

AIA LIVING - PERSONAL OPTIONAL BENEFIT APPENDIX



Family Protection Benefit

This *appendix* only applies if cover under *the schedule* for your policy includes the Family Protection Benefit. This *appendix* forms part of and is incorporated into your **AIA Living** policy, the terms of which apply to this *appendix*.

This is a Family Protection Benefit. Details of the benefit chosen and the *life/lives assured* are shown in *the schedule*.

1. When will AIA pay a Family Protection Benefit?

AIA will pay a monthly Family Protection Benefit when the *life assured* for the benefit, as specified in *the schedule*, dies. AIA will begin paying the benefit as soon as we are satisfied with all the information which must be presented at the time of making a claim.

The benefit will continue to be paid for the benefit term as shown in *the schedule*. This will be either a *fixed term* or to a nominated future date (for example, to age 45, the *life assured's* 45th birthday).

2. Bereavement Support Benefit

Upon receiving written notification that the *life assured* has died, AIA will pay a sum equal to the monthly amount of the Family Protection Benefit or \$15,000, whichever is the lower. The Bereavement Support Benefit will be treated as the first monthly payment or part thereof, of the Family Protection Benefit. Only one Bereavement Support Benefit payment per *life assured* will be made.

3. Special Events Increase Facility

What is the Special Events Increase Facility?

On each occasion when one of the following circumstances occurs for a *life assured* on the Family Protection Benefit:

- > having a *child* (by birth or legal adoption);
- > becoming married or entering into a civil union;
- > becoming legally separated, divorced or the dissolution of the *life assured's* civil union;
- > financially supporting a dependent *child* through a first course of full-time tertiary education;
- > the commencement of secondary school for the first time by a *child* of the *life assured*;
- > taking out or increasing a home loan because the *life assured* has purchased a new home, a new residential investment property, a vacation home, or a bare block of land zoned as residential, or is making extensions to a residential property or residential investment property owned by the *life assured*;

- > becoming responsible for the full-time care or payment for long term care of a *close relative*;
- > receiving an *annual salary* increase. This special event is not available to a *life assured* who is self-employed; or
- > experiencing the death of a spouse, civil or de facto partner,

you may write to AIA asking us to increase the Family Protection Benefit for that *life assured*.

What is the maximum cover that can be added?

The maximum increase for each special event cannot exceed the lower of:

- > 50% of the original Family Protection Benefit for the *life assured*; or
- > \$500 per month.

The total of all increases made under this facility cannot exceed the lower of:

- > 50% of the original Family Protection Benefit for the *life assured*; or
- > \$1,500 per month.

The maximum increases outlined above each apply in respect of all Family Protection and/or similar benefits for that *life assured* across all AIA policies.

What are the other conditions applying to this facility?

You do not need to produce any medical evidence regarding the *life assured* when you request this increase, but any special events increase is subject to the following conditions:

- > You must make the request within 12 months of the relevant special event and provide AIA with suitable evidence of the occurrence of the event;
- > A *life assured* over the age of 50 is not eligible for special events increases;
- > In any 12 month period you can make only one increase under this facility.

AIA will increase the Family Protection Benefit for a *life assured* from the date we accept your request.

Each special events increase will require an increase in *premium*. This increase will be calculated on the *premium* rates applicable at the time the Special Events Increase Facility is exercised.

Any loadings, exclusions or special terms on the original Family Protection Benefit sum assured will be applied to the increased amount.

When will AIA not pay a claim under this facility?

a. Increases in sum assured added to this policy

After a special events increase under this Facility has been made, AIA will not pay the increased benefit amount if before the increase, the *life assured* qualified for payment of the Family Protection Benefit.

b. Increases in sum assured issued as an additional new policy

Where this policy or any part of the sum assured under it, has been issued as the result of an increase under the Special Events Increase Facility, then:

- > the Special Events Increase Facility under this policy will not be available for the proportion of the sum assured that represents the increase.
- > AIA will not pay the increased benefit amount if, before the increase, the *life assured* qualified for payment of the Family Protection Benefit

4. Financial and Legal Advice Benefit

If AIA pays a claim under the Family Protection Benefit, then AIA will reimburse you for fees up to \$2,500 including GST (in total) that you pay for financial planning you receive from an *accredited Adviser* or legal advice received from a legal professional approved by AIA, subject to the following conditions:

- > You must pay for the financial planning or legal advice within the three months following AIA first commencing to pay the Family Protection Benefit claim;
- > You must provide AIA with a completed claim form and a receipt satisfactory to AIA for the fees you are claiming;

AIA will only pay one Financial and Legal Advice Benefit per *life assured* across all AIA policies. This is in addition to the sum assured.

5. Counselling Benefit

The Counselling Benefit covers the cost of a Psychiatrist or Psychologist consultation and/or counselling for a *close relative* of the *life assured* where the support treatments and/or consultations directly relate to a claim under the Family Protection Benefit. After referral by a *registered medical practitioner* we will reimburse up to \$2,500 including GST (in total) per *life assured*, subject to the following conditions:

- > The consultation and/or counselling must be paid for

within three months following AIA first commencing to pay the Family Protection Benefit; and

- > AIA must be provided with a receipt for the consultation and/or counselling being claimed for.

The \$2,500 is payable once per *life assured* per policy. This is in addition to the sum assured.

6. Parents Grieving Benefit

AIA will make a Parents Grieving Benefit payment if:

- > a *child* of a *life assured* dies prior to birth but after at least 24 weeks gestation, where the *life assured* is the biological mother of the *child*; or
- > a *child* of a *life assured* dies.

This Benefit is only payable if the *child* is born, or would have been born if the pregnancy continued to full term, at least 12 months after the *risk commencement date*.

This Parents Grieving Benefit ceases when the *child* reaches age 21.

How much will AIA pay for the Parents Grieving Benefit?

The benefit payable is:

- > \$2,000 if the *child* is under 10 years of age; or
- > \$15,000 if the *child* is 10 years of age or over.

Payment of the Parents Grieving Benefit will not reduce the sum assured of the Family Protection Benefit.

AIA will pay a maximum of one claim per *child* under the Parents Grieving Benefit across all AIA policies for a *life assured*.

7. Premium Conversion Facility

You may at any time:

- > Convert all or part of your Family Protection Benefit from the *premium* type shown in the *schedule* to a Level *premium* structure; or
- > Convert a Level *premium* structure to an alternate Level *premium* structure, of which term duration may be the same or less than the current Level *premium* structure.

AIA will not require you or the *life assured* to produce further medical evidence at the time of conversion.

You will be issued a new policy for the sum assured amount of Family Protection Benefit being converted, in which case:

- > The Family Protection Benefit under this policy will be reduced by the sum assured amount converted;
- > The new policy will be issued based on the information provided at the time of conversion, together with the information provided in the original proposal;
- > The terms and conditions of the new policy will be those which are then offered by us to the general public;

- > *Premiums* will be calculated on the current age of the *life assured*;
- > Any special terms, exclusions or *premium* loading that applied to your existing Family Protection Benefit under this policy will apply to your new Family Protection Benefit under the new policy.

8. Suspension of Cover Benefit

A *life assured* can suspend their cover under this benefit *appendix* for up to 12 months if they:

- > go on parental leave;
- > go on leave without pay for any reason;
- > become unemployed or redundant;
- > experience at least a 20% reduction in pay (comparing the most recent payslip against a previous payslip from the same year); or
- > if self-employed, experience a 30% reduction in revenue (by comparing one month's revenue against the same month for the previous year),

provided that:

- > The *premium* type shown in *the schedule* for the Family Protection Benefit is Rate for Age;
- > you notify *AIA* within three months of one of the above listed suspension events occurring and provide evidence to *AIA* of the suspension event; and
- > *AIA* acknowledges in writing receipt of that notification.

Cover for the *life assured* will be suspended from the date set out in *AIA's* written acknowledgment.

No *premium* will be payable during the period that the cover is suspended.

No claim under this benefit *appendix* will be payable for any *claim event* that occurs during the period that the cover is suspended.

A claim may only be payable if the *life assured* first meets the criteria for an eligible claim under this policy after their cover is reinstated.

Cover under this benefit *appendix* may be reinstated at the end of the suspension period in accordance with this Section without the need to provide further medical evidence, provided that the benefit has been suspended for no longer than 12 months.

At the end of the suspension period, the benefit will be automatically reinstated for the *life assured*.

Cover for the *life assured* will be reinstated from the date set out in *AIA's* written acknowledgement.

The *premium* payable for the reinstated benefit will be based on *AIA's* *premium* rates at the time of the reinstatement.

9. How to make a claim

To make a claim, you must follow the relevant procedures in the section of your **AIA Living** policy entitled 'How to make a claim'.

In addition, for a Family Protection Benefit claim, *AIA* will require:

- > A full death certificate (in the event of the death of a *life assured*), and a coroner's report if applicable.
- > A grant of administration – probate, or certificate of administration, or letters of administration if the deceased was the sole *policy owner*.

10. Exclusions – when *AIA* won't pay a benefit

AIA will not pay any benefit under this *appendix* where the *life assured* dies as a direct or indirect result of an intentional self-inflicted act (whether sane or insane) within 13 months of the *risk commencement date* or, if cover under this *appendix* has been reinstated, the date of reinstatement. This exclusion applies to any subsequent benefit increase you make.

AIA will not pay a Parents Grieving Benefit if death directly or indirectly arises from an injury caused by you, or the *child's* parents or guardian(s).

11. Key terms

fixed term

The period in years, from the death of the *life assured*, chosen when you selected a fixed term benefit. This will be shown in *the schedule*.

to age

The age chosen when you selected a to age benefit, as shown in *the schedule*. Any benefit will be payable until the *life assured* would have attained that age.