

Active at a glance

Macquarie Life Active combines traditional Death, Total and Permanent Disability and Trauma insurance products into one simple alternative. With broader coverage and the ability to make multiple claims based on the severity of Health Events, it's life insurance made for living.

Active is a simple yet comprehensive insurance solution that introduces some much needed common sense to coverage and benefits.

Key features

- 1. Breadth of cover:** Different types of cover are bundled into one policy and more conditions covered. This means that your clients are more likely to receive a benefit payment compared to traditional life insurance policies for the same medical condition.
- 2. Benefit payments based on need:** Claims are based on the severity of the Health Event; the more serious the condition, the greater the benefit.
- 3. Multiple claims allowed:** Cover that allows for multiple claims over the lifetime of the policy.
- 4. More affordable cover:** Providing a single policy means Active premiums can be lower than typical packaged Life, TPD and Trauma premiums.
- 5. Simple, single solution:** There's only one policy to explain and less risk that your client will trade off one benefit for another.

We'll now look at each one of these five areas in more detail.

Health Events provide greater breadth of cover

We have introduced Health Events which covers a broader range of medical conditions.

A Health Event can be one of many defined conditions such as heart attack, stroke, cancer and depression, or it can be the outcome of a condition which affects your client's ability to perform a range of daily activities – things like communicating, physical activity and hand functions.

More conditions

Active covers more conditions than are typically covered under a conventional trauma policy. This removes many of the gaps that can result in clients missing out on receiving a claim despite suffering a significant Health Event.

It should not make a difference whether your client has been told they have Huntington's disease or Parkinson's disease – what is important is that they receive financial support to ease the financial pressure associated with their illness or accident.

Lower thresholds

Lower thresholds for many conditions mean that clients can start claiming at earlier stages once they experience a Health Event.

Compassionate approach

Even if your client suffers a condition that is not listed, they may be able to claim under the Activities of Daily Living (see the opposite page for more information on ADLs). This provides cover where your client’s ability to perform simple day to day tasks has been fully or partially impacted. These tasks include; communication, self care, physical functions, hand functions, sensory functions and advanced functions which are all crucial to the quality of life.

Occupational impairment

Occupational impairment is included as Benefit Category A Health Event if no benefit is otherwise payable and there is no assessment criteria relevant to a particular condition listed under the Active body systems. A definition of own occupation, any occupation or domestic duties will be applied to each eligible policy based on the insured person’s occupation at time of application.

Objective criteria

All conditions are based on transparent, objective criteria that remove the need for doctors to make subjective work-based assessments as is the case with TPD. An added advantage is that clients do not need to wait until their condition stops them from working before they can claim – they can claim along the way as their condition progresses.

Real value

The unique combination of features offered by Macquarie Life Active increases the likelihood that your client will receive a benefit when they have suffered a Health Event. Clients understand the real value of this and see Active as a tangible and relevant policy.

Fairer way to make benefit payments

Active pays claims based on the severity of the Health Event.

Protection matched to need

It makes a lot of sense to pay a larger benefit for more severe conditions and a lower one for conditions that have less impact on physical health and financial position. This staging of payments reduces some of the difficulty inherent in determining an appropriate level of cover for traditional Trauma contracts. Under Active the level varies to match the severity of the condition.

More equitable

Active also removes the ‘all or nothing’ approach to paying claims that is a feature of most traditional life policies, which can see a client’s claim swing from 100% to zero because their condition has just fallen short of the policy definition. Although the client may not receive the full benefit for every Active claim, they are much more likely to receive an amount relative to the severity of the condition.

Flexible cover

Health Events are divided into five categories with higher benefit payments for more severe conditions as shown. Death and terminal illness is a separate category – AA.

Type of cover	Benefit category	% of the initial amount of cover
Death and terminal illness	AA	100% plus any additional death cover
Health Events	A	100%
	B	65%
	C	40%
	D	20%
	E	5%

Extended Care option

The Extended Care option provides an extra payment if the insured person suffers a Benefit Category A Health Event and either the inability to perform 4 out of 6 activities of daily living or Whole Person Impairment (WPI) of at least 60%.

Sustainable pricing, future reserves

Staged benefit payments help alleviate some of the pricing pressure seen under current Trauma contracts, namely those that pay out full benefits at early stages of conditions. Staged benefits mean that the client is still covered for future events should the condition deteriorate or they suffer an unrelated condition.

In short, your client’s premium pays for real protection matched to their need.

Multiple claims allowed during the policy's lifetime

Active allows for multiple claims to be made during the lifetime of the policy. This can be for related Health Events as a condition progresses and for unrelated medical conditions.

For subsequent claims we will pay:

- a) the difference between the benefit paid and the higher benefit for:
 - a deterioration of a condition for which a claim has already been paid
 - unrelated conditions that occur within the 12 month Limited Claim Period, and
- b) the full benefit for unrelated conditions that occur outside the Limited Claim Period,

subject to the Remaining Amount of Cover.

Client-friendly definition of progression

Unlike reinstatement of cover under current trauma contracts, only conditions due to the same underlying medical cause will be treated as a progression of a previous condition.

For example, if your client were to suffer two types of cancer with different cell types we would treat both as separate claims.

The same would apply if they were to undergo heart valve surgery to correct a defect then suffer a heart attack due to blocked arteries.

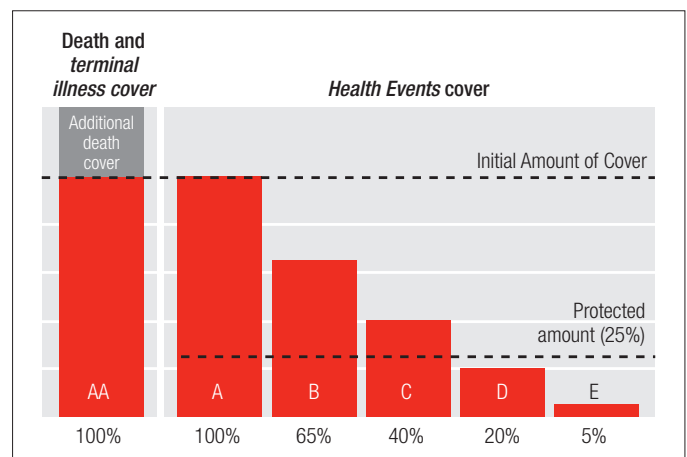
Built in Claim Protector

Another important Active feature is the Claim Protector. This protects 25% of the initial amount of cover. This means there will generally be an amount available to provide financial support to clients who experience multiple Health Events.

If a claim results in the cover falling below 25% of the original initial amount of cover (indexed), then just 14 days after we pay the claim, 25% of the cover is reinstated and continues, subject to specified limits, after every future claim right through to age 65.

The A to E of benefit payments

When it comes to benefit payments, one size does not fit all. The following chart shows how Active pays benefits according to need.



A more efficient way to use premiums

Better cover need not cost more – in fact our innovative and common sense approach to structuring Active means that premiums are up to 30% lower than standard bundled Life, TPD and Trauma contracts.¹

More options for clients and advisers

Lower premiums provide you with a greater opportunity to provide comprehensive cover for clients who are sensitive to price. These also enable you to offer higher levels of cover to clients who want to receive even greater financial support for the most serious conditions.

Efficiency generates gains

Active achieves lower pricing through a more efficient use of premiums. Streamlining lump sum cover for medical conditions into a single benefit removes cover overlap. This ensures clients do not pay twice for cover they can only claim on once. Staged benefit

payments also mean we are not making full benefit payments for conditions that have only a relatively minor impact on the client.

Spreading the efficiencies

In addition to lower premiums, pricing efficiencies allow us to provide broader coverage of conditions, allow multiple claims and offer a built in Claim Protector.

The single, simple solution. Active's all-in-one solution makes Life simpler for you and your client.

You no longer need to explain multiple benefits as well as the different definitions and options available under the current lump sum product sets.

Providing an integrated solution also removes the opportunity for clients to trade off one benefit over another due to the perceived cost or overlap of cover. By feeling more confident about their decision, clients will be more likely to retain their cover in future years.

Activities of daily living (ADL)

There are six categories of ADLs. Each category is made up of a list of specific tasks. If the stated number of the specific tasks within a category cannot be performed, the whole category is scored as an inability to perform that ADL category.

The ability to perform the tasks of each ADL category must be assessed by a medical specialist, appropriate to the medical condition causing the impairment, using the Activities of Daily Living scoresheet provided by us.

When an insured person is being measured on their ability to perform any tasks of an ADL category:

- all tasks for which an impairment is present must be scored, irrespective of the medical condition(s) causing the impairment, and
- assistive devices must be used, where applicable.

Supporting objective medical evidence or investigations must be provided for each task of an ADL category scored. The ADL categories, specific tasks and required scores in order to be considered unable to perform the ADL category are detailed in the table below.

ADL Scoring

The following scoring method is used to score the ADL Score Sheet:

- if a person is independent in performing that task, he is regarded as able to do that task (can), (normal) or (good)
- if a person makes use of assistive devices, or requires the supervision of another person in performing that task, he is regarded as requiring assistance to do the task (with help), (minimal) or (average). Examples of assistive devices are walking frames, raised toilet seats, shower or bath benches. Please note that glasses and hearing aids are not classified as assistive devices
- if a person is completely dependent on another person(s) to perform a task, he is regarded as unable to do that task (cannot) or (poor). Poor means a rating of poor or below average as measured and evaluated by the relevant and appropriate neuropsychometric test(s).

ADL category	Specific tasks	Scores required in order to be considered unable to perform the ADL category		
1. Self-care	<ul style="list-style-type: none"> ■ Bathing ■ Grooming ■ Dressing ■ Eating and feeding ■ Bowel and bladder function ■ Mobility 	<ul style="list-style-type: none"> ■ 'cannot' in at least one specific task, or ■ 'with help' in at least two specific tasks 		
2. Communication	<ul style="list-style-type: none"> ■ Speaking ■ Reading ■ Writing ■ Keyboard use 	<ul style="list-style-type: none"> ■ 'cannot' in at least one specific task, or ■ 'minimal' in at least two specific tasks. 		
3. Physical activity	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> Intrinsic <ul style="list-style-type: none"> ■ Standing ■ Sitting ■ Reclining ■ Walking ■ Stooping ■ Squatting ■ Kneeling ■ Reaching ■ Bending ■ Twisting </td> <td style="vertical-align: top;"> Functional <ul style="list-style-type: none"> ■ Carrying ■ Lifting ■ Pushing ■ Pulling ■ Climbing ■ Exercising </td> </tr> </table>	Intrinsic <ul style="list-style-type: none"> ■ Standing ■ Sitting ■ Reclining ■ Walking ■ Stooping ■ Squatting ■ Kneeling ■ Reaching ■ Bending ■ Twisting 	Functional <ul style="list-style-type: none"> ■ Carrying ■ Lifting ■ Pushing ■ Pulling ■ Climbing ■ Exercising 	<ul style="list-style-type: none"> ■ 'cannot' in at least three specific tasks, or ■ 'with help' in at least six specific tasks
Intrinsic <ul style="list-style-type: none"> ■ Standing ■ Sitting ■ Reclining ■ Walking ■ Stooping ■ Squatting ■ Kneeling ■ Reaching ■ Bending ■ Twisting 	Functional <ul style="list-style-type: none"> ■ Carrying ■ Lifting ■ Pushing ■ Pulling ■ Climbing ■ Exercising 			
4. Sensory function	<ul style="list-style-type: none"> ■ Hearing ■ Seeing ■ Tactile sensation ■ Tasting ■ Smelling 	<ul style="list-style-type: none"> ■ 'cannot' in at least one specific task, or ■ 'minimal' in at least two specific tasks 		
5. Hand functions	<ul style="list-style-type: none"> ■ Grasping ■ Holding ■ Pinching ■ Percussive movements ■ Sensory discrimination 	<ul style="list-style-type: none"> ■ 'cannot' in at least one specific task, or ■ 'minimal' in at least two specific tasks 		
6. Advanced functions	<ul style="list-style-type: none"> ■ Travel (riding, driving) ■ Sexual function ■ Social interaction ■ Understand concepts ■ Memory ■ Problem solving ■ Stress adaptation ■ Sleep pattern ■ Recreational/ social activities 	<ul style="list-style-type: none"> ■ 'cannot' or 'poor' in at least four specific tasks 		

Health Events

Macquarie Life Active has the following categories for Health Events.

Body system	
Cancer	<ul style="list-style-type: none">■ solid tumour cancers■ lymphomas■ brain tumours■ leukaemias■ other cancers (eg aplastic anaemia, multiple myeloma)
Heart and artery	<ul style="list-style-type: none">■ heart attack■ cardiomyopathy■ other heart and artery conditions (eg severe congestive cardiac failure, severe peripheral vascular disease)■ heart transplant■ surgical procedures (eg coronary artery bypass graft, heart valve repair, endovascular iliac or femoral artery aneurysm repair)
Brain and nerves	<ul style="list-style-type: none">■ stroke■ cognitive conditions (eg diagnosis of dementia including Alzheimer's disease)■ coma■ surgical procedures and events (eg endovascular treatment of a cerebral aneurysm, stereotactic brain surgery)■ other brain and nerve conditions (eg psychiatric conditions, severe epilepsy, multiple sclerosis)
Digestive system	<ul style="list-style-type: none">■ transplants■ surgical procedures (eg colostomy/ileostomy, surgical repair of tracheo-oesophageal fistula)■ other digestive conditions (eg gastrointestinal disease, Crohn's disease, portal vein thrombosis)■ liver conditions
Kidneys and urogenital tract	<ul style="list-style-type: none">■ renal failure■ kidney transplant■ surgical procedures (eg nephrectomy)
Lungs	<ul style="list-style-type: none">■ diseases of the lung■ surgical procedures (eg lobectomy)■ lung transplant■ other lung conditions (eg lung abscess)
Musculoskeletal system	<ul style="list-style-type: none">■ burns■ back, limb and whole person impairment
Ear	<ul style="list-style-type: none">■ loss of hearing■ surgical procedures (eg inner ear or middle ear surgery)
Eye	<ul style="list-style-type: none">■ loss of sight■ surgical procedures (eg surgical repair of detached retina, corneal transplant)
HIV/AIDS	<ul style="list-style-type: none">■ HIV/AIDS
General	<ul style="list-style-type: none">■ hospital admission
Unless specifically stated as a measurement for a Health Event, the use of the 'Other' Body System Health Event categories will only be applied to a condition for which we assess no benefit is payable and in our opinion there is no assessment criteria relevant to the condition under the Health Event categories of a different Body System	
Other	<ul style="list-style-type: none">■ inability to perform activities of daily living■ occupational impairment (if applicable it will be based on the definition shown in your policy)

A 90 day exclusion applies to some *Health Events*.

Summary of Active cover

Cover for Health Events, death and terminal illness	
Entry ages	<ul style="list-style-type: none"> ■ 15–65 stepped premium ■ 15–60 level premium
Expiry ages	<ul style="list-style-type: none"> ■ Death and <i>terminal illness</i> – no expiry ■ <i>Health Events</i> – 99 (cover changes between 65–70)
Initial Amount of Cover	<ul style="list-style-type: none"> ■ Minimum \$100,000 Maximum: <ul style="list-style-type: none"> ■ Death and <i>terminal illness</i> – no maximum ■ <i>Health Events</i> – \$4,000,000
Included features	<ul style="list-style-type: none"> ■ Claim Protector ■ Funeral Assistance ■ Future Increases ■ Indexation Increases ■ Financial Planning
Available options	<ul style="list-style-type: none"> ■ Extended Care option ■ Additional Death Cover

Child Cover	
Entry ages	2–14
Expiry ages	21
Initial Amount of Cover	<ul style="list-style-type: none"> ■ Minimum \$10,000 ■ Maximum \$250,000
Included features	<ul style="list-style-type: none"> ■ Indexation Increases ■ Continuation of cover




Income Cover	
Entry ages	19–60
Expiry ages	65 (70, for to age 70 benefit period)
Monthly Amount of Cover	<p>The monthly equivalent of 75% of the first \$320,000, 50% of the next \$240,000 and 20% of the balance of the annual <i>income</i> of the person to be insured subject to a:</p> <ul style="list-style-type: none"> ■ minimum \$1,250 per month ■ maximum \$40,000 per month for the first 2 years of the selected benefit period and \$30,000 per month for the remainder of the benefit period
Type of cover	<ul style="list-style-type: none"> ■ Income at claim ■ Income at application ■ Endorsed income at application
Waiting periods available	<ul style="list-style-type: none"> ■ 30 days ■ 60 days ■ 90 days ■ 1 year ■ 2 years
Benefit periods available	<ul style="list-style-type: none"> ■ 2 years ■ 5 years ■ To age 65 ■ To age 70
Included benefits and features	<ul style="list-style-type: none"> ■ <i>Total disability</i> ■ <i>Partial disability</i> ■ Indexation Increases ■ Specific Injury benefit² ■ Death benefit ■ Premium Waiver ■ Involuntary Unemployment Premium Waiver
Available options	<ul style="list-style-type: none"> ■ Income Cover Plus² ■ Extra Benefits option² (includes Trauma benefit, Bed Confinement benefit, Home Care benefit, Rehabilitation Expenses benefit, Accommodation benefit, Future Increases, Cover Extension) ■ Accident option ■ Claims Escalation option ■ Superannuation Cover option² ■ Booster option

¹ Macquarie Life Limited (In house research May 2012) The premium difference is based on the comparison of the cost of Active Cover to the cost of a Macquarie FutureWise packaged policy providing life, total and permanent disability and trauma insurance for applicants working in clerical occupations. FutureWise provides different benefits when compared to Active, and either Active or FutureWise may provide for greater claim payments in certain circumstances. Differences in the benefits provided, as well as differences in price, should be considered when determining which policy is right for you.




² Not available on cover held within superannuation.

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