

# AIA LIVING – PERSONAL OPTIONAL BENEFIT APPENDIX



## Total Permanent Disablement Benefit

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

This Total Permanent Disablement Benefit may be standalone or accelerated. Details of the benefit and the *life/lives assured* are shown in *the schedule*.

### 1. What effect does payment of an accelerated Total Permanent Disablement Benefit have?

When *AIA* pays an accelerated Total Permanent Disablement Benefit, the Life Cover Benefit for the *life assured* will decrease by the same amount. Any accelerated benefits relating to that Life Cover Benefit will be reduced, if necessary, so that those accelerated benefits do not exceed the decreased Life Cover Benefit. If the Life Cover Benefit is reduced to nil, all accelerated benefits relating to that Life Cover Benefit will be removed.

The maximum combined amount payable for the Life Cover Benefit, Terminal Illness Benefit, Specified Terminal Conditions Benefit, Bereavement Support Benefit, Repatriation Benefit, accelerated Total Permanent Disablement Benefit and, if applicable, the accelerated Critical Conditions Benefit (including any similar benefits) and the accelerated Progressive Care Benefit is the amount of the Life Cover Benefit for that *life assured*.

### 2. If you have selected an 'any occupation Total Permanent Disablement Benefit'

*AIA* will pay you an 'any occupation Total Permanent Disablement Benefit' if at any time after the *risk commencement date*:

- > A *life assured* suffers in *AIA's* opinion an 'any occupation Total Permanent Disablement' as defined in Section 3 below before reaching the policy expiry age as shown in *the schedule*; and
- > The *life assured* survives for three months after becoming totally and permanently incapacitated.

*AIA* will pay only one 'any occupation Total Permanent Disablement Benefit' for each *life assured*.

The benefit is a lump-sum payment of the amount specified in *the schedule*.

If you have selected an expiry age of age 70 as shown in *the schedule*:

- > If a *life assured* suffers an 'any occupation Total Permanent Disablement' before reaching their 65th birthday, they will be assessed under Section 3 a), b)

or c) of this *appendix*.

- > If a *life assured* suffers an 'any occupation Total Permanent Disablement' after reaching their 65th birthday, they will be assessed under Section 3 b) or c) of this *appendix*.
- > If *AIA* could not reasonably be expected to make an assessment of the *life assured* prior to their 65th birthday they will be assessed under Section 3 b) or c) of this *appendix*.

### 3. What does 'any occupation Total Permanent Disablement' mean?

A *life assured* has suffered an 'any occupation Total Permanent Disablement' if in *AIA's* opinion he or she:

- a) **Becomes totally and permanently incapacitated by illness or accident and, as a result of that incapacity:**
  - > Is completely unable to engage in the occupation, or carry on the business, he or she was involved in immediately before becoming incapacitated; and
  - > For three consecutive months after that incapacity began, has not *worked* in any occupation or carried on any business or engaged in any other *gainful employment*; and
  - > Following the three consecutive months is in the opinion of *AIA*, after consideration of the medical and any other evidence satisfactory to *AIA*, so incapacitated that it is unlikely he or she will ever be able to *work* in any occupation or engage in any other *gainful employment* for which he or she may be reasonably suited by education, training or experience, which would pay remuneration at a rate greater than 25% of the *life assured's* earnings during his or her last 12 consecutive months of *work*; or
- b) **Suffers by illness or accident the total and permanent loss of meaningful use of:**
  - > Both feet (entire feet); or both hands (entire hands); or
  - > The sight in both eyes (to the extent that visual

acuity is reduced to 6/36 or less in the better eye and/or the field of vision is reduced to 10 degrees or less of arc in the better eye); or

- > Any combination of two of: a hand, a foot or sight in an eye (to the extent that visual acuity is reduced to 6/36 or less and/or the field of vision is reduced to 10 degrees or less of arc); or

**c) Becomes totally and irreversibly unable by illness or accident to:**

- > Perform at least two of the *activities of daily living* without the physical assistance of someone else (if the *life assured* can perform an activity on his or her own by using special equipment AIA will treat the *life assured* as being able to perform that activity); or
- > Perform one of the *activities of daily living* and has permanent and irrecoverable cognitive impairment as evidenced by formal neuropsychological testing performed by a registered psychologist or psychiatrist, or assessment by an appropriate *specialist*.

Any condition that AIA has reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered to be a disablement covered by the 'any occupation Total Permanent Disablement' definition.

#### 4. If you have selected an 'own occupation Total Permanent Disablement Benefit'

AIA will pay you an 'own occupation Total Permanent Disablement Benefit' if at any time after the *risk commencement date*:

- > A *life assured* suffers in AIA's opinion an 'own occupation Total Permanent Disablement' as defined in Section 5 below before reaching the policy expiry age as shown in *the schedule*; and
- > The *life assured* survives for three months after becoming totally and permanently incapacitated.

AIA will pay only one 'own occupation Total Permanent Disablement Benefit' for each *life assured*.

The benefit is a lump-sum payment of the amount specified in *the schedule*.

If you have selected an expiry age of age 70 as shown in *the schedule*:

- > If a *life assured* suffers an 'own occupation Total Permanent Disablement' before reaching their 65th birthday, they will be assessed under Section 5 a), b) or c) of this *appendix*.
- > If a *life assured* suffers an 'own occupation Total Permanent Disablement' after reaching their 65th birthday, they will be assessed under Section 5 b) or c) of this *appendix*.
- > If AIA could not reasonably be expected to make an

assessment of the *life assured* prior to their 65th birthday they will be assessed under Section 5 b) or c) of this *appendix*.

#### 5. What does 'own occupation Total Permanent Disablement' mean?

A *life assured* has suffered an 'own occupation Total Permanent Disablement' if in AIA's opinion he or she:

**a) Becomes totally and permanently incapacitated by illness or accident and, as a result of that incapacity:**

- > Is completely unable to engage in the occupation, or carry on the business, he or she was involved in immediately before becoming incapacitated; and
- > For the three consecutive months after that incapacity began, has not *worked* in that occupation or carried on that business; and
- > Is, in the opinion of AIA, after consideration of the medical and any other evidence satisfactory to AIA, so incapacitated that it is unlikely he or she will ever be able to resume *work* in that occupation or carry on in that business; or

**b) Suffers by illness or accident the total and permanent loss of meaningful use of:**

- > Both feet (entire feet); or both hands (entire hands); or
- > The sight in both eyes (to the extent that visual acuity is reduced to 6/36 or less in the better eye and/or the field of vision is reduced to 10 degrees or less of arc in the better eye); or
- > Any combination of two of: a hand, a foot or sight in an eye (to the extent that visual acuity is reduced to 6/36 or less and/or the field of vision is reduced to 10 degrees or less of arc); or

**c) Becomes totally and irreversibly unable by illness or accident to:**

- > Perform at least two of the *activities of daily living* without the physical assistance of someone else (if the *life assured* can perform an activity on his or her own by using special equipment AIA will treat the *life assured* as being able to perform that activity); or
- > Perform one of the *activities of daily living* and has permanent and irrecoverable cognitive impairment as evidenced by formal neuropsychological testing performed by a registered psychologist or psychiatrist, or assessment by an appropriate *specialist*.

Any condition that AIA has reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered to be a disablement covered by the 'own occupation Total Permanent Disablement Benefit' definition.

## 6. When does an 'own occupation Total Permanent Disablement Benefit' cease?

Cover under the 'own occupation Total Permanent Disablement Benefit' will cease and cover under the 'any occupation Total Permanent Disablement Benefit' will apply should the *life assured* of the benefit commence full-time domestic duties.

## 7. When will AIA pay a Partial Permanent Disablement Benefit?

Where the *life assured* has suffered:

- > Permanent loss of the entire use of one limb (entire hand or entire foot) as a result of illness or *accident*; or
- > Irrecoverable loss of sight in one eye as a result of illness or *accident* to the extent that visual acuity is reduced to 6/60 or less in that eye and/or the field of vision is reduced to 20 degrees or less of arc.

AIA will pay 25% of the Total Permanent Disablement Benefit sum assured up to a maximum of \$100,000 across all AIA policies. Only one claim can be made for the Partial Permanent Disablement Benefit per *life assured*.

After you have made a claim under this Partial Permanent Disablement Benefit, the Total Permanent Disablement Benefit sum assured will be reduced by the claim amount, and *premiums* will be adjusted accordingly.

If you have chosen the accelerated Total Permanent Disablement Benefit then Section 1 of this *appendix* also applies.

## 8. Financial and Legal Advice Benefit

If AIA pays a claim under this Total Permanent Disablement 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 paying the Total Permanent Disablement 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 benefit is in addition to the sum assured.

## 9. Premium Conversion Facility

You may at any time prior to the *life assured* reaching age 65:

- > Convert all or part of your Total Permanent Disablement 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 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 Total Permanent Disablement Benefit being converted, in which case:

- > The Total Permanent Disablement 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*; and
- > Any special terms, exclusions or *premium* loadings that applied to your existing Total Permanent Disablement Benefit under this policy will apply to your new Total Permanent Disablement Benefit under the new policy.

## 10. Assistance Benefit

If AIA pays a claim under this Total Permanent Disablement Benefit, then subject to the following conditions, AIA will reimburse you for costs up to \$15,000 including GST (in total) that you pay for purchasing specialist equipment, completing home alterations or modifications to the *life assured's* vehicle which are necessary as a result of the illness or *accident* which led to the *life assured's* claim:

- > You must incur the costs after the *life assured* suffers the Total Permanent Disablement and, no later than six months following the date AIA pays the Total Permanent Disablement Benefit claim.
- > You must provide AIA with receipts and/or other evidence satisfactory to AIA for the costs you are claiming.
- > AIA shall be entitled to arrange for an appropriately qualified health professional to assess any recommendation for specialist equipment or home alteration.

- > *AIA* will only pay one Assistance Benefit per *life assured* across all *AIA* policies.

This benefit is in addition to the sum assured.

## 11. Counselling Benefit

The Counselling Benefit covers the cost of a Psychiatrist or Psychologist consultation and/or counselling for the *life assured* and/or a *close relative* of the *life assured* where the support treatments and/or consultations directly relate to a claim under the Total Permanent Disablement 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* paying the Total Permanent Disablement Benefit claim; and
- > *AIA* must be provided with a receipt for the consultation and/or counselling being claimed.

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

## 12. 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:

- > 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.

## 13. Special Events Increase Facility

### What is the special events increase facility?

On each occasion that one of the following circumstances occurs for a *life assured* on the Total Permanent Disablement 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;
- > Experiencing the death of a spouse, civil or de facto partner,

you may write to *AIA* asking us to increase the Total Permanent Disablement 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 Total Permanent Disablement Benefit for the *life assured*; or
- > \$250,000.

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

- > 100% of the original Total Permanent Disablement Benefit for the *life assured*; or
- > \$750,000.

In the case of taking out or increasing a home loan, the individual increase cannot exceed the amount of the home loan or the increase in the home loan.

In the case of an *annual salary* increase, the individual increase cannot exceed five times the *annual salary* increase.

The maximum increases outlined above each apply in respect of all Total Permanent Disablement and similar benefits for that *life assured* across all *AIA policies*.

The following maximum sum assured limits also apply across all *AIA policies* for each *life assured*:

- > \$5,000,000 for Total Permanent Disablement and similar benefits, including increases under this Facility; and
- > \$5,000,000 for Critical Conditions, Progressive Care, Total Permanent Disablement and similar benefits (combined), including increases under this Facility.

#### **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 60 days either side of the relevant special event and provide *AIA* with suitable evidence of the occurrence of the event.
- > A *life assured* is only eligible for special events increases where the special event occurs before age 55.
- > If, at any time before you seek to exercise the Facility, a claim for the *life assured* had been accepted by us or notified to us, *AIA* will have discretion in determining whether the Facility can be exercised. In exercising discretion, we will consider whether the *life assured* represents an increased risk of claim for the benefit being added under this Facility.
- > If a Total Permanent Disablement Future Insurability Benefit increase or another Special Events Increase has occurred in the previous 12 months or (if applicable) the Special Events Total Permanent Disablement/Trauma Facility under the Life Cover Benefit and/or similar benefits has been exercised in the previous 12 months to add an accelerated Total Permanent Disablement Benefit, then no increase is

available under this Facility.

*AIA* will increase the Total Permanent Disablement Benefit for a *life assured* from the date we accept your request.

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

Any loadings, exclusions or special terms on the original Total Permanent Disablement 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 an increase under this Facility has been made, *AIA* will not pay the increased benefit amount if, before the increase, or within six months of the Facility being exercised, the *life assured*:

- > Suffers any *claim event* for anything other than an *accident* under the benefit; or
- > Has any symptoms or signs leading to a *claim event* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the 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 or as the result of a Total Permanent Disablement Future Insurability Benefit increase, then:

- > The Special Events Increase Facility will not be available under this policy for the proportion of the sum assured that represents the increase.
- > *AIA* will not pay the increased benefit amount if, before the increase, or within six months of the increase, the *life assured*:
  - Suffers any *claim event* for anything other than an *accident* under the benefit; or
  - Has any symptoms or signs leading to a *claim event* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the benefit.

#### **14. Total Permanent Disablement Future Insurability Benefit**

At every third policy *anniversary date* you may write to *AIA* asking us to increase the Total Permanent Disablement Benefit for a *life assured*.

You do not need to produce any medical evidence regarding the *life assured* when you request this increase,

but any Total Permanent Disablement Future Insurability Benefit increase in sum assured is subject to the following conditions:

- > You must request the increase by providing written advice to *AIA* within 60 days either side of the applicable *anniversary date*.
- > Each individual increase cannot exceed 20% of the original Total Permanent Disablement Benefit sum assured or \$200,000, whichever is the lesser.
- > The total of all Total Permanent Disablement Future Insurability Benefit increases for a *life assured* cannot exceed 100% of the original Total Permanent Disablement Benefit for that *life assured* or \$500,000, whichever is the lesser.
- > The maximum sum assured for the Total Permanent Disablement Benefit cannot exceed \$5,000,000 across all *AIA policies* including Total Permanent Disablement Future Insurability Benefit increases.
- > The total sum assured for Critical Conditions, Progressive Care, Total Permanent Disablement and similar trauma benefits (combined) must not exceed \$5,000,000, including Total Permanent Disablement Future Insurability Benefit increases.
- > Where this Total Permanent Disablement Benefit is accelerated against the Life Cover Benefit, the Total Permanent Disablement Benefit, including the total of all Total Permanent Disablement Future Insurability Benefit increases, cannot exceed the sum assured of the Life Cover Benefit. See Section 1 "What effect does payment of an accelerated Total Permanent Disablement Benefit have?" for details.
- > A *life assured* over the age of 55 is not eligible for Total Permanent Disablement Future Insurability Benefit increases.
- > *AIA* will increase the Total Permanent Disablement Benefit for a *life assured* from the date we accept your request.
- > You will not be eligible for a Total Permanent Disablement Future Insurability Benefit increase if a claim has been accepted for the *life assured* or you have notified us of a *claim event* for that *life assured* which is under assessment.
- > If a Special Events Increase has occurred in the previous 12 months, or (if applicable) the Special Events Total Permanent Disablement/Trauma Facility under the Life Cover Benefit and/or similar benefits has been exercised in the previous 12 months to add an accelerated Total Permanent Disablement Benefit, then no Total Permanent Disablement Future Insurability Benefit increase is available.

Each Total Permanent Disablement Future Insurability Benefit increase in the sum assured will require an increase in *premium*. This increase will be calculated on the rates applicable at the time the Total Permanent Disablement Future Insurability Benefit is exercised.

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

#### **Increases in sum assured added to this policy**

After a Total Permanent Disablement Future Insurability Benefit increase has been made, *AIA* will not pay the increased benefit amount if, before the increase, or within six months of the increase, the *life assured*:

- > Suffers any *claim event* for anything other than an *accident* under the Total Permanent Disablement Benefit, or
- > Has any symptoms or signs leading to a *claim event* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an accident under the Total Permanent Disablement Benefit.

#### **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 Total Permanent Disablement Future Insurability Benefit or as the result of an increase under the Special Events Increase Facility, then:

- > The Total Permanent Disablement Future Insurability Benefit under this policy will not be available for the proportion of the sum assured that represents the increase.
- > *AIA* will not pay the increased amount if, before the increase, or within six months of the increase, the *life assured*:
  - Suffers any *claim event* for anything other than an *accident* under the Total Permanent Disablement Benefit; or
  - Has any symptoms or signs leading to a *claim event* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Total Permanent Disablement Benefit.

### **15. Waiver of Total Permanent Disablement Waiting Period**

*AIA* will, at its discretion, waive the three month waiting period when assessing a Total Permanent Disablement Benefit claim if:

- > In *AIA's* opinion, the *life assured* has met all other requirements for payment of a Total Permanent Disablement Benefit; and
- > *AIA* expects the *life assured* to survive beyond three months after the incapacity began.

In exercising this discretion, *AIA* will consider whether the medical condition of the *life assured* enables an assessment to be made immediately in respect of whether

the *life assured* has met all other requirements for payment of a Total Permanent Disablement Benefit.

AIA will not waive the three month waiting period if, in our opinion, after considering suitable medical evidence, we believe that the *life assured* may die within three months after the incapacity began. A decision not to waive the three month waiting period will not affect our consideration of a Total Permanent Disablement Benefit claim for the *life assured* if the *life assured* survives for three months after the incapacity began.

## 16. How to make a claim

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

In addition, for a Total Permanent Disablement Benefit claim, AIA will require:

- > The *life assured* to be examined by a *registered medical practitioner* acceptable to AIA, before accepting liability for a claim.
- > An AIA claims form completed by the *life assured* and a *registered medical practitioner* (at your expense).
- > Other information which AIA may reasonably request to help assess the claim, which may include evidence of earnings, taxable income, business accounts, ACC details or similar.
- > The *life assured* to undergo medical and/or surgical treatment (including any operation or vocational, medical and/or social rehabilitation) at your expense which the *life assured's registered medical practitioner* or a *registered medical practitioner* approved by AIA considers necessary.
- > Any other information that AIA may deem relevant to the assessment of the claim.

## 17. Exclusions – when AIA won't pay a benefit

AIA will not pay any Total Permanent Disablement Benefit where any of the following (and in each case either directly or indirectly) causes or contributes to the disablement:

- > The *life assured* deliberately injures himself or herself or attempts to do so; or
- > The *life assured* engages in or is part of any conduct that is criminal.

These exclusions apply to any subsequent benefit increase you make.

## 18. When will this *appendix* terminate for a *life assured*?

This *appendix* will terminate and eligibility for the Total Permanent Disablement Benefit will cease for a *life assured*:

- > When the *life assured* dies; or
- > When the benefit is cancelled by the *policy owner*; or
- > When the full sum assured has been paid.

## 19. Key terms

### **activities of daily living**

- > Bathing and showering.
- > Dressing and undressing.
- > Eating and drinking.
- > Using a toilet.
- > Moving from place to place by walking, in a wheelchair, or with a walking aid.

### **gainful employment**

*Working* to generate income through personal efforts by using the *life assured's* time and skills. He or she can be self-employed, employed, earning fees, under contract, receiving commissions, *working* on contract or otherwise remunerated for his or her efforts.

### **work**

Personal effort using the *life assured's* time and skills, whether or not income is generated for the *life assured*.

*Worked* and *working* shall have similar meanings.