

LOAN PROTECTION

INSURANCE TO HELP PAY YOUR LOAN WHEN YOU'RE NOT ABLE TO

Product Disclosure Statement (PDS) and Policy Document
Preparation date: 31 May 2014



ABOUT THIS DOCUMENT

About this document

This Product Disclosure Statement (PDS) is designed to help you decide whether to buy Loan Protection.

The information it contains does not take into account your objectives, financial situation or needs and you should consider its appropriateness before acting.

All examples in this PDS are only intended to demonstrate how certain benefits are calculated. All benefits will be determined in accordance with the relevant policy terms. All references to monetary amounts in this PDS are references to Australian dollars.

The information in this PDS is current as at the date stated on the cover, however it is subject to change. If we make a change that is materially adverse, it will be communicated to existing policyholders, in writing, by way of a Supplementary Product Disclosure Statement (SPDS) or a new PDS. Where a change in information is not materially adverse we will not notify existing policyholders or issue a new PDS or SPDS. However you will be able to find the information about any changes at commbank.com.au/loanprotection or you can contact us to request details of the changes in writing which we will send you free of charge.

This PDS (other than pages 4, 5, 18 and 19) is also your policy document for Loan Protection. Together with your **policy schedule**, the policy document makes up your insurance contract (the policy) with us.

The insurance described in this PDS is only available to residents of Australia. Applications from outside Australia will not be accepted.

About Us

This PDS and policy is issued by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA), a wholly-owned non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124. The Commonwealth Bank of Australia and its subsidiaries (other than CMLA) do not guarantee the obligations or performance of CMLA or the products it offers. Commlnsure is a registered business name of CMLA.

CMLA guarantees the benefits payable under Loan Protection. Under Loan Protection, premiums are paid to and benefits are paid from CMLA's Statutory Fund No.5. This policy has no savings element or surrender value and will not participate in the profits or surpluses of CMLA or CMLA's Statutory Fund No. 5.

This policy is an agreement between the **policyowner** and CMLA. It is governed by the laws of the State of New South Wales and can't be assigned by the **policyowner** to another person.

Our principal office of administration is Level 1, 11 Harbour Street, Sydney NSW 2000.

Meaning of words

Some words in this PDS have a particular meaning. (Please see the *Glossary* on page 20 for these definitions).

In addition, in this document:

We/Us/Our – refers to The Colonial Mutual Life Assurance Society Limited, the insurer.

You – depending on the context, means either:

- The person applying for cover, before Loan Protection is purchased; or
- The **policyowner** and **person insured** as named on the **policy schedule**.

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KEY INFORMATION

A SUMMARY OF LOAN PROTECTION AND THE BENEFITS AND EXCLUSIONS THAT APPLY

What is Loan Protection?

Loan Protection offers two cover options for your personal or home **loan**. You can choose one or both of these. The benefits of each type of cover are shown in the table below.

Loan Repayment Cover

Loan Repayment Cover is insurance for your minimum monthly **loan** repayments which can help if you become involuntarily **unemployed** or if you are unable to work due to **injury** or illness (see pages 10 to 13).

Loan Cover

Loan Cover is insurance for your outstanding **loan** balance which can help pay down your **loan** if you suffer from a medical **trauma**, become **terminally ill** or die (see pages 14 to 15).

Who can apply?

Loan Protection is available to Australian residents, aged between 18 and 54 years old who have a personal or home **loan** with the Commonwealth Bank.

If you have more than one borrower on your **loan** you can cover them both under the one policy (see page 6).

How much does it cost?

When you apply for Loan Protection, you'll receive an estimated monthly premium based on your age, your **loan** size and the cover options selected (see page 6). We will not ask any medical or occupational questions (including smoking status). The minimum monthly premium is \$29.

Summary of cover and benefits

	Benefit	What does it pay?
Loan Repayment Cover	Unemployment* See page 10 to 13 for full details.	Pays your minimum monthly loan repayments while you are unemployed for up to 6 months. If you are eligible for the unemployment benefit, for each day you continue to be unemployed after your waiting period you will receive the higher of 1/30th of your minimum monthly repayment or 1/30th of \$500. We will never pay a monthly benefit of more than 1% of your sum insured [^] for home loans or \$7,500 for personal loans .
	Disability*** See page 10 to 13 for full details.	Pays your minimum monthly loan repayments while you are unable to work due to injury or illness for up to 12 months. If you are eligible for the disablement benefit, for each day you continue to be disabled after your waiting period you will receive the higher of 1/30th of your minimum monthly repayment or 1/30th of \$500. We will never pay a monthly benefit of more than 1% of your sum insured [^] for home loans or \$7,500 for personal loans .
Loan Cover	Trauma** See page 14 to 15 for full details.	Pays a lump sum payment onto your loan if you are diagnosed with cancer , a heart attack , a stroke or coronary artery disease requiring bypass surgery . If you are eligible for the trauma benefit you will receive at least \$2000 or up to 10% of your sum insured [^] .
	Terminal Illness and Death** See page 14 to 15 for full details.	Pays a lump sum payment onto your loan of up to \$750,000 or your sum insured [^] (whichever is the lesser) if you become terminally ill or die.

* To be eligible for the unemployment benefit, you need to be **employed** as defined in this policy before you can be **unemployed** (see page 20).

** Only one trauma benefit will be paid for each person covered and only one terminal illness benefit or death benefit will be paid for each policy.

*** To be eligible for the disability benefit, you need to be **employed** as defined in this policy (see page 20).

[^] Your sum insured is referred to as your **maximum death and terminal illness benefit amount** in your **policy schedule**. It cannot be more than \$750,000. You agree on your sum insured when you apply for your policy.

Summary of Exclusions

The below is a summary of the key situations when we will not pay a benefit that applies to a Loan Protection policy (see pages 10 to 15).

Benefit type	Unemployment	Disability	Trauma*	Terminal Illness & Death
We won't pay if your claim is caused by...				
Voluntarily accepting unemployment (e.g. retirement or voluntary redundancy).	✓	na^^	na	na
Unemployment caused by normal seasonal work fluctuations.	✓	na	na	na
Unemployment at the end date of a fixed-term contract.	✓	na	na	na
Self-inflicted harm, including actual or attempted suicide.	na	✓	✓	✓
The use of drugs or alcohol without a doctor's prescription.	na	✓	✓	✓
We also won't pay if...				
You are out of work for less than 30 days.	✓	✓	na	na
Your claim event occurs before your policy starts.	✓	✓	✓	✓
You became aware of your claim event before your cover started.	✓	✓	✓	Depending on circumstances, see page 15 for full terms
Your claim event occurs in your cover's first**...	60 days	30 days	90 days	na
You became aware of your claim event in your cover's first**...	60 days	na	na	na
You received a payment for the same benefit type in the last...	180 days	180 days^	na	na
We will stop paying Loan Repayment Cover benefits if...				
You return to work.	✓	✓	na	
You stop looking for work.	✓	na		
Your cover or policy ends.	✓	✓		
You stop paying your premiums.	✓	✓		
Your loan is paid off.	✓	✓		

* If a **trauma** causes death in the first 30 days after diagnosis it will be treated as a death claim rather than a **trauma** claim.

** Periods apply to the first days of your policy, the first days after your policies reinstatement and the first days of increased cover (see pages 13 and 15).

^ A recurrence of the same **disability** which occurs in the first 30 days that you return to work may be treated as a part of the original claim (see page 10).

^^ "na" is Not Applicable.

HOW LOAN PROTECTION WORKS

How to apply

You can apply for Loan Protection when taking out a new **loan** or to cover an existing **loan**.

The easiest way to apply is through your lender or alternatively you can:

- complete an application at any Commonwealth Bank branch, or
- apply online at commbank.com.au/loanprotection

No medical examination is required when you apply, however you should be aware that some pre-existing conditions are not covered (see page 13 and 15 for all exclusions).

You're not obliged to take out Loan Protection when arranging a Commonwealth Bank **loan**. You can apply for this type of cover with another insurer.

Eligibility

Loan Protection is available to Australian residents, aged between 18 and 54 years old who have a Commonwealth Bank personal or home **loan**.

Joint cover

If there's more than one eligible borrower on the **loan**, you can apply for joint cover. You will both be **policyowners**, and will both be covered under the one policy, but you don't have to take the same combination of cover types. For example you might have just Loan Cover, while your partner has both Loan Cover and Loan Repayment Cover.

Paying for your policy

When you apply for Loan Protection, you'll receive a quote for what the monthly premium is estimated to be and when your cover first starts, we'll send you a **policy schedule** that states the monthly premium. This will never be less than the minimum monthly premium of \$29.

We charge the first premium after the **cover start date**.

Significant factors that can affect the premium include:

Loan size	The larger the loan balance at application, the higher the premium. However, the premium doesn't decrease as your loan balance is paid off.
Age	The older each person covered is at application, the higher the premium. However, once the policy has commenced the premium doesn't increase just because you get older.
Cover Types	Your premium will be higher if you choose both Loan Cover and Loan Repayment Cover, than if you chose just one or the other. If you choose one type of cover then add the other type later, your premium will increase.

You are responsible for paying the premiums for this policy. We require you to pay the premiums in advance in regular and consecutive monthly instalments, on the day of the month shown on the **policy schedule**.

You can pay by direct debit from a bank account or by a credit card acceptable to us*. You can change the way you pay at any time as long as we have a current and acceptable payment authority from you.

If you're claiming or receiving a benefit, you must continue to pay the premiums. If we don't receive premiums on time we can cancel the policy and your benefits will stop (see *How to claim* on page 16).

*Unfortunately we do not accept AMEX or Diners Club cards.

Changing premiums

In some situations your level of cover reduces. This happens after we pay a trauma benefit, or if you ask us to decrease your level of cover. When your level of cover goes down, your premium usually does too (subject to the minimum monthly premium of \$29).

If we change your premium, which will alter the amount you pay each month, we will:

- give you one month's notice (or other period as required by law), and
- change the premium for all policies issued on the same terms as your policy (i.e. we won't single out your policy).

If you ask us to increase your level of cover, you'll normally be required to pay a higher premium.

Choosing partial cover

If your policy is for a home **loan** you can choose to insure less than your whole **loan** amount or **minimum monthly repayments**. You can choose to insure 25%, 50% or 75% of it. This will reduce your level of cover and your monthly premium (subject to the minimum monthly premium of \$29).

For **loans** over \$750,000, we only cover the percentage you nominate of the first \$750,000. For example, 50% cover of a \$1 million **loan** will provide \$375,000 of cover (50% of \$750,000), not \$500,000.

If you have both Loan Cover and Loan Repayment Cover, you must insure your **original loan amount** and your **minimum monthly repayment** in the same percentage. For example, if you choose to insure only 75% of your **original loan amount** under Loan Cover, you can only insure 75% of your **minimum monthly repayment** under Loan Repayment Cover.

If you apply for a joint cover policy for a home **loan** and you choose partial cover, the percentage of cover you nominate (i.e. 25%, 50% or 75%) must be the same for all **policyowners**.

Partial Loan Cover

The **maximum death and terminal illness benefit amount** we'll pay under partial cover is the amount of your original **loan** multiplied by the percentage amount you choose. For example, if you have a **loan** of \$200,000 and you choose 50% Loan Cover, the **maximum death and terminal illness benefit amount** is \$100,000.

The minimum trauma benefit of \$2,000 applies regardless of the percentage amount you choose.

Partial Loan Repayment Cover

When determining the maximum amount we'll pay each month, we choose the lower of;

- your **minimum monthly repayment** amount, or
- 1% of your **original loan amount**. If you've chosen partial cover, we consider your **original loan amount** to be the percentage of the **loan** that you chose to insure.

For example, if you covered a **loan** of \$200,000, your **original loan amount** would be \$200,000, so the maximum Loan Repayment Cover benefit we'd pay would be \$2,000 (1% of \$200,000). If you chose 50% partial Loan Repayment Cover for the **loan**, we'd consider your **original loan amount** to be \$100,000 (50% of \$200,000), so the 1% limit would be \$1,000 (1% of \$100,000). The minimum disablement benefit and unemployment benefit amount of \$500 for each month you are continuously **disabled** or unemployed, applies regardless of the percentage amount you choose (see page 10).

The right level of cover

Choosing a lower cover percentage reduces your premium by the same percentage (subject to our minimum monthly premium of \$29). For example, if you insured 50% of your **loan**, you would expect to pay 50% of the premium you'd pay if you'd insured the whole **original loan amount**.

Once your policy has started you can request to change your partial cover amount to another partial cover amount (75%, 50% or 25%) to suit your needs (see page 8).

It's important to recognise that any partial cover payment we make is unlikely to cover your entire **original loan amount** or monthly repayment amount. Before choosing partial cover, please consider how this may affect your future financial situation.

HOW LOAN PROTECTION WORKS

When your policy starts

When we accept your application, we send you a **policy schedule** that shows:

- the person (or people) covered under the policy,
- the policy start date,
- the type of cover for each **person insured**, and
- the amount of cover.

Each type of cover for each **person insured** under the policy begins on the **cover start date** for that person.

Cooling-off period

You have 14 days to consider whether the policy meets your needs (the 'cooling-off period'). Within this period you can cancel your policy by contacting us and we'll refund in full any premiums paid. The 14 day cooling-off period starts on the earlier of:

- the day you receive the **policy schedule**, and
- the end of the fifth day after the policy was issued.

Changing your policy

Changes to your loan balance

If your **loan** balance has gone up or down, your cover will not automatically change. For example, if you top up your home **loan** the increased **loan** balance will not be covered.

You can request to change your level of cover (subject to the conditions in this PDS) provided all people insured are no older than 54 at the time we receive your request.

Increases	Decreases
When increasing your level of cover a new premium will be calculated using your age at the time of your request.	When decreasing your level of cover a new premium will be calculated using your age at the time your policy started.

Once we have accepted your request to change your level of cover, we will tell you when your new level of cover will be effective and what your new **maximum death and terminal illness benefit amount** and new premium is.

Changes to your partial cover amount

If you have partial cover you can request us to change the partial cover amount already selected (subject to the conditions contained in this PDS) to 25%, 50%, 75% or 100% (up to a maximum of \$750,000). You cannot change the level of cover for personal **loans**.

Change who is covered

You can change who is insured under your policy however, only borrowers on your **loan** can be covered. If you add or remove a **person insured** from your policy, we'll provide you with written confirmation of this change. We'll add or remove a person from your policy on the date we process your request. The cover for each **person insured** under the policy begins from the **cover start date** for that person.

How to request a change

To request a change you can:

- call us on **13 39 82** between 8am and 8pm (Sydney time), Monday to Friday, or
- visit any Commonwealth Bank branch.

Cancelling your policy

How you can cancel your policy

You can cancel your policy at any time. To do this call us on **13 39 82** between 8am and 8pm (Sydney time), Monday to Friday.

Your policy and all cover under it will end on the day we process your cancellation request. Your policy does not have any cash value when you cancel it. If you cancel the policy after the cooling-off period you will not receive a refund of any premiums paid.

When we may cancel your policy

If you don't pay your monthly premium within one calendar month of the due date, we can choose to cancel your policy on any date we nominate. If we do this we'll write to you. We will not accept claims for events that happen after your policy is cancelled.

If we cancel your policy due to overdue premiums, you can ask us to re-instate your policy provided your premiums are not overdue for more than three months. If we agree to re-instate your policy, you must pay all outstanding premiums.

Please note that limitations as to when we pay benefits will apply from the date the policy is re-instated, (see *Understanding Loan Cover* and *Understanding Loan Repayment Cover* on pages 10 to 15).

When your policy ends

Your policy and all our obligations under it end when any of the following events occur:

- you or we cancel your policy,
- all cover under your policy ceases, or
- the Commonwealth Bank formally discharges or cancels your **loan**.

All covers for a **person insured** under the policy end on the earliest of:

- the person dying,
- us paying a death benefit or terminal illness benefit for them,
- the date the **loan** is paid off,
- the policy anniversary date before their 65th birthday, or
- the date the **person insured** ceases to be an Australian resident.

Understanding the risks

You should be aware that we only provide cover under Loan Protection for death, **terminal illness**, **trauma**, **disablement** and **unemployment**. We provide cover under this product for losses caused by certain events, and the extent to which Loan Protection cover applies is measured by reference to the amount you owe on your **loan**.

Commission

We may pay a commission to the Commonwealth Bank or other third party of up to 20% of the premiums we receive.

Taxation

Generally, benefits paid due to death or permanent disability are not assessable for tax purposes and the premiums are not tax-deductible.

Taxation for other benefits may vary with individual circumstances and we recommend you discuss this with your tax adviser.

UNDERSTANDING LOAN REPAYMENT COVER

Loan Repayment Cover can help pay your **minimum monthly repayments** if you become **disabled** or involuntarily **unemployed**. Loan Repayment Cover applies if the **policy schedule** shows the words 'Loan Repayment Cover'.

Disablement

We'll pay a disablement benefit if:

- you were **employed** for at least 180 consecutive days immediately before you become **disabled**,
- you've been **disabled** for longer than 30 consecutive days, and
- a **doctor** certifies that your **disablement** has occurred. Until we receive this certification we won't consider you to be **disabled** in terms of this definition.

Once you've been **disabled** for 30 consecutive days (your waiting period), we'll pay the disablement benefit to the Commonwealth Bank for the credit of your **loan account** for each day you continue to be **disabled** after that. The disablement benefit for each day you continue to be **disabled** is the higher of 1/30th of your **minimum monthly repayment**, or 1/30th of \$500.

Example of the disablement benefit

Thao is a concreter. He takes out Loan Repayment Cover for a home **loan** of \$300,000 that has **minimum monthly repayments** of \$1,500. A few months later, Thao's legs are seriously injured in a football accident, and he spends 185 days in a wheelchair recovering before he can get back to work.

If we accept Thao's claim we will pay \$50 per day (\$1,500/30) for 155 days (185 minus the 30 day waiting period), a total of \$7,750 into the **loan account**.

If you become **disabled** again by the same **injury** or illness within 30 days of the end of a period of **disablement**, we treat the two periods as one continuous period of **disablement**. We won't treat more than two consecutive periods of **disablement** as one continuous period of **disablement**.

Unemployment

We'll pay an unemployment benefit if:

- you've been **employed** for at least 180 consecutive days immediately before you became **unemployed**,
- you remain continuously unemployed for more than 30 consecutive days, and
- while you're unemployed you're actively seeking work in Australia.

Once you've been unemployed for 30 consecutive days (your waiting period), we'll pay the unemployment benefit to the Commonwealth Bank for the credit of your **loan account** for each day you continue to be unemployed after that. The unemployment benefit for each day you continue to be unemployed is the higher of 1/30th of your **minimum monthly repayment**, or 1/30th of \$500.

Example of the involuntary unemployment benefit

Jane is a sales representative. She takes out Loan Repayment Cover for a home **loan** of \$500,000, with **minimum monthly repayments** of \$3,600. Six months after she takes out the **loan**, Jane becomes involuntarily unemployed for 122 days until she finds a new job. If we accept Jane's claim we will pay \$120 per day (\$3,600/30) for 92 days (122 days minus the 30 day waiting period), paying a total of \$11,040 into the **loan account**.

If you become **unemployed** again within 90 days of the end of a period of unemployment, we treat it as one continuous period of unemployment. We won't treat more than two consecutive periods of unemployment as one continuous period of unemployment.

What we mean by employed and unemployed

To be considered **employed**, you must be:

- **employed** to carry out identifiable duties in one of the types of **employment** explained in the table below, and
- actually performing or capable of performing those duties, and
- in our opinion, not restricted by illness or **injury** from being able to perform those duties for at least 35 hours per week (even if you are not actually performing them for a full 35 hours).

This type of employment	Means...	We consider you 'unemployed' if...
Permanently employed	You've been working for at least 20 hours per week in continuous, permanent and regular employment that is not seasonal in nature.	You lose your employment because your employer terminated your employment or made you redundant. If your loss of employment is of a voluntary nature (e.g. you resign or voluntarily accept redundancy), you don't qualify as being unemployed.
Casually or temporarily employed	You've been working for at least 20 hours per week for the same employer in employment that is not seasonal in nature.	You lose your employment because your employer terminated your employment or made you redundant. If your loss of employment is of a voluntary nature (e.g. you resign), you don't qualify as being unemployed.
Self-employed	You've been working for at least 20 hours per week, in a business or an enterprise and: <ul style="list-style-type: none"> • 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, • you're working for payment or reward, and • you're not an employee. 	You stop work in one of the following circumstances: <ul style="list-style-type: none"> • you stop your business trading permanently or start to wind it up. • the business is placed in the hands of an insolvency practitioner. • if in a partnership, you dissolve or start to dissolve the partnership.
Working under a fixed-term contract	You've been working under one or more contracts providing at least 20 hours per week of continual and regular employment, where the contract or contracts is or are: <ul style="list-style-type: none"> • for salary or wages, • for a term no longer than a specified period, • with the same employer, and • for a combined period of at least six consecutive months. 	You stop work before the end date of the contract because your employer terminated the contract or made you redundant. If you voluntarily terminate the contract, you don't qualify as being unemployed.

UNDERSTANDING LOAN REPAYMENT COVER

The maximum & minimum we will pay

For each month of your continuous unemployment or continuous **disablement** the maximum amount we pay is:

For Personal loans	For Home Loans
the lower of: <ul style="list-style-type: none">• your minimum monthly repayment, and• \$7,500.	the lower of: <ul style="list-style-type: none">• your minimum monthly repayment, and• 1% of the maximum death and terminal illness benefit amount.

However for each month you are continuously unemployed or **disabled** we will always pay a minimum amount of \$500.

One benefit at a time

We'll only pay one of either the disablement or unemployment benefit at any one time, regardless of whether:

- there is more than one **person insured** on the policy,
- more than one **person insured** is **disabled** and/or **unemployed**, or
- one **person insured** is both **unemployed** and **disabled**.

If you have joint cover, we won't pay benefits concurrently, (i.e. one claim must end before another can start).

When we will pay

We calculate the disablement benefit and unemployment benefit daily and pay it either fortnightly or monthly (or as we've otherwise agreed with you) in arrears. We pay this benefit to the Commonwealth Bank for credit of your **loan account**.

Minimum monthly repayment

Your **minimum monthly repayment** is no more than the minimum amount you must pay the Commonwealth Bank for the **loan** each month.

For the disablement benefit, this is determined at the date you first suffered the illness or **injury** that made you **disabled**. For the unemployment benefit, this is determined at the date you became aware that you would soon be **unemployed**.

We won't include any overdue payments (or interest on them), fees, charges, expenses, taxes or duties owed, or any other amounts you might owe because of overdue payments.

It's important to remember that your **minimum monthly repayment** may not be the same as the amount you actually pay off the **loan** each month.

Example of minimum monthly repayment

Harry has a \$40,000 personal **loan** for which the bank requires him to pay a \$500 **minimum monthly repayment**. To pay off the **loan** sooner, Harry chooses to pay \$1,000 each month. When Harry is **disabled** in a sporting accident, his Loan Protection policy pays \$500 each month towards his **loan**, not \$1,000.

When we won't pay (exclusions)

Benefit	We won't pay if...	We stop paying on the earlier of...
<p>Unemployment</p>	<ul style="list-style-type: none"> • you resign, voluntarily accept redundancy, take early retirement, or abandon your employment, • you become unemployed, directly or indirectly, because your job is seasonal in nature or because your fixed-term contract or specified period of work ends. • you became unemployed or become aware that you will soon be unemployed before, or within the 60 days of: <ol style="list-style-type: none"> I. your cover start date, II. the date your unemployment cover was increased (this applies only to the increased amount) III. the date your policy was re-instated, • we've paid a death benefit or terminal illness benefit, or one of these benefits is payable for you, • we're already paying a disablement benefit or unemployment benefit for a person insured under your policy, or • the date your unemployment cover or this policy has ended (see page 9). 	<ul style="list-style-type: none"> • the date your loan is paid off, • the date we've paid six months' worth of unemployment benefits for any one continuous period of unemployment, • the day you: <ol style="list-style-type: none"> I. return to work, or to a function performed for reward, compensation or profit, II. stop actively looking for work in Australia, III. permanently retire, IV. die, or V. cease to be an Australian resident, • if your employment is on a fixed-term contract, on the end date of your contract, or • the date that your Loan Repayment Cover or Loan Protection policy ends (see page 9).
<p>Disability</p>	<ul style="list-style-type: none"> • you're disabled directly or indirectly because of: <ol style="list-style-type: none"> I. an intentionally self-inflicted injury or infection (including attempted suicide), caused by you, whether you're sane or insane, or II. your use of alcohol, or drugs not taken under the supervision of a doctor, • The injury or illness that caused the disablement occurred, was first diagnosed, or the symptoms of it became apparent, before, on, or within the 30 days of: <ol style="list-style-type: none"> I. the cover start date, II. the date the amount of your disablement cover was increased (this applies only to the increased amount), or III. the date the policy was re-instated, • we've already paid a death benefit or terminal illness benefit, or one of these benefits is payable for you, • we're already paying a disablement benefit or unemployment benefit for another person insured under the policy (see page 12), or • the date your disablement cover or this policy has ended (see page 9). 	<ul style="list-style-type: none"> • the date your loan is paid off, • the date we've paid 12 months' worth of disablement benefits for any one continuous period of disablement, • the day you: <ol style="list-style-type: none"> I. return to work, or to a function performed for reward, compensation or profit, II. permanently retire, III. die or become terminally ill, or IV. cease to be an Australian resident, • the date that your Loan Repayment Cover or this policy ends (see page 9).

UNDERSTANDING LOAN COVER

Loan Cover can help pay a lump sum towards your **loan** if you die, become **terminally ill** or suffer a medical **trauma**. Loan Cover applies if the **policy schedule** shows the words 'Loan Cover'.

Trauma

If you're suffering from **trauma**, we'll pay a trauma benefit equal to the higher of:

- \$2,000, or
- 10% of your **maximum death and terminal illness benefit amount** (which can never be more than \$750,000).

We pay the trauma benefit to the Commonwealth Bank for the credit of your **loan account**. If paying the trauma benefit results in any early loan repayment fees, or similar **loan** fees, we'll pay these as well. On the date we pay, if the trauma benefit is more than the amount required to pay off the **loan**, we'll pay the balance to you.

The **trauma** benefit covers **cancer, coronary artery disease requiring bypass surgery, heart attack or stroke**. Please see the *Medical trauma condition* on page 21.

We will only pay a trauma benefit once for each **person insured**.

Example of how the trauma benefit works

Jeremy took out Loan Cover eight years ago for a \$500,000 home **loan**. After making regular payments he now owes \$400,000 on the **loan**. Unfortunately, Jeremy suffers a **stroke**. If we accept Jeremy's claim we pay a trauma benefit of \$50,000 (10% of Jeremy's **maximum death and terminal illness benefit amount** of \$500,000), which reduces his outstanding **loan** balance to \$350,000.

We then deduct the amount of the trauma benefit we paid (\$50,000) from Jeremy's original **maximum death and terminal illness benefit amount** (\$500,000), giving him a new **maximum death and terminal illness benefit amount** of \$450,000. His premium then reduces as a result. If Jeremy later died, we'd pay a death benefit of \$350,000 (his **loan** balance). See *Terminal illness and death* on the right.

Terminal illness and death

If you die we pay a death benefit; if you become **terminally ill** we pay a terminal illness benefit. We'll pay a death or terminal illness benefit equal to the lower of:

- the amount required to pay off your **loan**, as at the date of your death or the date you were diagnosed with a **terminal illness**, or
- your **maximum death and terminal illness benefit amount**, as shown on your **policy schedule**.

We pay benefits to the Commonwealth Bank for the credit of your **loan account**. If paying the death or terminal illness benefit results in any early **loan** repayment fees, or similar **loan** fees, we'll pay these as well.

These other conditions also apply:

- we will only ever pay either the death benefit or the terminal illness benefit.
- we will only ever pay one of these benefits per policy however many people are insured under the policy.
- when we pay a benefit, if the amount we pay is more than that required to pay off the **loan** at the relevant date, we pay the balance to the **policyowner** or, in the case of their death, their legal personal representative(s).

Example of how the terminal illness benefit works

Corinne takes out Loan Cover for a \$300,000 home **loan**. A few years later she discovers she has a brain tumour and the doctor certifies that she has less than twelve months to live. At the time we consider Corinne to have a **terminal illness**, the outstanding balance of her **loan** is \$200,000, so we pay \$200,000 to the Commonwealth Bank for credit of her **loan account**.

Example of how the death benefit works

John takes out Loan Cover for his \$25,000 personal **loan**. A year later he is killed in a car accident. On the day John dies, the outstanding balance of his **loan** is \$20,000, so we pay \$20,000 to the Commonwealth Bank for credit of his **loan account**.

Automatic decrease to terminal illness and death benefits

When we pay a trauma benefit, the **maximum death and terminal illness benefit amount** is reduced by the amount of the trauma benefit we pay. This reduces your level of cover, so your premiums will also decrease subject to the minimum monthly premium of \$29.

We'll re-calculate your premiums using your age when your cover started and the new **maximum death and terminal illness benefit amount**.

This recalculation of your premium will occur on the date your trauma benefit becomes payable.

We'll advise you of the new **maximum death and terminal illness benefit amount**, and refund any overpayment of premiums that occurred after the recalculation.

When we won't pay (exclusions)

Benefit	We won't pay if...
Trauma	<ul style="list-style-type: none"> • the medical trauma condition results directly or indirectly from: <ol style="list-style-type: none"> I. an intentionally self-inflicted injury or infection (including attempted suicide), caused by you, whether you're sane or insane, or II. your use of alcohol, or drugs not taken under the supervision of a doctor, • the medical trauma condition occurred, was first diagnosed, the first symptoms of it became apparent or you received professional medical advice or treatment for it at any time before, on or within 90 days after: <ol style="list-style-type: none"> I. your cover start date, II. the date the amount of your maximum death and terminal illness benefit amount was increased (this applies only to the increased amount), or III. the date the policy was re-instated, • you die from any cause within 30 days of first being diagnosed as suffering a medical trauma condition, • a death benefit or terminal illness benefit has been paid or is payable, or • the trauma benefit or the entire policy has come to an end (see page 9).
Terminal Illness and Death	<ul style="list-style-type: none"> • your death or terminal illness results directly or indirectly from: <ol style="list-style-type: none"> I. an intentionally self-inflicted injury or infection (including attempted suicide), caused by you, whether you're sane or insane, II. your use of alcohol, or drugs not taken under the supervision of a doctor, III. any injury or illness for which you had symptoms, or received professional medical advice or treatment, within the 12 months before: <ul style="list-style-type: none"> - your cover start date, - the date the amount of your death and terminal illness benefit was increased (this applies only to the increased amount), - the date the policy was re-instated, • the death or terminal illness benefit has been paid or is payable, or • the entire policy has come to an end (see page 9), or • after you become aware of the illness or injury that causes your death or terminal illness, we will not cover any additional loan draw-downs or increased loan balances.

OUR ONGOING RELATIONSHIP

Contact us

Whether you need something clarified or would like to update your personal or policy details, we're happy to help. You can always get in contact with us in one of the following ways:

Email us

comminsure.services@cba.com.au

Call us

13 39 82 between 8am and 8pm, Monday to Friday (Sydney time)

Write to us

Comminsure Life Insurance Services, PO Box 308, Silverwater NSW 2128

National Relay Service

The National Relay Service may assist anyone who is deaf or has a hearing or speech impairment:

- TTY/Voice: 133 677
- SSR: 1300 555 727

www.relayservice.com.au

How to make a claim

If an insured event occurs, you or your legal representative should contact us as quickly as possible to give us the details.

To claim:

- Call **13 39 82** between 8am and 5pm (Sydney time), Monday to Friday. We will send you a claim form and a covering letter outlining the supporting evidence we need to be able to assess the claim.
- Complete the claim form and return it to us with supporting evidence of your claim. You must provide all certificates and evidence we require at your own expense, except where we ask for a medical examination or other tests. We may require all certificates to be supported by our chief medical officer.

If we consider it necessary, we may require access to all medical records and test results so we can independently verify the existence and the extent of an event. We can make any reasonable enquiries about the claim and we may require you to have a medical examination by a **doctor** we nominate (see *Privacy* on page 18).

How we pay a claim

Once we've received all the necessary documents and assessed the validity of your claim, we'll pay your claim as soon as possible. You must continue to make your premium payments while claiming any benefits or being paid a benefit.

What to do if you have a complaint

We accept that sometimes we can get things wrong, and when this happens we're determined to make them right again. Most problems can be resolved quickly and simply by talking with us.

To get help resolving your problem, call us on **13 39 82** between 8am and 8pm (Sydney time), Monday to Friday or send an email to comminsureseervices@cba.com.au and we'll review your situation and try to resolve it straight away.

We acknowledge every complaint we receive and provide our name, a reference number and contact details of the investigating officer. We keep you updated on the progress we're making towards fixing the problem. However, if we're unable to provide a final response within 45 days we'll contact you to explain why and discuss a timeframe to resolve the complaint.

If you aren't satisfied with our resolution and need further assistance, contact Customer Relations on 1800 805 605 or by email to CustomerRelations@cba.com.au, or by writing to CBA Group Customer Relations, GPO Box 41, Sydney NSW 2001.

External dispute resolution

If you are not happy with the response we provide, you may refer your complaint to the Financial Ombudsman Service (FOS). FOS offers a free, independent dispute resolution service for the Australian banking, insurance and investment industries.

You can contact FOS on 1300 780 808, or by writing to:

Financial Ombudsman Service, GPO Box 3,
Melbourne VIC 3001

or online at www.fos.org.au.

PRIVACY

Collecting information

'Customer information' is information about a customer. It includes personal information such as name, age, gender, contact details as well as your health and financial information.

How we collect it

We can collect and verify customer information in different ways and we will advise you of the most acceptable ways to do this.

The law may require us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. Collecting and verifying information helps to protect against identity theft, money-laundering and other illegal activities. We may disclose your customer information in carrying out verification e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

What we collect

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date of birth and residential address. If you are commonly known by two or more different names, you must give us full details of your other name or names.

Accuracy

You must provide us with accurate and complete information. If you do not, you may be in breach of the law and also we may not be able to provide you with products and services that best suit your needs.

How do we use your personal information?

We collect, use and exchange your personal information so that we can:

- establish your identity and assess applications for our products and services;
- price and design our products and services;
- administer our products and services;
- manage our relationship with you;

- manage our risks and help identify and investigate illegal activity, such as fraud;
- contact you, for example if need to tell you something important;
- conduct and improve our businesses and improve the customer experience;
- comply with our legal obligations and assist government and law enforcement agencies or regulators; or
- identify and tell you about other products or services that we think may be of interest to you.

We may also collect, use and exchange your information in other ways where permitted by law.

Electronic communication

If we have your email or mobile phone details we may contact you electronically including by SMS. You may also receive information on the group's products and services electronically.

Direct marketing

If you don't want to receive direct marketing from us, you can tell us by calling **13 2221**.

Gathering and combining data to get insights

Improvements in technology enable organisations, like us, to collect and use information to get a more integrated view of customers and provide better products and services.

The Commonwealth Bank group may combine customer information it has with information available from a wide variety of external sources (for example census or Australian Bureau of Statistics data). Group members are able to analyse the data in order to gain useful insights which can be used for any of the purposes mentioned above.

In addition, Commonwealth Bank group members may provide data insights or related reports to others, for example to help them understand their customers better. These are based on aggregated information and do not contain any information that identifies you.

Protecting your personal information

We comply with the Australian Privacy Principles as incorporated into the Privacy Act 1988 (Cth).

The Privacy Act protects your sensitive information, such as health information. When we need to obtain this type of information, we will ask for your consent, except where otherwise permitted by law.

Who do we exchange your personal information with?

We exchange your personal information with other members of the Commonwealth Bank group, so that the group may adopt an integrated approach to its customers.

Commonwealth Bank group members may use this information for any of the purposes mentioned under 'How do we use your personal information' above.

Third parties

We may exchange your information with third parties where this is permitted by law or for any of the purposes mentioned under 'How do we use your personal information' above. These third parties include:

- service providers or those to whom we outsource certain functions, for example, direct marketing, statement production, debt recovery and information technology support;
- your employer;
- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial advisor, solicitor, accountant, executor, administrator, trustee, guardian or attorney;
- medical practitioners (to verify or clarify, if necessary, any health information you may provide);
- claims-related providers, such as assessors and investigators, who help us with claims;
- auditors;
- government and law enforcement agencies or regulators; or
- entities established to help identify illegal activities and prevent fraud.

In all circumstances where our contractors and outsourced service providers become aware of customer information, confidentiality arrangements apply.

We may be required to disclose customer information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, anti-money laundering or counter terrorism financing.

Sending information overseas

From time to time we may send your personal information overseas, including to overseas Commonwealth group members and to service providers or other third parties who operate or hold data outside Australia. Where we do this, we make sure that appropriate data handling and security arrangements are in place. Please note that Australian law may not apply to some of these entities.

We may also send information overseas to complete a particular transaction or where this is required by laws and regulations of Australia or another country.

For more information about which countries your information may be sent to, see the Commonwealth Bank group privacy policy available at commbank.com.au.

Viewing your information

You can (subject to permitted exceptions) request access to your personal information by contacting Customer Relations (see page 16 for contact details).

We may charge you for providing access. For more information about our privacy and information handling practices, please refer to the Commonwealth Bank group privacy policy, which is available through commbank.com.au or on request from any Commonwealth Bank branch.

Making a privacy complaint

We accept that sometimes we can get things wrong. If you have a concern about your privacy you have a right to make a complaint and we'll do everything we can to put matters right. For further information on how to make a complaint and how we deal with your complaint please refer to Commonwealth Banks group's privacy policy, which is available at commbank.com.au or upon request at any Commonwealth Bank branch.

GLOSSARY

Unless the context is otherwise the following table shows what the wordings in this PDS mean.

Term	The meaning of the word
Cover start date	The date from which we provide Loan Cover and/or Loan Repayment Cover for the person insured .
Date the policy was re-instated	The date we agree to re-instate your policy.
Disablement, disabled, or disability	<p>'Disabled', 'disability', or 'disablement' means that due to injury or illness you are:</p> <ul style="list-style-type: none"> • unable to perform at least one duty of your occupation which produces at least 20% of your monthly income (from personal exertion net of business expenses but before tax and excluding the superannuation component of that income), and • following the advice of a doctor, and • not working. <p>A doctor must certify that the disablement has occurred and until we receive this certification we won't consider you to be disabled in terms of this definition.</p>
Doctor	<p>A person who:</p> <ul style="list-style-type: none"> • is legally qualified and registered to practise, and is practising, medicine • is not you or a member of your immediate family, and • is acceptable to us. <p>In the case of terminal illness or trauma we may require that the doctor be a specialist that we consider to be appropriate.</p>
Employed	See <i>What we mean by employed and unemployed</i> on page 11.
Injury	Bodily injury resulting from an accident and caused solely and directly by violent, external and visible means.
Loan	<p>A loan is:</p> <ul style="list-style-type: none"> • a personal, home or investment home loan from the Commonwealth Bank, which the bank has funded under an application they have approved, and for which the policyowner has requested cover under this policy, or • additional borrowing to an existing personal, home or investment home loan where: <ol style="list-style-type: none"> I. the Commonwealth Bank has approved the loan application and funded the additional borrowing II. the security for the loan has not changed within that period III. the policyowner has requested cover under this policy for the additional borrowing.
Loan account	An account or accounts the Commonwealth Bank has established for the loan .
Maximum death and terminal illness benefit amount	The maximum death and terminal illness benefit amount shown on the latest policy schedule or as subsequently updated by us.
Minimum monthly repayment	See <i>Minimum monthly repayment</i> on page 12 and <i>Choosing partial cover</i> on page 7.
Original loan amount	The funded amount of the loan we insured when cover under the policy first started.
Permanently retired	You have permanently stopped working.

Term	The meaning of the word
Person insured	A person named on the policy schedule as a person insured under this policy. A person insured must be a policyowner . 'People insured' or 'people are insured' has a similar meaning.
Policyowner	The person or people named in the policy schedule as the policyowners, and who are the loan borrowers. If there is more than one policyowner, they hold this policy as joint tenants, so if one policyowner dies, the surviving policyowner owns the policy.
Policy schedule	The latest policy schedule as subsequently amended by us.
Terminal illness	An illness or injury which, in the opinion of a doctor and where we consider it necessary supported by our chief medical officer, will lead to death within twelve months. The doctor and, if we consider it necessary, our chief medical officer, must certify that the terminal illness has occurred. Until we receive certifications, terminal illness will not have occurred for the purposes of this definition.
Trauma	See <i>Medical Trauma Conditions</i> below. A doctor must certify that your trauma has occurred. Until we receive this certification we won't consider a trauma to have been suffered in terms of this definition.
Unemployed	See <i>What we mean by employed and unemployed</i> on page 11.

Medical trauma conditions

Term	The meaning of the word
Cancer	<p>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.</p> <p>The following are included:</p> <ul style="list-style-type: none"> • 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. <p>The following are excluded:</p> <ul style="list-style-type: none"> • 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: <ol style="list-style-type: none"> 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)

MEDICAL TRAUMA CONDITIONS

Term	The meaning of the word
Cancer (continued)	<ul style="list-style-type: none"> • 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 • tumours treated by endoscopic procedures alone, and • chronic lymphocytic leukaemia Rai Stage 0-1.
Coronary artery disease requiring bypass surgery	<p>The actual undergoing of bypass 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.</p>
Heart Attack	<p>The death of part of the heart muscle (myocardium) as a result of inadequate blood supply. The diagnosis must be based on either:</p> <ul style="list-style-type: none"> • the following medical evidence: <ol style="list-style-type: none"> 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 equivalent, <p>and</p> <ol style="list-style-type: none"> 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, <p>or</p> • 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	<p>A stroke is:</p> <ul style="list-style-type: none"> • 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. <p>The following are excluded:</p> <ul style="list-style-type: none"> • cerebral symptoms due to: <ol style="list-style-type: none"> I. transient ischaemic attacks II. reversible ischaemic neurological deficit, or III. migraine • cerebral injury resulting from: <ol style="list-style-type: none"> I. trauma II. hypoxaemia, or III. vascular disease affecting the eye, optic nerve or vestibular function.

You can always get in contact with us in one of the following ways:

Email us

comminsureservices@cba.com.au

Call us

13 39 82 between 8.00am and 8.00pm
Monday to Friday (Sydney time).

Write to us

Comminsure Life Insurance Services.
PO Box 308 Silverwater, NSW 2128