

MemberCare™ Loan Insure

Product Disclosure Statement
incorporating the Policy Wording



Your complete personal loan protection

Preparation Date: 01 March 2007

Welcome to the CUNA Mutual Group

CUMIS Insurance Society Inc ABN 72 000 562 121 Australian Financial Services Licence (AFSL) 245491 trading as CUNA Mutual General Insurance (Incorporated in Wisconsin USA. The members of the Society have no liability.) and CUNA Mutual Life Australia Limited ABN 83 089 981 073 AFSL 245492 are part of the CUNA Mutual Group, one of the leading financial services providers to community-based financial institutions such as Credit Unions, Building Societies, Co-operatives, and Community Banks and their members worldwide.

Established in 1935, the CUNA Mutual Group operates in over 10 countries. Starting its Australian operation in 1969, today it provides insurance and insurance-related products to over 90% of Australia's Credit Unions.

We are committed to providing Australian community-based financial institutions and their members with strong personal and financial protection through *our* MemberCare range of products and services as well as specialist insurance support.

For further information please see *your* community-based financial institution or contact one of *our* accredited customer service insurance consultants on 1800 636 430.

About Queensland Teachers' Credit Union Limited

Queensland Teachers' Credit Union (QTCU) is the second largest credit union in Queensland, with assets of more than \$700 million and reserves in excess of \$50 million. Established in 1965, QTCU has over 90,000 members and 12 branches across Queensland. As each customer is a shareholder in the Credit Union, their ownership means all QTCU profits are reinvested into the organisation, thus ensuring ongoing strength and stability. QTCU offers a wide range of products and services including savings, investment, loans (housing and personal), insurance, youth programs, financial planning and travel facilities. QTCU is committed to improving community financial literacy and meeting customer expectations by providing innovative, competitive, high-quality financial services.

QTCU holds AFSL Number 241 195 and can issue, vary, renew and cancel this *policy* as agent of the insurers as if it were the insurers. This is called a "binder" arrangement and means that the insurance *policy* issued to *you* by QTCU is binding on the insurers just as if they had issued the *policy*.

Confirmation Facility

You may obtain confirmation of any *policy* transaction by calling 1800 636 430 or emailing insuranceservices@cunamutual.com.au.

Product Disclosure Statement (PDS)

This *PDS* which incorporates *your policy* wording contains information required under the Financial Services Reform Act 2001.

The information contained in this *PDS* is designed to help *you* understand the *policy* and to decide whether to purchase this insurance product. To assist with *your* decision we have divided this *PDS* into two sections:

- The first section highlights important information about this insurance *policy* including its significant features and benefits, the risks and some information about how the *premium* is calculated.
- The second section is the *policy* wording and sets out the standard terms, conditions and limitations of this insurance *policy*.

It is important that *you* read both of these sections carefully before *you* apply for this insurance, to make sure *you* understand the insurance *cover* provided and the *policy's* limitations.

This *PDS* must be read in conjunction with the *policy schedule* and *your* application. Together they form the basis of *your* insurance contract and both should be retained in a safe place.

Words throughout this *PDS* written in italics have special meaning. Please refer to pages 20-23 for these meanings.

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SECTION I

SIGNIFICANT POLICY INFORMATION

Who is the Insurer of this Policy?

This product can provide the following types of covers:

1. Death and *trauma* covers – these are life risk consumer credit insurance benefits.

For death and *trauma* cover the insurer is CUNA Mutual Life Australia Limited ABN 83 089 981 073 AFSL 245492.

2. *Our disability and involuntary unemployment covers* are general consumer credit insurance benefits.

For *disability and involuntary unemployment cover* the insurer of this *policy* is CUMIS Insurance Society Inc ABN 72 000 562 121 AFSL 245491 trading as CUNA Mutual General Insurance (Incorporated in Wisconsin USA. The members of the Society have no liability.)

Both insurers take full responsibility for the whole of this *PDS* but each is only liable for the *covers* they agree to insure.

How You can Contact Us

You may contact us by phone or by writing to us at:

CUNA Mutual Group
Level 10, 345 George Street
Sydney NSW 2000
GPO Box 1276
Sydney NSW 2001

Policy enquiries: 1800 636 430

Claims enquiries: 1800 226 122

General Insurance Code of Practice

CUMIS Insurance Society Inc is committed to and supports the objectives and principles of the General Insurance Code of Practice.

This Code is a self-regulatory code which was introduced to raise general insurance industry standards of practice and service in respect of *policy* documents, training and claims handling procedures and to promote good relations between insurance companies, their agents and customers. More information on the Code is available by contacting us or visiting the website of the Insurance Council of Australia.

How to Apply for this Insurance

Before *you* apply for this insurance it is important that *you* read, understand and accept *your* duty of disclosure and *our* privacy promise. *You* can apply for this insurance by completing *our* application process that is administered by *your* financial institution. If we accept *your* application, *you* will receive a *policy schedule* that identifies the insured, the insurer, the *period of insurance*, the *premium*, the *cover(s)* selected, the limits of liability and other important information.

To be eligible to apply for MemberCare Loan Insure *you* must, at the *commencement date* of this insurance:

1. be less than 60 years of age
2. be a *permanent resident of Australia* unless *you* are a member of the Australian Defence Force posted overseas or we agree in writing to insure *you*
3. be in *permanent employment* for not less than 15 hours per week, every week other than when *you* are on annual leave
4. have no knowledge that *your permanent employment* is to be terminated or of a decrease in work being available.

Points 3. and 4. do not apply if *you* are a person named on the *loan contract*, are not in *permanent employment* and *you* are only applying for death cover.

Your Duty of Disclosure

The Insurance Contracts Act 1984 imposes a duty of disclosure on *you* when *you* first enter into an insurance *policy* with *us*, and *you* vary renew, extend, reinstate or replace *your* insurance *policy*.

1. Your Duty of Disclosure when *you* first enter into this *policy* with *us*.

What *you* must tell *us*

When answering *our* questions, *you* must be honest. *You* have a duty under law to tell *us* anything known to *you*, and which a reasonable person in the circumstances would include in answer to the question. We will use the answers in deciding whether to insure *you* and anyone else to be insured under the *policy*, and on what terms.

Who needs to tell us

It is important that *you* understand *you* are answering *our* questions in this way for yourself and anyone else that *you* want to be covered by the *policy*.

If *you* do not tell us

If *you* do not answer *our* questions in this way, we may reduce or refuse to pay a claim or cancel the *policy*. If *you* answer *our* questions fraudulently, we may refuse to pay a claim and treat the *policy* as never having worked.

2. **Your Duty of Disclosure when *you* renew, vary, extend, reinstate or replace this *policy*.**

Before *you* renew, vary, extend, reinstate or replace this insurance *policy* with us, *you* have a duty to disclose to us every matter that *you* know, or could reasonably be expected to know, is relevant to *our* decision whether to accept the risk of the insurance and, if so, on what terms.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by us
- that is of common knowledge
- that we know or, in the ordinary course of *our* business, ought to know
- where we waive *your* requirement to comply with *your* duty.

If *you* do not tell us

If *you* fail to comply with *your* duty of disclosure, we may be entitled to reduce *our* liability under the *policy* in respect of a claim or may cancel the *policy*. If *your* non-disclosure is fraudulent, we may also have the option of avoiding the *policy* from its beginning.

Our Privacy Promise

We are committed to protecting *your* personal information.

What information do we collect?

The proposal for this insurance only asks *you* for the information that is necessary for *us* to assess *your application* for this insurance. We may also obtain personal information about *you* from other forms or health statements completed in connection with this insurance, other insurers, an insurance reference service or as permitted or required by law.

If *you* don't give *us* the information

If *you* do not give *us* all the information requested, we may not be able to process or accept *your application* for insurance.

How we use the information

We use the information we collect about *you* to assess *your application* for insurance and the risk involved. If we issue *you* with a *policy*, we will also use the information to administer *your policy* and assess any claims. From time to time we may send *you* information on other insurance products.

Disclosure to third parties

We will only disclose information about *you* to a third party if we need to in order to process *your application*, administer *your policy* or investigate and assess any claims. The parties to whom we may disclose *your* personal information include (but are not limited to) reinsurers, health providers, loss assessors, investigators, legal advisors and external complaints and dispute resolution bodies.

We will also disclose information about *you* to a third party if required to by law.

Access to information

You are entitled to access *your* personal information, except in some limited circumstances outlined in the Privacy Act 1988. You can request access to *your* personal information by writing to us.

Privacy enquiries or complaints

We have internal procedures in place to ensure that any concerns you may have relating to the privacy of *your* information are resolved promptly, including access to *our* Internal Dispute Resolution Panel.

If we are unable to resolve *your* complaint internally, you can direct *your* complaint to:

The Director of Compliance
Office of the Privacy Commissioner
GPO Box 5218, Sydney NSW 2001.

Tel: 1300 363 992

Please ask us if you have any queries on what personal information we collect or how it will be used. A copy of *our* Privacy Policy is available on request.

Consumer Credit Insurance (CCI)

MemberCare Loan Insure is a CCI product and is an optional form of loan protection which is available for up to two insured persons. It is designed to protect a borrower's loan *repayment* obligations in the event of their death, *disability*, *involuntary unemployment* or *trauma*. It is important for you to read the *policy* wording carefully to make sure you understand the *cover* provided and the *policy's* limitations.

MemberCare Loan Insure is not compulsory and it is not a condition of *your* loan that you have this insurance. If you do choose to take out CCI, you may do so with another insurer.

Significant Features and Benefits of this Insurance

The following information lists some of the significant features and benefits available under *our policy*. For full details of the features and benefits of this insurance *cover you need to take the time to read the policy wording*.

There are two main *covers*. *You must choose one or both of these with your policy*:

- *Death cover*
- *Disability cover*

There are two additional covers available:

- *Involuntary unemployment cover*
- *Trauma cover*

Involuntary unemployment and trauma covers are only available when chosen in conjunction with disability cover.

Cover applies 24 hours a day, 7 days per week. For a more comprehensive overview of your cover options, speak to your financial institution.

Death Cover

In the event of *your death*, we will pay to *your financial institution* the *outstanding balance of your loan contract* at the date of death (excluding any *loan repayments two months or more in arrears*), to a maximum of \$250,000.

If *you die* (other than by suicide), during the period of time between the date *your loan is approved* and when the funds are advanced, we will pay the *death cover* provided *your application* has been accepted and death occurs within 120 days of *your loan* being approved.

Disability Cover

If you are unable to work because you have suffered an *injury* or *illness*, we will pay the *repayment* shown on your *policy schedule* for this cover to your financial institution for each fortnight/month you are *disabled* provided that:

- the *disability* continues for at least 15 consecutive days from the date you first seek medical attention for the *injury* or *illness* which causes the *disability*
- the monthly benefit is no more than \$1,500, and
- you have not reached 65 years of age.

Involuntary Unemployment Cover

If you are unable to continue your *permanent employment* as a direct result of involuntary dismissal or retrenchment by an employer, we will pay the *repayment* shown on your *policy schedule* for this cover, to a maximum of \$1,500 per month after the 14-day waiting period for each period of *involuntary unemployment* you experience.

The maximum payment for any one claim is 3 months during any consecutive 12-month period.

The most we will pay in total for all *involuntary unemployment* claims during the *period of insurance* is \$5,000.

Cover will only apply if:

- you have not reached 65 years of age
- you have not experienced *involuntary unemployment* within 28 days of the commencement of the *period of insurance*
- you have been in *permanent employment* for 60 consecutive working days immediately prior to experiencing *involuntary unemployment*
- you are not self-employed or you or a member of your family can exercise control over your employer.

Trauma Cover

If you suffer a *trauma*, we will pay to you the lesser of the *outstanding balance* at the date you suffered the *trauma* and \$50,000.

We will not pay more than one claim during the *period of insurance* and no claim will be payable for any *trauma* suffered in the first 90 days of cover.

Policy Limits

Benefits under the MemberCare Loan Insure *policy* have limits. The maximum amounts we will pay for the *cover you* have chosen, irrespective of the amounts shown on the *policy schedule*, are:

Death Cover

- The benefit payable is the *outstanding balance of your loan contract* up to a maximum of \$250,000.
- For a *policy* in joint names, only one claim is payable.

Disability Cover

- The maximum monthly benefit is the lesser of the insured *repayment* amount selected by *you* as shown in *your policy schedule* and \$1,500 per month, no matter how many claims are made by all covered persons.

Involuntary Unemployment Cover

- The maximum monthly benefit is the lesser of the insured *repayment* amount as shown in *your policy schedule* and \$1,500 per month, no matter how many claims are made by all covered persons.
- The monthly benefit is paid for a maximum period of 3 months during any consecutive 12-month period.
- The maximum benefit payable for all claims during the *period of insurance* is \$5,000.

Trauma Cover

- The benefit is the lesser of the *outstanding balance* and \$50,000.
- Only one claim can be made during the *period of insurance*.

Period of Insurance

This insurance *covers you* for the *period of insurance*. It commences on the *commencement date* shown on the *policy schedule* and expires on the earlier of the expiry date shown on the *policy schedule* and such other time *cover* ceases in accordance with Section 2E General Conditions When *your insurance* ceases (e.g. variation, expiry, termination, cancellation or paying out of *your loan contract*).

If there are general increases in the interest rate charged by *your* financial institution resulting in the term of the *loan contract* being extended, the expiry date in the *policy schedule* will be extended by up to 6 months at no extra charge.

Significant Risks of this Insurance

The following information lists some of the significant risks arising under *your policy*. It is important that *you* take the time to carefully read the *policy* wording in full before applying for this insurance. If *you* breach or do not comply with the terms of this *policy*, subject to the Insurance Contracts Act 1984, we may refuse to pay *your* claim or reduce any payment.

Variation of cover

If *you* vary any of the terms of *your loan contract* this *policy* will be cancelled and if *you* want *cover*, *you* will need to enter into a new *policy* to *cover* the varied *loan contract*. Where *you* vary *your loan contract* and *you* propose entering into a new *policy*, all current terms and conditions of the new *policy* apply as at the date the new *policy* is issued.

Waiting Periods

A waiting period is a period of time for which no benefit is payable. *You* may be subject to one or more waiting periods under this *policy*. A full description of all the waiting periods that may apply can be found in the *policy* wording.

Disclosure

You have disclosure obligations under this contract of insurance, which are set out on pages 7-8 of this *PDS*. Failure to comply with these obligations can have serious consequences in terms of *your* insurance *cover* or in the event of a claim being made by *you*.

Interest Rates

The amounts we may pay for claims relating to *disability* and/or unemployment are calculated by reference to the *repayment* as shown in *your policy schedule*. If during the *period of insurance* *your* actual *loan repayments* are affected by a change in interest rates, any payments under the *policy* may not provide total *cover*.

General Exclusions of this Insurance

The insurance we offer to *you* under this *policy* provides cover for certain events. There will be situations where this *policy* provides no cover at all. Those situations are set out in the *policy* wording. For full particulars of all these exclusions, *you* must take the time to read this in detail.

For a comprehensive list and further details on these, see pages 25-33, under the headings “What we won’t pay for”.

The following lists some of the events which will not be covered under *your* insurance *policy*:

- any claim if *your* death is the result of a suicide within 13 months of the *commencement date* of the *policy*
- any period of *involuntary unemployment* which occurs within 28 days of the *commencement date* of the *policy*
- the first 14 days of any *involuntary unemployment* period
- any claim for *involuntary unemployment* if *you* are self-employed or employed by a company or business over which *you* or *your* family can exercise control
- any claim if *you* have not been in *permanent employment* for 60 consecutive working days immediately prior to experiencing *involuntary unemployment*
- the first 14 days of any *disability* period, and
- any claim for death, *disability* or *trauma* arising out of a *pre-existing condition*.

How we Price this Insurance Product

Your *premium* is calculated based on the *covers* selected and the sum insured as shown on your *policy schedule*. The *premium* we charge is subject to Commonwealth and State taxes and/or charges, including Stamp Duty and GST.

Premium Payment

The *premium* for this insurance may be paid by including it as part of your *loan contract* or by you as a separate amount.

Taxation Information about this Insurance

The *premium* shown in your *policy schedule* is inclusive of Stamp Duty and GST. Any payments made by us for claims may have an impact on your income for the purpose of the Income Tax Assessment Act. You should obtain independent advice to see how this may affect you.

If you are claiming input tax credits in relation to the GST on the *premium*, contact us for a tax invoice. The GST component may not be 1/11th of the *premium* due to stamp duty or other government charges.

Our Service Commitment – Dispute Procedures

We are committed to service excellence. An integral part of our service excellence is the provision of an efficient, free and fair internal dispute resolution procedure. Should you have a complaint in connection with this *policy*, relating to a claim, our service or that of our agents or any one else acting on our behalf, please contact us directly and we will do our utmost to resolve the problem. Our contact details are shown on page 6.

We will respond to your complaint within 15 business days provided we have all necessary information and have completed any investigation required.

If further information, assessment or investigation is required, we will agree reasonable alternative timeframes with you. For life insurance, all complaints must be resolved within 45 days or up to a maximum of 90 days if you agree.

If we can't agree on alternative time frames or if we provide you with a response to the complaint and you tell us that you want it reviewed, we will treat your complaint as a dispute.

Our Internal Dispute Resolution Committee will consider and respond to any dispute within 15 business days provided we receive all necessary information and have completed any investigation required. If further information, assessment or investigation is required, we will agree reasonable timeframes with you.

If we cannot agree on alternative time frames or if you are provided with our decision and are unhappy with it, we will provide you with information on how to access the independent External Dispute Resolution (EDR) scheme we belong to and, where required, the relevant time frame in which any dispute must be registered with the scheme.

The EDR schemes we belong to are free of charge and binding on us but will only review disputes that have been through the above internal dispute resolution process and are within the scheme terms.

If a dispute exists in relation to a claim for *disability* or *involuntary unemployment cover*, after we have had the opportunity to resolve the matter internally, then you may contact:

Insurance Ombudsman Service Limited
PO Box 561 Collins Street West, Melbourne, VIC 8007
Tel: 1300 780 808 (local call fee applies)

The Insurance Ombudsman Service consists of a group of specialist advisers that are independent from insurance companies whose purpose is to assist in the resolution of such disputes and is at no cost to you. You can obtain further information on the Insurance Ombudsman Service at www.insuranceombudsman.com.au. or obtain brochures from the Insurance Council of Australia in your state.

If a dispute exists in relation to a claim for death or *trauma cover*, after we have had the opportunity to resolve the matter internally, you may contact:

Financial Industry Complaints Service Ltd ("FICS")
Level 13, 31 Queen Street, Melbourne VIC 3000
PO Box 579 Collins Street West, Melbourne VIC 8007
Tel: 1300 780 808 (local call fee applies)

This independent service will attempt to settle the matter by conciliation. It also has the power to arrange a formal hearing if the matter cannot be resolved. You can obtain further information on FICS at www.fics.asn.au.

Your Cooling-off Period

If *you* are not completely satisfied with this insurance product, *you* may cancel *your policy* within 30 days from the *commencement date* and receive a full *premium* refund. To take advantage of this offer we must receive a request from *you* within 30 days of the *commencement date*. This offer does not apply if *you* have made, or are entitled to make a claim, within this period.

Making a Claim

Full details of what to do in the event of making a claim can be found on page 35 in the *policy* wording. *Our* contact details are on page 6. It is important that *you* understand and follow *our* instructions on what to do in the event of making a claim.

Failure to comply with these obligations can have serious consequences in the event of a claim being made, including *us* reducing the amount we pay *you* by an amount to take account of the prejudice we suffer by *you* not following *our* instructions.

Commission

In arranging this insurance *your* financial institution is acting as an agent of CUNA Mutual Life Australia Limited and CUMIS Insurance Society Inc not *you*. The commission paid to *your* financial institution is 20% of the *premium* excluding GST and Stamp Duty.

SECTION 2

THE POLICY WORDING

Our Agreement with You

If we accept *your application*, we agree to provide you with the insurance that *you* have selected during the *period of insurance*, as set out in this *PDS* and *policy schedule*. In return *you* agree to pay *us your premium* which takes into account any relevant government charges.

Words that have Special Meanings

Words that appear throughout this *PDS* have special meanings, which are outlined below. Whenever these words appear, they will be highlighted in italics.

Application means the proposal or application form and any personal statements, submitted by *you* or by another person on *your* behalf.

Cancer* means the first unequivocal diagnosis of any internal malignant tumour requiring treatment by surgery, radiotherapy, hormone therapy or chemotherapy. Included will be any malignant tumour considered to be too advanced or too serious for specific treatment to be warranted, but excluding:

- tumours treated by endoscopic procedures alone
- tumours classed as carcinoma in situ
- prostate tumours that have not invaded the muscle layer
- tumours of the skin (with the exception of malignant melanoma where there is evidence of spread to lymph nodes or distant tissue), and
- Kaposi's Sarcoma and other tumours caused by HIV or AIDS.

Commencement date means the inception date of the *period of insurance* stated on the *policy schedule* you received from *us* in connection with this *policy*, or the date the loan funds are advanced to *you*, whichever is the later.

Coronary Artery Surgery* means a coronary artery bypass grafting surgery performed via a Thoracotomy.

Cover or **covers** means the protection provided by this *policy*.

Date of the trauma means the date on which, in the opinion of a *medical practitioner* and/or pathologist, the *trauma* event has been proven to have occurred.

Disablement, disabled, or disability means:

1. For *you*:

- (a) during the first 12 months of *your* disability, *your* inability due to *illness* or *injury* (as certified by a *medical practitioner*) to perform duties of *your* usual occupation
- (b) beyond 12 months, *your* inability to perform the duties of any occupation for which *you* are reasonably qualified by education, training or experience (as certified by a *medical practitioner*)

2. for *your non-income-earning partner*:

the inability to perform their usual home keeping duties due to *illness* or *injury* (as certified by a *medical practitioner*).

Heart Attack* means a diagnosed acute myocardial infarction resulting from inadequate cardiac blood supply that has been documented by the occurrence of chest pain and electro cardiographic evidence and elevation in cardiac enzymes.

Illness means any illness, sickness or disease.

Injury means bodily injury caused solely by violent, accidental, external and visible means.

Involuntary unemployment or unemployed means *you* are unable to continue *your permanent employment* as a direct result of involuntary dismissal or retrenchment by an employer and *you* are registered as unemployed with Centrelink or the Department of Social Security and *you* are actively seeking work.

Kidney Failure* means end stage renal failure, which presents chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is initiated or renal transplant is carried out.

Loan contract means the loan contract between *you* and *your* financial institution.

Major Organ Transplant* means actually having undergone, as a recipient, a medically necessary transplant procedure involving one or more of the following organs: kidney, heart, liver, lung, bone marrow and pancreas.

Medical practitioner means a legally qualified and independent medical practitioner, physician or surgeon (other than *you* or a member of *your* family or *your* business partner) who is registered and practising medicine in Australia.

THE POLICY WORDING

Non-income-earning partner or **partner** means *your* spouse, de facto spouse or partner, who:

- (a) lives with *you*
- (b) is not in *permanent employment*
- (c) who carries out home keeping activities, and
- (d) is not otherwise insured under this *policy* as part of the *loan contract*.

Outstanding balance means the amount outstanding under *your loan contract*, for which *you* are indebted to *your* financial institution at the relevant date, excluding any loan payments which are two months or more in arrears.

Permanent employment means working on a regular basis for remuneration or profit for not less than 15 hours per week for a six-month period prior to commencement of the *policy*. Such work cannot be of a seasonal nature.

Permanent resident of Australia means a person not living outside Australia for more than 12 months at a time unless as a member of the Australian Defence Force posted overseas.

Period of insurance means the period *we cover you* for. Its *commencement date* is shown on the *policy schedule* and it expires on the earlier of the expiry date shown on the *policy schedule* and such other time *cover* ceases in accordance with Section 2E General Conditions When *your* insurance ceases. In no case does it commence prior to the *commencement date* of the *loan contract* or continue beyond 10 years. However, if there are general increases in the interest rate charged by *your* financial institution resulting in the term of the *loan contract* being extended, the expiry date shown on the *policy schedule* will be extended by up to 6 months at no extra charge.

Policy means this contract of insurance and includes the *application*, this *PDS* and the *policy schedule*.

Product Disclosure Statement (PDS) means this document which incorporates *your policy* wording, and is designed to help *you* understand the *policy* and decide whether to purchase this insurance product.

Policy schedule means *your* most recent schedule. We give you a schedule when you buy a *policy* from us.

Pre-existing condition means any *injury* or *illness* (whether diagnosed by a *medical practitioner* or not) of which you were aware, or a reasonable person in *your* circumstances could be expected to have been aware, existed at the time you applied for this insurance.

Premium means the amount paid for the covers you have selected.

Repayment means the the lesser of the insured repayment amount as shown in *your policy schedule* and \$1,500 per month.

Replacement Policy means this *policy* if it replaces a Loan Insure *policy* that has been cancelled within 90 days of the *commencement date* of this *policy*.

Stroke* means any infarction of brain tissue due to a cerebrovascular incident which is associated with evidence of a neurological deficit that creates permanent functional impairment. It does not mean infarction of brain tissue as a result of *injury* or vascular disease affecting the eye or optic nerve.

Trauma means the positive diagnosis of any of the diseases or disabilities listed on page 30 which occur during the *period of insurance*, after 90 days from the *commencement date*.

We, our, us means CUMIS Insurance Society Inc, ABN 72 000 562 121, AFSL 245491 trading as CUNA Mutual General Insurance (Incorporated in Wisconsin USA. The members of the Society have no liability.) in respect of the *involuntary unemployment* or *disability cover* and CUNA Mutual Life Australia Limited ABN 83 089 981 073 AFSL 245492 in respect of the death and *trauma cover*.

You, your means the insured(s) named in your *policy schedule*.

* These special meanings are only relevant if you have selected *Trauma Cover*.

Section 2A – Death Cover

This cover only applies if *you* have selected to insure for death cover and this is shown on *your policy schedule* and *you* have paid the relevant *premium* for the cover.

What we will pay for

If *you* die during the *period of insurance*, we will pay *your* financial institution the *outstanding balance* at the date of *your* death up to a maximum of \$250,000. In the event that the *loan contract* is in *your* joint names and both of *you* die, only one claim will be covered.

If *you* die (other than by suicide), during the period of time between the date *your* loan is approved and when the funds are advanced) we will pay the death cover provided that:

- an *application* to us for death cover has been completed by *you*, and
- *your application* is acceptable to us, and
- *your* death occurs within 120 days after *your* financial institution approves *your* loan.

Continuity of Cover

If this is a *replacement policy*, we will accept a claim for *illness* or *injury* first manifested under the replaced *policy*, but only for the cover(s) and up to the limits provided prior to the *commencement date* of this *policy*.

What we won't pay for

We will not pay for any claim for death cover, if *your* death:

1. is a result of suicide within 13 months of the *commencement date* of this *policy*
2. is caused or contributed to by any *pre-existing condition*, or
3. is caused or contributed to by alcohol, drugs or narcotics (except where administered by or taken in accordance with the advice of a *medical practitioner*).

If, at the date of *your* death, *your* financial institution has any form of insurance for the *repayment* of this loan, the *outstanding balance* is to be reduced by the benefit provided or by any payment received by *your* financial institution from the insurance.

Section 2B – Disability (Illness and Injury) Cover

This cover only applies if you have selected to insure for *disability cover* and this is shown on your *policy schedule* and you have paid the relevant *premium* for that cover.

What we will pay for

- I. Income-earning *Partner/Insured Cover*.
 - (a) If you become *disabled* during the *period of insurance* and you are *disabled* for at least 15 consecutive days, we will pay your *repayments* to your financial institution whilst you remain *disabled*.
 - (b) If, due to a variation to the interest rate stated in the *loan contract*, the actual *repayments* vary, we will calculate the benefits payable on the basis of the *repayment* amount shown in your *policy schedule*.
 - (c) Whether this *policy* covers one or more people, the maximum amount we will pay fortnightly/monthly (as relevant), is the *repayment* shown on your *policy schedule* to a maximum aggregate monthly benefit of \$1,500.

Continuity of cover

If this is a *replacement policy*, we will accept a claim for *illness or injury* first manifested under the replaced *policy*, but only for the *cover(s)* and up to the limits provided prior to the *commencement date* of this *policy*.

Recurrent disability

If you return to *permanent employment* for less than 6 months following a period of *disablement*, any further claim for *disablement* will be considered as a continuation of the prior period(s) of *disablement*.

What we won't pay for

Income-earning *Partner/Insured Cover*.

No benefit is payable for *disability cover*:

1. for the first 14 consecutive days of any *disability*
2. for claims arising out of a depression, stress and/or an anxiety condition unless that condition is certified, by an independent *medical practitioner* nominated by us, as being unrelated to any other *illness* or *injury*, nor is any benefit payable for a period of, or periods totalling, more than 12 months for any such claims
3. for any period where *your* inability to return to work (whether to duties of *your* usual occupation in the first 12 months of *disability* or, after that period, to duties of any occupation for which *you* are reasonably qualified by education training or experience) is due to *your* failure to actively seek and undergo medical attention and/or rehabilitation in respect of the *disability*
4. if *you* fail to attend a medical examination with an independent *medical practitioner* requested by us (this examination will be at our expense)
5. if *you* return to employment in any occupation for reward or profit
6. if *your disability* is a result of:
 - (a) any *pre-existing condition*
 - (b) a deliberately self-inflicted *injury* or condition whilst sane or insane
 - (c) any *illness* or *injury* which is caused or exacerbated by alcohol, drugs or narcotics (except as a result of a drug administered by, or in accordance with the advice of a *medical practitioner*)
 - (d) *you* not obtaining and/or following medical advice provided by a qualified *medical practitioner* or rehabilitation specialist
 - (e) *your* decision to cease work that is not supported by an independent medical assessment of *your disability*. (The mere fact that *you* are medically discharged from *your* usual occupation does not qualify as such an assessment), or
 - (f) childbirth, pregnancy or abortion or any conditions contributed to by them.

Section 2B – Disability (Illness and Injury) Cover (continued)

What we will pay for

2. Non-Income-Earning Partner Cover.

- (a) If your non-income-earning partner becomes disabled during the *period of insurance*, we will pay your repayment to your financial institution.
- (b) If, due to a variation to the interest rate stated in the *loan contract*, the actual *repayments* vary, we will calculate the benefits payable on the basis of the *repayment* amount shown in your *policy schedule*.
- (c) The maximum monthly benefit amount we will pay is \$750 limited to 12 months and the total amount we will pay during the *period of insurance* is \$9,000.

What we won't pay for

Non-Income-Earning Partner Cover.

No benefit is payable for *disability cover*:

1. for the first 60 consecutive days of *your partner's disability*
2. if *your partner's disability* is a result of:
 - (a) a depression, stress and/or anxiety condition unless that condition is certified by an independent *medical practitioner* nominated by us, as being unrelated to any other *illness* or *injury*, nor is any benefit payable for a period of, or periods totalling more than 12 months for any such claims
 - (b) any *pre-existing condition*
 - (c) a deliberately self-inflicted *injury* or condition whilst sane or insane
 - (d) any *illness* or *injury* which is caused or exacerbated by alcohol, drugs or narcotics (except as a result of a drug taken or administered by or in accordance with the advice of a *medical practitioner*)
 - (e) *your partner* not obtaining and/or following medical advice provided by a qualified *medical practitioner* or rehabilitation specialist, or
 - (f) childbirth, pregnancy or abortion or any conditions contributed to by them.

Section 2C – Trauma Cover

This cover only applies if you have selected to insure for *trauma cover* and this is shown on your *policy schedule* and you have paid the relevant *premium* for that cover.

Trauma cover includes the following diseases and disabilities:

- *Heart Attack*
- *Coronary Artery Surgery*
- *Stroke*
- *Cancer*
- *Kidney Failure*
- *Major Organ Transplant*

What we will pay for

If you suffer a *trauma*, we will pay to you the lesser of the *outstanding balance* at the date you suffered the *trauma* and \$50,000.

Continuity of cover

If this is a *replacement policy*, we will accept a claim for *illness* or *injury* first manifested under the replaced *policy*, but only for the cover(s) and up to the limits provided prior to the *commencement date* of this *policy*.

What we won't pay for

No benefit is payable for *trauma* cover:

1. for a *trauma* that occurs within 90 days of the *commencement date* of this *policy*
2. if death occurs within 28 days of the *date of the trauma*
3. for more than one *trauma* during the *period of insurance*
4. for any disease or *disability* diagnosed as a *trauma*, which was caused by alcoholism, drug addiction, narcotics or the influence of intoxicating liquor, drugs or narcotics, or
5. for a *trauma* that occurs as a result of a *pre-existing condition*.

Section 2D – *Involuntary Unemployment Cover*

This cover only applies if you have selected to insure for *involuntary unemployment cover* and this is shown on your *policy schedule* and you have paid the *premium* relating to that cover.

What we will pay for

1. If you experience *involuntary unemployment* during the *period of insurance* we will pay to your financial institution your *repayment* on the 15th day after you register as *unemployed* with Centrelink to a maximum of \$1,500 per month.
2. We will only pay up to a maximum of 3 months *involuntary unemployment cover* during any 12 month period.
3. The maximum amount we will pay for all *involuntary unemployment* claims made during the *period of insurance* is \$5,000.
4. Whether this *policy* covers one or more person(s) the maximum amount we will pay fortnightly/monthly (as relevant), is the *repayment* shown on your *policy schedule* to a maximum aggregate monthly benefit of \$1,500.

What we won't pay for

No benefit is payable for *involuntary unemployment* cover:

1. for any period of *involuntary unemployment* which occurs within 28 days of the *commencement date* of this *policy*
2. for the first 14 days of any *involuntary unemployment* period, with benefits being calculated from the 15th day after *you* are registered with Centrelink
3. if *you* have not been in *permanent employment* for 60 consecutive working days immediately prior to experiencing *involuntary unemployment*
4. if *you* were *unemployed* or *you* were aware that *you* would become *unemployed* at the time of applying for this insurance
5. if *you* are employed on a fixed-term contract and it expires
6. if *you* are an apprentice and *your* period of apprenticeship ends
7. if *you* are self-employed or employed by a company or business over which *you* or *your* family can exercise control
8. if *you* are a seasonal worker
9. if *you* are dismissed for any form of wilful or other misconduct which resulted in *your* immediate dismissal
10. if *you* return to employment in any occupation for reward or profit.

Section 2E – General Conditions

When *your* insurance ceases

1. If *you* want to cancel the *policy*:
 - (a) *you* can cancel this *policy* at any time by giving *us* written notice.
 - (b) if *you* request cancellation of the *policy* later than 30 days after the *commencement date* we will refund to *you* a proportion of the *premium*. The amount of *premium* to be refunded will satisfy any relevant legislation and will include the GST *you* have paid to the extent we reasonably believe we will be entitled to a refund or credit for that GST.
 - (c) no refund of *premium* will be paid once any claim has paid out the *outstanding balance*.

Any *premium* refund will be paid to *your* financial institution. *Your* financial institution is required to pay *you* or credit *you* with a proportionate rebate of *premium* paid.

2. If we want to cancel the *policy*:

We may cancel this *policy* at any time, for any reason allowed under the law, by giving *you* written notice.

3. Automatic cessation of cover.

Your cover will automatically cease to be in force and all benefit payments being made to *you* by *us* in respect of *disability* and *involuntary unemployment* will stop as soon as any one of the following occurs:

- (a) *you* reach 65 years of age
- (b) *you* die
- (c) *you* cease to be a *permanent resident of Australia*
- (d) the *period of insurance* expires
- (e) the *policy* is cancelled by *you* or *us*
- (f) *your loan contract* is varied or repaid or is discharged or cancelled for any other reason.

Section 2F – What To Do in the Event of a Claim

For all claims, *you* or *your* estate's legal representative must:

1. advise *us* in writing as soon as possible after the claim event
2. complete a Claim Form supplied by *us*.

In addition the following must be provided:

For Death claims:

1. *your* estate's legal representative must provide proof of *your* identity, cause of death and existence of the *loan contract* in a form satisfactory to *us*.

For Disability claims:

1. *you* must, at *your* own expense, support *your* claim with completion of a Monthly Progress Report, and any other medical information we may request
2. we may request a medical examination by a doctor of *our* choice and *you* or *your partner* (as relevant) must comply with any such request. We will pay for any examination that we request *you* or *your partner* (as relevant) undertake
3. we may require *you* or *your partner* (as relevant) to attend rehabilitation during the claim period (at *our* expense) with the view to *you* returning to the work force. A refusal to attend rehabilitation may result in *your* claim being rejected.

For Involuntary Unemployment claims:

1. *you* must, at *your* cost, obtain and supply *us* with any relevant documents we request, including advice of *your* employment being terminated by *your* employer and a Certificate of Unemployment from Centrelink, The Department of Social Security or a relevant body;
2. *you* must, at *your* cost, obtain and provide ongoing proof of *involuntary unemployment*.

For Trauma claims:

1. *you* must support *your* claim with medical information and such medical certificates as we may request
2. we may request a medical examination by a doctor of *our* choice and *you* must comply with such a request. We will pay for any examination that we request be undertaken.

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