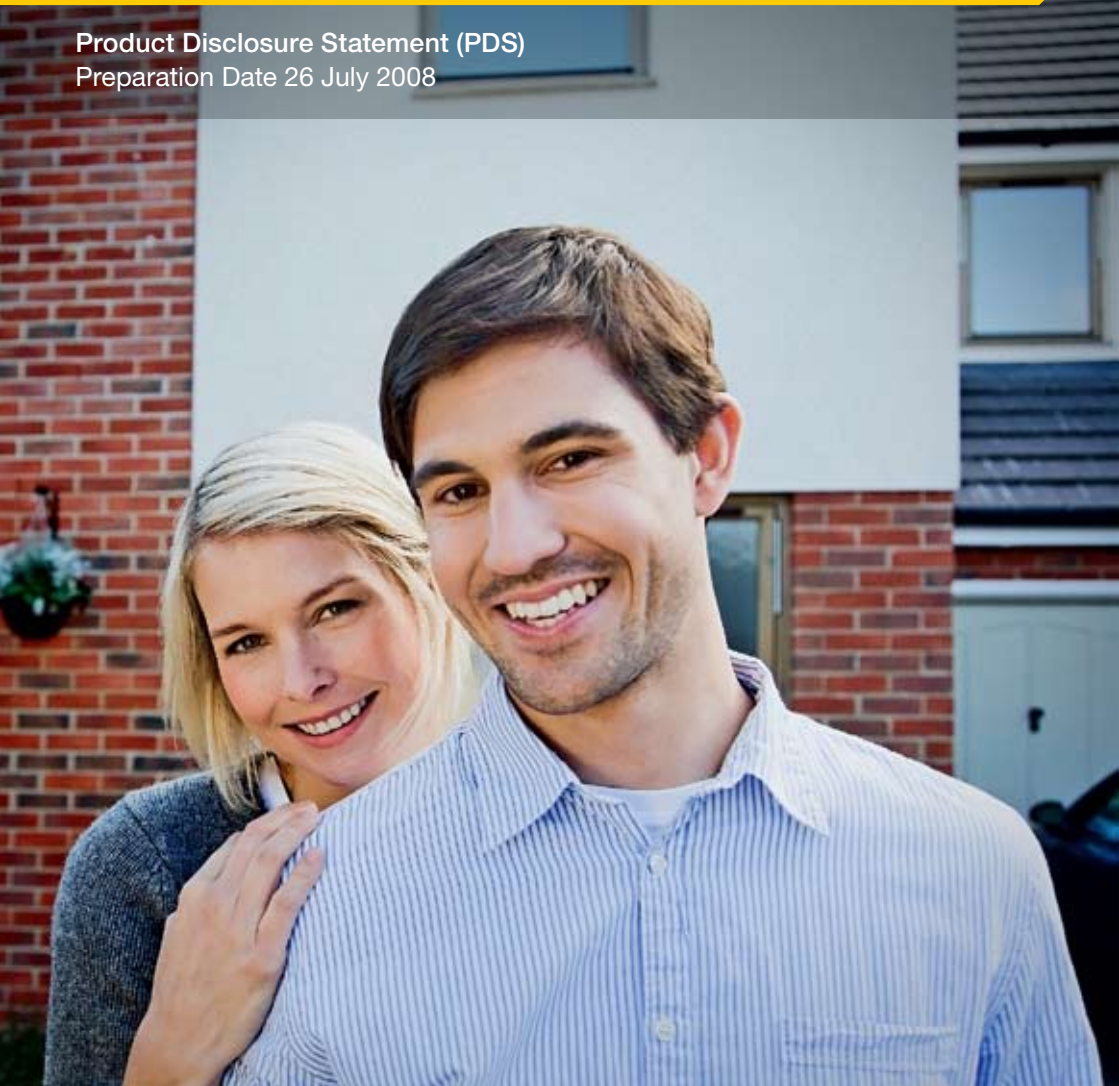


# Loan Protection

Product Disclosure Statement (PDS)  
Preparation Date 26 July 2008



**Comm**insure



### **Important information**

This Product Disclosure Statement (PDS) is issued by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (referred to in this PDS as 'CMLA', 'we', 'our' or 'us'). CMLA (the insurer) is a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124. Apart from CMLA, neither Commonwealth Bank of Australia nor its subsidiaries are responsible for any of the statements contained in this PDS. CommInsure is a registered business name of CMLA.

The Colonial Mutual Life Assurance Society Limited  
Level 7, 39 Martin Place, Sydney NSW 2000  
Phone: 13 10 56 between 8am and 8pm (Sydney time), Monday to Friday.  
Facsimile: 02 9947 4288

Commonwealth Bank of Australia and its subsidiaries do not guarantee Loan Protection.

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should assess whether the product is appropriate for you and consider talking to an adviser before making a decision.

You can only apply for this product by completing the current Loan Protection Application form.

The insurance described in this PDS is available only to persons in Australia. Applications from outside Australia will not be accepted. All references made to monetary amounts in this PDS are references to Australian dollars. All benefits are paid from, and premiums paid to, CMLA's No. 5 Statutory Fund.

While every effort has been made to ensure that the information in this PDS is reliable, the Policy Document forms the basis of the product and should be read carefully. The examples and illustrations provided in this PDS are only intended to demonstrate how certain benefits are calculated. All benefits will be determined in accordance with the relevant policy conditions. No benefits are payable unless the relevant policy conditions are satisfied.

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# Loan Protection

Loan Protection provides cover to help you meet your loan commitments should you die, become terminally ill, suffer a medical trauma or become disabled or unemployed.

Loan Protection is designed specifically for borrowers and line of credit facility account holders (whether for personal or investment purposes). It also provides valuable ongoing cover once your loan ends.

In this Product Disclosure Statement (PDS) we use the term 'loan' to refer to all of the eligible loan or line of credit products which can be covered under Loan Protection.

## Cover provided

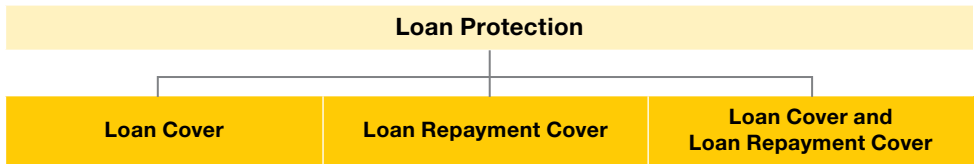
Under Loan Protection you can elect to take the following types of cover:

Cover	Benefits	What does it do?	More detail
<b>Loan Cover</b>	Death Benefit	Provides a lump sum payment to help pay off your outstanding loan balance in the event of your death.	See page 17.
	Terminal Illness Benefit	Provides a lump sum payment to help pay off your outstanding loan balance in the event of your terminal illness.	See page 17.
	Trauma Benefit	Pays 10% of your death and terminal illness cover in the event you suffer a medical trauma.	See page 18.
<b>Loan Repayment Cover</b>	Disablement Benefit	Pays a monthly benefit to help meet your loan repayments in the event of your disablement.	See page 18.
	Unemployment Benefit	Pays a monthly benefit to help meet your loan repayments in the event of your unemployment.	See page 19.

# Loan Protection

Loan Cover and Loan Repayment Cover are separate insurance cover options under Loan Protection.

You can take out a Loan Protection policy with either Loan Cover or Loan Repayment Cover or both, providing three cover options under Loan Protection:



If you choose to take out Loan Cover and Loan Repayment Cover to insure a loan, they must be taken out together on the one policy.

Together, Loan Cover and Loan Repayment Cover ensure you have cover to help you pay both your outstanding loan balance and your minimum monthly loan repayments.

## How much cover can I take out?

### Personal Loan, Business Loan or Margin Loan

When applying for Loan Cover or Loan Repayment Cover, you must insure the full amount of your loan or minimum monthly loan repayments up to \$750,000 and \$7,500 a month respectively.

### Home Loan, Line of Credit or Investment Home Loan

When applying for Loan Cover you can choose to insure 25%, 50%, 75% or 100% of your loan amount up to \$750,000. If, however, your loan amount is greater than \$750,000 (i.e. the maximum amount of cover available), the percentage of the loan amount you choose to insure will be applied against the \$750,000 maximum and not your loan amount.

For example, if your loan amount is \$1,000,000 and you choose to insure it for 50%, your loan will be insured for \$375,000 (i.e. 50% of \$750,000) and not \$500,000 (i.e. 50% of \$1,000,000).

When applying for Loan Repayment Cover, you can choose to insure 25%, 50%, 75% or 100% of your minimum monthly loan repayments, up to \$7,500 a month. For example, if your minimum monthly loan repayments are \$3,000 a month and you choose to insure them for 25%, your monthly benefit will, in the event of a valid claim, be \$750 (i.e. 25% of \$3,000) and not the full \$3,000.

If you have both Loan Cover and Loan Repayment Cover, you must insure your loan amount and your minimum monthly loan repayment in the same proportion. That is, if you apply for Loan Cover and Loan Repayment Cover and you choose to only insure 75% of your loan amount under Loan Cover, then you can only insure 75% of your minimum monthly loan repayment under Loan Repayment Cover.

### Automatic continuation of cover

Once your loan account is closed, your valuable insurance cover continues automatically under Loan Protection without having to provide further evidence of health. Any benefits that become payable are simply paid to you (or your estate) instead of being directed to your loan. See the table below.

### Summary of benefits

The benefits under Loan Protection can be summarised as follows:

#### Loan Cover

Benefit	When is it payable?	How much is paid if your loan account is open?	How much is paid if your loan account is closed?	Maximum cover available
<b>Death Benefit</b> (see page 17)	If you die.	The outstanding balance of your loan account, up to the amount of your death cover (less any Trauma Benefit paid). For example, if you are insured for \$500,000 but at the date of your death the outstanding balance of your loan account is \$400,000, then we will pay \$400,000 towards your loan if a Death Benefit becomes payable and no Trauma Benefit has been paid.	The amount of your death cover (less any Trauma Benefit paid). For example, if you are insured for \$500,000, we will pay \$500,000 if a Death Benefit becomes payable and no Trauma Benefit has been paid.	\$750,000

# Loan Protection

## Loan Cover (cont.)

Benefit	When is it payable?	How much is paid if your loan account is open?	How much is paid if your loan account is closed?	Maximum cover available
<b>Terminal Illness Benefit</b> (see page 17)	If you are diagnosed with a terminal illness.	The outstanding balance of your loan account, up to the amount of your terminal illness cover (less any Trauma Benefit paid). For example, if you are insured for \$500,000 but at the date of your terminal illness the outstanding balance of your loan account is \$400,000, then we will pay \$400,000 towards your loan if a Terminal Illness Benefit becomes payable and no Trauma Benefit has been paid.	The amount of your terminal illness cover (less any Trauma Benefit paid). For example, if you are insured for \$500,000, we will pay \$500,000 if a Terminal Illness Benefit becomes payable and no Trauma Benefit has been paid.	\$750,000
<b>Trauma Benefit</b> (see page 18)	If you are diagnosed with a covered trauma condition.	10% of the amount of your death and terminal illness cover. For example, if you are insured for \$500,000 and become entitled to a Trauma Benefit, we will pay \$50,000 (i.e. 10% of \$500,000) towards your loan.	10% of the amount of your death and terminal illness cover. For example, if you are insured for \$500,000 and become entitled to a Trauma Benefit, we will pay you \$50,000 (i.e. 10% of \$500,000).	\$75,000



## Loan Repayment Cover

Benefit	When is it payable?	How much is paid if your loan account is open?	How much is paid if your loan account is closed?	Maximum cover available
<p><b>Disablement Benefit</b> (see page 18)</p>	<p>If you become disabled.</p>	<p>A monthly amount based on the percentage of the minimum monthly loan repayment you are insured for, up to 1% of the Loan Repayment Cover Cap Amount we specify in your Policy Schedule (max. twelve months per claim).</p> <p>The Loan Repayment Cover Cap Amount is calculated by applying to your loan amount (up to \$750,000) the percentage you choose to insure your minimum monthly loan repayment for.</p> <p>For example, if the amount of your home loan is \$400,000 and your minimum monthly loan repayment (as calculated under the policy) is \$4,000, if you choose to insure 50% of this amount, we will pay \$2,000 a month (i.e. 50% of \$4,000) towards your loan if a Disablement Benefit becomes payable. In this example, the maximum benefit is also \$2,000, that is 1% of \$200,000 (i.e. 50% of \$400,000).</p>	<p>A monthly amount equal to 75% of your average monthly income in the twelve months immediately prior to claim, up to 0.67% of the Loan Repayment Cover Cap Amount specified in your Policy Schedule. Maximum of twelve months per claim applies.</p> <p>For example, if the Loan Repayment Cover Cap Amount specified in your Policy Schedule was \$300,000 and your average monthly income in the twelve months immediately preceding your claim is \$4,000, we will pay you \$2,010 a month (i.e. 0.67% of \$300,000) if a Disablement Benefit becomes payable, as this is less than \$3,000 (75% of \$4,000).</p>	<p>\$7,500 per month</p>

# Loan Protection

## Loan Repayment Cover (cont.)

Benefit	When is it payable?	How much is paid if your loan account is open?	How much is paid if your loan account is closed?	Maximum cover available
<p><b>Disablement Benefit</b> (see page 18)</p>	<p>If you become disabled.</p>	<p><b>For a loan classified as a personal loan:</b></p> <p>A monthly amount based on the minimum monthly loan repayment (the 1% limitation does not apply, however, max. twelve months per claim).</p> <p>For example, if the amount of your personal loan for which you are insured is \$10,000, we will pay the minimum monthly loan repayment (as calculated under the policy) of \$333.</p>	<p><b>For a loan classified as a personal loan:</b></p> <p>A monthly amount equal to 75% of your average monthly income in the twelve months immediately prior to the claim, up to 2% of the Loan Repayment Cover Cap Amount specified in your Policy Schedule (max. twelve months per claim).</p> <p>For example, if the Loan Repayment Cover Cap Amount specified in your Policy Schedule was \$10,000 and your average monthly income in the twelve months immediately preceding your claim is \$4,000, we will pay you \$200 a month (i.e. 2% of \$10,000) if a Disablement Benefit becomes payable as this is less than \$3,000 (75% of \$4,000).</p>	<p>\$7,500 per month</p>

## Loan Repayment Cover (cont.)

Benefit	When is it payable?	How much is paid if your loan account is open?	How much is paid if your loan account is closed?	Maximum cover available
<p><b>Unemployment Benefit</b> (see page 19)</p>	<p>If you become unemployed.</p>	<p>A monthly amount based on the percentage of the minimum monthly loan repayment you are insured for, up to 1% of the Loan Repayment Cover Cap Amount we specify in your Policy Schedule (max. three months per claim and nine months per policy). The Loan Repayment Cover Cap Amount is calculated by applying to your loan amount (up to \$750,000) the percentage you choose to insure your minimum monthly loan repayments for.</p> <p>For example, if the amount of your home loan is \$400,000 and your minimum monthly loan repayment (as calculated under the policy) is \$4,000, if you choose to insure 50% of this amount, we will pay \$2,000 a month (i.e. 50% of \$4,000) towards your loan if an Unemployment Benefit becomes payable. In this example, the maximum benefit is also \$2,000 that is 1% of \$200,000 (i.e. 50% of \$400,000).</p>	<p>A monthly amount equal to 75% of your average monthly income in the twelve months immediately prior to claim, up to 0.67% of the Loan Repayment Cover Cap Amount specified in your Policy Schedule (max. three months per claim and nine months per policy).</p> <p>For example, if the Loan Repayment Cover Cap Amount specified in your Policy Schedule was \$300,000 and your average monthly income in the twelve months immediately preceding your claim is \$4,000, we will pay you \$2,010 a month (i.e. 0.67% of \$300,000) if an Unemployment Benefit becomes payable as this is less than \$3,000 (75% of \$4,000).</p>	<p>\$7,500 per month</p>

# Loan Protection

## Loan Repayment Cover (cont.)

Benefit	When is it payable?	How much is paid if your loan account is open?	How much is paid if your loan account is closed?	Maximum cover available
<p><b>Unemployment Benefit</b> (see page 19)</p>	<p>If you become unemployed.</p>	<p><b>For a loan classified as a personal loan:</b></p> <p>A monthly amount based on the minimum monthly loan repayment (the 1% limitation does not apply, however, max. three months per claim and nine months per policy).</p> <p>For example, if the amount of your personal loan for which you are insured is \$10,000 and your minimum monthly loan repayment (as calculated under the policy) is \$333, if an Unemployment Benefit becomes payable we will pay \$333 towards your loan.</p>	<p><b>For a loan classified as a personal loan:</b></p> <p>A monthly amount equal to 75% of your average monthly income in the twelve months immediately prior to claim, up to 2% of the Loan Repayment Cover Cap Amount specified in your Policy Schedule (max. three months per claim and nine months per policy).</p> <p>For example, if the Loan Repayment Cover Cap Amount specified in your Policy Schedule was \$10,000 and your average monthly income in the twelve months immediately preceding your claim is \$4,000, we will pay you \$200 a month (i.e. 2% of \$10,000) if an Unemployment Benefit becomes payable as this is less than \$3,000 (75% of \$4,000).</p>	<p>\$7,500 per month</p>

This type of insurance is designed to help you meet your financial commitments under your loan if certain events occur. It is important that you read this Loan Protection PDS carefully to understand the extent of the insurance cover provided by Loan Protection and its limitations.

### **Who is eligible for Loan Protection?**

Loan Protection is available for:

- borrowers, (whether for personal or investment purposes), and
- line of credit facility account holders.

Your Lender must be a lender approved by CommInsure.

You must be an Australian resident between the ages of 18 and 54 and you must be able to correctly answer 'no' to all the relevant health questions in the application.

To be eligible for Loan Repayment Cover you must also:

- be gainfully employed (see page 16 for the meaning of 'employed') and regularly working a minimum of 20 hours per week, and
- have been gainfully employed for the last six months.

The Trauma Benefit under Loan Cover is not available for loans of \$20,000 or less.

### **Joint cover**

If there is more than one eligible borrower, you can apply for joint cover.

You will all be covered under one policy, and there is no requirement for you to take the same cover combination; for example, you can apply for Loan Cover and Loan

Repayment Cover while your partner may choose to apply only for Loan Cover. All borrowers do not have to take out Loan Protection.

If cover is applied for by more than one borrower, the amount for which the relevant loan or minimum monthly loan repayment is covered (i.e. 25%, 50%, 75% or 100%) will be the same for all borrowers.

All lives insured must be policyholders. However, not all borrowers must be policyholders or lives insured.

### **When can I apply?**

You can apply for Loan Protection:

- when you apply for a new loan or line of credit facility
- when you apply for an additional borrowing under an existing loan
- when you apply for an increase in the credit limit of an existing line of credit facility
- within 13 months after the loan, or an increase in the loan, is funded or the security for the loan is changed, or
- within 13 months after the line of credit facility, or an increase in the credit limit, is set up or the security for the facility is changed.

If you are increasing your existing loan or credit limit, you can apply for cover for your existing loan or credit limit (if you don't already have it) as well as the increase (subject to a maximum of \$750,000 in total).

# Loan Protection

## How can I apply?

The easiest way to apply for Loan Protection is to complete an application with your lender. Your application will then be forwarded to us.

You don't have to have any medical examinations to apply for Loan Protection. The health information is covered in a few simple questions. Please note that when you complete the application you are required to be truthful.

You may seek this type of insurance through an insurer other than us. You should also be aware that:

- if you are applying for, or obtaining, this type of insurance you are not obliged to buy Loan Protection
- it is not compulsory for you to take out Loan Protection when arranging a loan with the Commonwealth Bank
- cover is only provided under Loan Protection in respect of death, terminal illness, trauma, disablement and unemployment
- subject to the conditions of your cover, the extent to which cover under Loan Protection applies is generally measured by reference to the liability that you have under the loan or line of credit facility to which this insurance applies.

## What factors determine whether cover will be issued?

When you apply for Loan Protection, your application is subject to our assessment and:

- the settlement and funding of your loan or increase to your existing loan

- in the case of a personal loan, the establishment of your personal loan or increase to your existing personal loan, or
- the establishment of your line of credit facility or increase to the credit limit of your line of credit facility.

You will not be issued with cover unless you can correctly answer 'no' to all the relevant health questions in the application.

## When does the policy commence?

Your Loan Protection policy starts on the date when we accept your application for insurance.

When your application is accepted, we will send you a Policy Document and a Policy Schedule. The Policy Schedule will show who is covered under the policy, and to what extent. You should keep these documents in a safe place as they form the basis of your cover.

## When does my cover end?

Your cover under the policy will end automatically when any of the following events occur:

- you die
- the policy anniversary date before your 65th birthday
- a Death Benefit or Terminal Illness Benefit is payable for you
- the date when you cease to be an Australian resident.

In addition:

- once a Trauma Benefit is payable for you, the Trauma Benefit will end for you
- your Loan Repayment Cover will end on the day that you permanently retire
- unemployment cover ends as soon as we pay the Unemployment Benefit for nine months in total.

Please also see page 25 'How do I cancel my policy?'.

### **What happens if my loan balance is zero?**

If, at the time of your death or terminal illness, your account balance is zero but your loan or line of credit facility is still in place, no benefits are payable. Also, monthly benefits payable on account of disablement or unemployment will cease if your account balance is reduced to zero. If your account balance is zero, your account must be closed for the automatic continuation of cover to apply.

### **What happens if I forget to pay the premium?**

We can cancel the policy if any premium remains overdue for more than one month, but we will write to you to remind you that your premium is overdue before we cancel your policy.

Provided your premium is not overdue for more than three months, you can request that we reinstate your policy. To do this you will need to provide us with evidence of your continued good health and employment status and you must pay the overdue premiums. If we agree to reinstate your

policy, cover will only start from the date of reinstatement and no benefit will be payable for anything that happened or first became apparent while the policy was not in force. CMLA must only request overdue premiums for the period up to the time it cancels cover and not for the period during which there is no cover.

### **Cooling-off period**

You have 14 days to consider whether Loan Protection meets your needs. This is known as the 'cooling-off period'. The 14 day cooling-off period starts on the earlier of:

- the day you receive your Policy Document from us
- the end of the fifth day after the day on which the policy was issued.

Within this period you can cancel the policy and any premiums paid will be refunded to you in full. To cancel the policy, please put your request to us in writing, and send it to us with your Policy Document.

### **Contact us**

If you have any questions about Loan Protection, visit any Commonwealth Bank branch or call us on **13 10 56** between 8am and 8pm (Sydney time), Monday to Friday.

# How much does Loan Protection cost?

Loan Protection premiums are calculated when your policy starts and are based on:

- your age, and
- the amount of your loan or line of credit limit you cover.

Premiums are payable monthly in advance by direct debit from your bank account or by charge to your credit card account. If you take joint cover, one direct debit or credit card payment authority will apply to the entire policy.

## Premium table

Your monthly premium is calculated using the premium table below. A minimum premium of \$20.00 per month applies to your Loan Protection policy.

The premiums for Loan Protection are level, which means that once they are calculated at the start of your policy they will not normally change for the life of the policy, even though you are getting older every year. This allows you to better budget for the cost of your insurance.

However, the premium rates for Loan Protection can be increased, resulting in a higher premium. If we increase premium rates we will give you at least one month's prior written notice and rates will be increased for all Loan Protection policies issued on the same terms as your policy. In other words, we will not single out your policy for an increase.

## Loan Protection – monthly premium rate per \$1,000 of the loan amount you insure

Age next birthday	Loan Cover	Loan Repayment Cover	Loan Cover and Loan Repayment Cover
19 to 25	\$0.15	\$0.19	\$0.34
26 to 30	\$0.15	\$0.19	\$0.34
31 to 35	\$0.16	\$0.20	\$0.36
36 to 40	\$0.18	\$0.23	\$0.41
41 to 45	\$0.26	\$0.29	\$0.55
46 to 50	\$0.39	\$0.39	\$0.78
51 to 55	\$0.65	\$0.70	\$1.35



### **An example**

If you were a home loan customer, turning 28 on your next birthday, and you wanted to cover your home loan of \$200,000, the premium would be as follows:

Loan Cover	\$0.15 x 200	= \$30.00 per month
Loan Repayment Cover	\$0.19 x 200	= \$38.00 per month
Loan Cover and Loan Repayment Cover	\$0.34 x 200	= \$68.00 per month

### **When do premiums begin to be charged?**

Premiums for Loan Protection will begin to be charged to you from the date we process your application and issue you with a Loan Protection policy.

### **Altering your level of cover**

If you increase your loan, you can increase your level of cover, provided you are no older than 54. The premium for the additional amount of cover will be calculated using your age at the time your increased cover starts, while the premium for the existing cover will not change. Please note this will not occur automatically – you will need to contact us if you want to increase your cover.

If you want to decrease your level of cover because you reduce your loan limit, the premium rate based on your age when your cover first commenced will be used to calculate the premium for the reduced amount of cover. Please note this will not occur automatically – you will need to contact us if you want to decrease your cover.

When a Trauma Benefit is payable, your death and terminal illness cover will be reduced by the amount of the Trauma Benefit. As your level of cover has been reduced, so too will your Loan Cover premiums, which will be recalculated using the premium rate based on your age when your cover first commenced.

To adjust your cover under Loan Protection you will need to complete an alteration form, which can be obtained from any Commonwealth Bank branch or by calling us on **13 10 56** between 8am and 8pm (Sydney time), Monday to Friday.

### **Commission**

We pay your Lender up to 20% of your premium for selling Loan Protection.

# Loan Protection benefits

## Some common terms

In the following table we explain what is meant by some of the terms used commonly in this PDS:

Term	Meaning
<b>Active employment, actively employed</b>	<p>You are:</p> <ul style="list-style-type: none"> <li>employed to carry out identifiable duties</li> <li>actually performing or capable of performing those duties, and</li> <li>in our opinion not restricted by sickness or injury from performing those duties on a full-time basis (even if not then working on a full-time basis)</li> </ul> <p>where 'full-time basis' means at least 35 hours per week.</p>
<b>Disablement, disabled</b>	<p>Due to injury or sickness you are:</p> <ul style="list-style-type: none"> <li>unable to perform at least one duty of your occupation which produces at least 20% of your monthly income</li> <li>following the advice of a medical practitioner, and</li> <li>not working.</li> </ul> <p>Your condition must be certified by a medical practitioner.</p>
<b>Employment, employed</b>	<p>Permanently employed, self-employed or employed under a fixed term contract.</p>
<b>Fixed term contract</b>	<p>One or more contracts providing for at least 20 hours per week of continual and regular employment, where such contract or contracts is or are:</p> <ul style="list-style-type: none"> <li>for salary or wages</li> <li>for a term no longer than a specified period</li> <li>with the same employer, and</li> <li>for a combined period of at least 18 consecutive months.</li> </ul>
<b>Monthly benefit</b>	<ul style="list-style-type: none"> <li>If there is a loan account in place, this is a monthly amount based on the percentage of the minimum monthly loan repayment you are insured for, up to 1% of the loan amount for which you have cover. The 1% limit will not apply if the loan is one which we classify as a personal loan.</li> <li>If the loan account is closed, this is 75% of your average monthly income in the twelve months immediately prior to claim, up to 0.67% of the loan amount for which you had cover. A 2% limit will apply if the loan is one which we classify as a personal loan.</li> </ul>

Term	Meaning
<b>Permanent employment, permanently employed</b>	You have at least 20 hours per week of continual, permanent and regular employment for salary or wages where such employment is not temporary, seasonal, casual or under a contract based upon a specified period or completion of specified work.
<b>Self-employment, self-employed</b>	<ul style="list-style-type: none"> <li>You are working in a business or an enterprise for at least 20 hours per week</li> <li>you have power or control over the business or enterprise because you own it, or are a shareholder in the company that owns it, or are a partner in the partnership that owns it</li> <li>you are working for payment or reward, and</li> <li>you are not an employee.</li> </ul>
<b>Terminal illness</b>	A sickness or injury which an appropriate specialist medical practitioner certifies will lead to death within twelve months. If we consider it necessary, we may also require our chief medical officer to certify that terminal illness has occurred.
<b>You</b>	As the policy owner and the life insured are normally the same person, when this PDS refers to 'you' it is referring to you as both policy owner and life insured.

## Loan Cover

### Death Benefit and Terminal Illness Benefit

If you die or suffer a terminal illness, the Death Benefit or Terminal Illness Benefit will be paid towards the outstanding balance of your loan, helping relieve your family of financial burden.

If the amount of your loan increases after you become aware of the sickness or injury which results in your death or terminal illness, the increased amount will not be covered.

If at the time of your death or terminal illness your loan account is closed, the Death Benefit or Terminal Illness Benefit will be paid to you (or your estate).

If a Trauma Benefit has been paid, the amount of your death and terminal illness cover will be reduced by the amount of the Trauma Benefit.

Please refer to the 'Table of important benefit limits' on pages 21 to 22 for limitations that apply.

# Loan Protection benefits

## Trauma Benefit

If you suffer one of the covered trauma conditions set out below (and defined on pages 28 to 29) and survive for at least 30 days after the date of diagnosis, then you will be eligible to claim a Trauma Benefit.

The Trauma Benefit is 10% of the amount of your death and terminal illness cover and will be paid towards your loan. If your Trauma Benefit exceeds the outstanding balance of your loan, the excess amount will be paid to you.

If your loan account has been closed, the Trauma Benefit will be paid to you.

Please refer to the 'Table of important benefit limits' on pages 21 to 22 for limitations that apply.

## Covered trauma conditions

The covered conditions are:

- Cancer
- Coronary Artery Disease Requiring By-pass Surgery
- Heart Attack
- Stroke.

Your condition must be certified by an appropriate medical specialist and you must meet our specific definition of the condition. The definitions are set out on pages 28 to 29.

## Joint cover

If you have joint cover, both you and your partner are eligible for the Trauma Benefit. However, the Trauma Benefit can only be paid once in respect of each life.

## Loan Repayment Cover

### Disablement Benefit

The Disablement Benefit is only available to you if you are permanently employed, self-employed or working under a fixed term contract. Explanations of these terms are set out on pages 16 and 17.

If you have been actively employed for at least 180 consecutive days and then become disabled for longer than 30 consecutive days, you will be eligible to claim a monthly benefit.

We pay 1/30 of the monthly benefit for each additional day (after the 30 consecutive days) that you continue to be disabled. You may claim a monthly benefit for each continuous period of disablement for a maximum of twelve months.

The monthly benefit is paid towards your loan. However, if the period of your disablement occurs after your loan account is closed, the monthly benefit will be paid to you.

If the amount of your loan increases after you become aware of the sickness or injury which gives rise to your disablement, the increased amount will not be included in determining the monthly benefit.

Please refer to the 'Table of important benefit limits' on pages 21 to 22 for limitations that apply.

### **Subsequent disablement**

Generally, you will have to return to active employment for at least 180 days between periods of disablement to make a claim for the subsequent period.

However, a period of disablement that occurs within 30 days of an earlier period, and relates to the same injury or sickness, will be treated as one continuous period of disablement. A maximum of twelve monthly benefits will apply to the claim in total.

### **Unemployment Benefit**

The Unemployment Benefit is only available to you if you are permanently employed, self-employed or working under a fixed term contract. Explanations of these terms are set out on pages 16 and 17.

If you have been employed for at least 180 consecutive days and then become unemployed for longer than 30 consecutive days and you meet our definition of unemployed, you will be eligible to claim a monthly benefit.

We pay 1/30 of the monthly benefit for each additional day (after the 30 consecutive days) that you continue to be unemployed.

You may claim a monthly benefit for each continuous period of unemployment for a maximum of three months. Over the life of the policy, you may claim a monthly benefit, on account of unemployment, for a maximum of nine months.

In addition, if you become unemployed during a fixed term contract, no monthly benefit will be paid after the expiry date of your contract.

The monthly benefit is paid towards your loan. However, if the period of your unemployment occurs after your loan account is closed, the monthly benefit will be paid to you.

If the amount of your loan increases after you become aware of your impending unemployment, the increased amount will not be included in determining the monthly benefit.

Please refer to the 'Table of important benefit limits' on pages 21 to 22 for limitations that apply.

# Loan Protection benefits

## Definition of unemployment

The definition varies depending on the nature of your employment, as follows:

Type of employment	Definition of unemployment
<b>If you are permanently employed</b>	Loss of employment as a result of being terminated or made redundant by your employer, where such loss is not of a voluntary nature.
<b>If you are self-employed</b>	You stop work and one of the following applies: <ul style="list-style-type: none"><li>• you stop your business trading permanently or start to wind it up</li><li>• the business is placed in the hands of an insolvency practitioner, or</li><li>• for partnerships – you dissolve or start to dissolve the partnership.</li></ul>
<b>If you are employed on a fixed term contract</b>	Loss of employment prior to the expiry date of the contract as a result of being made redundant by your employer, where such loss is not of a voluntary nature.

You must be continuously unemployed to be eligible for the monthly benefit, which means:

- your unemployment continues without interruption, and
- you are receiving unemployment benefits from the Australian Government and actively seeking employment (or if you are ineligible to receive such benefits, you are registered as unemployed with a recognised employment agency and actively seeking employment).

## Subsequent unemployment

Generally, you will have to return to employment for at least 180 days between periods of unemployment to make a claim for the subsequent period.

However, a period of unemployment that occurs within 90 days of an earlier period of unemployment will be treated as one continuous period of unemployment. A maximum of three monthly benefits will apply to the claim in total.

# Table of important benefit limits

This table contains important limits to your benefits. You should read the whole PDS to understand the benefits provided and the limitations or restrictions that might apply.

Benefit	Benefit limit
<b>Death Benefit and Terminal Illness Benefit</b>	<ul style="list-style-type: none"> <li>The maximum Death Benefit and Terminal Illness Benefit per life insured is \$750,000.</li> <li>Only one of the Death Benefit or the Terminal Illness Benefit will be paid in respect of a life insured.</li> <li>You are not covered for death or terminal illness if it is directly or indirectly caused by, or results from, any injury or sickness which you had symptoms of, or received professional medical advice or treatment for, within the twelve months prior to the date the policy begins, is reinstated or death and terminal illness cover is increased (but only the increased amount is not covered).</li> <li>No Death or Terminal Illness Benefit will be payable if any of the death and terminal illness exclusions set out in the exclusions table on page 23 apply.</li> <li>No Death or Terminal Illness Benefit is payable if the outstanding loan account balance is zero but the loan account is not yet closed.</li> </ul>
<b>Trauma Benefit</b>	<ul style="list-style-type: none"> <li>The maximum Trauma Benefit per life insured is \$75,000.</li> <li>The Trauma Benefit is payable only once in respect of a life insured.</li> <li>You are not covered for a trauma which occurs or is diagnosed prior to, or on or within 90 days after, the date the policy begins, is reinstated or trauma cover is increased (but only the increased amount is not covered).</li> <li>You are not covered for trauma if the sickness or injury which gives rise to the trauma manifests itself or is the subject of professional medical advice or treatment within the twelve months prior to, or on or within 90 days after, the date the policy begins, is reinstated or trauma cover is increased (but only the increased amount is not covered).</li> <li>No Trauma Benefit will be payable if any of the trauma exclusions set out in the exclusions table on page 23 apply or if you die from any cause within 30 days of being diagnosed as suffering a trauma or if a Death Benefit or Terminal Illness Benefit is payable or has been paid.</li> </ul>

# Table of important benefit limits

Benefit	Benefit limit
<b>Disablement and Unemployment</b> (also see individual benefits below)	<ul style="list-style-type: none"> <li>• The maximum monthly benefit payable is \$7,500.</li> <li>• Only one monthly benefit will be paid under the policy at any one time, whether for disablement or unemployment, regardless of whether more than one life insured is disabled or unemployed or one life insured is both unemployed and disabled.</li> <li>• Monthly benefits will end:               <ul style="list-style-type: none"> <li>– when you die</li> <li>– when you return to work</li> <li>– when you cease to be an Australian resident</li> <li>– on the policy anniversary date before your 65th birthday</li> <li>– on the day when you permanently retire.</li> </ul> </li> <li>• No benefit is payable if the outstanding loan account balance is zero but the loan account is not yet closed.</li> </ul>
<b>Disablement Benefit</b>	<ul style="list-style-type: none"> <li>• Monthly benefits are provided for a maximum of twelve months for any one claim.</li> <li>• You are not covered for disablement which occurs or is diagnosed on or within 30 days after the date the policy begins, is reinstated or disablement cover is increased (but only the increased amount is not covered).</li> <li>• You are not covered for disablement if the sickness or injury which gives rise to the disablement manifests itself or is the subject of professional medical advice or treatment on or within 30 days after the date the policy begins, is reinstated or cover is increased (but only the increased amount is not covered).</li> <li>• You are not covered for disablement if the injury or sickness which gives rise to the disablement occurs or manifests itself before the policy begins, is reinstated or disablement cover is increased (but only the increased amount is not covered).</li> <li>• No monthly benefit will be payable if any of the disablement exclusions set out in the exclusions table on page 23 apply or if a Death Benefit or Terminal Illness Benefit is payable or has been paid.</li> </ul>
<b>Unemployment Benefit</b>	<ul style="list-style-type: none"> <li>• Monthly benefits are provided for a maximum of three months for any one claim. If you become unemployed under a fixed term contract, the monthly benefit will only ever be paid up to the expiry of that contract.</li> <li>• The Unemployment Benefit ceases to be payable under the policy once nine monthly benefits have been paid for unemployment.</li> <li>• You are not covered for unemployment which commences or occurs, or you were aware of, prior to, or on or within 60 days after, the date the policy begins, is reinstated or unemployment cover is increased (but only the increased amount is not covered).</li> <li>• No monthly benefit will be payable if any of the unemployment exclusions set out in the exclusions table on page 23 apply or if a Death Benefit or Terminal Illness Benefit is payable or has been paid.</li> </ul>



# What exclusions apply?

Listed in the table below are the exclusions that apply under Loan Protection. No benefit is payable for an insured event that is excluded.

Exclusions	Insured events			
	Death and Terminal Illness	Trauma	Disablement	Unemployment
The insured event occurs directly or indirectly from or is in any way associated with an acquired immune deficiency syndrome (AIDS) or any human immunodeficiency virus (HIV) or AIDS-related condition or Hepatitis C, as defined from time to time by the World Health Organisation.	✓	✓	✓	
The insured event is directly or indirectly caused by, or results from, an intentionally self-inflicted injury or infection (including suicide or attempt at suicide) caused by you, whether sane or insane.	✓	✓	✓	
The insured event is directly or indirectly caused by, or results from, your use of alcohol or drugs not taken under the supervision of a medical practitioner.	✓	✓	✓	
The insured event occurs while you are working outside Australia.			✓	✓
The insured event is directly or indirectly caused by, or results from: <ul style="list-style-type: none"> <li>• you ceasing work of a casual, seasonal or temporary nature</li> <li>• the expiration of a fixed term contract or specified period of work, or</li> <li>• your deliberate or serious misconduct.</li> </ul>				✓
Where you resign, accept voluntary redundancy, early retirement or abandon your employment.				✓

✓ Excluded

# Important information

## **Only one monthly benefit will be paid at a time under Loan Repayment Cover**

Only one monthly benefit will be paid at any one time if you are both disabled and unemployed.

If you have joint cover, monthly benefits cannot be paid concurrently, i.e. one claim must end before another can begin.

## **Your duty of disclosure**

Before you enter into or become insured under a contract of life insurance with an insurer, you have a duty under the Insurance Contracts Act 1984 to disclose to the insurer every matter that you know, or could reasonably be expected to know, that is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you extend, vary or reinstate your insurance. Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer
- that is of common knowledge
- that your insurer knows or, in the ordinary course of its business, ought to know, or
- as to which compliance with your duty is waived by the insurer.

## **Non-disclosure**

If you fail to comply with your duty of disclosure and the insurer would not have covered you on any terms if the failure had not occurred, the insurer may avoid the cover within three years of issuing it. If your non-disclosure is fraudulent, the insurer may avoid your cover at any time.

An insurer who has not avoided your cover may, within three years of issuing it, elect to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

## **How do I make a claim?**

Our claims philosophy is simple. We pay all genuine claims as soon as possible after all the necessary documentation has been received and the validity of your claim has been assessed. You should provide us with details of the claim as soon as possible after the event causing you to claim.

To make a claim, simply call **13 10 56** between 8am and 8pm (Sydney time), Monday to Friday, and the appropriate claim forms will be forwarded to you.

You will need to complete the claim form and provide supporting evidence of your claim. The supporting evidence required will be outlined in the letter accompanying your claim form and will vary depending on the type of claim being made.

All certificates and evidence required by us must be provided at your expense, except where we request a medical examination or other test to be carried out.

You must continue to make your premium payments while claiming any benefits or being paid a monthly benefit.

The Policy Document will outline further details.

### **How do I cancel my policy?**

You may cancel your Loan Protection policy at any time by writing to us at the address below and enclosing your Policy Document:

CommInsure  
Life Insurance Services  
PO Box 320  
Silverwater NSW 2128

The cover provided by the policy will generally end on the date that your cover is paid up to, after we receive your letter and Policy Document. For example, if you had paid your monthly premium on 1 July and we receive your cancellation letter on 15 July, your cover will end on 31 July. The policy does not have any cash or surrender value when you cancel it.

### **Taxation**

Generally, premiums paid for your cover will not be tax deductible, nor will the benefits be assessable for income tax purposes.

However, under certain circumstances, the Disablement Benefit and Unemployment Benefit may be assessable for income tax

purposes, which means you may be able to claim the premiums paid for Loan Repayment Cover as a tax deduction.

This is a general statement only and is based on our understanding of current legislation and Australian taxation practice as at the 'Preparation Date' on the front cover. As individual circumstances vary, any taxation enquiries should be referred to your tax adviser.

### **Complaint handling procedures**

If you have a complaint about your Loan Protection policy, please follow these steps:

#### **Step 1**

Gather all supporting documents about your complaint, think about the questions you want answered and decide what you want us to do.

#### **Step 2**

Call our Customer Service Centre on **13 10 56** between 8am and 8pm (Sydney time), Monday to Friday. One of our Customer Service Representatives will either deal with the matter personally or refer the matter to the appropriate person. A quick chat is all that is required to resolve most complaints.

If you would prefer to put your complaint in writing, you can either email us on **customerrelations@cba.com.au** or write to:

Customer Relations  
Commonwealth Bank Group  
GPO Box 41  
Sydney NSW 2001

# Important information

The Complaints Manager will strive to ensure that your complaint is resolved fairly and promptly. Within 45 days of receiving your complaint, we will write to you with either a suggested resolution or an explanation of why your complaint will take more than 45 days to resolve.

## Step 3

If you are not satisfied with the proposed solution or you do not agree to the extension of time or your complaint is not resolved within 90 days, you can contact the Financial Ombudsman Service Limited (FOS).

FOS is an independent service that handles complaints involving life insurance companies. It is able to offer free, informed assistance to help resolve your complaint.

FOS will advise you of any complaints it cannot consider when you contact them.

FOS contact details:

Telephone: **1300 78 08 08**

Facsimile: **03 9613 6399**

Postal address:

Financial Ombudsman  
Service Limited  
GPO Box 3  
Melbourne VIC 3001

## Privacy of your personal information

### Collection of personal information

We collect personal information (including customers' full names, addresses and contact details) so that we may administer our customer relationships and provide customers with the products and services they request, as well as information on the Commonwealth Bank Group (the Group) and its products and services. If we have your email or mobile phone details, we may provide information to you on the Group's products and services electronically.

Where it is necessary to do so, we also collect information on individuals such as company directors and officers (where the company is our customer), as well as customers' agents and persons dealing with us on a 'one-off' basis.

The law can also require us to collect personal information.

We may take steps to verify the information we collect, e.g. a birth certificate provided as identification may be verified with records held by the Registry of Births, Deaths and Marriages to protect against impersonation, or we may verify with an employer that employment and remuneration information provided in an application is accurate.

### **You need to provide us with accurate and relevant information**

If you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking.

### **Other members of the Group**

We are permitted by the Privacy Act to disclose personal information to other members of the Group. This enables the Group to have an integrated view of its customers. Your personal information may also be accessed by Group staff in other countries if that becomes necessary for transactional reasons or to enhance our relationship with you.

### **Other disclosures**

Personal information may be disclosed to:

- brokers and others who refer your business to us
- any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney
- medical practitioners (to verify or clarify, if necessary, any health information you supply), claims investigators and reinsurers (so that any claim you make can be assessed and managed), and insurance reference agencies (where we are considering whether to accept an application for insurance from you and, if so, on what terms), and

- organisations, including overseas organisations, to whom we outsource certain functions.

In all circumstances where our contractors, agents and outsourced service providers become aware of personal information, confidentiality arrangements apply. Personal information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may also disclose personal information to other financial institutions and organisations at their request if you seek credit from them.

We may be allowed or obliged to disclose information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws.

### **Access**

You may (subject to permitted exceptions) access your information by contacting:

Customer Relations  
Commonwealth Bank Group  
Reply Paid 41  
Sydney NSW 2001

We may charge you for providing access.

### **Further information**

For further information on our privacy and information handling practices, please refer to our Privacy Policy Statement, which is available at [commbank.com.au](http://commbank.com.au) or from any Commonwealth Bank branch.

# Trauma Benefit policy definitions

## **Cancer**

Any malignant tumour, characterised by the uncontrolled growth and spread of malignant cells, that requires treatment by surgery, radiotherapy, chemotherapy, biological response modifiers, or any other major interventionist treatment and includes cancers that are completely untreatable.

The following are included:

- leukaemia
- Hodgkin's Disease
- malignant lymphoma
- malignant bone marrow disorders
- melanomas which have a depth of invasion of Clark Level 3 or 1.5mm or more in Breslow thickness
- carcinoma in situ of the breast which results directly in the removal of the entire breast (with or without removal of lymph nodes). The procedure must be performed specifically to arrest the spread of malignancy and be considered the appropriate and necessary treatment.

The following are excluded:

- tumours showing the malignant changes of 'carcinoma in situ' or which are histologically described as premalignant. The following are examples of tumours categorised as being either carcinoma in situ or premalignant and are excluded:
  - i) cervical dysplasia, CIN 1, CIN 2 and CIN 3
  - ii) all non-melanoma skin tumours and cancers, unless there has been evidence of metastatic spread

- any colorectal cancer classified as TNM (Tumour, Nodes, Metastases) Stage 0 (TIS, NO, MO)
- prostatic cancers which remain histologically described as TNM Classification T1a or T1b or are of another equivalent or lower classification
- prostatic cancers which remain histologically described as TNM Classification T1c unless curative intent therapy has been administered in connection with such cancer
- all AIDS-related malignancies
- tumours treated by endoscopic procedures alone, and
- chronic lymphocytic leukaemia Rai Stage 0-1.

## **Coronary Artery Disease Requiring By-pass Surgery**

The actual undergoing of by-pass surgery (including saphenous vein or internal mammary graft/s) for the treatment of coronary artery disease. Any other operations are specifically excluded from this definition.

## Heart Attack

The death of part of the heart muscle (myocardium) as a result of inadequate blood supply. The diagnosis must be based on either:

- the following medical evidence:
  - i) elevation of cardiac enzyme CK-MB, or
  - ii) elevation in levels of Troponin I greater than 2.0mcg/L or Troponin T greater than 0.6mcg/L or their equivalentand
  - iii) confirmatory new electrocardiogram (ECG) changes, or
  - iv) medical evidence satisfactory to us that the heart attack reduced the Left Ventricular Ejection Fraction to below 50% when measured at least six weeks after the heart attack

or

- any other medical evidence satisfactory to us which demonstrates that myocardial damage has occurred to at least the same degree of severity as would be evidenced by the medical evidence required under the first bullet point.

## Stroke

A stroke is:

- a cerebrovascular accident or incident producing neurological sequelae
- an infarction of brain tissue, or
- an intracranial and/or subarachnoid haemorrhage, or embolisation from an extracranial source

which results in a neurological deficit causing at least 25% permanent impairment of the whole person function.

The following are excluded:

- cerebral symptoms due to:
  - i) transient ischaemic attacks
  - ii) reversible ischaemic neurological deficit, or
  - iii) migraine
- cerebral injury resulting from:
  - i) trauma
  - ii) hypoxaemia, or
  - iii) vascular disease affecting the eye, optic nerve or vestibular function.









**13 10 56**

8 am–8 pm (Sydney time)

Monday to Friday

**[comminsure.com.au](https://www.comminsure.com.au)**

Write to: Customer Communication, CommlnSure Life Insurance, PO Box 320, Silverwater NSW 2128.

CIL109 190808

