



Simply Smarter Life Insurance

Budget Direct Life Insurance and
Budget Direct Accidental Death Insurance
Product Disclosure Statement



Budget Direct Life Insurance and Budget Direct Accidental Death Insurance are issued by Hannover Life Re of Australasia Ltd (Hannover) ABN 37 062 395 484 of Tower 1, Level 33, 100 Barangaroo Ave, Sydney NSW 2000. Budget Direct Life Insurance and Budget Direct Accidental Death Insurance are promoted and distributed by Auto & General Services Pty Ltd ABN 61 003 617 909, AFSL 241411 of Level 13, Toowong Tower, 9 Sherwood Road, Toowong QLD 4066.

Budget Direct is a trading name of Auto & General Services Pty Ltd.

From time to time, information in this Product Disclosure Statement (PDS) may be updated or changed. Updates or changes which are not materially adverse to you may be found on the Budget Direct website at www.budgetdirect.com.au/life-insurance. If you request a paper copy, this will be provided to you free of charge.

About Budget Direct

Budget Direct has been arranging protection for some of Australia's most valued possessions since 2000. Each week, thousands of Budget Direct policies are issued to meet Car, Home & Contents, Life, Travel, and Health Insurance needs nationwide.

About Budget Direct Life Insurance

Budget Direct Life Insurance includes Budget Direct Express Life Cover and Budget Direct Life Cover, which provide a lump sum benefit should the Life Insured under the Policy die or be diagnosed with a Terminal Illness with a life expectancy of less than 12 months, subject to the terms of the Policy.

Whilst Budget Direct Express Life Cover is a standalone product, you can also apply for one or more of the following types of optional cover in addition to Budget Direct Life Cover:

- ▶ Budget Direct Total & Permanent Disability (TPD) Cover;
- ▶ Budget Direct Trauma Cover;
- ▶ Budget Direct Trauma Plus Cover; and
- ▶ Budget Direct Children's Cover.

Budget Direct Total & Permanent Disability (TPD) Cover provides a lump sum benefit should the Life Insured suffer Total and Permanent Disability, subject to the terms of the Policy.

Budget Direct Trauma Cover provides a lump sum benefit should the Life Insured suffer from one of the four defined Trauma Events for Budget Direct Trauma Cover, subject to the terms of the Policy.

Budget Direct Trauma Plus Cover provides a lump sum benefit should the insured suffer from one of the 14 defined Trauma Events for Budget Direct Trauma Plus Cover, subject to the terms of the Policy.

Budget Direct Children's Cover provides a lump sum benefit should an Insured Child under the Policy die or be diagnosed with a Terminal Illness with a life expectancy of less than 12 months, or suffer from one of the defined injuries or illnesses listed on page 24, subject to the terms of the Policy.

Budget Direct Life Insurance protects the Life Insured with 24/7, worldwide coverage, subject to the terms of the Policy. A full explanation of benefits, and the terms, conditions and exclusions of Budget Direct Life Insurance (including the optional benefits) are contained in this PDS.

About Budget Accidental Death Insurance

Budget Direct Accidental Death Insurance provides a lump sum benefit should the Life Insured under the Policy suffer Accidental Death, subject to the terms of the Policy.

Budget Direct Accidental Death Insurance protects the Life Insured with 24/7, worldwide coverage, subject to the terms of the Policy.

A full explanation of benefits, and the terms, conditions and exclusions of Budget Direct Accidental Death Insurance are contained in this PDS.

Contents

Why Choose Budget Direct?	3
Product Disclosure Statement.....	4
What is a PDS?	4
Duty Of Disclosure	5
Your Duty of Disclosure	5
If you do not tell us something	5
Budget Direct Life Insurance at a Glance	6
Budget Direct Life Insurance - Life Cover Optional Benefits at a Glance	7
Budget Direct Life Insurance - Express Life Cover.....	10
1. What benefit is provided by Budget Direct Express Life Cover?	10
2. Are you eligible to apply for Budget Direct Express Life Cover?	10
3. How much does Budget Direct Express Life Cover cost?	10
4. How much Budget Direct Express Life Cover can you apply for?	10
5. When will the Budget Direct Express Life Cover benefit be paid?	10
6. What is the advanced funeral benefit?	11
7. Do limits apply to Budget Direct Express Life Cover?	11
8. Do exclusions apply to Budget Direct Express Life Cover?	11
9. When does Budget Direct Express Life Cover start and end?	12
10. What is included in Budget Express Life Cover?	12
Budget Direct Life Insurance - Life Cover	13
1. What benefit is provided by Budget Direct Life Cover?	13
2. Are you eligible to apply for Budget Direct Life Cover?	13
3. How much does Budget Direct Life Cover cost?	13
4. How much Budget Direct Life Cover can you apply for?	13
5. When will the Budget Direct Life Cover benefit be paid?	14
6. What is the advanced funeral benefit?	14
7. Do limits apply to Budget Direct Life Cover?	14
8. Do exclusions apply to Budget Direct Life Cover?	15
9. When does Budget Direct Life Cover start and end?	15
10. What is interim Accidental Death Cover?	15
11. What is included in Budget Direct Insurance?	16
Budget Direct Life Insurance - Total & Permanent Disability (TPD) Cover.....	17
1. What benefit is provided by Budget Direct TPD Cover?	17
2. Are you eligible to apply for Budget Direct TPD Cover?	17
3. How much does Budget Direct TPD Cover cost?	17
4. How much Budget Direct TPD Cover can you apply for?	18
5. When will the Budget Direct TPD Cover benefit be paid?	18
6. Do limits apply to Budget Direct TPD Cover?	18
7. Do exclusions apply to Budget Direct TPD Cover?	19
8. When does Budget Direct TPD Cover start and end?	19
Budget Direct Life Insurance - Trauma and Trauma Plus Cover.....	20
1. What benefit is provided by Budget Direct Trauma Cover?	20
2. What is the difference between the benefits in Budget Direct Trauma and Budget Direct Trauma Plus Cover?	20

- 3. Are you eligible to apply for Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover?21
- 4. How much does Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover cost?21
- 5. How much Budget Direct Trauma or Budget Direct Trauma Plus Cover can you apply for?.....21
- 6. When will the Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover benefit be paid?.....22
- 7. Do limits apply to Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover?.....22
- 8. Do exclusions apply to Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover?.....23
- 9. When does Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover start and end?23
- Budget Direct Life Insurance - Budget Direct Children’s Cover24**
 - 1. What benefit is provided by Budget Direct Children’s Cover?24
 - 2. Are you eligible to apply for Budget Direct Children’s Cover?24
 - 3. How much does Budget Direct Children’s Cover cost?24
 - 4. How much Budget Direct Children’s Cover can you apply for?25
 - 5. When will the Budget Direct Children’s Cover benefit be paid?25
 - 6. Do limits apply to Budget Direct Children’s Cover?25
 - 7. Do exclusions apply to Budget Direct Children’s Cover?25
 - 8. When does Budget Direct Children’s Cover start and end?26
- Budget Direct Accidental Death Insurance27**
 - 1. What benefit is provided by Budget Direct Accidental Death Insurance?27
 - 2. Are you eligible to apply for Accidental Death Insurance?27
 - 3. How much does Budget Direct Accidental Death Insurance cost?27
 - 4. How much Budget Direct Accidental Death Insurance can you apply for?.....27
 - 5. When will the Budget Direct Accidental Death Insurance benefit be paid?.....27
 - 6. Do limits apply to Budget Direct Accidental Death Insurance?28
 - 7. Do exclusions apply to Budget Direct Accidental Death Insurance?.....28
 - 8. When does your Budget Direct Accidental Death Insurance cover start and end?.....29
 - 9. What is included in your Budget Direct Accidental Death Insurance Policy?29
- General Information30**
 - 1. Is there a 30-day cooling-off period?30
 - 2. Is there Inflation Protection?30
 - 3. What should I know about premium changes, payments, and deductions?30
 - 4. Can I change my insurance?.....31
 - 5. How do I make a claim?31
 - 6. What proof is required to make a claim?31
 - 7. Who receives the insurance benefit payment?.....32
 - 8. Can my Policy be forfeited or cancelled?.....33
 - 9. What are the risks of this insurance?.....33
 - 10. What tax implications are applicable to my Policy?.....33
 - 11. What should I know about privacy?33
 - 12. How do I make a complaint?.....34
 - 13. What happens if features or benefits are added to my insurance?34
- Definitions.....35**

Why Choose Budget Direct?

Easy to apply, with no medical tests

You can apply for cover by answering a few health, lifestyle and occupation questions over the phone without having to fill in any complicated forms. No medical tests or blood tests are required.

Flexible Type of Cover

You can apply for either Budget Direct Life Insurance or Budget Direct Accidental Death Insurance on their own or apply for both together.

If you apply for Budget Direct Life Cover, you can also apply for Budget Direct Total & Permanent Disability (TPD) Cover, Budget Direct Trauma Cover, Budget Direct Trauma Plus Cover, or Budget Direct Children's Cover.

Flexible Level of Cover

You can choose a level of cover suitable for your needs and budget -

- ▶ from \$50,000 to \$1,000,000 (depending on age) for Budget Direct Life Cover
- ▶ from \$50,000 to \$300,000 for Budget Direct Express Life Cover
- ▶ from \$50,000 to \$500,000 for Budget Direct Accidental Death Insurance.

In addition to Budget Direct Life Cover, you can also apply for:

- ▶ \$50,000 to \$1,000,000 (depending on age) for Budget Direct Total & Permanent Disability (TPD) Cover
- ▶ \$25,000 to \$500,000 (depending on age and the Budget Direct Life Cover Benefit Amount) for Budget Direct Trauma or Trauma Plus Cover
- ▶ \$20,000 to \$50,000 per Insured Child for Budget Direct Children's Cover.

Where a Budget Direct Life Cover, Budget Direct TPD Cover or Budget Direct Trauma or Trauma Plus Cover Benefit Amount is paid, we will reduce the other Budget Direct Life Insurance Benefit Amounts by the Benefit Amount paid in respect of that Life Insured.

Worldwide cover, 24/7

You are covered 24 hours a day, 7 days a week, worldwide, subject to the terms of the Policy.

Automatic Inflation Protection

To keep up with the cost of living, your cover is automatically increased each year by the change in CPI or 5% (whichever is the greater).

Secure Insurance Cover

Your cover can be maintained regardless of changes in your health, occupation or pastimes.

Maintain Full Control

At any time you can apply to increase or decrease your cover within the Policy limits. You can nominate beneficiaries to receive the payment of the insurance benefit.

Terminal Illness Benefit (Budget Direct Life Cover and Budget Direct Express Life Cover only)

You can apply for a claim immediately as advance payment of the death benefit if you are diagnosed with a Terminal Illness that results in a life expectancy of less than 12 months.

Advanced Funeral Benefit (Budget Direct Life Cover and Budget Direct Express Life Cover only)

While assessing a death claim, we may advance \$10,000 of the Budget Direct Life Cover Benefit Amount to assist with funeral costs and other expenses.

Product Disclosure Statement

What is a PDS?

This Product Disclosure Statement (PDS) will assist you in making an informed decision regarding our insurance products. It outlines the following products available from Budget Direct, which you should consider before making a final purchasing decision:

- ▶ Budget Direct Life Insurance includes Budget Direct Express Life Cover and Budget Direct Life Cover. Budget Direct Life Cover offers the following types of optional cover:
 - ▶ Budget Direct Total & Permanent Disability (TPD) Cover;
 - ▶ Budget Direct Trauma Cover;
 - ▶ Budget Direct Trauma Plus Cover; and
 - ▶ Budget Direct Children's Cover.
- ▶ Budget Direct Accidental Death Insurance

Additionally, the PDS explains the terms, conditions and exclusions applicable to Budget Direct Life Insurance and Budget Direct Accidental Death Insurance and provides important information about maintaining timely premium payments, requesting Policy changes, and making claims.

Any advice given in this PDS is only general advice and does not take into account your individual objectives, financial situation or needs. You should consider whether the products are right for you in conjunction with your objectives, financial situation and needs. You should carefully read this PDS and any other documentation sent to you.

Budget Direct Life Insurance and Budget Direct Accidental Death Insurance are issued by the life insurer, Hannover Life Re of Australasia Ltd (Hannover). Hannover has sole responsibility for the PDS, the Policy, and claim assessment and payments. Hannover is a wholly-owned subsidiary of the Hannover Re Group worldwide, one of the largest reinsurers in the world. The Life Insurance business of Hannover has been operating in the Australian market since 1958. Hannover's strong financial strength is visible in Standard & Poor's rating of "AA- (very strong)".

Budget Direct Life Insurance and Budget Direct Accidental Death Insurance are not issued or guaranteed by Budget Direct, and Budget Direct is not included, nor liable, in any manner in respect of the assessment and payment of benefits under the Budget Direct Life Insurance or Budget Direct Accidental Death Insurance.

Budget Direct has consented to being named in this PDS in the form and context in which they appear and have not withdrawn this consent before the date of this PDS. In this PDS, references to we, us and our mean Hannover Life Re of Australasia Ltd.

Duty Of Disclosure

Your Duty of Disclosure

Before you enter into a life insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you extend, vary or reinstate the contract.

You do not need to tell us anything that:

- ▶ reduces the risk we insure you for; or
- ▶ is common knowledge; or
- ▶ we know or should know as an insurer; or
- ▶ we waive your duty to tell us about.

If you do not tell us something

In exercising the following rights, we may consider whether different types of cover can constitute separate contracts of life insurance. If they do, we may apply the following rights separately to each type of cover.

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

If we choose not to avoid the contract, we may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told us everything you should have. However, if the contract has a surrender value, or provides cover on death, we may only exercise this right within 3 years of entering into the contract.

If we choose not to avoid the contract or reduce the amount you have been insured for, we may, at any time 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. However, this right does not apply if the contract has a surrender value or provides cover on death.

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

Budget Direct Life Insurance at a Glance

Features	Budget Direct Express Life Cover	Budget Direct Life Cover
Coverage	Death from any cause (subject to exclusions, see page 11)	Death from any cause (subject to exclusions, see page 15)
Minimum age (next birthday) at entry	18	18
Maximum age (next birthday) at entry	50	64
Benefit Expiry	Policy Anniversary after your 100th birthday	Policy Anniversary after your 100th birthday
Minimum Benefit Amount	\$50,000	\$50,000
Maximum Benefit Amount Age (next birthday) at Commencement Date (Life Cover and Express Life Cover Combined)		
18-44	\$300,000 regardless of age	\$1,000,000
45-54		\$750,000
55-59		\$500,000
60-64		\$300,000
Inflation Protection (automatic, unless you opt to decline the increase)	Yearly change in CPI or 5% (whichever is greater)	Yearly change in CPI or 5% (whichever is greater)
Built-in Benefits	Terminal Illness Benefit - An advance payment of the Benefit Amount if you suffer Terminal Illness. Advanced Funeral Benefit - An advance payment of \$10,000 to assist with funeral costs (subject to terms)	Terminal Illness Benefit - An advance payment of the Benefit Amount if you suffer Terminal Illness. Advanced Funeral Benefit - An advance payment of \$10,000 to assist with funeral costs (subject to terms)
Optional Benefits		Budget Direct Total & Permanent Disability (TPD) Cover Budget Direct Trauma or Trauma Plus Cover Budget Direct Children's Cover

Budget Direct Life Insurance - Life Cover Optional Benefits at a Glance

Features	Budget Direct Total & Permanent Disability (TPD) Cover	Budget Direct Children's Cover
Coverage	Total & Permanent Disability (TPD) (subject to exclusions, see page 19)	Death or defined serious illness or injury of an Insured Child (subject to exclusions, see page 25)
Minimum age (next birthday) at entry	18	2
Maximum age (next birthday) at entry	59	17
Benefit Expiry	Policy Anniversary after your 65th birthday	Policy Anniversary after Insured Child's 21st Birthday
Minimum Benefit Amount	\$50,000	\$20,000
Maximum Benefit Amount Age (next birthday) at Commencement Date		
18-44	\$1,000,000	\$50,000 regardless of age
45-54	\$750,000	
55-59	\$500,000	
60-64	-	
	Payment reduces other Budget Direct Life Insurance Benefit Amounts in respect of that Life Insured.	
Inflation Protection (automatic, unless you opt to decline the increase)	Yearly change in CPI or 5% (whichever is greater)	Yearly change in CPI or 5% (whichever is greater)
Built-in Benefits		Terminal Illness benefit – an advance payment of the Benefit Amount if the Insured Child suffers Terminal Illness

Budget Direct Life Insurance - Optional Covers for Life Cover at a Glance (continued)

Features	Budget Direct Trauma Cover	Budget Direct Trauma Plus Cover
Coverage	Cover for four defined Trauma Events: <ul style="list-style-type: none"> ▶ Cancer ▶ Coronary Artery Bypass Surgery ▶ Heart Attack ▶ Stroke (subject to Qualifying Period and exclusions, see page 23)	Cover for a range of defined Trauma Events (subject to Qualifying Period and exclusions, see page 23)
Minimum age (next birthday) at entry	18	18
Maximum age (next birthday) at entry	59	59
Benefit Expiry	Policy Anniversary after your 65th birthday	Policy Anniversary after your 65th birthday
Minimum Benefit Amount	\$25,000	\$25,000
Maximum Benefit Amount Age (next birthday) at Commencement Date	Maximum Benefit Amount is the lower of 50% of the Budget Direct Life Cover Benefit Amount and	Maximum Benefit Amount is the lower of 50% of the Budget Direct Life Cover Benefit Amount and
18-44	\$500,000	\$500,000
45-54	\$375,000	\$375,000
55-59	\$250,000	\$250,000
60-64	-	-
	Payment reduces other Budget Direct Life Insurance Benefit Amounts in respect of that Life Insured.	Payment reduces other Budget Direct Life Insurance Benefit Amounts in respect of that Life Insured.
Inflation Protection (automatic, unless you opt to decline the increase)	Yearly change in CPI or 5% (whichever is greater)	Yearly change in CPI or 5% (whichever is greater)
Built-in Benefits		

Budget Direct Accidental Death Insurance at a Glance

Features	Budget Direct Accidental Death Insurance
Coverage	Accidental Death (subject to exclusions, see page 28)
Minimum age (next birthday) at entry	18
Maximum age (next birthday) at entry	64
Benefit Expiry	Policy Anniversary after your 75th birthday
Minimum Benefit Amount	\$50,000
Maximum Benefit Amount Age (next birthday) at Commencement Date	\$500,000 regardless of age
18-44	
45-54	
55-59 60-64	
Inflation Protection (automatic, unless you opt to decline the increase)	Yearly change in CPI or 5% (whichever is greater)
Built-in Benefits	

Budget Direct Life Insurance – Express Life Cover

1. What benefit is provided by Budget Direct Express Life Cover?

Budget Direct Express Life Cover is available on a stand-alone basis and provides a lump sum benefit should the Life Insured under the Policy die or be diagnosed with a Terminal Illness that results in a life expectancy of less than 12 months. You may apply for Budget Direct Accidental Death Insurance in addition to Budget Direct Express Life Cover.

Budget Direct Total & Permanent Disability (TPD) Cover, Budget Direct Trauma Cover, Budget Direct Trauma Plus Cover, and Budget Direct Children's Cover are not available with Budget Direct Express Life Cover.

2. Are you eligible to apply for Budget Direct Express Life Cover?

You must be an Australian Resident, aged between 18 and 50 years of age (next birthday) at the time of application. We reserve the right to accept or decline applications for Budget Direct Express Life Cover in our absolute discretion.

3. How much does Budget Direct Express Life Cover cost?

Premiums are calculated at each Policy Anniversary and are based on:

- ▶ the age of the Life Insured at that time;
- ▶ the Life Benefit Amount provided for the Life Insured; and
- ▶ various factors which may affect the premium rating for the Life Insured at the time of insurance application such as gender, smoking status, state of health and occupation.

You can apply for and purchase Budget Direct Express Life Cover at www.budgetdirect.com.au/life-insurance or contact Customer Services on **1800 555 048**.

4. How much Budget Direct Express Life Cover can you apply for?

You can apply for a Budget Direct Express Life Cover Benefit Amount from \$50,000 to \$300,000, regardless of your age (up to age 50 next birthday).

5. When will the Budget Direct Express Life Cover benefit be paid?

We will pay the Budget Direct Express Life Cover Benefit Amount as a lump sum if the Life Insured suffers an insured event, namely death or Terminal Illness, while covered under the Policy except in the circumstances explained in "Do exclusions apply to Budget Direct Express Life Cover?" in point 8 following.

6. What is the advanced funeral benefit?

While assessing your claim, we may advance \$10,000 of the Budget Direct Express Life Cover Benefit Amount to assist with funeral costs and other expenses without waiting for full claim proofs for a death that is not the result of a self-inflicted injury. However, we must have satisfactory evidence of the Life Insured's age and death.

7. Do limits apply to Budget Direct Express Life Cover?

The total benefits payable for the Life Insured under the Policy cannot exceed:

- ▶ the maximum Benefit Amount for Budget Direct Express Life Cover at the Commencement Date, plus
- ▶ any automatic inflation protection increases under the Policy.

If the Life Insured is covered under more than one Budget Direct Express Life Cover Policy, we will apply this limit to the total of the Budget Direct Express Life Cover Benefit Amounts payable for the Life Insured under all Budget Direct Express Life Cover Policies. Any required reduction in the Express Life Cover Benefit Amount will be applied to the Budget Direct Express Life Cover most recently commenced and we will refund the premiums paid on the amount that exceeded the maximum limit.

Only one Budget Direct Express Life Cover Benefit Amount is payable in respect of the Life Insured. The Budget Direct Express Life Cover Benefit Amount will be reduced by the amount of any advance funeral benefit payment of the Budget Direct Express Life Cover Benefit Amount.

A Benefit Amount paid under a Budget Direct Express Life Cover Policy is made in addition to any Budget Direct Accidental Death Insurance Benefit Amount payable under your Budget Direct Accidental Death Insurance Policy (if applicable).

8. Do exclusions apply to Budget Direct Express Life Cover?

We will not pay a Budget Direct Express Life Cover Benefit Amount in respect of the Life Insured, if the Life Insured dies, or has a Terminal Illness, directly or indirectly as a result of a self-inflicted injury, within 13 months of:

- ▶ the Commencement Date; or
- ▶ the date that any non-automatic increase in cover starts (but only in respect of the increase); or
- ▶ where we have agreed to reinstate the Policy after it was cancelled, the date on which we reinstate the Policy (reinstatement date).

We will not pay any Express Life Cover Benefit Amounts where we have agreed a special term with you in respect of your cover that specifically excludes the event or condition leading to the claim. Any such Policy term will be agreed with you before your Policy is issued and will appear on your Policy Schedule.

9. When does Budget Direct Express Life Cover start and end?

Cover under Budget Direct Express Life Cover does not start until your application is accepted. If successful, we will send you a Policy Schedule setting out the Commencement Date when cover starts for the Life Insured. We guarantee to renew your Budget Direct Express Life Cover (provided you pay your premiums when due) until it ends.

Budget Direct Express Life Cover ends for the Life Insured when the first of the following occurs:

- ▶ the date of payment of a death or Terminal Illness claim for the Life Insured; or
- ▶ the date we cancel the Policy (where permitted by law); or
- ▶ the date the Life Insured ceases to reside in Australia (if on a temporary work visa); or
- ▶ the Policy Anniversary after the Life Insured's 100th birthday.

10. What is included in Budget Direct Express Life Cover?

If your application is accepted by us, we will issue you a Policy Schedule. Your Budget Direct Express Life Cover Policy consists of the Policy Schedule and:

- ▶ this PDS (which includes the terms and conditions applying under your Policy);
- ▶ the Personal Statement (which includes personal details, including your answers to medical and lifestyle questions and your Declaration that the statements are true and correct); and
- ▶ the Payment Schedule (which outlines your selected premium payment frequency and method).

You should keep your Budget Direct Express Life Cover Policy and Policy Schedule in a safe place, as you will need to produce these in the event of a claim being lodged for the Life Insured. Budget Direct Express Life Cover is written out of the Hannover Australian statutory fund.

Budget Direct Life Insurance - Life Cover

1. What benefit is provided by Budget Direct Life Cover?

Budget Direct Life Cover is available on a stand-alone basis and provides a lump sum benefit should the Life Insured under the Policy die or be diagnosed with a Terminal Illness that results in a life expectancy of less than 12 months. You may take out Budget Direct Life Cover without purchasing any of the other covers outlined in this PDS. You may also take Budget Direct Life Cover in addition to Budget Direct Accidental Death Insurance.

When you take out Budget Direct Life Cover, you can also apply for Budget Direct Total & Permanent Disability (TPD) Cover, Budget Direct Trauma Cover, Budget Direct Trauma Plus Cover, and Budget Direct Children's Cover.

2. Are you eligible to apply for Budget Direct Life Cover?

You must be an Australian Resident, aged between 18 and 64 years of age (next birthday) at the time of application. We reserve the right to accept or decline applications for Budget Direct Life Cover in our absolute discretion.

3. How much does Budget Direct Life Cover cost?

Premiums are calculated at each Policy Anniversary and are based on:

- ▶ the age of the Life Insured at that time;
- ▶ the Life Benefit Amount provided for the Life Insured; and
- ▶ various factors which may affect the premium rating for the Life Insured at the time of insurance application such as gender, smoking status, state of health, family history, occupation, and participation in hazardous activities.

For a premium estimate you should contact Customer Services on **1800 555 048** or visit www.budgetdirect.com.au/life-insurance

4. How much Budget Direct Life Cover can you apply for?

The maximum Life Cover Benefit Amount (including Budget Direct Express Life Cover Benefit Amount, if any) you can apply for in relation to the Life Insured under the Policy depends on the Life Insured's age at the Commencement Date:

Age (next birthday) at Commencement Date	Maximum Benefit Amount (including Budget Direct Express Life Cover Benefit Amount, if any)
18 – 44	\$1,000,000
45 – 54	\$750,000
55 – 59	\$500,000
60 – 64	\$300,000

If you apply to increase the Life Cover Benefit Amount, the Life Insured's current age at the time of the application for the increase will be used to determine the maximum Life Cover Benefit Amount (rather than the Life Insured's age at the original Commencement Date when the Policy first started).

5. When will the Budget Direct Life Cover benefit be paid?

We will pay the Budget Direct Life Cover Benefit Amount as a lump sum if the Life Insured suffers an insured event, namely death or Terminal Illness, while covered under the Policy except in the circumstances explained in "Do exclusions apply to Budget Direct Life Cover?" in point 8 following.

6. What is the advanced funeral benefit?

While assessing your claim, we may advance \$10,000 of the Budget Direct Life Cover Benefit Amount to assist with funeral costs and other expenses without waiting for full claim proofs for a death that is not the result of a self-inflicted injury. However, we must have satisfactory evidence of the Life Insured's age and death.

7. Do limits apply to Budget Direct Life Cover?

The total benefits payable for the Life Insured under the Policy cannot exceed:

- ▶ the maximum Benefit Amount for Budget Direct Life Cover (including any Budget Direct Express Life Cover, if applicable) for the Life Insured's age at the Commencement Date, plus
- ▶ any automatic inflation protection increases under the Policy.

If you apply to increase the Life Cover Benefit Amount, the Life Insured's current age at the time of the application for the increase will be used to determine the maximum Life Cover Benefit Amount (rather than the Life Insured's age at the original Commencement Date when the Policy first started).

If the Life Insured is covered under more than one Budget Direct Life Insurance Policy for Budget Direct Life Cover (including Budget Direct Express Life Cover, if applicable), we will apply this limit to the total of the Benefit Amounts payable for the Life Insured under all Budget Direct Life Insurance and Budget Direct Express Life Cover Policies. Any reduction in the Benefit Amount will be applied to the Policy most recently commenced and we will refund the premiums paid on the amount that exceeded the maximum limit.

Only one Budget Direct Life Cover Benefit Amount is payable in respect of the Life Insured.

The Budget Direct Life Cover Benefit Amount will be reduced by the amount of any advance funeral benefit payment of the Budget Direct Life Cover Benefit Amount.

The Budget Direct Life Cover Benefit Amount will also be reduced by the amount of any Budget Direct Total & Permanent Disability (TPD) Cover, Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover Benefit Amounts paid in respect of that Life Insured.

A Benefit Amount paid under a Budget Direct Life Insurance Policy is made in addition to any Budget Direct Accidental Death Insurance Benefit Amount payable under your Budget Direct Accidental Death Insurance Policy (if applicable).

8. Do exclusions apply to Budget Direct Life Cover?

We will not pay a Budget Direct Life Cover Benefit Amount in respect of the Life Insured, if the Life Insured dies, or has a Terminal Illness, directly or indirectly as a result of a self-inflicted injury, within 13 months of:

- ▶ the Commencement Date; or
- ▶ the date that any non-automatic increase in cover starts (but only in respect of the increase); or
- ▶ where we have agreed to reinstate the Policy after it was cancelled, the date on which we reinstate the Policy (reinstatement date).

We will not pay any Life Cover Benefit Amounts where we have agreed a special term with you in respect of your cover that specifically excludes the event or condition leading to the claim. Any such Policy term will be agreed with you before your Policy is issued and will appear on your Policy Schedule.

9. When does Budget Direct Life Cover start and end?

Cover under Budget Direct Life Cover does not start until your application is accepted. If successful, we will send you a Policy Schedule setting out the Commencement Date when cover starts for the Life Insured. While your application is being processed we will provide interim Accidental Death cover at no extra cost (as explained below). Your duty of disclosure (see Duty Of Disclosure on page 5) continues to apply while we assess your application. We guarantee to renew your Budget Direct Life Cover (provided you pay your premiums when due) until it ends.

Budget Direct Life Cover ends for the Life Insured when the first of the following occurs:

- ▶ the date of payment of a death or Terminal Illness claim for the Life Insured; or
- ▶ the date the Budget Direct Life Cover Benefit Amount is reduced to nil as a result of payment(s) of a TPD, Trauma or Trauma Plus claim for the Life Insured; or
- ▶ the date you cancel the Policy; or
- ▶ the date we cancel the Policy (where permitted by law); or
- ▶ the date the Life Insured ceases to reside in Australia (if on a temporary work visa); or
- ▶ the Policy Anniversary after the Life Insured's 100th birthday.

10. What is interim Accidental Death Cover?

While your application for Budget Direct Life Cover is being assessed, we will provide you with interim Budget Direct Accidental Death Insurance for the Budget Direct Life Cover Benefit Amount you apply for at no extra cost to you. This means you will have cover for Accidental Death while your application is being assessed subject to the terms, conditions and exclusions that apply to Budget Direct Accidental Death Insurance (please refer to the Budget Direct Accidental Death Insurance part of this PDS). The interim Budget Direct Accidental Death Insurance cover will start when we receive your application for Budget Direct Life Cover and will cease on the earliest of the following events:

- ▶ the date your application is accepted, declined or withdrawn; or
- ▶ the date we advise you your interim cover is cancelled; or
- ▶ 30 days from the date your interim cover begins.

If you apply for both Budget Direct Life Cover and Budget Direct Accidental Death Insurance, any interim Budget Direct Accidental Death Insurance provided while your Budget Direct Life Cover application is being processed will be in addition to the Budget Direct Accidental Death Insurance Benefit Amount you have applied for.

11. What is included in Budget Direct Life Insurance?

If your application is accepted by us, we will issue you a Policy Schedule. Your Budget Direct Life Insurance Policy consists of the Policy Schedule and:

- ▶ this PDS (which includes the terms and conditions applying under your Policy);
- ▶ the Personal Statement (which includes personal details, including your answers to medical and lifestyle questions and your Declaration that the statements are true and correct); and
- ▶ the Payment Schedule (which outlines your selected premium payment frequency and method).

You should keep your Budget Direct Life Insurance Policy and Policy Schedule in a safe place, as you will need to produce these in the event of a claim being lodged for the Life Insured. Budget Direct Life Insurance is written out of the Hannover Australian statutory fund.

Budget Direct Life Insurance - Total & Permanent Disability (TPD) Cover

Budget Direct TPD Cover is only available with Budget Direct Life Cover. You must specifically apply for this cover. If accepted, your cover will be included on your Policy Schedule.

1. What benefit is provided by Budget Direct TPD Cover?

Budget Direct TPD Cover provides a lump sum benefit should the Life Insured under the policy suffer Total and Permanent Disability while covered under the Policy and meet the assessment criteria.

Total and Permanent Disability (TPD) means as a result of sickness or injury, the Life Insured:

- ▶ suffers Loss of Use of Limbs and / or Sight; or
- ▶ is Unable to Work; or
- ▶ suffers Loss of Independent Existence.

Please see the Definitions on page 35 for details of these specific conditions.

The Total and Permanent Disability must be certified by a Medical Practitioner approved by us and supported with the necessary test results to confirm the diagnosis.

2. Are you eligible to apply for Budget Direct TPD Cover?

You must be an Australian Resident, aged between 18 and 59 years of age (next birthday) at the time of application.

We reserve the right to accept or decline applications for Budget Direct TPD Cover in our absolute discretion.

3. How much does Budget Direct TPD Cover cost?

Premiums are calculated at each Policy Anniversary and are based on:

- ▶ the age of the Life Insured at that time;
- ▶ the TPD Benefit Amount provided for the Life Insured; and
- ▶ various factors which may affect the premium rating for the Life Insured at the time of insurance application such as gender, smoking status, state of health, family history, occupation, and participation in hazardous activities.

Your first premium will be due on the First Premium Date shown in your Policy Schedule.

For a premium estimate you should contact Customer Services on **1800 555 048** or visit www.budgetdirect.com.au/life-insurance

4. How much Budget Direct TPD Cover can you apply for?

The minimum TPD Benefit Amount is \$50,000. The maximum TPD Benefit Amount you can apply for in relation to the Life Insured under the Policy depends on the Life Insured's age at the Commencement Date:

Age (next birthday) at Commencement Date	Maximum Benefit Amount
18 – 44	\$1,000,000
45 – 54	\$750,000
55 – 59	\$500,000

The Maximum TPD Benefit Amount cannot exceed the Budget Direct Life Cover Benefit Amount.

If you apply to increase the TPD Benefit Amount, the Life Insured's current age at the time of the application for the increase will be used to determine the maximum TPD Benefit Amount (rather than the Life Insured's age at the original Commencement Date when the Policy first started).

5. When will the Budget Direct TPD Cover benefit be paid?

We will pay the Budget Direct TPD Cover Benefit Amount as a lump sum if the Life Insured suffers an insured event, namely Total and Permanent Disability while covered under the Policy except in the circumstances explained in "Do exclusions apply to Budget Direct TPD Cover?" in point 7 following.

6. Do limits apply to Budget Direct TPD Cover?

The total benefits payable for a Life Insured under the policy cannot exceed:

- ▶ the maximum TPD Benefit Amount for Budget Direct TPD Cover for the Life Insured's age at the Commencement Date, plus
- ▶ any automatic inflation protection increases under the Policy.

If you apply to increase the TPD Benefit Amount, the Life Insured's current age at the time of the application for the increase will be used to determine the maximum TPD Benefit Amount (rather than the Life Insured's age at the original Commencement Date when the Policy first started).

If the Life Insured is covered under more than one Budget Direct Life Insurance Policy for Budget Direct TPD Cover, we will apply this limit to the total of the TPD Benefit Amounts payable for the Life Insured under all Budget Direct Life Insurance Policies.

Any reduction in the TPD Benefit Amount will be applied to the Budget Direct TPD Cover most recently commenced and we will refund the premiums paid on the amount that exceeded the maximum limit.

Only one Budget Direct TPD Cover Benefit Amount is payable in respect of the Life Insured.

Where a Budget Direct TPD Cover Benefit Amount is paid, we will reduce the Budget Direct Life Cover and any Budget Direct Trauma or Trauma Plus Cover Benefit Amount by the TPD Cover Benefit Amount in respect of that Life Insured.

If we reduce the Budget Direct Life Cover Benefit Amount and / or Trauma or Trauma Plus Cover Benefit Amount, we will reduce your premium accordingly.

7. Do exclusions apply to Budget Direct TPD Cover?

We will not pay the Budget Direct TPD Cover Benefit Amount if the Life Insured suffers a Total and Permanent Disability which is a result, directly or indirectly, of an injury caused or accelerated by an intentional act performed by the Life Insured.

We will not pay any TPD Benefit Amounts where we have agreed a special term with you in respect of your cover that specifically excludes the event or condition leading to the claim. Any such Policy term will be agreed with you before your Policy is issued and will appear on your Policy Schedule.

8. When does Budget Direct TPD Cover start and end?

Cover under Budget Direct TPD Cover does not start until your application is accepted. If successful, we will send you a Policy Schedule setting out the Commencement Date when cover starts for the Life Insured.

We guarantee to renew your Budget Direct TPD Cover (provided you pay your premiums when due) until it ends.

Budget Direct TPD Cover ends for the Life Insured when the first of the following occurs:

- ▶ the date of payment of a TPD claim for the Life Insured; or
- ▶ the date the Budget Direct TPD Benefit Amount is reduced to nil as a result of payment(s) of a Trauma or Trauma Plus claim for the Life Insured; or
- ▶ the date of death of the Life Insured; or
- ▶ the date you cancel the Policy; or
- ▶ the date you cancel this cover; or
- ▶ the date we cancel the Policy (where permitted by law); or
- ▶ the date we cancel this cover (where permitted by law); or
- ▶ the date the Life Insured ceases to reside in Australia (if on a temporary work visa); or
- ▶ the Policy Anniversary following your 65th birthday.

Budget Direct Life Insurance - Trauma and Trauma Plus Cover

Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover are only available with Budget Direct Life Cover. You must specifically apply for either of these optional benefits. If accepted, your cover will be included on your Policy Schedule.

1. What benefit is provided by Budget Direct Trauma Cover?

Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover provide a lump sum benefit should the Life Insured under the policy suffer one of four Trauma Events, specifically: Cancer, Coronary Artery Bypass Surgery, Heart Attack, or Stroke while covered under the Policy and meet the assessment criteria.

Please see the Definitions on page 35 for details of these specific conditions.

The Trauma Event must be diagnosed by a Medical Practitioner approved by us and supported with the necessary test results to confirm the diagnosis.

2. What is the difference between the benefits in Budget Direct Trauma and Budget Direct Trauma Plus Cover?

Both Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover provide cover for the four Trauma Events of Cancer, Coronary Artery Bypass Surgery, Heart Attack and Stroke. However, Budget Direct Trauma Plus Cover also provides cover for an additional 10 Trauma Events.

The following table compares the Trauma Events covered by Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover:

Cover	Budget Direct Trauma Cover	Budget Direct Trauma Plus
Cancer	✓	✓
Coronary Artery Bypass Surgery	✓	✓
Heart Attack	✓	✓
Stroke	✓	✓
Angioplasty (triple vessel)	-	✓
Benign Brain Tumour	-	✓
Cardiomyopathy	-	✓
Chronic Lung Failure , Chronic Kidney Failure, or Chronic Liver Failure	-	✓
Heart Valve Surgery	-	✓
Intensive Care	-	✓
Loss of Hearing / Loss of Sight / Loss of Speech	-	✓
Major Head Trauma	-	✓
Major Organ Transplant	-	✓
Severe Burns	-	✓

Please see the Definitions on pages 35 – 41 for details of these specific conditions.

3. Are you eligible to apply for Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover?

You must be an Australian Resident, aged between 18 and 59 years of age (next birthday) at the time of application.

We reserve the right to accept or decline applications for Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover in our absolute discretion.

4. How much does Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover cost?

Premiums are calculated at each Policy Anniversary and are based on:

- ▶ whether you apply for Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover;
- ▶ the age of the Life Insured at that time;
- ▶ the Trauma Cover or Trauma Plus Cover Benefit Amount provided for the Life Insured; and
- ▶ various factors which may affect the premium rating for the Life Insured at the time of insurance application such as gender, smoking status, state of health, family history, occupation, and participation in hazardous activities.

Your first premium will be due on the First Premium Date shown in your Policy Schedule.

For a premium estimate you should contact Customer Services on **1800 555 048** or visit www.budgetdirect.com.au/life-insurance

5. How much Budget Direct Trauma or Budget Direct Trauma Plus Cover can you apply for?

The minimum Trauma Cover or Trauma Plus Cover Benefit Amount is \$25,000. The maximum Trauma Cover or Trauma Plus Cover Benefit Amount you can apply for in relation to the Life Insured under the Policy depends on the Life Insured's age at the Commencement Date and is the lower of 50% of the Budget Direct Life Cover Benefit Amount and the maximum Trauma Cover or Trauma Plus Cover Benefit Amount specified below:

Age (next birthday) at Commencement Date	Maximum Trauma Cover or Trauma Plus Cover Benefit Amount is the lower of 50% of the Budget Direct Life Cover Benefit Amount and:
18 – 44	\$500,000
45 – 54	\$375,000
55 – 59	\$250,000

If you apply to increase the Trauma Cover or Trauma Plus Cover Benefit Amount, the Life Insured's current age at the time of the application for the increase will be used to determine the maximum Trauma Cover or Trauma Plus Cover Benefit Amount (rather than the Life Insured's age at the original Commencement Date when the Policy first started).

6. When will the Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover benefit be paid?

We will pay the Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover Benefit Amount as a lump sum if the Life Insured suffers one of the specified Trauma Events covered under the Policy (see page 20 for Trauma Events) except in the circumstances explained in "Do exclusions apply to Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover?" in point 8 following.

7. Do limits apply to Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover?

The total benefits payable for a Life Insured under the policy cannot exceed:

- ▶ the maximum Benefit Amount for Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover for the Life Insured's age at the Commencement Date, plus
- ▶ any automatic inflation protection increases under the Policy.

If you apply to increase the Trauma Cover or Trauma Plus Cover Benefit Amount, the Life Insured's current age at the time of the application for the increase will be used to determine the maximum Trauma Cover or Trauma Plus Cover Benefit Amount (rather than the Life Insured's age at the original Commencement Date when the Policy first started).

If the Life Insured is covered under more than one Budget Direct Life Insurance Policy for Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover, we will apply this limit to the total of the Trauma Cover or Trauma Plus Cover Benefit Amounts payable for the Life Insured under all Budget Direct Life Insurance Policies.

Any reduction in the Trauma Cover or Trauma Plus Cover Benefit Amount will be applied to the Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover most recently commenced and we will refund the premiums paid on the amount that exceeded the maximum limit.

Only one Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover Benefit Amount is payable in respect of the Life Insured.

Where a Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover Benefit Amount is paid, we will reduce the Budget Direct Life Cover and any Budget Direct TPD Cover Benefit Amount by the Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover Benefit Amount in respect of that Life Insured.

If we reduce the Budget Direct Life Cover Benefit Amount and / or TPD Cover Benefit Amount, we will reduce your premium accordingly.

8. Do exclusions apply to Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover?

We will not pay the Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover Benefit Amount:

- ▶ if the event that gave rise to the claim was directly or indirectly caused by an intentional act performed by the Life Insured
- ▶ if the condition resulting in a claim first became apparent, or the Trauma Event occurred, during the Qualifying Period (see "When does your Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover start and end?" in point 9 below).

We will not pay any Trauma Cover or Trauma Plus Cover Benefit Amounts where we have agreed a special term with you in respect of your cover that specifically excludes the event or condition leading to the claim. Any such Policy term will be agreed with you before your Policy is issued and will appear on your Policy Schedule.

9. When does Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover start and end?

Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover do not start until your application is accepted and the 90 day Qualifying Period expires. If successful, we will send you a Policy Schedule setting out the Commencement Date when cover starts for the Life Insured.

The Trauma Events are subject to a 90 day Qualifying Period from:

- ▶ the date of commencement of the Trauma Cover;
- ▶ the date of any non-indexation increase in cover (but only in respect of the increase); and
- ▶ the date of any reinstatement.

This means that no Trauma Cover or Trauma Plus Cover Benefit Amount is payable if the condition resulting in a claim first became apparent, or the Trauma Event occurred, during the Qualifying Period.

We guarantee to renew your Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover (provided you pay your premiums when due) until it ends.

Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover ends for the Life Insured when the first of the following occurs:

- ▶ the date of payment of a Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover claim for the Life Insured; or
- ▶ the date the Budget Direct Trauma Cover or Trauma Plus Cover Benefit Amount is reduced to nil as a result of payment(s) of a Budget Direct TPD claim for the Life Insured; or
- ▶ the date of death of the Life Insured; or
- ▶ the date you cancel the Policy; or
- ▶ the date you cancel this cover; or
- ▶ the date we cancel the Policy (where permitted by law); or
- ▶ the date we cancel this cover (where permitted by law); or
- ▶ the date the Life Insured ceases to reside in Australia (if on a temporary work visa); or
- ▶ the Policy Anniversary following your 65th birthday.

Budget Direct Life Insurance - Budget Direct Children's Cover

Budget Direct Children's Cover is only available with Budget Direct Life Insurance. You must specifically apply for this cover. If accepted, your cover will be included on your Policy Schedule.

1. What benefit is provided by Budget Direct Children's Cover?

Budget Direct Children's Cover provides a lump sum benefit should the Insured Child under the policy suffer death, be it due to illness or accident, be diagnosed with a Terminal Illness and have a life expectancy of less than 12 months, or suffer from one of the following specified injuries or illnesses while covered under the Policy and meet the assessment criteria:

Benign Brain Tumour	Loss of Use of Limbs and / or Sight
Cancer	Major Head Trauma
Cardiomyopathy	Major Organ Transplant
Loss of Hearing	Meningitis
Encephalitis	Paralysis
Chronic Kidney Failure	Severe Burns
Loss of Sight	Stroke
Loss of Speech	

Please see the Definitions on page 35 for details of these specific conditions.

The Terminal Illness or specified illness or injury must be certified by a Medical Practitioner approved by us and supported with the necessary test results to confirm the diagnosis.

2. Are you eligible to apply for Budget Direct Children's Cover?

You can apply for this cover for a child of yours if the child is aged between 2 and 17 years of age (next birthday) and the child is an Australian Resident.

We reserve the right to accept or decline applications for Budget Direct Children's Cover in our absolute discretion.

3. How much does Budget Direct Children's Cover cost?

Premiums are calculated at each Policy Anniversary and are based on the selected Children's Cover Benefit Amount.

Your first premium will be due on the First Premium Date shown in your Policy Schedule.

For a premium estimate you should contact Customer Services on **1800 555 048**.

4. How much Budget Direct Children's Cover can you apply for?

You can apply for a Budget Direct Children's Cover Benefit Amount from \$20,000 to \$50,000 (whatever your child's age (up to age 17)).

5. When will the Budget Direct Children's Cover benefit be paid?

We will pay the Budget Direct Children's Cover Benefit Amount as a lump sum if the Insured Child suffers an insured event, namely death, be it due to illness or injury, is diagnosed with a Terminal Illness and has a life expectancy of less than 12 months, or suffers from one of the injuries or illnesses specified on page 24 while covered under the Policy except in the circumstances explained in "Do exclusions apply to Budget Direct Children's Cover?" in point 7 below.

6. Do limits apply to Budget Direct Children's Cover?

The total benefits payable for an Insured Child under the policy cannot exceed:

- ▶ the maximum Benefit Amount for Budget Direct Children's Cover at the Commencement Date, plus
- ▶ any automatic inflation protection increases under the Policy.

If the Insured Child is covered under more than one Budget Direct Life Insurance Policy for Budget Direct Children's Cover, we will apply this limit to the total of the Children's Cover Benefit Amounts payable for the Insured Child under all Budget Direct Life Insurance Policies.

Any reduction in the Children's Cover Benefit Amount will be applied to the Budget Direct Children's Cover most recently commenced and we will refund the premiums paid on the amount that exceeded the maximum limit.

Only one Budget Direct Children's Cover Benefit Amount is payable in respect of the Insured Child.

7. Do exclusions apply to Budget Direct Children's Cover?

We will not pay the Budget Direct Children's Cover Benefit Amount if the Insured Child's death, or the Insured Child's illness or injury is directly or indirectly as a result of:

- ▶ a Congenital Condition; or
- ▶ the intentional act of the Policyowner or person who will otherwise be entitled to all or part of the Children's Cover Benefit Amount; or
- ▶ an injury which occurs or an illness which becomes apparent before the Budget Direct Children's Cover Commencement Date in respect of an Insured Child or during the first 3 months after the Budget Direct Children's Cover Commencement Date, Commencement Date of any non-automatic increases in Children's Cover Benefit Amount (but only for the increases), or Reinstatement Date.

We will pay for any new and unrelated occurrence of injury or illness resulting in one of the specified illness or injury after this 3 month period.

We will not pay any Children's Cover Benefit Amounts where we have agreed a special term with you in respect of your cover that specifically excludes the event or condition leading to the claim. Any such Policy term will be agreed with you before your Policy is issued and will appear on your Policy Schedule.

8. When does Budget Direct Children's Cover start and end?

Cover under Budget Direct Children's Cover does not start until your application is accepted. If successful, we will send you a Policy Schedule setting out the Commencement Date when cover starts for the Insured Child.

We guarantee to renew your Budget Direct Children's Cover (provided you pay your premiums when due) until it ends.

Budget Direct Children's Cover ends for the Insured Child when the first of the following occurs:

- ▶ the date of payment of a Budget Direct Children's Cover Benefit Amount for the Insured Child; or
- ▶ the date of death of the Insured Child; or
- ▶ the date you cancel the Policy; or
- ▶ the date you cancel this cover; or
- ▶ the date we cancel the Policy (where permitted by law); or
- ▶ the date we cancel this cover (where permitted by law); or
- ▶ the date the Insured Child ceases to reside in Australia; or
- ▶ the Policy Anniversary following the Insured Child's 21st birthday.

Budget Direct Accidental Death Insurance

1. What benefit is provided by Budget Direct Accidental Death Insurance?

Budget Direct Accidental Death Insurance is a stand-alone insurance product that provides a benefit in the event that the Life Insured under the Policy suffers an Accidental Death. You may take out Budget Direct Accidental Death Insurance without purchasing Budget Direct Life Insurance or in addition to Budget Direct Life Insurance.

2. Are you eligible to apply for Accidental Death Insurance?

You must be an Australian Resident, aged between 18 and 64 years of age (next birthday) at the time of application.

3. How much does Budget Direct Accidental Death Insurance cost?

Premiums are calculated at each Policy Anniversary and are based on the Benefit Amount, age, and gender of the Life Insured at that time.

Your first premium will be due on the First Premium Date shown in your Policy Schedule.

For a premium estimate you should contact Customer Services on **1800 555 048**.

4. How much Budget Direct Accidental Death Insurance can you apply for?

You can apply for a Budget Direct Accidental Death Insurance Benefit Amount from \$50,000 to \$500,000. There are no age-related reductions in the maximum Benefit Amount.

5. When will the Budget Direct Accidental Death Insurance benefit be paid?

We will pay the Accidental Death Insurance Benefit Amount as a lump sum if the Life Insured suffers Accidental Death, while covered under the Policy except in the circumstances explained in "Do exclusions apply to Budget Direct Accidental Death Insurance?" in point 7 following.

6. Do limits apply to Budget Direct Accidental Death Insurance?

The total Budget Direct Accidental Death Insurance Benefit Amounts payable for the Life Insured cannot exceed \$500,000, plus any automatic inflation protection increases. A Benefit Amount paid under a Budget Direct Accidental Death Insurance Policy is made in addition to any Budget Direct Life Insurance Benefit Amount payable under your Budget Direct Life Insurance Policy (if applicable).

If the Life Insured is covered under more than one Budget Direct Accidental Death Insurance Policy, we will apply this limit to the total of the benefits payable for the Life Insured under all Budget Direct Accidental Death Insurance Policies. Any reduction in the Benefit Amount will be applied to the Budget Direct Accidental Death Insurance most recently commenced and we will refund the premiums paid referable to the amount by which the Benefit Amount is reduced.

Only one Budget Direct Accidental Death Benefit Amount is payable per Life Insured.

7. Do exclusions apply to Budget Direct Accidental Death Insurance?

We will not pay a Budget Direct Accidental Death Insurance Benefit Amount in respect of the Life Insured if the Life Insured suffers Accidental Death directly or indirectly as a result of:

- ▶ intentional self-inflicted bodily injury; or
- ▶ engaging in any criminal activities or illegal acts; or
- ▶ suicide or attempted suicide; or
- ▶ the consumption of drugs (unless it was under the direction of a Medical Practitioner and not in connection with treatment for substance abuse, drug addiction or dependence); or
- ▶ the consumption of intoxicating liquor, including having a blood alcohol content over the prescribed legal limit whilst driving; or
- ▶ engaging in any professional sport (meaning the Life Insured's livelihood is substantially dependent on income received as a result of playing sport); or
- ▶ engaging in any motor sports as a rider, driver and / or passenger; or
- ▶ war (whether declared or not) or war-like activity, or
- ▶ taking part in a riot or civil commotion; or
- ▶ being a pilot or crew member of any aircraft, or engaging in any aerial activity except as a passenger in a properly licensed aircraft.

8. When does your Budget Direct Accidental Death Insurance cover start and end?

Budget Direct Accidental Death Insurance cover starts for the Life Insured on the Commencement Date set out in the Policy Schedule.

We guarantee to renew your Budget Direct Accidental Death Insurance (provided you pay your premiums when due) until it ends.

Budget Direct Accidental Death Insurance ends for the Life Insured when the first of the following occurs:

- ▶ the date of payment of an Accidental Death claim for the Life Insured; or
- ▶ the date you cancel the Policy; or
- ▶ the date we cancel the Policy; or
- ▶ the date the Life Insured ceases to reside in Australia (if on a temporary work visa); or
- ▶ the Policy Anniversary after the Life Insured's 75th birthday.

9. What is included in your Budget Direct Accidental Death Insurance Policy?

If your application is accepted by us, we will issue you a Policy Schedule. Your Budget Direct Accidental Death Insurance Policy consists of the Policy Schedule and:

- ▶ this PDS (which includes the terms and conditions applying under your Policy); and
- ▶ the Payment Schedule (which outlines your selected premium payment frequency and method).

You should keep your Budget Direct Accidental Death Insurance Policy and Policy Schedule in a safe place, as you will need to produce these in the event of a claim being lodged for the Life Insured.

Budget Direct Accidental Death Insurance is written out of the Hannover Australian statutory fund.

General Information

1. Is there a 30-day cooling-off period?

You have 30 days from the Commencement Date to ensure you are satisfied with your Policy, and decide whether to keep it. This is the cooling-off period. Policies may be cancelled within this 30-day period provided a claim has not been made under the Policy. Please send your Policy Schedule to Budget Direct Life Insurance, PO Box 342, Toowong QLD 4066 with a written request for cancellation within the 30-day period. When Customer Services receives your letter and Policy Schedule, the Policy will be cancelled, and any premiums you may have paid will be refunded.

2. Is there Inflation Protection?

To help your level of insurance keep up with the cost of living, Budget Direct Life Insurance (including Budget Direct Express Life Cover, Budget Direct Life Cover, Budget Direct TPD Cover, Budget Direct Trauma or Trauma Plus Cover, and Budget Direct Children's Cover) and Budget Direct Accidental Death Insurance Benefit Amounts are automatically increased by the change in CPI or 5% (whichever is the greater) on each Policy Anniversary.

Automatic increases will continue even where the maximum Benefit Amount is met or exceeded.

A letter will be sent to you 30 days prior to your Policy Anniversary during each year the Policy remains in force. It will include the updated Benefit Amount and premium. You can decline the automatic Benefit Amount increase by writing to Budget Direct Life Insurance, PO Box 342, Toowong QLD 4066. If you decline the automatic Benefit Amount increase, this will apply to all optional benefits of your Budget Direct Life Insurance policy (including Budget Direct Express Life Cover, Budget Direct Life Cover, Budget Direct TPD Cover, Budget Direct Trauma or Trauma Plus Cover, and Budget Direct Children's Cover) and your Budget Direct Accidental Death Insurance Policy.

The automatic increases to your Budget Direct Express Life Cover or Budget Direct Life Cover Benefit Amount will end on the Policy Anniversary after the Life Insured reaches age 75. The automatic increases to your Budget Direct TPD Cover, Budget Direct Trauma or Trauma Plus Cover, and Budget Direct Children's Cover continue until the benefit expires.

3. What should I know about premium changes, payments, and deductions?

We may change the premium rates applying to your Policy, but only if we change the premium rate applying to all (or the same group of) Budget Direct Life Insurance or Budget Direct Accidental Death Insurance Policyowners. We will send written notice of any change to you (to your last address notified to us) at least 30 days before the date the change affects you.

Payment Frequency: Your first premium deduction will occur on the First Premium Date shown in your Policy Schedule. Your premiums will then be deducted, fortnightly, monthly or annually from the First Premium Date depending on the frequency you choose. You may only apply to change your payment frequency after receiving the next anniversary notice for your Policy.

Payment Method: Payments can be made by automatic direct debit from your bank, credit union, or building society account or by credit card. You may apply at any time by phone to change the method of premium payment.

All payments made in connection with your Policy must be made in Australian currency.

4. Can I change my insurance?

Please call Customer Services on **1800 300 592** for applications to:

- ▶ decrease any cover under your Budget Direct Life Insurance and / or Budget Direct Accidental Death Insurance;
- ▶ increase any cover under your Budget Direct Life Insurance and / or Budget Direct Accidental Death Insurance;
- ▶ add optional Budget Direct TPD Cover, Budget Direct Trauma Cover, Budget Direct Trauma Plus Cover, and / or Budget Direct Children's Cover to an existing Budget Direct Life Insurance policy; or
- ▶ change the Life Insured's status from a smoker to a non-smoker, for the purpose of determining your Budget Direct Life Insurance premium rating. You must successfully complete a Non-Smoker Declaration over the phone with a Customer Services consultant to qualify for a non-smoker premium rate.

Any modifications in the terms and conditions relating to the change are subject to approval and written confirmation by us.

5. How do I make a claim?

If the Policy and the Budget Direct Life Insurance or Budget Direct Accidental Death Insurance for the benefit is in force when an insured event occurs, you (or your legal representative on your death) can claim under your Policy by contacting **1800 700 349**, emailing **life.claims@budgetdirect.com.au** or writing to Budget Direct Life Insurance, PO Box 342, Toowong QLD 4066. We will send you a Claims Booklet for you to complete, sign, and return to us. Additionally, we may require your treating Medical Practitioner to complete a form at your (or your estate's) expense.

Claims should be made as soon as possible after the event leading to the claim. If we are not notified within a reasonable period of time after the event leading to the claim, and we are disadvantaged by the delay, we may be able to reduce the amount we would otherwise pay, or we may be able to refuse to pay the claim.

6. What proof is required to make a claim?

Your Policy and Policy Schedule will be required.

For a death claim we must also receive proof of death (e.g. death certificate), provided at your estate's expense and any other documentation we require to our satisfaction, that the insured event has occurred before a death claim is payable.

For claims other than a death claim, we will require:

- ▶ documentation by one or more appropriate Medical Practitioners; and
- ▶ all relevant information, including any test, examination, or laboratory results, must be provided to us.

We may be entitled to refuse benefit payment under this Policy if we do not have evidence to our satisfaction of the Life Insured's or Insured Child's (as applicable) death, the cause of the Life Insured's or Insured Child's (as applicable) death, or of the applicable insured event.

We reserve the right to require the Life Insured or Insured Child (as applicable) to undergo, at our expense, examinations or other reasonable tests (including, where necessary, a post-mortem examination) to confirm the occurrence of an insured event. Additionally, we may conduct investigations to assess the validity of the claim. This could involve the use of investigation agents and surveillance, legal advisers, and the collection of personal data.

7. Who receives the insurance benefit payment?

Unless a valid nomination (explained below) applies:

- ▶ we make all benefit payments to you, the Policyowner; or
- ▶ if the Policyowner dies, the Benefit Amount will be paid to their legal personal representative, or other person that we are permitted to pay under the *Life Insurance Act 1995*.

All Benefit Amounts paid in connection with your Policy will be made in Australian currency.

Nominations

As the Policyowner, you can nominate beneficiaries to receive payment of the Budget Direct Express Life Cover, Budget Direct Life Cover, or Budget Direct Accidental Death Insurance Benefit Amount on your death. Nominations can be made over the phone when purchasing Budget Direct Express Life Cover, Budget Direct Life Cover or Budget Direct Accidental Death Insurance.

Likewise, beneficiary nominations can be updated at any time by contacting Customer Services on **1800 300 592**.

Conditions of Nominations

The following conditions regarding nominations apply:

- ▶ there must not be more than 5 nominees;
- ▶ nominations must be of a natural person;
- ▶ payment of the Life Insurance or Accidental Death Benefit Amount will be made on the basis of the latest valid nomination received by us;
- ▶ if a nominee is a minor when payment is made, the payment will be made to the minor's legal guardian or trust for the benefit of the minor; and
- ▶ if a nominee pre-deceases the Policyowner, that nominee's share is payable to the Policyowner's legal representative, or other person that we are permitted to pay under the *Life Insurance Act 1995*.

The payment of a Benefit Amount in accordance with the above in respect of a Life Insured is full and final discharge of our liability under the Policy for that Benefit Amount.

8. Can my Policy be forfeited or cancelled?

If you don't pay your premium when it is due and it remains unpaid for more than 28 days after it was due or for more than 28 days from when we give you notice, whichever is greater, your Policy could be cancelled.

You can cancel your Policy by writing to Budget Direct Life Insurance, PO Box 342, Toowong QLD 4066, and giving 30 days notice.

Your Policy may be reinstated within 90 days of the date that the Policy was forfeited or cancelled, but only if we agree and subject to any terms and conditions we might require.

9. What are the risks of this insurance?

There are a number of insurance risks you should be aware of, including:

- ▶ it is important to select and apply for the correct product and appropriate level of cover to suit your individual needs. Insufficient cover may cause you or your beneficiaries to suffer financial hardship despite receiving the full benefit;
- ▶ if you are replacing a contract or policy with another contract or policy, you should consider all the terms and conditions of each policy before making a decision to change; and
- ▶ Budget Direct Life Insurance and Budget Direct Accidental Death Insurance are designed purely for protection, and do not include a savings or investment component. Therefore, if your Policy is cancelled (after the 30-day cooling-off period), you will not receive anything back unless you have paid premiums more than 30 days in advance.

10. What tax implications are applicable to my Policy?

In most cases, the premium will not be tax-deductible and tax will not be liable on any Benefit Amount paid under your Policy.

This information is based on present tax laws and our interpretation of those laws. Regardless, you should seek professional advice to understand how tax laws will affect your individual circumstances.

11. What should I know about privacy?

If you purchase Budget Direct Life Insurance and / or Budget Direct Accidental Death Insurance, we, through Budget Direct need to collect personal information from you so that we and / or Budget Direct can:

- ▶ assess your application;
- ▶ set up and administer your Policy;
- ▶ provide you with services; and
- ▶ assess any claims you may have.

The information we or Budget Direct collect may include sensitive information about you, such as health information.

If you fail to provide the personal information we require, we may not be able to provide you with insurance.

Additionally, we may use the information you give us to:

- ▶ improve our and / or Budget Direct financial products and services; and
- ▶ provide you with information about our and / or Budget Direct other products and services.

In some circumstances this may mean that we will need to share your information with and collect your information from a third party such as our and your medical advisors, claims data collectors, and verify your information with other consultants, experts, and your employer. We may also disclose personal information to other insurance or reinsurance companies for the purpose of obtaining reinsurance support, to our related companies and to other organisations that assist us in supplying our services.

We prohibit third parties to whom we disclose information from disclosing it or using it for any purpose other than the purpose for which it was provided.

You may ask for access to the personal information we hold about you at any time and seek correction of such information.

Our Privacy Policy contains information about how you may complain about a possible breach of your privacy and how we will deal with such a complaint.

We may from time to time disclose personal information to overseas recipients, who are most likely to be located in Germany.

For our full Privacy Statement, please visit:

https://www.hannover-re.com/1094181/australia_lh_privacy

12. How do I make a complaint?

It is always our intention to provide you with the best possible service. However, if you have any cause for complaint, you should:

Step 1 – Contact our appropriate department manager at the details shown on the Policy Schedule.

Step 2 – If the matter is not resolved to your satisfaction within 14 days, please contact the Dispute Resolution Manager via our contact details on the back cover.

Step 3 – If you are still not happy with our answer, we will give you details of independent dispute resolution facilities operated by the Australian Financial Complaints Authority.

Contact details for the Australian Financial Complaints Authority are:

Website:	www.afca.org.au
Email:	info@afca.org.au
Telephone:	1800 931 678 (free call)
In writing to:	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

13. What happens if features or benefits are added to my insurance?

We will automatically upgrade your Budget Direct Life Insurance and / or Budget Direct Accidental Death Insurance should we add better features or benefits to your Policy that don't increase your premium. These features and benefits will be automatically made available to you, but you are not obliged to accept them. However, should you claim upon any of these features or benefits, you will be bound by the definitions, terms and conditions, exclusions, and claims procedures highlighted throughout the PDS which contains the features and benefits of which you are claiming.

Definitions

Certain words in this PDS begin with a capital letter, such as Benefit Amount. The meaning of these words can be found below.

Accidental Death means death where the death is directly and solely caused by accidental, violent, external, and visible means without any other contributing causes and where the death is not self-inflicted.

Angioplasty (triple vessel) means the actual undergoing of either:

- ▶ balloon angioplasty;
- ▶ insertion of a stent;
- ▶ atherectomy; or
- ▶ laser therapy

to correct a narrowing or blockage of coronary arteries within the same procedure. Angiographic evidence, indicating obstruction of the coronary arteries is required to confirm the need for this procedure.

The procedure must be considered necessary by a cardiologist to correct or treat coronary artery disease. A Budget Direct Trauma Cover or Budget Direct Trauma Plus Cover (as applicable) Benefit Amount will only be payable where three or more coronary arteries are obstructed and corrected with the use of angioplasty, atherectomy, laser therapy, or stents.

Australian Resident means a person who resides in Australia at the time of application and either holds Australian or New Zealand citizenship; or holds an Australian permanent residency visa; or has been in Australia continuously for six months or more on a temporary work visa and resides in Australia.

Benefit Amount means the amount payable on the applicable insured event covered under the Policy in respect of the Life Insured for Budget Direct Express Life Cover, Budget Direct Life Cover, Budget Direct Total & Permanent Disability (TPD) Cover, Budget Direct Trauma Cover, Budget Direct Trauma Plus Cover, Budget Direct Children's Cover or Budget Direct Accidental Death (as applicable). The Benefit Amount at the Commencement Date for the benefit for the Life Insured or Insured Child is shown in the Policy Schedule.

Benign Brain Tumour means the presence of a non-cancerous tumour on the brain causing a permanent neurological deficit, resulting in the Life Insured or Insured Child (as applicable) either:

- ▶ suffering at least a 25% impairment of whole person function as defined in Guides to the Evaluation of Permanent Impairment (Guides) 5th edition, American Medical Association;
- ▶ requiring neuro-surgical intervention for its removal.

The presence of the underlying tumour must be confirmed by imaging studies such as CT scan or MRI (Magnetic Resonance Imaging).

Cysts, granulomas, cholesteatomas, malfunctions in or of the arteries or veins of the brain, haematomas and tumours in the pituitary gland or spine are not covered. Diagnosis must be confirmed by a consultant neurologist.

Budget Direct Accidental Death Insurance means the cover described on pages 27 to 29 of this PDS.

Budget Direct Children's Cover means the cover described on pages 24 to 26 of this PDS.

Budget Direct Express Life Cover means the cover described on pages 10 to 12 of this PDS.

Budget Direct Life Cover means the cover described on pages 13 to 16 of this PDS.

Budget Direct Life Insurance means Budget Direct Express Life Cover and Budget Direct Life Cover. Budget Direct Life Cover includes the optional benefits of Budget Direct Total & Permanent Disability (TPD) Cover, Budget Direct Trauma Cover and Budget Direct Trauma Plus Cover and / or Budget Direct Children's Cover (as applicable).

Budget Direct Total & Permanent Disability (TPD) Cover means the cover described on pages 17 to 19 of this PDS.

Budget Direct Trauma Cover or **Budget Direct Trauma Plus Cover** (as applicable) means the cover described on pages 20 to 23 of this PDS.

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

The following cancers are not covered:

- ▶ tumours showing the malignant changes of carcinoma in situ, (including cervical dysplasia CIN-1, CIN-2, and CIN-3) or which are histologically described as pre-malignant. Carcinoma in-situ of the breast is covered if it results in the removal of the entire breast. This procedure must be considered the appropriate and necessary treatment to specifically arrest the spread of malignancy;
- ▶ all skin cancers of less than 1.5mm maximum thickness and also less than Clark Level 3 depth of invasion;
- ▶ all Hyperkeratosis or Basal Cell Carcinoma (BCC) of skin and Squamous Cell Carcinoma (SCC) of skin unless there has been a spread to other organs; and
- ▶ prostate cancers which are histologically described as TNM classification T1 or are of another equivalent or lesser classification unless resulting in the surgical removal of the complete prostate.

Cardiomyopathy means a condition of impaired ventricular function of variable aetiology (often not determined) resulting in significant physical impairment i.e. Class III on the New York Heart Association classification of cardiac impairment.

Cardiomyopathy directly related to alcohol abuse is excluded.

Chronic Kidney Failure means end stage renal failure presenting as chronic irreversible failure of the function of both kidneys, which requires permanent dialysis.

Chronic Liver Failure means end stage liver failure resulting in permanent jaundice, ascites, and / or encephalopathy.

Liver disease directly related to alcohol abuse or intravenous drug use is excluded.

Chronic Lung Failure means end stage respiratory failure permanently requiring continuous oxygen therapy and with FEV 1 test results of consistently less than one litre.

Commencement Date means the date your application is accepted by us and cover starts as set out in the Policy Schedule.

Congenital Condition means an illness, disability, or defect existing at or from an Insured Child's birth.

Coronary Artery Bypass Surgery means the undergoing of coronary artery bypass surgery which is considered medically necessary to correct or treat coronary heart disease. Surgery does not include angioplasty, or other intra-arterial and non-surgical procedures.

Domestic duties mean the tasks performed by a Life Insured whose main occupation is to maintain their family home.

These tasks are:

- ▶ cooking of meals for their family;
- ▶ cleaning of the home;
- ▶ shopping for their family's food;
- ▶ doing their family's laundry; and
- ▶ taking care of dependent children (if applicable).

Domestic duties do not include duties performed outside the person's home for salary, reward or profit.

Encephalitis means the severe inflammation of brain substance which results in significant and permanent neurological sequelae causing at least a 25% impairment of whole person function as defined in Guides to the Evaluation of Permanent Impairment (Guides) 5th edition, American Medical Association as certified by a consultant neurologist.

Encephalitis as a result of HIV infection is excluded.

First Premium Date means the date your first premium is due for payment as set out in the Policy Schedule.

Heart Attack means the death of a portion of heart muscle arising from inadequate blood supply to the relevant area.

The basis for diagnosis must be supported by evidence on any two of the following:

- ▶ new electrocardiograph (ECG) changes;
- ▶ diagnostic elevation of cardiac enzymes or Troponin 1 greater than 2.0 ug/L or Troponin T greater than 0.6 ug/L;
- ▶ new pathological Q waves;
- ▶ evidence that the event produced a permanent reduction in the Cardiac Ejection Fraction to 50% or less.

Heart Valve Surgery means the actual undergoing of a procedure to replace or repair cardiac valves as a consequence of heart valve defects or abnormalities.

Homemaker means the Life Insured who, immediately prior to the sickness or injury, is the main provider of Domestic duties within the family home and if also in paid employment, working for less than 10 hours per week.

Intensive Care means an injury or sickness has resulted in the Life Insured requiring continuous mechanical ventilation by means of tracheal intubation for ten consecutive days (24 hours per day) in an authorised intensive care unit of an acute care hospital.

Excluded from this definition is Intensive Care as a result of medically induced coma.

Insured Child means the person named in the Policy Schedule in respect to the optional Budget Direct Children's Cover as the Insured Child.

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

Loss of Hearing means complete and irrecoverable loss of hearing, both natural and assisted, from both ears as a result of injury or sickness, as certified by an appropriate Medical Practitioner.

Loss of Independent Existence

There is a permanent and irreversible inability of the Life Insured to perform without the assistance of another person any two of the following "activities of daily living" without the physical assistance of someone else and without the use of special equipment:

Activity	Description
Washing	Bathing and showering
Dressing	Dressing and undressing
Eating	Eating and drinking
Continence	Maintaining continence with a reasonable level of personal hygiene.
Mobility	Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair, or walking aid.

Or,

The Life Insured suffers cognitive impairment that results in the Life Insured requiring permanent and constant supervision for a continuous period of at least 6 months. The Life Insured's impairment must be established by a Medical Practitioner nominated by us.

Loss of Sight means the permanent loss of sight in both eyes due to sickness or injury to the extent that:

- ▶ visual acuity is 6 /60 or less in both eyes; or
- ▶ the visual field is reduced to 20 degrees or less of arc whether aided or unaided, and all as certified by an ophthalmologist.

Loss of Speech means the complete and irrecoverable loss of the ability to speak as a result of injury or sickness which must be established and the diagnosis reaffirmed after a continuous period of three months of such loss by an appropriate Medical Practitioner.

Loss of Use of Limbs and / or Sight means the total and permanent loss of any of the following:

- ▶ use of both hands
- ▶ use of both feet
- ▶ sight of both eyes (to the extent of 6 /60 or less)
- ▶ use of one hand and one foot
- ▶ use of one hand and the sight of one eye
- ▶ use of one foot and the sight of one eye

Major Head Trauma means an accidental head injury resulting in permanent neurological deficit, resulting in the Life Insured or Insured Child (as applicable) either:

- ▶ being permanently and irreversibly unable to perform without the assistance of another person any one of the "activities of daily living" under the definition of Loss of Independent Existence; or
- ▶ suffering at least a 25% impairment of whole person function as defined in Guides to the Evaluation of Permanent Impairment (Guides) 5th edition, American Medical Association.

Diagnosis must be confirmed by a consultant neurologist. The permanent loss of impairment must have existed for at least six months.

Major Organ Transplant means the Life Insured or Insured Child (as applicable) either undergoes organ transplant, or upon specialist medical advice is placed on an official Australian acute care hospital waiting list to undergo organ transplant, from a human donor of one or more of the following:

- ▶ kidney, heart, liver, lung, pancreas, or bone marrow.

The transplantation of all other organs or parts of any organ or any other tissue is excluded.

Medical Practitioner means a qualified, practicing medical specialist, licensed to practice his or her medical specialty within Australia or New Zealand, and whose specialty qualifies him or her to make a prognosis of Terminal Illness or as the context requires, to prescribe drugs or to diagnose a medical condition, illness, disability, or injury covered under the Policy, of the Life Insured or Insured Child (as applicable). The Medical Practitioner must not be the Life Insured under the Policy, their spouse, relative, or business associate or the spouse or relative of the Insured Child (as applicable).

Meningitis (and / or meningococcal disease) means Meningitis or meningococcal septicaemia causing at least a 25% impairment of whole person function as defined in Guides to the Evaluation of Permanent Impairment (Guides) 5th edition, American Medical Association as certified by a consultant neurologist.

Paralysis means any of the following:

- ▶ "Diplegia" which means the permanent and total loss of function of both sides of the body due to injury or disease;
- ▶ "Hemiplegia" which means the permanent and total loss of function of one side of the body due to injury or disease;
- ▶ "Paraplegia" which means the permanent and total loss of use of both legs resulting from due to injury or disease;
- ▶ "Quadriplegia" which means the permanent and total loss of use of both arms and both legs due to injury or disease;
- ▶ "Tetraplegia" which means the permanent and total loss of use of both arms and both legs due to injury or disease.

PDS is an abbreviation of Product Disclosure Statement.

Policy means the legal contract between the Policyowner and us. This PDS, your application, any future application accepted by us, the current Schedule, and any special conditions, amendments, or endorsements make up the Policy.

Policy Anniversary means the anniversary of the Commencement Date of your Policy.

Policyowner, you, your, yours means the Life Insured. Your Policy may not be transferred or assigned to another person.

Qualifying Period means the 90 day period during which no Benefit Amount is payable if the condition resulting in a claim first became apparent, or a Trauma Event occurred, being 90 days from:

- ▶ the date of commencement of the Trauma Cover;
- ▶ the date of any non-indexation increase in cover (but only in respect of the increase); and
- ▶ the date of any reinstatement.

Schedule means the Schedule issued with your Policy and updated from time to time. A new schedule will be issued at any time we agree with you to change the details in respect of the Life Insured or Insured Child (as applicable) under your Policy. A new Schedule will replace any previous Schedules.

Severe Burns means third degree burns or full thickness burns to at least:

- ▶ 20% of the body surface area as measured by the Lund and Browder Body Surface Chart;
- ▶ 50% of both hands, requiring surgical debridement and / or grafting; or
- ▶ 50% of the face, requiring surgical debridement and / or grafting.

Stroke means any cerebrovascular accident or incident producing neurological sequelae lasting more than 24 hours. This includes infraction of brain tissue, intracranial or subarachnoid haemorrhage, embolization from an extracranial source, but excludes transient ischaemic attacks and cerebral events and symptoms due to reversible neurological deficits and migraine.

The basis for diagnosis shall be supported by evidence on a Computerised Tomography (CT), Magnetic Resonance Imaging (MRI), or similar scan that a stroke has occurred and of infraction of brain tissue or intracranial or subarachnoid haemorrhage.

Terminal Illness means a confirmed diagnosis by a Medical Practitioner who is a specialist in the field and is approved by Hannover, in conjunction with test results that support the diagnosis, of a terminal illness where life expectancy is 12 months or less as a direct result of acquiring the illness.

Total and Permanent Disability (TPD) means as a result of sickness or injury, the Life Insured:

- ▶ suffers Loss of Use of Limbs and / or Sight; or
- ▶ is Unable to Work; or
- ▶ suffers Loss of Independent Existence.

Trauma Event means:

For Budget Direct Trauma Cover one of the following:

Cancer	Stroke
Heart Attack	Coronary Artery Bypass Surgery

For Budget Direct Trauma Plus one of the following:

Cancer	Major Head Trauma
Heart Attack	Loss of Hearing / Loss of Sight / Loss of Speech
Stroke	
Coronary Artery Bypass Surgery	Severe Burns
Benign Brain Tumour	Intensive Care
Heart Valve Surgery	Major Organ Transplant
Angioplasty (triple vessel)	Chronic Lung Failure , Chronic Kidney Failure , or Chronic Liver Failure
Cardiomyopathy	

Unable to Work

If the Life Insured is not a Homemaker, a state of physical or mental incapacity which:

- ▶ results in the Life Insured being disabled and unable to work in any employed capacity for at least three consecutive months; and
- ▶ in our opinion, after considering medical evidence and / or other evidence, results in the Life Insured being unable ever to engage in any occupation for which they are reasonably suited by education, training or experience; and
- ▶ they are under the regular treatment, and following the advice of a Medical Practitioner; and
- ▶ they are likely to be so disabled for life.

If the Life Insured is a Homemaker, a state of physical or mental incapacity which:

- ▶ results in the Life Insured being disabled, unable to perform Domestic duties and have been confined to the home for a period of at least three consecutive months; and
- ▶ in our opinion, after considering medical evidence and / or other evidence, results in the Life Insured being unable to ever perform Domestic duties or engage (whether or not for reward) in any other occupation for which they are reasonably suited by education, training or experience; and
- ▶ they are under the regular treatment, and following the advice of a Medical Practitioner; and
- ▶ they are likely to be so disabled for life.

Need to get in touch with Budget Direct?



by email

life.sales@budgetdirect.com.au



on the web

budgetdirect.com.au



on the phone

1800 555 048

Budget Direct Life Insurance

PO Box 342, Toowong QLD 4066

Budget Direct Life Insurance is brought to you by
Hannover Life Re of Australasia Ltd (Hannover)
ABN 37 062 395 484