

**This Product Disclosure Statement is issued by:
CUNA Mutual Life Australia Limited**

ABN 83 089 981 073 AFSL 245492

CUMIS Insurance Society Inc.

ABN 72 000 562 121 AFSL 245491

(Incorporated in the United States.)

The members of the Society have no liability.)
trading as CUNA Mutual General Insurance.

Level 10, The Landmark Building
345 George Street
Sydney NSW 2000
Telephone 1800 636 430

Preparation Date: 12 October 2009

MemberCare[®] Mortgage Insure Plus

Product Disclosure Statement
incorporating the Policy Wording

Your premium mortgage protection –
for life and living benefits



Queensland Teachers'
Credit Union Limited

Welcome to the CUNA Mutual Group

CUMIS Insurance Society Inc ABN 72 000 562 121 Australian Financial Services License (AFSL) 245491 trading as CUNA Mutual General Insurance (Incorporated in the United States. 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

Since 1965, Queensland Teachers' Credit Union has been committed to helping members enhance their financial well-being by offering innovative, competitive and high quality financial services. QTCU delivers a range of products and services including savings, investment, loans, insurance, youth programs, financial planning and travel facilities.

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 is committed to improving community financial literacy and meeting customer expectations by providing innovative, competitive, high quality financial services.

As a holder of Australian Financial Services Licence (AFSL No. 241195), Queensland Teachers' Credit Union can issue, vary, renew and cancel this insurance policy under a "binder" provided by the Insurer. A "binder" is an agreement that allows Queensland Teachers' Credit Union, as agent of the Insurer, to

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enter into contracts of insurance on behalf of the Insurer. This means that the insurance policy issued to you by Queensland Teachers' Credit Union is binding on the Insurer just as if it had issued the policy itself.

How you can contact Queensland Teachers' Credit Union

For policy enquiries phone 13 29 30 or email qtcu@qtcu.com.au

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 1

Significant Policy Information

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 of this *policy* is CUNA Mutual Life Australia Limited ABN 83 089 981 073 AFSL 245492.

2. *Our disability and involuntary unemployment covers* are general risk 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 the United States. 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 for MemberCare Mortgage Insure Plus *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 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.

Significant Policy Information

Who needs to tell us

It is important that *you* understand *you* are answering *our* questions in this way for *you* 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, extend, vary, 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 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.

Pre-existing condition

You are not required to tell *us* about any *injury* or *illness*, first manifesting itself during the *period of cover*, unless *we* ask *you* to do so.

Our Privacy Promise

We are committed to protecting *your* personal information.

What information do we collect?

The *application* for this insurance only asks *you* for the information that is necessary for *us* to assess *your application*. 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.

Significant Policy Information

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 Mortgage Insure Plus is a CCI product and is an optional form of loan protection. It is designed to protect a borrower's loan *repayment* obligations in the event of their death, *disability*, *involuntary unemployment* or *trauma*.

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

It is important for *you* to read the *policy* wording carefully to make sure *you* understand the *cover* provided and the *policy's* limitations.

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 *covers*:

- *Death Cover*
- *Disability Cover*

There are two additional *covers*:

- *Involuntary Unemployment Cover*
- *Trauma Cover*

If *you* are a person named on the *loan contract* and are not in *permanent employment*, *you* may apply for *death cover* only.

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

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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 death, we will pay to *your* financial institution the current insured *loan contract* amount stated in the *policy schedule* to a maximum of \$500,000.

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* suffer a *disability*, we will pay the *repayment* as shown on *your policy schedule* to a maximum of \$3,000 per month to *your* financial institution for each month *you* are *disabled* (up to a maximum amount which is the equivalent of 36 monthly *repayments*) provided that:

- the *disability* continues for at least 29 consecutive days from the date *you* first seek medical attention for the *injury* or *illness* which causes the *disability*
- *you* have not reached 65 years of age, and
- the *period of insurance* and *period of cover* have not ended.

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* as shown on *your policy Schedule* for this *cover*, after the 28-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 during the *period of cover*. The most we will pay in total for all *involuntary unemployment* claims during the *period of cover* will be \$10,000 during the first 5 years of the *period of cover* and \$10,000 in any subsequent, unbroken period of 5 years thereafter.

Significant Policy Information

Cover will only apply if:

- you have not reached 65 years of age
- you continue to pay the *premium* and your *policy* remains in force during the period of *involuntary unemployment*
- you have not experienced *involuntary unemployment* within 28 days of the commencement of the *period of cover*
- 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 sum insured selected by you as shown in your *policy schedule* to a maximum of \$50,000. We will not pay more than one claim during the *period of cover* and no claim will be payable for any *trauma* suffered in the first 90 days of the *period of cover*.

Suspended Cover

Where a *replacement policy* is issued within 90 days of an existing *policy* being terminated due to *repayment* or discharge of the *loan contract*, the *Suspended Cover* allows you to:

- recommence claiming for *disability* and *involuntary unemployment* claims which commenced, and
- claim for death, *trauma* and *disability* arising from a *pre-existing condition* which first manifested during the *period of cover* of the terminated *policy*.

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Policy Limits

Covers under the MemberCare Mortgage Insure Plus *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 shown in the table below.

Death

- The benefit payable is the current insured *loan contract* amount on the *policy schedule* to a maximum of \$500,000.

Disability

- The monthly benefit is the *repayment* amount to a maximum of \$3,000 per month.
- The maximum benefit payable is for the period equivalent to 36 monthly *loan repayments* during the *period of cover*.

Involuntary Unemployment

- The monthly benefit is the *repayment* amount to a maximum of \$3,000 per month.
- The monthly benefit is paid for a maximum period of 3 months during any consecutive 12-month period of the *period of cover*.
- The maximum *involuntary unemployment* claims during the *period of cover* will be \$10,000 during the first 5 years of the *period of cover* and \$10,000 in any subsequent, consecutive 5-year period thereafter.

Trauma

- The benefit is the sum insured selected by *you* as shown in *your policy schedule* to a maximum of \$50,000.
- Only one claim can be made during the *period of cover*.

Significant Policy Information

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.

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.

Under Insurance

If *you* increase *your loan contract* amount, *you* will need to request an endorsement to *your policy* to ensure that *you* have adequate 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.

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 *period of cover*
- any period of *involuntary unemployment* which occurs within 28 days of the *commencement date* of this insurance
- the first 28 days of any *involuntary unemployment* period
- any claim for *involuntary unemployment* if *you* are self-employed or employed by a 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 28 days of any *disability* period, and
- any claim for death, *disability* or *trauma* arising out of a *pre-existing condition*.

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

Significant Policy Information

How we Price this Insurance Product

The *premium* is payable annually or by *instalment premiums*.

Your premium is calculated based on the covers selected and other factors which may include *your* age, gender, whether or not *you* smoke, and the sum insured and/or *repayment* as shown on *your policy schedule*. The *premium* we charge is subject to Commonwealth and State taxes and/or charges. These include Stamp Duty and the Goods and Services Tax (GST).

Premium Payment

The *premiums* for this insurance may be paid by credit card or direct debit from an approved savings or cheque account.

Taxation Information about this Insurance

The *premium* shown in *your policy schedule* sets out the *premium*, GST and stamp duty applicable.

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.

Any payments made by *us* for claims may have an impact on *your* income for the purposes of the Income Tax Assessment Act. *You* should obtain independent advice to see how this may affect *you*.

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 anyone 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.

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If further information, assessment or investigation is required, we will agree reasonable alternative time frames 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 time frames 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 after we have had the opportunity to resolve the matter internally, then *you* may contact:

Financial Ombudsman Service
GPO Box 3, Melbourne, VIC 3001
Tel: 1300 780 808 (local call fee applies)

The Financial 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 Financial Ombudsman Service at www.fos.org.au.

Significant Policy Information

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 refund of *premium* for the *period of insurance*. 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 36 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 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

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 the *policy schedule*. In return *you* agree to pay *us your premium* which takes into account any relevant government charges.

Words that have Special Meanings

Some of the words that appear throughout the PDS have special meanings, which are outlined below. Whenever these words appear they will be highlighted in italics.

Application means any verbal and/or written information provided by *you* as a proposal or *application* for this insurance including 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:

1. tumours treated by endoscopic procedures alone and tumours classed as carcinoma in situ and prostate tumours that have not invaded the muscle layer
2. tumours of the skin with the exception of malignant melanoma where there is evidence of spread to lymph nodes or distant tissue, and
3. 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.

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Disablement, disabled, or disability means *your* inability due to *illness* or *injury* (as certified by a *medical practitioner*) to perform duties of *your* usual occupation.

Where *disablement* caused by *illness* or *injury* (as certified by a *medical practitioner*) extends beyond 6 months, then *disablement* means *your* inability to perform the duties of any occupation for which *you* are reasonably qualified by education, training or experience and so 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.

Instalment premium(s) is that proportion of the *premium* *you* are required to pay to *us* each instalment in order to keep the *policy* in force and shown on the *policy schedule*.

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 mortgage 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) that is registered and practising medicine in Australia.

The Policy Wording

Outstanding balance means the amount outstanding under *your loan contract* and 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.

Period of cover means the period that starts from the *commencement date* of the first MemberCare Mortgage Insure Plus policy issued to *you* by *us* in connection with the *loan contract* and continues for as long as *you*, without any gap, continuously renew that *policy* with *us* until *your* most current renewed *policy* with *us* ends (other than because *you* did not renew).

Period of insurance means the period shown on the *policy schedule* unless ending earlier in accordance with Section 2F – General Conditions, When *your* insurance ceases.

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 *you* are a member of the Australian Defence Force posted overseas.

Policy means the contract of insurance and includes the *application*, this *PDS* and the *policy schedule*. Under this contract *you* enter into contracts with each insurer for the relevant covers provided by them.

Policy schedule means *your* most recent schedule and includes any endorsement, memorandum or letter concerning the *cover* attached to or intended to be attached to the schedule. We give *you* a schedule when *you* buy a *policy* from *us* or *you* renew any *policy* with *us*.

Pre-existing condition means any *injury* or *illness* (whether diagnosed or treated 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.

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Premium means the amount stated in the *policy schedule* we require you to pay us, during the *period of insurance*, for the covers you have selected.

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

Repayment means the lesser of the regular fortnightly or monthly payments required under your *loan contract* and the repayment amount shown in your *policy schedule*.

Replacement Policy means this *policy* if it replaces a Mortgage Insure Plus *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 and which is associated with evidence of a neurological deficit that creates permanent functional impairment. It does not mean infarct of brain tissue as a result of bodily *injury* caused by violent, accidental, external and visible means or vascular disease affecting the eye or optic nerve.

Trauma means the positive diagnosis of any of the diseases or disabilities as listed on page 28 which occur during the *period of insurance* occurring after the first 90 days of the *commencement date*.

We, our, us means CUMIS Insurance Society Inc, ABN 72 000 562 121, AFSL 245491 (Incorporated in the United States. The members of the Society have no liability) trading as CUNA Mutual General Insurance in respect of the *disability* and *involuntary unemployment 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*.

The Policy Wording

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*.

What we will pay for

If *you* die during the *period of insurance*, we will pay *your* financial institution the current insured *loan contract* amount stated in the *policy schedule* to a maximum of \$500,000.

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 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.

If the *loan contract* is in joint names, only one death claim will be paid irrespective of whether the other party to the *loan contract* has a separate MemberCare Mortgage Insure Plus *policy* covering the loan.

Continuity of Cover

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

What we won't pay for

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

1. a result of suicide within 13 months of the commencement of the *period of cover*
2. caused or contributed to by any *pre-existing condition* unless the *policy schedule* shows we have accepted cover for the *pre-existing condition*, or
3. 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 the *loan contract*, or provided any form of debt waiver as a benefit of the *loan contract*, the *outstanding balance* is to be reduced by the benefit provided or by any payment received by *your* financial institution from the insurance.

The Policy Wording

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*.

What we will pay for

A benefit is payable for *disability cover*:

1. If you become *disabled* during the *period of cover* and you are *disabled* for at least 29 consecutive days, we will pay *your repayments* to your financial institution to a maximum of \$3,000 per month (up to a maximum amount equivalent to 36 monthly *repayments*) whilst you remain *disabled*.
2. 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*.

If the *loan contract* is in joint names, only one *disability* claim will be paid irrespective of whether the other party to the *loan contract* has a separate MemberCare Mortgage Insure Plus *policy* covering the loan.

Continuity of Cover

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

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

No benefit is payable for *disability cover*:

1. for the first 28 consecutive days of any *disability*
2. if the *policy* does not remain in force during the whole period of the *disability*
3. for claims arising out of a depression, stress and/or an anxiety condition
4. for any period where *your* inability to return to work in connection with *your disability* is due to *your* failure to actively seek and undergo medical attention and/or rehabilitation in respect of the *disability*
5. if *you* fail to attend a medical examination with an independent *medical practitioner* requested by *us*. This examination will be at *our* expense
6. if *you* return to employment in any occupation for reward or profit
7. if *your disability* is a result of:
 - (a) any *pre-existing condition* unless the *policy schedule* shows we have accepted *cover* for the *pre-existing condition*
 - (b) a deliberately self-inflicted *injury* or condition whilst sane or insane
 - (c) any *illness* or *injury* which is caused by or exacerbated by alcohol, drugs or narcotics (except where *your disability* is as a result of a drug administered by, or taken 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.

The Policy Wording

Section 2C – Trauma Cover

This cover only applies if you have selected to insure for *trauma cover*, the cover 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 amount you nominate in the *application* and shown in your *policy schedule* to a maximum of \$50,000.

Continuity of Cover

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

What we won't pay for

No benefit is payable for *trauma cover*:

1. for a *trauma* that occurs within 90 days after the *commencement date* of the *period of cover*
2. if death occurs within 28 days after the *date of the trauma*
3. for more than one *trauma* during the *period of cover*
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* unless the *policy schedule* shows we have accepted cover for the *pre-existing condition*.

The Policy Wording

Section 2D – *Involuntary Unemployment Cover*

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

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* from the 29th day after *you* register as *unemployed* with Centrelink to a maximum of \$3,000 per month.
2. We will only pay up to a maximum of 3 months *involuntary unemployment cover* during any consecutive 12-month period.
3. The maximum amount we will pay for all *involuntary unemployment* claims made is \$10,000 during the first 5 years of the *period of cover* from the *commencement date* and \$10,000 in any subsequent, unbroken period of 5 years thereafter.

If the *loan contract* is in joint names, only one *Involuntary Unemployment* claim will be paid irrespective of whether the other party to the *loan contract* has a separate MemberCare Mortgage Insure Plus *policy* covering the loan.

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 the *period of cover*
2. for the first 28 days of any *involuntary unemployment*
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.

The Policy Wording

Section 2E – Suspended Cover

The Suspended Cover is an extra benefit of this *policy*.

Conditions of Suspended Cover

If at the time *your loan contract* is repaid or is discharged, *you* are actively engaged in seeking property on which *you* intended to arrange a replacement *loan contract*, we will consider *your cover* as being suspended only, until the earliest of:

1. the date *you* advise *us* the *cover* is no longer required, or
2. the date *we* refuse to *cover your* replacement *loan contract*, or
3. the *commencement date* of the *replacement policy*, or
4. 90 days from the date of *repayment* or discharge of the *loan contract*.

In the event *you* replace a *cover* suspended in accordance with this extra benefit:

1. we will provide *you* with *cover* for death, *trauma* and *disability* as a result of *pre-existing conditions* which were first manifested during the *period of cover* of the *policy* which was suspended, and
2. we will recommence payment of *covers* for any claim which was stopped under Section 2B, *Disability Cover* or Section 2D, *Involuntary Unemployment Cover* solely as a result of automatic cessation of *cover* following the discharge or *repayment* of the *loan contract*.

What we won't pay for

This Suspended Cover is subject to the following limitations with regard to payment of claims under *disability* and *involuntary unemployment cover*:

1. No benefit will be payable, or backdating of benefits allowed, during the period the *cover* is suspended.
2. *Cover* for benefits will only be paid from the *commencement date* of the *replacement policy*.
3. No *cover* will be provided unless the period of *disability* or *involuntary unemployment* is continuous and unbroken from the date the claim was made, prior to the automatic cancellation of this replaced *policy*, up to and after the *commencement date* of the *replacement policy*.
4. The maximum amount we will pay under both policies will not exceed the amount payable under the *cover* and up to the limits provided under the *policy* which is replaced.

The Policy Wording

Section 2F – General Conditions

When *your* insurance ceases

If *you* want to cancel the *policy*

You can cancel this *policy* at any time by giving *us* written notice.

We will refund *you* the unexpired portion of the *instalment premium* paid covering the period of cancellation less any administration cost. If *you* apply for cancellation for a period of more than one *instalment premium*, *you* will be required to prove, to *our* satisfaction, that *cover* provided was not intended or required for the period, before a refund will be made. No refund of *premium* will be paid once any claim has paid out the *outstanding balance*.

If *we* want to cancel the *policy*

We may cancel this *policy* at any time, for any reason allowed under the law.

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:

1. the first renewal after *your* 65th birthday
2. *you* die
3. *you* cease to be a *permanent resident of Australia*
4. the *period of insurance* and *period of cover* both expire
5. the *policy* is cancelled by *you* or *us*
6. *your loan contract* is repaid, is discharged or terminated for any other reason, or is varied, unless *we* have agreed to continue *cover* in writing and *you* have agreed to pay any additional *premium* required by *us*.

Variation in terms and conditions

We may vary the terms and conditions of the *policy*, including *premiums*, on renewal.

MemberCare – Mortgage Insure Plus

Paying by instalments

Payment under this *policy* is by instalments:

1. If an *instalment premium* remains unpaid for a period of 14 days or longer, any claim arising from an event occurring after the due date of the *instalment premium* may be refused to the extent permitted by law.
2. If an *instalment premium* remains unpaid for a period of one month or longer, we will automatically cancel this *policy* without written notice to *you*.

The Policy Wording

Section 2G – What To Do In The Event Of A Claim

For all claims, *you* or *your* estate's legal representative must advise *us* in writing as soon as possible after the claim event and 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* must be supplied to *us* 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* must comply with any such request. *We* will pay for any examination that *we* request be undertaken
3. *we* may require *you* to attend rehabilitation during the claim period (at *our* expense) with the view of *you* returning to the work force. A refusal to attend rehabilitation may result in *your* claim being rejected or payments being stopped.

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 or Department of Social Security or the 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 is undertaken.

End of Policy Wording

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