

# RAC Life Protect

Product Disclosure Statement and Policy Document



**Life Insurance**  
For the better

## How this Product Disclosure Statement and Policy Document (PDS) works

This PDS describes the main features of RAC Life Protect, including the terms and conditions of the Policy as well as any exclusions. Please read it carefully as it is designed to help you decide if RAC Life Protect will meet your individual needs. Details in this PDS are of a general nature only and do not take into account your personal circumstances. Some words in this PDS have a special meaning. These words are capitalised throughout and are defined on pages 33 to 41.

RAC Life Protect, as described in this PDS, is issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) trading as RAC WA Life Insurance. Wherever you read the words 'we', 'us', 'our', 'the insurer' or 'AIA Australia', this refers to AIA Australia Limited.

RAC Life Protect is distributed by RAC Distribution Pty Ltd (ABN 71 092 581 470, Authorised Representative Number 238025) (RACD). RAC Life Protect is not a product of, nor is it guaranteed by, any entity of the RAC Group (RAC) encompassing the Royal Automobile Club of WA Inc (ABN 33 212 133 120), RAC Insurance Pty Ltd (ABN 59 094 685 882) and all related bodies corporate of these entities.

The words 'you' and 'your' in this PDS refer to any existing or potential member who is, or is likely to become, the Policy Owner or a Life Insured under the Policy, depending on the context. The following is relevant to the context:

- » A Policy is an agreement between the Policy Owner and us. The Policy Owner has the right to instruct us in relation to the Policy (for example by making claims, by asking us to change Policy features as permitted under the terms of the Policy, by exercising options under the Policy terms and by asking us to cancel the Policy). The Policy Owner must be a Life Insured. The Policy Owner is responsible for paying all the premiums under the Policy.
- » Where "you" is a reference to a Life Insured, "your premium" is the premium referable to benefits covering that Life Insured. Also, "your Sum Insured" is the sum insured of a benefit covering that Life Insured and "your benefit" or "your cover" are references to benefits covering that Life Insured.
- » An insured benefit covering a Life Insured is payable when that Life Insured suffers an insured event in accordance with the terms of the Policy.

- » We will pay a benefit covering a Life Insured in the manner agreed with the Policy Owner in the terms of the Policy as set out in this PDS. See the “Who receives the benefit” section of this PDS on page 23 for further information.

If we issue cover, it will be issued on the Policy Commencement Date by AIA Australia to you as the Policy Owner named on the Policy Schedule:

- i) in consideration of the payment of the premium as stated on the Policy Schedule; and
- ii) on the basis of the application, declarations and any other statements made by you to us in connection with the Policy.

If we issue cover, this PDS will be included in the terms and conditions of your Policy. Please see page 38 for a list of the documents that will make up your Policy.

Where there are two Lives Insured on the same Policy, the terms and conditions of cover described in this PDS apply in respect of each Life Insured’s cover separately and individually (except any rights and obligations relating specifically to the Policy Owner).

Lives insured under RAC Life Protect are eligible to join the AIA Vitality program, a health and wellbeing program offered by AIA Australia. Eligibility arises under and is subject to the separate terms and conditions of the AIA Vitality program. To see those terms and conditions and for further information about the AIA Vitality program generally please refer to **[aiavitality.com.au](http://aiavitality.com.au)** or see the information set out on page 7 of this PDS.

AIA Vitality membership features are not insurance and are exempt from regulation as financial products under the Corporations Act 2001 pursuant to the ASIC Corporations (Non-cash Payment Facilities) Instrument 2016/211.

Membership to the AIA Vitality program is not offered under this PDS and must be applied for separately.



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Version 6, Prepared 1 April 2021

# Welcome to RAC Life Insurance

Congratulations. The fact that you've read this far is a good indication that you're thinking seriously about life insurance. RAC has been there for Western Australians for over 100 years. That's why RAC have partnered with AIA Australia, one of Australia's most trusted life insurers, to offer cover that your family can depend on when they need it most.

## Why is RAC Life Insurance better for you?

RAC Life Insurance gives you benefits now, not just later. By choosing RAC Life Insurance you'll get comprehensive cover as well as access to AIA Vitality, a health and wellbeing program that keeps you motivated to stay healthy with fantastic savings and rewards. So not only will you help give your family financial security, but by activating your AIA Vitality membership and taking steps to understand and improve your health, you'll also get the opportunity to earn great rewards and premium discounts from AIA Vitality. And just like RAC, AIA Australia likes to do things better, so you'll get Bonus cover, which gives you an extra 1% a year at no extra cost, in each of the first 10 years of your cover. And, as an RAC member, you'll get access to special member rates.

## Simply better

Life insurance doesn't need to be complicated to be comprehensive. The online application is simple and easy to complete. There are no medical tests and all you need to do to get your quote is answer a few questions about yourself.

For more details about how your Policy works, look through this Product Disclosure Statement and Policy Document.

Alternatively, call us on **1800 069 922** or visit **rac.com.au**

# About RAC Life Protect

RAC knows you want the best for your family and to protect them from all you can. RAC also knows that life is unpredictable, and that there may be a day when you will no longer be there to offer that protection in person. That's why RAC believes RAC Life Protect is one of the greatest gifts you can give your family.

The cover, provided by RAC's partner AIA Australia, will help you protect your loved ones with a payment of up to \$1,000,000 - in the event of your death or terminal illness. The money can be spent on anything - to pay off the mortgage, the children's education, or even just day-to-day bills.

## Who can be covered under the Policy?

A maximum of two adult lives can be insured under one Policy. The adults that can be insured are as follows:

- » the Policy Owner (primary Life Insured)
- » the Partner or an adult Relative of the Policy Owner (secondary Life Insured)

For Children's Trauma cover you can also nominate up to ten children (Insured Children).

At the time of application and when receiving this PDS, you must be:

- » aged 18 to 65 for Life cover;
- » aged 18 to 59 for Total and Permanent Disability (TPD) and Trauma cover; and
- » permanently residing in Western Australia and be:
  - > an Australian citizen or
  - > an Australian permanent resident or
  - > a New Zealand citizen.

## Application process

You can apply for cover online or over the phone. To help assess your application, you will need to answer some health, medical and lifestyle questions. This is called underwriting.

## Why choose RAC Life Protect

RAC Life Protect offers...

- » Comprehensive life insurance cover from \$100,000 up to \$1,000,000.
- » Access to AIA Vitality, the health and wellbeing program that rewards you for living a healthy lifestyle. The range of benefits include an RAC Life Protect premium discount of 10% based on your AIA Vitality status on the anniversary of your Policy. AIA Vitality premium discounts are subject to change in accordance with the terms and conditions governing the AIA Vitality program and do not form part of your insurance contract.
- » Advance payment of \$15,000 if you die to assist your family with any immediate expenses.
- » Option to apply for up to \$750,000 Total and Permanent Disability (TPD) cover.
- » Option to apply for up to \$250,000 Trauma cover for an Event such as a Heart Attack or Cancer.
- » Option to apply for up to \$50,000 Children's Trauma cover to support your family if your Insured Child suffers an Event such as Cancer or Bacterial Meningitis.
- » Bonus cover on selected benefits, which increases the amount that you're insured for by 1% a year, for the first 10 years of your cover - at no extra cost.
- » Immediate cover: you're covered as soon as your application is accepted.
- » A 5% joint policy discount for you and your Partner when you both take out cover on the same RAC Life Protect Policy.
- » Special rates for RAC members.

RAC Life Insurance gives you access to AIA Vitality, an award-winning, scientifically proven health and wellbeing program that rewards your healthy choices. AIA Vitality keeps you motivated with fantastic savings and rewards, so it's easier to achieve your health goals.

Access to AIA Vitality arises under the AIA Vitality Terms and Conditions. To view the AIA Vitality Terms and Conditions and to find out more about how AIA Vitality works, simply visit [aivitality.com.au](https://www.aivitality.com.au)

**AIA Vitality**

# What you're covered for

With RAC Life Protect you can apply for one, or a combination of, covers to best suit your needs, lifestyle and budget. This table summarises the features and benefits of RAC Life Protect. Please read the 'What you're not covered for' section on page 15-16 to understand what is not covered.

What you're covered for	Main benefit	Additional cover options		
Product Feature	Life cover	Total and Permanent Disability (TPD) cover	Trauma cover	Children's Trauma cover
Eligibility	If you die, we will pay your full Life benefit Sum Insured.	If you are Totally and Permanently Disabled, we will pay your full TPD benefit Sum Insured.  We will reduce your Life and Trauma Sums Insured by any amount we pay for TPD and your premium will be adjusted accordingly.	If you suffer a listed Trauma Event, we will pay your full Trauma benefit Sum Insured.  We will reduce your Life and TPD Sums Insured by any amount we pay for Trauma and your premium will be adjusted accordingly.	If your Insured Child suffers a listed Children's Trauma Event, we will pay the full Children's Trauma benefit Sum Insured.
Age at entry	18 to 65	18 to 59	18 to 59	2 to 15
Expiry age of cover  Benefit ceases at next anniversary immediately after ages shown in this table	75	65	65	18
Minimum Sum Insured  We may set a higher minimum Sum Insured to ensure you meet our minimum premium requirements of \$210 per annum. Once your Policy is issued, your Sum Insured may only be altered by agreement between you and us or as set out in this PDS.	\$100,000	\$100,000	\$25,000	\$15,000
Maximum Sum Insured at Policy Commencement Date  If you are covered under more than one RAC Life Protect Policy or more than one insurance policy issued by us, we may limit your claim to the maximum Sum Insured available to you at your Policy Commencement Date, or so that your total Sum Insured under all insurance policies issued by us does not exceed \$2 million. Please refer to Benefit Limitations on page 24.		Cannot exceed the Life cover amount.	Cannot exceed 50% of the Life cover amount.	



What you're covered for	Main benefit	Additional cover options		
Product Feature	Life cover	Total and Permanent Disability (TPD) cover	Trauma cover	Children's Trauma cover
Age 2 to 15	N/A	N/A	N/A	\$50,000 per child
Age 18 to 45	\$1,000,000	\$750,000	\$250,000	N/A
Age 46 to 54	\$750,000	\$500,000	\$250,000	N/A
Age 55 to 59	\$500,000	\$300,000	\$250,000	N/A
Age 60 to 65	\$500,000	N/A	N/A	N/A
Built in benefits	<p><b>Terminal Illness benefit</b></p> <p>If you are diagnosed with a Terminal Illness, we will pay your full Life benefit Sum Insured.</p>	<p><b>Bonus cover</b></p> <p>On each Policy Anniversary Date, we will increase your Life benefit Sum Insured by 1%, up to a maximum extra 10%.</p>	<p><b>Bonus cover</b></p> <p>On each Policy Anniversary Date, we will increase your Life benefit Sum Insured by 1%, up to a maximum extra 10%.</p>	<p><b>Final Expenses benefit</b></p> <p>If your Insured Child dies, we will pay a \$15,000 advance on your Children's Trauma benefit Sum Insured to assist with any final expenses.</p>
	<p><b>Final Expenses benefit</b></p> <p>If you die, we will pay a \$15,000 advance of your Life benefit Sum Insured towards your final expenses e.g. funeral costs.</p>			
	<p><b>Bonus cover</b></p> <p>On each Policy Anniversary Date, we will increase your Life benefit Sum Insured by 1% at no cost, up to a maximum extra 10%.</p>			

## **Main benefit**

### **Life cover**

Life cover pays a lump sum benefit of up to \$1,000,000 in the event of your death or diagnosis with a Terminal Illness. The benefit can be used to help your loved ones pay off debts, such as your mortgage, or to provide for future financial needs such as child care, school fees and day to day living expenses. A death certificate must be provided to us before a death benefit payment can be made.

Additionally, in the event of your death, your beneficiaries can request an advance payment of \$15,000 to cover immediate costs such as funeral costs. This amount will reduce your Life benefit Sum Insured.

The minimum amount of Life cover you can apply for is \$100,000. The maximum amount of cover you can apply for is \$1,000,000, depending on your age.

### **Additional cover options**

When you take out Life cover, you also have the option to apply for Trauma cover, Total and Permanent Disability (TPD) cover and/or Children's Trauma cover.

#### **Total and Permanent Disability (TPD) cover**

TPD cover pays a lump sum benefit of up to \$750,000 to help support your family and lifestyle needs if you become Totally and Permanently Disabled. The minimum amount of TPD cover you can apply for is \$100,000 and the maximum amount of cover you can apply for is \$750,000, depending on your age. Your TPD cover cannot exceed your Life cover Sum Insured.

You will be assessed under the TPD (Any Duties) definition at the time of claim.

You will only be assessed for TPD after you have been absent from employment due to an Injury or Sickness for six months.

## Eligibility

To be eligible for TPD cover, at the time of application you must be:

- » Employed; or
- » Self-Employed (spending no more than 20% of your working hours at your place of residence);
- » working at least 20 hours per week; and
- » not performing heavy manual work\*.

\* Occupations that are considered as performing heavy manual work are: occupations such as semiskilled workers and unqualified tradespersons, who perform heavy manual work (e.g. cleaners, truck drivers, fencing contractors) and unskilled workers who perform extra heavy manual work (e.g. concreters, earth-moving workers, carpet layers).

If you do not meet the above eligibility criteria, you will not be eligible to purchase TPD.

**Important:** Please refer to the definition of Total and Permanent Disability (Any Duties) on page 40 for more detail.

## Trauma cover

Trauma cover helps to protect your financial health by providing a lump sum benefit if you suffer a Trauma Event. Your benefit can be used for any purpose, such as taking time off work whilst you recover or making lifestyle changes during this difficult time, or assisting with living expenses or out of pocket medical expenses.

The maximum amount of Trauma cover you can apply for is 50% of your Life cover Sum Insured, up to a maximum of \$250,000.

A Trauma benefit is payable if you suffer one of the Trauma Events listed below, (as the event is defined in the Policy).

## Trauma Events

- » Cancer
- » Chronic Kidney Failure
- » Coma
- » Coronary Artery Bypass Surgery
- » Heart Attack
- » Loss of Hearing
- » Loss of Speech
- » Multiple Sclerosis
- » Paralysis
- » Pneumonectomy
- » Severe Burns
- » Stroke

Please refer to the Definitions section on pages 33 to 41 for full definitions of the covered Trauma Events. Conditions which do not meet the definition of a Trauma Event, or which are covered by a specific exclusion contained within the relevant definition, will not be covered under this benefit.

The time at which a Trauma Event will be deemed to have occurred is:

- » in the case of a Trauma Event which requires a diagnosis - at the date of diagnosis;
- » in the case of a Trauma Event which does not require a diagnosis but involves a medical procedure - at the date that the event which the procedure is intended to address was first diagnosed (provided the procedure is subsequently undertaken); or
- » in the case of any other Trauma Event - at the date of the relevant Trauma Event.

No Trauma benefit is payable in respect of a Trauma Event which is deemed to have occurred in accordance with the above within 90 days of the date on which your cover commences or is reinstated.

Where a Trauma Event requires a determination, the person making that determination must act reasonably and must base that diagnosis solely on our definition of the relevant Trauma Event, after a study of all relevant and reasonably available medical evidence (including, where relevant, histological material and clinical presentation based on the medical history, physical examination, radiological studies and the results of any other diagnostic procedures performed on you).

### **Children's Trauma cover**

Children's Trauma cover pays a lump sum benefit up to \$50,000 if your Insured Child suffers one of the Children's Trauma Events listed (as the event is defined in the Policy). This cover is designed to allow you to focus on your child and their recovery, rather than on paying medical bills or day to day living expenses.

### **Children's Trauma Events**

- » Bacterial Meningitis
- » Blindness
- » Cancer
- » Encephalitis
- » Major Head Trauma
- » Paralysis
- » Severe Burns

Please refer to the Definitions section on pages 33 to 41 for full definitions of these conditions.

Children's Trauma cover also has a built in Final Expenses benefit which pays you \$15,000 if your Insured Child dies, to assist you with any immediate final expenses such as funeral costs.

A benefit for a Children's Trauma Event will only be paid if your Insured Child survives more than 14 days from the date on which the Children's Trauma Event is deemed to have occurred (see below). If your Insured Child dies within 14 days of a Children's Trauma Event, or from a cause that is not a Children's Trauma Event, only the Final Expenses benefit will be paid. You can only be paid a Children's Trauma benefit once for each Insured Child.

The time at which a Children's Trauma Event will be deemed to have occurred is:

- » in the case of a Children's Trauma Event which requires a diagnosis - at the date of diagnosis;
- » in the case of a Children's Trauma Event which does not require a diagnosis but which involves a medical procedure - at the date that the event which the procedure is intended to address was first diagnosed (provided the procedure is subsequently undertaken); or
- » in the case of any other Children's Trauma Event - at the date of the relevant Children's Trauma Event.

No Children's Trauma benefit is payable in respect of a Children's Trauma Event :

- » which is deemed to have occurred in accordance with the above within 90 days of the date on which your cover commences or is reinstated;
- » due to a congenital condition; or
- » Arising from a condition which your child had been subject to at or at any time prior to the commencement or reinstatement of your cover, where you had at the relevant time been aware of the condition or a reasonable person in your position could have been expected to have been aware of it at that time (including, without limitation, as a result of symptoms that had been present at the applicable time).

## **Bonus cover**

Bonus cover provides you with extra cover on your Life cover, TPD cover and Trauma cover, at no cost to you.

On your first Policy Anniversary Date, we will provide you with free Bonus cover equal to 1% on your Sum Insured. On each Policy Anniversary Date after that, we will increase the percentage by a further 1% until it reaches 10%.

If your Sum Insured changes at any time, the amount of your free Bonus cover will be changed at the same time. For example, if you have a Sum Insured of \$300,000 of Life cover and \$200,000 of TPD cover, after 2 years your free Bonus cover on your Life cover would be \$6,000 (2% of \$300,000) and your free Bonus cover on your TPD cover would be \$4,000 (2% of \$200,000). If at that time you requested, and we agreed, to increase your Life cover to \$500,000, the free Bonus cover on your Life cover would be increased at the same time to \$10,000 (2% of the new Life cover Sum Insured of \$500,000), while the free Bonus cover on your TPD cover would stay at \$4,000. Similarly, if your Sum Insured on a benefit is decreased, the level of the free Bonus cover for that benefit will also be decreased at the same time.

Bonus cover does not apply to any Children's Trauma cover.

## What you're not covered for

Please read this section carefully to understand what is excluded.

“x” indicates where you will not be covered for a claim under Life cover, TPD cover and Trauma cover.

What you're not covered for	Main benefit	Additional cover options	
	Life cover	TPD cover	Trauma cover
You will not be covered for:			
» death resulting directly or indirectly from suicide or a deliberately self-inflicted Injury or Sickness in the first 13 months from the Policy Commencement Date, Policy Reinstatement Date or, where there is a requested increase in the Sum Insured, from the date of that increase on the increase amount.	x	N/A	N/A
» disability caused or accelerated by, or a Trauma Event suffered directly or indirectly as a result of, any deliberately self-inflicted Injury or Sickness, including attempted suicide.	N/A	x	x
» any death, disability or Trauma Event caused or accelerated by you engaging in any criminal activity or any unlawful act or resulting from your imprisonment.	x	x	x
» any death, disability or Trauma Event caused by war (whether declared or not*), riots or civil commotion.	x	x	x
» a Trauma Event suffered within the first 90 days from the Policy Commencement Date or Policy Reinstatement Date or, where there is a requested increase in the Sum Insured, from the date of that increase on the increase amount only.	N/A	N/A	x
» any death, Injury or Sickness arising as a direct or indirect result of carrying out the Duties of your occupation, if your occupation involves at least one of the following hazardous activities: <ul style="list-style-type: none"> <li>&gt; working above 10 metres from the ground;</li> <li>&gt; working underground;</li> <li>&gt; working offshore;</li> <li>&gt; underwater diving;</li> <li>&gt; working with explosives;</li> <li>&gt; working as a professional sportsperson or coach; or</li> <li>&gt; employment in the armed forces.</li> </ul>	x	x	x

\*this does not apply to death caused by life Insured being on active military service.

“✘” indicates where the Insured Child will not be covered for a claim under Children’s Trauma cover.

What you’re not covered for	Additional cover options
<b>Exclusions</b> The Insured Child will not be covered for:	<b>Children’s Trauma cover</b>
<ul style="list-style-type: none"> <li>» death resulting directly or indirectly from suicide or a deliberately self-inflicted Injury or Sickness.</li> </ul>	✘
<ul style="list-style-type: none"> <li>» a Children’s Trauma Event suffered directly or indirectly as a result of, any deliberately self-inflicted Injury or Sickness, including attempted suicide.</li> </ul>	✘
<ul style="list-style-type: none"> <li>» any Children’s Trauma Event caused or accelerated by the Insured Child’s engaging in any criminal activity or any unlawful act or resulting from the Insured Child’s imprisonment.</li> </ul>	✘
<ul style="list-style-type: none"> <li>» any Children’s Trauma Event caused by the Insured Child’s participation in war (whether declared or not), riots or civil commotion.</li> </ul>	✘
<ul style="list-style-type: none"> <li>» a Children’s Trauma Event suffered within the first 90 days from the Policy Commencement Date or Policy Reinstatement Date or, where there is a requested increase in the Sum Insured, from the date of that increase on the increase amount only.</li> </ul>	✘
<ul style="list-style-type: none"> <li>» any Children’s Trauma Event arising as a direct or indirect result of the Insured Child carrying out the Duties of their occupation, if their occupation involves at least one of the following hazardous activities:               <ul style="list-style-type: none"> <li>&gt; working above 10 metres from the ground;</li> <li>&gt; working underground;</li> <li>&gt; working offshore;</li> <li>&gt; underwater diving;</li> <li>&gt; working with explosives;</li> <li>&gt; working as a professional sportsperson or coach; or</li> <li>&gt; employment in the armed forces.</li> </ul> </li> </ul>	✘
<ul style="list-style-type: none"> <li>» a Children’s Trauma Event due to a congenital condition, a medical condition that is present at or before birth.</li> </ul>	✘
<ul style="list-style-type: none"> <li>» a Children’s Trauma Event arising from a condition which your child had been subject to at or at any time prior to the commencement or reinstatement of your cover, where you had at the relevant time been aware of the condition or a reasonable person in your position could have been expected to have been aware of it at that time (including, without limitation, as a result of symptoms that had been present at the applicable time).</li> </ul>	✘
<ul style="list-style-type: none"> <li>» a Children’s Trauma Event intentionally caused by the Insured Child’s parent, guardian or Relative or someone who lives with or supervises the Insured Child.</li> </ul>	✘



# How your Policy works

## When does your cover start and stop?

Your cover will start on the date we notify you that we have accepted your application. This is known as your Policy Commencement Date. As long as you continue to pay your full premium instalments when due, your cover will continue subject to the terms of your Policy regardless of changes to your health, occupation and pastimes until the Expiry Date.

We will send you a Policy Schedule which will outline your accepted benefits, Sum Insured, Policy Commencement Date and each cover's Expiry Date.

Life, TPD and Trauma cover will cease on the earliest of:

- » your death;
- » payment of your Life cover benefit;
- » when a benefit is paid for TPD which reduces the Life Sum Insured to nil;
- » for TPD cover, when a benefit is paid for TPD or where payment of a benefit for a Trauma Event reduces the TPD Sum Insured to nil;
- » for Trauma cover, when a benefit is paid for a Trauma Event or where payment of a benefit for TPD reduces the Trauma Sum Insured to nil;
- » for the secondary Life Insured, the Policy Owner ceasing Life cover for any reason (unless ownership has been passed to the secondary Life Insured);
- » in respect of each type of cover, the Expiry Date, which is the Policy Anniversary Date on or immediately after your:
  - > 75th birthday for Life cover; and
  - > 65th birthday for TPD and Trauma cover;
- » you ceasing to be an Australian citizen or permanent resident or a New Zealand citizen;
- » the cancellation of your cover at the Policy Owner's request; and
- » the cancellation of your cover by us due to non-payment of premiums or as otherwise permitted by law.

For Children's Trauma, cover for each Insured Child will cease on the earliest of:

- » the Insured Child's death;
- » payment of the Insured Child's Children's Trauma benefit;

- » the Policy Owner ceasing Life cover for any reason (unless ownership has been passed to the secondary Life Insured);
- » the Expiry Date, which is the Policy Anniversary Date on or immediately after the Insured Child's 18th birthday;
- » the Insured Child ceasing to be an Australian permanent resident or a New Zealand citizen residing permanently in Australia;
- » the cancellation of the Insured Child's cover at the Policy Owner's request; and
- » the cancellation of the Insured Child's cover by us due to non-payment of premiums or as otherwise permitted by law.

Your Policy will end if all cover under that Policy ceases.

## **If you change your mind - the cooling-off period**

Should you change your mind after you become a Policy Owner, you have a 30 day cooling-off period, where you can cancel your Policy and receive a full refund of premiums paid.

The cooling-off period starts from the earliest of the date you receive your Policy documents from us (including this PDS) and the end of the fifth day after we send these documents to you.

There's just one exception, the cooling-off period automatically ends if you make a claim.

To cancel your Policy within the cooling-off period, please contact us on **1800 069 922**.

## **Changes to your cover amount**

### **Benefit indexation**

Your Sum Insured will automatically increase each year by the higher of the Consumer Price Index Increase (CPI Increase) and 5% on the Policy Anniversary Date. Your premium will be adjusted to allow for the higher Sum Insured and age at the time. Benefit indexation will cease at the last Policy Anniversary Date prior to the Life Insured's 75th birthday.

The amount of increases under benefit indexation is not limited – so your Sum Insured may increase to be more than the maximum Sum Insured we allow you to apply for.

The Policy Owner can reject a benefit indexation increase by contacting us. The rejection must be received by us prior to the Policy Anniversary Date on which the increase would apply. The rejection will apply to each Life Insured under the Policy. If you reject the benefit indexation increase two years in a row, the indexation increase facility will be removed and not offered again.

If the Policy Owner doesn't want cover to increase annually via benefit indexation, they can request a permanent cancellation of benefit indexation by writing to us. Benefit indexation will then be removed from the Policy on the next Policy Anniversary Date. The cancellation will apply to each Life Insured under the Policy and once removed, reinstatement of benefit indexation will not be permitted.

Where there is more than one Life Insured on the same Policy, benefit indexation is applied to all Lives Insured in the same way. So if benefit indexation is rejected or cancelled, it will be cancelled for all Lives Insured under the Policy.

Benefit indexation is not applicable on Children's Trauma cover.

### **Cancelling, decreasing or increasing your cover**

The Policy Owner may cancel, decrease or increase your cover at any time. If premiums are paid fortnightly or monthly, we will cancel or change your cover from the end of the fortnight or month for which the cover has already been paid. If premiums are paid annually, we will cancel or change your cover from the next monthly anniversary of your Policy Commencement Date, and refund any excess premiums or require extra premiums (as applicable) from that time.

Any increase in your cover (apart from benefit indexation) will be subject to underwriting and acceptance by us. We will limit your maximum Sum Insured, to the maximum amount available on application based on your age (see the “What you’re covered for” table on pages 8-9).

Any decrease in your cover will be subject to the minimum Sum Insured, as well as any minimum premium requirements (see “Premiums and charges” below).

To cancel, decrease or increase your cover, please contact us on **1800 069 922**.

### **Cover reinstatement**

If the Policy lapses (see “If the Policy premiums aren’t paid” on page 21), we will send the Policy Owner a letter confirming that they have an additional 30 days in which to reinstate cover without requiring underwriting and our acceptance. We are not otherwise bound to accept any requests to reinstate cover, and any such requests are subject to underwriting and acceptance by us.

If cover is reinstated, we won’t pay for any claims that occur between the date cover ceased and the Policy Reinstatement Date.

### **Premiums and charges**

The premium is the amount that needs to be paid to maintain your RAC Life Protect Policy.

It is the Policy Owner’s responsibility to pay the premium for all Lives Insured under the Policy.

Your premium amount will depend upon:

- » the information provided to us at application,
- » the level of cover and options you choose,
- » your payment frequency,
- » whether that cover automatically increases by the higher of the CPI Increase and 5% each year,
- » your health history,
- » your age,
- » gender, and
- » smoking status (premium rates are higher for smokers),
- » the number of Insured Children covered by the Policy, and
- » any discounts that apply.

If you chose the optional TPD cover, your premium will also depend on your employment situation and occupation.

Your premium is based on the information provided about you at application and includes government charges such as stamp duty and taxes.

We may charge a minimum premium, or require your cover to be at a level sufficient to meet the minimum premium.

Your premium is guaranteed from one Policy Anniversary Date to the next. The premium payable by you for each year of the Policy will be based on your age at the applicable Policy Anniversary Date, and will take into account any increases to your Sum Insured as a result of benefit indexation or as otherwise agreed between us and you.

The Policy Owner can pay the premiums on a fortnightly, monthly or annual basis by credit card or by direct debit from a bank account. If payment is by direct debit, the payment arrangement will be governed by the terms of the Direct Debit Request Service Agreement, which is attached to this PDS.

From time to time, we may make payments to distribution partners and other entities involved in distributing RAC policies based on commercial arrangements. When we do so, such payments are included in your premiums and do not represent any additional charge or cost to you.

### **If the Policy premiums aren't paid**

If the Policy premiums aren't paid within 60 days of the due date (or within 30 days if premiums are paid fortnightly), the Policy will lapse. You won't be covered for any period from the date your Policy lapses (see the "Cover Reinstatement" section on page 20).

### **Change of smoking status**

If you have ceased smoking tobacco or any other substance for a continuous period of 12 months you may change your status from a smoker to a Non-smoker, for the purpose of determining your insurance premium. Contact us on **1800 069 922** to obtain an application for Non-smoker rates. The application for Non-smoker rates is subject to approval and written confirmation by us.

### **Changes to fees and charges**

We may vary any fees and charges, including premiums, with effect from your next Policy Anniversary Date, provided that any such variations are reasonably necessary to protect our legitimate business interests. This includes in circumstances where there are increases in the costs we incur, or are reasonably likely based on actuarial analysis to incur, in providing the insurance cover set out in this PDS.

You will be notified in advance of any fee changes that are, or result in, an increase in fees or costs for you. We will advise you in writing at least 30 days prior to any change.

This Policy will not be singled out for an increase in fees or charges.

### **Taxation and imposts**

Based on our current tax laws, RAC Life Protect premiums would not generally be tax deductible and benefits paid under the Policy would not generally be treated as income for tax purposes. The tax treatment of your Policy will ultimately depend on your individual circumstances, changes in tax law and the views of the Australian Taxation Office. You should seek professional tax advice in this respect, if necessary.

Where we are, or believe we will become, liable for any tax or other imposts 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 we determine to be reasonably appropriate to take account of the tax or impost.

## If you need to make a claim

### How the claims process works

You should notify us as soon as reasonably possible of any claimable event under your Policy.

To make a claim:

1. Call or email us for a claim form:  
Phone: **1800 069 922**  
Email: **claims@lifeinsurance.rac.com.au**
2. Mail your completed claim form to:  
Claims Team, RAC Life Insurance Member Service  
PO Box 5595, St Georges Terrace Perth WA 6831

### Things to note

To assess the claim we may need additional information. We may ask for medical evidence, documents or other information (which in some cases may need to be provided by an appropriate Medical Practitioner and/or Medical Specialist) as reasonably appropriate and relevant in connection with your claim. Once the claim has been approved by us, the Insured's benefit will be paid.

### When we will not pay a benefit

We will not pay a benefit:

- » if the Policy has lapsed; or
- » if you do not meet the terms and conditions of the Policy;  
**or**
- » if a claim is fraudulent in any way (and the Policy Owner will need to repay it if it has already been paid in part or full).

### Who receives the benefit

If we pay a claim, we will pay the benefit as follows.

- » On the death of the primary Life Insured, the Life and Final Expenses benefits will be paid in the following order:
  - > any beneficiaries nominated by the Policy Owner;
  - > the secondary Life Insured (if there is one);
  - > the Policy Owner's estate.
- » On the death of the secondary Life Insured, the Life and Final Expenses benefits will be paid to the Policy Owner.
- » The Terminal Illness, TPD and Trauma benefits will be paid to the applicable Life Insured.
- » The Children's Trauma benefit will be paid to the Policy Owner.

## **Other Policy terms and conditions**

### **Benefit limitations**

We may limit the total amount we pay under the policies covering you in two ways:

1. if you are covered under more than one RAC Life Protect Policy, we may limit the total Sum Insured under all policies to the maximum Sum Insured available for your age at Policy inception, as set out in the section “What you’re covered for” on page 8; and
2. if you are covered under more than one insurance policy issued by us, we may limit the Sum Insured under this Policy so that your total Sum Insured under all insurance policies issued by us does not exceed \$2 million.

If we limit cover for these reasons, we will refund premiums for the reduced portion of the Sum Insured on a pro-rata basis. The limit will not be applied to Sum Insured amounts in excess of the maximum Sum Insured due to benefit indexation increases.

### **Changing your Personal Information**

Please let us know as soon as practicable if you change your contact details or if there’s any other change which may need to be reflected on your Policy, by emailing us at **enquiries@lifeinsurance.rac.com.au** or calling us on **1800 069 922**.

### **Transferring your Policy**

If the Policy Owner’s cover is cancelled or ceases, the Policy can be transferred to the secondary Life Insured (if applicable and subject to relevant regulatory requirements). At any other time, the Policy Owner may request that a secondary Life Insured be transferred to their own separate Policy. However, in that event we will no longer provide a discount for having more than one person on the same Policy.

### **Applicable law**

This Policy is governed by the laws of the Australian State or Territory in which it was issued. Any dispute or action in connection to the Policy shall be conducted and determined in Australia.



## **Improvements**

From time to time, we may make changes or updates to the terms on which new RAC Life Protect products can be purchased from us. Where we do so and the changes or updates constitute improvements when compared with the equivalent term under this Policy and you or the Policy Owner would not be disadvantaged by having the change or update applied in relation to this Policy, we may decide to administer this Policy on the basis that such changes or updates apply in relation to it. Where we do this, the relevant change or update will be applied to this Policy with effect from the first date that a new RAC Life Protect policy containing the changed or updated term can be purchased from us. However, the relevant change or improvement will not be applied in relation to the assessment of claims made under this Policy in relation to any health conditions you already had prior to this date.

Where we do make a change or update to the terms on which new RAC Life Protect products can be purchased from us and we decide to apply the change or update to your Policy in accordance with the above paragraph, we will notify you of this within 12 months following the date on which the change or update is applied to your Policy.

## **Currency**

All amounts under the Policy whether payable by us or by you are payable in Australian currency.

## **Economic sanctions**

Notwithstanding the terms of your Policy, we are subject to certain laws and economic sanctions (both local and international) which may prohibit us from completing some financial transactions and/or dealings with you or your beneficiaries.

## **Statutory fund**

The RAC Life Protect Policy will be written in our Statutory Fund No.1. This Policy does not share in any profits.

## **Cover continues regardless of changes to your circumstances**

Subject to payment of your premiums and the conditions that will end cover (see “when does your cover start and stop?” section on page 17), your cover will continue in accordance with its terms, regardless of any changes in your health, occupation or pastimes.

## **AIA Vitality membership**

Lives insured under RAC Life Protect are eligible to join the AIA Vitality program. For further information please refer to **aiavitality.com.au**

You can contact us at:

Email: **queries@aiavitality.com.au**

Mail: AIA Vitality

PO Box 6313, Melbourne VIC 3004

Phone: 1800 VITALITY (**1800 848 254**)

## **Other things to consider (Risks)**

There are risks associated with choosing insurance cover that you need to consider.

You may select an insurance product that does not meet your needs so you should make sure that you read this PDS so you know what is and isn't covered.

You may choose an amount of cover that's not right for you so you need to consider both your needs and the cost of the cover and you should seek advice if necessary.

If you apply for cover, or later apply to increase or vary your cover, your age, health or circumstances may prevent you from being eligible. You should not cancel existing life insurance cover until new cover is in place.

Premiums may change over time, which may affect your capacity to keep paying your premiums on time. For more information please see the "How your Policy works" section of this PDS on pages 17 to 27 for further information.

## Who to contact

For enquiries about your RAC Life Protect Policy, please:

Email: **[enquiries@lifeinsurance.rac.com.au](mailto:enquiries@lifeinsurance.rac.com.au)**

Mail: RAC Life Insurance Member Service,  
PO Box 5595, St Georges Terrace Perth WA 6831  
Phone: **1800 069 922**

For complaints please:

Email: **[complaints@lifeinsurance.rac.com.au](mailto:complaints@lifeinsurance.rac.com.au)**

Mail: RAC Life Insurance Complaints Manager,  
PO Box 5595, St Georges Terrace Perth WA 6831

We will promptly investigate your complaint, referring it if necessary to our Internal Dispute Resolution Committee and it should be resolved within 45 days. In special circumstances it may take longer to resolve, in which case we will advise you.

If you are not satisfied with our response, you may take the matter up with an external dispute resolution body, the Australian Financial Complaints Authority (AFCA).

You can contact AFCA at:

Phone: **1800 931 678**

Website: **[afca.org.au](http://afca.org.au)**

Email: **[info@afca.org.au](mailto:info@afca.org.au)**

Mail: GPO Box 3, Melbourne, Victoria 3001

# Your information

## Your duty of disclosure

If you are the Policy Owner, you have a duty to tell us anything that you know, or could reasonably be expected to know, which may affect our decision to insure you and any other Life Insured and on what terms.

You have this duty until we agree to insure you, and also before you extend, vary or reinstate the Policy.

You do not need to tell us anything that:

- » reduces our risk; or
- » is common knowledge; or
- » we know or should know as an insurer; or
- » we waive your duty to tell us about.

For contracts of insurance entered into, renewed, extended, varied or reinstated from 28 December 2015, if you are a Life Insured (other than the Policy Owner), any failure by you to tell us this information may be treated as a failure by the Policy Owner to comply with this duty of disclosure.

## If you do not tell us something

If you are the Policy Owner, and you do not tell us anything you are required to, and we would not have insured you if you had told us, we may avoid the contract within 3 years of entering into it.

If we choose not to avoid the contract, we may reduce the amount you have been insured for, based on a statutory formula. (We may only exercise this right within 3 years of entering into the Policy if it provides death cover).

If we choose not to avoid the Policy or reduce the amount you have been insured for, if your Policy does not provide death cover, we may vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

We may apply these rights separately to each type of cover that we consider could form a separate policy.

# AIA Australia Privacy Policy

## Summary

This section summarises key information about how we handle Personal Information including sensitive information. More information can be found in the full version of the AIA Australia Privacy Policy (Privacy Policy) published at [aia.com.au](http://aia.com.au)

We are part of the AIA Group. Your privacy is important to us and we are bound by the Privacy Act, and other laws which protect your privacy.

## Why we collect, use and disclose Personal Information

We collect, use and disclose personal and sensitive information ("Personal Information"):

- » to process applications for our products and services;
- » to assist with enquiries and requests in relation to our products and services;
- » for underwriting and reinsurance purposes;
- » to administer, assess and manage your products and services, including claims;
- » to understand your needs, interests and behaviour and to personalise dealings with you;
- » to provide, manage and improve our products and services;
- » to maintain and update our records;
- » to verify your identity and/or authority to act on behalf of a customer;
- » to detect, manage and deal with improper conduct and commercial risks;
- » for research, reporting and marketing purposes;
- » otherwise to comply with local and foreign laws and regulatory obligations; and
- » for any other purposes as outlined in the Privacy Policy.

## How we collect, use and disclose Personal Information

Personal Information may be collected from various sources, including:

- » forms you submit;
- » our records about your use of our products and services;
- » our records from your dealings with us, including telephone, email or online interactions; and
- » public sources, social media, and third parties described in our Privacy Policy.

Further, we will collect and use Personal Information as and when this is required or authorised by law.

Where you provide us with Personal Information about someone else you must have their consent to provide their Personal Information to us in the manner described in our Privacy Policy.

We may provide, collect and exchange your Personal Information with third parties, including:

- » our related bodies corporate and joint venture partners;
- » the Life Insured, Policy Owner, or beneficiaries of an insurance Policy;
- » service providers and contractors;
- » your intermediaries, including your financial adviser, the distributor of your insurance Policy and the trustee or administrator of your superannuation fund, your employer, your treating doctor or your legal representatives, or anyone acting on your behalf (together, your “Representatives”);
- » your employer, bank, medical professionals or health providers;
- » partners used in our activities or business initiatives;
- » our distributors, clients, and reinsurers;
- » other insurers including worker’s compensation insurers, authorities and their agents;
- » other super funds, trustees of those super funds and their agents;
- » regulatory and law enforcement agencies;
- » other bodies that administer applicable industry codes; and
- » other parties described in our Privacy Policy.

Where we provide your Personal Information to a third party, the third party may collect, use and disclose your Personal Information in accordance with their own privacy policy and procedures. These may be different to those of AIA Australia.

Parties to whom we disclose Personal Information may be located in Australia, South Africa, the United States, the United Kingdom, Europe, Asia and other countries including those set out in our Privacy Policy. We will comply with the Financial Services Council Life Code of Practice (“Code”) when we collect, use and disclose your Personal Information.

## **Other important information**

By providing information to us or your Representatives, submitting or continuing with a form or claim, or otherwise interacting or continuing your relationship with us, you confirm that you agree and consent to the collection, use (including holding and storage), disclosure and handling of Personal Information as described in the Privacy Policy on our website and that you have been notified of the matters set out in this summary and the AIA Australia Privacy Policy. You agree that we may not issue a separate notice each time Personal Information is collected.

You have the right to access the Personal Information we hold about you, and can request the correction of your Personal Information if it is inaccurate, incomplete or out of date. Requests for access or correction can be directed to us using the details in the 'Contact Us' section on page 31.

Our full Privacy Policy provides more detail about our collection, use (including handling and storage), disclosure of Personal Information and how you can access and correct your Personal Information, make a privacy related complaint and how we will deal with that complaint, and your opt-out rights. Always ensure you are reviewing the most up-to-date version of the Privacy Policy as published at **aia.com.au**

For the avoidance of doubt, the Privacy Policy applicable to the management and handling of Personal Information will be the most current version published at **aia.com.au** from time to time, which shall supersede and replace all previous Privacy Policies and/or Privacy Statements and privacy summaries that you may have previously received or accessed.

## **Contact Us**

If you have any questions or concerns about your Personal Information, please contact us as set out below:

The Compliance Manager

AIA Australia Limited  
PO Box 6111  
Melbourne, VIC 3004  
Phone: **1800 333 613**

## How RAC handle your Personal Information

RAC Insurance and RAC Distribution Pty Ltd (together the "RAC") collect, store and use your Personal Information in accordance with the Privacy Act. By taking out a policy you agree to this.

The RAC, business partners and their agents (including AIA Australia Limited, AIA Vitality Company Limited, AIA Financial Services Limited and other related body corporate or affiliated entities, business partners and their agents involved in distributing or issuing the RAC Life Insurance suite of products or the AIA Vitality program) may use your Personal Information to consider your insurance application and any subsequent application for insurance, to administer your policy and investigate and assess your insurance claims. For the purposes of doing so, your Personal Information may be passed on to RAC's suppliers, contractors, other insurance companies, insurance reference bureaus, law enforcement agencies, their related companies, legal and professional advisers and their agents.

The RAC may also use your Personal Information to tell you about other RAC products and services. Your Personal Information may be passed on to other entities for promotional purposes. These entities may be associated with the RAC, operate under RAC's brand, or be agents, contractors or allied organisations. You may tell the RAC not to use your Personal Information for these promotional purposes at any time by contacting them on **13 17 03**.

If you would like to review the Personal Information the RAC has about you please call **13 17 03**.



# Definitions

**Activities of Daily Living** - are the following:

- » *Bathing and/or showering* which means the ability of the Insured to wash himself or herself either in the bath or shower or by sponge bath without the assistance of another person. The Insured will be considered to be able to bathe himself or herself even if the above tasks can only be performed by using equipment or adaptive devices.
- » *Dressing and undressing* which means the ability of the Insured to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them, without the assistance of another person. The Insured will be considered able to dress himself or herself even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.
- » *Eating and drinking* which means the ability of the Insured to get nourishment into the body by any means once it has been prepared and made available to the Insured without the assistance of another person.
- » *Using a toilet to maintain personal hygiene* which means the ability of the Insured to get to and from and 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 will be considered able to toilet himself or herself even if he or she has an ostomy and is able to empty it himself or herself, or if the Insured uses a commode, bedpan or urinal, and is able to empty and clean it without the assistance of another person.
- » *Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with the assistance of a walking aid* which means the ability of the Insured to move in and out of a chair or bed without the assistance of another person. The Insured will be considered able to transfer himself or herself even if equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorised devices is used.

**Bacterial Meningitis** - means the unequivocal diagnosis by a consultant neurologist of bacterial meningitis where the condition is characterised by severe inflammation of the meninges of the brain that results in permanent neurological impairment and has required hospitalisation of at least five consecutive days.

**Blindness** - means that as a result of disease or accident and as certified by an ophthalmologist, the:

- a) visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in both eyes;
- b) field of vision is constricted to 20 degrees or less of arc around central fixation in the better eye irrespective of corrected visual activity (equivalent to 1/100 white test object); or
- c) combination of visual defects results in the same degree of vision impairment as that occurring in (a) or (b) above.

**Cancer** - means the presence of one or more malignant tumours including leukaemia, lymphomas and Hodgkin's disease characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.

The following cancers are not covered:

- » melanomas of less than 1mm maximum Breslow thickness and which are also less than Clark Level 3 depth of invasion as determined by histological examination;
- » all hyperkeratosis;
- » all basal cell carcinomas and squamous cell carcinomas of the skin, unless having progressed to at least AJCC Stage III;
- » all cancers which are histologically classified as having low malignant potential;
- » low level prostatic cancers:
  - > which are histologically described as TNM Classification T1a or T1b or lesser classification;
  - > which are characterised by a Gleason score less than 7; and
  - > for which appropriate and necessary 'major interventionist treatment' has not been performed specifically to arrest the spread of malignancy.

'Major interventionist treatment' includes removal of the entire prostate, radiotherapy, chemotherapy, hormone therapy or any other similar interventionist treatment.

- » chronic lymphocytic leukaemia less than Rai Stage 1; and
- » tumours showing the malignant changes of carcinoma in situ\* (including cervical dysplasia CIN-1, CIN-2, and CIN-3), or which are histologically described as pre malignant, or which are classified as FIGO Stage 0, or which have a TNM classification of Tis or FIGO Stage 0 (under the old FIGO classification). 'FIGO' refers to the staging method of the International Federation of Gynaecology and Obstetrics.

\*Carcinoma in situ of the breast is covered if it results directly in the removal of the entire breast or requires surgery and adjuvant therapy specifically to arrest the spread of malignancy and this procedure is considered the appropriate and necessary treatment as confirmed by an appropriate Medical Specialist.

**Children's Trauma Event** - means an event listed in the table titled "Children's Trauma Events" in the "Children's Trauma cover" section of this PDS on page 12.

**Chronic Kidney Failure** - means end stage renal failure which presents as chronic irreversible failure of both kidneys to function as a result of which regular renal dialysis is initiated or renal transplant is performed.

**Coma** - means a definite diagnosis of a state of unconsciousness with failure to respond normally to external stimuli or internal needs and requiring life support for a continuous period of at least 96 hours, for which period the Glasgow coma score must be 7 or less. Excluded from this definition is coma resulting from alcohol or drug abuse.

The diagnosis of coma must be made by an appropriate Medical Specialist.

**Consumer Price Index Increase (CPI Increase)** - means the percentage increase in the average CPI for the eight state capital cities published by the Australian Bureau of Statistics and covering the most recent period of 12 months for which figures are available at the date the Sum Insured is to be increased.

**Coronary Artery By-pass Surgery** - means the undergoing of coronary artery by-pass surgery that is, in the reasonable opinion of an appropriate specialist Medical Practitioner, considered necessary to treat coronary artery disease causing inadequate myocardial blood supply. Surgery does not include angioplasty, intra-arterial procedures or non-surgical techniques.

**Duties** - means for an Insured all those duties which could reasonably be considered primarily essential to producing their income.

**Employment/Employed** - means gainful employment for salary, reward or profit in any business, profession or occupation.

**Encephalitis** - means the unequivocal diagnosis of encephalitis by a consultant neurologist where the condition is characterised by severe inflammation of the brain tissue resulting in permanent neurological impairment and has required hospitalisation of at least seven consecutive days.

**Expiry Date** - means in relation to a benefit, the date that cover for that benefit ceases, as set out in your Policy Schedule.

**Heart Attack (Myocardial Infarction)** - means the death of heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis must be confirmed by a cardiologist and evidenced by typical rise and/or fall of cardiac biomarker blood test (Troponin T, Troponin I or CK-MB) with at least one level above the 99th percentile of the upper reference limit PLUS:

» Acute cardiac symptoms consistent with myocardial infarction (e.g. chest pain)

OR

» New serial ECG changes with the development of any of the following: ST elevation or depression, T wave inversion pathological Q waves or left bundle branch block (LBBB)

OR

» Imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

If the above tests are inconclusive we will consider other appropriate and medically recognised tests. Other acute coronary syndromes including but not limited to angina pectoris are excluded.

**Injury** - means a physical injury which occurs whilst the Policy is in force. Sickness resulting from medical or surgical treatment rendered necessary by the physical injury will not constitute an 'Injury'.

**Insured** - means a Life Insured or an Insured Child.

**Insured Child/ren** - means the dependent biological, legally adopted or step child/children of the Policy Owner or of the Policy Owner's Partner, who you have nominated and we have listed for cover on the Policy Schedule.

**Life Insured** - means a person named as a Life Insured in the Policy Schedule, but does not include an Insured Child.

**Loss of Hearing** - means a definite diagnosis, by an appropriate Medical Specialist, of:

- » the total and irreversible Loss of Hearing in both ears, even with amplification; or
- » Loss of Hearing that has an auditory threshold of 90 decibels or greater, even with amplification, within the speech threshold of 500 hertz, 1000 hertz, 2000 hertz and 3,000 hertz in the better ear in 2 measurements at least 6 months apart.

**Loss of Speech** - means the complete and irrecoverable loss of the ability to speak which must be established and the diagnosis reaffirmed after a continuous period of 90 days of such loss by an appropriate Medical Specialist.

**Major Head Trauma** - means an accidental head injury resulting in permanent neurological deficit, resulting in the Life Insured either:

- » 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 Guides to the Evaluation of Permanent Impairment (Guides) 5th edition, American Medical Association.

Diagnosis must be confirmed by a consultant neurologist.

**Medical Practitioner** - means a legally qualified and registered doctor of medicine whose qualifications are recognised by the Medical Board of Australia . It does not include you, your employer, an employee of your employer or any of your Relatives or business partners.

**Medical Specialist** - means a legally qualified and registered doctor of medicine whose qualifications are recognised by the Medical Board of Australia and who has completed advanced education and clinical training in a specific area of medicine (their specialty area). It does not include you, your employer, an employee of your employer or any of your Relatives or business partners.

**Multiple Sclerosis** - means the unequivocal diagnosis of multiple sclerosis made by a consultant neurologist on the basis of confirmatory neurological investigation. There must be more than one episode of confirmed neurological deficit.

**Non-smoker** - means you have not smoked tobacco or any other substance for a continuous period of 12 months as at the time of making the declaration.

**Paralysis** - is the following:

- » Diplegia which means the total and permanent loss of function of both sides of the body.
- » Hemiplegia which means the total and permanent loss of function of one side of the body.
- » Paraplegia which means the total and permanent loss of function of the lower limbs.
- » Quadriplegia which means the total and permanent loss of function of the lower and upper limbs.

**Partner** - means a spouse, de facto spouse or person living in a bona fide domestic living arrangement, irrespective of gender, where one or each of them provides the other with financial support, domestic support and personal care.

**Personal Information** - means 'personal information' and 'sensitive information' as those terms are defined in the Privacy Act 1988 (Cth).

**Pneumonectomy** - means undergoing a surgical procedure in which an entire lung is removed due to underlying lung disease or disorder.

**Policy** - means the legal contract between the Policy Owner and us. The terms and conditions of this contract are defined by:

- » this PDS;
- » the Policy Schedule;
- » the application for insurance, including any declaration and statements relating to the insurance and all information provided by you when applying for the Policy; and
- » any special conditions, amendments or endorsements we agree with you.

**Policy Anniversary Date** - means the anniversary of the Policy Commencement Date.

**Policy Commencement Date** - means the date cover commences. The Policy Commencement Date is set out in the Policy Schedule. In the event of reinstatement of the Policy, the Policy Commencement Date in respect of the reinstated Policy is the effective Policy Reinstatement Date.

**Policy Owner** - means the person named as the Policy Owner in the Policy Schedule. This is the primary Life Insured on the Policy.

**Policy Reinstatement Date** - means the date we agree to reinstate the Policy where requested by the Policy Owner.

All premium arrears must be paid before a Policy can be reinstated.

**Policy Schedule** - means the document entitled 'Policy Schedule' issued by us setting out the details of the insurance cover under the Policy.

Relative means a person who is a:

- » parent, grandparent, brother, sister, uncle, aunt, nephew or niece; or
- » dependent biological, legally adopted or step child; of you or of your Partner.

**Self-Employed/Self-Employment** - means working for payment or reward (other than as an employee) in a business or an enterprise which you own or are a partner in.

**Severe Burns** - means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to:

- » 20% or more of the body surface area as measured by the Lund and Browder Body Surface Chart;
- » the whole of both hands, requiring surgical debridement and/or grafting;
- » the whole of both feet, requiring surgical debridement and/or grafting;
- » the whole of the skin of the genitalia, requiring surgical debridement and/or grafting; or
- » the whole of the face, requiring surgical debridement and/or grafting.

**Sickness** - means illness or disease which manifests itself after the Policy Commencement Date.

**Stroke** - means an acute neurological event caused by a cerebral or subarachnoid haemorrhage, cerebral embolism or cerebral thrombosis, where the following conditions are met:

- » There is an acute onset of objective and ongoing neurological signs that last more than 24 hours; and
- » Findings on magnetic resonance imaging, computerised tomography, or other reliable imaging techniques, demonstrate a lesion consistent with the acute haemorrhage, embolism or thrombosis.

Excluded:

- » Brain damage due to an accident, infection or hypoxia;
- » Transient Ischaemic Attack;
- » Non-vasculitic inflammatory disease;
- » Vascular disease affecting the eye, optic nerve or vestibular functions only.

**Sum Insured** - means the agreed cover level for each insured benefit, as specified in the most recent Policy Schedule, endorsement letter or renewal certificate issued for this Policy. The Sum Insured for a benefit does not include any Bonus cover for that benefit.

**Terminal Illness** - means the diagnosis of the Life Insured with an illness which in the reasonable opinion of an appropriate Medical Specialist, is likely to result in the death of the Life Insured within 24 months of the diagnosis regardless of any treatment that may be undertaken.

**Total and Permanent Disability (Any Duties)** - means:

the Life Insured will be considered Totally and Permanently disabled if:

- » the Life Insured has been absent from employment (whether paid or unpaid) solely as a result of Injury or Sickness for an uninterrupted period of at least six consecutive months,
- » during the period of six consecutive months referred to above, the Life Insured attends a Medical Practitioner and had undergone all reasonable and usual treatment prescribed by them, including (where appropriate) rehabilitation for the Injury or Sickness, and
- » at the end of the period of six consecutive months, in reasonable consideration of all medical and other evidence the Life Insured had and become incapacitated to such an extent as to render the Life Insured unlikely ever to engage in any business, profession or occupation for which the Life Insured is reasonably suited by education, training or experience.



**Totally and Permanently Disabled** - means the Life Insured meets the definition of Total and Permanent Disability applicable to them.

**Trauma Event** - means an event listed in the table titled "Trauma Events" in the "Trauma cover" section of this PDS on page 11.

This PDS should be read before making a decision to acquire RAC Life Protect. It is intended to help you decide whether RAC Life Protect will meet your needs and compare it with other products you may be considering. Any financial product advice contained in this PDS is of a general nature only and has been prepared without taking into account your objectives, financial situation and needs.

This PDS and the RAC Life Protect product described within it are issued by AIA Australia Limited ABN 79 004 837 861, AFSL 230043 (AIA Australia). AIA Australia is a subsidiary of the AIA Group, has been operating in Australia for over 40 years and is registered by the Australian Prudential Regulation Authority (APRA). AIA Australia takes full responsibility for the entirety of this PDS and can be contacted at PO Box 6111, Melbourne, VIC 3004 or on 1800 333 613. AIA Australia has adopted the Life Insurance Code of Practice, which contains minimum standards of service that customers can expect from insurers. The Code can be found at [www.fsc.org.au](http://www.fsc.org.au)

RACD is a distributor of RAC Life Protect only and does not sell, issue or guarantee the product. Where applicable the relevant entities within RAC gave their consent to the statements about them in this PDS. RACD and RAC were not otherwise involved in the preparation of this PDS and are not otherwise responsible for any part of it. RACD and RAC have not withdrawn their consent before the date of this PDS.

AIA Australia is not bound to accept your application. Cover is subject to AIA Australia accepting the application and the receipt of the required premium.

The information in this PDS is current as at the date of preparation of this PDS. In accordance with the ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055, the information contained in this PDS may be updated or replaced in a manner that is not materially adverse. Where such change is made, notice of the relevant change will be made available online at [aia.com.au](http://aia.com.au). A paper or electronic copy of any updated or changed information can be obtained free of charge on request, by calling us. Such updated or replaced information will not amend the terms of Policies issued prior to the date of the update or replacement, unless they result in improvements to RAC Life Protect which are automatically applied to the terms of existing Policies in accordance with the Policy terms and conditions (see "Changes and Updated" under "Other Terms and Conditions" in this PDS).

Anyone making this PDS available to another person must provide them with the entire electronic file or printout. AIA Australia will also provide a paper or electronic copy of this PDS on request.

# Direct Debit Request Service Agreement

This is Your Direct Debit Request Service Agreement with AIA Australia Limited (ABN 79 004 837 861 AFSL 230043) trading as RAC WA Life Insurance. It explains what Your obligations are when undertaking a Direct Debit arrangement with Us. It also details what Our obligations are to You as Your Direct Debit provider.

Please keep this Agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with Your DDR authorisation.

## Definitions

For this Agreement only, the following definitions will apply.

**Account** - means the account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

**Agreement** - means this Direct Debit Request Service Agreement between You and Us.

**Business Day** - means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

**Debit Day** - means the day that payment by You to Us is due.

**Debit Payment** - means a particular transaction where a debit is made.

**Direct Debit Request** - means the Direct Debit Request between Us and You.

**Us or We** - means AIA Australia Limited (ABN 79 004 837 861) trading as RAC WA Life Insurance (Direct Debit User ID 474943), (the Debit User) You have authorised by requesting a Direct Debit Request.

**You** - means the member who has signed or authorised by other means the Direct Debit Request.

**Your Financial Institution** - means the financial institution nominated by You on the DDR at which the account is maintained.

## 1. Debiting Your Account

1.1 By signing a Direct Debit Request or by providing Us with a valid instruction, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this Agreement for the terms of the arrangement between Us and You.

1.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.

OR

We will only arrange for funds to be debited from Your Account if We have sent to the address nominated by You in the Direct Debit Request, a billing advice which specifies the amount payable by You to Us and when it is due.

### Except where:

We have agreed to a temporary variation in accordance with Your instructions under clause 3 of this Agreement;

OR

A credit tribunal or other legal tribunal has instructed Us to vary the arrangement.

1.3 If the Debit Day falls on a day that is not a Business Day, We may direct Your Financial Institution to debit Your Account on the following Business Day. If You are unsure about which day Your Account has or will be debited You should ask Your Financial Institution.

## 2. Amendments by Us

2.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least 14 days written notice.

2.2 We reserve the right to cancel this Agreement if the first debit from Your Account is returned unpaid or two or more debit attempts are returned unpaid by Your Financial Institution.

### 3. Amendments by You

3.1 You may change\*, stop or defer a Debit Payment, or terminate this Agreement by providing Us with at least 14 days notification by:

writing to RAC Life Insurance Member Service, PO Box 5595, St Georges Terrace Perth WA 6831

or

telephoning Us on **1800 069 922** during business hours;

or

arranging it through Your Financial Institution, which is required to act promptly on Your instructions.

\*Note: in relation to the above reference to 'change', Your Financial Institution may 'change' Your Debit Payment only to the extent of advising Us Your new Account details.

### 4. Your obligations

4.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request and this Agreement.

4.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:

- a) You may be charged a fee and/or interest by Your Financial Institution;
- b) You may also incur fees or charges imposed or incurred by Us; and
- c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

4.3 You should check Your Account statement to verify that the amounts debited from Your Account are correct.

### 5. Dispute

5.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly on **1800 069 922** and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. Alternatively You can take it up directly with Your Financial Institution.

5.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited, We will respond to Your query by arranging for Your Financial Institution to adjust Your Account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

5.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited, We will respond to Your query by providing You with reasons and any evidence for this finding in writing.

5.4 Any queries You may have about an error made in debiting Your Account should be directed to Us in the first instance and, if We are unable to resolve the matter, You can refer such queries to Your Financial Institution which will obtain details from You of the disputed transaction and may lodge a claim on Your behalf.

## **6. Accounts**

6.1 You should check:

- a) with Your Financial Institution whether direct debiting is available from Your Account as direct debiting is not available on all accounts offered by financial institutions;
- b) Your Account details which You have provided to Us are correct by checking them against a recent Account statement; and
- c) with Your Financial Institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

## **7. Confidentiality**

7.1 Subject to clause 7.2, We will keep any information (including Your account details) collected as part of Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of Our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.

7.2 We will only disclose information about You that We have collected as part of Your Direct Debit Request:

- a) to the extent specifically required or permitted by law or under Our privacy policy or procedures; or
- b) for the purposes of this Agreement (including disclosing information in connection with any query or claim).

## **8. Notice**

- 8.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to: RAC Life Insurance Member Service PO Box 5595, St Georges Terrace Perth WA 6831
- 8.2 We will notify You by sending a notice in the ordinary post or via email to the address You have given Us in the Direct Debit Request.
- 8.3 Any notice will be deemed to have been received on the third Business Day after posting.











**Contact  
us**

General enquiries **1800 069 922**

 **facebook.com/RACWA**

 **@racwa**

 **rac.com.au**

For deaf, hearing or speech impaired members:  
General enquiries **relayservice.gov.au**

RAC Insurance Pty Limited ABN 59 094 685 882  
AFS Licence Number 231222



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