



ON GUARD Accident Insurance

Product Disclosure Statement and Policy Wording

ON GUARD Accident Insurance is issued and insured
by **AIG Australia** and arranged and distributed
by **Defence Health Ltd.**

This document contains your insurance Policy Terms,
Provisions and Conditions. It is important that you read
and understand it and retain it in a safe place

HOW THIS INSURANCE IS ARRANGED

This insurance is issued/insured by:

American Home Assurance Company ('AHAC')

trading as AIG Australia ("AIG Australia")

ABN 67 007 483 267

AFSL 230903

549 St. Kilda Road

Melbourne Vic 3004

AIG Australia issues / insures this product pursuant to an Australian Financial Services Licence ('AFSL') granted by the Australian Securities and Investments Commission.

AIG Australia prepares this **Product Disclosure Statement**.

Cover is arranged and distributed by:

Defence Health Limited

ABN 80 008 629 481

AFSL 313890

Address: Level 2, 344 St Kilda Road, Melbourne Victoria 3004

Telephone: 1800 335 425

Facsimile: 1300 665 096

Website: www.defencehealth.com.au

Defence Health Limited arranges and distributes the product pursuant to an Australian Financial Services Licence ('AFSL') granted by the Australian Securities and Investments Commission.

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PRODUCT DISCLOSURE STATEMENT

1. WHAT IS THE PRODUCT DISCLOSURE STATEMENT?

The Product Disclosure Statement ('PDS') contains information about key benefits and significant features of this On Guard Accident Insurance.

The purpose of the PDS is to assist your purchasing decision and ability to compare this product with other insurance. This document also contains important information about your rights and obligations including the Cooling Off Period. Please retain this document in a safe place.

The terms and conditions of your insurance are contained in the **Policy Wording**.

Details about the product issuer can be found on page 1 '**How this insurance is arranged**'.

2. ELIGIBILITY

This insurance is only available to:

- Members of the Australian Defence Forces, both permanent and reservists;
- employees of the Department of Defence, DFAT and the Attorney General's Department, and other departments that assist or advise the Defence Department or the broader defence community;
- civilians - whether as individuals, contractors or employees of companies - who work for, advise or assist the broader defence community.

3. KEY BENEFITS OF YOUR POLICY

You can select cover under the following Plans:

Family	Provides 100% of the number of Basic Plan Units and Additional Plan Units purchased for both You and Your Spouse and one unit of the selected Basic Plan and Additional Plan Unit for each Dependent Child.
Individual	Provides 100% of the number of Basic Plan Units and Additional Plan Units purchased for You, and one unit of the selected Basic Plan for each Dependent Child.

You can **select up to three (3) Basic Plan Units** of cover under the same Basic Plan (Superior, Premier or Budget) for You under Individual Plan or for You and Your Spouse under Family Plan for a specified range of Events including:

- Injury (as defined) resulting in disability.
- Injury (as defined) resulting in fractured bones.
- Injury (as defined) resulting in the Permanent or Total Loss of the use of various senses or body parts.

Dependent Children will be covered for only one unit of the nominated

Basic Plan regardless of the number of units You select for You or You and Your Spouse. Cover under Event 3 is not available to Dependent Children under the age of 7 years.

In addition to the Basic Plan Units of cover, You have the option to select **up to three (3) Additional Plan Units** of cover (Death Benefit) as a result of Injury for You under Individual Plan or for You and Your Spouse under Family Plan.

Dependent Children will be covered up to \$20,000 only under the Additional Plan regardless of the number of units You select for You or You and Your Spouse.

This insurance does not provide weekly benefits for loss of income. Benefits are payable regardless of any Workers Compensation, Medicare, superannuation, private health insurance or third party insurance payouts that You may be entitled to.

The compensation per Basic Plan & Additional Plan Unit for each level of cover are as listed in the **Schedule of Benefits** below:

SCHEDULE OF BENEFITS – BASIC PLAN

EVENTS		THE COMPENSATION		
		BASIC PLAN UNIT		
Injuries Resulting in:		Superior	Premier	Budget
*1.	Permanent Loss of Independent Existence	\$375,000	\$187,500	\$75,000
2.	Permanent Quadriplegia	\$250,000	\$125,500	\$50,000
3.	Permanent Paraplegia	\$250,000	\$125,500	\$50,000
4.	Permanent Total Loss of entire Sight of both Eyes	\$250,000	\$125,000	\$50,000
5.	Permanent Total Loss of use of two Limbs	\$250,000	\$125,000	\$50,000
6.	Permanent Total Loss of use of one Limb and the entire sight of one eye	\$250,000	\$125,000	\$50,000
7.	Permanent Total Loss of use of one Limb	\$125,000	\$62,500	\$25,000
8.	Permanent Total Loss of Hearing in (a) both ears (b) one ear	\$175,000 \$35,000	\$87,500 \$17,500	\$35,000 \$7,000
9.	Permanent Total Loss of speech	\$175,000	\$87,500	\$35,000
10.	Permanent Total Loss of entire sight of one eye	\$125,000	\$62,500	\$25,000
11.	Permanent Total Loss of the lens of one eye	\$50,000	\$25,000	\$10,000

12.	Third degree burns and /or resultant disfigurement received from fire or chemical reaction which extend to cover more than 40% of the entire external body.	\$100,000	\$50,000	\$20,000
13.	Permanent Total Loss of use of one Hand or Foot	\$100,000	\$50,000	\$20,000
14.	Permanent Total Loss of use of one thumb and one finger.	\$25,000	\$12,500	\$5,000
15.	Permanent Total Loss of use of one thumb on either Hand	\$20,000	\$10,000	\$4,000
16.	Permanent Total Loss of use of one finger or toe	\$10,000	\$5,000	\$2,000
17.	Broken bones or simple fractures Injuries resulting in breaks or simple fractures to:			
(a)	1 or more Vertebrae of the Neck or Spine	\$12,500	\$6,250	\$2,500
(b)	Hip, pelvis	\$7,500	\$3,750	\$1,500
(c)	Skull, shoulder blade	\$5,000	\$2,500	\$1,000
(d)	Collarbone, upper leg	\$4,000	\$2,000	\$800
(e)	Upper arm, kneecap	\$3,500	\$1,750	\$700
(f)	Forearm, elbow	\$2,500	\$1,250	\$500
(g)	Wrist, cheek, ankle, Hand, Foot	\$2,000	\$1,000	\$400
(h)	1 or more Ribs	\$1,500	\$750	\$300
(i)	1 or more Fingers or thumbs, toes	\$500	\$250	\$100
	Maximum amount payable for any one Injury under Event 17.	\$12,500	\$6,250	\$2,500
18.	The Insured Person being a Bed Care Patient. If, as a result of Injury as defined, an Insured Person becomes a Bed Care Patient, We will pay a weekly benefit (up to a maximum of four (4) weeks) that the Insured Person remains a Bed Care Patient beginning with the first day of confinement. A daily rate of 1/7th of the Weekly Bed Care Patient Benefit will be paid if an Insured Person remains a Bed Care Patient for less than seven(7) days.	\$300 per week	\$200 per week	\$100 per week

Please note:

In the event of multiple Injuries sustained in the same accident, only the Event (Events 1 to 16, 19) insured for the highest amount on the Plan selected will be compensated.

* Event 1 (Permanent Loss of Independent Existence) is not available to Dependent Children aged under seven (7) years of age.

SPECIAL PROVISIONS – ADDITIONAL BENEFITS

Home Renovation Benefit: If as a result of Injury resulting in any one of the Events 1 to 6, We will pay 80% of the cost incurred for such renovations to a maximum of \$10,000 regardless of the number of units selected as provided in Special Provisions – Additional Benefits 1.

Accidental HIV Infection Benefit: We will pay to the Insured Person compensation of \$25,000 regardless of the number of units selected if the Insured Person accidentally contracts the Human Immunodeficiency Virus (H.I.V.) infection as provided in Special Provisions – Additional Benefits 2.

Spouse and Dependent Children: Spouse Benefit- \$5,000, Dependent Children Benefit - \$5,000 for each Dependent Child to a maximum of \$15,000 — regardless of the number of units selected as provided in Special Provisions – Additional Benefits 3.

OPTIONAL BENEFIT

EVENTS		THE COMPENSATION BASIC PLAN UNIT		
Injuries, as defined, resulting in:		Superior	Premier	Budget
**19.	Death	\$250,000	\$125,500	\$50,000

Please note:

In the event of multiple Injuries sustained in the same accident, only the Event (Events 1 to 16, 19) insured for the highest amount on the Plan selected will be compensated.

** Death benefit for Dependent Children are covered up to a maximum of \$20,000.

Cover is limited to the benefits and is subject to the terms, conditions and exclusions in the **Policy Wording**.

4. IMPORTANT INFORMATION

Please read the Policy Wording carefully for full details about lodging a claim and the benefits, terms and conditions that apply to this insurance. Take special note of the following:

- The **Policy Wording** contains a **Definitions** section on **page 12** and **Conditions** that apply to this insurance at **page 17**.
- **Special Provisions** apply to this **Policy Wording** that may impact upon the compensation payable. It is important that you carefully read the sections of the **Policy Wording** titled '**Special Provisions**' and '**Special Provisions – Additional Benefits**' on **pages 15 and 16** of the **Policy Wording**.
- There are some circumstances where cover cannot be provided. These are covered in the **Policy Wording**. Please take special note

of the **Exclusions** applicable to all sections of the policy listed on **page 14** of the **Policy Wording**.

- **Age limits** apply to this policy. To be eligible for cover under this policy You and Your Spouse must not be less than 16 years of age or more than 70 years of age. Full details of age limits can be found on **page 16** of the **Policy Wording**.

This **PDS** also contains important information about the rights and obligations of Insured Person(s) including information about Privacy, and the General Insurance Code of Practice.

5. COSTS

Rates for each Basic Plan Unit of Accidental Injury cover are provided in the table below. The rates for various payment frequencies are shown and will depend on the payment option you select. Please note that the amount will vary depending on the payment method you have selected – see tables below:

BASIC PLAN UNIT – ACCIDENTAL INJURY

Premium Tables for **Credit Card** and **Direct Debit** Payment Options:

1 Unit Basic Plan (Accidental Injury) -Monthly Rates

	Superior	Premier	Budget
Individual	\$30.75	\$15.15	\$6.05
Family	\$61.50	\$30.30	\$12.10

Premium Tables for Payroll Deduction Payment Option*:

1 Unit Basic Plan (Accidental Injury) -Weekly Rates

	Superior	Premier	Budget
Individual	\$7.80	\$3.85	\$1.55
Family	\$15.60	\$7.70	\$3.10

* **Please note:** An administration charge will be applied to applicants selecting to pay via Payroll deduction.

Premiums vary depending whether you choose Individual or family cover, credit card, direct debit or payroll deduction and the level of compensation and the number of units selected .

You may purchase up to a maximum of 3 Basic Plan Units of cover under the same Basic Plan.

The premium amount shown above will be multiplied by the number of Basic Units selected.

ADDITIONAL PLAN UNIT – ACCIDENTAL DEATH

In addition to the Basic Plan, you may also choose to purchase Additional Plan Units of Accidental Death cover. Premium rates for each Additional Plan Unit of cover are provided in the table below. Premiums vary depending on whom you choose to take out cover

for, payment method, the level of compensation and number of units selected.

Premium Tables for Credit Card and Direct Debit Payment Options:
Accidental Death -Monthly Rates

Premium Tables for Payroll Deduction Payment Option*:

Accidental Death -Weekly Rates

	Superior	Premier	Budget
Individual	\$17.35	\$8.65	\$3.45
Family	\$34.65	\$17.35	\$6.95

Premium Tables for **Payroll Deduction** Payment Option*:

Accidental Death -Weekly Rates

	Superior	Premier	Budget
Individual	\$4.40	\$2.20	\$0.88
Family	\$8.80	\$4.40	\$1.75

* **Please note:** An administration charge will be applied to applicants selecting to pay via Payroll deduction.

You may purchase up to a maximum of 3 Additional Plan Units of cover in addition to the maximum number of Basic Plan units you have selected.

The premium amount shown above will be multiplied by the number of Additional Units selected.

The premium amount will also be shown on your **Policy Schedule** and includes government charges such as Stamp Duty and GST.

Cover is limited to the benefits and maximum sums insured listed in the **Schedule of Benefits** and is subject to the terms, conditions and exclusions in the **Policy Wording**.

6. COOLING OFF PERIOD

You have 14 days after the day you receive this Policy to check that the Policy and benefits meet your needs. This is known as the Cooling Off Period. Within this Period you may cancel the Policy and receive the full refund of all premiums paid.

To cancel your Policy during the Cooling Off Period, please send us:

- Your written request to cancel the Policy; and
- The Policy document.

The Cooling Off Period ceases if you make a claim before the 14 day Cooling Off Period has expired.

7. HOW TO MAKE A CLAIM

Information on claims can be found under the section titled '**Conditions – 5. Claims Procedure**' in the Policy Wording. Please read this carefully.

Claims need to be submitted with original supporting documentation

such as doctor's reports and proof of identity. Claims should be delivered to the address shown on the outside cover of this document.

Please refer to the **Policy Wording** for further details about the above.

8. CODE OF PRACTICE

AIG Australia is a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way the claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

9. DISPUTE RESOLUTION

We are committed to handling any complaints about our products or services efficiently and fairly.

If you have a complaint:

1. Contact our customer service team on 1800 650 224 and raise it with us.
2. If your complaint is not satisfactorily resolved you may request that your matter be reviewed by management by writing to:
The Compliance Manager
AIG Australia
549 St Kilda Road, Melbourne
VICTORIA 3004
3. If you are still unhappy, you may request that the matter be reviewed by Our Internal Dispute Resolution Committee ("Committee"). We will respond to you with the Committee's findings within 15 working days.

If you are not satisfied with the findings of the Committee, you may be able to take your matter to an independent dispute resolution body, Insurance Ombudsman Services Limited (IOS). This external dispute resolution body can make decisions with which AIG Australia are obliged to comply.

Contact details are:

Insurance Ombudsman Services Limited

Phone: 1300 780 808 (local call fee applies)

Email: ios@insuranceombudsman.com.au

Internet: www.insuranceombudsman.com.au

PO Box 561, Collins St West Post Office, Melbourne,
VIC 8007

10. PRIVACY CONSENT AND DISCLOSURE

AIG Australia is a wholly owned subsidiary of the American International Group (AIG). AIG Australia has adopted the National Privacy Principles ("the NPPs"). The NPPs may apply to any personal information collected by AIG Australia.

PURPOSE OF COLLECTION

AIG Australia collects information necessary to underwrite and administer your insurance cover, to maintain and to improve customer service. You have a duty under the Insurance Contracts Act to disclose certain information. Failure to comply with your Duty of Disclosure or to provide certain information may result in AIG Australia either declining cover, cancelling your insurance cover or reducing the level of cover.

In the course of administering your Policy we may disclose your information to:

- (a) Another member of the AIG group of companies either in Australia or overseas;
- (b) Contractors or third party providers providing services related to the administration of your Policy;
- (c) Banks and financial institutions for the purpose of processing your Application and obtaining Policy payments;
- (d) In the event of a claim, assessors, third party administrators, emergency providers, and medical providers.
- (e) Advise you of our insurance products or services.

AIG Australia will only disclose your personal information to these parties for the primary purpose for which it was collected. In some circumstances AIG Australia is entitled to disclose your personal information to third parties without your authorisation, such as to law enforcement agencies or government authorities.

ACCESS TO YOUR INFORMATION

You may gain access to your personal information by submitting a written request to AIG Australia.

In some circumstances, AIG Australia may not permit access to your personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

AIG Australia has also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however AIG Australia reserves the right to charge for access requests in certain circumstances.

If you feel you have a complaint about AIG Australia's use of your personal information, require assistance in lodging a privacy complaint or you wish to gain access to the information, you may write to The Privacy Manager, AIG Australia, 549 St Kilda Road, Melbourne, or e-mail australia.privacy.manager@aig.com. Your complaint will be reviewed and you will be provided with a written response. If it cannot be resolved, your complaint will be referred to AIG Australia's Internal Disputes Resolution Committee who will

AIG respond within 15 working days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint.

Should your complaint not be resolved by AIG Australia's internal dispute resolution process, you may apply to the Privacy Commissioner for review of the determination.

POLICY WORDING

IMPORTANT NOTES

1. This document contains Your Insurance Policy Terms and Conditions. It is important that You read and understand it and retain it in a safe place.
2. Please inform Us immediately of any change in Your:
 - (a) Address
 - (b) any other changes affecting the persons insured which require an alteration in the policy.
3. This insurance does not provide weekly benefits for loss of income.
4. Dependent Children under the age of seven (7) years will not be covered under Event 3 – Permanent Loss of Independent Existence.
5. From time to time We may vary premium payments for all policies in the Plan selected, such premium variation shall be notified to You in writing and will take effect from Your next Premium Due Date.
6. You should also note that We may elect to no longer provide insurance under the Plan selected, We may decline to accept further premium or to renew Your insurance after the next Premium Due Date. In that event We shall notify You in writing at least 60 days before Your cover ceases.

POLICY CONDITIONS

The Insured Persons named in the Enrolment Form/Policy Schedule are insured against Injury and, if selected, Death as a result of Injury on the following terms.

AGREEMENT

All cover is subject to You paying or agreeing to pay the premium We require, and is subject to all the Terms, Conditions, Provisos and Exclusions of this Policy including the Policy Schedule.

YOUR DUTY OF DISCLOSURE

What You must tell Us

When answering Our questions, You must be honest and You have a duty under law to tell Us anything known to You, and which a reasonable person in the circumstances, would include in answer to the question. We will use the answers in deciding whether to insure You and anyone else to be insured under the Policy, and on what terms.

Who needs to tell Us

It is important that You understand You are answering Our questions in this way for Yourself and anyone else whom You want to be covered by the Policy.

If You do not tell Us

If You do not answer Our questions in this way, We may reduce or refuse to pay a claim, or cancel a Policy. If You answer Our questions fraudulently, We may refuse to pay a claim and treat the Policy as never having worked.

DEFINITIONS

BASIC PLAN UNIT means one Unit of Superior Plan or one Unit of Premier Plan or one Unit of Budget Plan as shown in the Schedule of Benefits-Basic Plan. The maximum number of the Basic Plan Units You can purchase is three (3) Units of the same Basic Plan.

ADDITIONAL PLAN UNIT means one Unit of Superior Plan or one Unit of Premier Plan or one Unit of Budget Plan as shown in the Schedule of Benefits-Additional Plan. The maximum number of the Additional Plan Units You can purchase is three (3) Units of the same Additional Plan.

BED CARE PATIENT means an Insured Person who is confined in bed under the regular daily attendance and care of a professional carer (not a family member) directly resulting from a covered Injury and certified as necessary by a legally qualified medical practitioner. This does not include confinement in any of the following institutions in which an Insured Person resides at the time of the Injury giving rise to the claim – nursing or convalescent home, a geriatric ward, a mental institution, a rehabilitation or extended care facility for the elderly.

DEPENDENT CHILDREN means the unmarried children of the Insured Person who are:

- (a) under nineteen (19) years of age; or
 - (b) under twenty-five (25) years of age while they are full-time students at an accredited institution of higher learning;
- and at the time of an Event giving rise to a claim are primarily dependent on the Insured Person for maintenance and support. Dependent Children includes step or legally adopted children.

FOOT means the entire foot below the ankle joint.

HAND means the entire hand below the wrist joint.

LOSS OF INDEPENDENT EXISTENCE means when as a result of an insured Event an Insured Person is unable to perform two (2) or more of the Activities of Daily Living.

ACTIVITIES OF DAILY LIVING:

- a) Transferring means the ability of the Insured Person to move in and out of a chair or bed without the assistance of another person. The Insured Person will be considered to be able to transfer themselves even if equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorised devices are used.
- b) Dressing means the ability of the Insured Person to put on and take off all garments and medical braces or artificial limbs usually worn and to fasten and unfasten them, without the assistance of another person. The Insured Person will be considered to be able to dress themselves even if the above tasks can be performed only by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.
- c) Toileting means the ability of the Insured Person to get to and from as well as on and off the toilet, to maintain a reasonable level of personal hygiene and to care for clothing without the assistance of another person. The Insured Person will be considered able to toilet themselves even if they have a ostomy and are able to empty it themselves, or if the Insured Person uses a commode, bedpan or urinal, and are able to empty and clean it without the assistance of another person.
- d) Bathing/Washing means the ability of the Insured Person to wash themselves either in the bath or shower or by sponge bath without the assistance of another person. The Insured Person will be considered to be able to bathe themselves even if the above tasks can only be performed in the bath or shower by using equipment or adaptive devices.
- e) Eating means the ability of the Insured Person to get nourishment into the body by any means once it has been prepared and made available to the Insured Person without the assistance of another person.

INJURY means a bodily injury to an Insured Person resulting from an accident caused by violent, external and visible means and occurring solely and directly and independently of any other cause including any pre-existing physical or congenital condition (except sickness or disease directly resulting from medical or surgical treatment rendered necessary by an Injury or to infection directly resulting from an Injury, provided that in each case the Injury itself is covered by this Policy; or to accidental food poisoning), provided the Injury:

- (a) occurs on or after the Insured Person's effective date of individual insurance; and
- (b) results in any of the Events specified in the Schedule of Benefits within twelve (12) calendar months from the date of such Injury.

INSURED PERSON(S) shown on Your Policy Schedule under the Plan selected, means:

- (a) You and any Dependant Child(ren), if You selected “Individual Plan” on Your Application Form; or
- (b) You and Your Spouse and any Dependant Child(ren) if You selected “Family Plan” on Your Application Form.

LIMB means any part of the arm between the shoulder and the wrist or any part of the leg between the hip and the ankle.

PERMANENT means lasting twelve (12) calendar months from the date of occurrence and at the end of that period being beyond hope of improvement.

PREMIUM DUE DATE means, for periodically paid premiums, the end of each period when the premium is payable.

SPOUSE means the husband or wife or any de-facto partner of the Insured Person who has continuously lived with the Insured Person for at least three (3) calendar months prior to an Event giving rise to a claim under this Policy.

TOTAL LOSS means, with reference to the body parts listed below:

- (i) Where that body part is a Hand, Foot, finger or toe, Total Loss means the Permanent and total physical loss or loss of use of that body part referenced in the Schedule of Benefits; or
- (ii) For an eye entire and irrecoverable loss of sight in that eye; or
- (iii) For an ear entire and irrecoverable loss of hearing in that ear; or
- (iv) For speech the entire and irrecoverable loss of speech; or
- (v) For a Limb the Permanent and total physical loss or loss of use of any part of the arm between the shoulder and the wrist or any part of the leg between the hip and the ankle.

PARAPLEGIA means Permanent and entire paralysis of both legs and part or whole of the lower half of the body.

QUADRIPLEGIA means Permanent and entire paralysis of both legs and both arms.

WE/OUR/US means American Home Assurance Company ABN 67 007 483 267 trading as AIG Australia.

YOU/YOUR means the person who has signed the Application Form.

EXCLUSIONS

The Policy shall not apply to any Event arising directly or indirectly out of:

1. Intentional self-injury, suicide, or criminal or illegal act of the Insured Person who is the subject of the claim.
2. Sickness, disease or any kind of infection however contracted. This exclusion however, does not apply to sickness or disease directly resulting from medical or surgical treatment rendered (necessary by an Injury or to infection directly resulting from an Injury, provided that in each case the Injury itself is covered by this Policy; or to accidental food poisoning.

3. Having a blood alcohol content over the prescribed legal limit when driving or operating any motor vehicle, and/or being under the influence of intoxicating liquor and/or being under the influence of any drug other than a drug taken or administered by, or in accordance with the advice of a legally qualified medical practitioner.
4. The Insured Person engaging in any professional sport, meaning his/her livelihood is substantially dependent on income received as a result of him/her playing sport.
5. Racing in or on any motor powered conveyance, excluding social club car rallies.

EXPOSURE

If any of the Events occurs as the result of unexpected exposure to the elements following an Injury, We will assume that the Insured Person has sustained Injury as defined and will pay the compensation for that Event.

DISAPPEARANCE

If an Insured Person disappears and after twelve calendar months it is reasonable for Us to believe they have died due to an insured Injury, We will pay the compensation shown for Event 19 (Death Benefit) for the relevant number of Additional Plan Units shown on the Policy Schedule subject to receipt of a signed undertaking by his/her estate that any such compensation shall be refunded if it is later demonstrated that the Insured Person did not die as a result of an Injury.

SPECIAL PROVISIONS

1.
 - (a) Compensation shall not be payable for more than one of the Events 1-16 in respect of the same Injury.
 - (b) In the event of multiple Injuries sustained in the same accident, only the Event (Events 1 to 16, 19) insured for the highest amount on the Plan selected will be compensated.
2. Compensation shall not be payable unless as soon as possible after the happening of any Injury giving or likely to give rise to a claim, the Insured Person obtains and follows proper medical advice from a legally qualified medical practitioner.
3. Compensation owing to the Insured Person at the date of his/her death will be paid in accordance with any beneficiary designation that may be in force at the time of claim, or to his/her estate. All other Compensation will be payable to You.

4. **Age Limits**

We will not be liable for any Event, which happens to an Insured Person aged under 16 years (except Dependent Children) or aged 70 years of age or over.

5. Event 3 (Permanent Loss of Independent Existence) is not available to Dependent Children aged under seven (7) years of age.
6. Event 19 (Death benefit) for Dependent Children are covered up to a maximum of \$20,000.

SPECIAL PROVISIONS – ADDITIONAL BENEFITS

1. HOME RENOVATION BENEFIT

If as a direct result of Injury resulting in any one of the Events 1 to 6, the Insured Person is required to renovate his or her existing residence (including but not limited to the installation of ramps for external or internal wheel chair access, internal guide rails, emergency alert system and similar disability aids) necessary for the Insured Person to perform daily lifestyle activities (i.e. the ability of the Insured Person to dress, bathe, toilet and feed without any assistance) and to remain in and move around his or her existing residence, We will pay 80% of the cost incurred for such renovations to a maximum of \$10,000 regardless of the number of units selected. This Benefit is only payable:

- (a) where such renovations are undertaken with Our prior written agreement and the agreement of the Insured Person's attending medical practitioner; and
- (b) in respect of one residence only.

2. ACCIDENTAL H.I.V. INFECTION BENEFIT

We will pay to the Insured Person compensation of \$25,000 regardless of the number of units selected if the Insured Person accidentally contracts the Human Immunodeficiency Virus (H.I.V.) infection:

- (a) as a direct result of Injury caused by a physical and violent bodily assault by another person on the Insured Person while he or she is covered under this Policy; or
- (b) as a direct result of the administering of medical treatment provided by a registered and legally qualified medical practitioner or registered nurse to an Insured Person's covered Injury while he or she is insured under this Policy.

Special Conditions

- (i) Compensation will only be payable if the Insured Person is positively diagnosed within 180 days of the event giving rise to the H.I.V. infection.
- (ii) Compensation shall not be payable unless any event leading to or likely to lead to a positive diagnosis of H.I.V. is reported to Us and medical tests are carried out by a registered and legally qualified medical practitioner no more than forty eight (48) hours from the time and date of the event giving rise to the H.I.V. infection.

(iii) The medical tests (to be made by recognised laboratory and clinical tests) carried out in connection with this Benefit must prove conclusively that the Insured Person was not H.I.V. positive at the time and date of the event giving rise to the H.I.V. infection. No Compensation is payable if You or the Insured Person fail to comply with or to provide the required level of proof.

3. SPOUSE AND DEPENDENT CHILDREN BENEFIT

If an Insured Person has a Spouse and/or any Dependent Children and he/she suffers an Injury, which results in Basic Plan, Events 1, 2 or 3 or if selected and shown in the Policy Schedule Additional Plan, Event 19 (Death Benefit) We will pay the following amounts in addition to the Sum Insured payable for an Insured Person:

- (a) Spouse Benefit - \$5,000 — regardless of the number of units selected.
- (b) Dependent Children Benefit – \$5,000 for each Dependent Child to a maximum of \$15,000 — regardless of the number of units selected.

Please note:

This Event is payable regardless of the Plan selected.

CONDITIONS

1. Eligibility

This insurance is only available to:

- Members of the Australian Defence Forces, both permanent and reservists;
- employees of the Department of Defence, DFAT and the Attorney General's Department, and other departments that assist or advise the Defence Department or the broader defence community;
- civilians - whether as individuals, contractors or employees of companies - who work for, advise or assist the broader defence community.

2. Cover

This Policy provides the Insured Person(s) with Insurance cover under those Sections of the Policy selected by You and/or the Insured Person in Your and/or the Insured Person's Enrolment Form for this Insurance. The selected cover is shown in the Policy Schedule.

3. Effective Date Of Individual Insurance

The Insurance of any Insured Person (as specified in the Policy Schedule) will become effective on the latest of the following dates:

- (a) on the commencing date of the Policy Period set out in the Policy Schedule;
- (b) on the date such Insured Person becomes eligible for insurance under this Policy;
- (c) where an Enrolment Form is required by Us, on the date of Our acceptance of the Insured Person's written Enrolment Form.

4. **Individual Terminations**

The Insurance of any Insured Person will immediately terminate on the earliest of the following dates:

- (a) on the date this Policy is terminated;
- (b) on the date You request that such Insured Person be removed as an Insured Person;
- (c) on the Premium Due Date if You fail to pay the required premium except as the result of inadvertent error; or
- (d) on the date such Insured Person ceases to be eligible for insurance under this Policy.

5. **Cancellation**

- (a) You may cancel this Policy at any time by giving Us written notice of cancellation, in which case We will retain Our usual short-term rate for the time the Policy was in force.
- (b) We may cancel or lapse this Policy in the event:
 - (i) You fail to make the payment in the manner nominated by You on Your Enrolment Form on the Premium Due Date; or
 - (ii) Your employer or Your credit provider fails to make payment in the manner nominated by You on Your Enrolment Form; and
 - (iii) the payment is 30 days overdue.

This condition applies as each and every premium becomes due and cannot be disregarded by You because We have previously accepted a premium 30 days after the Premium Due Date.

The effect of this is that Your insurance may be lapsed by Us if Your premium is not received within 30 days of being due and claims for Injuries occurring after the Premium Due Date may be denied. Your insurance shall not be prejudiced by failure of Your employer or credit provider to transmit reports, pay premium or comply with any of the provisions of the Policy, when such failure is due to inadvertent error or clerical mistake.

- (c) We may cancel Your Policy as provided under sub-section 60(1) of the Insurance Contract Act.

6. **Claims Procedure**

- (a) Written notice of claim must be given to Us at any of Our offices in Australia within thirty (30) days after the occurrence of any Event in respect of which a claim has arisen or may arise.
- (b) All certificates and evidence required by Us shall be furnished at the expense of the Insured Person/You for any claimant hereunder and shall be in such form and of such nature as We shall prescribe.

- (c) We may have the Insured Person medically examined at Our expense when and as often as We may reasonably require after a claim has been made, or in the Event of the Insured Persons Death arrange an autopsy unless this is illegal in the country in which the autopsy is to be performed.

7. Australian Law

This Policy is governed by the Laws of the Australian State or Territory it was issued in and any dispute or action in connection therewith shall be conducted and determined in Australia.

8. Fraud and Misstatement

Any fraud, misstatement or concealment by the Insured and/or You either in Your completed Enrolment Form on which this insurance is based or in relation to any other matter affecting this insurance or in connection with the making of any claim there under may give Us certain rights provided for in the Insurance Contracts Act 1984, including the right to reduce or refuse payment of any claim, cancel or avoid the Policy.

9. Tax Or Imposts

Where We are, or believe We will become liable for any tax or other impost levied by any Commonwealth or State Government, authority or body in connection with this Policy, We may reduce, vary or otherwise adjust any amounts (including but not limited to premiums, charges and benefits), under this Policy in the manner and to the extent that We determine to be appropriate to take account of the tax or impost.

10. Currency

All amounts shown in this Policy are in Australian currency (AUD). If expenses or losses are incurred in a foreign currency, then the rate of currency exchange used to calculate the amount payable in Australian currency (AUD) will be the rate at the time of incurring the expense or suffering the loss.

11. Proof of Loss

After We receive notice of a claim We will provide You and/or the Insured Person with Our usual claim forms for completion. The claim forms must be properly completed and all evidence required by Us shall be furnished in a timely manner at the expense of You and/or Insured Person and be in such form and of such nature as We may require.

12. Assignability

This Policy and any rights thereunder shall not be assignable without Our agreement and prior written consent.

BENEFITS AND COMPENSATION

This Policy provides cover only in respect of the number of Basic Plan Units as selected and stipulated below and number of Additional Plan Units selected by You in Your Enrolment Form and shown on Your Policy Schedule.

Family

Provides 100% of the number of Basic Plan Units and Additional Plan Units purchased for both You and Your Spouse and one unit of the selected Basic Plan and Additional Plan Unit for each Dependent Child.

Individual

Provides 100% of the number of Basic Plan Units and Additional Plan Units purchased for You, and one unit of the selected Basic Plan for each Dependent Child.

SCHEDULE OF EVENTS – BASIC PLAN

EVENTS		THE COMPENSATION BASIC PLAN UNIT		
Injuries Resulting in:		Superior	Premier	Budget
*1.	Permanent Loss of Independent Existence	\$375,000	\$187,500	\$75,000
2.	Permanent Quadriplegia	\$250,000	\$125,500	\$50,000
3.	Permanent Paraplegia	\$250,000	\$125,500	\$50,000
4.	Permanent Total Loss of entire Sight of both Eyes	\$250,000	\$125,000	\$50,000
5.	Permanent Total Loss of use of two Limbs	\$250,000	\$125,000	\$50,000
6.	Permanent Total Loss of use of one Limb and the entire sight of one eye	\$250,000	\$125,000	\$50,000
7.	Permanent Total Loss of use of one Limb	\$125,000	\$62,500	\$25,000
8.	Permanent Total Loss of Hearing in (a) both ears (b) one ear	\$175,000 \$35,000	\$87,500 \$17,500	\$35,000 \$7,000
9.	Permanent Total Loss of speech	\$175,000	\$87,500	\$35,000
10.	Permanent Total Loss of entire sight of one eye	\$125,000	\$62,500	\$25,000
11.	Permanent Total Loss of the lens of one eye	\$50,000	\$25,000	\$10,000

12.	Third degree burns and /or resultant disfigurement received from fire or chemical reaction which extend to cover more than 40% of the entire external body.	\$100,000	\$50,000	\$20,000
13.	Permanent Total Loss of use of one Hand or Foot	\$100,000	\$50,000	\$20,000
14.	Permanent Total Loss of use of one thumb and one finger.	\$25,000	\$12,500	\$5,000
15.	Permanent Total Loss of use of one thumb on either Hand	\$20,000	\$10,000	\$4,000
16.	Permanent Total Loss of use of one finger or toe	\$10,000	\$5,000	\$2,000
17.	Broken bones or simple fractures Injuries resulting in breaks or simple fractures to:			
(a)	1 or more Vertebrae of the Neck or Spine	\$12,500	\$6,250	\$2,500
(b)	Hip, pelvis	\$7,500	\$3,750	\$1,500
(c)	Skull, shoulder blade	\$5,000	\$2,500	\$1,000
(d)	Collarbone, upper leg	\$4,000	\$2,000	\$800
(e)	Upper arm, kneecap	\$3,500	\$1,750	\$700
(f)	Forearm, elbow	\$2,500	\$1,250	\$500
(g)	Wrist, cheek, ankle, Hand, Foot	\$2,000	\$1,000	\$400
(h)	1 or more Ribs	\$1,500	\$750	\$300
(i)	1 or more Fingers or thumbs, toes	\$500	\$250	\$100
	Maximum amount payable for any one Injury under Event 17.	\$12,500	\$6,250	\$2,500
18.	The Insured Person being a Bed Care Patient. If, as a result of Injury as defined, an Insured Person becomes a Bed Care Patient, We will pay a weekly benefit (up to a maximum of four (4) weeks) that the Insured Person remains a Bed Care Patient beginning with the first day of confinement. A daily rate of 1/7th of the Weekly Bed Care Patient Benefit will be paid if an Insured Person remains a Bed Care Patient for less than seven(7) days.	\$300 per week	\$200 per week	\$100 per week

Please note:

In the event of multiple Injuries sustained in the same accident, only the Event (Events 1 to 16, 19) insured for the highest amount on the Plan selected will be compensated.

* Event 1 (Permanent Loss of Independent Existence) is not available to Dependent Children aged under seven (7) years of age.

SPECIAL PROVISIONS – ADDITIONAL BENEFITS

Home Renovation Benefit: If as a result of Injury resulting in any one of the Events 1 to 6, We will pay 80% of the cost incurred for such renovations to a maximum of \$10,000 regardless of the number of units selected as provided in Special Provisions – Additional Benefits 1.

Accidental HIV Infection Benefit: We will pay to the Insured Person compensation of \$25,000 regardless of the number of units selected if the Insured Person accidentally contracts the Human Immunodeficiency Virus (H.I.V.) infection as provided in Special Provisions – Additional Benefits 2.

Spouse and Dependent Children: Spouse Benefit- \$5,000, Dependent Children Benefit - \$5,000 for each Dependent Child to a maximum of \$15,000 — regardless of the number of units selected as provided in Special Provisions – Additional Benefits 3.

OPTIONAL BENEFIT

EVENTS		THE COMPENSATION BASIC PLAN UNIT		
Injuries, as defined, resulting in:		Superior	Premier	Budget
**19.	Death	\$250,000	\$125,500	\$50,000

Please note:

In the event of multiple Injuries sustained in the same accident, only the Event (Events 1 to 16, 19) insured for the highest amount on the Plan selected will be compensated.

** Death benefit for Dependent Children are covered up to a maximum of \$20,000.

This Policy shall not be binding unless a valid Policy Schedule is issued.

American Home Assurance Company

ABN 67 007 483 267, AFSL 230 903,
Incorporated with Limited Liability in the USA,
trading as AIG Australia
A Member of American International Group, Inc.

Melbourne: 549 St. Kilda Road, VIC 3004 (03) 9522 4000
Sydney: Level 19, Citygroup Centre, 2 Park Street,
Sydney NSW 2000 (02) 9240 1711
Brisbane: 307 Queen Street, QLD 4000 (07) 3220 0700
Perth: 77 St. George's Terrace, WA 6000 (08) 9202 1366

Financial Services Guide

1 January 2012

This Financial Services Guide (FSG) is an important document which we are required to give to you under the requirements of our Australian Financial Services Licence (AFSL 313890).

The FSG serves several purposes:

- provides you with information about Defence Health to help you decide whether to use the financial services we provide;
- explains the services we can offer and who provides the services;
- explains how we are remunerated in relation to those services; and
- includes details of our internal and external complaints handling procedures and how you can access them.

Throughout this FSG, where we refer to 'we', 'us', 'our' or 'Defence Health' we are referring to Defence Health Limited (ABN 80 008 629 481).

Who is Defence Health?

Defence Health is a registered not-for-profit private health insurer which has been serving the Defence community since 1953.

Defence Health's AFSL authorises Defence Health to: (a) provide general and personal financial product advice in respect of selected life risk insurance products and general insurance products; and (b) arrange for you to apply for, acquire, vary or dispose of those financial products.

What products are available?

Defence Health can only advise on, arrange or deal in life and general insurance products that are selected from its approved product list. These products are underwritten and issued by life insurance and general insurance companies. The approved product list can be obtained on request. Defence Health does not provide financial services in relation to any other financial products.

Defence Health is not the issuer of these products.

What financial services do we offer?

General advice

Defence Health can provide you with general advice regarding any insurance product on the approved product list.

This means that we can provide you with information about the products and their key features as well as providing quotes. We can also tell you how you can apply for them and how you can obtain a Product Disclosure Statement (PDS). A PDS contains important information which you need in order to make an informed decision about the particular product. We can also assist you with the purchase of these products.

Personal advice

Personal advice takes into account one or more of your personal objectives, financial situation and needs.

If you require personal advice, you will be referred to a Defence Health employee representative who is authorised to provide personal advice (adviser). You will be asked to provide information of a personal nature to enable the adviser to provide advice that meets with your personal objectives, situation and needs. You are not required to provide this information. However, if you do not, or if you provide incomplete information, the advice we give you may not be suitable for your personal circumstances.

Where we provide you with personal advice, we will give you a *Statement of Advice* (SOA). The SOA will confirm the discussions held with the adviser, what our recommendations are, the basis for the advice, any risks associated with our advice and specific information about the remuneration we receive in relation to the advice and any associations your adviser may have with a product issuer.

If you seek further advice and there have been no significant changes in your circumstances and the basis for the advice has not changed significantly, you will receive a written *Record of Advice* (ROA).

Copies of SOAs and ROAs are available on request within seven years of receiving the original or further advice.

If you require broader financial planning services, you are encouraged to seek professional advice from an appropriately licensed financial services provider.

How do you do business with us?

Defence Health provides the financial services described in this FSG through its employee representatives. We are responsible for the conduct of our representatives when they provide financial services to you.

How are we paid for the services we provide?

General advice - commission only

Defence Health receives commission payments from the product issuers in the range of 12% to 20% of the premiums you pay to the insurer (excluding GST).

Our employee representatives receive salaries only. We do not pay our representatives any commission or bonuses calculated by reference to product sales.

Other than the premiums for the respective products, you pay no other charges or fees for the general advice provided by Defence Health.

Personal advice - fee for service

Defence Health charges you a fee for the provision of personal advice and does not receive commission on any products purchased arising from that advice.

The fee for the collection of data and the provision of a Statement of Advice including recommendations is \$200. The fee for any of the following is \$150 - implementation of advice, provision of an ROA or the optional annual review. All fees are inclusive of GST.

Do we have any associations that influence us?

Defence Health does not have any ownership interests or other associations with any other insurer on our approved product list that might influence the financial services we provide.

What compensation arrangements are in place?

Defence Health has adequate professional indemnity insurance to cover the activities of Defence Health, its staff and representatives with respect to the provision of financial product advice for the life insurance and general insurance products on our approved product list. This insurance complies with the requirements of the Corporations Act and Regulations.

How do we safeguard your private information?

The privacy of your personal information is important. We have systems and processes in place to protect your privacy. We need to collect personal information to administer our customer relationships and to provide appropriate advice. We may also need to disclose your personal information to the relevant product insurer if we assist you to put insurance in place.

For detailed information on how we handle your personal information, please read our Privacy Policy which you can download from www.defencehealth.com.au or request a copy from us by calling **1800 335 425**.

What should you do if you have a complaint?

We have established procedures to ensure that all enquiries and complaints are properly considered and dealt with. If you have an enquiry or complaint about the operation or management of our services, please call our Complaints Manager on **1800 335 425** or write to our Complaints Manager at our address below.

In the event that your complaint is not resolved to your satisfaction, you may refer it to the Financial Ombudsman Service (FOS). Please quote Defence Health's FOS number which is 12585.

Their contact details are:

The Manager
Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Fax: 03 9613 6399
Web: www.fos.org.au
Email: info@fos.org.au

What are our contact details?

Defence Health Limited (ABN 80 008 629 481)
Phone: **1800 335 425**
Fax: 1300 665 096
Post: PO Box 7518, Melbourne, Victoria, 8004
Web: www.defencehealth.com.au
Email: info@defencehealth.com.au

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