

Loan Repayment Insurance

Product Disclosure Statement
(including policy wording)

Effective 14 January 2019

The logo for CUA, consisting of the lowercase letters 'cua' in a bold, teal, sans-serif font.

BANKING | INSURANCE

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Loan Repayment Insurance		
Product Disclosure Statement and Policy Wording Effective: 14 January 2019		
This Product Disclosure Statement and Policy Wording is issued by:		
Credicorp Insurance Pty Ltd ABN 50 069 196 756, AFSL No. 238335 and St Andrew's Life Insurance Pty Ltd ABN 98 105 176 243, AFSL No. 281731		
Loan Repayment Insurance is distributed by Credit Union Australia Limited ABN 44 087 650 959 AFSL No. 238317 (‘CUA’).		
Credicorp and Loan Repayment Insurance are not guaranteed, supported or underwritten by CUA.		

INTRODUCTION

This booklet is important

This Product Disclosure Statement and Policy Wording (PDS) is an important legal document required under the Corporations Act 2001 and contains details of the Loan Repayment Insurance. It has been prepared to assist you in understanding the **Cover** provided by this insurance policy and to decide whether it is appropriate for you.

Some words in this document have a special meaning. These words are printed in bold and begin with a capital letter. These meanings are described in the section commencing on page 14 titled **Definitions**.

The information in this document is of a general nature, and does not take into consideration your financial situation, needs, or personal objectives. For that reason before acting on the information you should consider the appropriateness of the information in regards to your objectives, financial situation and needs. You may wish to speak to an adviser authorised to provide advice tailored for your personal situation prior to purchasing this **Cover**.

Please read this PDS carefully to understand the extent of the **Cover** provided by this Loan Repayment Insurance and its limitations. Please ask us about any issues that concern you.

Always retain a copy of all PDS documents along with your **Schedule of Insurance** in a safe place.

Changes to this PDS

The terms and conditions of this PDS may be amended by a Supplementary PDS. Also, we may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by contacting us on the phone number referred to on page 3. We will give you a paper copy of any updates at no cost to you if you request them.

Who is the issuer?

The **Accident and Illness** and **Involuntary unemployment** component of this policy is issued by Credicorp Insurance Pty Ltd ABN 50 069 196 756, AFSL No. 238335 of GPO Box 100, Brisbane QLD 4001.

Credicorp Insurance Pty Ltd is a wholly owned subsidiary of Credit Union Australia Ltd ABN 44 087 650 959, AFSL No. 238317.

The Life Insurance component is issued by St Andrew's Life Insurance Pty Ltd ('St Andrew's Life')

ABN 98 105 176 243, AFSL No. 281731 of PO Box 7395, Cloisters Square WA 6850.

The Life **Cover** is written out of St Andrew's Life Insurance Statutory Fund No. 1.

Credicorp Insurance Pty Ltd and St Andrew's Life are responsible for the entirety of this PDS and each is severally responsible for the claims assessment and payments, ongoing administration and operation of this product relevant to the respective **Cover** they have issued.

The General Insurance Code of Practice

We are committed to the principles of the General Insurance Code of Practice. This is a self-regulatory Code that aims to raise the standards of practice and service in the insurance industry by:

- Ensuring material is written as clearly as possible so that you, the consumer, can more easily comprehend the policy and associated documentation.
- Improving training and supervision to ensure a high standard of people representing insurers.
- Providing a pathway for effective claims handling and dispute resolution.

Further information about the Code please contact us, or visit the Insurance Council of Australia website www.codeofpractice.com.au.

The Life Insurance Code of Practice

St Andrew's Life has willingly adopted the Life Insurance Code of Practice. The Code has been designed to promote high standards of service to consumers, provide a benchmark of consistency within the industry and establish a framework for professional behavior and responsibilities. It is designed to protect you, the consumer. Please refer to our website www.standrews.com.au or the FSC website www.fsc.org.au if you would like more information about the Code.

How to contact us

- In person at Level 23, 145 Ann Street, Brisbane QLD 4000
- By telephone on **07 3552 4289**
- By fax on **07 3226 2481**
- By writing to us at: Credicorp Insurance Pty Ltd, GPO Box 100, Brisbane QLD 4001

What is Loan Repayment Insurance?

Loan Repayment Insurance provides you with insurance

Cover in respect of your financial obligations under a **Loan contract**.

Benefits paid under this policy (subject to policy terms and conditions) are credited directly to your **Credit facility** with your **Lender** for the following events, depending on the type of **Cover** you choose:

- **Accident and Illness (Disablement)**
- **Involuntary unemployment**
- **Life Cover (Death)**

If you suffer an **Accident** or an **Illness** (and are **Disabled**), or if you become **Involuntarily unemployed** after you have established a **Credit facility** with your **Lender**, Loan Repayment Insurance is designed to help you to continue to meet your financial liabilities under your **Loan contract** for the period of time specified in this policy document or until you are no longer **Disabled, Unemployed** or have returned to **Work**.

In the unfortunate event of your death after you have established a **Credit facility** with your **Lender**, Loan Repayment Insurance is designed to clear any **Outstanding balance** so that you do not leave a debt outstanding to your estate.

You should be aware that you may be able to arrange Loan Repayment Insurance through a different insurer.

It is also important to note that this insurance is optional.

Risks to consider

There are some risks if you take out Loan Repayment Insurance. The most significant risks are that:

- a benefit may not be payable under this policy because a **Pre-Existing condition** or other exclusion applies ; or
- you did not satisfy your duty of disclosure; or
- receiving claim payments may impact your entitlement for other benefits or income you may receive, including but not limited to the following:
 - 1) Where joint insureds are claiming simultaneously for **Accident and Illness** or **Involuntary unemployment** only one claim is paid for any one period.
 - 2) We will not pay under the **Accident and Illness Cover** if we are paying benefits under the **Involuntary unemployment Cover** of this policy and vice versa.

3) Other Insurance policies you have may reduce any benefit amounts payable to you if a claim is paid under this policy.

4) For joint insureds, where a benefit is paid under the Life **Cover** because one of the insured dies, the policy ceases at that time (per the information on page 6).

- the benefit we pay may be insufficient to meet your **Repayments** under your **Loan contract**.

This may occur if your minimum loan **Repayments** or your **Credit facility** exceed the maximum benefits (as set out in the section of this document titled 'Benefit Limits') or if your **Repayments** increase.

If you **Work** under a contract of employment with a fixed term or of a temporary nature or your occupation is seasonal, you may not have **Cover** under the **Involuntary unemployment** section of this policy: see the definition of **Work** in the section of this document entitled Definitions.

If you are already aware at the time of applying for this policy of any event that is likely to give rise to a claim and you are considering purchasing this **Cover** with the intention of claiming for it, you should read the definitions of **Notification of unemployment** and **Pre-existing condition** in the Definitions section of this document before you submit your **Application** as you will probably not have **Cover** for any event that relates to it.

HOW DOES THIS COVER WORK?

Eligibility requirements

To be eligible to take advantage of Loan Repayment Insurance, you must be:

- 1) Aged 18 to 57 years at the date of policy commencement;
- 2) Engaged in **Work** and working a minimum of 20 hours per week (not applicable to Life **Cover**); and
- 3) An **Australian resident**.

You do not have **Cover** unless your **Application** for Loan Repayment Insurance has been received and accepted by us in writing (including electronically).

Joint insureds

You and your co-borrower(s) may wish to be jointly insured under this policy. In that case, each of you must fulfil the eligibility requirements. If we agree to insure each of you, then you each must pay the applicable premium.

Please note that the benefit limits set out in this policy will apply to both of you as if the two of you were a single party, even when each of you is entitled to claim.

For example, the **Accident and Illness or Involuntary unemployment** benefit we will pay is one **Daily equivalent** of your **Repayment** for each one day period to the **Lender**, whether one or more of you are entitled to claim. Therefore, only one claim is paid for any one period.

Similarly, if a benefit is paid under the Life **Cover** provided under the policy because one of you dies, the policy will cease at that time.

Choice of Cover

There are three **Cover** types available under this policy; Life, **Accident and Illness** and **Involuntary unemployment**. You can choose in your **Application** a number of **Cover** combinations. However, **Involuntary unemployment Cover** can only be selected where **Accident and Illness Cover** has been selected.

We will confirm the **Covers** you have selected in your **Schedule of Insurance**.

The **Covers** and how they work are described in the following pages.

What we will pay

Accident and Illness Cover

If you have chosen **Cover** for **Accident and Illness** and you become **Disabled**:

- For each day of your **Disablement**, we will credit your **Credit facility** with the **Daily equivalent** of your **Repayment** (being calculated on the **Outstanding balance** existing at the time of **Disablement**).

For example:

If you are unable to **Work** for 35 days due to an **Accident** and your monthly **Repayment** is \$320.

We will divide your monthly **Repayment** by 30 days, and then multiply that figure by 35 days. We will pay \$373.33. $(\$320 / 30) \times 35 = \373.33 .

An example for a revolving **Credit facility**:

If you are unable to **Work** for 50 days and your revolving **Credit facility Outstanding balance** at the **Date of disablement** is \$4,200. We will work out 5% of your revolving **Credit facility Outstanding balance**, divide that figure by 30 days, and then multiply that figure by 50 days. We will pay \$350. $[(\$4,200 \times 5\%) / 30] \times 50 = \350 .

- The maximum **Daily equivalent** of your **Repayment**

payable by us is \$150 (which is approximately the equivalent of a monthly **Repayment** of \$4500), and up to a maximum of \$108,000 in total for all claims arising within the **Period of Insurance**.

- You must be unable to **Work** for a minimum of 14 days before your claim can be accepted. Once your claim is accepted, the **Daily equivalent** of your **Repayment** will be backdated, and paid from your **Date of disablement**.
- Once your claim is accepted, the **Daily equivalent** of your **Repayment** will be paid until the first of the below circumstances occur:
 - you are no longer **Disabled**;
 - you return to **Work**;
 - your **Outstanding balance** at the **Date of disablement** has been cleared;
 - we have paid a maximum benefit of the equivalent of 24 monthly **Repayments** in respect of any **Accident and Illness** claims throughout the **Period of Insurance**.

Involuntary Unemployment Cover

If you have chosen **Cover** for **Involuntary unemployment** and you're made **Involuntarily unemployed**

- For each day of your **Involuntary unemployment** we will pay the **Daily equivalent** of your **Repayment** (up to the maximum **Daily equivalent** amount), from the date you were first **Unemployed** up to a maximum of 180 payments of the **Daily equivalent** of your **Repayment** for any one claim. Benefits are paid monthly and in arrears.

For example:

If you become **Involuntarily unemployed** and you remain **Unemployed** for 70 days and your monthly **Repayment** is \$500. We will divide your monthly **Repayment** by 30 days, and then multiply that figure by 70 days. We will pay \$1,166.67 $(\$500/30) \times 70 = \$1,166.67$.

An example for a revolving **Credit facility**:

If you become **Involuntarily unemployed** and you remain **Unemployed** for 120 days and your revolving **Credit facility Outstanding balance** at the **Date of disablement** is \$6,800. We will work out 5% of your revolving **Credit facility Outstanding balance**, divide that figure by 30 days, and then multiply that figure by 120 days. We will pay \$1,360. $[(\$6,800 \times 5\%) / 30] \times 120 = \$1,360$.

- The maximum **Daily equivalent** amount we will pay under the **Involuntary unemployment Cover** for this

policy is \$150 for each of your **Repayments**, up to a maximum of \$27,000 for any one claim, and up to a maximum of \$108,000 in total for all claims arising within the **Period of Insurance**.

- You need to be **Unemployed** for a minimum of 14 days before your claim can be accepted by us but then the **Daily equivalent** of your **Repayment** will commence from the day you were first **Unemployed**.
- Once your claim is accepted, the **Daily equivalent** of your **Repayment** will be paid until the first of the below circumstances occur:
 - you are no longer seeking **Work**;
 - you return to **Work**;
 - your **Outstanding balance** at the date of **Involuntary unemployment** has been cleared;
 - we have paid a maximum benefit of the equivalent of 6 monthly **Repayments** in respect of any one **Involuntary unemployment** claim or 24 monthly **Repayments** in total throughout the **Period of Insurance**.
- After the first claim for **Unemployment** you must provide proof for all subsequent claims for **Involuntary unemployment** that you resumed **Work** for at least 30 consecutive days prior to your next period of **Unemployment**.

Life Cover

If you have chosen Life **Cover**, in the event of your death we will pay the lesser of:

- The **Outstanding balance** of the **Credit facility** at the date of death (less any **Repayments** overdue for more than two months); or
- \$750,000; or
- The **Credit limit**.

For example:

If your **Outstanding balance** at the date of your death is \$35,000, and your **Credit limit** was \$40,000, we will pay \$35,000.

Another example: If your **Credit limit** is \$300,000 and at the date of your death the **Outstanding balance** is \$315,000, we will pay \$300,000.

- We will pay up to a maximum of \$750,000 per policy on any one **Credit facility**.

- We will pay a maximum of \$1,500,000 as a total amount when added to any other Life benefits payable under a policy where the Life issuer is St Andrew's Life.

Interim Life Cover

If you die during the period between the date of approval of your **Credit facility** by your **Lender** (for which you have completed an **Application** and the **Application** would have been accepted by us) and the date your **Credit facility** is settled we will pay the full amount of your **Credit facility** at settlement, even if the initial draw down of your **Credit facility** is not the full amount. This **Cover** only applies if your death occurs within 180 days of the date of approval of your **Credit facility** by your **Lender**. This **Cover** is only temporary and will end when your **Credit facility** is settled and is subject to the normal eligibility exclusions and maximum amounts.

Questionnaire For Life Cover

Apart from the above eligibility criteria, if the amount you wish to insure is more than \$750,000 combined for all policies where the Life Insurance component is issued by St Andrew's Life, you will also be required to complete an additional questionnaire along with your **Application** that details your medical history, occupation and other relevant information.

Important: We reserve the right to decline your **Application** as a result of the information you provide in the questionnaire. Additionally, if we accept **Cover** following receipt of your questionnaire, any claims made are still subject to the terms and conditions set out within this document.

Benefit Limits

The following table sets out the benefit limits applicable to Loan Repayment Insurance:

Cover	Benefit Payable
Life	<p>The maximum amount we will pay under the Life Cover for this policy on any one Credit facility is limited to \$750,000.</p> <p>This limit applies whether single or joint persons are insured under this policy.</p> <p>An overall maximum Life benefit of \$1,500,000 applies for all policies where St Andrew's Life is the issuer of the Life Cover.</p>
Accident and Illness	<p>The maximum amount we will pay under the Accident and Illness Cover for this policy, in respect of you is:</p> <ul style="list-style-type: none"> • \$150 for each Daily equivalent of your Repayment • A maximum of \$108,000 in total for all claims arising within the Period of Insurance. <p>No more than the equivalent of 24 monthly Repayments will be paid in respect of any Accident and Illness claims throughout the Period of Insurance.</p>
Involuntary unemployment	<p>The maximum amount we will pay under the Involuntary unemployment Cover for this policy, in respect of you is:</p> <ul style="list-style-type: none"> • \$150 for each Daily equivalent of your Repayment • A maximum of \$27,000 for any one claim • A maximum of \$108,000 in total for all claims arising within the Period of Insurance. <p>No more than the equivalent of 6 monthly Repayments in respect of any one Involuntary unemployment claim or 24 monthly Repayments will be paid in total throughout the Period of Insurance.</p>

Where the maximum benefits have been paid under the **Involuntary unemployment** or **Accident and Illness**

Covers, the policy will continue, with any remaining **Covers** continuing to be provided.

When we won't pay

Accident and Illness Cover

- 1) We will not pay if the **Date of disablement** arises:
 - when you are not in **Work**; or
 - where you have consulted a **Qualified medical practitioner** for a condition, diagnosed or otherwise, which subsequently gives rise to your **Disablement** claim within 30 days of the **Commencement date** except where you are **Disabled by Accident**.
- 2) We will not pay for any **Disablement** that results directly or indirectly from a **Pre-existing condition** regardless of whether you have disclosed the **Pre-existing condition** to Us.

Pre-existing exclusion Example:

In 2013 John is diagnosed with a disc protrusion of the lumbar spine. He takes out a **Loan Repayment Insurance** policy that includes **Accident and Illness Cover** two years later. As his injury occurred before the **Commencement date** of the policy this is considered a **Pre-existing condition**, therefore no claim would be paid under his policy if his injury later meant he was unable to **Work**.

Refer to page 16 for the **Pre-existing condition** definition
- 3) We will not pay if your **Disablement** is a result directly or indirectly of:
 - **Civil disorder**; or
 - **Radioactive contamination**; or
 - **Terrorism**; or
 - a deliberately self-inflicted injury or attempted suicide; or
 - your consumption of alcohol or of drugs (unless the latter was under the direction of a **Qualified medical practitioner** and not in connection with the treatment for drug addiction or dependence); or
 - You becoming pregnant, including any injury or **Illness** accelerated or induced by childbirth or pregnancy, miscarriage, abortion or any complications arising from any of these; or
 - engaging in any criminal activities or illegal acts.

- 4) We will not pay under the **Accident and Illness Cover** if we are paying benefits under the **Involuntary unemployment Cover** of this policy.
- 5) We will not pay more than the **Outstanding balance** at the **Date of disablement** in respect of any one claim.
- 6) We will not pay an **Accident and Illness Cover** benefit if you are on a **Premium pause** as at the **Date of disablement**. We will also not pay a claim for any condition that is diagnosed or first becomes apparent when you are on a **Premium pause**.

Involuntary unemployment Cover

- 1) We will not pay if the **Notification of unemployment** arises:
 - before the **Commencement date**; or
 - within the first 30 days of the **Commencement date**, or within the first 120 days if your **Application** is made 60 days or more after the **Commencement date** of your **Credit facility**.
- 2) We will not pay if **Involuntary unemployment** is as a result, directly or indirectly, of:
 - **Civil disorder**;
 - **Radioactive contamination**;
 - **Terrorism**.
- 3) We will not pay if immediately before you became **Unemployed** you were:
 - engaged in an occupation in relation to which becoming **Unemployed** is a regular or recurring feature, for example seasonal employment; or
 - employed by a company or by any other employer controlled by you or your spouse, de facto spouse, parent, sibling, child, other relative or business associate (whether singly or jointly); or
 - employed in a seasonal, temporary or non-renewable contract nature by an employer for a specific task or job and the completion of this task or job has resulted in your **Unemployment**; or
 - employed on a casual basis or contract nature for less than 12 months in the same role.
- 4) We will not pay if you are **Unemployed** directly or indirectly as a result of:
 - dismissal following formal disciplinary procedures brought against you by your employer; or
 - instant dismissal due to your serious misconduct

including, but not limited to, theft, assault, intoxication, or fraud; or

- your voluntary decision to leave your employment; or
- your refusal of any offer of reasonable alternative employment by your employer, which by reason of your qualifications and previous experience and the location of such employment, it would have been reasonable for you to accept; or
- engaging in any criminal activities or illegal acts; or
- your consumption of alcohol or of drugs (unless the latter was under the direction of a **Qualified medical practitioner** and not in connection with the treatment for drug addiction or dependence).

5) We will not pay if your **Unemployment**:

- occurs after you have reached the earlier of normal or statutory retirement age for the occupation in which you were engaged; or
- you become **Unemployed** because you have completed the term of a fixed term contract of employment. This exclusion does not apply if:
 - at the same time you completed the term of that fixed term contract of employment, you had been continuously employed by that employer for more than 2 years, and the term of the fixed term contract was for a minimum of 12 months and has been renewed at least once; and
 - there had been no period during which you were **Unemployed** before that fixed term contract of employment or a similar contract of employment was renewed.

- 6) We will not pay under the **Involuntary unemployment Cover** if we are paying benefits under the **Accident & Illness Cover** of this policy.
- 7) We will not pay more than the **Outstanding balance** at the date you become **Involuntarily unemployed** in respect of any one claim.
- 8) We will not pay an **Involuntary unemployment Cover** benefit if you are on a **Premium pause** as at the date you became **Unemployed** or were made aware of your pending **Unemployment**.

Life Cover

- 1) We will not pay a **Life Cover** benefit under this policy if you have reached 65 years of age, or if your death is a result directly or indirectly of:
 - a **Pre-existing condition**; or

Pre-existing exclusion Example:

Sue is diagnosed with emphysema 3 years before taking out her Loan Repayment Insurance policy. After the **Commencement date**, Sue passes away as a result of emphysema. As Sue was first diagnosed with emphysema prior to her **Commencement date** of her policy, it is considered a **Pre-existing condition** so no claim would be paid.

Refer to page 16 for the **Pre-existing condition** definition

- suicide within the first 13 months of the **Commencement date** of this policy; or
- **Civil disorder**; or
- you engaging in any criminal activities or illegal acts; or
- an act of **Terrorism**

- 2) We will not pay a Life **Cover** benefit if you are on a **Premium pause** as at the date of death.

Definitions

Whenever used in this policy wording, the following words shall have the following meanings:

“**Accident**” means an accidental, external, visible and/or violent occurrence during the **Period of Insurance** which causes injury.

“**Accountant**” means a qualified accountant within the definition of Section 9 of the Corporations Act 2001 (Cth).

“**Application**” means the application completed by you, or on your behalf (verbally and/or in writing), when applying for Loan Repayment Insurance from us.

“**Australian resident**” means a person who lives lawfully and permanently in Australia throughout the **Period of Insurance**.

“**Civil disorder**” means a war (whether declared or not), civil war, military activity other than normal peacetime activity, rebellion, revolution, riot or other civil commotion.

“**Commencement date**” means the later of the dates the loan monies under the **Credit facility** are advanced, your **Credit facility** is approved or the date we accepted you for insurance as shown on your **Schedule of Insurance**.

“**Cover**” or “**Covers**” means the protection provided by this policy as shown in your **Schedule of Insurance**.

“**Credit facility**” means a personal loan, overdraft or home loan provided by your **Lender** to you under a **Loan**

contract, the account number for which is detailed in your **Schedule of Insurance**.

“**Credit limit**” means the amount of credit agreed between you and the **Lender** to be available to you during the term of your **Credit facility** or such amount as disclosed in your **Application**, whichever is the lesser.

“**Daily equivalent**” means the amount which would be due from you to the **Lender** under the **Loan contract** if your **Repayment** had to be made daily (including on weekends and public holidays) but excluding default charges. If your **Credit facility** is an overdraft or another account for which the **Repayment** is calculated as a percentage of the **Outstanding balance** then this means one thirtieth of 5% of your **Outstanding balance** at the **Date of disablement** or the **Notification of unemployment** as appropriate.

“**Date of disablement**” means the day you first consult or receive treatment from a **Qualified medical practitioner** who certifies you to be unfit for **Work**.

“**Disablement/Disabled**” means:

- suffering from an **Accident** or an **Illness** that occurs or starts during a period when you were in **Work**; and
- that completely prevents you from doing your **Work** or from doing other **Work** that your experience, education or training enables you to do; and
- You must be certified as unfit for **Work** by, and be receiving treatment from, a **Qualified medical practitioner**.

“**Illness**” means a sickness which requires you to undergo treatment by a **Qualified medical practitioner**.

“**Involuntary unemployment/Involuntarily unemployed**” means:

- If you **Work** for wages or income, being involuntarily terminated from that **Work**. This also means your **Unemployment** was not due to voluntary unemployment, voluntary redundancy, misconduct, resignation or reaching retirement; or
- If you are **Self-employed** or in a partnership, your **Unemployment** from **Work** has arisen from your business ceasing to operate due to:
 - actual or imminent insolvency; or
 - business factors beyond your reasonable control; or
 - the business being placed in the control of an insolvency or bankruptcy administrator; or
 - the business is being wound up.

“**Lender**” means the financial institution with whom you have your **Credit facility** under a **Loan contract**.

“**Loan contract**” means your agreement with the **Lender** in respect of the **Credit facility** bearing the number set out in your **Schedule of Insurance**.

“**Notification of unemployment**” means the first intimation given to you either orally or in writing or made public in the media of your impending unemployment, given either by or on behalf of your employer or by a trade union official. Where you are **Self-employed**, it means circumstances known to you, or which should have reasonably been known to you, of the likelihood of your business ceasing to operate. This includes, but is not limited to, information provided by your **Accountant**, or a major trading partner or supplier advising of the cessation of business with you.

“**Outstanding balance**” means the amount owing under your **Credit facility** to the **Lender** from time to time.

“**Period of Insurance**” means the period of cover, that starts on the **Commencement date** of your policy and ends on the earliest of the dates listed in the section “When does your policy end?” on page 23 of this document.

“**Pre-existing condition**” means an illness, sickness, disability or condition relating to your health:

- a) which existed or you were aware of, or which a reasonable person in your circumstances could be expected to have been aware of, on the date of your **Application** for your policy; or
- b) which, in the 12 months prior to, and including the date of **Application** for your policy:
 - you have received medical advice, treatment, diagnosis or care from a **Qualified medical practitioner**; or
 - you have experienced symptoms, whether or not diagnosed, or where medical investigations had commenced in respect of those symptoms.

“**Premium pause**” means a period we allow you to suspend your policy for up to 90 days in circumstances of financial hardship. You will not be required to make any premium payments during the suspension period, and any claims arising from an event occurring during the suspension period will not be paid.

“**Qualified medical practitioner**” means a medical practitioner who is legally qualified and registered to practice medicine in Australia (other than you or a member of your immediate family) who is acceptable to us.

“**Radioactive contamination**” means contamination by ionising radiations or contamination by radioactivity from

any nuclear waste, or from the combustion of nuclear fuel or from the radioactive, toxic, explosive or other hazardous properties of nuclear assembly or nuclear component thereof.

“**Repayment**” means the regular repayment due under your **Loan contract** as at:

- a) in the event of **Disablement**, the **Date of disablement**; or
- b) in the event of **Involuntary unemployment**, the date of **Notification of unemployment**.

“**Schedule of Insurance**” means the most recent document we send to you titled Schedule, specific to your Loan Repayment Insurance policy. This also includes any notices we send to you in writing.

“**Self-employed**” means a person who is a subcontractor or in a partnership and is actively in **Work** for remuneration or reward but not as an employee of another.

“**Terrorism**” means any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

“**Unemployed/Unemployment**” means the termination of your employment by your employer or in the case of being **Self-employed** the business ceasing to operate due to insolvency, bankruptcy, or the business being wound up for factors outside of your control; and you being registered as unemployed with the Australian Commonwealth Government and you are in receipt of unemployment benefits (unless you are not eligible to receive unemployment benefits because of the level of income earned by your spouse); and you are actively seeking **Work**.

“**Work**” means you are:

- a) working on a permanent and continuous basis; or, if in employment of a casual or contract nature, you’ve been employed for 12 months in the same role with the same employer prior to the **Application** and your work contract is renewable;
- b) for wages or income;
- c) for a minimum of 20 hours every week; and
- d) not in employment of a seasonal, temporary or non-renewable contract nature.

In this policy wording, the following words do not necessarily appear in bold text or begin with a capital letter but they have the special meanings described below:

“**We**”/“**Us**”/“**Our**” in relation to **Accident** and **Illness** and/

or **Involuntary unemployment Covers** means Credicorp Insurance Pty Ltd. Otherwise, “**We/Us/Our**” means St Andrew’s Life Insurance Pty Ltd.

“**You**” or “**Your**” means the person or persons named as insured on the **Schedule of Insurance**.

Period of Insurance

The **Period of Insurance** is outlined in your **Application** and confirmed in your **Schedule of Insurance**. Your policy will expire on the date indicated in your **Schedule of Insurance** or if one of the events occur as described in the section “When does your policy end?” on page 23 of this document.

Home loans

If you choose to finance the premium into your home loan or pay monthly by direct debit, your policy will expire at the end of the 5 year term from the **Commencement date** unless one of the events occur as described in the section “When does your policy end?” on page 23 of this document.

Personal Loans

If you finance the premium into your personal loan, your **Period of Insurance** must be the same as the term of your loan. Your policy will expire at the end of this period unless one of the events occur as described in the section “When does your policy end?” on page 23 of this document.

Revolving Credit facilities (e.g. Overdrafts)

Cover continues until one of the events occur as described in the section “When does your policy end?” on page 23 of this document.

Please note that this policy is non-transferable. Your **Cover** will end under the policy immediately if your **Credit facility** is repaid early (other than for a revolving **Credit facility**) or if your **Loan contract** is otherwise terminated or your **Credit facility** is transferred to a different **Lender**.

HOW YOU CAN PAY YOUR PREMIUMS

How to pay your premium

The premiums payable by you will be shown on your **Schedule of Insurance** as follows:

- Personal loans (under \$50,000) - a once only premium at funding covering the full term of your **Loan contract** (up to 7 years) will be included in the

disbursement of your **Credit facility** or the entire premium can be paid upfront via electronic funds transfer or cheque.

- Personal loans (over \$50,000) - a monthly direct debit for a period of 5 years.
- Home loans (new loans) – a once only premium at funding covering the first 5 years of your **Loan contract** as shown on your **Schedule of Insurance**.
- If you prefer, as an alternative, you can pay for your policy by monthly direct debit for a period of 5 years.
- Home loans (existing loans) - for policies taken after the home loan has funded, options for payment are monthly direct debit for a period of 5 years or the entire premium (for the 5 year period) can be paid upfront via electronic funds transfer or cheque.
- Revolving credit facilities - a monthly premium at the rate set out in the **Schedule of Insurance** will be charged to your **Credit facility** each month. This premium is based on the amount of credit actually utilised and not on the overall limit of the **Credit facility**.

All premiums are subject to Commonwealth and State Government taxes and charges – including Goods and Services Tax (GST) and Stamp Duty.

Premium paid by direct debit

Please note that, if you pay your premium by direct debit and you repay your **Credit facility** early, all **Cover** under this policy will end. You must contact us to cancel your direct debit. Your direct debit authority will not be automatically cancelled on repayment of your **Credit facility**.

How we calculate your premium

The premium that you will be charged depends on the following factors:

- the amount and term of your **Credit facility**;
- the **Period of Insurance** (this may be different to the term of your **Loan contract**);
- the **Cover** you have chosen; and
- your age at the **Commencement date**.

The greater the insured amount, the longer the insurance term and the more events you are covered for, the higher the premium will be for your Loan Repayment Insurance policy. We do not take into account gender, whether you are a smoker or non-smoker, or your health when

calculating your premium. There are also a number of statutory charges and taxes that may be included in an insurance premium.

These include:

- Stamp Duty
- Goods & Services Tax

All premiums for Loan Repayment Insurance are inclusive of any applicable charges or taxes.

Commission

We have a relationship with your **Lender** to sell our policies.

Your **Lender** receives a commission from us for selling this product, which is a maximum of 20% of your premium, excluding government charges.

IMPORTANT NOTICES

Before you make the Application

When you take out your insurance you have a choice of **Cover** types and of methods of payment to select from.

Ensure you understand what **Cover** has been selected in your **Application** and what **Cover** is not provided.

For your protection, you are also advised to read, retain and understand this PDS so you are aware what is covered and what is not covered.

If you have any questions or are not sure about any aspect of this **Cover**, please call us on

07 3552 4289 Monday to Friday, 8am – 5pm (AEST).

Your duty of disclosure

Before you enter into an insurance contract, you and, in the case of Life **Cover**, anyone else who is covered under the contract, have a duty of disclosure under the *Insurance Contracts Act 1984*.

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions. When answering our questions, you must be honest and truthful.

You have this duty until we agree to insure you.

If you do not tell us something (Accident, Illness and Involuntary unemployment Cover)

If you do not tell us anything you are required to tell us, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

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

If you do not tell us something (Life Cover)

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

If you do not tell us anything you are required to, and we would not have insured you if you had told us, we may avoid the contract within 3 years of entering into it.

If we choose not to avoid the contract, we may, at any time, reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable if you had told us everything you should have. However, if the contract has a surrender value, or provides **Cover** on death, we may only exercise this right within 3 years of entering into the contract.

If we choose not to avoid the contract or reduce the amount you have been insured for, we may, at any time vary the contract in a way that places us in the same position we would have been in if you had told us everything you should have. However, this right does not apply if the contract has a surrender value or provides **Cover** on death.

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

Your privacy

Loan Repayment Insurance is distributed by Credit Union Australia Limited and insured by Credicorp Insurance Pty Ltd for the **Accident** and **Illness** and **Involuntary unemployment Covers** and St Andrew's Life Insurance Pty Ltd for the Life **Cover** (collectively referred to in this notice as "our, we or us"). This privacy notice relates to how we will collect, use and disclose your personal information.

Personal and sensitive information is collected from you in order for us to issue and manage your policy or pay any claims you make under the policy. We do not use your personal information for direct marketing purposes unless we obtain your prior consent. If you don't provide us with your personal information or otherwise authorise us to collect this information from third parties, we may not be able to provide you with one or more of our products or services.

The way in which we collect, use or disclose your information is described in our respective Privacy Policies which set out how you can access and correct information we hold about you, how you can complain about a breach by us of your privacy rights and how your complaint will be handled. The Privacy Policies can be found as follows:

Credit Union Australia Limited and
Credicorp Insurance Pty Ltd: www.cua.com.au

St Andrew's Life Insurance Pty Ltd: www.standrews.com.au

These policies contain information about:

- The kinds of personal information we collect and hold;
- How we collect and hold personal information;
- The purposes for which we collect, hold, use and disclose personal information;
- How you can access personal information that we hold about you;
- How you can request access to and correction of your personal information; and
- What to do if you believe that we have breached the Australian Privacy Principles.

If you have any questions regarding Privacy or a complaint regarding a breach of your Privacy, please contact us at:

Privacy Dispute Officer
Email: privacydisputes@cua.com.au
GPO Box 100, Brisbane QLD 4001

Your contract with us

We issue your policy relying on:

- 1) The information you disclose to us in the **Application** and the **Covers** selected in it.
- 2) You meeting the age conditions shown in the **Application** and this document.
- 3) You being in **Work** and not having received a **Notification of unemployment** when the policy begins (not applicable to Life **Cover**).
- 4) The payment of the premiums for the **Cover** selected in the **Application**.

This PDS, the **Application** and **Schedule of Insurance** are the "Contract of Insurance" with us.

Subject to the following wording, benefits will be paid under the policy to the **Lender** shown in the **Schedule of**

Insurance, or as directed by them.

Change of mind?

You have 30 days to consider the information in this PDS. This is called the "cooling-off period". If you wish you can cancel your insurance within 30 days from the day you receive your **Schedule of Insurance** and be entitled to a full refund of any premium already paid provided you have not already claimed on this insurance.

Premium pause

If you are paying your premiums via monthly direct debit and your policy has been in force for at least 6 months, we will allow you to suspend your policy for up to 90 days for reasons of financial hardship. A **Premium pause** can only be applied for once during the **Period of Insurance**. To apply for **Premium pause**, please contact us as per the section "How to contact us" on page 3 of this document. During the **Premium pause** period, you will not have to pay premiums, however you will not be eligible to claim for any life, **Accident** and **Illness** or **Involuntary unemployment** event that occurs during this period.

Cancelling your policy

If you want to cancel

You can cancel this policy at any time by sending us 14 days written notice. For premiums paid by direct debit, your cancellation will take effect as of the date your next premium is due.

If we want to cancel

We may cancel this policy for any reason allowed under the law by telling you in writing. This includes where an insured under this contract makes a fraudulent claim under this contract or another contract of insurance.

When does your policy end?

Your policy will end as soon as one of the following occurs:

- a) your **Credit facility** is either repaid (other than for a revolving **Credit facility**), discharged or terminated;
- b) your **Credit facility** is terminated due to you refinancing under a new **Loan contract**;
- c) your **Lender** has increased the amount of credit available to you under your **Credit facility** under your existing **Loan contract**;
- d) your **Loan contract** is terminated (including when the time for repayment of the **Credit facility** has

expired, regardless of whether or not you have paid all the money you owe);

- e) date on which the final **Repayment** under the original **Loan contract** falls due;
- f) the expiry date (where applicable) for the **Cover** as shown on your **Schedule of Insurance**;
- g) the date we have paid your maximum benefits payable under the policy in respect of Life **Cover**;
- h) the date your **Credit facility** and **Loan contract** are cancelled by the **Lender**;
- i) the seventh anniversary of the **Commencement date** of this policy, if your **Credit facility** is a personal loan under \$50,000;
- j) the fifth anniversary of the Commencement date of this policy, if your **Credit facility** is a home loan;
- k) you die;
- l) you reach 65 years of age;
- m) you cease to reside permanently in Australia or you become employed outside of Australia or its territories (unless otherwise agreed in writing by us);
- n) you are paying for your policy by regular premium and you fail to pay two instalments consecutively;
- o) a Life **Cover** benefit is paid for any life insured under this policy;
- p) we cancel your policy if we are entitled to do so under the Insurance Contracts Act 1984 (Cth) or the Life Insurance Act 1995 (Cth); or
- q) the fifth anniversary of the **Commencement date** of this policy, if your **Credit facility** is a personal loan over \$50,000.

Please note that in the case of joint insureds, conditions (k), (l) and (m) will be applied separately to each insured.

For example:

- If one joint insured reaches the age of 65, the **Cover** will continue in respect of the insured which has not turned 65 until the earliest of the above dates applies to them.

Refund of premium

We will direct all premiums paid to us, to the **Lender** (on your behalf) for credit to your **Credit facility** if:

- a) At the **Commencement date** of this policy you were ineligible to apply for this insurance.
- b) You request cancellation within 30 days of receiving

the **Schedule of Insurance** and have not already made a claim.

We will direct a proportion of the premiums paid to us, to the **Lender** (on your behalf) for credit to your **Credit facility** if:

- a) You request cancellation later than 30 days after receiving the **Schedule of Insurance**.
- b) Your **Credit facility** is repaid (other than for a revolving **Credit facility**) or consolidated into a further **Credit facility** under a new **Loan contract**.

If your premium was financed into your **Credit facility**, your refund will be calculated according to the formula below.

If you pay your premium by monthly direct debit and we cancel due to non-payment of premiums or if you cancel outside of the 'cooling-off' period no refund of premiums will be paid.

We will not refund any premium under this policy where the total death benefit under the Life **Cover** has been paid.

Premium financed into your loan

If your premium was financed into your **Credit facility** and you cancel your policy after the 30 day cooling-off period for any reason, we will apply the following formula for determining your refund (where Term is the number of months):

Initial Premium (less taxes) x Remaining Term x (Remaining Term +1) divided by the Initial Term x (Initial Term +1)

As an example, if your initial premium (less tax) was \$1,000 and your policy has an insurance term of 48 months and you cancelled it after 12 months, the refund would be:

$$1,000 \times 36 \times (36+1) = 1,332,000$$

$$48 \times (48 +1) = 2,352$$

$$1,332,000 / 2,352 = \$566.33$$

Please note: Any refund due is paid to your **Lender** to be credited to your **Credit facility**.

Consequential loss

Under this policy, we will not pay compensation for consequential financial loss or non-financial loss (including compensation for distress or inconvenience) in relation to a claim you make with us.

MAKING A CLAIM

How to make a claim

- You must give us written notice of your claim within 90 days of an event which may give rise to a claim. See page 3 for how to contact us.
- We will send you a claim form which you must, within 14 days of receipt, fully complete and return, together with all relevant evidence that we may need.
- We may make any reasonable enquiries about the claim.
- You must at your own expense provide to us any information and proof as we may reasonably require. For instance, if you become **Unemployed**, you must provide a statement from your former employer indicating how you became **Unemployed** together with relevant certificates from the appropriate Australian Commonwealth Government unemployment authority or agency.
- If you are **Disabled** or **Involuntarily unemployed** and we are paying the **Daily equivalent** of your **Repayment**, you must, at your own expense, provide to us such proof that you are **Disabled** or **Involuntarily unemployed** as we may reasonably require.
- We may require you to have a medical examination or we may require a post-mortem examination (in respect of Life **Cover**). We will pay for these examinations.
- If you are claiming or eligible to claim under a previous policy issued by us which is replaced by this policy, that claim will be payable at the rate of the previous **Repayment** and will cease at the natural expiry of the previous policy.

Certain additional information must also be supplied before we will pay a claim:

a) **Accident** or **Illness** claim

- Evidence from a medical practitioner of your **Disablement** and evidence that you have obtained and are following the advice of the medical practitioner.
- Proof of employment as at the **Date of disablement**.

b) **Involuntary unemployment** claim

- Certification of registration as unemployed from an appropriate Australian Government agency.
- A certified copy of your "Employment Separation Certificate".
- If you were **Self-employed**, we will require documentation from your **Accountant** providing details of your business ceasing to operate.

c) **Life** claim

- An original death certificate or a certified copy of your death certificate.
- Such records or evidence of your identity and medical history as we may reasonably require.

Fraudulent claims

If any claim under this policy is fraudulent or if you or anyone on your behalf breaches your duty of utmost good faith in relation to a claim, no benefit under this policy will be payable in respect of that claim and we will be entitled to recover any benefit paid and costs incurred. We may also be entitled to cancel the policy.

How to resolve a complaint or dispute

Talk to us first

We're committed to helping Australians enrich their lives and we're always looking for ways to deliver a better customer experience. However, we realise that things don't always go to plan. This document details how you can raise an issue with us, how it will be resolved and what to do if you're still not satisfied.

If you have a complaint, the first thing to do is speak with one of our staff. If your complaint relates to a claim, then please talk to the claims officer managing your claim. If our staff member or claims officer is unable to resolve your issue, then you may choose to discuss the matter with one of our managers.

We aim to respond with a decision within 15 business days of receiving your complaint. We'll keep you informed about the progress of our response and, where we're unable to respond within 15 business days, we'll get in touch with you to agree a reasonable alternative timeframe and keep you informed of developments at least every 10 business days afterwards. If we're unable to agree an alternative timeframe, or if you aren't satisfied with the outcome of our decision, you can choose to move to the next step below.

Seek an internal review

If your issue hasn't been resolved to your satisfaction, you can ask our manager to refer your complaint to our internal dispute resolution team for review. Again, we aim to respond within 15 business days you raising your complaint with our internal dispute resolution team, as long as we have all the necessary information and completed any investigation required. We'll keep you informed about the progress of our review and, where we're unable to respond within 15 business days, we'll contact you to agree a reasonable alternative timeframe. If we're unable to agree an alternative timeframe or if you're still not satisfied with the outcome of our review, you can choose to progress to the next step below. If we can't resolve your complaint or dispute within 45 calendar days of the date we first receive your complaint then, before this period is reached, we'll tell you the reasons for the delay and tell you about your right to seek an external review of your complaint.

We'll respond to all complaints in writing and tell you:

- a) our decision in relation to your complaint;
- b) the reasons for our decision; and
- c) the next steps available to you.

Seek an external review

If you're unhappy with the outcome of our internal review, or we're unable to resolve your complaint within 45 calendar days from when you first raised your complaint, you can refer your complaint to the Australian Financial Complaints Authority ("AFCA"). This service is provided without charge to you and their decisions are binding on us but not on you. The contact details for AFCA are:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Ph: **1800 931 678**

Email: info@afca.org.au

Web: www.afca.org.au

You can get further information about our complaint or dispute resolution procedures by contacting us.

Tax

Generally premiums payable for this policy are not tax deductible and tax will not generally be payable on any benefit paid to individuals under your policy.

Please refer any tax enquiries to your **Accountant** or tax adviser.

Financial Claims Scheme

If you are eligible to make a claim, you may be entitled to payment under the financial claims scheme in the event that Credicorp Insurance Pty Ltd becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Financial Claims Scheme website at www.fcs.gov.au and the APRA hotline on **1300 55 88 49**.

For more information on our range of products, visit cua.com.au, pop in to one of our branches or call **133 282**

cua

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The Accident and Illness (Disablement) and Involuntary Unemployment component of this policy is issued by Credicorp Insurance Pty Ltd ABN 50 069 196 756 AFSL No. 238335 which is a wholly owned subsidiary of Credit Union Australia Ltd. The Life Insurance component of this policy is issued by St Andrew's Life Insurance Pty Ltd ABN 98 105 176 243 AFSL No. 281731.

This insurance is arranged by Credit Union Australia Ltd ABN 44 087 650 959, AFSL No. 238317. Registered Office: 145 Ann Street, Brisbane QLD 4000 as agent for the insurer Credicorp.