

Challenger CarePlus



For people receiving, or planning to receive, Government-subsidised aged care services

Product Disclosure Statement (PDS)
Dated 27 September 2021

Issuer
Challenger Life Company Limited
(ABN 44 072 486 938)
(AFSL 234670)

challenger 

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About this PDS

This PDS relates to two separate financial products: CarePlus Annuity (**Annuity**) and CarePlus Insurance (**Insurance**). The two separate financial products are collectively referred to as CarePlus (**CarePlus**). This PDS provides information to help you assess if CarePlus is a suitable investment for you. You should fully read this PDS before investing.

The information in this PDS is general information only and does not take into account your particular investment objectives, financial situation or needs. You should consider whether you need professional advice, particularly about taxation, retirement planning, aged care planning and investment risk tolerance before investing.

The information in this PDS is current as at the date shown on the front cover. However, some information can change from time to time. If a change is considered materially adverse, we will issue a supplementary or replacement PDS. We may also provide updates to you electronically with your agreement or via our website. For updated information about CarePlus, visit the website shown on the back cover of this PDS or consult your financial adviser. We will send you a copy of any updated information free of charge on request.

CarePlus is issued by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (**referred to as Challenger Life, Challenger, we, us, or our**) who is a member of the Challenger Limited group of companies (**Challenger Group**). Mail: Reply Paid 3698, Sydney NSW 2001. Phone: 13 35 66. Email: info@challenger.com.au.

Challenger Life is a registered life company under the *Life Insurance Act 1995* (Cth) (**Life Act**), and is regulated by the Australian Prudential Regulation Authority (**APRA**). Investments go into a secure fund along with the investments received from other annuity investors. This is known as a 'statutory fund' (**Statutory Fund**), which Challenger Life is required to maintain under the Life Act. APRA monitors the Statutory Fund's investments, the aim of which is to ensure that Challenger Life can meet payment promises to investors. If at any time Challenger Life does not achieve investment returns that are sufficient to cover all the promises Challenger Life has made to annuity investors, Challenger Life must cover the shortfall from the money Challenger Life has invested in the Statutory Fund. The regular income Challenger Life agrees to pay annuity investors is guaranteed for the chosen investment term.

Challenger Life is not an authorised deposit-taking institution for the purpose of the *Banking Act 1959* (Cth), and its obligations do not represent deposits or liabilities of an authorised deposit-taking institution in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Challenger Life. **Accordingly, unless specified otherwise, the performance, the repayment of capital and any particular rate of return on your investments are not guaranteed by any Challenger ADI.**

CarePlus will be issued only when an application in the form approved by Challenger is accepted and the money used to buy CarePlus has cleared. The invitation to invest under this PDS is only available to persons receiving this PDS in Australia and is subject to the terms and conditions described in this PDS and the Policy Documents (see pages 17 and 20). You should read these documents before investing. We reserve the right to withdraw the invitation to invest and withdraw this PDS. In the event of any inconsistency between the terms of the Policy Documents and the terms of this PDS, the terms of the Policy Documents prevail.

Who is Challenger?

Challenger has been providing financial services to Australians since 1985 and is the largest provider of annuities in the country. Our vision is to provide customers with financial security for a better retirement.

Challenger Limited is our parent company, an ASX - listed company with group assets under management of \$110 billion¹. It is regulated by the Australian Prudential Regulation Authority (APRA). To learn more about Challenger, visit challenger.com.au/about-us.

Our promise to pay you income for life is not impacted by any movements in Challenger Limited's share price.

Challenger provides reliable income to investors through its management of more than \$21 billion in assets¹.

What is CarePlus?

CarePlus is designed for people receiving, or planning to receive, Government-subsidised aged care services.

CarePlus provides fixed monthly payments for the lifetime of the person requiring aged care (to assist with the ongoing costs of care) and returns 100%² of the amount invested to their nominated beneficiaries or estate when they die.

CarePlus is comprised of two products:

- **CarePlus Annuity** (see page 5); and
- **CarePlus Insurance** (see page 7).

By investing in CarePlus, you are investing in both the Annuity and Insurance.

CarePlus may increase your Age Pension entitlements and reduce the amount you pay for aged care.

After investing in CarePlus, any Age Pension you receive may increase and the amount you pay for aged care may reduce (see page 3).

The regular income we agree to pay, and the death benefit, is guaranteed by us regardless of how investment markets perform – giving you peace of mind.

1 As at 30 June 2021.

2 If the policy owner is a resident of South Australia at the time of investment, the death benefit will equal 100% of the amount invested less the amount of state stamp duty paid by Challenger on their behalf (see page 11).

How CarePlus works

CarePlus is a secure investment – we offer a rate of return at the start of your investment and guarantee to pay it for your lifetime regardless of how investment markets perform. We also guarantee the death benefit.

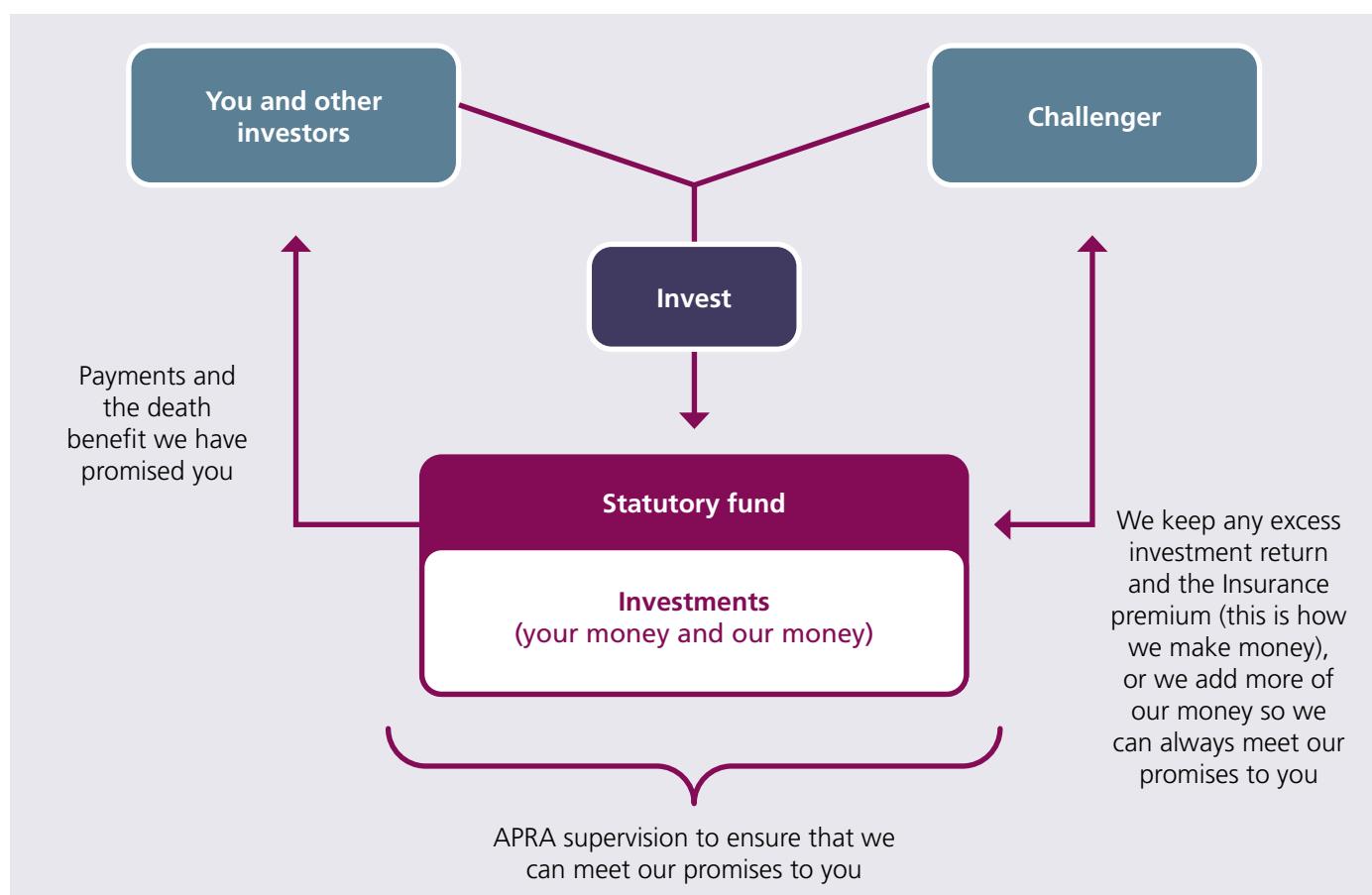
When you invest in CarePlus, your investment goes into a secure fund along with the investments received from other investors. This fund is known as the ‘statutory fund’, and all regular payments and death benefits payable to our CarePlus investors are paid from this fund. We are also required by APRA to invest our own money into the fund.

APRA monitors the statutory fund’s investments, the aim of which is to ensure that we can meet the promises that we have made to you. APRA is the authority that regulates the banking, insurance and superannuation industries. If at any time we do not achieve investment returns that are sufficient to cover all the promises that we have made to our investors, we must cover the shortfall from the money we have invested in the fund.

As at 30 June 2021, we had approximately \$3 billion of our own money invested in the funds that we manage. That’s more than enough to ensure that we could continue to cover all promises made to our investors even if a one in 200-year investment market shock event occurred.

To further protect your investment, APRA can require us at any time to invest more of our own money into the fund or tell us to change the statutory fund’s investments. The aim of this supervision is to ensure that we can meet our payment promises to you now and into the future, and is the reason why CarePlus is a secure investment.

The regular income we promise to pay you and the death benefit are not impacted by any movements in Challenger Limited’s share price.



CarePlus may increase your Age Pension and reduce the costs of aged care

After investing in CarePlus, any Age Pension you receive may increase and the amount you pay for aged care may reduce.

CarePlus achieves this because:

- when you invest in CarePlus, you receive an instant reduction in the amount of your assessable assets considered for the Age Pension assets test; and
- only part of the income you receive each year from CarePlus is assessable income for the Age Pension income test.

Your assessable assets and income may also partly determine the costs of Government-subsidised care. So a reduction in your assessable assets and income may also reduce the amount you pay for aged care.

The assessable asset and income values for your CarePlus will be shown on the CarePlus payment quote available from your financial adviser or by calling us (see back cover).

For further information on the social security treatment of CarePlus, speak to your financial adviser or visit the website shown on the back cover of this PDS.

To see if you can benefit from investing in CarePlus, speak to your financial adviser.

CarePlus can assist with estate planning

When you die, we will pay your nominated beneficiaries or estate a lump sum death benefit equal to 100%³ of the amount you invested in CarePlus.

You can nominate a single beneficiary or multiple beneficiaries to receive the lump sum amount (in equal or specified proportions).

Unlike a nomination in your Will that may be contested by family, a valid beneficiary nomination is binding on us; so you have certainty of who will receive benefits upon your death.

Nominating beneficiaries can also be beneficial if you do not want the death benefit to be held up by probate. Probate is a document issued by the Supreme Court after you pass away, which confirms the validity of your Will and legally appoints your executor. Probate can be a lengthy process and will often delay the distribution of estate assets to beneficiaries.

For further information on nominating beneficiaries, see 'Will my family receive anything back when I die?' on page 6 and 'Who will receive my Insurance benefits when I die?' on page 8.

³ If the policy owner is a resident of South Australia at the time of investment, the death benefit will equal 100% of the amount invested less the amount of state stamp duty paid by Challenger on your investment in CarePlus (see page 11).

CarePlus – two products in one

CarePlus is a combination of two separate products, which together provide the CarePlus features. By investing in CarePlus, you are investing in both the CarePlus Annuity and CarePlus Insurance.

CarePlus Annuity

Pays you guaranteed income for life, regardless of how long you live or how investment markets perform. It has a withdrawal value and a death benefit for a period based on your life expectancy.

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CarePlus Insurance

When you die, tops up your CarePlus Annuity death benefit so that your nominated beneficiaries or estate receive a lump sum death benefit that in total equals 100%⁴ of the amount invested into CarePlus.

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4 If the policy owner is a resident of South Australia at the time of investment, the death benefit will equal 100% of the amount invested less the amount of state stamp duty paid by Challenger on your investment in CarePlus (see page 11).

CarePlus Annuity features

Snapshot

- Monthly payments for life.
- Payments start a month after investment.
- Payments are guaranteed regardless of how investment markets perform.
- Only a portion of your regular monthly income will be treated as assessable income for tax and social security purposes.
- It provides a withdrawal value and a death benefit for a period based on your life expectancy.
- It provides estate planning certainty when you choose who receives the death benefit.

	The summary	The detail
Who can invest?	Anyone aged 18 years and older receiving, or planning to receive, Government-subsidised aged care services.	<ul style="list-style-type: none"> • The minimum investment is \$10,000 (which is the combined Annuity investment and Insurance premium). • You can only buy a CarePlus Annuity if you are also buying CarePlus Insurance (see page 7). • You can only invest using non-superannuation money. • You should consider the CarePlus Target Market Determination (TMD) before making a decision about whether to invest. A copy of the TMD can be obtained from your financial adviser, by calling us or online (see back cover).
When do payments start?	The first payment is made a month after your CarePlus starts.	Payments will be made monthly around the same day of the month for the rest of your life. Payments will be paid by electronic transfer to your bank, building society or credit union account.
What interest rate will I receive?	We offer competitive payments based on your age, sex and current investment market conditions.	<p>You can request a payment quote from your adviser or by calling us (see back cover). Quotes are generally valid for 14 days – so you have time to consider if CarePlus is a suitable investment for you.</p> <p>We guarantee the amount of your regular income at the start of your CarePlus and agree to pay the regular income monthly for your lifetime. The monthly income you receive is fixed and will not change.</p> <p>Only a portion of your regular monthly income will be treated as assessable income for tax (see page 13 for more information) and social security purposes.</p>
Can I withdraw if my circumstances change?	Yes. While you should only invest in CarePlus if you plan to keep it for life, CarePlus Annuity has a withdrawal period based on your life expectancy where you can ask to be repaid a lump sum amount if your circumstances change.	<p>For example, an 85-year-old female who invests can withdraw at any time during the first 7 years of investment (called the ‘withdrawal period’). The withdrawal period that will apply to you is shown on your payment quote available from your adviser or by calling us (see back cover).</p> <p>The maximum withdrawal value starts at 100% of the amount you invest in the CarePlus Annuity and progressively reduces until it reaches zero at the end of the withdrawal period. The withdrawal value we pay you is impacted by the cost to us of breaking the investment and movements in interest rates between the time you invested and when you choose to withdraw. That is why it is only possible to determine the withdrawal value at the time of withdrawal. If you withdraw, your regular payments stop. How we calculate the withdrawal value is outlined in section 4 of the enclosed CarePlus Annuity Policy Document.</p> <p>If you withdraw your CarePlus Annuity, you will continue to be covered by CarePlus Insurance.</p>

The summary	The detail
Can I withdraw if my circumstances change? (continued)	<p>We have examples of withdrawal values and how they are impacted by interest rate movements in the CarePlus Additional Information Guide available online (see back cover).</p> <p>You cannot make partial withdrawals.</p> <p>After the withdrawal period has ended, your CarePlus Annuity will no longer have a withdrawal value and you will continue to receive monthly income for the rest of your life.</p> <p>Monthly income payments will stop if you withdraw your CarePlus Annuity.</p>
Will my family receive anything back when I die?	<p>If you die within the withdrawal period, we will make a lump sum payment to the beneficiaries you nominate or your estate. A valid beneficiary nomination is binding on us, so you have certainty of who will receive benefits upon your death.</p> <p>During the withdrawal period, we will pay a death benefit related to the CarePlus Annuity equal to the maximum withdrawal value. We do not pay anything related to the CarePlus Annuity if you die outside the withdrawal period. (See CarePlus Insurance for details of the amounts payable related to that policy upon your death either during or outside the withdrawal period.)</p> <p>A death benefit illustration is shown on the payment quote available from your adviser or by calling us (see back cover).</p> <p>You can nominate a single beneficiary or multiple beneficiaries to receive the lump sum amount payable when you die (in equal or specified proportions). The nomination of a beneficiary or beneficiaries can be changed by you at any time. If you do not nominate a beneficiary, if a sole beneficiary or all beneficiaries die before you, or if your nomination is invalid, the death benefit will be paid to your estate. If you nominate multiple beneficiaries and one dies before you, their proportion of the death benefit will be distributed pro rata to the remaining beneficiaries.</p> <p>By nominating a beneficiary for your CarePlus Annuity, you are also nominating a beneficiary for your CarePlus Insurance.</p>
Information for when a nomination is made under power of attorney	<p>An attorney nominating themselves as a beneficiary must have the legal authority under the power of attorney to give themselves or another person that benefit. The applicable power of attorney legislation is different in each state and territory and legal restrictions apply to the granting of benefits to attorneys and conflict transactions. Laws relating to powers of attorney are complex and can change over time. It is the attorney's responsibility to ensure that he/she has the power to make such a nomination under the relevant state or territory law. We strongly recommend that you obtain independent legal advice regarding your legal obligations and the extent of your authority.</p> <p>Where the life insured has capacity, it is recommended that the life insured makes the beneficiary nomination.</p> <p>If the nomination (or a part of the nomination) is invalid, we will consider the entire beneficiary nomination invalid and pay the whole death benefit to the life insured's estate.</p> <p>For more information, see the CarePlus Additional Information Guide, available online (see back cover).</p>
Can I add more money to my investment?	<p>No</p> <p>You cannot add more money to your CarePlus after it has started; however, you can commence a new, additional CarePlus at any time.</p>

CarePlus Insurance features

Snapshot

- There are no medical examinations required.
- Once your application is accepted by us, you are covered immediately.
- It tops up your CarePlus Annuity death benefit so that the total CarePlus death benefit equals 100%⁵ of the amount invested into CarePlus.
- It provides estate planning certainty because you choose who receives the death benefit.

	The summary	The detail
Who can buy Insurance?	Anyone aged 18 years and older receiving, or planning to receive, Government-subsidised aged care services.	<ul style="list-style-type: none"> • The minimum investment is \$10,000 (which is the combined Annuity investment and Insurance premium). • You can only buy CarePlus Insurance if you are also buying a CarePlus Annuity (see page 5). • You can only buy CarePlus Insurance using non-superannuation money. • You should consider the CarePlus Target Market Determination (TMD) before making a decision about whether to invest. A copy of the TMD can be obtained from your financial adviser, by calling us or online (see back cover).
When does cover start?	Once your application is accepted by us, you are covered immediately.	There are no medical examinations required. Once your application is accepted by us, you are covered immediately. We will pay the sum insured upon death, even if you die after one day.
What is the cost of Insurance?	There will be a premium payable based on your age, sex and current investment market conditions.	<p>You can request a payment quote from your adviser or by calling us (see back cover). Quotes are generally valid for 14 days – so you have time to consider if CarePlus is a suitable investment for you.</p> <p>The cost of Insurance is included in the total amount you invest in CarePlus (as single premium lifetime cover).</p>
What is my amount of Insurance cover?	Your level of cover (sum insured) equals the difference between the total amount you invested in CarePlus and the CarePlus Annuity death benefit.	<p>The amount you are covered for is called your 'sum insured'. While you continue to hold your CarePlus Annuity, the sum insured tops up your CarePlus Annuity death benefit so that the total CarePlus death benefit (being the CarePlus Annuity death benefit plus the sum insured) equals 100%⁵ of the amount invested into CarePlus. The starting sum insured is shown on your Investor Certificate. The sum insured will change over time.</p> <p>If you withdraw your CarePlus Annuity, your sum insured will equal the difference between the total amount you invested in CarePlus and the CarePlus Annuity death benefit at the time of withdrawal. Your sum insured will no longer change.</p> <p>Note that if you reside in South Australia, stamp duty (currently 1.5% of the Insurance premium) will be deducted from the sum insured before it is paid.</p>

⁵ If the policy owner is a resident of South Australia at the time of investment, the death benefit will equal 100% of the amount invested less the amount of state stamp duty paid by Challenger on your investment in CarePlus (see page 11).

	The summary	The detail
Who will receive my Insurance benefits when I die?	<p>We will make a lump sum payment to the beneficiaries you nominate or your estate. A valid beneficiary nomination is binding on us, so you have certainty of who will receive benefits upon your death.</p>	<p>You can nominate a single beneficiary or multiple beneficiaries to receive the lump sum amount payable when you die (in equal or specified proportions). The nomination of a beneficiary or beneficiaries can be changed at any time. If you do not nominate a beneficiary, if a sole beneficiary or all beneficiaries die before you, or if your nomination is invalid, the sum insured will be paid to your estate. If you nominate multiple beneficiaries and one dies before you, their proportion of the sum insured will be distributed pro rata to the remaining beneficiaries.</p> <p>By nominating a beneficiary for your CarePlus Insurance, you are also nominating a beneficiary for your CarePlus Annuity.</p> <p>Information for when a nomination is made under power of attorney</p> <p>An attorney nominating themselves as a beneficiary must have the legal authority under the power of attorney to give themselves or another person that benefit. The applicable power of attorney legislation is different in each state and territory and legal restrictions apply to the granting of benefits to attorneys and conflict transactions. Laws relating to powers of attorney are complex and can change over time. It is the attorney's responsibility to ensure that he/she has the power to make such a nomination under the relevant state or territory law. We strongly recommend that you obtain independent legal advice regarding your legal obligations and the extent of your authority.</p> <p>Where the life insured has capacity, it is recommended that the life insured makes the beneficiary nomination.</p> <p>If the nomination (or a part of the nomination) is invalid, we will consider the entire beneficiary nomination invalid and pay the whole death benefit to the life insured's estate.</p> <p>For more information, see the CarePlus Additional Information Guide, available online (see back cover).</p>
Can I withdraw if my circumstances change?	<p>Yes. While you should only invest in CarePlus if you plan to keep it for life, you can ask to be repaid a lump sum amount if your circumstances change.</p>	<p>You can cancel your CarePlus Insurance at any time. However, the Insurance is designed to be held for your lifetime and so you might not receive the benefits you would have, had you not withdrawn. If you withdraw, there is a penalty and the withdrawal value may be less than the premium you paid for the insurance (and the withdrawal value may be less than the amount that would have been payable upon your death).</p> <p>How we calculate the withdrawal value is outlined in section 4 of the enclosed CarePlus Insurance Policy Document.</p> <p>Note that if you reside in South Australia, stamp duty (currently 1.5% of the Insurance premium) will be deducted from the withdrawal value before it is paid to you.</p> <p>If you withdraw your CarePlus Insurance, you will still receive the regular monthly payments from your CarePlus Annuity.</p> <p>The early withdrawal value at commencement is shown on your payment quotation.</p> <p>We have examples of early withdrawal values in the CarePlus Additional Information Guide available online (see back cover).</p>
Can I buy more insurance?	No	<p>You cannot buy additional Insurance; however, you can commence a new, additional CarePlus at any time.</p>

What are the risks of investing?

All investments carry some risk. Listed below are the key risks that you should take into account when deciding whether CarePlus is right for you.

Withdrawal risk

This is the risk that if you cancel your CarePlus, you will receive back less money than you invested.

The withdrawal value of the Insurance may be less than the premium paid for the Insurance.

The withdrawal value of your Annuity will vary over time because it depends on changing factors, including how long you have held your Annuity and prevailing market rates at that time.

You should only invest in CarePlus if you plan to keep it for life.

Even so, unforeseen and extreme circumstances that might impact our ability to make payments to you can never be completely ruled out.

Risk of underinsurance

This is the risk that the sum insured might be inadequate for your circumstances.

Inflation risk

This is the risk that the real value of your regular payments and your death benefit may reduce over time as a result of inflation.

Regulatory risk

Government policies and laws may change in the future, which may impact your personal circumstances.

In such circumstances, we may be required to change the terms and conditions of your CarePlus if changes to tax or other law impact your investment, or if necessary, to comply with any law, ruling or determination of any relevant government authority.

We will generally notify you in advance of any material change to your policies before it occurs, and in any event as soon as practicable after the change. Where a change is not materially adverse to you, we will give you notice of the change no later than 12 months after the change has occurred.

Counterparty risk

This is the risk that we become unable to meet our commitments to you. However, we are subject to detailed legislative and regulatory requirements designed to ensure that this does not occur.

Challenger is regulated under the Life Act and the prudential standards made under it, which prescribe minimum capital and solvency requirements for Challenger as well as for the annuity business it writes. APRA actively supervises Challenger's compliance with these requirements, which are designed to ensure that we are able to meet our obligations to investors. For example, Challenger is required to hold at least enough capital to withstand a one in 200-year investment market shock event. APRA can require us at any time to change how we invest or tell us to invest more capital into the fund.

Fees and other costs

Apart from the premium payable for the Insurance, there are no fees or charges payable to us, although you can agree for us to pay fees on your behalf for financial advice and other services.

We may provide benefits to financial services intermediaries where the law permits us to do so. If we do, we will do so using our own money. We maintain a register of these benefits in accordance with relevant regulatory requirements. If you would like to review this register, please contact us.

No fees – how do we make money?

We simply invest the money you give us. We take the costs of providing CarePlus (including payments to a third-party administrator if applicable) into account when setting the amount of the Annuity's regular payments and Insurance premium, and we also make various assumptions about potential investment returns. If we achieve investment returns that are above the amount required to cover the promises made to our CarePlus investors, we keep the excess amount. This is how Challenger makes a profit. If we do not achieve

investment returns that are sufficient to cover all promises made to our CarePlus investors, we cover the shortfall from our own money.

Adviser service fees

We only pay fees to a financial adviser where you ask us to. **You do not have to authorise or consent to the payment of these fees.** We can only pay fees to your financial adviser where they are authorised to receive fees by their licensee.

You can authorise us to pay fees for services provided to you by your financial adviser and, in the case of the upfront adviser service fee, for facilitating the issue of CarePlus on behalf of Challenger. Where you authorise that, we will pay those fees to the Australian financial services licensee responsible for supervising your financial adviser (or your financial adviser directly if they are the licensee).

You can instruct us to pay fees (if any) as outlined in the table below. Alternatively, you can choose to pay your adviser directly. When you consent to paying a regular adviser service fee, you will be asked to reconfirm the consent on a regular basis.

Upfront adviser service fee

You can agree to us paying your financial adviser a one-off fixed-dollar fee.

If you agree to us paying an upfront adviser service fee, the amount of your regular payments will be less than if you did not agree to pay a fee. The maximum fee you can ask us to pay your financial adviser depends on your life expectancy⁶:

Your life expectancy⁶

Maximum fee per \$50,000 invested (including GST)

1 year	\$275
2 years	\$550
3 years	\$825
4 or more years	\$1,100

If you withdraw your CarePlus, or your CarePlus ceases due to death, we may require that all or part of the upfront adviser service fee be repaid to us (by your financial adviser). This is because the upfront adviser service fee is calculated on the basis that CarePlus is held for a period at least equal to your life expectancy. For more information, see the Adviser service fees section of the Policy Documents.

Any fee that you agree for us to pay will also be shown on the investment confirmation you receive after investing with us.

Regular adviser service fee

You can ask us to pay your financial adviser a regular fixed-dollar fee.

For example, if you agree to pay a regular adviser service fee of \$300 per annum (including GST), and you receive after-tax monthly regular payments of \$1,000, we will deduct \$25 (\$300/12 monthly payments). We will pay an adviser service fee of \$25 each month and pay you \$975.

The regular adviser service fee can be cancelled or varied by you at any time by telling us or your financial adviser.

Any fee that you agree for us to pay will be shown on your investment confirmation and on the annual statement we send you each year.

⁶ Calculated in accordance with Australian Government Actuary life expectancy tables and may therefore be different from what we estimate your life expectancy to be.

Stamp duty

Stamp duty may be payable depending on your state/territory of residence at the time of investment as summarised in the table below.

State of residence	ACT, NSW, NT, Qld, Tas, Vic, WA	SA
Stamp duty payable	Nil. Challenger will pay any applicable stamp duty and will not recover it from you.	Stamp duty (currently 1.5% of the Insurance premium paid) will be deducted from either the sum insured before it is paid to beneficiaries (in the case of death) or from the withdrawal value before it is paid to you (in the case of voluntary withdrawal).

Other important information

How we invest

Challenger will invest the assets of the statutory fund, subject to investment restrictions in the Life Act. Generally, the fund will be invested in cash, shares, government and corporate bonds, convertible notes, debt instruments, geared and ungeared property investments, infrastructure investments, equities and other assets. The investment objectives for the fund include to achieve consistent returns on investment and to match the cash flow in from investment returns with cash flow out to investors so that all present and future guaranteed payments can be made to all investors.

The name of Challenger's statutory fund that your money will go to when you buy CarePlus is Challenger's Statutory Fund No. 2. All references to guarantees refer to payments Challenger promises to pay under the Policy Documents.

Labour standards and environmental, social and ethical considerations

Challenger takes account of labour standards and environmental, social and ethical considerations in selecting, retaining and realising an investment through its adherence with Challenger Limited's policies related to responsible investment.

Challenger Limited is a signatory to the Principles for Responsible Investment (PRI) and aims to be a responsible investor by considering environmental, social and governance (ESG) factors when investing the assets of the statutory fund. In signing up to PRI, Challenger Limited has committed to extending ESG integration activities across its investments, as we recognise that such factors are important factors impacting investment performance over the longer term. While Challenger takes into account ESG considerations when investing the assets of the statutory fund, we do not adhere to any particular set of standards and have no predetermined view as to what constitutes such considerations, or the extent to which they will be taken into account in our investment management practices.

Further details of Challenger Limited's approach to responsible investment are set out in the Responsible Investment Policy available at challenger.com.au.

Information for non-Australian residents

As a result of an increased international focus on account holder data exchange, a number of countries have legislated that financial institutions (which includes us) identify and report certain information about the financial accounts of investors. The regimes include the United States Foreign Account Tax Compliance Act (FATCA), and the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard (CRS).

To comply with our obligations under various reporting legislation, we will provide to the Australian Taxation Office (ATO) such data as required in respect of your investment with us. This will be required if you are a US citizen or a foreign tax resident of any jurisdiction outside of Australia.

If at any time you are required to provide tax residency information to us and have chosen not to provide it, we will be required to make a report to the ATO. If we attempted to confirm your tax status with you but have been unable to do so, we may still be required to notify the ATO.

Your duty of reasonable care

Before you enter into an insurance contract, you have a duty to take reasonable care not to make a misrepresentation of what you know or could reasonably be expected to know, that may affect our decision to insure you and on what terms. You have this duty until we agree to insure you. You have the same duty before you extend, vary or reinstate the contract.

You do not need to tell us anything that reduces the risk we insure you for; or is common knowledge; or we know or should know as an insurer; or we waive your duty to tell us about.

If you do not tell us something

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

If you do not tell us anything you are required to, and we would not have insured you if you had told us, we may avoid the contract (with effect from the beginning of the contract) within three years of entering into it.

For CarePlus Insurance, if we choose not to void the contract, we may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told us everything you should have. We may only exercise this right within three years of entering into the contract.

For CarePlus Annuity, if we choose not to void the contract or reduce the amount you have been insured for, we may, at any time, vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have.

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

Tax in general

The tax information contained in this PDS only applies to individual Australian tax resident investors (who are either an Australian citizen or a permanent visa holder) and sets out our understanding of current tax legislation as at the date of this document. If you are a non-resident investor or a temporary visa holder, you should seek your own tax advice. The legislation and its interpretation could change in the future. We recommend that you seek the advice of a tax adviser before investing.

Tax when you buy CarePlus

When you buy CarePlus, stamp duty may be payable on CarePlus Insurance, depending on your state/territory of residence (see page 11). The premium paid to purchase the Insurance is not tax deductible.

There is no tax payable when you buy the CarePlus Annuity.

How Annuity payments are taxed

The regular payments you receive from the Annuity are split into two components for tax purposes: the deductible amount and the assessable amount.

The deductible amount is the amount of each regular payment that is considered to represent the return of part of your initial capital investment. This amount is tax free. The deductible amount is calculated at the time of your investment. The following formula can be used to calculate your annual deductible amount:

CarePlus Annuity investment amount

Your life expectancy⁷

The portion of your regular payments that is greater than the deductible amount is called the 'assessable amount' and is included in your assessable income for tax purposes.

The assessable amount may be subject to Pay As You Go (PAYG) withholding tax, which Challenger is required to deduct and remit to the ATO. The amount of PAYG tax deducted, if any, may be reduced by any relevant offsets and the tax-free threshold (if applicable). Note that PAYG tax deducted is not a final tax and a greater or lesser amount of tax may apply upon assessment of your annual income tax return. At the end of each financial year, we will send you a PAYG Payment Summary and tax information with details to assist you with preparing your income tax return. The withdrawal value or death benefit we pay is generally not subject to PAYG tax.

How your Insurance is taxed

We do not deduct tax from claim payments, unless required to by law. If you cancel your Insurance, any amount you receive will not be assessed as income for taxation purposes. If you were a resident of South Australia at the time of investment, stamp duty (currently 1.5% of the Insurance premium) will be deducted from the sum insured before it is paid. On death, any amount paid will not be assessed as income for taxation purposes.

Providing your Tax File Number to us

By completing a Tax File Number (TFN) Declaration, the PAYG tax deducted from your regular payments may be reduced. The TFN Declaration also allows you to apply for a tax-free threshold. You should consult your financial adviser or tax adviser to ascertain whether you are eligible to claim the tax-free threshold.

⁷ Calculated in accordance with Australian Government Actuary life expectancy tables and may therefore be different from what we estimate your life expectancy to be.

It is not an offence not to quote your TFN, but if you choose not to quote it, it may be necessary to deduct tax at the highest marginal rate (plus applicable Government levies). Your TFN will be used for legal purposes only, including providing information to the ATO so that your tax can be properly assessed. The collection of TFNs is authorised by taxation and privacy laws.

Seniors and pensioners tax offset

You might be eligible to claim the seniors and pensioners tax offset (SAPTO). The amount of the SAPTO you will get will depend on your personal circumstances. If you are eligible and wish to claim SAPTO, please complete the TFN Declaration and the Withholding Declaration.

Privacy and personal information

This section of the PDS explains how we collect, use and disclose your personal information, with further detail available in our Privacy Policy (available at challenger.com.au).

We collect, use and exchange your personal information to process your application; provide and administer your CarePlus and send you information; improve and personalise our products and services; inform you about other products and services that may be useful to you; conduct product and market research; and comply with our obligations under the law, including in respect of anti-money laundering, financial services, taxation, life and insurance laws.

We collect personal information from you and, if relevant, from your financial adviser or administrator. We may take steps to verify the information collected. Where you provide us with personal information about someone else (e.g. your reversionary beneficiary, power of attorney or related persons, including the beneficial owners connected with your investment), you must have their consent to provide their personal information to us and have shown them this 'Privacy and personal information' section of the PDS.

We will also collect personal information, which may include sensitive information, to comply with our legal obligations to assess your suitability for our products and to ensure that our products are distributed correctly.

If you choose not to provide some of your personal information to us, the following may apply (depending on the type of information):

- TFN: We may have to deduct tax at the highest marginal rate (plus applicable Government levies) from regular payments made to you.

- Bank account details: We may not be able to pay withdrawal proceeds or regular payments to you.
- Tax residency information: We may not be able to process your request, and we may be required to notify the ATO if incomplete information is provided.
- Incomplete application: We may not be able to process your application.
- Insufficient identity verification documents/records: We may not be able to process your application or make payments to you.

Disclosing your information

We disclose your information to your financial adviser. In addition, we may disclose information we hold about you if you consent to the disclosure; if the disclosure is required or authorised by law; to organisations acting on our behalf (e.g. sending your statements or providing administration services); to professional service firms that provide services to us such as legal and audit services, or data or information services; to reinsurers; to related companies; to electronic identity verification service providers, in order for identity information (about you or related persons connected with your investment) to be verified against relevant government and other databases, for the purpose of complying with anti-money laundering laws; to organisations with which we have an association and you are a member (such as National Seniors Australia); or otherwise in accordance with our Privacy Policy.

Overseas disclosure

Challenger does not currently disclose personal information to recipients in foreign countries.

However, in some cases, personal information may be used (or accessed) by third-party service providers located overseas to perform certain administrative functions in relation to your CarePlus. Challenger has reviewed these arrangements to ensure appropriate security protections are in place to protect and control the personal information of its annuitants. If you would like further information, please contact us (see back cover).

Direct marketing and opting out

From time to time, we or our related companies may contact you to tell you about other products and services that might be useful to you, including financial, superannuation, investment, insurance and funds management products and services. Please contact us (see back cover) if you do not want to receive any of this kind of marketing material.

Accessing or updating your information

You can request access to the information we hold about you or update personal information by contacting us (see back cover). If you believe your personal information has been misused and would like to make a complaint, please see the 'Complaints' section. Our Privacy Policy also contains this information, as well as further details about our handling of personal information. You can obtain a copy of our Privacy Policy at challenger.com.au or by contacting us.

Some requests may require additional verification or supporting documentation prior to processing.

Cooling-off rights

By law, you have a cooling-off right. This means you can change your mind after investing and ask for your money to be repaid (less any tax we are required to deduct from the amount invested and adjustments for interest rate and/or market movements).

To be valid, your request must be made in writing and must be received by us within 14 days from the end of the fifth business day after the day you invested. Requests should be sent to the address shown on the back cover of this PDS.

Your money will be paid back to the bank account you provided at the time of investment.

Communications

You agree that Challenger may give you any notice, document or other information required to be given to you under law (or the agreement with you) in one of the following ways (where permitted by law):

- by sending it to an email address you have provided for you or your adviser;

- by sending you or your adviser an email or other electronic communication providing a website reference or hypertext link to the notice, document or information; or
- by making the notice, document or information available on the website or such other website as notified to you or your adviser from time to time.

Information you will receive after investing

After you invest, you will be sent Investor Certificates which, together with the Policy Documents contained in this PDS, set out the relevant terms and conditions. We will also send you a Centrelink schedule for social security purposes. You should read these documents carefully and contact your financial adviser if you have any questions.

Please keep your Policy Documents and Investor Certificates in a secure place, as they are important documents. A charge may apply if you misplace these documents, as we may advertise for missing policies, and the Life Act allows us to recover some of these expenses from you.

While we take all care in producing your Investor Certificates and other investment documentation, we reserve the right to correct the documentation if we make an administrative error.

Each year, you will receive an annual statement with details of your CarePlus, including payments made over the period and other relevant information. You will also be sent a PAYG Payment Summary and tax information to assist you in completing your annual tax return.

Keeping us informed

It is important that we have the correct details for you and any nominated beneficiaries so that we can communicate with you and provide you with important information. To update your contact details, speak to your financial adviser or contact us (see back cover).

Complaints

As part of our commitment to providing quality services to our clients, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint within 24 hours or as soon as practical after receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 30 calendar days for standard complaints. Different timeframes apply for trustee, superannuation and death benefit distribution complaints. If you have a particular complaint regarding your financial product or investment, please do not hesitate to contact us by calling our Investor Services team on 13 35 66 or by writing to:

Complaints and Dispute Resolution Officer
Challenger
GPO Box 3698
Sydney NSW 2001

If you are not happy with our response or how the complaint has been handled (or if we have not responded within 30 days), you may contact the following external dispute resolution scheme:

Australian Financial Complaints Authority (AFCA)
GPO Box 3
Melbourne VIC 3001
Tel: 1800 931 678
Email: info@afca.org.au
www.afca.org.au

AFCA provides fair and independent financial services complaint resolution that is free to consumers. There are some time limits for lodging certain complaints, including those related to a death benefit. Please consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

Policy Document CarePlus Annuity

Your policy consists of two parts: this Policy Document and the Investor Certificate you receive when you invest. You should read these documents carefully and keep them in a safe place.

In this Policy Document, references to 'you' and 'your' are references to the policy owner.

Your policy is a legal contract between you and Challenger Life Company Limited (ABN 44 072 486 938) (Challenger Life) (also referred to as 'we', 'our' and 'us'). This Policy Document is deemed to be issued to you only after your valid application form is accepted by Challenger Life and the money used to purchase the policy clears. While we take all care in producing your Investor Certificate and other investment documentation, we reserve the right to correct the documentation if we make an administrative error.

Your policy is administered as part of the Challenger Life Statutory Fund No. 2 and does not share in any surplus generated by the fund.

For the purpose of this Policy Document, the policy owner is the life insured.

1. Commencement date

The commencement date of your policy will be the date that your application is accepted by Challenger Life. The first regular payment will be made a month after the commencement date.

2. Term

The policy provides regular payments for the duration of your life, no matter how long you live. Regular payments will stop when you die.

3. Regular payments

The purchase price you paid purchases the regular payments described in your Investor Certificate. The payments will be made monthly for the duration of the life insured's life. Regular payments will stop when the life insured dies.

The payments will be paid by electronic transfer to your bank, building society or credit union account. Your regular payments are fixed for the duration of the policy. The policy does not have a residual capital value.

4. Withdrawal value

4.1 Voluntary withdrawal

The policy has a withdrawal period stated on your Investor Certificate. Within this withdrawal period, the policy has a withdrawal value. The policy has no withdrawal value after the withdrawal period.

The calculation of the withdrawal value is determined by us and is dependent on movements in interest rates between the time of commencement of your policy and the time of withdrawal and may be less than the maximum withdrawal value. The withdrawal value cannot exceed the maximum withdrawal value, except when exercising a cooling-off right.

The maximum withdrawal value changes over the policy term. At commencement, the maximum withdrawal value equals 100% of your investment amount and reduces daily in a linear manner over the withdrawal period until it reaches zero at the end of the withdrawal period.

The withdrawal value will be no less than the minimum amount prescribed under the Life Act. The withdrawal value calculation may be amended to reflect legislative change.

4.2 Payment on death

The policy has a withdrawal period stated on your Investor Certificate. If you die within this withdrawal period, we will pay a death benefit to your nominated beneficiary (or beneficiaries). The lump sum payable on death will be equal to the maximum withdrawal value at the date of death described in section 4.1 of this Policy Document.

5. Withdrawal requests

Requests to withdraw must be made in writing and must be received by Challenger Life before 5.00pm on the last day of the withdrawal period. You cannot make partial withdrawals from the policy.

6. Nominated beneficiaries

You can nominate anyone to be your beneficiary or beneficiaries. Your beneficiary nomination can be changed at any time.

If you nominate a single beneficiary, upon satisfactory proof of your death within the withdrawal period, we will pay that beneficiary a lump sum. If the single beneficiary predeceases you, we will make the lump sum payment to your estate.

If you nominate multiple beneficiaries, upon satisfactory proof of your death within the withdrawal period, we will pay those beneficiaries a lump sum in the proportions you have specified, or otherwise in equal proportions. If a beneficiary predeceases you, their proportion will be distributed pro rata to the remaining beneficiaries. If all beneficiaries predecease you, we will make the lump sum payment to your estate.

Where a beneficiary nomination is made under power of attorney, that nomination will only be valid if an attorney nominating themselves and/or another person as a beneficiary has the authority under the power of attorney to give themselves or the other person that benefit.

If any part of a beneficiary nomination is invalid because the power of attorney did not contain the required authority at the time the nomination was made, the entire beneficiary nomination will be considered invalid and the lump sum death benefit will automatically be payable to the life insured's estate.

Laws relating to powers of attorney are complex and can change over time. Challenger Life reserves the right to review the validity of a beneficiary nomination at the time of a claim and before a benefit is paid under the policy. Challenger Life reserves the right to request additional documentation from an attorney or an executor to assist in its review of a beneficiary nomination.

If you have not made a valid nomination, we will pay the lump sum to your estate.

7. Claims

Challenger Life requires satisfactory proof of death before a claim will be processed.

We must receive notice of any claim for payment as soon as reasonably possible.

8. PAYG taxation

If required, Challenger Life deducts PAYG withholding tax from each regular payment as prescribed by relevant tax legislation.

9. Other government taxes, charges or imposts

Challenger Life has the right to recover from you, by deduction from your regular payments, any stamp duty, tax or other government charges or imposts or a proportionate part thereof that may be imposed in respect of this policy or this class of business.

10. Changes in legislation

Challenger Life reserves the right to:

- adjust regular payments and tax instalments as a result of any change in the tax or other relevant legislation; and
- vary, without prior notice to the policy owner, any of the terms and conditions of the policy in order to comply with any requirements of, or as a result of, any amendments to any relevant laws or the rulings or determinations of the Commissioner of Taxation, the Australian Prudential Regulation Authority or any other statutory authority which has jurisdiction in respect of this Policy Document as a matter of law.

Challenger Life will advise you of any changes to the conditions relating to your policy as disclosed at the time of its issue in writing either in your annual statement or by other means.

11. Notices

All notices and statements sent to you will be sent by any means we determine. Any letter or notice sent to Challenger Life must be sent by prepaid post to the address set out in the current PDS for the policy or otherwise any other means determined by us. Your Policy Number must be quoted in all correspondence.

12. Continuity Certificate

Challenger Life reserves the right to request evidence to satisfy itself of your continued eligibility to receive regular payments. Every six (6) months, we may request that the life insured complete a Continuity Certificate, which must be returned to us within a reasonable period of the request being made (as determined by Challenger Life).

Challenger Life reserves the right to discontinue any regular payments where such evidence is not provided within a reasonable period. We will recover any regular payment made by Challenger Life after the date it determines that the regular payments should have ceased.

Challenger Life will also recover payments made (and may do so by adjusting future payments under the policy) in reliance on any incorrect information that is provided to Challenger Life where payments are made in excess of those that would otherwise have been made.

13. Policy cessation

Upon your death, the policy ceases. There is no pro rata of regular payments between the last regular payment date and the date of death.

Where regular payments are made after your death outside the terms of this policy, Challenger Life has the right to recover by deduction from the death benefit before it is payable to your nominated beneficiaries or estate, any monies owing to Challenger Life (owing from this policy or any other policy).

14. Lost policy

Challenger Life reserves the right to recover the costs of replacing a lost Policy Document and/or Investor Certificate, or for payment of a claim, in the event that the Policy Document and/or Investor Certificate is lost, unless prohibited by law.

15. General information

Your policy cannot be used as security for borrowing. You cannot transfer your policy.

16. Compliance

Any legislative provision or regulatory requirement that is either required to be included in this Policy Document, or must be complied with by Challenger Life, in order for the policy to qualify:

- as an annuity for the purposes of superannuation law, general law or law relating to life insurance; or
- for concessional tax treatment that applies to an exempt life insurance policy in relation to payments, receipts or other amounts recognised for income tax purposes by Challenger Life or Challenger Limited;

is deemed to be included in this Policy Document for so long as such requirement must be complied with.

17. Adviser fees

Where you agree with your financial adviser to the payment of adviser service fees, those fees will be paid by us in accordance with your consent and authorisation as notified to us. We will pay those fees to the Australian Financial Services Licensee responsible for supervising your financial adviser (or your financial adviser directly if they are the licensee).

If your Policy ceases due to death before the first policy anniversary, we will require that your financial adviser repay part of any agreed upfront adviser service fee to us. Your adviser is entitled to keep \$550 per \$100,000 invested (on a pro-rata basis).

If you cancel the policy, we may require that your financial adviser repay to us all or part of any agreed upfront adviser service fee (as determined by us).

18. Communications with us

Where we receive communications in relation to your policy, whether by fax, email or otherwise in writing, or by telephone, we will not be liable to you for any loss you may suffer as a result of a fraudulent communication received by us without your knowledge, unless that loss is a result of our negligence. We will only act on completed communications that we receive. We will not be liable to you for any loss or delay resulting from the non-receipt, or incomplete receipt, of any communication you send us.

Policy Document CarePlus Insurance

Your policy consists of two parts: this Policy Document and the Investor Certificate you receive when you purchase the Insurance. You should read these documents carefully and keep them in a safe place.

In this Policy Document, references to 'you' and 'your' are references to the policy owner.

Your policy is a legal contract between you and Challenger Life Company Limited (ABN 44 072 486 938) (Challenger Life) (also referred to as 'we', 'our' and 'us'). This Policy Document is deemed to be issued to you only after your valid application form is accepted by Challenger Life and the money used to purchase the policy clears. While we take all care in producing your Investor Certificate and other documentation, we reserve the right to correct the documentation if we make an administrative error.

Your policy is administered as part of the Challenger Life Statutory Fund No. 2 and does not share in any surplus generated by the fund.

For the purpose of this Policy Document, the policy owner is the life insured.

1. Commencement date

The commencement date of your policy will be the date that your application is accepted by Challenger Life.

2. Term

The policy provides cover for the duration of your life (unless you choose to cancel the policy), no matter how long you live. Cover ceases when you die.

3. Sum insured

The starting sum insured is shown on your Investor Certificate. The sum insured will change over time.

While you continue to hold the related CarePlus Annuity policy, the sum insured equals the difference between the amount invested into CarePlus (the combined total of the CarePlus Annuity investment and the CarePlus Insurance premium) and the CarePlus Annuity death benefit. If the CarePlus Annuity is withdrawn, the sum insured will equal the difference between the total amount invested in CarePlus (the combined total of the CarePlus Annuity investment and the CarePlus Insurance premium) and the CarePlus Annuity death benefit at the time the CarePlus Annuity was withdrawn.

The most we will pay under this policy is the sum insured.

4. Policy cancellation (withdrawal)

You can cancel the policy at any time. The termination value we pay you is subject to a minimum prescribed under the *Life Insurance Act 1995* (Cth) and prudential standards enforced by the Australian Prudential Regulation Authority. We will always provide a termination value equal to the minimum level.

To calculate the termination value, we will work out the discounted value of the sum insured based on the future probabilities of death at the time of calculation. The sum insured is discounted at a rate no more than that prescribed by law, which is currently the yield on a 10-year Commonwealth Government Security, plus 3%.

The termination value calculation may be amended to reflect legislative change.

5. Other government taxes, charges or imposts

Challenger Life has the right to recover from you, by deduction from:

- the sum insured before it is payable to your nominated beneficiaries or estate; or
- the termination value before it is paid to you, where you request to cancel the policy;

any stamp duty, tax or other government charges or imposts or a proportionate part thereof that may be imposed in respect of this policy or this class of business.

6. Recovery of monies owing to Challenger

Challenger Life has the right to recover from you, by deduction from the sum insured before it is payable to your nominated beneficiaries or estate, any monies owing to Challenger Life (owing from this policy or any other policy).

7. Changes in legislation

Challenger Life reserves the right to:

- adjust the sum insured as a result of any change in the tax or other relevant legislation; and
- vary, without prior notice to the policy owner, any of the terms and conditions of the policy in order to comply with any requirements of, or as a result of, any amendments to any relevant laws or the rulings or determinations of the Commissioner of Taxation, the Australian Prudential Regulation Authority or any other statutory authority which has jurisdiction in respect of this Policy Document as a matter of law.

Challenger Life will advise you of any changes to the conditions relating to your policy as disclosed at the time of its issue in writing either in your annual statement or by other means.

8. Notices

All notices and statements sent to you will be sent by any means we determine. Any letter or notice sent to Challenger Life must be sent by prepaid post to the address set out in the current Product Disclosure Statement for the policy. Your Policy Number must be quoted in all correspondence.

9. Claims

Challenger Life requires satisfactory proof of death before a claim will be processed.

We must receive notice of any claim for payment as soon as reasonably possible.

10. Nominated beneficiaries

You can nominate anyone to be your beneficiary or beneficiaries. Your beneficiary nomination can be changed at any time.

If you nominate a single beneficiary, upon satisfactory proof of your death, we will pay that beneficiary a lump sum. If the single beneficiary predeceases you, we will make the lump sum payment to your estate.

If you nominate multiple beneficiaries, upon satisfactory proof of your death, we will pay those beneficiaries a lump sum in the proportions you have specified, or otherwise in equal proportions. If a beneficiary predeceases you, their proportion will be distributed pro rata to the remaining beneficiaries. If all beneficiaries predecease you, we will make the lump sum payment to your estate.

Where a beneficiary nomination is made under power of attorney, that nomination will only be valid if an attorney nominating themselves and/or another person as a beneficiary has the authority under the power of attorney to give themselves or the other person that benefit.

If any part of a beneficiary nomination is invalid because the power of attorney did not contain the required authority at the time the nomination was made, the entire beneficiary nomination will be considered invalid and the benefit will automatically be payable to the life insured's estate.

Laws relating to powers of attorney are complex and can change over time. Challenger Life reserves the right to review the validity of a beneficiary nomination at the time of a claim and before a benefit is paid under the policy. Challenger Life reserves the right to request additional documentation from an attorney or an executor to assist in its review of a beneficiary nomination.

If you have not made a valid nomination, we will pay the benefit to your estate.

11. Policy cessation

Cover ceases upon your death or if you cancel the policy.

12. Lost policy

Challenger Life reserves the right to recover the costs of replacing a lost Policy Document and/or Investor Certificate, in the event that the Policy Document and/or Investor Certificate is lost, unless prohibited by law.

13. General information

Your policy cannot be used as security for borrowing. You cannot transfer your policy.

14. Adviser fees

Where you agree with your financial adviser to the payment of adviser service fees, those fees will be paid by us in accordance with your consent and authorisation as notified to us. We will pay those fees to the Australian Financial Services Licensee responsible for supervising your financial adviser (or your financial adviser directly if they are the licensee).

If your Policy ceases due to death before the first policy anniversary, we will require that your financial adviser repay part of any agreed upfront adviser service fee to us. Your adviser is entitled to keep \$550 per \$100,000 of premium paid (on a pro-rata basis).

If you cancel the policy, we may require that your financial adviser repay to us all or part of any agreed upfront adviser service fee (as determined by us).

15. Compliance

Any legislative provision or regulatory requirement which is either required to be included in this Policy Document, or must be complied with by Challenger Life, in order for the policy to qualify as life insurance for the purposes of any law, is deemed to be included in this Policy Document for so long as such a requirement must be complied with.

16. Communications with us

Where we receive communications in relation to your policy, whether by fax, email or otherwise in writing, or by telephone, we will not be liable to you for any loss you may suffer as a result of a fraudulent communication received by us without your knowledge, unless that loss is a result of our negligence. We will only act on completed communications that we receive. We will not be liable to you for any loss or delay resulting from the non-receipt, or incomplete receipt, of any communication you send us.

How to invest

You should read this PDS, TMD and the Policy Documents before deciding to invest.

Contact your financial adviser or call us for an obligation-free payment quote and application form. The regular payments we offer are reviewed and updated regularly to reflect market conditions. Your quote will generally be valid for 14 days from the date on which we provide it.

Your CarePlus will be issued once we accept your valid application, and the money you used to invest clears.

To make a valid application you must include:

1. A completed and signed application form	<p>Ensure that all relevant sections of the application form are fully completed and that you sign the application form.</p> <p>If your application form is not complete, we may not be able to proceed until the required information is received. In these situations, we will attempt to contact you and/or your financial adviser. We will hold your application money in a non-interest bearing account until we receive the required information.</p> <p>Your CarePlus will start on the day that all outstanding information is received by us (or the next NSW business day if received after 3.00pm or on a non-NSW business day). You will receive the CarePlus rates applicable at that time if your payment quote has expired.</p> <p>If all outstanding information is not received within 30 days from the day we received your application money, your money will be returned. Your money will be paid back by cheque.</p> <p>Power of attorney and other financial managers</p> <p>An attorney acting under a power of attorney can apply for CarePlus on your behalf, as can a person who has been validly appointed to manage your financial affairs. If someone is acting for you in this capacity, it is important to note that you must provide the following additional documentation with your application:</p> <ul style="list-style-type: none">• a certified copy of the grant of power of attorney or the appointment as financial manager (each page of that document must be certified); and• a reliable sample of the signature of the attorney or financial manager (such as a certified copy of a driver's licence or passport that includes a recognisable sample of the signature). <p>For information on who can certify documents, please refer to the application form.</p> <p>An attorney nominating a beneficiary must have the legal authority under the power of attorney to give themselves or another person as a beneficiary the benefit. For more information, read the information contained in this PDS and see the CarePlus Additional Information Guide, available online (see back cover).</p>
2. A valid payment quote	Contact your financial adviser or call us (see back cover) for an obligation-free payment quote. The regular payments we offer are reviewed and updated regularly to reflect market conditions. Your quote will generally be valid for 14 days from the date on which we provide it. If your quote has expired, then your regular payments and insurance premium will be calculated on the day we process your application.
3. Identity verification documents/information	In accordance with anti-money laundering and counter-terrorism financing legislation, we need verification of your identity before your CarePlus can start.
4. Provide payment (direct debit or cheque)	<p>Direct debit: You can arrange for the money to be debited from your bank account by completing the direct debit facility section of the application form. All direct debits are subject to the Direct Debit Request Service Agreement.</p> <p>Cheque: You can pay by cheque by making the cheque payable to 'Challenger Life Company Limited <insert the name of the investor>'.</p>

If your valid application and money are received in our Sydney office before 3.00pm Sydney time on a NSW business day (the cut-off time), your application will generally be processed on that day. If your valid application and money are received after the cut-off time, or on a non-business day, your application will generally be processed on the next NSW business day. We can accept or reject any application and are not required to give any reason for a refusal.

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Investor Services

13 35 66

Adviser Services

1800 621 009

By email

info@challenger.com.au

By mail

Challenger Life Company Limited
Reply Paid 3698
Sydney NSW 2001

Additional information

challenger.com.au/care