

Allianz LifeCover

Product Disclosure Statement and Policy Document

Preparation Date: 18/03/2008



Carefully read this important document before deciding to buy.

The insurer

Allianz Australia Life Insurance Limited ABN 27 076 033 782
AFS Licence No. 296559 (we, us and our).

Benefits

Death and Terminal Illness Benefit

We will pay the listed Policy Owner(s) the amount stated in the Schedule for any listed Life Insured, if during the time the insurance is in force, the Life Insured dies or suffers an illness likely to lead to death within 12 months. However:

- (a) no benefit is payable if a Policy exclusion applies, a Policy term or condition has not been complied with;
- (b) we only pay one death benefit for each Life Insured even if there is more than one Policy Owner; and
- (c) the maximum benefit available for any one Life Insured is \$500,000 unless we agree otherwise in writing.

Where there is more than one Policy Owner and a Policy Owner dies, their rights under the policy transfer to the remaining Policy Owner(s).

Accidental Injury Benefit

If you suffer an "Accidental Injury" which causes the entire and irrevocable loss of use of:

- one hand or one foot or the sight in one eye, we will pay you 25% of your sum insured; or
- any combination of two or more of: one hand or one foot or the sight in an eye, we will pay you 100% of your sum insured.

Your sum insured will be reduced by the amount of any Accidental Injury benefit paid and premiums will be adjusted accordingly.

An "Accidental Injury" is a bodily injury caused by accidental, violent, external and visible means while the policy is current.

Guaranteed Benefit Increases

You may increase your term insurance sum insured without our further assessment of your health, within 90 days of the occurrence of any event in the table below. The benefit does not apply if you are entitled to receive, are receiving or have received a benefit under the policy.

Other than for an increase as a result of the birth or adoption of a child, for the first six months any increase will only be payable in the event of your accidental death. The minimum increase is \$10,000. There must be a minimum of six months between events for an increase to apply.

Event	Increase cover by the lesser of*:
<ul style="list-style-type: none">• You marry or divorce• You or your spouse**, give(s) birth to, or adopt(s) a child	<ul style="list-style-type: none">• \$200,000• 50% of the sum insured at the commencement of the policy
<ul style="list-style-type: none">• You have a dependent child start secondary school• You take out for the first time or increase a mortgage on your principal place of residence with an accredited mortgage provider	<ul style="list-style-type: none">• The amount of the mortgage or increase to the mortgage
<ul style="list-style-type: none">• You have a salary package increase of 20% or more	<ul style="list-style-type: none">• \$100,000• 25% of the sum insured at the commencement of the policy• Five times the amount of the salary package increase.

* You cannot increase your cover to an amount greater than \$500,000. If the increase would cause the sum insured to exceed \$500,000 then we will cap the increase so that the sum insured equals \$500,000.

** Means your legal husband or wife, or someone living with you as your spouse on a genuine domestic basis. For the purposes of this benefit your spouse may be of the same gender as you.

Exclusions

We will not pay if a claim is directly or indirectly caused by or arises from any:

- suicide or attempted suicide by the Life Insured (whether sane or insane), that occurs within 13 months of:
 - (a) the Policy Commencement Date;
 - (b) any increase in the cover amount (but only in respect of that increase); or
 - (c) the most recent reinstatement of the Policy.

- alcohol or the use of drugs other than as prescribed by a registered medical practitioner.

In the case of the Accidental Injury Benefit we will not pay a benefit for a condition which is the result of a deliberate self-inflicted injury.

Refer to the Schedule or any other Policy documents which may have additional exclusions.

How to buy this insurance

Step 1 – Complete our application and submit it. Make sure:

- our Eligibility criteria are met (e.g. minimum age of Life Insured 16 and maximum 60 at commencement);
- the Duty of Disclosure noted below is complied with;
- the benefit amount is sufficient;
- professional tax advice is sought on whether the benefit will be subject to tax. Usually benefits are not subject to tax and premiums are not tax deductible but this may differ in some circumstances. This is a general statement based on present laws and their interpretations.

Duty of Disclosure

Before the Policy is entered into the Policy Owner and the life insured have a duty under the Insurance Contracts Act 1984, to disclose to us every matter that they know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms. The same duty applies before the Policy is extended, varied or reinstated. The duty however does not require disclosure of a matter

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of our business, ought to know; or
- with which we waive compliance.

If the duty is not complied with and we would not have entered into the contract on any terms if the failure had not occurred, we may avoid the Policy within 3 years of entering into it. If the non-disclosure is fraudulent, we may avoid the Policy at any time. If we are entitled to avoid the Policy we may, within 3 years of entering into it, elect not to avoid it but to reduce the amount of cover in accordance with a formula that takes into account the premium that would have been payable if all relevant matters had been disclosed to us.

Step 2 – We will advise if we need more information or will issue the Policy or not. We will confirm our decision in writing. If we agree to issue we confirm this by sending a Schedule which sets out specific cover details (e.g. who the Policy Owner(s) are, the Life Insured, the cover amount, the premium, the Commencement Date etc). It and this document (unless we agree otherwise in writing) make up the “Policy”. Read them carefully together and keep them in a safe place.

Once cover is issued no further application is required (unless you want to increase a benefit – see over). If the premium is paid when due the Policy is automatically renewed each year until the anniversary of the Policy Commencement Date immediately before each Life Insured’s 100th birthday. The Policy may not be changed or cancelled unless we agree in writing. Any request by one Policy Owner binds all others.

The Policy is referable to the No. 1 Statutory Fund of Allianz Australia Life Insurance Limited. Premiums paid will be credited to this fund. This is not an investment product and if you cancel other than during the cooling off period you will not get any money back.

The Policy is governed by the law applicable in the State or Territory in which the Policy is registered. Any matter under the Policy will be subject to the courts of that State or Territory.

Phoning for assistance and confirmation of transactions

Contact us to confirm a Policy transaction, clarify any of the information contained in this document or if you have any other queries.

When cover starts and ends

Cover begins on the Commencement Date in the Schedule. Unless we agree in writing otherwise, cover for a Life Insured ends at the earliest of the following:

- the date a payment is made by us for the Life Insured;
- the date the Policy is cancelled or not renewed;
- the Policy Expiry Date in the Schedule.

Cooling Off Period and Cancellation rights

The Policy can be returned by a Policy Owner within 30 days of receiving the first Schedule (“cooling off” period) by writing to us and we will refund any premiums paid unless a claim has been or can be made.

The Policy (or part of it) can be cancelled at any time by a Policy Owner writing to us (this binds all Policy Owners). We can only cancel the Policy in accordance with the law (e.g. if the premium due is not paid). We will refund the premium less a proportion for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy.

Premium calculation and payment

We advise what the premium is before or at the time the Policy is entered into and whether it is payable monthly or yearly in advance and the method of payment acceptable to us.

The agreed premium and due date is recorded in the Schedule. To find out what the premium may be please contact us.

The premium amount varies depending on certain factors, such as what is disclosed on application. Certain circumstances which increase the risk increase the premium and certain circumstances that decrease the risk decrease the premium (e.g. if the Life Insured smokes, or is male, the premium will usually increase). Generally premiums will also increase with age.

The premium rates are not guaranteed and can be changed at any time, but only if the change is made for all policies in a group and not just an individual policy. Any applicable new or increased Government taxes or charges (including Stamp Duty) will be applied to the premium.

We will give 30 days written notice of any changes before they take effect.

Each year we send a renewal advice before the anniversary of the Commencement Date which sets out the new premium based on the then age of the Life Insured(s) and the cover amount(s) at renewal (see “Benefit Indexation”). If you do not pay the required premium by the renewal date the policy will not be renewed and you will not be covered (unless we agree with you otherwise).

All premiums must be paid when due. If a premium is not paid by the due date we specify, we will send a written notice advising of the outstanding payment and if payment isn’t made by the time we require the cover will cease.

If the Policy is arranged by our agent, they receive commission from us which is a percentage of the premium payable.

Benefit Indexation

Until the Life Insured turns 65, the cover amount will increase on the anniversary of the Commencement Date by the greater of 5% or the increase in the “Consumer Price Index: All Groups Index

Weighted Average for Eight Capital Cities” published by the Australian Bureau of Statistics or, if that is not available, any reasonable substitute chosen by us. Premiums will be adjusted to reflect this increase and any increase can be declined by advising us in writing.

Increasing the level of cover

Once the Policy is in force an application can be made to increase the cover amount and further information will be required. Contact us for details. We do not guarantee to accept applications to increase cover.

Making a claim

In order to claim, the Policy Owner or in some cases the legal personal representative of their estate must:

- (a) apply in writing to us (using our forms) as soon as practicable after the Life Insured’s relevant terminal illness is discovered or their death; and
- (b) provide us with all evidence, proof, information and assistance in relation to the claim as we may reasonably require (including attending a medical with a doctor of our choosing).

Complaints and disputes

We have a free internal complaints resolution process that can be accessed by contacting us. If this process doesn’t resolve the complaint we will tell you how to contact The Financial Industry Complaints Service Limited, a free independent complaints resolution body.

Privacy notice

We collect your personal information directly from you where reasonably practicable or if not, from other sources. We collect it to provide our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of our related companies and alliance partners that may interest you (but you can opt out of this by calling Allianz Direct Marketing Privacy Service Line on 13 26 64 EST 8am-6pm, Monday to Friday or indicate your decision in the appropriate area of the Privacy section of our website at www.allianz.com.au). If you do not provide the information we require we may not be able to provide you with our service.

We disclose information to third parties who assist us in the above. (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, our advisers, persons involved in claims, medical service providers, external claims data collectors and verifiers, your employer, your agents and other persons where required by law). We prohibit them from using it for purposes other than those we supplied it for. Where you provide us with information about another person for the above purposes, you must tell us if you haven’t got their consent to this.

If you wish to gain access to your personal information (including to correct or update it), have a complaint about a breach of your privacy or you have any query on how your personal information is collected or used, or any other query relating to Privacy, contact us.

Changes to the PDS

Information in this document that is not materially adverse from the point of view of a reasonable person considering whether to buy this insurance may change from time to time where permitted by law. We record any such changes and on contacting us we will make a paper copy available free of charge.

For all enquiries please contact us on 1300 362 108
allianz.com.au

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