy Policy.

If you visit aia.com.au, or any other websites, portals or smart phone/tablet applications where this Privacy Policy is made available, as well as facilities, tools or utilities offered (collectively the Website) to read, browse or download information, our system may record information such as the date and time of your visit to the Website, the pages accessed and any information downloaded. This information is used for statistical, reporting and website administration and maintenance purposes.

Like many other websites, the Website may use 'cookies' from time to time. A cookie is a piece of information that allows our system to identify and interact more effectively with your device. The cookie helps us to maintain the continuity of your browsing session and remember your details and preferences when you return. You can configure your web browser software to reject cookies however some parts of our website may not have full functionality in that case.

When we send you emails or other electronic messages, we may record where you open the message and click on particular links. This helps us to better understand what information is of interest to you.

In some cases third parties may use cookies and other technologies such as web beacons and JavaScript on our Website in connection with online services like banner advertising, website analytics and surveys.

Use and disclosure of your Personal Information

We collect, use and disclose your Personal Information for purposes set out in our Privacy Policy, including to process your application, for underwriting purposes, the assessment and processing of claims and any other administration relevant to our insurance policies, your AIA Vitality membership, for our internal purposes to manage our business, to meet our legal obligations and protect our interests, to communicate with you, to conduct research and development relevant to our products and services, for statistical, prudential and actuarial purposes, and to investigate and manage improper conduct such as non disclosure or fraud, as well as other purposes which we may notify to you. If you are unwilling to provide us with the information we need then we may not be able to do these things, for example, we may not be able to provide you with insurance cover, an AIA Vitality membership or other services or process your claim.

Where agreed with RACQO, we, and other members of the AIA Group, may also use your Personal Information to provide marketing communications that may be of interest to you on an ongoing basis by telephone, electronically and other means. If you do not wish to receive these direct marketing communications please indicate this where prompted (e.g. in an application form or by following unsubscribe instructions in the communications themselves) or by contacting us as set out below.

Your Personal Information may be made available to third parties, including those described in this section of the PDS, and third parties who provide services to us such as (without limitation) health, insurance, reinsurance, archival, member contact, claims assessment, data, information, IT, research, investigative and professional services. We may also disclose Personal Information to law enforcement agencies or government authorities where disclosure is required by law or where we agree to the disclosure.

Some of the third parties to whom we may disclose Personal Information (as described in this section and our Privacy Policy) may be located in other countries and you agree that while they will often be subject to confidentiality or privacy obligations, they may not always follow the particular requirements of Australian privacy laws. You also acknowledge that Australian Privacy Principle 8.1 (which relates to cross border disclosures) will not apply to the disclosure and we will not be accountable for those overseas parties under the Privacy Act and you may not be able to seek redress under the Privacy Act. The countries may include the United States, South Africa, countries in Europe, Asia and other countries including those set out in our Privacy Policy.

Accessing and updating your Personal Information

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 should be directed to our Compliance Manager (see 'Questions or concerns' on page 33) or as described in the 'Changing your Personal Information' section of this PDS on page 26 for further information as applicable.

In some circumstances, we may not permit access to or correction of your Personal Information where, for example, such access or correction would be unlawful or denying access is authorised by law.

Questions or concerns

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

The Compliance Manager
AIA Australia Limited
PO Box 6111, Melbourne VIC 3004
Phone **1800 333 613**

If you have a complaint about our handling of your Personal Information, you should submit it in writing to the Compliance Manager at the address specified above. We have established an internal dispute resolution process for handling member complaints (including matters involving compliance with privacy laws). This dispute resolution mechanism is designed to be fair and timely to all parties and is free of charge. Our Internal Disputes Resolution Committee will handle any escalated complaints that cannot be addressed at an operational level. We will aim to resolve your complaint within 45 days of receipt.

If your complaint is not resolved to your satisfaction by our internal dispute resolution process, you may take your complaint to the Information Commissioner, who can be reached at:

Office of the Australian Information Commissioner
GPO Box 5218, Sydney NSW 2001
Phone: **1300 363 992**
Web: **oaic.gov.au**

For further information about our privacy practices, access and complaints procedures, please refer to our Privacy Policy at **aia.com.au**

8. Direct Debit Request Service Agreement

This is Your Direct Debit Request Service Agreement with AIA Australia Limited (ABN 79 004 837 861 AFSL 230043) trading as RACQ Life Insurance. 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 and should be read in conjunction with Your Direct Debit Request authorisation.

Direct Debit Request Service Agreement 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) trading as RACQ Life Insurance (Direct Debit User ID 492542), (the Debit User) You have authorised by requesting a Direct Debit Request.
You	means the person who has signed or authorised by other means the Direct Debit Request.
Your Financial Institution	means the Financial Institution nominated by You on the Direct Debit Request at which the account is maintained.

8.1 Debiting Your Account

8.1.1 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.

8.1.2 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.

8.1.3 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.

8.2 Amendments by Us

8.2.1 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.

8.2.2 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.

8.3 Amendments by You

8.3.1 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 Member Services, RACQ's Life and Income Protection Insurance
PO Box 4556, Eight Mile Plains QLD 4113;

or

- telephoning Us on **1800 722 777** 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.

8.4 Your obligations

- 8.4.1 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.
- 8.4.2 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.
- 8.4.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct.

8.5 Dispute

- 8.5.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly on **1800 722 777** 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.
- 8.5.2 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.
- 8.5.3 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.
- 8.5.4 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.

8.6 Accounts

- 8.6.1 You should check:
 - (a) 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;
 - (b) Your Account details which You have provided to Us are correct by checking them against a recent Account statement; and
 - (c) with Your Financial Institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

8.7 Confidentiality

- 8.7.1 Subject to clause 8.7.2, 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.
- 8.7.2 We will only disclose information about You that We have collected as part of Your Direct Debit Request:
- (a) to the extent specifically required or permitted by law or under Our privacy policy or procedures; or
 - (b) for the purposes of this Agreement (including disclosing information in connection with any query or claim).

8.8 Notice

- 8.8.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to:
- Member Services, RACQ's Life and Income Protection Insurance
PO Box 4556, Eight Mile Plains QLD 4113
- 8.8.2 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.
- 8.8.3 Any notice will be deemed to have been received on the third Business Day after posting.

Definitions in this PDS

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 the 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: • <i>Bathing and/or showering</i> which means the ability of the Insured to wash himself or herself either in the bath or shower or by sponge bath without the assistance of another person. The Insured will be considered to be able to bathe himself or herself even if the above tasks can only be performed by using equipment or adaptive devices. • <i>Dressing and undressing</i> which means the ability of the 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. The Insured will be considered able to dress himself or herself even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls. • <i>Eating and drinking</i> which means the ability of the Insured to get nourishment into the body by any means once it has been prepared and made available to the Insured without the assistance of another person. • <i>Using a toilet to maintain personal hygiene</i> which means the ability of the 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. The Insured will be considered able to toilet himself or herself even if he or she has an ostomy and is able to empty it himself or herself, or if the Insured uses a commode, bedpan or urinal, and is able to empty and clean it without the assistance of another person. • <i>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</i> which means the ability of the Insured to move in and out of a chair or bed without the assistance of another person. The Insured will be considered able to transfer himself or herself even if equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorised devices is used.
Benefit Period	is the maximum period during which the Total Disability or Specific Injury benefit is payable for any one period of Total Disability.

Blindness	means that as a result of an Accident and as certified by an ophthalmologist, the: (a) visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in both eyes; (b) field of vision is constricted to 20 degrees or less of arc around central fixation in the better eye irrespective of corrected visual activity (equivalent to 1/100 white test object); or (c) combination of visual defects results in the same degree of vision impairment as that occurring in (a) or (b) above.
Blindness In One Eye	means that as a result of an Accident and as certified by an ophthalmologist, the visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in one eye.
Disablement Date	means the earliest of the date 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 the Life Insured first consults a Medical Practitioner about the condition and provides reasonable medical evidence about when the disablement began.
Duties	means for a Life Insured all those duties which could reasonably be considered primarily essential to producing their 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.
Fracture	means any bone fracture requiring the application of a plaster cast or an immobilising device as considered appropriate and necessary by your Medical Practitioner.
Gainfully Employed	means the Life Insured is: • 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 the Life Insured has been on unpaid leave for up to 12 months, they will be considered to be Gainfully Employed. Once the Life Insured has been on unpaid leave for longer than 12 months, they will no longer be considered Gainfully Employed.
Illness	means sickness or disease which manifests itself after the Policy Commencement Date.

Income	means: - in the case of a Permanent Employee, the pre-tax remuneration paid by an employer, including salary, fees and fringe benefits. This will include any statutory superannuation contributions and any other superannuation contributions made by an employer including those that are part of a salary sacrifice arrangement between the employed person and the employer. Where commissions and bonuses form over 40% of the pre-tax remuneration, we will take them into account. Where the employed person is a professional person employed by a professional practice company, Income will include all commissions and bonuses paid, in addition to salary, fees, fringe benefits and superannuation contributions made by an employer. - 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 their personal exertion or activities, less their share of necessarily incurred business expenses. Income does not include other unearned income such as dividends, interest, rental income or proceeds from the sale of assets, or ongoing commission or royalties.
Injury	means a physical injury which occurs whilst the Policy is in force and which results solely and directly and independently of any other cause in disability. Injury directly resulting from medical or surgical treatment rendered necessary by the physical injury will not constitute an 'Injury'.
Insured	means a Life Insured.
Involuntarily Unemployed	means not being Gainfully Employed because the Life Insured has been made involuntarily redundant or has been involuntarily retrenched and the Life Insured is registered as unemployed with an approved employment agency within Australia and is actively seeking work. Involuntary Unemployment has the corresponding meaning: If the Life Insured is 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 the Life Insured's reasonable control and being wound up, or placed in the control of an insolvency administrator.
Life Insured	means a person named as a Life Insured in the Policy Schedule.

Loss of Use	means the total and irrecoverable loss by the Life Insured of the use of: • the hand from the wrist or the foot from the ankle joint; • the arm from the elbow or the leg from the knee joint; or • the thumb and index finger from the first phalange joint.
Medical Practitioner	means a legally qualified and registered doctor of medicine approved by us. It does not include you, your employer, an employee of your employer or any of your Relatives or business partners.
Mental Illness	means a mental health condition or disorder (including but not limited to depression, anxiety, stress or panic attacks), nervous disorder, chronic fatigue syndrome, fibromyalgia and pain syndromes.
Non-smoker	means a person not having smoked tobacco or any other substance for a continuous period of 12 months.
Offsets	are the following: • 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; and – annual leave, long service leave, Parental Leave; • 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 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. Where these amounts are paid or payable in a lump sum and cannot be allocated to specific months, then 1/60th of the lump sum will be taken into account each month for the duration of the Benefit Period. 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 • a lump sum total & permanent disablement or trauma benefit.

Paralysis	is the following: • Diplegia which means the total and permanent loss of function of both sides of the body. • Hemiplegia which means the total and permanent loss of function of one side of the body. • Paraplegia which means the total and permanent loss of function of the lower limbs. • Quadriplegia which means the total and permanent loss of function of the lower and upper limbs. Paralysis must arise solely and directly as a result of an Accident to the spinal cord or brain.
Parental Leave	means the Life Insured has taken leave from their employer (either paid or unpaid), or if Self-Employed, has stopped working in their own business, due to: • the birth of a child; or • the legal adoption of a child under the age of three. The Life Insured must have an agreed date of return to work established prior to commencing the leave.
Partner	means a spouse, de facto spouse or person living in a bona fide domestic living arrangement, irrespective of gender, where one or each of them provides the other with financial support, domestic support and personal care.
Permanent Employee	means the Life Insured: • is employed on a permanent basis with no agreed employment cease date; • receives regular remuneration from their employment; • is entitled to sick leave, annual leave and superannuation payments as part of their employment; and • does not own (in whole or in part) the business that employs them.
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 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 issue to 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	means the person named as the Policy Owner in the Policy Schedule. This is the primary Life Insured on the Policy.
Policy Reinstatement Date	means the date we agree to reinstate the Policy where requested by the Policy Owner. 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	means that except in the circumstances listed below, the greater of the Life Insured's average monthly Income: • for the six consecutive months preceding the Disablement Date; and • for the latest financial year preceding the Disablement Date. In the event the Life Insured becomes Totally Disabled during the period of Premium Pause then the Life Insured's Pre-Disability Income will be the average monthly Income for the six consecutive months preceding the commencement of the Premium Pause. If the Life Insured becomes Self-Employed in the 12 months prior to the Disablement Date, their Pre-Disability Income is the average monthly Income generated from the time since becoming Self-Employed to the Disablement Date.
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 gainful Self-Employment for salary, reward or profit in your business, profession or occupation (e.g. sole trader, contractor, employee of own company or in a business partnership/trust) other than as an employee.
Specific Injury	means an Injury listed in the table titled "Specific Injury" in this PDS.

Specific Injury Period	means the period for which we will pay a Specific Injury, as listed in the table titled “Specific Injury” in this PDS.
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 the Life Insured, solely and directly due to Injury or Illness and independent of any other cause, is: • 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 approved by us; and • not working (whether paid or unpaid). For Accident only plans, the Total Disability must be solely and directly as the result of an Accident.
Total Disability (Usual Duties)	means the Life Insured, solely and directly due to Injury or Illness and independent of any other cause, is: • unable to perform the Duties of their usual occupation; • under the regular care of and following the advice of a Medical Practitioner approved by us; and • not working (whether paid or unpaid). For Accident only plans, the Total Disability must be solely and directly as the result of an Accident.
Totally Disabled	means the Life Insured meets the definition of Total Disability applicable to them.
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.

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AIA Australia issues Income Protection Insurance and this PDS. 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. AIA Australia takes full responsibility for this PDS and can be contacted at PO Box 6111, Melbourne VIC 3004 or on **1800 333 613**. AIA Australia has adopted the 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.

RACQO is a distributor of Income Protection Insurance only and does not sell, issue or guarantee the product. AIAFS and other representatives of AIAFS are also involved in distributing this product. RACQO and RACQ gave their consent to the statements about them in this PDS. RACQO and RACQ were not otherwise involved in the preparation of this PDS and are not otherwise responsible for any part of it. RACQO and RACQ have not withdrawn their consent before the date of this PDS.

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, in addition to the other terms, conditions, exclusions and limitations of the policy.

You should consider factors like your objectives, financial situation and needs and read this PDS before deciding to acquire or continuing to hold Income Protection Insurance. Any financial advice in this PDS is general and does not take such factors into account so you should consider its appropriateness in the context of such factors.

This PDS is current at the date of issue. We will advise you of changes and significant events as required by law. Where permitted, we may update information that is not materially adverse by providing a notice of changes at racq.com or in print form upon request.

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.

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For further information on Income Protection Insurance with RACQ please contact **1800 722 777** or visit **racq.com/incomeprotection**

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