

# Mortgage Protector. Survivor's income cover.

## Your cover in detail.

### 1. Introduction

This Survivor's income cover provides **you** with monthly payments for the **term** you have selected if the **insured person** dies or is diagnosed with a **terminal illness**.

The **policy schedule** will show which **insured person** this Survivor's income cover applies to and any Additional options that may apply.

### 2. Built-in benefits

#### 2.1 Death Benefit.

**We will pay you the monthly benefit** for the **term** if the **insured person** dies. Any Survivor's income – trauma cover – accelerated, or Survivor's income – total and permanent disability cover – accelerated paid will reduce the Survivor's income **monthly benefit**.

**We will pay you the monthly benefit** in arrears. The **monthly benefit** payments for an **insured person** will stop at the end of the **term**.

#### 2.2 Terminal illness benefit.

If the **insured person** is diagnosed with a **terminal illness**, **you** may apply for an advance payment of the death benefit.

**We will pay you the monthly benefit** in arrears. The **monthly benefit** payments for an **insured person** will stop at the end of the **term**.

### 2.3 Grief counselling benefit.

If **we** pay a benefit to a **policy owner** under this cover, **we** will reimburse **you**, up to a maximum of \$2,500 towards the actual cost of grief counselling, for the **insured person**, **their** spouse, de facto partner or Civil Union partner or **child**, from an accredited counsellor, psychologist or psychiatrist approved by **us**.

The following conditions apply:

- The consultation and/or counselling must be invoiced within 12 months following the payment of the benefit by **us**.
- **We** must be provided with a receipt for the consultation and/or counselling being claimed.

This benefit is payable for one event only, once per **insured person** regardless of the number of policies and covers that may provide similar benefits for **them**. This is in addition to any other benefit paid under this cover.

Where there is more than one **policy owner** the Grief counselling benefit will be divided equally between those **policy owners** who each receive a benefit.

### 2.4 Special events.

**You** can increase an **insured person's monthly benefit** once in any 12-month period before **their** 55<sup>th</sup> birthday without proving additional health information if one of the circumstances shown below occurs.

- a. **You** can increase **their monthly benefit** by up to the lesser of \$1,000 or 10% of **their monthly benefit** at the **start date** of the cover if any of the following events apply to **them**:
  - marriage, civil union, divorce or being subject to a separation agreement or order, or
  - either pregnancy at 28 weeks gestation or birth of a **child**, or
  - adoption of a **child**, or
  - dependent **child** starting secondary school, or
  - financially supporting a dependent **child** through a first course of full-time tertiary education, or
  - reaching ages 25, 30, 35, 40 or 45, or
  - either death or **terminal illness** (diagnosed by an appropriately qualified **medical practitioner**, confirming a prognosis of less than 12 months to live) of a spouse, de facto partner, **child** or civil union partner, or
  - **they** permanently stop work to provide full time physical care for the first time for a dependant **relative**.
- b. If **they** increase a mortgage on **their** own home or take out a mortgage for **their** own home, investment property, vacation home, or residential block of land, **you** can increase **their monthly benefit** by up to the lesser of:

- 10% of the **monthly benefit** at the **start date**, or
  - the increase in the value of the existing mortgage or the amount of a new mortgage, divided by 12 and divided by the **term**, or
  - \$1,000.
- c. If **they** co-sign on a new mortgage for a **child**, **you** can increase **their monthly benefit** by up to the lesser of:
- 10% of the **monthly benefit** at the **start date**, or
  - the amount of the mortgage of the **child**, divided by 12 and divided by the term, or
  - \$1,000.
- d. If **they** have a **salary** increase of at least \$5,000 or a **salary** increase of at least 10% of **their salary**, **you** can increase **their monthly benefit** by up to 10%.

**Conditions.**

- a. **You** must exercise a Special events increase in writing with supporting evidence within the later of either:
- six months following the event, or
  - 30 days of the following **policy anniversary**.
- b. An increase under Special events isn't available for:
- both the pregnancy and birth of the same **child**.
  - both the **terminal illness** (diagnosed by an appropriately qualified **medical practitioner**, confirming a prognosis of less than 12 months to live) and death of the same person.
- c. An increase under Special events isn't available if:
- The **insured person** has either had a claim paid or is entitled to be paid a claim under any policy with **us** or any other insurance company.
  - The premiums aren't up to date or are being waived for any reason.
  - The cover resulted from a Special events increase.
- d. Any special terms and loadings that applied to the **monthly benefit** at the **start date** will also apply to the increase on that cover.
- e. The maximum increase for an **insured person** for all events is the lesser of:
- \$3,000, or
  - the **monthly benefit** at the **start date**.

- f. **Your** premiums will increase in line with the increased **monthly benefit**. **We** will calculate the premium for the increase using the **insured person's** age at the date **you** exercise the Special events increase. The increased **monthly benefit** applies from the date **we** confirm the new **monthly benefit** to **you**, subject to payment of the additional premium.

## 2.5 Premium holiday option.

**You** can apply to **us** in writing once to ask **us** to suspend this Survivor's income cover and the premiums for an **insured person** for up to 12 consecutive months. The Premium holiday option is only available for the following reasons: redundancy, bankruptcy, tertiary studies or overseas travel.

**You** must advise **us** how long **you** want the cover and the premiums suspended. In applying for the Premium holiday option **you** acknowledge that reinstating this Survivor's income cover within the 12-month period is **your** sole responsibility. **You** can exercise this Premium holiday option during the days of grace by writing to **us** advising the reason why premium payments have stopped.

### Conditions.

- a. **We** will acknowledge the request, suspend this cover confirming that the Premium holiday option has been activated if a valid reason is given. **We** may require evidence of the reason for the suspension.
- b. The maximum **monthly benefit** under this premium holiday option is \$1,500.
- c. **You** can reinstate this Survivor's income cover without providing the **insured person's** health information.
- d. From the date **you** reinstate this Survivor's income cover, premiums are payable on the same terms that applied before the premium holiday. **We** will base the premium on the **insured person's** then current age and the premium rates that apply at that time.

## 3. Additional options

### 3.1 CPI option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

How **we** apply the CPI option is set out in section 7 of the Policy terms and conditions.

The last increase under this CPI option for an **insured person** will be applied on the **policy anniversary** before **their** 65th birthday.

If **we** are paying **you** a **monthly benefit** under this cover or any Survivor's income – trauma cover – accelerated, or Survivor's income – total and permanent disability cover – accelerated, **your** claim payments won't be increased by CPI unless the Claims escalation option is included in this cover.

### 3.2 Claims escalation option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to and the claims escalation rate which applies to **their** cover.

Once **we** have paid **you** the **monthly benefit** for more than three months, **we** will increase the **monthly benefit** on each quarter of the date payment started. The amount of the increase will be the quarterly equivalent of the annual claims escalation rate shown in the **policy schedule**.

## 4. Claims.

### 4.1 Notice.

**You** or the **insured person** must notify **us** in writing immediately or as soon as practically possible if **you** or **they** become aware of any claim or potential claim under this Survivor's income cover.

**We** will advise **you** of the requirements **we** need to assess **your** claim.

### 4.2 Obligations.

**You** must:

- Complete **our** claim form in full and send it to **us** as soon as reasonably possible.
- Supply **us** with all relevant medical evidence **we** reasonably require in connection with the claim.
- Authorise the disclosure to **us** of the **insured person's** or **your** personal information in connection with the claim held by any other party.
- Authorise the disclosure of the **insured person's** or **your** personal information held by **us** to another party to evaluate the claim.
- Provide **us** with any other relevant information **we** reasonably require.

For **terminal illness** the **insured person** must:

- Provide a signed report from an appropriate **specialist medical practitioner** confirming the diagnosis, prognosis and supporting medical evidence of the **terminal illness**.
- Undergo one or more medical examinations if **we** reasonably request **them** at **our** expense. This may include blood tests and medical testing.

**You** must pay any expenses incurred in proving **your** claim.

## 5. Exclusion.

**We** will cancel the cover, or the increased portion of cover, and retain any premiums paid if an **insured person**, whether sane or insane, dies by **their** own hand within 13 months of:

- the **start date** or the date of reinstatement, or
- the date of any increases in the **monthly benefit**, excluding increases due to the CPI option.

This exclusion won't apply if the **insured person** had similar life cover with another insurance company and this cover replaced that cover up to the **monthly benefit** under the replaced cover provided:

- the previous cover had been in force for at least 13 months before the **start date**, and

- you provide us proof of the existence and cancellation of that previous policy at the time of claim.

## 6. When this cover ends.

This Survivor's income cover ends for an **insured person** on the earliest of the date:

- you cancel **their** Survivor's income cover, or
- when **we** have paid the full **monthly benefit** for the full **term**, or
- this Policy ends for any reason, or
- they** die.

## 7. Nominated Beneficiary or Transfer of Payment Rights.

**You** can nominate a beneficiary/ies (section 9.3 of the Policy terms and conditions) or a transferee/s (section 9.2 of the Policy terms and conditions) before the death of the **insured person**. The **nominated beneficiary/ies** or transferee/s cannot be changed or revoked once **we** start paying a benefit.

If **you** are the only **policy owner** and also the **insured person** and there is no **nominated beneficiary/ies** or transferee/s, **we** will not pay the **monthly benefit** if **you** die. **We** will instead calculate a lump sum based on the **present-day value** of the **monthly benefit** payments for the **term**. That lump sum will be paid to **your** estate or personal representative.

If while **we** are paying the **monthly benefit** to a person, that person dies, the **monthly benefit** payment to that person will end. **We** will instead calculate a lump sum payment based on the **present-day value** of the **monthly benefit** payments for the balance of the **term**. The lump sum will be paid to that person's estate or legal representative.

## 8. General definitions.

The definitions shown below apply to all derivatives of the words defined.

### Present-day value

The current value of the sum of the **monthly benefit** payments remaining during the **term** when each payment is discounted by a rate that is a function of the annual interest rate as reasonably determined by **us**. Because the buying power of a dollar decreases over time the amount of the **present-day value** will always be less than the sum of the remaining **monthly benefit** payments.

### Term

The maximum period shown on the **policy schedule** for an **insured person** that **we** pay **you** the **monthly benefit**

### Terminal illness

An illness where, after considering the current or future treatment the **insured person** would be reasonably expected to receive, **they** are likely to die within 12 months. The **specialist medical practitioner** treating **their** condition must certify the diagnosis and prognosis of the **terminal illness**. Another **specialist medical practitioner** nominated by **us** must confirm the diagnosis and prognosis.