

Life Insurance

CLAIMS THE TOWER WAY

An Adviser's Handbook

EXPERTISE 
UNDERSTANDING

Dedicated service & transparent processes

TOWER focuses on returning claimants to wellness. Our experience has shown that this outcome is best achieved when claimants have an extensive support network and everyone is striving to achieve the same positive outcome.

In this way, an adviser's involvement can be instrumental to a client's recovery.

TOWER believes in transparent processes and procedures. Regardless of your level of involvement in a claim, it is important to us that you have a thorough understanding of what we do so that you are confident your client's case is in expert hands.

This handbook aims to answer any questions you might have and to outline the processes and services offered by the TOWER claims care team.

We have divided this handbook into four main sections so it's easy to use.

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Our philosophy, the team and you

Would you like to know more about TOWER's claims care team: their philosophy, how they work in partnership with advisers and their continual growth and development?

Our claims philosophy

TOWER believes in assessing all claims fairly, professionally and in a timely manner. Making a claim during a time of ill health can be both difficult and stressful, so it's important to us that all cases are handled expertly, sensitively and as quickly as possible.

The TOWER claims care team comprises dedicated case managers who act as personal points of contact throughout the management of a claim. Our case managers are highly skilled and are committed to service excellence. This is reflected in the personalised care your clients receive.

We take a holistic approach to claims and believe that each client is important, and not just a number. We offer personalised service and maintain close contact by:

- appointing a dedicated case manager to personally manage the claim
- ensuring regular contact with the claimant and adviser (where applicable) and if appropriate, treating doctors for income protection (IP), trauma and total and permanent disability (TPD) claims
- appointing (where suitable) a rehabilitation provider to assist with a gradual and sustainable return to work.

Claims management at TOWER is about creating an environment where all stakeholders including claimants, advisers and case managers have an understanding of each other's needs. Importantly, we focus on returning individuals to wellness – an approach that is intended to assist claimants in their recovery from injury or illness, and to encourage a safe and sustainable return to work.

Claims care team

We have a claims care team with over 50 members who provide the highest quality in claims service. A number of dedicated teams led by experienced service managers sit within the greater TOWER claims care team. The team comprises:

- a national claims manager
- two individual business focused retail teams responsible for managing IP, trauma, business expenses and TPD claims
- two business focused group teams responsible for managing salary continuance, trauma and TPD claims
- a death claim team specialising in all superannuation and ordinary death claims across all products
- a team of dedicated administration staff
- a data and reporting manager responsible for coordinating the validation and supply of data to TOWER's finance team, reinsurers, the board and compliance committee members
- two risk profile and review managers to prioritise all new claims, review existing claims, coach case managers and measure performance
- an onsite consultant occupational physician
- a consultant psychiatrist available on request
- a clinical psychologist
- privileged in-house legal advice
- an in-house rehabilitation consultant.

The TOWER claims care team offers professional and expert service through use of their extensive experience and a broad range of qualifications within the team. Our case managers have backgrounds in:

- business
- nursing
- physiotherapy
- law
- injury management and occupational rehabilitation
- medical research
- claims management in the wider insurance industry
- insurance.

This expertise means timely, efficient and professional service. When your client is injured or becomes ill, you can feel confident that only the highest quality claims service will be provided throughout the duration of their disability or illness, or the management of their claim.

Working in partnership with advisers

Once a case manager has been appointed to manage a claim, the individual circumstances of the claim are assessed against the terms and conditions of the policy.

Once a claim has been received, the case manager will ascertain the level of involvement you would like to have. If you select involvement (and the claimant is comfortable), the case manager will then inform you of all decisions made along the way.

We welcome adviser involvement throughout the claims process. Experience has repeatedly shown us that open communication and a proactive partnership approach encourages the best results in returning claimants to a quality of life that includes working.

TOWER adopts best practice in claims management principles. Case managers maintain regular contact with claimants and their advisers, enabling them to better understand the claimant's needs and accommodate their changing circumstances.

Claims care team training

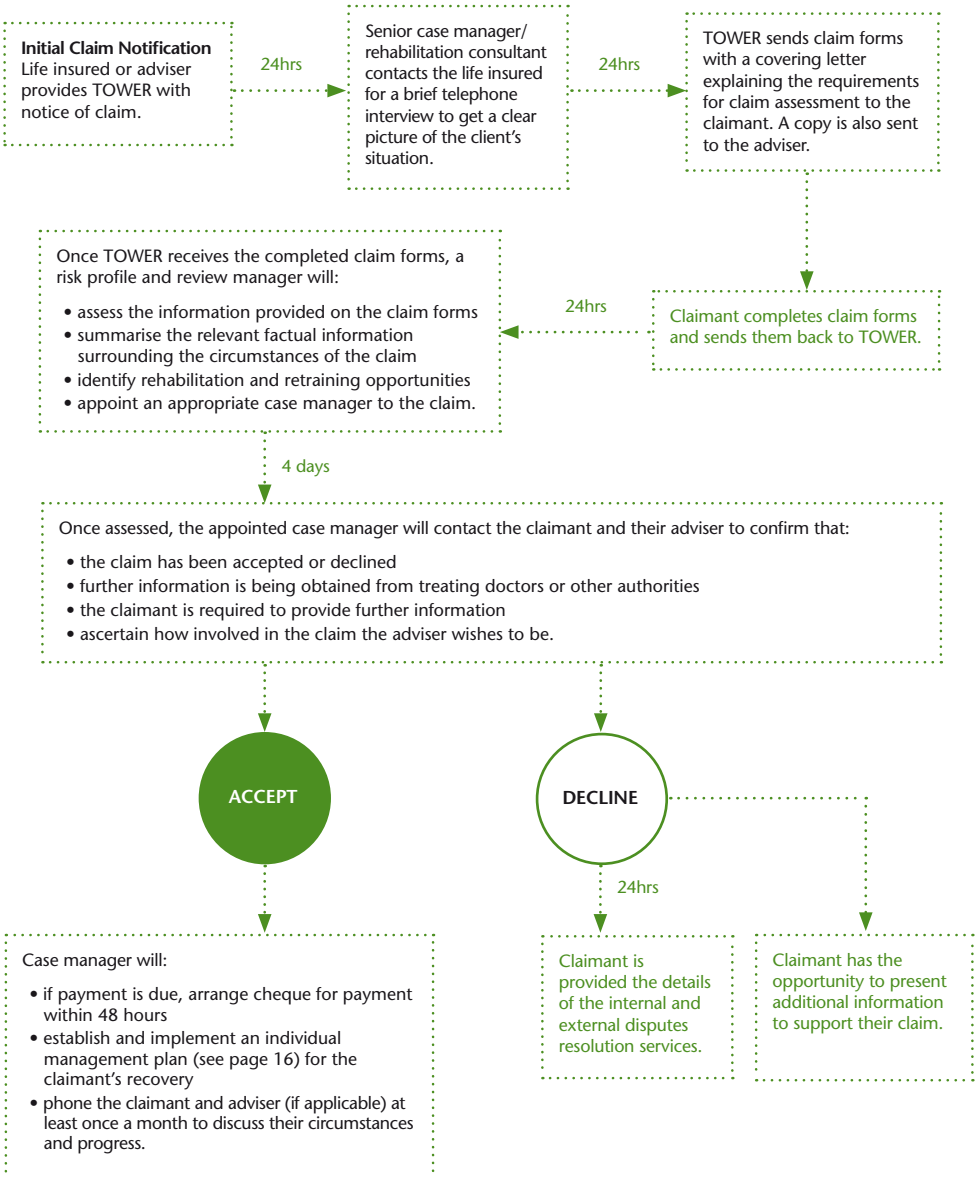
We value the importance of continual development for our staff. In order to maintain a consistently high level of claims service we have a dedicated training program that ensures all case managers stay up to date with medical advancements and any changes in the legal environment that may impact the way claims are managed.

As well as the provision of in-house training and development programs, our reinsurers have established interactive training modules that focus on acquiring, developing and utilising specific claims management techniques to assist with our claims management practices. In addition, case managers are encouraged to attend specialist claims workshops, industry forums and seminars and other relevant professional presentations.

Understanding our processes and procedures

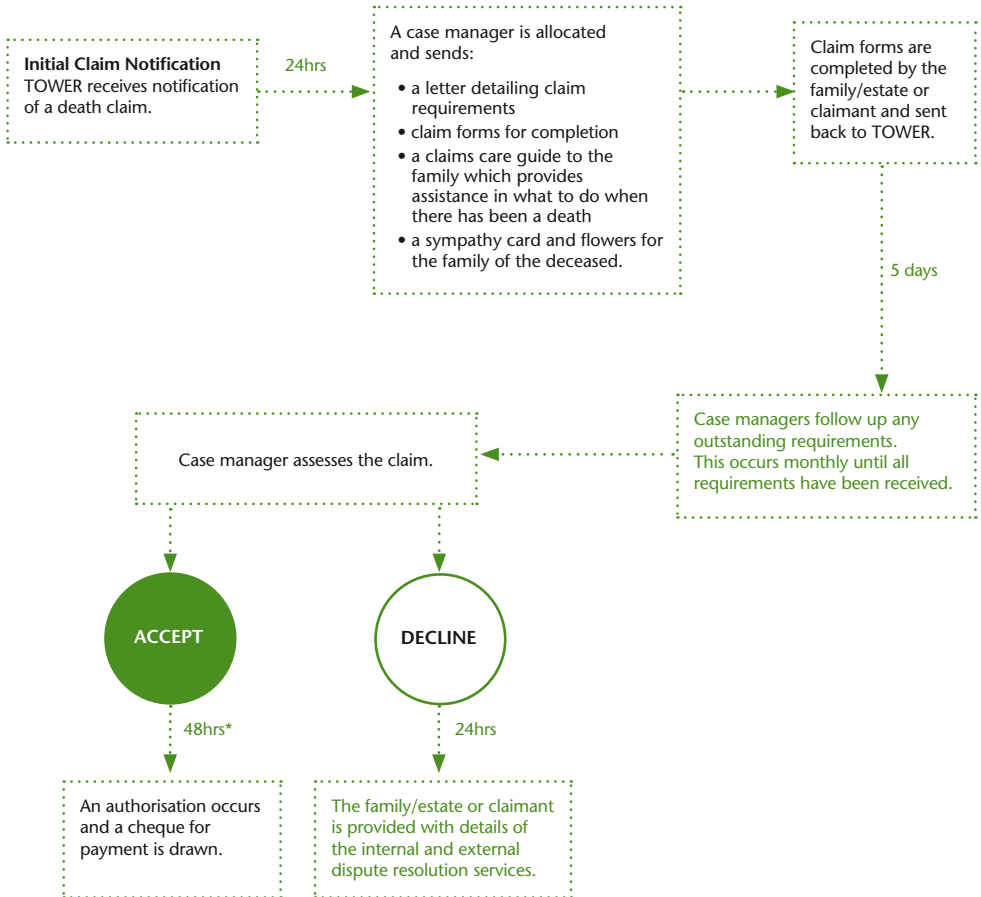
Are you curious about TOWER's
claims handling processes and
procedures across product lines,
and how we make our decisions?

Process for income protection & business expenses claims



Note: These timings are based on the claims care team service standards and we aim to deliver on these standards. Due to factors that may be out of our control or the need for additional requirements and investigation, these timings are indicative only. Where we have not provided timings we have in place regular follow ups.

Process for death, trauma and total & permanent disability claims



Note: These timings are based on the claims care team service standards and we aim to deliver on these standards. Due to factors that may be out of our control or the need for additional requirements and investigation, these timings are indicative only. Where we have not provided timings we have in place regular follow ups.

* For superannuation policies, authorisation by the trustees may delay payment for a further 48 hours. If the trustee needs to determine who should receive a death benefit, a 'claim staking' process as prescribed by legislation will take place. This process will extend the time taken to pay a claim. We will keep you informed in this instance.

Making a decision on a claim

Once all completed forms and documents have been received, a decision to either accept or decline a claim will be made. Some claims, however, are complicated and may warrant further investigations. In this case, we will immediately advise the claimant and adviser, where applicable.

The most common requests for additional information include:

- tax returns and financial statements
 - to determine the benefit payable under an income protection indemnity policy
 - where the insured has returned to work on a partial basis
 - to calculate business expense benefits payable
 - where other income is received and an offset is applicable
 - where factors other than disability may have contributed to the claimant ceasing work
- medical reports from treating doctors to confirm diagnosis, prognosis and/or treatment
- information from other parties such as employers and other insurers.

The most common reason for delaying assessment of a claim arises when there are indications that the claimant's medical history has not been fully disclosed at point of application, or their income has been misrepresented.

In order to protect the interests of all policyholders, TOWER thoroughly investigates any claim where there is reason to suspect the claimant may not have met their duty of disclosure, or their duty to act with utmost good faith.

Why claims are declined

It is not realistic to speak only of claims paid because unfortunately, some claims are not eligible for payment. At TOWER, we believe it is our responsibility to ensure you understand the circumstances in which a claim might be declined.

TOWER has an obligation to assess and pay claims in accordance with the policy terms and conditions. A decision to decline a claim is not taken lightly and we have procedures in place to ensure that all declines are handled correctly.

We do not make decisions until we are certain that we have obtained all the necessary information and claim requirements. Before declining a claim, the case manager will discuss the case with their manager, and if necessary, TOWER's legal department. As it is our policy to be transparent, we will also keep the adviser and life insured informed with the progress of the claim, including the need for any ongoing investigations.

Once it has been decided that a claim should be declined, the information is conveyed via telephone to the adviser and the life insured. Correspondence detailing reasons for the decline is then sent.

The correspondence will include details of our Internal Dispute Resolution (IDR) process and our external dispute resolution service through the Financial Industry Complaints Service (FICS). Please note that prior to approaching FICS, the complaint must have been submitted to and reviewed by our own IDR process. Legally, TOWER has 45 days to respond to a complaint but can request an extension of up to 90 days. This however, must be agreed to by the life insured.

For policies effected through superannuation (other than self managed super), clients may also approach the Superannuation Complaints Tribunal, a commonwealth government body established to resolve complaints against trustees.

It is important to remember, however, that the life insured is given the opportunity to provide more information to support their claim, which we are always happy to review.

Declining a claim – a case study

Age:

55 year old male

Policy Commencement:

July 2002

Diagnosis:

Stroke

Date of injury:

February 2006

Policy Type:

Income Protection

Monthly benefit:

\$3,500

Occupation:

Accountant

The client has family responsibilities and is the family's sole provider. As a result of the stroke suffered, the client had to cease work immediately.

TOWER found in the doctor's section of the claim form that the client had a seven year history of type 2 diabetes, raised cholesterol and hypertension. This information was not provided in the initial application.

Further medical information was requested and forwarded to TOWER's underwriting department for review. The underwriter advised that had this information been made available on the policy application, cover would not have been provided.

The claim had to be declined on the grounds of non-disclosure and the policy avoided

Claims statistics

TOWER is in the business of paying all claims that meet the terms and conditions of the policy. The following figures highlight the need for protection and prove that each premium instalment your client pays to renew their financial security represents real value.

The general reasons for these declines include:

- not meeting the policy terms and conditions
- misrepresenting income
- events being ruled out by exclusions
- misrepresentation or non disclosure of pertinent medical conditions.

2005 Claims Statistics (1/01/05 – 31/12/05)

Product	Total Paid	% Declined
Term	\$57.6 million	Less than 1%
TPD	\$13.7 million	Less than 1%
Critical Illness	\$6.6 million	Less than 1%
Income Protection	\$26.1 million	Less than 5%
TOTAL	\$104 million	Less than 8%

Note: The above TPD figures represent group and retail business, while the term figures represent group, retail and funeral plan business.

Rehabilitation and other points of difference

Are you interested in what sets
the TOWER claims care team apart
from the rest?

Individual management plans for recovery

When a claim is ongoing or long term in nature, the case manager will design and implement an individual management plan. This is an established plan of recovery that takes into account the nature of the claimant's injury or illness, medical disability benchmarks, their occupation and duties, as well as other factors that might impact their eventual return to work. This forward planning enables us to anticipate and prepare for any difficulties that may affect the claimant's recovery.

Entitlement to benefits under an income protection policy are assessed on a monthly basis with disability benefits paid according to the policy terms and conditions – either fortnightly or monthly in arrears. Benefits will not be paid for ongoing claims unless the completed progress claim forms and attending doctor's statements are provided monthly. In the case of a client's disability being permanent and unchanging we may accept progress claim forms on a quarterly basis.

The monthly receipt of claim forms allows us to monitor the progress of the claimant's condition, understand how the condition impairs their ability to work, monitor treatment, identify factors that might delay their recovery and if suitable, provide the opportunity to offer our rehabilitation services.

For claims of an extended duration we may need to request further financial and/or medical information, however, we will only request information that is reasonable and necessary to assess entitlements payable under the policy.

TOWER & rehabilitation

Rehabilitation philosophy

TOWER is committed to supporting all clients in their efforts to return to wellness and work. We recognise and understand that some people may not be able to carry out their pre-injury or illness jobs, and may need some assistance to return to work.

Our rehabilitation services offer your clients support specifically designed to make their attempts to return to work a reality.

Regardless of whether your client has a rehabilitation option built into their policy contract, TOWER's aim is to assist all clients in their recovery from injury or illness, where it is appropriate, in a supportive and encouraging environment.

Rehabilitation through TOWER costs nothing

As part of our commitment to helping your clients return to wellness, once a program is internally approved we will pay all reasonable costs associated with the rehabilitation provider.

This is a complementary service aimed at returning your clients to a quality of life that includes returning to work.

Rehabilitation services

TOWER utilises an extensive network of accredited rehabilitation providers. These are easily accessible to most claimants as they are situated in a large number of geographical locations. The rehabilitation provider works closely with a claimant to facilitate their successful recovery and eventual return to work.

TOWER's rehabilitation services include:

- coordinating and implementing return to work programs, worksite assessments and recommendations for workplace modifications
- vocational assessments to determine available job options
- labour market analysis to determine if work is available in the chosen occupation and within the local area
- job seeking programs to support clients seeking work in their pre-disability occupation or alternative occupations
- functional capacity assessments to help us understand the physical capacity required in order for claimants to work in their chosen occupation
- psychological support services for those clients with psychological injury
- retraining programs for clients unable to return to their pre-disability occupations that require training in alternative occupations.

How to access the rehabilitation program

TOWER is committed to ensuring that any clients with a desire to access our rehabilitation services (if rehabilitation is identified by TOWER to be a suitable service), are provided with this opportunity. If you have a client that you believe would benefit from rehabilitation, or expresses an interest in participating in the program, please contact the case manager looking after your client's case, or TOWER's rehabilitation consultant directly.

Rehabilitation – a case study

Age:

49 year old male

Diagnosis:

Osteo-arthritis of the feet, back and joints

Date of injury:

1999

Policy type:

Income Protection

Monthly benefit:

\$3,500

Occupation:

Builder, with additional qualifications as a gas fitter, carpenter and plumber

Reason for referral:

The claimant relocated from QLD to NSW to be with his family. His TOWER case manager and rehabilitation consultant discussed the prospect of future work, with the claimant agreeing that he wanted to work in a capacity where the symptoms of his medical diagnosis would not be aggravated. At the outset of the program, the client was certified unfit for work.

Action:

TOWER contracted a rehabilitation provider in the claimant's local area. The provider worked closely with the claimant to help him build a network of clients and trades services in the local area. The rehabilitation provider also assisted with the development of a marketing strategy for the claimant's business.

The rehabilitation provider's assistance enabled the client to access a variety of markets requiring building services, including real estate agents, the public housing trust and the private and public hospital network.

In addition, the rehabilitation provider assisted TOWER in calculating the expected rate of new business growth, therefore ensuring the case manager had an accurate estimation of the claimant's benefit entitlements.

Outcome:

Over a 12 month period the client steadily grew the business and is now financially independent of his TOWER benefit.

As a result of the rehabilitation program, the client is now self-employed and working full time. He is also in a position to develop his own property investment portfolio whilst working with an extensive network of trade personnel across both the public and private business and property sector.

Cost to TOWER for rehabilitation program: \$3,996.47

Cost to client:

\$0

Additional TOWER claims services

TOWER has a number of services that set us apart from the rest. In addition to the services already mentioned, following is a brief outline of the additional services the claims care team provides.

Grief counselling

Where identified as suitable, TOWER is able to offer grief counselling to the family of a deceased through an external professional body.

Flowers and sympathy cards

Upon notification of a death claim, TOWER sends a sympathy card and a flower arrangement to the family of the deceased.

Red envelopes

Red reply paid envelopes stamped URGENT are provided to claimants upon initial notification of a claim. This ensures that all claims are treated as a high priority when received by TOWER's mail distribution centre.

Claims care guide for the bereaved

This guide accompanies the forms and paperwork sent to customers once notification of a death has been received. It has been designed to provide useful information and to help the family members, loved ones and beneficiaries of the deceased.

Customer feedback

We are interested in finding out about your experience in dealing with TOWER's claims care team. At the end of a claim we will contact you to conduct a brief telephone questionnaire and your feedback is then utilised for training and process reviews.

We pride ourselves on the high standard of service we provide to advisers and clients alike. But don't just take our word for it; here is what some of them have had to say:

"As an adviser in the market of risk insurance, our credibility with our clients is always tested at 'claim time'. One of the primary factors that we emphasise when presenting a recommendation to our clients, is that in the event of a claim, we want the claim to be paid by the insurance company, with no questions asked, no fuss and with an experienced team of professionals. The level of service displayed by yourself and your team is a true reflection of your commitment and professional abilities."

Adviser, March 2006

I would have to say I was pleased from day one to receiving a cheque in the mail. Very efficient and prompt."

Client, April 2006

"I would like to take this opportunity to thank you for your professional manner in handling my claim, and being sympathetic to my needs and illness."

Client, February 2006

Thanks a lot for the lovely flowers which I received from you. It was a beautiful surprise."

Client, March 2006

"I would like to thank you for all you help in the rehabilitation process for myself returning to work."

Client, March 2006

"[My case manager] could not have done more for me during the claim process. She kept me informed at all times of what was being done. Once my claim was approved she made every effort to make sure I received my payment promptly into the bank. I would give her 10/10 for her effort and concern while dealing with my claim and would not think twice about recommending TOWER."

Client, April 2006

"Really happy with the service. The friendliness and the quick claims process were excellent."

Client, March 2006

Accessibility & service

TOWER prides itself on its accessibility to clients and advisers.

The TOWER claims care team is located at 80 Alfred Street, Milsons Point, Sydney. With appropriate notice, team members are available to meet with you at this location.

We also have dedicated state based contacts to assist with general claims enquiries you have. Any specific questions relating to a client's claim should be directed through the dedicated case manager.

For a copy of your state based contacts, please contact your TOWER sales consultant.

The claims toll free number is 1800 101 016. Key the extension number of the individual you wish to speak to, or follow the voice prompts to speak to an operator.

Other handy and helpful items

Would you like a reference point for information that you struggle to remember but would like to have handy?

Claim requirements tables

Specific Claim Requirements

Claim Type	Requirements
Income protection	A, E, H, I (if indemnity contract), Q
Crisis protection (trauma)	B, E, F, H, J, K
Business expenses	A, D, E, H, R
Total & permanent disability	C, E, H, J, K
Death – non-super	J, K, L, M, P, S
Death – super	K, L, N, O, P

Occasionally, additional items are required. The case manager will advise all relevant stakeholders if this applies to your client's claim.

Claim Requirements Key

A	Initial claim form for income protection claims
B	Initial claim form for trauma claims
C	Initial claim form for total and permanent disability claims
D	Business expenses claim form
E	Initial medical certificate
F	Copies of pathology/test results confirming diagnosis
G	Occupational questionnaire
H	Medicare and Pharmaceutical Benefit Scheme authority forms
I	Proof of Income – Income Tax Returns (individual and business tax returns), Profit and Loss Statement, Notice of Assessment
J	Original Policy Document including Memorandum of Transfer or Statutory Declaration of Loss
K	Proof of age (original or certified copy of birth certificate, passport or driver's licence)
L	Original or certified copy of the full death certificate showing cause of death
M	Discharge Form
N	Tax File Number
O	Dependant's Declaration
P	Certified copy of Will
Q	Photo identification (certified copy)
R	Profit and Loss Statement for each month business expenses benefits are claimed
S	Probate may be required if the sum insured is over \$50,000

Frequently asked questions

Q. How often will TOWER seek to confirm information provided at the time of application?

A. As a general rule, TOWER will seek to clarify the accuracy of all information upon receipt of the first claim.

If for any reason it is not clarified at this time, instructions will be provided to the client when the claim assessment is finalised.

Whilst this is part of our claims procedure, our commitment is to focus on progressing the claim.

Q. When wouldn't TOWER clarify all disclosures upon receipt of the first claim?

A. For example, if the life insured has returned to work at the time TOWER is assessing the claim received.

Q. Does TOWER consider income other than taxable income?

A. Yes, provided the income can be traced through legitimate business accounts. TOWER will not consider cash that cannot be traced through bank accounts or other financial records.

Q. My client splits their income with their spouse for tax minimisation purposes. How does TOWER treat this income?

A. Provided the income splitting occurs for this purpose alone, TOWER will treat this amount as an add-back.

Q. My client is self-employed, why would TOWER want their business accounts when you are insuring personal income?

A. In the case of self-employed individuals, personal income drawn from the business would be linked to the performance of the business.

TOWER would therefore wish to obtain the business accounts to confirm the source of the personal income.

The same basis would apply at time of claim for the purpose of determining earned income.

Q. How does TOWER determine the date of disability?

A. TOWER refers to the date the life insured satisfies the definition of total disablement as defined in the policy document.

An integral part of the definition states the client needs to be "under the care of a medical practitioner" that is legally qualified and registered to practice in Australia.

It is important that the client seeks medical advice as soon as possible.

Q. Why does TOWER pay benefits in arrears?

A. Benefit entitlements are assessed and paid in arrears as it is not always possible to determine benefit entitlements in advance due to the claimant's changing circumstances during a period of claim.

Q. Are premiums still payable during a claim?

A. Future premiums are either waived or refunded with the benefit payment. Past premiums, however, are not refunded.

Q. How long will it be before the claimant receives their money?

A. This will depend on when TOWER receives all of the necessary requirements.

TOWER endeavours to make all claim decisions and payments within five days of receipt of all requirements. Benefits will only be paid once liability for the claim is admitted and benefits are due.

Q. Why does TOWER sometimes request additional

A. So that the case manager can monitor the developments and progress of the illness or injury at regular intervals. It also allows us to ascertain if rehabilitation is a suitable option.

Q. Does TOWER treat a claim for \$10,000 the same as a claim for \$100,000?

A. Yes. There are set procedures in place to ensure each claim is assessed on its merits. Higher sums insured may increase the time taken in assessment as there are often other stakeholders involved in the approval process.

Request for information

Under the Privacy Act, individuals can request access to their personal (including health) information. Requests must be made in writing and include the client's signature. The 'Request for Access to Information' form is available from the claims department or at www.toweraustralia.com.au.

The National Privacy Principles (NPPs) legally set out the circumstances under which an organisation is required to release the information it retains on its clients and what constitutes 'personal information'. In responding to clients' requests we seek to apply the conditions set out under the NPPs and ensure that the appropriate consents to release information are in place. For this reason any requests received are referred to and administered by TOWER's privacy officer.

Any requests TOWER receives will be responded to within 30 days.



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