

# Income Protection

Policy Addendum  
Dated 10 October 2010



# Policy Addendum for Income Protection

Please read this document and keep it in a safe place with your Income Protection Policy Document. It is important that you read this document in conjunction with your Policy Document and any other Policy Addenda or policy notices issued by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809.

This Policy Addendum applies from 10 October 2010 and the improved conditions it provides are only effective on and from this date.

## **Note**

The improved conditions must be read subject to, and in conjunction with, your existing policy terms and conditions. Any pre-existing medical condition at the time this improvement is offered may be excluded from being eligible for payment under any improved cover.

### **Important information**

This document is an agreement between you and The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809. This document is issued by The Colonial Mutual Life Assurance Society Limited Level 12, 52 Martin Place, Sydney NSW 2000.

## Policy Addendum for Income Protection

Feature / benefit	Change	New policy wording
<p><b>The Indemnity definition of Pre-Disability Income that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>Pre-Disability Income for Indemnity policies has changed if you have been on employer approved unpaid maternity, paternity or study leave in the twelve months before disability. Your pre-disability income will now be based on your income in the twelve months before your leave started.</p>	<p><b>Indemnity</b></p> <p>If you have an Indemnity Policy, your Pre-Disability Income is the average Monthly Income you received during the twelve months immediately before your most recent period of Disability. If, however, you have been on employer-approved unpaid maternity leave, paternity leave or study leave at any time in the twelve months immediately before your most recent period of Disability, your Pre-Disability Income is the average Monthly Income you received during the twelve months immediately before your leave commenced, which average Monthly Income will be reduced by us on a pro rata basis to allow for any reduction in hours worked on your return to work from leave relative to the hours you worked immediately before commencing leave.</p> <p>If you continue to receive benefits for more than twelve months, this figure will be increased by the Indexation Factor every twelve months on the anniversary of the date that benefits started.</p>
<p><b>The definition of Waiting Period that is detailed in the adjacent new policy wording column has been amended</b></p> <p>All other parts of the wording not referred to in the new policy wording column continue to apply.</p>	<p>Post natal depression causing total or partial disability is now covered subject to satisfying a three month qualifying period in addition to the waiting period. In addition, the qualifying period for conditions directly or indirectly related to pregnancy, childbirth or miscarriage has been relaxed.</p>	<p><b>Waiting Period</b></p> <p>...</p> <p>However, if the Sickness or Injury from which you suffer is directly or indirectly related to pregnancy, childbirth or miscarriage (including post-natal depression), the Waiting Period will not begin any earlier than the last day of the Qualifying Period. For this purpose, the Qualifying Period is a three month period for which you have been continuously Totally Disabled or Partially Disabled from the relevant Sickness or Injury.</p> <p>If you are not Totally Disabled or Partially Disabled from the relevant Sickness or Injury for the Qualifying Period, the Waiting Period will not begin and you will not be entitled to a benefit under this Policy for the Sickness or Injury.</p>
<p><b>The title of the Total and Permanent Disability (TPD) Cover Option has been amended</b></p>	<p>The benefit is now referred to as Permanent Disablement Cover Option.</p>	<p>Wherever it appears in your Policy Document the title of the benefit Total and Permanent Disability (TPD) Cover Option has been changed to Permanent Disablement Cover Option.</p>

Feature / benefit	Change	New policy wording
<p><b>The title and definition of Total and Permanent Disablement has been amended. The new definition is detailed in the adjacent new policy wording column</b></p>	<p>The definition Total and Permanent Disablement has been replaced with a Permanent Disablement definition. Where the words Total and Permanent Disablement appear in your policy they have been replaced with Permanent Disablement.</p>	<p><b>Permanent Disablement</b></p> <p>Permanent Disablement means that:</p> <ul style="list-style-type: none"> <li>• the Life Insured has: <ul style="list-style-type: none"> <li>– been absent from active employment as a result of Sickness or Injury for a period of three consecutive months and, at the end of the three months, the Life Insured continues to be incapacitated to such an extent that he or she will be unlikely to ever again engage in the full-time gainful occupation he or she was engaged in immediately prior to Permanent Disablement and is under the regular treatment, and following the advice, of a Medical Practitioner; or</li> <li>– if the Life Insured has been engaged in full-time domestic duties or child rearing at the time of the Sickness or Injury that causes Permanent Disablement, the Life Insured has been, through Sickness or Injury, unable to perform domestic duties or child rearing and has been confined to the home for a period of three consecutive months and is under the regular treatment, and following the advice, of a Medical Practitioner and continues to be so incapacitated to the extent that he or she is unable to engage in (whether or not for reward) any occupation for which he or she is reasonably suited by education, training or experience and is likely to be so disabled for life</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• the Life Insured has suffered a Serious Medical Condition</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• the Life Insured has suffered Loss of Limbs or Sight (as defined in the Policy)</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• the Life Insured has suffered Loss of Independent Existence (as defined in the Policy).</li> </ul> <p>Permanently Disabled has a corresponding meaning.</p>

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Feature / benefit	Change	New policy wording
<p><b>The wording for Exclusions that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>Post-natal depression exclusion has been removed.</p>	<p><b>Exclusions</b></p> <p>We will not pay a benefit (including a Permanent Disablement Benefit, where applicable) which arises in connection with:</p> <ul style="list-style-type: none"> <li>• war or act of war (whether declared or not) or</li> <li>• any intentional self-inflicted injury or any attempt at suicide.</li> </ul> <p>It is against the law for us to make certain payments because of legislation in connection with health insurance, including the Private Health Insurance Act 2007 (Cth). We will not make a payment under this Policy if the payment would cause us to infringe this legislation.</p>
<p><b>Rehabilitation Benefit</b></p>	<p>Rehabilitation Benefit has increased from 50 percent to 100 percent of the monthly benefit when you are totally disabled and you participate in an approved rehabilitation program (payable for up to twelve months).</p>	<p>...</p> <p><b>What benefit will be paid?</b></p> <p>The Monthly Benefit and any Super Continuance Monthly Benefit will be paid to you for a maximum of twelve months. This is paid in addition to any other benefit.</p> <p>...</p>
<p><b>The definition of Annualised Monthly Benefit that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>The Annualised Monthly Benefit for the Permanent Disablement Cover Option has increased (where applicable) if you suffer a serious medical condition as defined in the policy. The lump sum payable for a serious medical condition is based on 100 percent of your monthly income (previously 75 percent). The \$3 million limit still applies.</p>	<p><b>Annualised Monthly Benefit</b></p> <p>The Annualised Monthly Benefit is the amount calculated as follows:</p> $\frac{12 \times (A \text{ minus } B)}{C}$ <p>where:</p> <p>'A' is the total of the following amounts:</p> <ul style="list-style-type: none"> <li>• the amount shown as the Monthly Benefit in your Policy Schedule, as increased or decreased in accordance with the conditions of this Policy</li> <li>• the amount, if any, shown as the Super Continuance Monthly Benefit in your Policy Schedule, as increased or decreased in accordance with the conditions of this Policy.</li> </ul> <p>'B' is the amount by which the Disability Benefit, which would have been payable to you had you not elected to receive the Permanent Disablement Benefit, would have been reduced under the 'Benefit Offsets' condition.</p> <p>'C' is 1, unless the Permanent Disablement for which the Permanent Disablement Benefit is payable is a Serious Medical Condition, in which case 'C' is 0.75.</p>

Feature / benefit	Change	New policy wording
<p><b>Introduction of a new definition titled Day One Condition is detailed in the adjacent new policy wording column</b></p>		<p><b>Day One Condition</b></p> <p>A condition which is Cardiomyopathy, Primary Pulmonary Hypertension, Major Head Trauma, Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy, Paraplegia, Quadriplegia, Hemiplegia, Diplegia, Tetraplegia, Dementia and Alzheimer’s Disease, Parkinson’s Disease, Blindness, Loss of Speech, Loss of Hearing, Chronic Lung Disease or Severe Rheumatoid Arthritis (as these conditions are defined in your Policy Document).</p>
<p><b>The definition Serious Medical Condition that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>Updated to include the Day One Condition definition.</p>	<p><b>Serious Medical Condition</b></p> <p>Serious Medical Condition means the Life Insured:</p> <ul style="list-style-type: none"> <li>• has been absent from active employment as a result of a Day One Condition and</li> <li>• continues to be incapacitated to such an extent that the Life Insured will be unlikely to ever again engage in the full-time gainful occupation he or she was engaged in immediately prior to Disability or Permanent Disablement, as applicable and</li> <li>• is under the regular treatment, and following the advice, of a Medical Practitioner.</li> </ul> <p>If the Life Insured has been engaged in full-time domestic duties or child rearing at the time of the Sickness or Injury that causes their Disability or Permanent Disablement, as applicable, then Serious Medical Condition means the Life Insured:</p> <ul style="list-style-type: none"> <li>• has been unable to perform domestic duties or child rearing, and has been confined to the home, due to a Day One Condition and</li> <li>• continues to be so incapacitated to the extent that they are unable to engage in (whether or not for reward) any occupation for which they are reasonably suited by education, training or experience and is likely to be so disabled for life and</li> <li>• is under the regular treatment, and following the advice, of a Medical Practitioner.</li> </ul>

Feature / benefit	Change	New policy wording
<p><b>The wording of the Pre-existing Conditions clause that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>We have removed the pre-existing conditions clause for a policy issued under a valid continuation option.</p>	<p><b>Pre-existing conditions</b></p> <p>We are not liable to pay a benefit (including a Permanent Disablement Benefit, where applicable) or an approved increase in the Monthly Benefit or any Super Continuance Monthly Benefit in connection with a condition which first occurred, or a condition the circumstances leading to which first became apparent, before the cover under this Policy or an increase in cover came into effect unless:</p> <ul style="list-style-type: none"> <li>• you were unaware and could not reasonably have been aware of the condition or circumstances before the cover or increase in cover came into effect, or</li> <li>• you disclosed the condition or circumstances to us before your policy or increase came into effect and we have not excluded cover for the condition or any condition resulting from the circumstances, or</li> <li>• the relevant benefit under this policy was issued by us on the exercise of a continuation option under an eligible policy, where eligible policy means a policy issued by us under which you were, immediately before the exercise of the continuation option: <ul style="list-style-type: none"> <li>– insured for the same benefit in an amount equal to, or greater than, the amount you are insured for under this Policy</li> <li>– insured for a benefit payment period equal to, or greater than, the Benefit Period which applies to the benefit under this Policy and</li> <li>– insured for the condition to which this condition of the Policy would apply but for this exception to this condition of the Policy.</li> </ul> </li> </ul>

Feature / benefit	Change	New policy wording
<p><b>The wording of the Reduction of Waiting Period that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>The reduction of waiting period benefit has been expanded to include employer group schemes.</p>	<p><b>Reduction of Waiting Period</b></p> <p>If:</p> <ul style="list-style-type: none"> <li>• as at the Date Insured From: <ul style="list-style-type: none"> <li>– the Waiting Period set out in the Policy Schedule is two years and the Benefit Period is to Cover Expiry Date and</li> <li>– you were insured under a group income protection policy and</li> <li>– your insurance under the group income protection policy provided for a benefit payment period of two years and</li> </ul> </li> <li>• when applying for this Policy: <ul style="list-style-type: none"> <li>– you notified us in writing of your insurance under the group income protection policy, including the two-year benefit payment period which applied to you under that policy and</li> <li>– benefits were not payable for you under the group income protection policy and</li> </ul> </li> <li>• your insurance under the group income protection policy subsequently ceases</li> </ul> <p>you can, without the requirement to supply further medical evidence, apply to us to reduce your Waiting Period from two years to three months, six months or one year provided that:</p> <ul style="list-style-type: none"> <li>• your application is made in writing within 30 days of your insurance ceasing under the group income protection policy</li> <li>• at the time of your application, the group income protection policy is in force and you are ineligible to exercise any continuation or similar option under that policy and you have not exercised any such option and</li> <li>• no benefits are payable for you under this Policy when you make your application.</li> </ul> <p>If your application is accepted by us, the change in your Waiting Period will be effective from the Premium Due Date immediately following our acceptance of your application.</p> <p>For the purpose of this condition, a group income protection policy means either:</p> <ul style="list-style-type: none"> <li>• a group income protection policy held by a trustee of a superannuation fund of which you were a standard employer-sponsored member in terms of the Superannuation Industry (Supervision) Act, or</li> <li>• a group income protection held by an employer under which you and others were insured in your capacity as employees of the employer.</li> </ul>



Feature / benefit	Change	New policy wording
<p><b>The Limitations and exclusions wording under the Unemployment Benefit that is detailed in the adjacent new policy wording column has been amended</b></p>	<p>There is now a waiver or reduction of the 60 day exclusion period under the Unemployment Benefit if you have existing unemployment cover with us that is subject to a similar exclusion which has expired in full or in part.</p>	<p><b>Unemployment Benefit</b></p> <p>...</p> <p><i>Limitations and exclusions</i></p> <p>If you are both Totally Disabled and Unemployed at the same time in terms of this Policy, we will only pay the highest of the Total Disability Benefit and the Unemployment Benefit.</p> <p>If, at the relevant time, you have more than one Loan the Unemployment Benefit will be payable with respect to each Loan but for all applicable Loans we will pay no more in total than the Monthly Benefit shown in your Policy Schedule as increased or decreased in accordance with the conditions of this Policy.</p> <p>We will not pay the Unemployment Benefit:</p> <ul style="list-style-type: none"> <li>• for any period of Unemployment for which you do not have a Loan</li> <li>• for any period when you are not Continuously Unemployed</li> <li>• if the Unemployment occurs while you are working outside Australia</li> <li>• if the Unemployment is directly or indirectly caused by, or results from:             <ul style="list-style-type: none"> <li>– you ceasing work of a casual, seasonal or temporary nature</li> <li>– the expiration of a Fixed Term Contract or specified period of work</li> <li>– your deliberate or serious misconduct</li> <li>– you resigning, accepting voluntary redundancy, retiring early or abandoning your employment.</li> </ul> </li> </ul> <p>We will not pay the Unemployment Benefit if the Unemployment commences or occurs, or you were aware of your impending Unemployment, prior to, or on or within 60 days after the Date Insured From or the reinstatement of this Policy.</p>

Feature / benefit	Change	New policy wording
<p><b>The Limitations and exclusions wording under the Unemployment Benefit that is detailed in the adjacent new policy wording column has been amended (continued)</b></p>		<p>If, however:</p> <ul style="list-style-type: none"> <li>• we have agreed that the Unemployment Benefit is replacing existing unemployment cover you have with us which is subject to a similar exclusion, and</li> <li>• your level of unemployment cover has not increased under the Unemployment Benefit,</li> </ul> <p>the 60 days referred to in this exclusion will be reduced by the expired period of the exclusion which applies to your existing unemployment cover.</p> <p>If the relevant period under the exclusion which applies to your existing unemployment cover is at least 60 days and has expired then we will waive this exclusion except to the extent it applies to a reinstatement of this Policy. If the Unemployment Benefit exceeds the unemployment cover being replaced, this exclusion will apply in its entirety to the amount of the excess.</p> <p>...</p>

**13 10 56**

8 am–8 pm (Sydney time)

Monday to Friday

**[comminsure.com.au](http://comminsure.com.au)**

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