

TOWER PROTECTION POLICY

Exciting news about your multi-award winning TOWER Protection Policy!

NOVEMBER 2009 UPGRADE BOOKLET

09



THE CHOICE IS YOURS

As part of TOWER's commitment to offer our loyal customers the best insurance protection, we have made a number of improvements to your TOWER Protection Policy which are available to you at no extra cost.

What does this booklet contain?

We have included in the following pages full details of your improved policy terms and conditions.

The TOWER Protection Policy is made up of four types of insurance plans - Life Protection Plan, Crisis Protection Plan, Income Protection Plan (including Income Protection Plus) and Business Expense Plan.

To determine which changes relate to your policy, please refer to your Policy Schedule and the Product Disclosure Statement you received when you bought your insurance. These will provide you with details of the benefits selected by you to form part of your customised policy.

This booklet now forms part of your legally binding insurance contract. It should be kept in a safe place together with your existing policy documents. Any terms and conditions not mentioned in this booklet will remain unchanged.

When do the changes take effect?

All improvements to your plan came into effect on 2 November 2009.

Please note these improvements apply to claims for events which occur on or after 2 November 2009. They do not apply to current claims or claims for events which occurred before this date.

What do I need to do?

Nothing! These improvements relating to your plan are now included as part of the standard terms and conditions of your policy.

You can be confident knowing that should you need to make a claim, our claims team will have details of all the policy conditions relevant to your cover.

While we believe that these enhancements to your policy offer you real benefits, you should also be aware that you have choice at time of claim. You can choose to have your claim assessed according to the enhanced terms and conditions or, under the original wording should you feel it is of greater benefit. The choice is yours.

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

1.1 INFLATION PROTECTION BENEFIT

The annual automatic increase to your cover has increased from a minimum of 3% to 5% to ensure your benefits are protected against inflation.

New	Previously
<p>At each Policy anniversary, We will increase the Benefit Amount by the greater of the Indexation Factor and five per cent.</p> <p>This increase will occur on each Policy anniversary unless:</p> <ul style="list-style-type: none">• You tell Us that the Inflation Protection Benefit is not to apply to Your Policy; or• premiums are being waived under the Premium Relief Option. <p>In the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the Life Insured's age and premium type (i.e. stepped or level premium). We will not take into account any changes in the Life Insured's health, occupation, pastimes or income.</p> <p>There is no limit to the maximum to which the Benefit Amount can be increased under the Inflation Protection Benefit.</p>	<p>At each Policy anniversary, We will increase the Benefit Amount by the greater of the Indexation Factor and three per cent.</p> <p>This increase will occur on each Policy anniversary unless:</p> <ul style="list-style-type: none">• You tell Us that the Inflation Protection Benefit is not to apply to Your Policy; or• premiums are being waived under the Premium Relief Option. <p>In the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the Life Insured's age and premium type (i.e. stepped or level premium). We will not take into account any changes in the Life Insured's health, occupation, pastimes or income.</p> <p>The maximum amount that the Benefit Amount can be increased to under the Inflation Protection Benefit is unlimited for the Life Protection Plan.</p>

POLICY TERMS & CONDITIONS

2. Crisis Protection Plan and Stand Alone Crisis Protection Plan

2.1 INFLATION PROTECTION BENEFIT

The annual automatic increase to your cover has increased from a minimum of 3% to 5% to ensure your benefits are protected against inflation.

New	Previously
<p>At each Policy anniversary, We will increase the Benefit Amount by the greater of the Indexation Factor and five per cent.</p> <p>This increase will occur on each Policy anniversary unless:</p> <ul style="list-style-type: none"> • You tell Us that the Inflation Protection Benefit is not to apply to Your Policy; or • premiums are being waived under the Premium Relief Option. <p>In the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the Life Insured's age and premium type (i.e. stepped or level premium). We will not take into account any changes in the Life Insured's health, occupation, pastimes or income.</p> <p>There is no limit to the maximum to which the Benefit Amount can be increased under the Inflation Protection Benefit.</p>	<p>At each Policy anniversary, We will increase the Benefit Amount by the greater of the Indexation Factor and three per cent.</p> <p>This increase will occur on each Policy anniversary unless:</p> <ul style="list-style-type: none"> • You tell Us that the Inflation Protection Benefit is not to apply to Your Policy; or • premiums are being waived under the Premium Relief Option. <p>In the event of an increase, a new premium will be calculated to incorporate the increased Benefit Amount. This calculation will also take into account the Life Insured's age and premium type (i.e. stepped or level premium). We will not take into account any changes in the Life Insured's health, occupation, pastimes or income.</p> <p>The maximum amount that the Benefit Amount can be increased to under the Inflation Protection Benefit is unlimited for the Crisis Protection Plan.</p>

2.2 HEART ATTACK DEFINITION

This now allows for other medical tests to be used if current tests or criteria are inconclusive. This allows for future advances in diagnostic tests, providing you with greater flexibility at time of claim.

New	Previously
<p>Heart Attack (myocardial infarction) means the death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The basis of diagnosis will be:</p> <ul style="list-style-type: none"> • confirmatory new electrocardiogram (ECG) changes; and • a diagnostic rise and fall (other than as a result of cardiac or coronary intervention) in either Troponin I in excess of 2.0ug/L or Troponin T in excess of 0.6ug/L or cardiac enzyme CK-MB. <p>If the above criteria are not met, We will pay a claim based on satisfactory evidence that the Life Insured has unequivocally been diagnosed as having suffered a myocardial infarction resulting in:</p> <ul style="list-style-type: none"> • a permanent reduction in the Left Ventricular Ejection Fraction to less than 50%, measured three months or more after the event; or • new pathological Q waves. <p>At TOWER's discretion, We will also consider any other medical test result provided by a cardiologist that unequivocally diagnoses myocardial infarction of the degree of severity or greater as documented above.</p>	<p>Heart Attack (myocardial infarction) means the death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The basis of diagnosis will be:</p> <ul style="list-style-type: none"> • confirmatory new electrocardiogram (ECG) changes; and • a diagnostic rise and fall (other than as a result of cardiac or coronary intervention) in either Troponin I in excess of 2.0ug/L or Troponin T in excess of 0.6ug/L or cardiac enzyme CK-MB. <p>If the above criteria are not met, We will pay a claim based on satisfactory evidence that the Life Insured has unequivocally been diagnosed as having suffered a myocardial infarction resulting in:</p> <ul style="list-style-type: none"> • a permanent reduction in the Left Ventricular Ejection Fraction to less than 50%, measured three months or more after the event; or • new pathological Q waves.

3. Income Protection Plan Plus

3.1 TOTAL DISABILITY DEFINITION

Our Total Disability definitions now covers you if you are unable to perform one or more of the important income producing duties; or perform the important income producing duties for more than 10 hours per week; or generate at least 80% of your monthly earnings from personal exertion in your own occupation.

Our assessment is based on any one of these being met and is determined at time of claim, not at time of purchase.

New	Previously
<p>Total Disability and Totally Disabled under Income Protection Plan Plus mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> • is not working in any Gainful Occupation; and • is following the advice of a Medical Practitioner; and • is unable to: <ul style="list-style-type: none"> – perform one or more of the important income-producing duties; or – perform the important income-producing duties for more than ten hours per week; or – generate at least 80% of his or her Monthly Earnings from personal exertion in the Life Insured's Own Occupation. 	<p>Total Disability and Totally Disabled mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> • is not in any Gainful Occupation; • is following the advice of a Medical Practitioner; and • has suffered a reduction of 80% or more in the ability to: <ul style="list-style-type: none"> – generate Monthly Earnings; or – perform the income-producing duties; or – maintain the same number of hours worked, in the Life Insured's Own Occupation.

3.2 PARTIAL DISABILITY DEFINITION

If you are unable to work more than 10 hours a week, your occupational earnings will not be used to offset any monthly benefit we pay. Your loss will be deemed to be 100%.

New	Previously
<p>Partial Disability and Partially Disabled under Income Protection Plan Plus mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> • is working in his or her Own Occupation or any Gainful Occupation, but in a reduced capacity; and • is following the advice of a Medical Practitioner; and • has suffered a reduction of 20% or more, in the ability to: <ul style="list-style-type: none"> – generate Monthly Earnings; or – perform the income-producing duties; or – maintain the same number of hours worked in the Life Insured's Own Occupation 	<p>Partial Disability and Partially Disabled mean that, solely because of a Sickness or Injury the Life Insured:</p> <ul style="list-style-type: none"> • is working or capable of working; • is following the advice of a Medical Practitioner; and • has suffered a reduction of 20% or more, in the ability to: <ul style="list-style-type: none"> – generate Monthly Earnings; or – perform the income-producing duties; or – maintain the same number of hours worked in the Life Insured's Own Occupation

3. Income Protection Plan Plus continued

3.3 CHILD CARE BENEFIT

You will be reimbursed for costs in providing outside care for any of your children under the age of 12 as a result of your sickness or injury. The benefit payable is for a maximum of three months.

New	Previously
<p>When Total Disability payments have accrued beyond the Waiting Period, the Child Care Benefit will reimburse the Life Insured for child care costs incurred solely because of the Sickness or Injury resulting in Total Disability. If the Child Care Benefit applies, the amount paid in addition to the Total Disability Benefit will be the lesser of:</p> <ul style="list-style-type: none">• five per cent of the Monthly Benefit;• \$400 per month; or• the child care costs, less amounts reimbursed from elsewhere. <p>Each child must be under the age of 12 at the time when child care costs were incurred and evidence must be supplied each month that the child care costs to be reimbursed are from a licensed external child care provider.</p> <p>The Child Care Benefit:</p> <ul style="list-style-type: none">• is paid monthly in arrears; and• will stop on the earlier of the following events:<ul style="list-style-type: none">– the Life Insured no longer being Totally Disabled;– the end of the Benefit Period;– the Life Insured turns 65;– the child no longer requires child care; or– three months Child Care Benefit being paid for any one Total Disability.	<p>This benefit was not available when you applied for cover.</p>

3. Income Protection Plan Plus continued

3.4 GUARANTEED FUTURE INSURABILITY BENEFIT

If your salary increases, you can increase your insurance by up to 15% every third policy anniversary, up to a maximum of \$30,000 per month, without having to provide any additional health information.

New	Previously
<p>Under the Guaranteed Future Insurability Benefit, You can increase the Benefit Amount by up to 15% every three years in line with an increase in the Life Insured's Monthly Earnings by providing further occupational and financial evidence subject to the following conditions:</p> <ul style="list-style-type: none"> • an application in writing for an increase being made within 30 days of every third policy anniversary after the Plan start date; • Our receipt of acceptable supporting financial evidence relating to the Life Insured's Monthly Earnings (including, but not limited to, a statement of Your income over the preceding two years); • an application cannot be made where the Life Insured has had a claim within six months of the qualifying Policy anniversary; • the Guaranteed Future Insurability Benefit ends at the Policy anniversary prior to the Life Insured's 55th birthday; • the total Benefit Amount, after any increase, cannot exceed 75% of the first \$26,666 of Pre-Disability Earnings (or \$320,000 pa), and 50% of the next \$20,000 of Pre-Disability Earnings (or \$240,000 pa) to a maximum \$30,000 Benefit Amount; • no benefit will be payable under Income Protection on account of an increase in Benefit Amount under this benefit, if at the time the increase is applied for, a benefit is payable under Income Protection or circumstances exist which, if the subject of a claim, would give rise to the payment of a benefit under this Policy; • Your premium will be increased to take into account any increase in Benefit Amount according to the premiums current, and with regard to the Life Insured's age, at the time of the increase in Benefit Amount; • Our then-current rules will be applied in respect of the maximum Benefit Amount for the Life Insured's occupation and income; • this benefit does not apply where the Life Insured has a medical or pastimes loading or medical or pastimes exclusion showing in the Policy Schedule. 	<p>This benefit was not available when you applied for cover.</p>

3. Income Protection Plan Plus continued

3.5 CHANGE OF WAITING PERIOD BENEFIT

You are now able to shorten your waiting period without having to undergo any further underwriting if your employment status changes.

New	Previously								
<p>You can shorten the Waiting Period if the Life Insured changes their employment status by providing further occupational and financial evidence subject to the following conditions:</p> <ul style="list-style-type: none"> • Your premium will be increased to take into account the shortened Waiting Period according to the premiums current, and with regard to the Life Insured's age, at the time of the Waiting Period being reduced; • the Life Insured is not Totally Disabled or Partially Disabled at the time (either during the Waiting Period or while a benefit is payable); • the Life Insured provides Us with written proof that the change of employment status has occurred; • You request the change in writing within 30 days of the Life Insured joining a new employer; • the Life Insured is not eligible, and will not become eligible, for income protection with a new employer through an insurance policy, superannuation or pension plan; • where 104-week or 52-week Waiting Period applies, You provide Us with proof the Life Insured was covered by an employer-related income protection policy with a Benefit Period of one year or more while employed by the previous employer; and • if the Life Insured has a medical loading or medical exclusion showing in the Policy Schedule, this Benefit does not apply. The Waiting Period can be shortened as per the following table: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #808080; color: white;">Existing Waiting Period</th> <th style="background-color: #808080; color: white;">Can be shortened to a new Waiting Period as follows:</th> </tr> </thead> <tbody> <tr> <td>104 weeks or 52 weeks</td> <td>13 weeks or 26 weeks</td> </tr> <tr> <td>26 weeks</td> <td>13 weeks</td> </tr> <tr> <td>13 weeks</td> <td>4 weeks</td> </tr> </tbody> </table> <p>We consider that employment status has changed where:</p> <ul style="list-style-type: none"> • the Life Insured has ceased work for one employer and has commenced employment with another employer not related to the first mentioned employer and of which the Life Insured has no ownership interest in the business; or • the Life Insured ceases being self-employed (ie shareholder or employee of own company, sole trader or partner) and commences employment with a new employer of which the Life Insured has no ownership interest in the business. 	Existing Waiting Period	Can be shortened to a new Waiting Period as follows:	104 weeks or 52 weeks	13 weeks or 26 weeks	26 weeks	13 weeks	13 weeks	4 weeks	<p>This benefit was not available when you applied for cover.</p>
Existing Waiting Period	Can be shortened to a new Waiting Period as follows:								
104 weeks or 52 weeks	13 weeks or 26 weeks								
26 weeks	13 weeks								
13 weeks	4 weeks								

3. Income Protection Plan Plus continued

3.6 PREMIUM PAUSE BENEFIT

You are now able to temporarily suspend your premiums and cover for up to 12 months if you become unemployed or are on long term leave.

New	Previously
<p>Under the Premium Pause Benefit, once 12 consecutive months premiums have been paid, You may apply to temporarily suspend the premiums and Plan for up to 12 consecutive months if the Life Insured stops working due to Unemployment or long term leave. You must provide Us with evidence acceptable to Us that the Life Insured is stopping work.</p> <p>This means that:</p> <ul style="list-style-type: none">• no premiums are due, no Benefit Amount is payable and no indexation occurs, while premium suspension continues;• no evidence of the Life Insured's health, occupation, income or pursuits is required; and• no Benefit will be payable in respect of any Sickness or Injury (whichever is applicable) that occurs while in suspension or during the 90 days following the suspension ending. <p>When You tell Us to restart the Policy, You must arrange for premiums to restart.</p> <p>If no instruction is received from You or premiums are not restarted within 12 months from the start of the Premium Pause Benefit, You will not be able to reinstate Your Policy.</p>	<p>This benefit was not available when you applied for cover.</p>

3. Income Protection Plan Plus continued

3.7 COVER CONTINUATION BENEFIT

If you were less than age 55 when you purchased your insurance and you have a benefit period that ends at age 65, you now have the option to continue your cover until age 70, without having to provide additional health information. It will be a one-year benefit period and you must be working for this to apply.

New	Previously
<p>Under the Cover Continuation Benefit, if the Life Insured:</p> <ul style="list-style-type: none"> • was aged 55 or less at the Plan start date; • has a 'to age 65' Benefit Period; and • has been working in a Gainful Occupation for 12 months immediately prior to the Plan end date and can provide occupational and financial evidence acceptable to Us that the Life Insured will continue to work in a Gainful Occupation You can apply to continue Income Protection to the earlier of: <ul style="list-style-type: none"> • the Policy anniversary prior to the Life Insured's 70th birthday; or • the date the Life Insured ceases to work in a Gainful Occupation. <p>This is subject to:</p> <ul style="list-style-type: none"> • an application in writing being received by Us within 30 days of the Policy anniversary prior to the Life Insured's 65th birthday; • the Benefit Period will become one year; • the Waiting Period will be the greater of the existing Waiting Period and four weeks; • the Benefit Amount will be the lesser of the existing Benefit Amount and \$10,000; and • Your premium will increase to take into account the change of Benefit Period according to the premiums current, and with regard to the Life Insured's age, at the time of application for increase in Benefit Period. <p>The Cover Continuation Benefit is not available if:</p> <ul style="list-style-type: none"> • the Life Insured is Totally Disabled or Partially Disabled at the time of cover expiry date (either during the Waiting Period or while a benefit is payable); or • the Life Insured has a medical loading or medical exclusion showing in the Policy Schedule. 	<p>This benefit was not available when you applied for cover.</p>

4. Income Protection Plan

4.1 BED CONFINEMENT BENEFIT

For each day you are confined to bed on the advice of a medical practitioner, a proportion of the benefit amount can be paid under certain circumstances.

New	Previously
<p>The Bed Confinement Benefit will be paid when the Life Insured is Bed Confined during the Waiting Period for three days or more. The amount to be paid will be 1/30 of the Benefit Amount for each day of Bed Confinement. The Bed Confinement Benefit:</p> <ul style="list-style-type: none"> • starts to accrue from the first day of the Waiting Period; • is paid monthly in arrears; and • will stop on the earlier of the following events: <ul style="list-style-type: none"> – the end of the Waiting Period; – the Plan end date; – the end of Bed Confinement; or – payments equalling three times the Benefit Amount having occurred. 	<p>This benefit was not available when you applied for cover.</p>

4.2 FAMILY SUPPORT BENEFIT

If a family member stops paid work to care for you because of your sickness or injury, we will pay a monthly benefit up to \$3,000 for up to three months.

New	Previously
<p>The Family Support Benefit will be paid when the Life Insured is Totally Disabled and Bed Confined for 30 consecutive days, and:</p> <ul style="list-style-type: none"> • an Immediate Family Member of the Life Insured stops being in a Gainful Occupation to provide care and assistance to the Life Insured; or • the treating Medical Practitioner recommends a Registered Nurse is employed to provide care and assistance to the Life Insured. If the Family Support Benefit applies, the monthly amount paid will be the lesser of the following: <ul style="list-style-type: none"> • \$3,000 (increased by the Indexation Factor from 10 August 2009); • the Benefit Amount; or • the loss of earnings suffered by the Immediate Family Member, or the cost incurred of the Registered Nurse deemed necessary, less amounts reimbursed from elsewhere. <p>The Family Support Benefit:</p> <ul style="list-style-type: none"> • starts to accrue when the Life Insured has been Totally Disabled for 30 consecutive days and the loss or expenditure is incurred; • is paid monthly in arrears; and • will stop on the earlier of: <ul style="list-style-type: none"> – the Life Insured no longer being Totally Disabled; – the end of the Benefit Period; – the Plan end date; or – three months Family Support Benefit having been paid for any one Total Disability. 	<p>This benefit was not available when you applied for cover.</p>

4. Income Protection Plan continued

4.3 HOUSEKEEPER BENEFIT

We will pay a monthly benefit of up to \$3,000 if you suffer a sickness or injury and are totally reliant on a non-family member to care for you.

New	Previously
<p>The Housekeeper Benefit will be paid when:</p> <ul style="list-style-type: none">• the Life Insured is Totally Disabled for 30 consecutive days;• the Life Insured is Bed Confined at the Life Insured's usual place of residence; and• the Life Insured needs to rely totally on another person, other than an Immediate Family Member, for housekeeping. <p>If the Housekeeper Benefit applies, the monthly amount paid is the lesser of the following:</p> <ul style="list-style-type: none">• \$3,000 (increased by the Indexation Factor from 10 August 2009);• the Benefit Amount; or• the cost of the housekeeper, less amounts reimbursed from elsewhere. <p>The Housekeeper Benefit:</p> <ul style="list-style-type: none">• starts to accrue when the Life Insured has been Totally Disabled for 30 consecutive days and the expenditure incurred;• is paid monthly in arrears; and• will stop on the earlier of the following events:<ul style="list-style-type: none">– the Life Insured no longer being Totally Disabled;– the end of the Benefit Period;– the Plan end date;– the Life Insured no longer being Bed Confined;– the Life Insured no longer needing to totally rely on another person for housekeeping; or– six months Housekeeper Benefit having been paid for any one Total Disability.	<p>This benefit was not available when you applied for cover.</p>

5. Business Expense Plan

5.1 DEATH BENEFIT

If you die, we will automatically pay a lump sum payment of six times the benefit amount up to a maximum of \$50,000.

New	Previously
If the Life Insured dies while covered under Income Protection We will pay a lump sum equal to six times the monthly Benefit Amount, to a maximum of \$50,000.	This benefit was not available when you applied for cover.

Who to call for more information

These changes are a reflection of our commitment to offering the best in financial protection for all of our customers, and should provide you with even greater peace of mind.

If you have any further questions about anything you have read in this booklet, please contact your adviser. If you don't have an adviser, you can call us directly on 1300 209 088 Monday to Friday 8.00am – 7.00pm (AEST/AEDT) or visit us at www.toweraustralia.com.au

Disclaimer

The information in this booklet is intended for use by policy holders of the TOWER Protection Policy and should be read in conjunction with the TOWER Protection Policy issued from 2 April 2007 and forms part of the policy holders Policy Document.

Benefits are payable subject to meeting the terms and conditions set out in the Policy Document and/or Product Disclosure Statement, including any relevant exclusions or adjustments. If there is any inconsistency between this document and the Product Disclosure Statement and Policy Document, the terms of the Policy Document will prevail to the extent of the inconsistency.

This booklet is issued by TOWER Australia Limited ABN 070 050 109 450 AFSL 237848 (TOWER).



TOWER Australia Limited

80 Alfred Street, Milsons Point NSW 2061

Phone 02 9448 9000 | **Fax** 02 9448 9100

www.toweraustralia.com.au