

# Funeral Protection

Product Disclosure Statement  
and Policy Document

Version 1

Issued 15 August 2011

**The Power of We**



[AIA.COM.AU](http://AIA.COM.AU)



# About this booklet

We suggest that you keep this booklet in a safe place.

This booklet is issued by:

AIA Australia Limited (ABN 79 004 837 861, AFSL 230043)

PO Box 6111 St Kilda Rd Central, VIC 8008.

In this document any reference to:

- 'we', 'us', 'our', 'the insurer' or 'AIA Australia' means AIA Australia Limited;
- 'you' or 'your' means the owner of the policy; and
- 'this booklet' means this combined AIA Australia Funeral Protection Product Disclosure Statement and Policy Document.

Please read this booklet carefully as it contains important information about AIA Australia's Funeral Protection. You should read this booklet carefully before making any decision to purchase AIA Australia Funeral Protection. Some terms used in this booklet have a special meaning. Please see Important Definitions on page 16.

The information in this booklet is current at the date of issue. This booklet may be updated or replaced at any time, and you can obtain a copy of the current version by calling AIA Australia Customer Service on 1800 447 591. Changes that are not materially adverse will be updated and made available to you at [www.aia.com.au](http://www.aia.com.au), or you may request a paper copy of any updated information free of charge. You will be advised of material changes or significant events as required by law. Anyone making this booklet available to another person must provide them with the entire electronic file or printout.

Funeral Protection is only available to people who receive this booklet and who make an application in Australia. This booklet is not an offer, invitation or recommendation by us to purchase Funeral Protection in any other jurisdiction. AIA Australia is not bound to accept an application, and applications from outside Australia will not be accepted.

Any financial product advice contained in this booklet is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs.

# Contents

<b>One less thing to worry about</b>	<b>2</b>
About AIA Australia	3
<b>About Funeral Protection</b>	<b>4</b>
What your cover includes	4
Who can apply for Funeral Protection	4
Who receives the benefit	5
Cooling-off period	5
What is not covered	6
<b>Important points to note</b>	<b>7</b>
When choosing your cover	7
Your duty of disclosure	7
<b>About your policy</b>	<b>8</b>
When your cover starts	8
Ongoing cover	8
When your cover ends	8
<b>All about premiums</b>	<b>9</b>
Paying your premiums	9
Taxation	10
<b>Managing your policy</b>	<b>11</b>
Automatic increase of your cover	11
Changing your policy	11
Changing credit card type or direct debit	11
Making a claim	12
Lost or destroyed Policy Schedule	12
<b>Your Privacy</b>	<b>13</b>
Use and disclosure of your personal information	13
Access to your information	13
Questions or concerns	14
<b>Additional Information</b>	<b>15</b>
<b>Important Definitions</b>	<b>16</b>
<b>Direct Debit Request – Service Agreement</b>	<b>18</b>

# One less thing to worry about

A death in a family can be a painful and difficult time. And, the stress of the situation is often magnified by the financial pressure of having to cover the costs of a funeral as you deal with the loss of a loved one.

Protect your family from the burden of funeral expenses with **Funeral Protection**.

## Getting cover is easy

Forget all those lengthy medical questions or forms, getting cover is **easy**. We ask for just a few simple details and if your application is accepted, your policy starts straight away.

- Guaranteed cover for Australian residents aged 17 to 80
- Worldwide protection 24 hours a day, 7 days a week
- No medicals or health questions

## Cover to suit your needs

Select the level of benefit that best suits you and possible funeral expenses.

- You choose your benefit amount - from \$5,000 up to \$30,000 (increments of \$1,000)
- Triple benefit paid in the event of accidental death – up to \$90,000 (after your policy has been in place for 12 months)
- Automatic increase of cover to retain the value of your benefit
- Apply for yourself or your spouse or relative
- 45-day cooling-off period so you can make sure your cover suits your needs

## Enjoy your first 3 months of cover for free

Take advantage of our discounts and flexible options for a more affordable cover.

- We will waive your premiums for the first 3 months
- If there are two or more policies where the persons insured have the same residential address a 10% discount will apply to the premiums for all those policies.
- Premium rates are capped at age 90 and cover can continue for life
- Your choice of fortnightly, monthly or yearly deductions

## About AIA Australia

AIA Australia has been operating in Australia for over 40 years. We are a subsidiary of the AIA Group and a specialist provider of insurance products aimed at protecting the financial health and welfare of Australians. AIA Australia is authorised by the Australian Prudential Regulatory Authority (APRA) as a life insurer in Australia.

# About Funeral Protection

Funeral Protection provides a lump sum benefit directly to you, your estate or the nominated beneficiaries, to help cover the costs associated with a funeral.

## What your cover includes

Funeral Protection provides you with the following benefits:

Cover period	Cause of death	Benefit
First 12 months	Accident	Your benefit amount
First 12 months	Any cause excluding those causes due to an accident and self-inflicted injury	Return of all premiums paid
After 12 months	Accident	3 times your benefit amount*
After 12 months	Any cause excluding those causes due to an accident	Your benefit amount*

\* plus any indexation amount

## Selecting a benefit amount

You can choose the amount you'd like to be available in the event of a funeral by selecting a benefit amount from \$5,000 to \$30,000 in increments of \$1,000.

## Who can apply for Funeral Protection

You can apply for Funeral Protection if the life insured is:

- an Australian or New Zealand citizen or an Australian permanent resident or holder of a temporary working visa, as approved by the Department of Immigration and Citizenship, who is residing in Australia at the time of the application (referred to in this booklet as an 'Australian Resident'); and

- aged between 17 and 80 years.

You can apply for cover on your own life or on your spouse or a relative.

Only one person can be insured on the one policy; however, you will receive a 10% premium discount on your policies if two or more of the lives insured are residing at the same address.

A person may be the life insured under only one Funeral Protection policy.

## Who receives the benefit

As a policy owner, you can nominate up to four beneficiaries to receive the benefit amount under your policy. You may nominate at the time of application or later by completing a valid 'Nomination of Beneficiaries Form' which you can obtain at no cost from AIA Australia by calling 1800 447 591.

### **Where the policy owner and the life insured are the same person:**

The benefit amount will be paid to your nominated beneficiaries or, where no beneficiaries have been nominated, the executors or administrators of your estate. If a nominated beneficiary dies before your death and no change in nomination has been made, then that nominated beneficiary's share will be paid to the nominated beneficiary's legal personal representative.

### **Where the policy owner and the life insured are not the same person:**

On the death of the life insured the benefit amount will be paid to you.

## Cooling-off period

Your cooling-off period starts from the date you receive your policy documentation or from the end of the 5th business day after commencement date, whichever is earlier. To cancel your policy during the cooling-off period, please send your written request to cancel the policy to:

AIA Australia Customer Service  
PO Box 33235  
Domain LPO  
Melbourne VIC 3004

The cooling-off period ceases if a claim is made before the 45-day cooling-off period has expired.

## **What is not covered**

During the first 12 months of this policy, the benefit amount will be paid only if the life insured's death results from an accident. On death due to any cause, excluding those causes due to an accident and self-inflicted injury, during the first 12 months of this policy, all premiums paid will be returned. Death due to a self-inflicted cause will not be covered in the first 12 months.

Any increase in the benefit amount that is not an indexation increase, will be subject to the same conditions, i.e. the additional benefit amount will only be payable for accidental death during the 12-month period following the increase.

# Important points to note

## When choosing your cover

If there comes a time when you or your estate need to claim your benefit, you want to make sure that the cover you have chosen is the most suitable for you and your situation. Please read the following points to be aware of some common pitfalls.

### **Selection of wrong product**

You may choose an insurance product that does not meet your needs. You should read this booklet carefully to prevent choosing a product which isn't appropriate to you and your situation.

### **Inadequate amount of insurance**

You may select the correct insurance product for your needs, but you might not choose enough cover. This can lead to ongoing financial hardship after receiving your benefit amount. You will need to assess your needs carefully to ensure that this does not occur.

## Your duty of disclosure

We use the information you give us to decide whether to insure you and on what terms. So you must be honest at all times when providing us with information.

You also have a duty under law to tell us anything you know, which a reasonable person in the circumstances would include when answering a similar question.

### **Non-disclosure**

If you don't answer our questions honestly or completely, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as invalid from its commencement date.

# About your policy

## When your cover starts

Your cover starts when we accept your application. This is called the commencement date.

After we have accepted your application for cover, you will receive your policy documentation in the mail, which will include your Policy Schedule specifying the details of your cover and a copy of this booklet. Please keep these important documents in a safe place.

## Ongoing cover

Provided your premiums are paid in full when due, your cover will be renewed each year (subject to the conditions described in the paragraph 'When your cover ends') regardless of changes in your health, occupation or pastimes.

## When your cover ends

Your Funeral Protection cover will end when any of the following events occur:

- a benefit is paid under the policy;
- the life insured dies;
- the policy is cancelled;
- you stop paying your premium and your premium remains unpaid for longer than 60 days after the premium due date; or
- you cancel your policy in writing.

## Cancellation

You may cancel your policy at any time. Any request to cancel your policy must be made in writing to:

AIA Australia Customer Service  
PO Box 33235  
Domain LPO  
Melbourne VIC 3004

and signed by you. The cover will cease on the day before the next premium instalment is due.

# All about premiums

Premiums are the amounts you pay for your policy. The premiums you pay are based on:

- age of the life insured;
- whether the life insured is a smoker or a non-smoker;
- gender of the life insured;
- benefit amount including any benefit indexation; and
- any policy discounts, if applicable.

Your premium is set for the first year and will appear on your Policy Schedule. This amount will include government charges such as stamp duty and taxes.

Premiums will generally increase each year as your benefit amount increases with indexation and the age of the life insured increases. Each year the renewal information will be sent to you and the new premium payable will be shown on the renewal documents.

## Paying your premiums

You may choose to pay your premiums fortnightly, monthly or yearly by direct debit from your nominated credit card or bank account. There is no additional charge for whichever payment frequency you choose.

“AIA Australia” will appear on your statement at the time the premiums are deducted.

If, for any reason, the premium rates need to be adjusted, we must apply those changes to all Funeral Protection policies. Your policy cannot be singled out for an increase. You will be notified of any change in the premium rates in accordance with law, except for changes due to taxation (see ‘Taxation’ below).

## Late payment of premiums

If your premium deduction is dishonoured, and your premium remains unpaid for longer than 60 days after your due date, your policy will lapse and your cover will cease.

## Taxation

The premium rates are inclusive of all government charges, duties and GST (where applicable). Premiums will be changed if the stamp duty, government charges or taxes (included in the premium) are changed by the relevant authority. In the event that the relevant authority increases these rates or additional government taxes and duties are introduced, we may increase premiums to cover these costs.

Generally, premiums paid for your cover are not tax deductible. Any benefits you receive are not assessable for income tax purposes.

This information is based on the continuance of present tax laws and our interpretation of those laws. Your individual situation may differ and you should seek qualified professional advice in relation to your particular circumstances.

# Managing your policy

## Automatic increase of your cover

To help you keep up with the cost of living and protect the value of your cover, your benefit amount will automatically increase by 5% each policy anniversary.

You may choose to decline this increase in any given year by notifying us in writing within one month after your policy anniversary date. If you reject two consecutive indexation increase offers, we will not offer you any further indexation increases. If you later change your mind, the offer of indexation increases may be reinstated.

The maximum benefit amount may be exceeded as a result of indexation increases.

## Changing your policy

### Changing your benefit amount

You may request a decrease in the benefit amount (to the minimum) at any time, while any request to increase the benefit amount will be subject to such conditions as we may advise at the time of the request. Any request to decrease the benefit amount must be advised in writing by you to us. Increases and decreases must be in increments of \$1,000.

### Changing credit card type or direct debit

If your credit card or bank account changes, you will need to notify us as soon as possible. We will ask you to complete a new credit card authority or direct debit request form. If we are not notified, your premiums may dishonour and your policy may cease.

### Changing personal information

Please inform us immediately of any change in:

- Your address
- Any other change affecting you which may require an alteration to your policy

## Transfer of ownership

You may request us to transfer the ownership of your policy to your spouse or a relative. This is achieved by assigning the policy using a Memorandum of Transfer that will be provided to you at no cost upon request.

You should be aware that by assigning the policy, you forfeit all rights to benefits payable under the policy and it may give rise to taxation implications. Assigning the policy will revoke any previous nomination of beneficiaries.

No assignment of the policy will bind us until we have registered the assignment. We take no responsibility as to the validity of any assignment.

## Making a claim

If you, or your legal representative, wish to make a claim under your policy, please call 1800 447 591 or write to:

AIA Australia Customer Service  
PO Box 33235  
Domain LPO  
Melbourne VIC 3004; or

Email: [au.claims@aia.com](mailto:au.claims@aia.com).

We will send you a claim form to be completed, signed and returned. We may request that you provide accompanying documentation and you may also be required to ask the life insured's treating doctor or specialist to complete a form.

You can only make a claim if your policy is current at the time the insured event occurs. Claims should be made as soon as possible after the occurrence of the insured event that gives rise to the claim.

We may refuse to pay a claim if there is insufficient evidence of the life insured's death or the cause of the life insured's death. We may conduct investigations to assess the validity of any claim.

## Lost or destroyed Policy Schedule

If your Policy Schedule is lost or destroyed, we will replace it at your written request. However, we may charge you to recover our costs involved with replacing it and meeting the statutory requirements. You will also be required to complete a lost policy declaration form to the effect that your Policy Schedule has been lost or destroyed.

# Your Privacy

We are committed to ensuring the confidentiality, security and privacy of your personal information and that your information is maintained in accordance with Australia's privacy laws.

If you do not provide us with all or part of the requested personal information, we may not be able to provide you with insurance cover or assess and manage any claims that you may make. Any personal or sensitive information that you provide will be handled in accordance with our privacy policy which may be found at [www.aia.com.au](http://www.aia.com.au) or by contacting us on 1800 333 613.

## Use and disclosure of your personal information

Your personal information may be disclosed, locally and overseas, to subsidiaries and affiliated companies, financial institutions you nominate, reinsurers, mail houses, archive companies and to any third party who provides administrative or other services.

Your personal information will only be used and disclosed for purposes relating to your business with us, including but not limited to, processing your application, administering your policy, assessing and processing claims, and for related marketing and promotional purposes.

In some circumstances, your personal information may be disclosed to third parties without your authorisation, such as law enforcement agencies or government authorities where disclosure is required by legislation, or to report illegal activities.

## Access to your information

You can access, request a change or lodge a complaint about the handling of your personal information that we hold by writing to:

Compliance Manager  
AIA Australia  
PO Box 6111  
St Kilda Road Central  
VIC 8008

In some circumstances, you may not be able to access your personal information. This may be because providing the information is unlawful or denying access is authorised by law. In these cases, you will be given written reasons explaining the situation.

## Questions or concerns

If you should have any questions or concerns about your policy, please contact us and we will promptly investigate your enquiry, referring it if necessary to our Internal Dispute Resolution Committee.

Complaints are normally resolved within forty-five (45) days. In special circumstances, we may take longer to assess a complaint. If this is the case, we will advise you.

If you are not satisfied with our response, you can lodge your complaint with the Financial Ombudsman Service, by writing to:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Telephone: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

# Additional Information

## **Australian law**

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

## **Currency**

All amounts under the policy, whether payable by us or by you, must be paid 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**

Your policy will be written in the AIA Australia Statutory Fund No. 1. This is a non-participating policy and Funeral Protection does not participate in the distribution of any surplus.

# Important Definitions

In this booklet, there are some words that have a special meaning. The definitions of these words are set out below.

**Accidental death** means death occurring directly, and independently of any other cause, as a result of bodily injury caused solely and directly by sudden, violent, accidental, external and visible means and which occurs within 90 days of the accident taking place. (This is also referred to throughout this booklet as 'death by accident' and similar terms.)

**Australian Resident** means a person who is an Australian or New Zealand citizen, an Australian permanent resident or holder of a temporary working visa, as approved by the Department of Immigration and Citizenship, who is residing in Australia at the time of the application.

**Benefit amount** means the amount payable by us upon the occurrence of the insured event that is covered by your policy and is as set out in your Policy Schedule at the commencement date or as varied by agreement in writing from time to time.

**Commencement date** means the date we accept your application when you apply for cover over the telephone, online or via paper application.

**De facto partner** of a person means someone who has been in a relationship with and living with that person for a period of at least 12 months.

**Insured event** means death within 12 months of the commencement date of this policy due to any cause excluding self-inflicted injury and death from any cause thereafter.

**Insurer, our, we and us** mean AIA Australia Limited (ABN 79 004 837 861, AFSL 230043),

**Life insured** means a person specified as a life insured in your Policy Schedule.

**Policy** means the legal contract between you, the policy owner, and us, which contains the terms of this booklet, the Policy Schedule, all information provided by you when applying for this Funeral Protection insurance and any special conditions, amendments or endorsements we issue to you.

**Policy owner** means the person specified as the policy owner in your Policy Schedule.

**Policy Schedule** means the document entitled Policy Schedule issued by AIA Australia confirming the details of the insurance cover under your policy.

**Relative** means a person who is:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of you or of your spouse; or
- (b) the spouse of a person referred to in (a).

**Sickness** means illness or disease which results in death.

**Spouse** means the legally married partner or de facto partner.

# Direct Debit Request – Service Agreement

The following is your Direct Debit Service Agreement with us when you choose to have your premiums deducted from your bank account. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us and what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR).

## Definitions

- **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, AFSL 230043) (Direct Debit User ID 000142) (the Debit User) who you have authorised by submitting a Direct Debit Request.
- **you** means the customer who submitted the Direct Debit Request.
- **your financial institution** means the financial institution nominated by you via the DDR at which the account is maintained.

## 1. Debiting your account

By submitting a Direct Debit Request, you have authorised us to arrange for funds to be debited from your account. The Direct Debit Request and this agreement contain the terms of the arrangement between us and you.

We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request, except where:

- (a) we have agreed to a temporary variation in accordance with your instructions at section 3 of this agreement; or
- (b) if a credit tribunal or other legal tribunal has instructed us to vary the arrangement; or
- (c) 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

We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days' written notice.

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

You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14) days' notification in writing or by telephoning AIA Australia Customer Service on 1800 447 591 during business hours or arranging it through your own financial institution.

## 4. Your obligations

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.

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 will need to arrange for the payment to be made by another method, or for funds to be made available in your account by an agreed time so that we can debit your account.

You should check your account statement to verify that the amounts debited from your account are correct

If we are liable to pay goods and services tax (“**GST**”) on a supply made in connection with this agreement, then you agree to pay us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## **5. Dispute**

If you believe that there has been an error in debiting your account, you should notify us directly on 1800 447 591 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 with your financial institution direct.

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.

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.

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 it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

## 6. Accounts

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 submitting the Direct Debit Request if you have any queries about how to submit the Direct Debit Request.

## 7. Confidentiality

We will keep any information (including your account details) in 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.

We will only disclose information that we have about you:

- (a) to the extent specifically required by law; or
- (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

## 8. Notice

If you wish to notify us in writing about anything relating to this agreement, you should write to:

AIA Australia Customer Service  
PO Box 33235  
Domain LPO  
Melbourne VIC 3004

You will receive a notice in the ordinary post to the address you have provided in the Direct Debit Request. Any notice will be deemed to have been received on the second business day after posting.

