

Life 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?

Life Insurance, as described in this PDS, is issued by AIA Australia Limited ABN 79 004 837 861, AFSL 230043 trading as RACQ Life Insurance. Life 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 authorised representatives of AIAFS are also involved in distributing this product. Life 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.

Wherever you read the words 'we', 'us', 'our', 'the insurer' or 'AIA Australia', this refers to AIA Australia Limited. 'Life Insurance' refers to the life insurance product described in this PDS.

Our Privacy Statement

Details about how we collect and use your Personal Information and your rights are contained in our Privacy Policy. Pages 32–35 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 Life 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 Life Insurance with RACQ

By purchasing Life Insurance through RACQ you are protecting your family's financial future whilst also gaining 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
- Bonus cover which gives you an extra 1% per year on your nominated cover amount for up to ten years
- access to AIA Vitality, the health and wellbeing program that rewards you for living a healthy lifestyle. The range of benefits include 10% off your Life 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 Life Insurance Policy, you will receive a 5% discount. Plus, you get a 5% ongoing discount on your Life Insurance premium from RACQ whilst you hold both a Life 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/lifeinsurance

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 Life Insurance.
Please read this PDS and any Supplementary PDSs for full details.

What you're covered for p12 > 17

Main benefit

- Life cover

Included benefits

- Bonus cover
- Access to AIA Vitality

Additional cover options

- Total and Permanent Disability (TPD) cover
- Trauma cover
- Children's Trauma cover

What is Total and Permanent Disability (TPD) cover? p15

- TPD cover pays a lump sum benefit of up to \$750,000 to help support your family and lifestyle needs if you become Totally and Permanently Disabled
- There are two definitions of TPD – Total and Permanent Disability (Any Duties) and Total and Permanent Disability (Activities of Daily Living)
- The definition applicable to you will depend upon your working status at the time of application

What is Trauma cover? p16

- Trauma cover pays a lump sum benefit of up to \$250,000 to help protect your financial health if you suffer a Trauma Event
- Trauma Events are listed on page 16

What is Children's Trauma cover? p17

- Children's Trauma cover pays a lump sum benefit up to \$50,000 if your Insured Child suffers one of the Children's Trauma Events listed on page 17
- This important cover is designed to allow you to focus on your child and their recovery, rather than on paying medical bills or day to day living expenses

What you're not covered for p18 > 19

Exclusions

- There are exclusions which apply to your Policy
- These can apply to both your main benefit as well the additional cover options as outlined in the table on pages 18–19

Making a claim p26 > 27

- 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 Policy Owner, however, this can vary depending on the circumstances pertaining to the claim

Other Policy terms and conditions p28 > 29

- Benefit limitations may apply to the total amount we pay as outlined on page 28
- 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 29

How this PDS works

This PDS describes the main features of Life 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 Life 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 40–47. 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 27 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 45 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 Life 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 15 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 Life Insurance you can apply for one, or a combination of, covers to best suit your needs, lifestyle and budget. This table summarises the features and benefits of Life Insurance.

	MAIN BENEFIT	ADDITIONAL COVER OPTIONS		
Product feature	Life cover	Total and Permanent Disability (TPD) cover	Trauma cover	Children's Trauma cover
Eligibility	If you die, we will pay your full Life benefit.	If we determine you are Totally and Permanently Disabled, we will pay your full TPD benefit‡.	If you suffer a listed Trauma Event, we will pay your full Trauma benefit‡.	If your Insured Child suffers a listed Children's Trauma Event, we will pay the full Children's Trauma benefit.
Age at entry	18 to 65	18 to 59	18 to 59	2 to 15
Expiry age of cover^	75	65	65	18
Minimum Sum Insured*	\$100,000	\$100,000	\$25,000	\$15,000
Maximum Sum Insured at Policy Commence-ment Date		Cannot exceed the Life cover amount.	Cannot exceed 50% of the Life cover amount.	
Age 2 to 15	N/A	N/A	N/A	\$50,000 per child
Age 18 to 45	\$1,000,000	\$750,000	\$250,000	N/A
Age 46 to 54	\$750,000	\$500,000	\$250,000	N/A
Age 55 to 59	\$500,000	\$300,000	\$250,000	N/A
Age 60 to 65	\$500,000	N/A	N/A	N/A

	MAIN BENEFIT	ADDITIONAL COVER OPTIONS		
Product feature	Life cover	Total and Permanent Disability (TPD) cover	Trauma cover	Children's Trauma cover
Built in benefits	Terminal Illness benefit If you are diagnosed with a Terminal Illness, we will pay your full Life benefit. Final Expenses benefit If you die, we will pay a \$15,000 advance of your Life benefit towards your final expenses e.g. funeral costs. Bonus cover On each Policy Anniversary Date, we will provide an extra 1% on your level of cover at no cost, up to a maximum extra 10%.	Bonus cover On each Policy Anniversary Date, we will provide an extra 1% on your level of cover at no cost, up to a maximum extra 10%.	Bonus cover On each Policy Anniversary Date, we will provide an extra 1% on your level of cover at no cost, up to a maximum extra 10%.	Final Expenses benefit If your Insured Child dies, we will pay \$15,000 to assist with any final expenses.

^ Benefit ceases at next anniversary immediately after ages shown in the table above

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

† We will reduce your Life and Trauma Sums Insured by any amount we pay for TPD.

‡ We will reduce your Life and TPD Sums Insured by any amount we pay for Trauma.

Expiry age



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

Your Life Insurance

Life cover

Life cover pays a lump sum benefit of up to \$1,000,000 in the event of your death or diagnosis with a Terminal Illness. The benefit can be used to help your loved ones pay off debts, such as your mortgage, or to provide for future financial needs such as child care, school fees and day to day living expenses.

Additionally, in the event of your death, your beneficiaries can request an advance payment of \$15,000 to cover immediate costs such as funeral costs.

The minimum amount of Life cover you can apply for is \$100,000. The maximum amount of cover you can apply for is \$1,000,000, depending on your age.

When you take out Life cover, you also have the option to apply for Trauma cover, Total and Permanent Disability cover and/or Children's Trauma cover. For more information please see the "Additional cover options" section of this PDS on pages 15–17.

Included benefits

Bonus cover

Bonus cover provides you with extra cover on your Life cover, TPD cover and Trauma cover, at no cost to you.

On your first Policy Anniversary Date, we will provide you with free Bonus cover equal to 1% on your Sum Insured. On each Policy Anniversary Date after that, we will increase the percentage by a further 1% until it reaches 10%.

If your Sum Insured changes at any time, the amount of your free Bonus cover will be changed at the same time.

For example, if you have a Sum Insured of \$300,000 of Life cover and \$200,000 of TPD cover, after 2 years your free Bonus cover on your Life cover would be \$6,000 (2% of \$300,000) and your free Bonus cover on your TPD cover would be \$4,000 (2% of \$200,000).

If at that time you requested, and we agreed, to increase your Life cover to \$500,000, the free Bonus cover on your Life cover would be increased at the same time to \$10,000 (2% of the new Life cover Sum Insured of \$500,000), while the free Bonus cover on your TPD cover would stay at \$4,000.

Similarly, if your Sum Insured on a benefit is decreased, the level of the free Bonus cover for that benefit will also be decreased at the same time.

Bonus cover does not apply to any Children's Trauma cover.

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

Life 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. 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)**

Additional cover options

Total and Permanent Disability (TPD) cover

TPD cover pays a lump sum benefit of up to \$750,000 to help support your family and lifestyle needs if you become Totally and Permanently Disabled. The minimum amount of TPD cover you can apply for is \$100,000 and the maximum amount of cover you can apply for is \$750,000, depending on your age. Your TPD cover cannot exceed your Life cover Sum Insured.

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

Total and Permanent Disability (Any Duties)

If at the time of application you are:

- Employed or Self-Employed;
- working 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;

you will be covered under the Total and Permanent Disability (Any Duties) definition.

Total and Permanent Disability (Activities of Daily Living)

If at the time of application you do not qualify for the Total and Permanent Disability (Any Duties) definition above, you will be covered under the Total and Permanent Disability (Activities of Daily Living) definition.

Please refer to the definitions of Total and Permanent Disability on page 47 for more details.

Trauma cover

Trauma cover helps to protect your financial health by providing a lump sum benefit. Your benefit can be used for any purpose, such as taking time off work whilst you recover or making lifestyle changes during this difficult time, or assisting with living expenses or out of pocket medical expenses.

The maximum amount of Trauma cover you can apply for is 50% of your Life cover Sum Insured, up to a maximum of \$250,000.

A Trauma benefit is payable if you suffer one of the Trauma Events listed below.

Trauma Events

- Cancer
- Chronic Kidney Failure
- Coma
- Coronary Artery Bypass Surgery
- Heart Attack
- Loss of Hearing
- Loss of Speech
- Multiple Sclerosis
- Paralysis
- Pneumonectomy
- Severe Burns
- Stroke

Please refer to the Definitions section on pages 40–47 for full definitions of the covered Trauma Events.

The time at which a Trauma Event will be deemed to have occurred is:

- in the case of a Trauma Event which requires a diagnosis – at the date of diagnosis;
- in the case of a Trauma Event which involves a medical procedure – at the date that the event which the procedure is intended to address was first diagnosed (provided the procedure is subsequently undertaken); or
- in the case of any other Trauma Event – at the date of the relevant Trauma Event.

Children's Trauma cover

Children's Trauma cover pays a lump sum benefit up to \$50,000 if your Insured Child suffers one of the Children's Trauma Events listed below. This important cover is designed to allow you to focus on your child and their recovery, rather than on paying medical bills or day to day living expenses.

Children's Trauma Events

- Bacterial Meningitis
- Blindness
- Cancer
- Encephalitis
- Major Head Trauma
- Paralysis
- Severe Burns

Please refer to the Definitions section on pages 40–47 for full definitions of these conditions.

Children's Trauma cover also has a built in Final Expenses benefit which pays you \$15,000 if your Insured Child dies, to assist you with any immediate final expenses such as funeral costs.

A benefit for a Children's Trauma Event will only be paid if your Insured Child survives more than 14 days from the event date. If your Insured Child dies within 14 days of a Children's Trauma Event, or from a cause that is not a Children's Trauma Event, only the Final Expenses benefit will be paid. You can only be paid a Children's Trauma benefit once for each Insured Child.

The time at which a Children's Trauma Event will be deemed to have occurred is:

- in the case of a Children's Trauma Event which requires a diagnosis – at the date of diagnosis;
- in the case of a Children's Trauma Event which involves a medical procedure – at the date that the event which the procedure is intended to address was first diagnosed (provided the procedure is subsequently undertaken); or
- in the case of any other Children's Trauma Event – at the date of the relevant Children's Trauma Event.

2. What you're not covered for

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

	MAIN BENEFIT	ADDITIONAL COVER OPTIONS		
Exclusions	Life cover	TPD cover	Trauma cover	Children's Trauma cover
Suicide or a deliberately self-inflicted Injury or Sickness in the first 13 months (or at any time for an Insured Child) from the Policy Commencement Date, Policy Reinstatement Date or, where there is a requested increase in the Sum Insured, from the date of that increase on the increase amount.	x	N/A	N/A	x
Disability caused or accelerated by, or a Trauma Event or Children's Trauma Event suffered as a result of, any deliberately self-inflicted Injury or Sickness, including attempted suicide.	N/A	x	x	x
Engaging in any criminal activity or any unlawful act or whilst imprisoned, resulting from that imprisonment.	x	x	x	x
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).	x	x	x	x
War (whether declared or not), any acts of terrorism, riots or civil commotion.	x	x	x	x
The direct or indirect effects of alcohol or drug misuse or any illicit drug use.	x	x	x	x
Participating in any motorised sport in any capacity.	x	x	x	x
A Trauma Event or Children's Trauma Event suffered within the first 90 days from the Policy Commencement Date or Policy Reinstatement Date or, where there is a requested increase in the Sum Insured, from the date of that increase on the increase amount.	N/A	N/A	x	x

	MAIN BENEFIT	ADDITIONAL COVER OPTIONS		
Exclusions	Life cover	TPD cover	Trauma cover	Children's Trauma cover
A Children's Trauma Event due to a congenital condition.	N/A	N/A	N/A	✗
A Children's Trauma Event arising from a condition which first occurs, or where symptoms leading to the condition first occur or are diagnosed or first became apparent before the Policy Commencement Date, Policy Reinstatement Date or, where there is a requested increase in the Sum Insured, from the date of that increase on the increase amount.	N/A	N/A	N/A	✗
A Children's Trauma Event intentionally caused by the Insured Child's parent, guardian or Relative or someone who lives with or supervises the Insured Child.	N/A	N/A	N/A	✗
If the death, Injury or Sickness 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.	✗	✗	✗	✗

"✗" 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. The adults that can be insured are 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 65 for Life cover;
- aged 18 to 59 for TPD and Trauma cover; and
- permanently residing in Australia and be:
 - an Australian citizen, or
 - an Australian permanent resident, or
 - a New Zealand citizen.

For Children's Trauma cover you can also have up to ten children (Insured Children).

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;
- payment of your Life cover benefit;
- when a benefit is paid for TPD which reduces the Life Sum Insured to nil;
- for TPD cover, when a benefit is paid for TPD or where payment of a benefit for a Trauma Event reduces the TPD Sum Insured to nil;
- for Trauma cover, when a benefit is paid for a Trauma Event or where payment of a benefit for TPD reduces the Trauma Sum Insured to nil;
- for the secondary Life Insured, the Policy Owner ceasing Life 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:
 - 75th birthday for Life cover; and
 - 65th birthday for TPD and Trauma cover;
- 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.

For Children's Trauma cover each Insured Child's cover will cease on the earliest of:

- the Insured Child's death;
- payment of the Insured Child's Children's Trauma benefit;
- the Policy Owner ceasing Life 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 the Insured Child's 18th birthday;
- the Insured Child ceasing to permanently reside in Australia;
- the cancellation of the Insured Child's cover at the Policy Owner's request; and
- the cancellation of the Insured Child's 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

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 75th 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.

Benefit indexation is not applicable on Children's Trauma cover.

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 the maximum amount available based on your age.

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

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" on page 23), 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 Life 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 health history, your age, gender and smoking status, the number of Insured Children covered by the Policy and any discounts that apply. If you chose the optional TPD cover, your premium will also depend on your employment situation, occupation type, hours worked and work location. 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.

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.

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.

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 Life Insurance premiums would not generally be tax deductible and benefits paid under the Policy would not 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.

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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). If you have selected the Children's Trauma cover option, the same applies for each Insured Child.

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.

Who receives the benefit

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

- On the death of the primary Life Insured, the Life and Final Expenses benefits will be paid in the following order:
 - any beneficiaries nominated by the Policy Owner;
 - the secondary Life Insured (if there is one);
 - the Policy Owner's estate.
- On the death of the secondary Life Insured, the Life and Final Expenses benefits will be paid to the Policy Owner.
- The Terminal Illness, TPD and Trauma benefits will be paid to the applicable Life Insured.
- The Children's Trauma 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 Life Insurance Policy, we may limit the total Sum Insured under all policies to the maximum Sum Insured available for your age, as set out in the section “What you’re covered for” on pages 12–13; 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 \$2 million.

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 Life 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](https://www.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 Life 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 Life 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' below) or as described in the 'Changing your Personal Information' section of this PDS on page 28 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

Activities of Daily Living

are the following:

- *Bathing and/or showering* 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.
- *Dressing and undressing* 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.
- *Eating and drinking* 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.
- *Using a toilet to maintain personal hygiene* 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.
- *Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with the assistance of a walking aid* which means the ability of 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.

Bacterial Meningitis

means the unequivocal diagnosis by a consultant neurologist of bacterial meningitis where the condition is characterised by severe inflammation of the meninges of the brain that results in permanent neurological impairment and has required hospitalisation of at least five consecutive days.

Blindness	means that as a result of disease or 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.
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Cancer	means the presence of one or more malignant tumours including leukaemia, lymphomas and Hodgkin's disease characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.
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The following cancers are not covered:

- melanomas of less than 1mm maximum Breslow thickness and which are also less than Clark Level 3 depth of invasion as determined by histological examination;
- all hyperkeratoses;
- all basal cell carcinomas and squamous cell carcinomas of the skin, unless having progressed to at least AJCC Stage III
- all cancers which are histologically classified as having low malignant potential;
- low level prostatic cancers:
 - which are histologically described as TNM Classification T1a or T1b or lesser classification;
 - which are characterised by a Gleason score less than 7; and
 - for which appropriate and necessary 'major interventionist treatment' has not been performed specifically to arrest the spread of malignancy.

'Major interventionist treatment' includes removal of the entire prostate, radiotherapy, chemotherapy, hormone therapy or any other similar interventionist treatment.

- chronic lymphocytic leukaemia less than Rai Stage 1; and
- tumours showing the malignant changes of carcinoma in situ* (including cervical dysplasia CIN-1, CIN-2, and CIN-3), or which are histologically described as pre malignant, or which are classified as FIGO Stage 0, or which have a TNM classification of Tis. 'FIGO' refers to the staging method of the International Federation of Gynaecology and Obstetrics.

* Carcinoma in situ of the breast is covered if it results directly in the removal of the entire breast or requires surgery and adjuvant therapy specifically to arrest the spread of malignancy and this procedure is considered the appropriate and necessary treatment as confirmed by an appropriate Medical Specialist acceptable to us.

Children's Trauma Event	means an event listed in the table titled "Children's Trauma Events" in the "Children's Trauma cover" section of this PDS on page 17.
Chronic Kidney Failure	means end stage renal failure which presents as chronic irreversible failure of both kidneys to function as a result of which regular renal dialysis is initiated or renal transplant is performed.
Coma	means a definite diagnosis of a state of unconsciousness with failure to respond normally to external stimuli or internal needs and requiring life support for a continuous period of at least 96 hours, for which period the Glasgow Coma score must be 7 or less. Excluded from this definition is Coma resulting from alcohol or drug abuse. The diagnosis of Coma must be made by an appropriate Medical Specialist.
Coronary Artery By-pass Surgery	means the undergoing of coronary artery by-pass surgery that is considered necessary to treat coronary artery disease causing inadequate myocardial blood supply. Surgery does not include angioplasty, intra-arterial procedures or non-surgical techniques.
Employment/ Employed	means gainful employment for salary, reward or profit in any business, profession or occupation.
Encephalitis	means the unequivocal diagnosis of encephalitis by a consultant neurologist where the condition is characterised by severe inflammation of the brain tissue resulting in permanent neurological impairment and has required hospitalisation of at least seven consecutive days.
Expiry Date	means in relation to a benefit, the date that cover for that benefit ceases, as set out in your Policy Schedule.

Heart Attack (Myocardial Infarction)	means the death of heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis must be confirmed by a cardiologist and evidenced by typical rise and/or fall of cardiac biomarker blood test (Troponin T, Troponin I or CK-MB) with at least one level above the 99th percentile of the upper reference limit PLUS: - Acute cardiac symptoms consistent with Myocardial Infarction (e.g. chest pain) - OR - New serial ECG changes with the development of any of the following: ST elevation or depression, T wave inversion pathological Q waves or left bundle branch block (LBBB) - OR - Imaging evidence of new loss of viable myocardium or new regional wall motion abnormality. If the above tests are inconclusive we will consider other appropriate and medically recognised tests. Other acute coronary syndromes including but not limited to angina pectoris are excluded.
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 or an Insured Child.
Insured Child/ren	means the dependent biological, legally adopted or step child/children of the Policy Owner or of the Policy Owner's Partner, whom you have nominated and we have listed for cover on the Policy Schedule.
Life Insured	means a person named as a Life Insured in the Policy Schedule, but does not include an Insured Child.
Loss of Hearing	means a definite diagnosis, by an appropriate Medical Specialist, of: - the total and irreversible Loss of Hearing in both ears, even with amplification; or - Loss of Hearing that has an auditory threshold of 90 decibels or greater, even with amplification, within the speech threshold of 500 hertz, 1000 hertz, 2000 hertz and 3,000 hertz in the better ear in 2 measurements at least 6 months apart.

Loss of Speech	means the complete and irrecoverable loss of the ability to speak which must be established and the diagnosis reaffirmed after a continuous period of 90 days of such loss by an appropriate Medical Specialist.
Major Head Trauma	means an accidental head injury resulting in permanent neurological deficit, resulting in the Insured either: • being totally and permanently unable to perform any one of the Activities of Daily Living; or • suffering at least a 25% impairment of whole person function as defined in Guides to the Evaluation of Permanent Impairment (Guides) 5th edition, American Medical Association. Diagnosis must be confirmed by a consultant neurologist.
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.
Medical Specialist	means a legally qualified and registered doctor of medicine approved by us, who has completed advanced education and clinical training in a specific area of medicine (their specialty area). It does not include you, your employer, an employee of your employer or any of your Relatives or business partners.
Multiple Sclerosis	means the unequivocal diagnosis of multiple sclerosis made by a consultant neurologist on the basis of confirmatory neurological investigation. There must be more than one episode of confirmed neurological deficit.
Non-smoker	means a person not having smoked tobacco or any other substance for a continuous period of 12 months.
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.
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.

Personal Information	means 'personal information' and 'sensitive information' as those terms are defined in the Privacy Act 1988 (Cth).
Pneumonectomy	means undergoing a surgical procedure in which an entire lung is removed due to underlying lung disease or disorder.
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 your 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.
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/ 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.

Severe Burns	means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to: • 20% or more of the body surface area as measured by the Lund and Browder Body Surface Chart; • the whole of both hands, requiring surgical debridement and/or grafting; • the whole of both feet, requiring surgical debridement and/or grafting; • the whole of the skin of the genitalia, requiring surgical debridement and/or grafting; or • the whole of the face, requiring surgical debridement and/or grafting.
Sickness	means illness or disease which manifests itself after the Policy Commencement Date.
Stroke	means an acute neurological event caused by a cerebral or subarachnoid haemorrhage, cerebral embolism or cerebral thrombosis, where the following conditions are met: • there is an acute onset of objective and ongoing neurological signs that last more than 24 hours; and • findings on magnetic resonance imaging, computerised tomography, or other reliable imaging techniques, demonstrate a lesion consistent with the acute haemorrhage, embolism or thrombosis. Excluded: • Brain damage due to an accident, infection or hypoxia; • Transient Ischaemic Attack; • Non-vasculitic inflammatory disease; • Vascular disease affecting the eye, optic nerve or vestibular functions only.
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. The Sum Insured for a benefit does not include any Bonus cover for that benefit.
Terminal Illness	means the diagnosis of the Life Insured with an illness which in the opinion of an appropriate Medical Specialist approved by us, is likely to result in the death of the Life Insured within 12 months of the diagnosis regardless of any treatment that may be undertaken.

Total and Permanent Disability (Activities of Daily Living)	means the Life Insured is not working (whether paid or unpaid), under the regular care of and following the advice of a Medical Practitioner, and is totally and permanently unable to perform at least two of the Activities of Daily Living.
Total and Permanent Disability (Any Duties)	means the Life Insured; • has been absent from employment solely as a result of Injury or Sickness for an uninterrupted period of at least six consecutive months, is attending a Medical Practitioner and has undergone all reasonable and usual treatment including rehabilitation for the Injury or Sickness, and after consideration of all the medical evidence and such other evidence as we may require, has become in our opinion incapacitated to such an extent as to render the Life Insured unlikely ever to engage in any business, profession or occupation for which the Life Insured is reasonably suited by education, training or experience; or • is not working (whether paid or unpaid), under the regular care of and following the advice of a Medical Practitioner, and is totally and permanently unable to perform at least two of the Activities of Daily Living.
Totally and Permanently Disabled	means the Life Insured meets the definition of Total and Permanent Disability applicable to them.
Trauma Event	means an event listed in the table titled "Trauma Events" in the "Trauma cover" section of this PDS on page 16.

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AIA Australia issues Life 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.

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You should consider factors like your objectives, financial situation and needs and read this PDS before deciding to acquire or continuing to hold Life 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.

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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 Life Insurance with RACQ please contact **1800 722 777** or visit **racq.com/lifeinsurance**

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