



# Group Income Protection For Employees

Master Policy Document  
Issue Date 01 July 2011

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**PayCover**   
by COVERFORCE

## Policy Schedule

<b>Insurer</b>	Hannover Life Re of Australasia Ltd ABN 37 062 395 484
<b>Policy Owner</b>	Coverforce Pty Limited ACN 067 079 261
<b>Policy Numbers</b>	GLD4306
<b>Plan Name</b>	PayCover
<b>Registered Address for Notices</b>	Level 26, Tower One International Towers Sydney Barangaroo NSW 2000
<b>Participating Employer</b>	The Participating Employer named in the relevant Monthly Premium Statement.
<b>Master Policy Commencement Date</b>	15 July 2011
<b>Eligibility Criteria</b>	To be eligible to be an Insured Person, the employee must: <ul style="list-style-type: none"> <li>&gt; be an Australian Resident; and</li> <li>&gt; at the date cover commences, aged 15 years or more but less than 70 years of age; and</li> <li>&gt; employed by and nominated for cover by a Participating Employer; and</li> <li>&gt; covered under an Enterprise Bargaining Agreement (EBA) or another approved industrial or employment agreement.</li> </ul>
<b>Total Disability Benefit</b>	As described in the Participating Employers Monthly Premium Statement.
<b>Maximum Benefit Period</b>	As described in the Participating Employers Monthly Premium Statement.
<b>Waiting Period</b>	As described in the Participating Employers Monthly Premium Statement; or 28 days for all claims in respect of Disability resulting from an Insured Person training for, practicing or playing any code of football.
<b>Maximum Total Disability Benefit</b>	\$1,600 per week, or as otherwise stated in the Participating Employers PayCover Premium Statement.
<b>Premium Rate</b>	The applicable Premium Rate in respect of Insured Persons of a Participating Employer is described in the Participating Employers Monthly Premium Statement. The Premium Rate includes all fees, charges and commissions, guaranteed until the earlier of the end of the Guarantee Period or the expiry of the EBA.
<b>Special Conditions</b>	As described in the Participating Employers Monthly Premium Statement.

This document is evidence of a contract of insurance between Hannover Life Re of Australasia Ltd ("Us,") and Coverforce Pty Ltd ("You") for the payment of certain insurance benefits in respect of Insured Persons employed by Participating Employers upon the conditions set out in this Policy in consideration of the payment of Premium by Participating Employers.

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## Section A: Definitions

For the purposes of this Policy, the following terms shall have the meanings given to them in this section.

**“Benefit Ceasing Age”** means;

- a. for cover in respect of a Sickness, the date an Insured Person attains the age of 65 years; or
- b. for cover in respect of Injury or death, the date an Insured Person attains the age of 70 years.

**“Agreed Previous Policy”** means any income protection policy issued by an APRA approved insurer under which cover is accepted under the terms of 3.6.1.

**“Australian Resident”** means a person who permanently resides in Australia, or a temporary resident of Australia on a temporary working visa as agreed by Us.

**“Benefit Period”** means the period beginning from the first day after the end of the Waiting Period and ending on the earliest of the following:

- > the end of the Maximum Benefit Period; or
- > the date the Insured Person attains the Benefit Ceasing Age.

**“Commencement Date”** means the Policy Commencement Date shown in the Schedule.

**“Cover Commencement Date”** means the date on which an employer is accepted as a Participating Employer as recorded by You on the Participating Employer’s Monthly Premium Statement.

**“Eligibility Criteria”** means the eligibility criteria shown in the Schedule.

**“Enterprise Bargaining Agreement (EBA)”** means the EBA between the Participating Employer and the Insured Persons which is in place during the period of cover.

**“Disability”** means either Total Disability or Partial Disability.

**“Guarantee Period”** with respect of each Participating Employer means the period described in condition 3.15.1.

**“Homemaker’s Assistance”** means any professional non-medical and non-nursing assistance required to complete the Homemaker Duties.

**“Homemaker Duties”** means the domestic tasks normally performed by a person who does not work for monetary reward and whose primary responsibility is tending the home and family. These duties may include cleaning, washing, cooking and tending to the needs of children and pets.

**“Injury”** means a physical injury to an Insured Person caused by a violent, external and visible means, which occurs fortuitously whilst this insurance is in force and which results in any of the insured events specified in the Policy, within twelve (12) calendar months from the date of its occurrence, but does not include any condition which is also a Sickness.

**“Income”** means the income before personal deductions and income tax, and including all overtime and all allowances actually paid to the Insured Person which was earned from personal exertion from his or her usual employment with the Participating Employer and it does not include superannuation contributions.

**“Insured Person”** means a person for who cover is in force under the terms of the Policy.  
Cover under this Policy:

- a. in respect of a person who had Previous Cover shall come into force with effect from the Cover Commencement Date; and
- b. in respect of a person other than someone described in paragraph (a) who the Participating Employer seeks to cover under this Policy will come into effect under this Policy on the date they first satisfy the Eligibility Criteria if they are nominated for cover in writing by the Participating Employer and We receive the Premium due in respect of them from the date cover is due to come into force.

**“Income Replacement Ratio”** means the ratio that the Total Disability Benefit represents as a proportion of the Pre-Disability Income.

**“Maximum Benefit Period”** means the maximum period shown in the Schedule for which benefits will be paid for any one Injury or Sickness but no more than 104 weeks unless stated otherwise in the Participating Employers Monthly Premium Statement.

**“Medical Practitioner”** means a medical practitioner legally qualified and registered to practise in Australia who is not:

- a. the Insured Person; or
- b. a Spouse or relative of the Insured Person unless approved by Us; or
- c. a Participating Employer, their relatives, business partners, shareholders or employees.

A Medical Practitioner located outside Australia will be deemed to satisfy this definition if, in Our opinion he or she has qualifications equivalent to Australian qualifications.

**“Monthly Premium Statement”** means the monthly statement issued by You to Participating Employers.

**“Other Disability Income”** means any income (other than any benefit received under this Policy) which a person may derive during a month, whether that income was actually received or not and includes:

- a. any benefit under any workers compensation, statutory compensation, pension, social security or similar schemes or other similar State, Federal or Territory legislation; and
- b. any benefit under state or federal legislation such as the Department of Veterans affairs; and
- c. any amounts received from other disability income insurance policies arising from the same Injury or Sickness for which an Insured Person is receiving benefits under this Policy; and
- d. any employer funded sick leave entitlements and other income payments. Any employer funded sick leave entitlements and other income payments will not be treated as Other Disability Income if the Insurer has not been prejudiced by the payment of the employer funded sick leave entitlement and other income payments paid to the Insured Person after the expiration of the Waiting Period as a result of, or arising out of, an Injury or Sickness for which the Insured Person is entitled to cover under this Policy provided always that the employer funded sick leave entitlements and other income payments are refunded directly to or credited to the Participating Employer.

**“Partial Disability”** and **“Partially Disabled”** means that as a result of an Injury or Sickness an Insured Person is unable to carry out his or her pre-disability working hours, or is unable to perform at least one income producing duty of his or her usual employment with the Participating Employer in Australia, and suffers a reduction in income and is under the regular care of and acting in accordance with the instructions or professional advice of a registered and legally qualified Medical Practitioner.

**“Participating Employer”** means a person, partnership or company accepted by You who employs an Insured Person.

**“Pre-disability Income”** means the Insured Person’s average Income for the number of months so engaged during the twelve (12) month period immediately preceding the Injury or Sickness resulting in any of the insured events covered by this Policy.

**“Previous Cover”** means cover under a prior sickness and injury policy agreed by Us that was in force immediately prior to the Cover Commencement Date.

**“Pre-Existing Sickness”** means any Sickness that an Insured Person is having, or has had treatment for or advice for treatment for, in the twelve (12) calendar months prior to the start of his or her cover under this Policy. However, such condition will be covered provided that at the date of the Sickness, the Insured Person has, with the agreement of a registered and legally qualified Medical Practitioner, ceased all treatment and advice for at least twelve (12) months.

**“Policy”** means this printed document including its Schedules and any document which evidences any authorised alteration or variation of them.

**“Premium”** means the monthly amount collected from Participating Employers and payable by You in respect of an Insured Persons for cover under this Policy determined by reference to the Premium Rate.

**“Premium Rate”** means the rate at which Premium is payable for cover under this Policy as shown in the Schedule.

**“Return to Work Income”** means the Insured Person’s Income while Partially Disabled in respect of the period to be paid.

**“Schedule”** means the schedule attached to this Policy.

**“Sickness”** means any illness or disease of which the Insured Person first becomes aware of during a period of Previous Cover or while this Policy is in force and which continues for a period of not less than the Waiting Period.

**“Spouse”** includes a de-facto or same sex spouse.

**“Statutory Benefit”** means a regular benefit payment to an Insured Person from a relevant Workers Compensation insurer or authority payment payable to an Insured Person as a result of an Australian worker’s compensation or transport accident statutory scheme, but does not include a payment of lump sum compensation or damages payable at common law.

**“Total Disability”** and **“Totally Disabled”** means that as a result of Injury or Sickness the Insured Person is wholly and continuously prevented from engaging in his or her usual occupation in Australia, and is under the regular care of and acting in accordance with the instructions or professional advice of a registered and legally qualified Medical Practitioner.

**“Total Disability Benefit”** means the amount shown in the Participating Employers Monthly Premium Statement but subject to a maximum Total Disability Benefit of \$30,000 per Insured Person in any one month.

**“Waiting Period”** means the period commencing on the later of the date an Insured Person is deemed Totally or Partially Disabled due to Injury or Sickness or the first day of treatment by a Medical Practitioner of the Injury or Sickness that causes the Disability. The length of the Waiting Period that applies to an Insured Person is specified in the Participating Employers Monthly Premium Statement but will not be less than 14 days.

**“Workplace Injury or Sickness”** means an Injury or Sickness caused by or arising out of the employment of the Insured Person by the Participating Employer and which entitles the Insured Person to bring a claim for Statutory Benefits.

**“We”, “Our”** and **“Us”** means Hannover Life Re of Australasia Ltd (ACN 37 062 395 484).

**“You”** or **“Your”** means Coverforce Pty Limited (ABN 31 067 079 261)

## Section B: Cover in respect of an Injury or Sickness

### 1.1 Total Disability Benefit

- 1.1.1 We will pay You a Total Disability Benefit if an Insured Person becomes Totally Disabled while covered under this Policy and remains Totally Disabled continuously during the Waiting Period and immediately after the Waiting Period has ended and You will pay the Total Disability Benefit to the Insured Person.
- 1.1.2 The amount of the Total Disability Benefit will be the amount specified in the Schedule.
- 1.1.3 We cease to be liable to pay a Total Disability Benefit in relation to an Insured Person as soon as one of the following happens:
- the Insured Person is no longer Totally Disabled;
  - the Benefit Period ends;
  - the Insured Person reaches the Benefit Ceasing Age;
  - the Insured Person dies.

### 1.2 Partial Disability Benefit

- 1.2.1 We will pay You a Partial Disability Benefit if an Insured Person becomes Partially Disabled while covered under this Policy and remains Partially Disabled continuously during the Waiting Period and immediately after the Waiting Period has ended and You will pay the Partial Disability Benefit to the Insured Person.
- 1.2.2 The Partial Disability Benefit starts from the day after:
- the Waiting Period has ended; or
  - the Insured Person ceased to be Totally Disabled whichever is later.
- 1.2.3 We cease to be liable to pay the Partial Disability Benefit in relation to an Insured Person as soon as one of the following happens:
- the Insured Person is no longer Partially Disabled;
  - the Benefit Period ends;
  - the Insured Person reaches the Benefit Ceasing Age; or
  - the Insured Person dies.
- 1.2.4 The amount of the benefit We will pay for Partial Disability is calculated by the formula:  $\text{Pre-disability Income} - \text{Return to Work Income} \times \text{Total Disability Benefit Pre-disability Income}$ .
- 1.2.5 If the Insured Person is capable of returning to work in a reduced capacity but refuses, We will pay a maximum of 25% of the Total Disability Benefit.

### 1.3 Benefit Offsets

We will reduce any Total Disability Benefit or Partial Disability Benefit payable for an Insured Person by the amount of any Other Disability Income or statutory income benefits received by them in respect of the period of Disability.

### 1.4 Recurrent Disablement

If within six (6) months after the date a Total or Partial Disability Benefit payment ceases, the Insured Person again becomes Totally or Partially Disabled due to the same or a related Injury or Sickness, the Waiting Period will be waived and We will regard it as a continuation of the previous claim.

In the event an Insured Person has received a Total or Partial Disability Benefit for a period of at least six (6) months during a period of Previous Cover, the Benefit Period under this Policy will be reduced by the previous Benefit Period in the event the claim is for the same or related Injury or Sickness.

If an Insured Person suffers a recurrence of Partial Disability and/or Total Disability for the same or a related Injury or Sickness, the subsequent period of Partial Disability and/or Total Disability will be deemed to have resulted from a new Injury or Sickness if the Insured Person worked on a full time basis for a period of six (6) months performing all the duties of their usual occupation between such periods of Partial Disability and /or Total Disability.

### 1.5 Benefit Payments

Benefit payments are paid in arrears. If We admit liability We will pay the first payment two weeks after the end of the Waiting Period. Payments will be paid at monthly or fortnightly intervals thereafter until the time We cease to be liable to pay a Disability benefit. If a benefit is payable for less than the whole month, We will pay 1/30th of the monthly amount for the benefit for each day the benefit is payable.

## Section C: Additional Benefits

### 2.1 Rehabilitation Assistance

In the event of the payment of a Total or Partial Disability claim to You under this Policy, We at Our absolute discretion may elect to assist the Insured Person in arranging for training or advice from a licensed vocational school, provided such training or advice is undertaken with the agreement of the Insured Person's attending registered and legally qualified Medical Practitioner. Assistance may also include family counselling to help the Insured Person and his or her family cope with the Insured Person's disability and to enable the Insured Person to live an independent life. The maximum amount payable by Us in respect of this assistance may be up to \$20,000 in respect of an Insured Person.

## 2.2 Return to Work Assistance

In the event of the payment of a Total or Partial Disability claim to You under this Policy, We at Our absolute discretion may elect to assist the Insured Person in arranging for professional assistance to improve their physical and/or emotional condition. Assistance includes special equipment for and/or modifications to the Insured Person's normal residence or workplace. The maximum amount payable by Us in respect of this assistance may be up to \$20,000 in respect of an Insured Person and is at Our absolute discretion to pay for or assist in the arranging of such services.

## 2.3 Extended Between Job Cover

Coverage under this Policy continues for a period of no more than thirty (30) days from the date the Insured Person ceases his or her current employment with his or her Participating Employer provided that the Insured Person has written proof that he or she has accepted a position with another employer prior to ceasing his or her employment with his or her current Participating Employer. Cover under this Policy will immediately cease on commencement of the new employment. If the Insured Person does not have a position to go to with another employer and ceases employment with his or her current Participating Employer, then cover will cease under this Policy on the date their employment with his or her current Participating Employer is terminated.

## 2.4 Funeral Cover and Funeral Expenses

We will contribute to the funeral expenses incurred on the death of an Insured Person who is at the time of death in receipt of a benefit under this Policy, an amount equivalent to one (1) week's Total Disability benefit being paid to You in respect of the Insured Person.

## 2.5 Homemaker Assistance Benefit

- 2.5.1 Subject to 2.5.2, if an Insured Person's Spouse who performs Homemaker Duties and is not in receipt of any income, suffers an Injury or Sickness lasting for twenty four (24) consecutive hours or more, We will pay for Homemaker Assistance to aid the Spouse in performing their Homemaker Duties, provided that:
- no such benefit payments have ever been made in respect of the Spouse under this Policy;
  - such benefit payments are not payable to any family members, relatives or any other person permanently living with the Insured Person or their Spouse;
  - such Homemaker Assistance is not related to the provision of medical or nursing care support or treatment;
  - such benefit payments are not payable under any other provision(s) of this Policy;
  - the Insured Person's Spouse is certified by a Medical Practitioner as continuing to be unable to perform their regular Homemaker Duties;
  - the Insured Person must provide Us with written proof that he or she has incurred expenses in obtaining Homemaker Assistance (for example receipts or invoices).

- 2.5.2 The benefit payable under 2.5.1 will be up to a maximum of \$200 in respect of amounts incurred in respect of any one calendar week and will only be payable up to a maximum of twenty (20) weeks.

## 2.6 Death Cover

If an Insured Person dies, We will pay You, a lump sum amount of \$20,000. No death benefit will be payable where death is caused by War, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy.

If an Insured Person's Spouse dies, We will pay You, a lump sum amount of \$5,000. No benefit will be payable where the death of the Spouse is caused by War, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy.

## Section D: General Conditions

Section D sets out the conditions that apply to the whole Policy.

### 3.1 Commencement of Cover

- 3.1.1 A person must be nominated by the Participating Employer as an Insured Person for the provision of cover if, on or after the Commencement Date, the person satisfies the Eligibility Criteria.
- 3.1.2 A person nominated by the Participating Employer will not be covered by this Policy until:
- their Participating Employer submits a prescribed application form in the approved format, containing the relevant information of the employee(s) who satisfy the Eligibility Criteria and for whom cover is to be provided;
  - We receive the Premium due for the nominated person(s).
- 3.1.3 Where a Participating Employer nominates an employee to be an Insured Person in writing, that employee will be admitted as an Insured Person on the date he or she commenced employment with the Participating Employer so long as a Premium is paid for the person. A Participating Employer must notify You of any changes to the information that has been supplied to You in relation to any Insured Person within thirty (30) days of the change(s) occurring.
- 3.1.4 In the event that a Participating Employer provides cover for less than fifty (50) Insured Persons, the Participating Employer's Monthly Premium Statement will specify the Total Disability Benefit.

### 3.2 Duties of Coverforce and Participating Employers

- 3.2.1 You or the Participating Employer must maintain records of Insured Persons' details, including their names, addresses, dates of birth, occupations, wages, dates of commencement and cessation of cover and employment, and other matters relevant to the Policy (or ensuring that such records are maintained on an employer's behalf), and must provide Us or You with such details when requested.
- 3.2.2 A Participating Employer must allow You or Us, upon reasonable notice and during normal office hours, to conduct an audit of any records the Participating Employer holds which are connected with this Policy.

### 3.3 Geographical Scope of Cover

- 3.3.1 Cover shall be provided anywhere in the world, twenty four (24) hours per day, seven (7) days per week.
- 3.3.2 If an Insured Person suffers Total or Partial Disability whilst residing or travelling outside Australia, the payment of benefits will cease six (6) months after the date of commencement of the Total Disability unless the Insured Person has permanently returned to Australia or another country acceptable to Us.

### 3.4 Cancellation Rights Under the Policy

- 3.4.1 If an Insured Person applies to You in writing to cancel the cover which applies to them, We will cancel that cover in accordance with the Insured Person's application effective from the date You received the application.
- 3.4.2 We may cancel or avoid the cover provided by this Policy where permitted by law. For example, We may do so:
- a. where the Insured Person or Participating Employer has made a misrepresentation to Us in applying for cover, or has failed to comply with a provision of the Policy, including the term relating to payment of Premium, or
  - b. where the Insured Person or Participating Employer has made a fraudulent claim under the Policy.
- 3.4.3 If the Policy is cancelled We may deduct a pro rata proportion of the Premium for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy and any government taxes or duties We cannot recover. Cover shall be provided anywhere in the world, twenty four (24) hours per day, seven (7) days per week.

### 3.5 Exclusions

This Policy does not cover Injury or Sickness directly caused by or resulting from:

1. War, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy.
2. Ionising radiation or contamination by radioactivity from:
  - i. any nuclear fuel or from any nuclear waste; or
  - ii. from the combustion of nuclear fuel (including any self-sustaining process of nuclear fission); or
  - iii. nuclear weapons material; or
3. Indirectly out of or in any way connected with nuclear, biological or chemical terrorism. Terrorism includes, but is not limited to, any act, preparation in respect of action or threat of action, designed to:
  - i. influence a government or any political division within it for any purpose; and/or
  - ii. influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.
4. Intentional self-inflicted Injury or Sickness.
5. Any of the insured events under this Policy for any time after the Waiting Period during which an Insured Person receives sick leave or other not-at-work related payments either directly or indirectly from their Participating Employer provided always that such sick leave or other not-at-work related payments have not been re-credited to the Participating Employer. If the sick leave and other not at-work related payments are re-credited to the Participating Employer this exclusion 5 will not operate. Not-at-work related payments referred to in this clause 5 do not include payments received, or yet to be received, by an Insured Person as a result of or arising out of a redundancy or termination of employment with the Participating Employer.
6. Being a pilot or crew-member of any aircraft; or engaging in any aerial activity except as a fare paying passenger in a properly licensed aircraft or as a passenger in an aircraft used as the means of transporting the Insured Person to and from their place of work.
7. Pregnancy, childbirth or miscarriage other than a complication arising from any of those conditions which requires hospitalisation in the first thirty three (33) weeks of pregnancy. No benefit shall be payable during any period of maternity leave or for any complications arising after the thirty-third week of pregnancy.
8. Any professional sporting activities.
9. A criminal act committed by an Insured Person.
10. An Insured Person suffering from any stress-related or psychiatric related condition, including but not limited to, depression, neurosis, psychosis, mental or emotional, stress or anxiety condition, physical fatigue, mental disease or associated disorders, unless the Insured Person is in receipt of workers compensation benefits for that condition.
11. An Insured Person engaging in or taking part in naval, military or air force service or operations.
12. Any Pre-Existing Sickness.

### 3.6 Takeover Terms

- 3.6.1 We agree to provide cover under this Policy for persons or groups of persons who had Previous Cover under an Agreed Previous Policy on the following conditions:
- the cover under this Policy wholly replaces the Previous Cover under the Agreed Previous Policy; and
  - the takeover cover is limited to the level of cover and type of benefit provided under the Agreed Previous Policy; and
  - We receive written confirmation from the previous insurer of the acceptance terms applicable to the transferring Insured Persons; and
  - the cover under the Previous Policy is current and in force at the date of transfer to Us; and
  - the terms for the transfer of such cover are in accordance with the takeover terms recommended by the Investment and Financial Services Association current at the time of takeover or such other terms as agreed by Us in writing at the time, but in any event We will use Our best endeavours to ensure that any group transferring cover to this Policy is not substantially worse off; and
  - We advise You of Our acceptance and the conditions of Our acceptance in writing. A person may be nominated as an Insured Person for the provision of cover if, the person satisfies the Eligibility Criteria and is At Work on the day that person is nominated as an Insured Person and the corresponding Premiums are paid by the Due Date.

### 3.7 Federal Health Insurance Legislation

We will not make a payment under this Policy if the payment would cause Us to infringe the Health Insurance Act 1973 (Cth) or the National Health Act 1953 (Cth), as amended, or any succeeding legislation in connection with health insurance.

### 3.8 Notification of Claim

- 3.8.1 The Participating Employer must notify You and in turn You must notify Us in writing as soon as reasonably possible of an event that is likely to give rise to a claim.

### 3.9 Proof of Claim

- 3.9.1 You must provide Us the relevant and fully completed claim forms together with such other information and documentation that We may require in order to consider the claim including but not limited to all relevant health certificates, medical practitioners' reports, employer reports and related evidence of the claim.
- 3.9.2 We will only consider a claim for an Insured Person if We are provided with fully completed claim forms together with all related evidence of the claim as prescribed under condition 3.9.1.
- 3.9.3 We are not responsible for any expenses incurred in providing the information and evidence required to make a claim as prescribed under condition 3.9.1.
- 3.9.4 After We have received the claim forms and the information prescribed under condition 3.9.1, We may require the Insured Person to undergo an examination by a Medical Practitioner or relevant professional of Our choice, including pathology tests, or provide further evidence. We will be responsible for any expenses incurred in establishing this additional evidence of claim. However, if an Insured Person fails to attend any pre-arranged medical examination, they will be liable to pay any fees incurred or We may elect to deduct them from the amount of any benefit We may pay.
- 3.9.5 For a Disability claim the Participating Employer and the Insured Person must provide Us records as to income, attendance at work and duties of the Insured Person's employment.
- 3.9.6 For a Disability claim, a Participating Employer or an Insured Person must authorise their Workers Compensation insurer to supply You or Us with any information that is required to determine any claim.

### 3.10 Claim Payments

- 3.10.6 We will pay all benefits to You, unless otherwise directed by You, and We will not recognise or be bound by any assignment, pledge, mortgage, encumbrance or dealing in respect of this Policy or the insurance it provides by or in respect of any Insured Person.
- 3.10.2 We will not pay a Benefit unless the relevant Insured Person undertakes any treatment recommended by a treating Medical Practitioner and continues to do so during the currency of any period of Disability. We may reduce or decline to pay Benefits where the Insured Person fails to seek or follow medical advice or treatment or a rehabilitation programme for the relevant Injury or Sickness.

- 3.10.3 For a Disability claim, We are entitled at all times at Our expense to have the Insured Person examined by a Medical Practitioner or other qualified person nominated by Us.
- 3.10.4 All amounts referred to in this Policy are in Australian Dollars and are payable in Australia.
- 3.10.5 If We are paying a Total Disability Benefit or Partial Disability Benefit to an Insured Person who is in receipt of Statutory Benefits and the Insured Person agrees to redeem or commute their Statutory Benefits entitlement to a lump sum payment with an insurer or authority then We will treat the commutation or redemption payment as Other Disability Income and offset it accordingly for the number of weeks that the commutation or redemption payment represents the payment of Statutory Benefits to the Insured Person. The number of weeks will be determined by dividing the commutation payment by the weekly Statutory Benefit that was paid to the Insured Person immediately before the commutation or redemption.

### 3.11 Subrogation

- a. If We make weekly payments under the Policy to an Insured Person, then, to the extent the Insured Person may have a cause of action for damages against any other person arising out of the Insured Event giving rise to indemnity under the Policy then We retain the right of subrogation and repayment by way of an action to be brought in the name of the Insured Person against the third party. Both You and the Insured Person must provide reasonable assistance to Us in pursuing any such right.
- b. If the Insured Person brings a claim for damages in their own name against another person arising out of the Insured Event giving rise to indemnity under this Policy and the Insured Person is successful in recovering damages against the other person then the Insured Person will repay to Us out of any such award of damages any sum they are awarded for loss of Income or economic loss for the same period during which the Insured Person received Benefits under this Policy. We will provide reasonable cooperation to the Insured Person or their legal advisers in bringing any such action.

### 3.12 Premiums Payable

The Premium will be calculated as per the Premium Rates specified in the Schedule.

### 3.13 Premium Payment

- 3.13.1 Premiums will be due to You from the Participating Employer in respect of each month during which cover applies, on the fifteenth (15th) day of the subsequent month.
- 3.13.2 Acceptance of any Premium after the due date (on a regular basis or otherwise) shall not be construed as a waiver of this condition.
- 3.13.3 No Benefit is payable in respect of an Insured Person until all outstanding Premium that is payable in respect of all Insured Persons is paid.

### 3.14 Cessation of Cover – Insured Person

All cover in respect of an Insured Person shall cease to apply on the earliest of:

- a. the date the Policy is terminated; or
- b. the date the Insured Person does not satisfy the Eligibility Criteria; or
- c. the date the Insured Person ceases to be employed by the Participating Employer, or when the person ceases to be covered under the terms of paragraph 2.3, if later; or
- d. the date that You accept an Insured Person's advice that his or her cover is to cease; or
- e. the date Premium has not been paid in respect of an Insured Person thirty (30) days after it is due to You; or
- f. the date the Insured Person attains the Benefit Ceasing Age; or
- g. the death of the Insured Person.

### 3.15 Cessation of Cover – Employer

- 3.15.1 A Participating Employer may cease to be a Participating Employer and a Participating Employer may choose to end the cover of those employees who are Insured Persons at any time by giving written notice to You, with the Insured Persons cover ending on the expiry of the period of insurance for which Premium has been paid.
- 3.15.2 100% of each Insured Person's proportion of the Premium must be paid by a Participating Employer, and 100% of a Participating Employer's employees who meet the Eligibility Criteria must be admitted as Insured Persons. If this condition is not satisfied, We may:
- a. instruct You to end a Participating Employer's participation under this Policy and the cover of the Participating Employer's employees that are Insured Persons will end on the expiry of the period of insurance for which Premium has been paid; or
  - b. refuse to pay any claim arising under this Policy in respect of an Insured Person's cover or reduce Our liability for any claim arising out of the Participating Employer's participation in this Policy.
- 3.15.3 We may terminate Our liability for any insurance for a Participating Employer for which the insurance Premiums have not been paid within thirty (30) days of the due date.
- 3.15.4 On the date the Participating Employer ceases to be a Participating Employer under this Policy ("the Cessation Date") Our liability under this Policy will be limited to the benefits that We are paying or which are payable by Us in respect of the relevant Insured Person on the Cessation Date up the end of the Benefit Period.
- 3.15.5 Our right to terminate insurance for the non-payment of Premiums will not prejudice Our right to collect Premiums for the period the insurance was in force.

### 3.16 Guarantee Period

- 3.16.1 Subject to conditions 3.15.3 and 3.20, this Guarantee Period comes into effect on the Commencement Date and will terminate two (2) years after the Commencement Date.
- 3.16.2 During the Guarantee Period You may alter the terms provided to certain Participating Employers as follows:
- increase the Premium Rate to 2.2% of an Insured Persons Income; and/or
  - increase the Waiting Period to 28 days; and/or
  - reduce the Income Replacement Ratio to 85%; and/or
  - In the event there is a cap on the weekly Income benefit reduce the level of Income Replacement Ratio and cap the maximum weekly Income benefit payable to an Insured Person.
- 3.16.3 After the end of Guarantee Period We may change the Premium Rates, but We must give You thirty (30) days prior notice of the change.

### 3.17 Non-Participating Policy

This Policy is issued in Our Australian Statutory Fund and is a non-participating policy. It has no surrender value and does not participate in any surplus arising within the Statutory Fund.

### 3.18 Maintaining Records

- 3.18.1 You will be responsible for recording Participating Employer's and the Insured Persons' relevant details, including names, gender, date of birth, state of domicile, amount of cover, premium amount, date joined Participating Employer, date ceased employment with a Participating Employer (where applicable), the date their cover commenced and ensuring such records are maintained.
- 3.18.2 Subject to Privacy Laws, You and the Participating Employer will allow Our nominated representative, upon reasonable notice and during normal office hours, to conduct an audit of Your records in relation to this Policy. In doing so, We will endeavour to minimise any inconvenience to You. We may make copies of any relevant records and take them away. We may exercise this right regardless of the termination of this Policy for a period of two (2) years after termination or until final settlement of all claims made under the Policy, whichever is the later.

### 3.19 Supply of Information and Evidence

You must do everything appropriate to enable compliance within a reasonable time with any of Our reasonable requests for information and evidence in connection with this Policy. Any inadvertent error or omission on the part of either party shall not relieve the other party from any liability which would attach under this Policy, provided that such error or omission is rectified as soon as possible after discovery. Such rectification shall include payment for any loss incurred by the other party as a consequence of the error or omission.

### 3.20 Variation

Subject to condition 3.15.3 We must inform You of any change to the Premium Rate thirty (30) days in advance of that change occurring.

### 3.21 Government Charges

As any new, or increase in, government charges, duties or taxes is beyond Our control, We may adjust the Premium Rates in line with such introduction or increases, or We may pass such charges, duties or taxes on to Participating Employers directly. These include, but are not limited to, State or Territory stamp duties.

### 3.22 Duty of Disclosure

You have a duty to inform Us of any information that You know or could reasonably expect to know is relevant to Our decision to grant insurance. This duty excludes information that reduces Our risk or is common knowledge that We know or ought to know in the ordinary course of business. Any failure to disclose relevant information may result in reduction or non-payment of a benefit.

### 3.23 Privacy Statement

The Privacy Act 1988 ("the Act") sets out a number of principles that we must comply with in the collection, security, storage, use and disclosure of personal information. These principles are known as the Australian Privacy Principles. The following information is provided to you in accordance with these Principles. The organisation collecting information about you is Hannover Life Re of Australasia Ltd. ("HLRA"). Our contact details are shown below. The information we collect will be used to assess and process your claim. The information may also be used if you apply for insurance from us. The information we collect may be disclosed to other organisations, including but not limited to, medical and legal practitioners, health service providers, other insurance or reinsurance companies including our parent company, legal tribunals, investigation organisations and interpreters. If you fail to provide us with all or part of the information we require, we will be unable to assess and process your application or claim. If you would like further information, please refer to our Privacy Policy Document available on request or go to [hannover-re.com/1094181/australia\\_lh\\_privacy](http://hannover-re.com/1094181/australia_lh_privacy):

- > how we collect, use and disclose your personal information;
- > how you may request access to, or correction of, your personal information that is held by HLRA; and
- > making a privacy complaint about the handling of your personal information and how your complaint will be dealt with by HLRA.

### 3.24 Special Conditions

Cover is subject to the Special Conditions, if any, in the Participating Employers Monthly Premium Statement.

### 3.25 Notices

We will issue notices to the address specified in the Schedule as the registered address for notices.

### 3.26 Governing Law

This Policy is subject to the laws applying in New South Wales and the jurisdiction of the courts in New South Wales. Payments under this Policy will only be made, if permitted by, and in accordance with such laws.

For more information

➤ 1 3000 COVER  
➤ [coverforce.com.au](http://coverforce.com.au)

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