

# RAC Income 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 Income Protect, including the terms and conditions of the Policy as well as any exclusions and limitations. Please read it carefully as it is designed to help you decide if RAC Income 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 35 to 42.

RAC Income Protect, as described in this PDS, is issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 2300433) 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 Income Protect is distributed by RAC Distribution Pty Ltd (ABN 71 092 581 470, Authorised Representative Number 238025) (RACD). RAC Income 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 24 for further information.

If we issue cover, it will be issued on the Policy Commencement Date by AIA Australia to 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 40 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 Income 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](https://aiavitality.com.au)** or see the information set out on page 9 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 4, 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 income protection 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 Income Protect better for you?

RAC Income Protect gives you benefits now, not just later. By choosing RAC Income Protect you'll get comprehensive cover as well as access to AIA Vitality, a health and wellbeing program that helps to keep 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, as an RAC member, you'll get access to special member rates.

## Simply better

Income protection 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 the Product Disclosure Statement and Policy Document. Alternatively, call us on **1800 069 922** or visit **[rac.com.au](https://rac.com.au)**

# About RAC Income Protect

While most of us recognise the need to insure our home and car, it is amazing how many of us fail to insure our most valuable asset, our income.

If you became sick or injured and unable to work, would you have sufficient savings to provide for all your ongoing expenses, without regular income coming in? To help you take care of your monthly living expenses, RAC Income Protect offers the peace of mind of a regular monthly payment of up to 75% of your income, up to \$10,000 per month.

With RAC Income Protect you can have peace of mind knowing that should sickness or injury prevent you from earning an income, you'll have the financial support you need to help pay your rent or mortgage, day to day living expenses, utilities, school fees or child care until you are able to return to work.

You can apply for RAC Income Protect in just minutes, with cover available immediately to successful applicants.

## Who can be covered under the Policy?

A maximum of two adult lives can be insured under one Policy as follows:

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

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

- » aged 18 to 59;
- » permanently residing in Western Australia and be:
  - > an Australian citizen or
  - > an Australian permanent resident or
  - > a New Zealand citizen;
- » **Gainfully Employed:**
  - > Permanent Employee; or
  - > Self-Employed (and spending no more than 20% of your working hours at your place of residence);

- » working at least 20 hours per week, but not as a casual employee; and
- » not performing heavy manual work†.

† Occupations that are considered as performing heavy manual work are: occupations such as semi- skilled 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 RAC Income Protect – Total Disability cover.

## **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 Income Protect

RAC Income Protect offers...

- » Cover from \$1,000 per month up to \$10,000, limited to 75% of your monthly Pre-Disability Income, per month to help you maintain your lifestyle until you are able to return to work.
- » Access to AIA Vitality, the health and wellbeing program that rewards you for living a healthy lifestyle. The range of benefits include an RAC Income Protect premium discount of 5% 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.
- » Cover for Specific Injuries resulting from an Accident, such as a fractured leg or arm, even if you are able to keep working.
- » A Premium Pause for up to 12 months when you are on Parental Leave or Involuntarily Unemployed that allows you to maintain your cover under an Activities of Daily Living definition, whilst you are not earning an income.
- » Your premiums are waived when you are on claim, so you don't have to worry about the additional cost during this difficult time.
- » Immediate cover: you're covered as soon as your application is accepted.
- » Easy to apply online or over the phone with no medicals or blood tests, just a few simple health and lifestyle questions and 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 Income Protect Policy.
- » Special rates for RAC members.
- » Once you're accepted, the continuation of your cover will not be affected by changes to your health, occupation or pastimes and will continue as long as you keep meeting the policy rules and pay your premiums.



RAC Income Protect gives you access to AIA Vitality, an award-winning, scientifically proven health and wellbeing program that rewards your health 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 **[aiavitality.com.au](https://aiavitality.com.au)**

**AIA Vitality**

## What you're covered for

With RAC Income Protect you can apply for a benefit amount of up to 75% of your regular income

Cover is available for both:

- » Permanently Employed; and
- » Self-Employed people (not working at home more for more than 20% of your working hours);

with benefits payable for up to 2 years.

RAC Income Protect offers an Accident and Sickness plan.

This table summarises the features and benefits of RAC Income Protect.

Please read the 'What you're not covered for' section on page 17-18 to understand what is not covered.

RAC Income Protect	Features and benefits
<b>Main benefit</b>	<p>If you become <b>Totally Disabled</b>, we will pay a monthly benefit. Benefit payments will commence following the Waiting Period and will continue as long as you remain Totally Disabled, up to the Benefit Period you have selected.</p> <p>If you suffer a <b>Specific Injury</b>, we will pay a monthly benefit for a specific period, even if you don't cease working.</p>
<b>Age at entry</b>	18 to 59
<b>Expiry age of cover</b>	65
<b>Minimum Sum Insured</b>	\$1,000 per month
<p>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.</p>	
<b>Maximum Sum Insured at Policy Commencement Date</b>	75% of your Income up to \$10,000 per month.
<p>If you are covered under more than one RAC Income Protect Policy or more than one insurance policy issued by us, we may limit your claim so that your total Sum Insured under all insurance policies issued by us does not exceed \$10,000 per month. Please refer to Benefit Limitations on page 25.</p>	<p>The benefit we will pay is the lesser of your Sum Insured and 75% of your monthly Pre-Disability Income</p>

<b>Monthly Benefit</b>	Your monthly benefit is the lesser of your Sum Insured and 75% of your monthly Pre-Disability Income
<b>Waiting Period:</b> the number of days you nominate to wait after your Disablement Date before the Benefit Period commences.	Your choice of: <ul style="list-style-type: none"> <li>» 30 days (Not applicable with a 2 year Benefit Period where your occupation is a fully qualified skilled tradesperson, e.g. qualified builder, carpenter or plumber)</li> <li>» 90 days</li> </ul> No Waiting Period applies for Specific Injury
<b>Benefit Period:</b> the maximum period of time you nominate that Total Disability benefits are payable for.	Your choice of 6 months, 1 year or 2 years
<b>Included benefits</b>	<b>Death benefit</b> If you die whilst on claim and receiving benefits for Total Disability, we will pay an additional benefit of three times your monthly benefit. <b>Premium Pause benefit</b> No premiums are payable for you for up to 12 months whilst you are taking Parental Leave or are Involuntarily Unemployed, and your cover remains in place. Whilst you are on Premium Pause, claims for Total Disablement will be assessed under Total Disability (Activities of Daily Living definition). See page 42 for more details. <b>Premium Waiver benefit</b> No premiums are payable for you whilst you are on claim and receiving benefits.

## Main benefits of RAC Income Protect

RAC Income Protect pays a monthly benefit of up to 75% of your Pre-Disability Income in the event that you become Totally Disabled or suffer a Specific Injury while covered under the Policy, so that you can focus on getting better and back to work, without having to worry about how to pay your monthly bills.

The amount of cover (Sum Insured) you can apply for depends on your Income. The benefit paid is the lesser of your Sum Insured and 75% of your monthly Pre-Disability Income.

### Total Disability cover

Total Disability cover pays a monthly benefit in the event that you become Totally Disabled due to an Accident or Sickness and cannot work.

You will be assessed under the **Total Disability (Usual Duties)** definition unless you are on Premium Pause at the time of the Accident or Sickness, in which case you will be assessed under the **Total Disability (Activities of Daily Living)** definition, see page 42 for more details.

We will start paying your benefit after the expiry of your Waiting Period, either 30 or 90 days.

We will keep paying your benefit each month until the earliest of:

- » you ceasing to be Totally Disabled;
- » us having paid you for your chosen Benefit Period;
- » the Policy Anniversary Date after you turn 65; or
- » your death.

Your benefit amount will be reduced by income or payments you receive from other sources, known as Offsets.

Offsets are in place so that the income you receive whilst you are Totally Disabled is not higher than 75% of your Pre-Disablement Income.

**Important:** Please refer to the definitions of Total Disability (Usual Duties), Total Disability (Activities of Daily Living) and Offsets on pages 42 and 38 for more details.

## Specific Injury cover

Specific Injury cover pays a monthly benefit in the event that you suffer one of the Specific Injuries listed in the table below solely due to an Accident.

The monthly benefit amount for your Specific Injury cover is the same as that for Total Disability; however you don't have to be Totally Disabled to receive this benefit.

In addition, there is no Waiting Period prior to claiming and we won't reduce your payments due to Offsets, though we may reduce them by any income protection type benefit payments made under any other policy.

We will keep paying you each month until the earliest of:

- » us having paid you for the Specific Injury Period;
- » us having paid you for your chosen Benefit Period;
- » the Policy Anniversary Date after you turn 65; or
- » your death.

If you are Totally Disabled after the Specific Injury Period, you can then claim a benefit for Total Disability and your Waiting Period will be waived, though your Benefit Period for Total Disability will be reduced by the Specific Injury Period already paid. If you are not Totally Disabled after the Specific Injury Period, you will not receive any further benefit. If the length of the applicable Specific Injury Period is equal to or greater than your Benefit Period, you will not receive any further benefit.

The Specific Injury benefit you receive will be equal to or lesser than your Benefit Period (6 months, 1 year or 2 years).

Specific Injury	Specific Injury Period*
Paralysis	24 months
Loss of Use of any combination of any two of a hand, a foot, sight in one eye (as defined by Blindness In One Eye)	24 months
Loss of Use of both feet or both hands or sight in both eyes (as defined by Blindness)	24 months
Loss of Use of one leg or arm	18 months
Loss of Use of one foot or hand or sight in one eye (as defined by Blindness In One Eye)	12 months
Loss of Use of the thumb and index finger of the same hand	6 months
Fracture of the thigh (above the knee) or pelvis	3 months
Fracture of the leg (below the knee and above the ankle), knee cap, upper arm, shoulder bone or jaw	2 months
Fracture of the forearm (above the wrist) or collarbone	1.5 months
Fracture of the heel	1 month

\* We won't pay a Specific Injury for longer than your Benefit Period.

## **Recurring Disability**

### **Total Disability recurring within six months of last benefit payment:**

If you become Totally Disabled as a result of an Injury or Sickness within six months since we last paid a Total Disability benefit for the same or a related condition, we will treat the new claim as a continuation of the previous claim. You don't have to serve a Waiting Period, but the total Benefit Period we will pay for will include the amount of time we paid a benefit on the previous claim.

### **Total Disability recurring more than six months after the last benefit payment:**

If you become Totally Disabled again from the same or a related condition after more than six months since we last paid a benefit and we did not pay you the full Benefit Period, or from a different cause at any time, we will treat this as a new claim with its own Waiting Period and Benefit Period.

### **Total Disability after payment for the full Benefit Period:**

If you are on claim and we pay a benefit for the full Benefit Period, we won't pay any further benefits for the same or a related condition unless you have been doing work in the course of being Gainfully Employed for at least 20 hours per week for a continuous period of at least six months prior to the new claim.

## **Included benefits**

### **Death cover**

In order to assist with final expenses, such as funeral costs, if you die whilst we are paying your benefit for Total Disability or Specific Injury, we will pay a lump sum benefit of three times the lesser of the Sum Insured and 75% of your Pre-Disability Income.

### **Premium Pause**

If you take **Parental Leave** or become **Involuntarily Unemployed**, you can ask us to put your premium payments on hold, whilst maintaining your cover. Whilst you are on Premium Pause, any claim for your Total Disability where the relevant Accident or Sickness first occurred during the Premium Pause period will be assessed under the Total Disability (Activities of Daily Living) definition.

When the Premium Pause finishes, the Policy Owner must start paying your normal premium instalments again.

If you choose to use the Premium Pause benefit because:

- » you are going on Parental Leave, you must nominate the date the Premium Pause will finish before you go on leave. This can be for no more than 12 months, and once nominated, cannot be changed. Once your premiums start to be paid again, any claim for Accident or Sickness first occurring following the end of the Premium Pause will be assessed under the Total Disability (Usual Duties) definition (see page 42).
- » you have become Involuntarily Unemployed, you don't have to nominate the date the Premium Pause will finish beforehand. It will finish when you tell us, but cannot be for longer than 12 months. Any claim for Sickness first occurring within six months after your premiums start to be paid again will still be assessed under the Total Disability (Activities of Daily Living) definition, while any claim for your Injury occurring following the end of the Premium Pause will be assessed under the Total Disability (Usual Duties) definition. For more information see the Total Disability (Activities of Daily Living) and Total Disability (Usual Duties) definitions on page 42. Once your premiums have been paid again for six months, all claims for Total Disability caused by Injury or Sickness occurring after this time will be assessed under the Total Disability (Usual Duties) definition. The maximum total period the Premium Pause can be used for Involuntary Unemployment is 24 months.

The Premium Pause will not be available in the first 12 months from the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase.

**Your Premium Pause must be commenced within 12 months of you:**

- » starting Parental Leave; or
- » becoming Involuntarily Unemployed.

The Premium Pause may be exercised more than once, although it can only be exercised once for the same child for Parental Leave, or once for the same period of Involuntary Employment. At least 12 months must elapse after the end of a Premium Pause period before a new Premium Pause can be exercised.

**Premium Waiver**

To assist you during the difficult time that you are on claim, while we are paying you your Total Disability benefit your premiums will be waived and nothing is payable for this time. We will also refund any of your premiums that have been paid in advance for that time.

When we stop paying a benefit, the Policy Owner must start paying your normal premium instalments again.



# What you're not covered for

Please read this section carefully to understand what is not included.

“x” indicates where you will not be covered for a claim under Total Disability cover, Specific Injury cover and Death cover.

Exclusions:	Benefits
You will not be covered for Total Disability, Specific Injury or death:	Total Disability cover, Specific Injury cover and Death cover
» resulting directly or indirectly from a deliberately self-inflicted Injury or Sickness, including suicide and attempted suicide.	x
» caused or accelerated by you engaging in any criminal activity or any unlawful act or resulting from your imprisonment.	x
» caused by war (whether declared or not*), or your participation in riots or civil commotion.	x
» resulting directly or indirectly from a normal prenanacy, terminating a pregnancy or giving birth (including any associated conditions).	x
» arising as a direct or indirect result of you engaging in the following activities in the course of your occupation where such activities constitute Duties of your occupation: <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

\* This exclusion will not apply to death caused by Life Insured being on active military service

“✖” indicates where you will not be covered for a claim under Premium Pause for Involuntary Unemployment and Parental Leave.

Premium Pause Exclusions	Benefits	
You will not be covered for Involuntary Unemployment:	Involuntary Unemployment	Parental Leave
» caused or accelerated by you engaging in any criminal activity or any unlawful act or resulting from your imprisonment.	✖	N/A
» as a result of you becoming unemployed whilst working outside the borders of Australia.	✖	N/A
» in respect of any event or circumstance arising prior to or within 90 days, or where written or verbal notification of impending unemployment occurs prior to or within 90 days, of the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase on the increase amount only.	✖	N/A
» as a result of you becoming Involuntarily Unemployed from a company or business owned in full or in part by your Partner or Relative.	✖	N/A
» as a result of you ending work under a fixed term contract or work of a seasonal nature.	✖	N/A
» as a result of your misconduct, fraud and dishonesty.	✖	N/A
» as a result of your unsatisfactory performance or behaviours or for breaching any of the terms of the employment contract.	✖	N/A
» as a result of any medical condition.	✖	N/A
<b>or Parental Leave:</b>	✖	✖
» commencing within 12 months of the Policy Commencement Date, Policy Reinstatement Date or for any increase in the Sum Insured, from the date of that increase on the increase amount.		

# 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.

## Your Income Protection cover will cease on the earliest of:

- » your death;
- » for the secondary Life Insured, the Policy Owner ceasing 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 your 65th birthday;
- » 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.

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**

The amount of the benefit we pay for you is limited to the Sum Insured at the Disablement Date. Any changes to your Sum Insured while we are paying your benefit will not affect the amount of the benefit we pay.

### **Benefit indexation**

Your Sum Insured will automatically increase each year by the higher of the Consumer Price Index Increase (CPI Increase) and 3% 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 65th 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.

### **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 75% of your Pre-Disability Income up to \$10,000 per month.

Any decrease in your cover will be subject to the minimum Sum Insured, as well as any minimum premium requirements (see “Premiums and charges” on pages 22 to 23).

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 23), 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 Income 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 3% each year,
- » your employment situation,
- » occupation type,
- » your health history,
- » your age,
- » gender, and
- » smoking status (premium rates are higher for smokers) and
- » any discounts that apply.

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 Life Insurance 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 21),

### **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 the current tax laws, RAC Income Protect premiums would generally be tax deductible and benefits paid under the Policy would 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

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) 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 and, where applicable, the premium will be waived (see "Premium Waiver" on page 16).

### **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 (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.

- » The Total Disability and Specific Injury benefits will be paid to the applicable Life Insured.
- » On the death of the primary Life Insured, the Death benefit will be paid in the following order:
  - > the secondary Life Insured (if there is one);
  - > the Policy Owner's estate.
- » On the death of the secondary Life Insured, the Death 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 Income Protect policy, we may limit the total of all cover amounts payable to the maximum benefit of \$10,000 and the lesser of your Sum Insured and 75% of your Pre-Disability Income, as set out in the section "What you're covered for" on pages 10 - 11; 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 \$10,000 per month.

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](mailto: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 Income 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 Income 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 Income 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 Income 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 the “when does your cover start and stop?” section on page 19), 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 Income 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 to understand 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 so 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 19 to 29.

## Who to contact

For enquiries about your RAC Income 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;
- » is common knowledge;
- » we know or should know as an insurer; or
- » we waive your duty to tell us about.

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 three 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 three 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](https://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 29.

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

**Accident** - means a physical injury which is caused solely and directly by violent, external and unexpected means and that is not traceable, even indirectly, to the Insured's state of mental or physical health before the event. Injury directly resulting from medical or surgical treatment will not constitute an 'Accident'.

**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 standby 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.

**Benefit Period** - is the maximum period during which the Total Disability or Specific Injury benefit is payable for any one period of Total Disability, as stated on the Policy Schedule.

**Blindness** - means 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.

For Specific Injury cover, Blindness must arise solely and directly as a result of an Accident.

**Blindness In One Eye** - means as certified by an ophthalmologist, the visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in one eye. For Specific Injury cover, Blindness In One Eye must arise solely and directly as a result of an Accident.

**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.

**Disablement Date** - means the earliest of the date the Life Insured first:

- » consults a Medical Practitioner about the condition that is causing the Total Disability; or
- » ceases work due to the condition that is causing the Total Disability as long as it is not more than seven days before the Life Insured first consults a Medical Practitioner about the condition and provides reasonable medical evidence about when the disablement began.

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

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

**Fracture** - means any bone fracture requiring the application of a plaster cast or an immobilising device.

For Specific Injury cover, a Fracture must arise solely and directly as a result of an Accident.

**Gainfully Employed** - means the Life Insured is:

- » gainfully employed for salary, reward or profit in any business, profession or occupation as a Permanent Employee; or
- » Self-Employed.

Except for the purposes of determining eligibility for receiving a benefit under Recurring Disability, where the Life Insured has been on unpaid leave for up to 12 months, they will be considered to be Gainfully Employed. Once the Life Insured has been on unpaid leave for longer than 12 months, they will no longer be considered Gainfully Employed.

**Income** - means:

- » in the case of a **Permanent Employee**, Income is the total pre-tax remuneration paid by your employer including salary, commission, bonuses, overtime, fringe benefits and superannuation contributions (statutory and/or voluntary). This does not include income which is not derived from your personal exertion or activities, such as interest, dividend payments or rental income.
- » in the case of a **Self-Employed person**, a working director or partner in a partnership, the income generated by the business or practice due to their personal exertion or activities, less their share of necessarily incurred business expenses, for the last financial year. Income does not include other unearned income such as dividends, interest, rental income or proceeds from the sale of assets, or ongoing commission or royalties.

**Injury** - means a physical injury which occurs whilst the Policy is in force.

Any Condition resulting from medical or surgical treatment rendered necessary by the physical injury will not constitute an 'Injury'.

**Insured** - means a Life Insured.

**Involuntarily Unemployed** - means not being Gainfully Employed because the Life Insured has been made involuntarily redundant or has been involuntarily retrenched and the Life Insured is registered as unemployed with an approved employment agency within Australia and is actively seeking work.

**Involuntary Unemployment** - has the corresponding meaning:

If the Life Insured is Self-Employed or a partner in business, in addition to meeting the above criteria, Involuntary Unemployment also means the business ceasing trading permanently due to actual or imminent insolvency, or business factors beyond the Life Insured's reasonable control and being wound up, or placed in the control of an insolvency administrator.

**Life Insured** - means a person named as a Life Insured in the Policy Schedule.

**Loss of Use** - means the total and irrecoverable loss by the Life Insured of the use of:

- » the hand from the wrist or the foot from the ankle joint;
- » the arm from the elbow or the leg from the knee joint; or
- » the thumb and index finger from the first phalange joint.

For Specific Injury cover, Loss of Use must arise solely and directly as a result of an Accident.

**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.

**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.

**Offsets** - If you make a claim under the Total Disability benefit, your benefit amount will be reduced by the following amounts received from other sources:

- » sick leave or personal leave (including leave available but not taken, for the amount of that leave);
- » any remuneration received from the employer, including, but not limited to:

- > salary or wages, including allowances, commissions and bonuses; and
- > annual leave, long service leave, Parental Leave;
- » workers compensation claim payments, accident compensation schemes and other statutory insurance claims paid or payable including government disability pensions (only applied once claim payments are actually paid to the Life Insured);
- » payments received from other individual income protection policies, group disability income policies and superannuation plans; and
- » any benefit or payment from another source which is paid regularly and in relation to your employment status, for example unemployment benefits or government parental leave entitlements. Where those payments are offset by benefits received under this Policy, those payments will not be offset by this Policy.

In addition, your benefit amount will be offset by any payments you receive or become entitled to in respect of your Injury or Sickness under any statute, or as damages under common law (whether or not modified by statute), for loss of income, loss of earning capacity or any other economic loss (including any benefits or payments for work injury damages), whether paid as a lump sum or not.

If any of these regular payments are paid in a lump sum (rather than a monthly payment), we will convert them to a monthly payment, equivalent to 1/60 of the lump sum payment for up to five years.

The following will not be offset:

- » a lump sum or part of a lump sum paid as compensation for pain and suffering or as compensation for permanent impairment that results from an Injury; and
- » any lump sum TPD, Trauma or Terminal Illness benefit payments will not be offset against your Total Disability benefit payments.

**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.

For Specific Injury cover, Paralysis must arise solely and directly as a result of an Accident to the spinal cord or brain.

**Parental Leave** - means the Life Insured has taken leave from their employer (either paid or unpaid), or if Self-Employed, has stopped working in their own business, due to:

- » the birth of a child; or
- » the legal adoption of a child under the age of three.

The Life Insured must have an agreed date of return to work established prior to commencing the leave.

**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.

**Permanent Employee** - means a person who:

- » is employed on a permanent basis with no agreed employment cease date;
- » receives regular remuneration from their employment;
- » is entitled to sick leave, annual leave and superannuation payments as part of their employment;
- » does not have any ownership interest in the organisation (in whole or in part, directly or indirectly) by whom the person is employed, except as a shareholder in a publicly listed company; and
- » Is not an employee or partner of a relative or family member.

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

**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.

**Pre-Disability Income** - means that except in the circumstances listed below, the greater of the Life Insured's average monthly Income:

- » for the six consecutive months preceding the Disablement Date; and
- » for the latest financial year preceding the Disablement Date.

In the event the Life Insured becomes Totally Disabled during the period of Premium Pause then the Life Insured's Pre-Disability Income will be the average monthly Income for the six consecutive months preceding the commencement of the Premium Pause.

If the Life Insured becomes Self-Employed in the 12 months prior to the Disablement Date, their Pre-Disability Income is the average monthly Income generated from the time since becoming Self-Employed to the Disablement Date.

**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** - in relation to a person means that the person is in Self-Employment.

**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.

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

**Specific Injury** - means an Injury listed in the table titled "Specific Injury" in this PDS.

**Specific Injury Period** - means the period for which we will pay a Specific Injury, as listed in the table titled "Specific Injury" in this PDS.

**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.

**Total Disability (Activities of Daily Living)** - means the Life Insured, solely and directly due to Injury or Sickness and independent of any other cause, is:

- » unable to perform at least two of the Activities of Daily Living;
- » under the regular care of and following the advice of a Medical Practitioner; and
- » not working (whether paid or unpaid).

**Total Disability (Usual Duties)** - means the Life Insured, solely and directly due to Injury or Sickness and independent of any other cause, is:

- » unable to perform the Duties of their usual occupation;
- » under the regular care of and following the advice of a Medical Practitioner; and
- » not working (whether paid or unpaid).

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

**Waiting Period** - means the waiting period as stated on the Policy Schedule, and is the number of days at the beginning of a period of Total Disability, in respect of which no Total Disability benefit is payable. The Waiting Period begins on the Disablement Date. The Benefit Period for Total Disability commences after the completion of the Waiting Period.

This PDS should be read before making a decision to acquire or continue to hold RAC Income Protect. It is intended to help you decide whether RAC Income 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, so you should consider its appropriateness in the context of such factors.

This PDS and the RAC Income 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 Income 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, in addition to the other terms, conditions, exclusions and limitations of the policy.

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 Income Protect which are automatically applied to the terms of existing Policies in accordance with the Policy terms and conditions (see "Changes and Updates" 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 person who has signed or authorised by other means the Direct Debit Request.

**Your Financial Institution** - means the financial institution nominated by You on the Direct Debit Request 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; and
- b) with 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  
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.











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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