



Priority Protection Policy Enhancement Summary

24 May 2010

The Power of We



AIA.COM.AU

Every year AIA Australia upgrades its product range to ensure that the features and benefits offered to our customers and policy holders meet their changing needs. The latest enhancements which are being passed back to existing policyholders are listed below.

It is important to read this Policy Enhancement Summary together with your Priority Protection Policy Document and any other policy notices. The enhancements outlined in this document now form part of your Policy Document.

These enhancements apply from 24 May 2010. The improved features and benefits outlined below are only effective on and from this date. These enhancements will not apply to any policy where a claim is pending or where a claim is in the process of being paid. The enhancements override your existing policy terms and conditions (except to the extent where you are disadvantaged in any way, in which case the previous policy wording will apply) and are subject to any pre-existing conditions (with the exception of any increase in fees and charges).

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
Total and Permanent Disablement benefit	<ul style="list-style-type: none">• Payment limits for partial and permanent disablement: ‘We will pay the lesser of:<ul style="list-style-type: none">• 25% of the Total and Permanent Disablement Sum Insured, and• \$250,000.’	<ul style="list-style-type: none">• Payment limits for partial and permanent disablement: ‘We will pay the lower of:<ul style="list-style-type: none">• 25% of the Total and Permanent Disablement Sum Insured, and• \$750,000.’
Enhancement	The maximum amount payable on partial and permanent disablement has been increased from \$250,000 to \$750,000.	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
<p>Chronic Diagnosis Advancement Benefit</p>	<p>If we are able to confirm the diagnosis of certain Crisis Events (see below), we will pay an advance payment of your Crisis Recovery or Crisis Recovery Stand Alone benefit.</p> <p>An appropriate specialist Medical Practitioner acceptable to us must confirm that you:</p> <p>(a) have suffered or been medically diagnosed with one of the following Crisis Events:</p> <ul style="list-style-type: none"> • Motor Neurone Disease; • Multiple Sclerosis; • Muscular Dystrophy; or • Parkinson’s Disease, <p>but have not yet met the definition of that Crisis Event; or</p> <p>(b) have been placed on a waiting list to receive a major organ transplant of the kind described for the Major Organ Transplant crisis event and that the procedure is unrelated to any previous procedure or surgery undergone by the life insured.</p>	<p>If we are able to confirm the diagnosis of certain Crisis Events (see below), we will pay an advance payment of your Crisis Recovery or Crisis Recovery Stand Alone benefit.</p> <p>‘An appropriate specialist Medical Practitioner acceptable to us must confirm that you have suffered or been medically diagnosed with one of the following Crisis Events:</p> <ul style="list-style-type: none"> • Motor Neurone disease, • Multiple Sclerosis, • Muscular Dystrophy, and • Parkinson’s Disease, <p>but have not yet met the definition of that Crisis Event (please refer to pages 69 to 70 of the Priority Protection PDS, issued 1 December 2009 for definitions).’</p>
<p>Enhancement</p>	<p>A full benefit will now be paid under the definition of Major Organ Transplant if the life insured is placed on a waiting list to receive a major organ transplant in Australia or New Zealand, which previously only paid a partial benefit.</p>	
<p>Crisis Recovery definition of: ‘Bacterial Meningitis’</p>	<p>‘BACTERIAL MENINGITIS’ means the diagnosis of the life insured with bacterial meningitis. The meningitis must produce neurological deficit causing permanent and functional impairment resulting in the life insured being totally and permanently unable to perform any one of the Activities of Daily Living. Diagnosis must be confirmed by a consultant neurologist. Bacterial meningitis in the presence of HIV is excluded. All other forms of meningitis including viral, are excluded.</p>	<p>‘BACTERIAL MENINGITIS’ means the diagnosis of the life insured with bacterial meningitis. The meningitis must produce neurological deficit causing permanent and significant functional impairment. ‘Significant functional impairment’ shall mean that the life insured is either:</p> <ul style="list-style-type: none"> • totally and permanently unable to perform any one of the Activities of Daily Living; or • suffering at least a 25% impairment of whole person function as defined in <i>Guides to the Evaluation of Permanent Impairment (Guides) 5th edition</i>, American Medical Association. Diagnosis must be confirmed by a consultant neurologist. Bacterial meningitis in the presence of HIV infection is excluded. All other forms of meningitis, including viral, are excluded.
<p>Enhancement</p>	<p>The definition has been improved by providing alternative criteria for diagnosis of bacterial meningitis.</p>	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
<p>Crisis Recovery definition of: 'Benign Brain Tumour'</p>	<p>'BENIGN BRAIN TUMOUR' means a non-cancerous tumour on the brain or spine giving rise to symptoms of increased intracranial pressure such as papilloedema, mental symptoms, seizures and sensory or motor skills impairment as confirmed by a consultant neurologist. The tumour must result in permanent neurological deficit, resulting in the life insured being totally and permanently unable to perform any one of the Activities of Daily Living.</p> <p>The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging).</p> <p>Cysts, granulomas, cholesteatomas, malfunctions in or of the arteries or veins of the brain, haematomas and tumours in the pituitary gland are not covered.</p>	<p>'BENIGN BRAIN TUMOUR' means a non-cancerous tumour on the brain or spine giving rise to symptoms of increased intracranial pressure such as papilloedema, mental symptoms, seizures and sensory or motor skills impairment as confirmed by a consultant neurologist. The tumour must result in permanent neurological deficit, resulting in the life insured either;</p> <ul style="list-style-type: none"> • being totally and permanently unable to perform any one of the Activities of Daily Living; or • suffering at least a 25% impairment of whole person function as defined in <i>Guides to the Evaluation of Permanent Impairment (Guides) 5th edition</i>, American Medical Association. <p>The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging).</p> <p>Cysts, granulomas, cholesteatomas, malfunctions in or of the arteries or veins of the brain, haematomas and tumours in the pituitary gland are not covered.</p> <p>Diagnosis must be confirmed by a consultant neurologist.</p>
<p>Enhancement</p>	<p>The definition has been improved by providing alternative criteria for diagnosis of benign brain tumour.</p>	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
<p>Crisis Recovery definition of: 'Cancer'</p>	<p>'CANCER' means the presence of one or more malignant tumours including Hodgkin's disease, leukaemia and other malignant bone marrow disorders, and characterised by the uncontrolled growth and spread of malignant cells and the invasion and destruction of normal tissue, but does not include the following:</p> <ul style="list-style-type: none"> • tumours which are histologically described as pre-malignant or showing the changes of 'carcinoma in situ'; - 'carcinoma in situ of the breast' is not excluded if the entire breast is removed specifically to arrest the spread of malignancy, and this procedure is the appropriate and necessary treatment as confirmed by an appropriate specialist acceptable to us. (For carcinoma in situ of the breast, the benefit payable will be limited to 25% of the Sum Insured, subject to a maximum payment of \$25,000 under all policies we have issued covering the life insured.) • melanomas of less than 1.5 mm thickness, without ulceration as determined by histological examination; • all hyperkeratoses or basal cell carcinomas of the skin; • cutaneous squamous cell carcinomas of T2N0M0 and below grade tumours, where the tumour is less than 5cm in greatest diameter. • Polycythemia Rubra Vera requiring treatment by venesection alone, and • tumours treated by endoscopic procedures alone. <p>'Skin cancer' – where diagnosed by an appropriate specialist acceptable to us, we will pay:</p> <ul style="list-style-type: none"> • 100% of the Sum Insured for melanomas where the tumour is with ulceration or is diagnosed as 1.5mm or greater in Breslow's depth of invasion; and • 10% of the Sum Insured for cutaneous squamous cell carcinomas where the tumour is diagnosed stage T3N0M0 under the TNM Classification system; and • 100% of the Sum Insured for cutaneous squamous cell carcinomas where the tumour is diagnosed at greater than T3N0M0 or any TN1, 2 or 3 or metastases are present. <p>After any payment for cancer the Sum Insured will be reduced by the payment made.</p>	<p>'CANCER' means the presence of one or more malignant tumours including Hodgkin's disease, leukaemia and other malignant bone marrow disorders, and characterised by the uncontrolled growth and spread of malignant cells and the invasion and destruction of normal tissue, but does not include the following:</p> <ul style="list-style-type: none"> • all hyperkeratoses or basal cell carcinomas of the skin; • cutaneous squamous cell carcinomas of T2N0M0 and below grade tumours, where the tumour is less than 5 cm in greatest diameter; • Polycythemia Rubra Vera requiring treatment by venesection alone; and • Tumours treated by endoscopic procedures alone. <p>'Skin cancer' – where diagnosed by an appropriate specialist Medical Practitioner acceptable to us, we will pay:</p> <ul style="list-style-type: none"> • the greater of 15% of the Sum Insured and \$10,000 for any melanoma measuring less than 1.5mm in Breslow's depth of invasion. The amount of the payment cannot exceed the Sum Insured. • 100% of the Sum Insured for melanomas where the tumour is with ulceration or is diagnosed as 1.5mm or greater in Breslow's depth of invasion; • 10% of the Sum Insured for cutaneous squamous cell carcinomas where the tumour is diagnosed stage T3N0M0 under the TNM Classification system; and • 100% of the Sum Insured for cutaneous squamous cell carcinomas where the tumour is diagnosed at greater than T3N0M0 or any TN1, 2 or 3 or metastases are present. <p>'Carcinoma in situ' refers to a primary uncontrolled growth of cells that remains in the original location and has not invaded or destroyed neighbouring tissues nor penetrated the basement membrane. Carcinoma in situ covered by this policy must be confirmed by histopathology.</p>

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
Crisis Recovery definition of: 'Cancer' (continued)		<p>Staging of carcinoma in situ is based on FIGO (International Federation of Gynecologists and Obstetricians) classification and TNM classification.</p> <p>The disease of Carcinoma in Situ covered by this policy must be confirmed by a biopsy and is limited only to the following sites:</p> <ul style="list-style-type: none"> • Vagina, vulva, ovary, fallopian tube where the tumour must be classified as TIS according to the TNM staging method or FIGO Stage 0. <p>We will pay the greater of \$10,000 and 10% of the Sum Insured of the Crisis Recovery or Crisis Recovery Stand Alone benefit. The amount of the payment cannot exceed the Sum Insured.</p> <ul style="list-style-type: none"> • The full Sum Insured will be paid for carcinoma in situ of the breast where the entire breast is removed specifically to arrest the spread of malignancy, and this procedure is the appropriate and necessary treatment as confirmed by an appropriate specialist Medical Practitioner acceptable to us. <p>We will pay the greater of \$10,000 and 10% of the Sum Insured for carcinoma in situ of the breast where no mastectomy is performed. The amount of the payment cannot exceed the Sum Insured.</p> <p>After any payment for cancer the Sum Insured will be reduced by the payment made.</p>
Enhancement	<ul style="list-style-type: none"> • A new benefit has been introduced for any melanoma measuring less than 1.5mm in Breslow's depth of invasion. The payment limit is the greater of \$10,000 and 15% of the Sum Insured. • The payment limit for the disease of Carcinoma in Situ of the breast (no mastectomy) has been amended to the greater of \$10,000 and 10% of the Sum Insured. • A new benefit has been introduced for the disease of Carcinoma in Situ of the vagina, vulva, ovary and fallopian tube. The payment limit will be the greater of \$10,000 and 10% of the sum Insured. 	
Crisis Recovery Definition of 'Chronic Liver Disease'	<p>'CHRONIC LIVER DISEASE' means end stage liver failure, together with two of the following conditions:</p> <ul style="list-style-type: none"> • Permanent jaundice; • Ascites; or • Hepatic encephalopathy. <p>Such disease directly related to alcohol or drug abuse is excluded.</p>	<p>'CHRONIC LIVER DISEASE' means end stage liver failure, together with two of the following conditions:</p> <ul style="list-style-type: none"> • Permanent jaundice; • Ascites; or • Hepatic encephalopathy.
Enhancement	The exclusion for alcohol or drug abuse has been removed.	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
Crisis Recovery definition of: 'Dementia'	<p>'DEMENTIA' means the diagnosis of dementia as confirmed by a consultant neurologist or geriatrician resulting in significant cognitive impairment. Significant cognitive impairment means deterioration in the life insured's minimal state examination or equivalent thereof, scores to 20 or less.</p> <p>Dementia as a result of alcohol or drug abuse is excluded.</p>	<p>'DEMENTIA' means the diagnosis of dementia as confirmed by a consultant neurologist or geriatrician resulting in significant cognitive impairment. Significant cognitive impairment means deterioration in the life insured's minimal state examination, or equivalent thereof, scores to 20 or less.</p>
Enhancement	The exclusion for alcohol or drug abuse has been removed.	
Crisis Recovery definition of: 'Major Burns'	<p>'MAJOR BURNS' means the life insured has suffered third degree burns to:</p> <ul style="list-style-type: none"> • at least 20% of the body surface; • whole of both hands, requiring surgical debridement and/or grafting; or • whole of the head requiring surgical debridement and/or grafting. 	<p>'MAJOR BURNS' means third degree burns or full thickness burns to at least:</p> <ul style="list-style-type: none"> • 20% of the body surface area as measured by the Lund and Browder Body Surface Chart; • 50% of both hands, requiring surgical debridement and/or grafting; or • 50% of the face, requiring surgical debridement and/or grafting.
Enhancement	A full payment will now be made for 50% of both hands as opposed to 100% of both hands and for 50% of the face as opposed to 100% of the head.	
Crisis Recovery definition of: 'Major Head Trauma'	<p>'MAJOR HEAD TRAUMA' means an accidental head injury resulting in permanent neurological deficit, resulting in the life insured being totally and permanently unable to perform any one of the Activities of Daily Living.</p>	<p>'MAJOR HEAD TRAUMA' means an accidental head injury resulting in permanent neurological deficit, resulting in the Life Insured either:</p> <ul style="list-style-type: none"> • being totally and permanently unable to perform any one of the Activities of Daily Living; or • suffering at least a 25% impairment of whole person function as defined in <i>Guides to the Evaluation of Permanent Impairment 5th edition</i>, American Medical Association. <p>Diagnosis must be confirmed by a consultant neurologist.</p>
Enhancement	The definition has been improved by providing alternative diagnosis criteria for major head trauma.	
Crisis Recovery definition of: 'Major Organ Transplant'	<p>'MAJOR ORGAN TRANSPLANT' means having received, from a human donor, a medically necessary transplant involving one or more of the following organs: kidney, heart, liver, lung, bone marrow, pancreas and small bowel.</p>	<p>'MAJOR ORGAN TRANSPLANT' means having received, from a human donor, a medically necessary transplant involving one or more of the following organs: kidney, heart, liver, lung, bone marrow, pancreas and small bowel.</p> <p>The full Sum Insured under the Crisis Recovery and Crisis Recovery Stand Alone benefit will be paid if the life insured has been placed on the Australian or New Zealand waiting list to receive a major organ transplant of the kind described above for the Major Organ Transplant crisis event and that the procedure is unrelated to any previous procedure or surgery undergone by the life insured.</p>
Enhancement	A full payment will now be made if the Life Insured is placed on a waiting list in Australia or New Zealand to receive a major organ transplant.	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
Crisis Recovery definition of: 'Multiple Sclerosis'	<p>'MULTIPLE SCLEROSIS' means the unequivocal diagnosis of multiple sclerosis confirmed by a consultant neurologist, evidenced by:</p> <p>(a) More than one episode of well defined neurological deficit, and</p> <p>(b) Residual neurological impairment persisting for a continuous period of at least 6 months.</p>	<p>'MULTIPLE SCLEROSIS' means the unequivocal diagnosis of multiple sclerosis confirmed by a consultant neurologist.</p>
Enhancement	The two criteria defining the diagnosis of multiple sclerosis have been removed.	
Crisis Recovery definition of: 'Parkinson's Disease'	<p>'PARKINSON'S DISEASE' means the unequivocal diagnosis of idiopathic Parkinson's disease as confirmed by a consultant neurologist and requiring treatment. All other types of Parkinsonism are excluded.</p>	<p>'PARKINSON'S DISEASE' means the unequivocal diagnosis of idiopathic Parkinson's disease as confirmed by a consultant neurologist. All other types of Parkinsonism are excluded (e.g. secondary to medication).</p>
Enhancement	The criteria for 'requiring treatment' has been removed from the definition.	
Crisis Recovery definition of 'Viral Encephalitis'	<p>'VIRAL ENCEPHALITIS' means the diagnosis of the life insured with encephalitis due to direct viral infection of the central nervous system. The encephalitis must produce neurological deficit causing permanent and functional impairment resulting in the life insured being totally and permanently unable to perform any one of the Activities of Daily Living. The diagnosis must be certified by a consultant neurologist. Encephalitis in the presence of HIV infection is excluded.</p>	<p>'VIRAL ENCEPHALITIS' means severe inflammation of the brain resulting in permanent neurological deficit resulting in the life insured either:</p> <ul style="list-style-type: none"> • being totally and permanently unable to perform any one of the Activities of Daily Living; or • suffering at least a 25% impairment of whole person function as defined in <i>Guides to the Evaluation of Permanent Impairment 5th edition</i>, American Medical Association. <p>Diagnosis must be confirmed by a consultant neurologist.</p>
Enhancement	The definition has been improved by providing alternative diagnosis criteria for viral encephalitis. In addition the exclusion of Encephalitis in the presence of HIV infection has been removed.	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
<p>Income Protection ‘Partial Disablement Capability Clause’</p>	<p>Partial Disablement Benefit Amount (Agreed Value and Indemnity)</p> <p>The initial benefit payable will be: $(A - B) / A \times$ Insured Monthly Benefit, where A = life insured’s monthly Pre-disablement Income (Agreed Value), and B = life insured’s income from all sources for the month in which the partial disablement benefit is being paid.</p> <p>When the life insured is partially disabled but not working to their optimum capability, ‘B’ will be calculated on the monthly income it would be reasonable for the life insured to earn if working to the extent of his/her optimum capability. In determining what the life insured could reasonably be expected to earn if the life insured were working to the extent of his/her optimum capability, the following will be taken into account:</p> <ul style="list-style-type: none"> • All available medical evidence from the life insured. • All available medical evidence from the life insured’s registered Medical Practitioner. • Any additional information that directly relates to the life insured’s medical condition. <p>The amount of benefit payable will be adjusted for any claim offsets.</p> <p>If the life insured is earning 25% or less of Pre-disablement Income during any of the first three months immediately after the end of the Waiting Period, we will pay the total disablement benefit for that month.</p>	<p>Partial Disablement – Income Protection Capability Clause will be:</p> <p>$(A - B) / A \times C$, where</p> <p>A = Pre-disablement Income, B = Monthly Income while partially disabled; and C = Insured Monthly Benefit</p> <p>If the life insured’s monthly income while partially disabled is negative, we will treat it as zero.</p> <p>If there is a delay between the time the life insured generated the monthly income and when the life insured actually received it, we will deem the income to have been received in the month in which it was actually generated and this income will form the basis of our calculation of ‘B’.</p> <p>If the life insured is partially disabled and is not working to the extent of his/her capability as a result of causes other than Injury or Sickness and this situation continues for at least 2 months, then ‘B’ will be calculated based on what the life insured could reasonably be expected to earn if he/she were working to the extent of his/her capability.</p> <p>In determining what the life insured could reasonably be expected to earn if he/she were working to the extent of his/her capability, we will take into account available medical evidence (including the opinion of the life insured’s Medical Practitioner) and any other relevant considerations directly related to the life insured’s medical condition (including information provided by the life insured).</p> <p>If we are making monthly benefit payments and intend to adjust future payments due to a change in how we calculate ‘B’, we will notify you 30 days prior to this taking place.</p> <p>If the life insured is unable to perform the important income-producing duties of his/her usual occupation for more than 10 hours per week then we will not change how we calculate ‘B’.</p> <p>The amount of benefit payable will be adjusted for any claim offsets.</p> <p>If the life insured is earning 25% or less of pre-disablement income during any of the first three months immediately after the end of the Waiting Period, we will pay the total disablement benefit for that month.</p>
<p>Enhancement</p>	<p>The Capability Clause now allows for a monthly benefit payment to be made for at least 2 months in the event the Life Insured is unable to work for reasons other than Injury or Sickness.</p>	

Benefit	Previous key features and benefits that applied to policies prior to 24 May 2010	Enhanced key features and benefits to apply effective from 24 May 2010
Income Protection – Crisis Recovery benefit	'Payment of the remainder of the total or partial disablement benefit will commence six months after the end of the Waiting Period under the policy provided you are then totally or partially disabled.'	'If the Income Protection Waiting Period is 14, 30 or 90 days payment of the disablement monthly benefit may commence six months after the assessed date of loss if the life insured is still unable at that time to work due to disablement. If the Income Protection Waiting period is one or two years, payment of the disablement monthly benefit may commence at the end of the Income Protection Waiting Period if the life insured is still unable at that time to work due to disablement.'
Enhancement	At the end of the six month benefit period, the waiting period will not be applied if the waiting period selected is less than 1 year.	

**With the exception of any increase in fees and charges.*

This is a summary only. Full terms and conditions are outlined in the current Priority Protection Policy Document dated 24 May 2010, available at AIA.COM.AU / Your Needs / For Individuals / Protection. Alternatively, for more information about AIA Australia's Priority Protection product range or for a paper copy of the Policy Enhancement Summary, which will be provided free of charge, please contact AIA Australia on Freecall 1800 333 613.