

Policy Addendum – Professional Insurance Portfolio

Issued 1 June 2010

This document is to be attached to your Professional Insurance Portfolio policy document issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 230043), (AIA Australia) registered office 553 St Kilda Road, Melbourne VIC 3004. Freecall 1800 333 613.



Please read this Policy Addendum and keep it in a safe place with your Professional Insurance Portfolio ('PIP') 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 AIA Australia.

This Policy Addendum applies from 1 June 2010 ('Effective Date') and the improved conditions must be read subject to, and in conjunction with, your existing policy terms and conditions. Any pre-existing condition at the Effective Date may be excluded from being eligible for payment under any improved conditions.

The list of enhancements which are being passed back to existing Professional Insurance Portfolio policyholders are listed below.

Benefit	Enhancement
Term Life Limited Term Life	Terminal Illness is now uncapped with payment of 100% of the sum insured once the definition of terminal illness has been satisfied.
	Funeral Cash Advance benefit will pay on death of the life insured an amount equal to the lesser of 10% of the sum insured and \$25,000 if the owner of the policy is a company or business entity.
Crisis Recovery Benefit and Crisis Recovery Stand Alone Benefit	Terminal Illness now a listed event (Crisis Recovery Stand Alone only).
	Definition of 'Coronary Artery Angioplasty' now enhanced and pays benefits as follows: <ul style="list-style-type: none"> – 25% of sum insured (max \$25,000) for 1 artery, or insertion of up to 2 stents. – 50% of sum insured (max \$50,000) for 2 arteries, or insertion of more than 2 stents. – 100% of sum insured for 3 or more arteries.
	Enhanced definition of 'Heart Attack' which will allow payments for milder forms of heart attack.
	Enhanced definition for 'Heart Valve Surgery' with the removal of the requirement for open heart surgery. This means that keyhole techniques will qualify for payment.
	Small Bowel is now added to the list of organs covered under the definition of 'Major Organ Transplant'.
	The definition of 'Benign Brain Tumour' now includes tumours of the Spine.
	The definition for 'Coma' has been redefined as follows: Coma – a state of unconsciousness with no reaction to external stimuli or internal needs, persisting continuously with the use of a life support system for at least 72 hours. Excluded from this definition is coma induced medically or resulting from alcohol or drug abuse.
	The requirement for the life insured to be permanently unable to perform three Activities of Daily for 'Rheumatoid Arthritis' has been reduced to two Activities of Daily Living.
	A 'Complimentary Child Crisis Recovery' benefit is being introduced to all Crisis Recovery and Crisis Recovery Stand Alone policies under the Comprehensive module, which will provide \$20,000 sum insured to each child of the policy owner when the child suffers a listed crisis event.

Benefit	Enhancement
Crisis Recovery Reinstatement	Where Crisis Reinstatement is purchased as a benefit under Crisis Recovery Stand Alone, the waiting period for reinstatement of the sum insured after an event has been claimed will be from 30 days of the date of the claim payment.
Female Crisis Assistance Benefit	Inclusion of cover for Carcinoma-in-Situ of the Fallopian Tube. – All female cancers are now covered.
Child's Recovery Benefit	Conversion option to a Crisis Recovery Comprehensive benefit at the last policy renewal date prior to age 21 of the child.
Permanent Disablement, and Permanent Disablement Stand Alone Benefit	'Loss of Independence' definition enhanced with the inclusion of the physical component of 'the loss of limbs and sight in 1 eye' provision.
	The 'Any Occupation' definition of Permanent Disablement has been enhanced to provide a full benefit payment should the life insured be able to return to work but is earning less than 25% of his/her income that was earned prior to disablement. The period of unemployment immediately prior to a claim is now unlimited for the 'Own Occupation' definition.
Superannuation	Permanent Disablement Buy-back now included in superannuation.
Disability Income	The definition for pre-disability income is amended as follows: <i>Pre-disablement Income (Indemnity) is the greater of the life insured's average monthly income:</i> <ul style="list-style-type: none"> • for the 12 consecutive months preceding the commencement of disablement; and • the latest financial year preceding the commencement of disablement.
	Severity Benefit – Pays an additional 1/3 of the Insured Monthly Benefit (maximum of \$30,000 per month) if the life insured is totally disabled to the extent that he/she is unable to perform at least 2 of the Activities of Daily Living.
	Rehabilitation Expenses definition enhanced by removing the requirement that the life insured must first be on claim for 3 consecutive months. Rehabilitation of the life insured can start immediately (during the waiting period) and a rehabilitation program that is approved by us will be paid for a maximum period of 12 months by AIA Australia.
	Income qualifications have been enhanced as follows: <ul style="list-style-type: none"> – 75% of the first \$320,000 pa (\$26,667 pm) – 50% of the next \$240,000 pa (\$20,000 pm) – 15% of any balance over \$560,000 pa (\$46,667 pm)
	Partial Disablement benefits will be paid from day 1 for occupations AAA, AA and A. The requirement for 7 consecutive days of Total Disablement is removed for Partial Disablement benefits for occupations AAA, AA and A.
Disability Income	The dollar limit under Guaranteed Future Insurability has increased from \$1,000 to \$1,500.

The following table outlines new enhancements to existing benefits which are only available to customers who purchase Professional Insurance Portfolio (version 7, issued 1 June 2010).

Benefit	Enhancement
Disability Income	For occupations AAA, AA and A (PLUS Optional only) the life insured will have a choice of being assessed against a duties based definition as well as a time based definition at time of claim.
	Occupation category A is included for the '2-year to age 70' benefit.
	The maximum Insured Monthly Benefit for the '2-year to age 70' benefit is increased to \$20,000 per month.
	The 'Day 1 Accident' benefit has been enhanced to allow the benefit to be payable for up to 90 days of total disablement due to an accidental injury.
Business Expenses Insurance	The maximum Insured Monthly Benefit amount has increased to \$30,000 per month for occupation categories AAA and AA.
	Day 1 Accident benefit is now available with a waiting period of 30 days.
Policy Fee	Only 1 policy fee per life insured will be charged for all new Professional Insurance Portfolio policies that are issued after 01 June 2010.
Permanent Disablement, and Permanent Disablement Stand Alone Benefit	A person on full time 'Home Duties' will be offered an 'Any Occupation' definition at underwriting but will be assessed against the 'Home Duties' definition if that is the occupation at time of claim.
	Occupation category C now qualifies for 'Own' occupation definition.
	The maximum entry age for occupation category C is now increased to age 60.
	The maximum cease age for occupation categories AAA, AA and A is now increased to age 70.
	The maximum sum insured (Own Occupation) for occupation categories AAA, AA and A is now \$5 million.
	The maximum sum insured at age 70 when Permanent Disablement converts to Loss of Independence has increased to \$2 million for occupation categories AAA, AA and A.
Permanent Disablement Buy-back	The maximum entry age for occupation category C is now increased to age 60.
	The maximum cease age for occupation categories AAA, AA and A is now increased to age 70.
Crisis Recovery	The maximum sum insured at age 70 when Crisis Recovery converts to Loss of Independence has increased to \$2 million for occupation categories AAA, AA and A.
Female Crisis Assistance	<p>The cover options have been expanded to a choice of one of the following sums insured per listed crisis event:</p> <ul style="list-style-type: none"> • \$25,000 • \$50,000 • \$75,000 • \$100,000

The following table outlines the list of new benefits available to customers who purchase Professional Insurance Portfolio (version 7, issued 1 June 2010).

Benefit	Enhancement
Accidental Death Benefit	A new stand alone accidental death benefit is being introduced that will pay a lump sum of up to \$1 million should the life insured die as a result of an accident.
Forward Underwriting Benefit	Provides for risk cover in the future of up to \$10 million on the occurrence of specified events. The exercising of the options will be subjected to financial underwriting only.
Partial Permanent Disablement	Should the life insured suffer the permanent loss of use of 1 arm or 1 leg or sight in 1 eye then a partial disablement benefit of the lesser of 25% of the sum insured and \$250,000 will be paid. Please note that this benefit is not available under the superannuation plan.
Superannuation Term Life PLUS	Superannuation Term Life PLUS – Allows the life insured to hold both Permanent Disablement and Crisis Recovery outside of super, in their own name, whilst still retaining rider functionality to the Term Life that is held in super.
Optimum Premiums	A hybrid premium model that encompasses the low initial entry level of stepped premiums and the security of level premiums all-in-one.
Crisis Recovery and Crisis Recovery Stand Alone	Complimentary Interim Accidental Crisis Cover will pay a lump sum equal to the lesser of the proposed sum insured and \$1 million in the event the life insured suffers a listed accidental crisis event.
Incorporated Business Expenses Insurance	A business expenses policy owned by a company or business entity on the life of a business owner or partner. This benefit will pay an Agreed Value for the first 12 months of claim and Indemnity Value for a further period of 12 months.