



**Love is.
Wanting to
be the best
you can be.**

Westpac Protection Plans
Enhancements Guide.



Love is.
Open ears.
Dotted i's.
Crossed t's.
And knowing
they'll come
back to see
you next time.

Reading this guide.

The icons below have been used in this guide to highlight the insurance products that have been impacted by these enhancements.

TL

Westpac Term Life

TLS

Westpac Term Life as Superannuation

TPD

Westpac Standalone Total and Permanent Disablement

LI

Westpac Standalone Living Insurance

IP

Westpac Income Protection

IPP

Westpac Income Protection Plus

BOH

Westpac Business Overheads

Love is.

When things change for the better.

We're excited about the changes we've made to Westpac Protection Plans. We hope you will be too!

We've been listening to what you and your clients want, and now we're delivering it. We've introduced new benefits, enhanced existing benefits, improved our processes, underwriting rules, and developed a new range of sales support materials to help you.

All this should make it even easier for you to sell Westpac Protection Plans to new clients, and at the same time continue to meet the needs of existing clients.

We believe these changes will make us even more competitive and strengthen our position as a life insurance market leader.

Unless stated otherwise, the changes in this guide will automatically apply immediately for applications received after 19 October 2009, and for current policies issued after 28 April 2006.

Brand spanking new.

We're introducing new benefits to make our life insurance even more attractive to your clients.

Loyalty Benefit



To say thank you to your clients for holding their policy with us for three years, for no additional premium we will:

- increase the sum insured on lump sum benefits by 5%
- add a \$50,000 Death Benefit to income products.

We believe this benefit will help assist your clients in understanding the importance of retaining their insurance, which is good for you, your client and us!

Policies issued prior to October 2009 will keep the Continuity Discount if it currently applies to those policies. This is a 2% discount on premiums for lump sum and income products commencing in the second year, increasing by 2% annually to a maximum of 10% discount. These policies will also become eligible for the Loyalty Benefit if they are still in force three years from 19 October 2009.

Policies issued from 19 October 2009 will not be eligible for a Continuity Discount.

Children's Benefit



This new policy pays a lump sum if an insured child dies from or suffers one of a range of specified children's medical events. This policy is available to clients who hold a Westpac Protection Plans Policy (excluding Business Overheads).

By helping relieve financial stresses, this benefit could help your client take time off work to care for an ill child, or help with expensive medical treatments.

This benefit has been developed and introduced in direct response to planner feedback.

Superannuation Contribution Option



This benefit allows clients to insure all their superannuation contributions by covering up to 80% of their monthly earnings. This was previously capped at 75%.

This means, if your client becomes totally disabled, they will be able to continue to contribute to their superannuation fund at the same rate they were prior to disablement.

Example

An Insured Person who has an annual income of \$100,000, and makes superannuation contributions of 9% (superannuation guarantee amount) equating to \$9,000. Their total annual earnings are therefore \$109,000. The insured monthly disability benefit can be calculated as follows:

	Annual income calculation	Additional Superannuation amount	Maximum insured monthly disability benefit
Without Superannuation Contribution Option	$75\% \times 109,000$	0	= \$6,820
	$= 81,750/12$	0	
	= \$6,812.50		
With Superannuation Contribution Option	$75\% \times 109,000$	$25\% \times 9,000$	= \$7,000
	$= 81,750/12$	$= 2,250/12$	
	= \$6,812.50	= \$187.50	
		<i>Income ratio</i>	$= 7,000 \times 12/109,000$
			= 77.06%

Advancement Benefit – new conditions



Early Stage Melanoma

We have added 'early stage melanoma' to the conditions covered by the Advancement Benefit. We will pay 25% of the Living Benefit up to a maximum of \$100,000.

The definition of 'early stage melanoma' is:

- The presence of one or more malignant melanomas which are both less than 1.5mm Breslow thickness and less than Clark level 3 depth of invasion, confirmed histologically by biopsy.
- The malignancy must be characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.

This condition was previously excluded.

Loss of use of single limb

We have added 'the loss of use of a single limb' as a condition covered by the Advancement Benefit. We will pay 25% of the Living Benefit up to a maximum of \$100,000

Living Benefit – new conditions



We have broadened the range of medical conditions covered by the Living Benefit by adding:

- intensive care
- bacterial meningitis
- meningococcal septicaemia.

A full definition of each condition is given in the Medical Glossary of the Product Disclosure Statement and Policy Document.

TPD Benefit Continuation



To provide for the increasing numbers of people working past the age of 65, we have introduced the TPD Benefit Continuation.

This means that if your client is still working full time after age 65 in a class A occupation, we will offer to continue the TPD Benefit under an 'Any Occupation' definition. This offer will be made on the review date prior to the client's 65th birthday. The maximum sum insured under the 'Any Occupation' definition is the lesser of:

- five times annual income, or
- \$1 million.

Previously, on the review date prior to the 65th birthday all definitions within TPD Cover converted to General Cover.

Income Protection Continuation Benefit



To provide for the increasing numbers of people working past the age of 65, we have introduced the Income Protection Continuation Benefit.

This means that if your client is still working full time after age 65 in a class A or AA occupation, we will offer to continue their Income Protection or Income Protection Plus policy. This offer will be made on the review date prior to the client's 65th birthday.

The continued policy will:

- only pay benefits relating to:
 - Total Disability Benefit
 - Specified Injury Benefit
 - Waiver of Premium Benefit
- have a 90 day waiting period
- have a two year benefit period
- have a maximum monthly benefit of \$20,000
- be issued on an indemnity basis (pre-disability monthly earnings will be taken as the monthly earnings in the 12 month period immediately preceding the commencement of total disability).

Previously, Income Protection and Income Protection Plus policies ended on the review date prior to the 65th birthday.

Extreme makeover.

We have enhanced existing benefits and definitions to make our life insurance more competitive in the market place.

Total and Permanent Disablement (TPD) definition – ‘General Cover’



To cover a more diverse range of clients, the ‘General Cover’ TPD definition can now be selected at application. This is in addition to the existing definitions of ‘Any Occupation’, ‘Own Occupation’ and ‘Home Duties’.

For ‘General Cover’, total and permanent disablement means the insured person has suffered either:

- a loss of independent existence

the total and permanent loss of use of two limbs, loss of use of one limb and sight in one eye, or sight in both eyes.

Interim Cover now includes sickness



We have dramatically expanded Interim Cover by adding events caused by sickness*. Previously, Interim Cover only covered accidents.

This allows you to complete cover immediately. In fact – this is a Mortgage Secure level of cover as soon as the applicant has signed the form!

Funeral Advancement Benefit



We have increased the amount we will advance under the Funeral Advancement Benefit to 10% of the Death Benefit up to a maximum of \$25,000.

Previously, this was \$10,000.

Financial Planning Benefit



We have increased the amount we will pay under the Financial Planning Benefit to \$5,000.

Previously, this was a set benefit of \$1,500.

Future Insurability Benefit – new business event



We have introduced Loan Guarantee as a new business event within the Future Insurability Benefit.

If your client has a Death Benefit designed to cover a business loan in the event of their death, and the value of the loan increases, they can apply to increase their Death Benefit without providing any medical evidence.

The minimum increase is \$25,000 and the maximum increase is the lesser of:

- \$500,000
- 25% of the original Death Benefit, or
- an increase which is proportionate to the increase in the value of the loan.

The maximum of all increases for Business Events has risen to \$2 million.

*Pre-existing conditions that existed prior to, or at the time of application are excluded.

Living Benefit – Major organ transplant



We will pay the full Living Benefit if a client is placed on an official Australian hospital waiting list for at least six months to undergo an organ transplant from a human donor.

This was previously included under the Advancement Benefit and paid 25% of the Living Benefit up to a maximum of \$50,000.

Advancement Benefit – increased benefits



Carcinoma in situ of female organs and Prostate cancer (T1a, T1b and T1c)

We have doubled the maximum we will pay for 'Carcinoma in situ of female organs' and 'Prostate cancer' under the Advancement Benefit. We will now pay 25% of the Living Benefit up to a maximum of \$100,000.

Previously, this was up to a maximum of \$50,000.

Angioplasty

We have increased the maximum we will pay for 'Angioplasty – single or double vessel' under the Advancement Benefit. We will now pay 20% of the Living Benefit up to a maximum of \$40,000. Previously, this was 15% of the Living Benefit up to a maximum of \$30,000.

Living Reinstatement Option – expanded cover



We will now pay 10% of the Living Benefit up to a maximum of \$50,000 if a claim under the reinstated cover is to the same as, or related to, the original medical event.

Previously, related events and conditions were excluded.

TPD Partial Benefit



We have doubled the maximum we will pay for the TPD Partial Benefit.

We will now pay 25% of the TPD Benefit up to a maximum of \$500,000.

Previously, this was up to a maximum of \$250,000.

Offsets – occupational categories AA and A



We have changed our approach to offsets for occupational categories AA and A.

We have removed any offsets for sick leave, so your clients can rest assured that if they're entitled to both, we won't reduce your monthly benefit.

Total and Partial Disability Benefits may be reduced, or recovered from the client, if any amounts are paid by regular payments from an existing superannuation fund, or another existing insurance policy only if that policy was not disclosed to us before we issued the Policy.

Previously, these benefits were also reduced, or recovered from the client, if any amounts were recoverable from common law payments relating to sickness and injury.

Increased entry age limits



To provide for the ageing workforce, we have increased the maximum entry age for Income Protection and Income Protection Plus for occupation classes B, C and E to 59.

Previously, it was 54.

Crisis Benefit – new conditions



We have dramatically extended the list of events covered by the Crisis Benefit from 8 to 39. The complete list of events now includes:

Advanced diabetes	Loss of limbs
Alzheimer’s disease and other dementias	Loss of speech
Angioplasty – triple vessel	Major head trauma
Aortic surgery	Major organ transplant
Aplastic anaemia	Medically acquired HIV
Benign brain tumour	Meningitis
Blindness	Meningococcal septicaemia
Cancer (malignant tumour)	Motor neurone disease
Cardiomyopathy	Multiple sclerosis
Chronic liver disease	Muscular dystrophy
Chronic lung disease	Occupationally acquired HIV
Coma	Open heart surgery
Coronary artery bypass surgery	Paralysis
Encephalitis	Parkinson’s disease
Heart attack	Pneumonectomy
Heart valve surgery	Pulmonary hypertension
Intensive care	Severe burns
Kidney failure	Severe rheumatoid arthritis
Loss of hearing	Stroke
Loss of independent existence	

A full definition of each condition is given in the Medical Glossary of the Product Disclosure Statement and Policy Document.

Specified Injury Benefit – new conditions



We have added ‘fracture of the wrist’ and ‘fracture of the ankle’ to the list of events covered by the Specified Injury Benefit. The fracture of the ankle has a payment period of two months, and the wrist one month.

Love is.

Making sure the price is right.

Increased staff discount



We have increased the staff discount for Westpac Group employees to 20%, with no change to the staff commission rates.

Previously, this was 10%.

This change applies to all new and existing staff policies.

For all existing staff policies, the new staff discount will be effective from the policy anniversary on or after:

- 1 March 2010 for policies that are issued on a PDS dated on or after March 1998
- 1 June 2010 for policies that are issued on a PDS dated prior to March 1998.

Increased large sum insured discounts



We have increased the premium discount available for large sums insured to help you attract clients with higher value policies.

For Term Life and Term Life as Superannuation (Death Benefits), we have increased the discount to 35% for cover with a sum insured of \$1 million or more. Previously, the discount was 30%. We will pro rata this discount for cover with a sum insured between \$500,000 and \$1 million.

For Term Life (Living Benefits) and standalone Living Insurance, we have increased the discount to 17.5% for cover with a sum insured of \$500,000, and to 20% for cover with a sum insured of \$1 million or more. Previously, the discounts were 12.5% and 15% respectively. We will pro rata these discounts for cover with a sum insured between \$250,000 and \$500,000, and for cover with a sum insured between \$500,000 and \$1 million.

These changes applies to policies that are issued on a PDS dated on or after April 2006, and will be effective from the policy anniversary on or after 1 March 2010.

Income Protection premium



We have not changed our premium rates for income products for over seven years, despite continued enhancements being made to the products over that time. To ensure that our premium rates are sustainable, we have reviewed the premium rates for our income products. As a result, we have increased the premiums for our income products (with the exception of Accident Benefits) by 5%.

This change applies to all new and existing Income Protection, Income Protection Plus and Business Overheads policies.

For existing policies, the premium increase will be effective from the policy anniversary on or after:

- 1 March 2010 for policies that are issued on a PDS dated on or after March 1998
- 1 June 2010 for policies that are issued on a PDS dated prior to March 1998.

A smoother journey.

We've made some changes to improve the application, underwriting and commission payment process.

LIME enhancements

We have enhanced our online application and underwriting engine, LIME, to make it easier for you to do business with us:

One Personal Statement for multiple applications

Save time by using the new Personal Statement for multiple applications. For example, clients that apply for a Term Life policy and Living Insurance can submit a Personal Statement for WPP and then reuse it for their SuperWrap or Wrap policies as well. Both Applications need to be signed and submitted, however you will no longer be required to re-enter this information.

Improved communication with planners

Once you submit an application through LIME, you will immediately receive a summary of the application's outcomes and the next steps (Personal Statement Summary). This will include premiums to be charged and if your client is eligible for immediate cover. If they are not eligible, any requirements exclusions/loadings applicable will also be shown.

Easier to find what you need

We have introduced new functionality to the Navigation Menu. It is now possible to 'expand', 'collapse' and 'return to current section' of the application.

The image shows two screenshots of the LIME Navigation Menu. The left screenshot shows a menu with items like 'Policy Owners: Lump Sum', 'Address', 'Payment Details', 'Beneficiaries: Term Life', and 'Adviser Details & Medical Tests'. A red circle highlights the 'Navigation Menu' header, which contains three icons: a plus sign, a minus sign, and a refresh icon. A legend to the right explains these icons: a plus sign for 'Expand All.', a minus sign for 'Collapse All.', and a refresh icon for 'Return to current section - this feature refreshes the navigation highlighting the section currently opened on their screen.' The right screenshot shows a more detailed menu with sections A through N. Section N, 'Employment', is highlighted in blue and has a red circle around it. Below 'Employment', there are sub-sections: 'General', 'Brief', 'Detailed', and 'Employment Duties'. The 'Detailed' sub-section is highlighted in blue. A red line connects the legend's refresh icon to the refresh icon in the right screenshot's 'Navigation Menu' header.

To easily see which sections have been completed, colour coding has been introduced to the Navigation Menu:

- White indicates that the section/page is incomplete
- Blue indicates that the parent question is complete but sub sections are incomplete
- Grey indicates that the section/page is complete.

Enhanced quote reporting

We have expanded the existing compare quote functionality to enable you to produce a report which summarises all of the quotes and shows the mandatory medicals required for these quotes.

Less revised terms

Adviser added health loadings will be carried through to the application to reduce the need for revised terms. If, after the completion of the underwriting assessment, the premium is no more than that agreed with the client, then the policy will be issued. Hence alleviating the need for revised terms.

More information about these enhancements can be found in the LIME Online User Guide on the LIME Intranet Page.

Increase the number of applications provided with immediate cover

To significantly increase the amount of policies being offered immediate cover, we have:

- introduced underwriting decisions in relation to family history such as heart attack, cancer and stroke
- removed the need for revised terms by triggering exclusions or loadings for pastimes at the time of submission. This allows the customer to sign up for the terms at the point of sale, rather than having to come back another time.

Enhancements to our underwriting rules

We are committed to continually refining our underwriting process. To make it easier to do business with us we have made the following enhancements:

- Occupation E quotes and applications are now available in LIME.
- Pursuits and pastimes rules and screens have been updated to provide further flexibility in managing pursuits.
- Enhanced financial requirements for employed and self-employed customers.

Love is.

Having the right tools for the job.

We've created a range of tools to make your job easier.

Depending on the individual client, there can be many steps in the process of selling insurance. For some, you need to tread softly while they get their head around the idea, while others will happily commit. We've tried to develop tools that can be used for both of these scenarios and every one in between.



Product Summary

This one page flyer gives a very simple snapshot of Westpac Protection Plans.



Client Guide

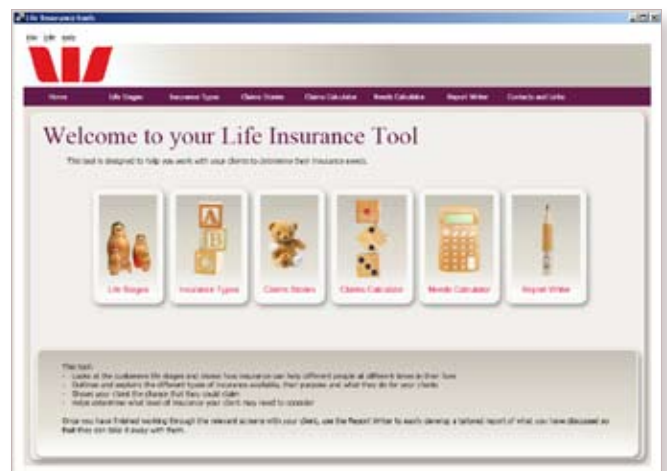
This document will help you show your clients why they need insurance. It also provides summaries of each type of cover and real life case studies.

Life Insurance Tool

This new desktop tool is designed for you to work through with your clients. It:

- looks at customers' life stages and shows how insurance can help different people at different times in their lives
- outlines and explains the different types of insurance available, their purpose and what they do for your clients
- shows your client the chance that they could claim
- helps determine what level of insurance your client may need to consider.

Once you have finished working through the relevant screens with your client, use the Report Writer to easily develop a tailored report of what you have discussed so that they can take it away with them.



Product Disclosure Statement and Policy Document

We have rewritten this document so it is much friendlier to read and easier to understand.

The PDS is a vital tool in the sales process. It provides all the details you and your clients need to understand the specifics of their Westpac Protection Plans policy.

If you would like copies of any of these, please let us know.

Visit the LIME Intranet page

Call the Planner and Adviser Relations on 1300 362 012

Ask your Business Development Manager

Love is. Knowing help is never far away.

If there's anything you can't work out, please get in touch.
We'll be happy to help.

Ask your Business Development Manager

Call the Planner and Adviser Relations Line on 1300 362 012
and speak to a dedicated consultant or arrange to talk to
Life specialists and underwriters to discuss complex issues

Visit the LIME Intranet page for user notices and updates



Important:

This information is for planner use only and is not to be given to customers. Information provided is a brief overview only. Please refer to the current Westpac Protection Plans Product Disclosure Statement and Policy Document (PDS) for full details of the policy features, benefits and conditions.

Issued by:

- For all products except Westpac Term Life as Superannuation, Westpac Life Insurance Services Limited (Westpac Life) ABN 31 003 149 157, Australian Financial Services Licence Number 233728.
- For Westpac Term Life as Superannuation, Westpac Securities Administration Limited (WSAL) ABN 77 000 049 472, Australian Financial Services Licence Number 233731, RSE Licence Number, L0001083, the Trustee of Westpac Term Life as Superannuation, which is part of the Superannuation Division of the Westpac MasterTrust SFN 281412, SPIN WFS0112AU, RSE Licence Number R1003970, ABN 81 236 903 448.