

# **LOAN PROTECTION**

## **FOR HOME LOAN CUSTOMERS.**

Insurance to help pay your loan if you're unable to work or if you pass away.

Product Disclosure Statement (PDS) and Policy Document

Preparation date: 28 November 2015



## Loan Protection for Home Loan Customers

# SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT (SPDS)

Preparation date: 16 June 2016

This Supplementary Product Disclosure Statement (SPDS) is dated 16 June 2016 and supplements the Loan Protection for Home Loan Customers Combined Product Disclosure Statement (PDS) and Policy Document issued on 28 November 2015. This SPDS outlines changes to the product and is to be read together with the PDS. When reading the PDS you should replace the sections outlined with the wording contained in this document. Terms defined in the PDS have the same meaning in this SPDS.

Additional copies of the PDS, Policy Document and SPDS are available at [commbank.com.au](http://commbank.com.au) or by calling **13 3982**.

**Page 18. Glossary** – the medical definition for *heart attack* has been replaced with the following definition:

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### ***heart attack***

The death of part of the heart muscle (myocardium) as a result of inadequate blood supply to the relevant area. The diagnosis must be confirmed by a cardiologist and evidenced by a typical rise and/or fall of cardiac biomarkers with at least one value above the 99<sup>th</sup> percentile of the upper reference limit and at least one of the following:

- signs and symptoms of ischaemia consistent with a myocardial infarction;
- confirmatory new (or presumed new) electrocardiogram (ECG) changes associated with myocardial infarction; or
- imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

If the above evidence is inconclusive or superseded by technological advances, we will consider other appropriate and medically recognised tests that unequivocally diagnose a myocardial infarction of the degree of severity or greater as outlined above has occurred.

Acute coronary syndromes including but not limited to angina pectoris, unstable angina, and acute coronary insufficiency are excluded as part of this definition.

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# Key Information

This Key Information summarises the benefits and exclusions that apply to Home Loan Protection and is here to help you make an informed decision. You should read the full PDS before deciding whether or not to buy Home Loan Protection.

## What is home loan protection?

There are two types of cover. If you are unable to work because of an injury or illness or if you lose your job, Loan Repayment Cover could help pay your minimum monthly repayments every month for up to 12 months, until you return to work.

Also, if you are diagnosed with a medical trauma, Loan Cover could pay a lump sum off your loan or if you pass away it could help pay off your whole loan. You can choose one or both of these cover options. The benefits of each cover option are shown in the table below.

## Eligibility

Home Loan Protection is available to Commonwealth Bank home loan customers who are aged between 18 and 54 years, and living in Australia.

If there is more than one borrower on your loan you can cover them both under the one policy (see page 11).

## How much it costs

When you apply for Home Loan Protection, you'll receive an estimated monthly premium based on your age, your loan size and the cover options selected (see page 11). We will not ask any medical or occupational questions (including smoking status). The minimum monthly premium is \$25.

## How to apply for Home Loan Protection

To apply for Home Loan Protection you can:

- complete an application at any Commonwealth Bank branch, or
- apply online through [NetBank](#).

## The cooling-off period

From the day we send you the policy schedule, you have 14 days to consider whether the policy meets your needs (the 'cooling-off period'). Within this period you can cancel the policy by contacting us and we will refund in full any premiums you have paid.

Cover	Benefit	Summary
Loan Repayment Cover	<b>Unemployment and Disability<sup>1</sup></b>	If you are unable to work because of an injury or illness or if you lose your job, Loan Repayment Cover could help pay your minimum monthly repayments every month for up to 12 months, until you return to work. If you are eligible for Loan Repayment Cover benefits, for each day you continue to be eligible after your 30 day waiting period, you will receive the higher of 1/30th of your minimum monthly repayment or 1/30th of \$600. We won't pay a monthly benefit of more than 1% of your sum insured <sup>3</sup> .
Loan Cover	<b>Trauma<sup>2</sup></b>	If you are diagnosed with cancer, a heart attack, a stroke or coronary artery disease requiring bypass surgery (each as defined in the policy), Loan Cover could pay a lump sum off your loan of up to 10% of your sum insured <sup>3</sup> . There is a minimum payment of \$2,000.
	<b>Terminal Illness and Death<sup>2</sup></b>	If you become terminally ill (as defined in the policy) or die, Loan Cover could pay a lump sum off your loan up to your sum insured <sup>3</sup> .

<sup>1</sup> To be eligible for the unemployment or disability benefits, you first need to be employed as defined in this policy (see page 8).

<sup>2</sup> Only one trauma benefit will be paid for each person covered and once we pay a terminal illness benefit or death benefit for a person covered under the policy the cover for that person ends.

<sup>3</sup> Your sum insured is referred to as your maximum death and terminal illness benefit amount in your policy schedule. It cannot be more than \$750,000. You and we agree on your sum insured when you apply for your policy.

## A summary of the exclusions.

The below is a summary of the key situations when we will not pay a benefit that applies to a Home Loan Protection policy (see pages 6 and 13). 'na' means 'not applicable'.

Benefit Type	Unemployment	Disability	Trauma °	Terminal illness & Death
<b>We won't pay if your claim is caused by...</b>				
<b>Voluntarily accepting unemployment (e.g. retirement or voluntary redundancy).</b>	X	na	na	na
<b>Unemployment caused by normal seasonal work fluctuations.</b>	X	na	na	na
<b>Unemployment at the end date of a fixed-term contract.</b>	X	na	na	na
<b>Self-inflicted harm, including actual or attempted suicide.</b>	na	X	X	Only excluded in the first 24 months
<b>The use of drugs or alcohol without a doctor's prescription.</b>	na	X	X	X
<b>We also won't pay if...</b>				
<b>You were employed for less than 90 consecutive days before your claim event.</b>	X	X	na	na
<b>You are out of work for less than 30 consecutive days.</b>	X	X	na	na
<b>Your claim event occurs before your cover starts.</b>	X	X	X	X
<b>You became aware of your claim event before your cover started.</b>	X	X	X	Depending on circumstances, see page 10
<b>Your claim event occurs in your cover's first¹...</b>	60 days	30 days, if it was caused by illness	90 days	na
<b>You became aware of your claim event in your cover's first¹...</b>	60 days	30 days, if it was caused by illness	90 days	na
<b>You received a payment for the same benefit type in the last...</b>	90 days²	90 days²	na	na
<b>We will stop paying Loan Repayment Cover benefits if...</b>				
<b>We've paid 12 monthly benefits for your claim.</b>	X	X		na
<b>You return to work.</b>	X	X		
<b>You stop looking for work.</b>	X	na		
<b>Your cover or policy ends.</b>	X	X		
<b>Your loan is paid off.</b>	X	X		

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

¹ Period applies after your cover start date, the date your Loan Repayment Cover was increased (this applies only to the increased amount), or the date your policy was re-instated.

² A recurrence of the same disability which occurs in the first 30 days that you return to work may be treated as a part of the original claim. A recurrence of unemployment which occurs in the first 90 days that you return to work may be treated as a part of the original claim (see page 6).

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## About this document

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

The information it contains does not take into account your objectives, financial situation or needs and you should consider whether it's appropriate before acting.

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

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

This PDS (other than pages 2 and 3) is also your policy document for Home Loan Protection. Together with your policy schedule, the policy document makes up your insurance contract (the policy) with us.

The insurance described in this PDS is only available to customers living in Australia. If an applicant lives outside Australia their application will not be accepted.

## About us

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

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

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

CMLA's principal office of administration is Level 1, 11 Harbour Street, Sydney NSW 2000.

## Meaning of words

The italicised words in this PDS have a particular meaning. Please see the Glossary on page 17 for these definitions.

In addition, in this document:

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

You – depending on the context, means either:

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

Multiple policyowners hold the policy jointly.

# Your Policy

## Loan Repayment Cover

**Loan Repayment Cover applies if your policy schedule shows the words 'Loan Repayment Cover'. The words in italics have the meanings set out in the Glossary starting on page 17.**

### Disability

We'll pay a disablement benefit if:

- you were *employed* for at least 90 consecutive days immediately before you became *disabled*,
- you've been *disabled* for at least 30 consecutive days (your waiting period), and
- a *doctor* certifies that your *disablement* has occurred. Until we receive this certification we won't consider you to be *disabled* in terms of this definition.

Once you've met all these requirements, we'll start to pay the disablement benefit to the Commonwealth Bank for the credit of your home loan account and we'll do this for each day you continue to be *disabled* for up to 12 months.

The disablement benefit for each day of *disability* is 1/30th of the monthly benefit, which is the lesser of:

- your *minimum monthly repayment*,
- 1% of your *maximum death and terminal illness benefit amount*.

However, for each month you are continuously *disabled* we will pay at least \$600.

If you become *disabled* again by the same injury or illness within 30 days of the end of a previous period of *disablement*, we treat the two periods as one continuous period of *disablement*.

**Example of the disablement benefit:** Emma has been *disabled* for 150 days and, on the day she became *disabled*, Emma's *minimum monthly repayment* was \$1,500 per month. If Emma's claim is accepted, we pay \$6,000 to her loan account, the equivalent of \$50 per day for 120 days of *disability* (150 days minus the 30 day waiting period).

**Example of the unemployment benefit:** John has been *unemployed* for 60 days and, on the day he became *unemployed*, John's *minimum monthly repayment* was \$3,600 per month. If John's claim is accepted, we pay \$3,600 to his loan account, the equivalent of \$120 per day for 30 days of *unemployment* (60 days minus the 30 day waiting period).

### Unemployment

We'll pay an unemployment benefit if:

- you were *employed* for at least 90 consecutive days immediately before you became *unemployed*,
- you've been *unemployed* for at least 30 consecutive days (your waiting period), and
- while you're *unemployed* you're actively seeking work in Australia.

Once you've met all these requirements, we'll start to pay the unemployment benefit to the Commonwealth Bank for the credit of your home loan account and we'll do this for each day you continue to be *unemployed* for up to 12 months.

The unemployment benefit for each day of *unemployment* is 1/30th of the monthly benefit, which is the lesser of:

- your *minimum monthly repayment*,
- 1% of your *maximum death and terminal illness benefit amount*.

However, for each month you are continuously *unemployed* we will pay at least \$600.

If you become *unemployed* again within 90 days of the end of a previous period of *unemployment*, we treat the two periods as one continuous period of *unemployment*.

## Benefit Payment

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

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

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

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

## Minimum Monthly Repayment

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

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

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

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

**Example of how the minimum monthly repayment works:** Tash has a \$400,000 home loan for which the bank requires her to pay a \$2,000 *minimum monthly repayment*. To pay off the loan sooner, Tash chooses to pay \$3,000 each month. If Tash is *disabled* her Home Loan Protection policy pays \$2,000 each month towards her loan, not \$3,000.



## When we won't pay (exclusions)

We won't pay if...	We stop paying on the earlier of...
<b>Unemployment</b>	
<ul style="list-style-type: none"> <li>• you resign, accept voluntary redundancy, take early retirement or abandon your <i>employment</i>,</li> <li>• you become <i>unemployed</i>, directly or indirectly, because your job is seasonal in nature or because your fixed-term contract or specified period of work ends,</li> <li>• you become <i>unemployed</i>, or become aware that you will be <i>unemployed</i>, and the <i>unemployment</i> or your awareness, as applicable, occurs before, or within 60 days of:             <ol style="list-style-type: none"> <li>i. your cover start date,</li> <li>ii. the date your Loan Repayment Cover was increased (this applies only to the increased amount), or</li> <li>iii. the date your policy was re-instated.</li> </ol> </li> <li>• we've paid a death benefit or terminal illness benefit for you under your policy or such a benefit is payable,</li> <li>• your unemployment cover or this policy has ended (see page 11),</li> <li>• we're already paying a disablement benefit or unemployment benefit for another person insured under the policy (see page 7).</li> </ul>	<ul style="list-style-type: none"> <li>• the date your home loan is paid off,</li> <li>• the date we've paid 12 months' worth of unemployment benefits for any one continuous period of <i>unemployment</i>,</li> <li>• the day you:             <ol style="list-style-type: none"> <li>i. return to work or to a function performed for reward, compensation or profit,</li> <li>ii. stop actively looking for work in Australia,</li> <li>iii. permanently retire, or</li> <li>iv. die,</li> </ol> </li> <li>• if you were <i>employed</i> on a fixed-term contract, on the end date of your contract,</li> <li>• the date we pay a death benefit or terminal illness benefit for a person insured under your policy,</li> <li>• the date your unemployment cover or this policy has ended (see page 11).</li> </ul>
<b>Disability</b>	
<ul style="list-style-type: none"> <li>• you're <i>disabled</i> directly or indirectly because of your use of alcohol or because of your use of drugs not taken under the supervision of a <i>doctor</i>,</li> <li>• you're <i>disabled</i> directly or indirectly because of an intentionally self-inflicted injury or infection (including attempted suicide), caused by you, whether you're sane or insane,</li> <li>• the injury or illness that caused the <i>disablement</i> occurred, was first diagnosed, or the symptoms of it became apparent before (or, for illnesses only, on or within 30 days of):             <ol style="list-style-type: none"> <li>i. your cover start date,</li> <li>ii. the date your Loan Repayment Cover was increased (this applies only to the increased amount),</li> <li>iii. the date the policy was re-instated,</li> </ol> </li> <li>• we've paid a death benefit or terminal illness benefit for you under your policy or such a benefit is payable,</li> <li>• we're already paying a disablement benefit or unemployment benefit for another person insured under the policy (see page 7),</li> <li>• your disablement cover or this policy has ended (see page 11).</li> </ul>	<ul style="list-style-type: none"> <li>• the date your home loan is paid off,</li> <li>• the date we've paid 12 months' worth of disablement benefits for any one continuous period of <i>disablement</i>,</li> <li>• the day you:             <ol style="list-style-type: none"> <li>i. return to work or to a function performed for reward, compensation or profit (unless you return for less than 20 hours a week, otherwise meet the requirements of the definition of <i>disability</i> and provide us with a <i>doctor's</i> certificate confirming that, due to your <i>disability</i>, you are unable to return to at least 20 hours a week – in which case we stop paying the disability benefit when you return for 20 or more hours per week or your <i>disability</i> no longer prevents you from doing so), or</li> <li>ii. permanently retire,</li> </ol> </li> <li>• the date we pay a death benefit or terminal illness benefit for a person insured under your policy,</li> <li>• the date your disablement cover or this policy has ended (see page 11).</li> </ul>

## Loan Cover

**Loan Cover applies if your policy schedule shows the words ‘Loan Cover’. The words in italics have the meanings set out in the Glossary starting on page 7.**

### Trauma

If you suffer a *trauma*, we'll pay a trauma benefit equal to the higher of;

- \$2,000
- 10% of your *maximum death and terminal illness benefit amount*

However, the trauma benefit we pay can never be more than \$75,000.

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

The trauma benefit covers *cancer, coronary artery disease requiring bypass surgery, heart attack and stroke*, as defined in this policy. Please see the definitions of these medical conditions in the Glossary starting on page 17.

We only ever pay a trauma benefit once for each person whose life is insured.

### Terminal Illness And Death

If you die we pay a death benefit or if you become *terminally ill* we pay a terminal illness benefit.

The benefit we pay is equal to the lower of:

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

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

We only ever pay one terminal illness or death benefit for each person whose life is insured under this policy. We never pay both benefits. Once paid all cover for that person ends.

**Example of how the trauma benefit works:** Vincent had a balance of \$250,000 owing on his loan on the day he had a *heart attack*. When Vincent first bought Loan Protection, his loan balance was \$500,000 and he covered the entire amount of his loan. If Vincent's claim is accepted, we pay \$50,000 off his balance, the equivalent of 10% of the original loan amount covered. Vincent's level of cover will reduce by \$50,000 from \$500,000 to \$450,000, the equivalent of the trauma benefit he received. His premium may reduce as a result of his lower level of cover.

**Example of how the terminal illness benefit works:** Lily had a balance of \$200,000 owing on her loan on the day she became *terminally ill* and when Lily first bought Loan Protection she covered the entire amount of her loan. If Lily's claim is accepted, we pay \$200,000 off her loan.

**Example of how the death benefit works:** Anthony had a balance of \$300,000 owing on his loan on the day of his death and when he first bought Loan Protection he covered the entire amount of his loan. Anthony's partner, Andreas, is the executor of Anthony's estate and if his claim is accepted, we pay \$300,000 off the loan.

## Automatic decrease to terminal illness and death benefits

When we pay a trauma benefit, the *maximum death and terminal illness benefit amount* is reduced by the amount of the trauma benefit we pay. This reduces your level of cover, so your premiums will also decrease subject to the minimum monthly premium of \$25.

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

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

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

## When we won't pay (exclusions)

Benefit	We won't pay if...
<b>Trauma</b>	<ul style="list-style-type: none"> <li>• the <i>trauma</i> results directly or indirectly from:               <ol style="list-style-type: none"> <li>i. an intentionally self-inflicted injury or infection (including attempted suicide), caused by you, whether you're sane or insane,</li> <li>ii. your use of alcohol or your use of drugs not taken under the supervision of a <i>doctor</i>,</li> </ol> </li> <li>• the <i>trauma</i> occurred, was first diagnosed or the first symptoms of the <i>trauma</i> became apparent or you received professional medical advice or treatment for the <i>trauma</i> at any time before, on or within 90 days after:               <ol style="list-style-type: none"> <li>i. your cover start date,</li> <li>ii. the date your <i>maximum death and terminal illness benefit amount</i> was increased (this applies only to the increased amount), or</li> <li>iii. the date the policy was re-instated,</li> </ol> </li> <li>• you die from any cause within 30 days of first being diagnosed as suffering a <i>trauma</i>,</li> <li>• a death benefit or terminal illness benefit has been paid or is payable,</li> <li>• this policy has ended (see page 11).</li> </ul>

Benefit	We won't pay if...
<b>Terminal illness and Death</b>	<ul style="list-style-type: none"> <li>• your death or <i>terminal illness</i> results directly or indirectly from:               <ol style="list-style-type: none"> <li>i. an intentionally self-inflicted injury or infection (including suicide or attempted suicide), caused by you, whether you're sane or insane and the death or <i>terminal illness</i> occurs in the 24 months after:                   <ol style="list-style-type: none"> <li>a. your cover start date,</li> <li>b. the date your <i>maximum death and terminal illness benefit amount</i> was increased (this applies only to the increased amount),</li> <li>c. the date the policy was re-instated,</li> </ol> </li> </ol> </li> <li>• your use of alcohol or your use of drugs not taken under the supervision of a <i>doctor</i>,</li> <li>• any injury or illness for which you had symptoms, or received professional medical advice or treatment, within the 12 months before:               <ol style="list-style-type: none"> <li>i. your cover start date,</li> <li>ii. the date your <i>maximum death and terminal illness benefit amount</i> was increased (this applies only to the increased amount),</li> <li>iii. the date the policy was re-instated,</li> </ol> </li> <li>• the death or terminal illness benefit has been paid or is payable,</li> <li>• this policy has ended (see page 11).</li> </ul>

## How your policy works

### When Your Policy Starts

Your policy starts on your policy commencement date. You can see this date in your policy schedule, which we send to you separately and which shows:

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

Each type of cover for each person insured under the policy begins on the cover start date for that person (as shown in the policy schedule).

### When Your Policy Ends

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

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

All cover for a person insured under the policy ends on the earliest of:

- the person dying,
- us paying a death benefit or terminal illness benefit for them,
- the policy anniversary date before their 65th birthday.

### Your Premium

When you apply for Home Loan Protection, you'll receive a quote for the estimated monthly premium and, when your cover first starts, we'll send you a policy schedule which confirms the monthly premium that is payable. This will never be less than the minimum monthly premium of \$25.

We charge the first premium after the policy start date.

Significant factors that can affect the premium include:

- **Loan size:** The larger the loan's balance at application the higher the premium. However, the premium doesn't decrease as your loan balance is paid off.
- **Age:** The older each person covered is at application, the higher the premium. However, once the policy has commenced the premium doesn't increase just because you get older.

- **Cover Types:** Your premium will be higher if you choose both Loan Cover and Loan Repayment Cover, than if you choose just one or the other. If you choose one type of cover then add the other type later, your premium will increase.

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

Your premiums will be waived whilst you are receiving an unemployment or disability benefit.

You can pay by direct debit from a bank account or by a credit card acceptable to us. Unfortunately we do not accept AMEX or Diners Club cards. You can change the way you pay at any time as long as we have a current and acceptable payment authority from you.

In some situations your level of cover reduces. This happens after we pay a trauma benefit, or if you ask us to decrease your level of cover. When your level of cover goes down, your premium usually does too (subject to the minimum monthly premium of \$25).

We can change the rate at which your premium is charged and, if we do this, we will:

- if a higher rate is to apply, give you one month's notice (or longer period as required by law) before increasing the amount you pay each month, and
- change the rate for all policies issued on the same terms as your policy (i.e. we won't single out your policy)

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

### Joint Cover

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

### Partial Cover

You can choose to insure less than 100% of your home loan amount or *minimum monthly repayments*. You can choose to insure 25%, 50% or 75%. This will reduce your level of cover and your monthly premium (subject to the minimum monthly premium of \$25).

For home loans over \$750,000, we only cover the chosen percentage of the first \$750,000. For example, 50% cover on a \$1 million home loan provides \$375,000 of cover (50% of \$750,000), not \$500,000.

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

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

### **Partial Loan Cover**

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

The minimum trauma benefit of \$2,000 applies regardless of the chosen percentage.

### **Partial Loan Repayment Cover**

The maximum Loan Repayment Cover benefit we'll pay each month is the lesser of:

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

For example, if you insured 100% of a loan of \$200,000, your original loan amount would be \$200,000, so the maximum Loan Repayment Cover benefit we'd pay would be the lesser of \$2,000 (1% of \$200,000) and your *minimum monthly repayment*. If you chose 50% partial Loan Repayment Cover for the loan, we'd consider your original loan amount to be \$100,000 (50% of \$200,000), so the 1% limit would be \$1,000 (1% of \$100,000).

The minimum disablement benefit and unemployment benefit of \$600 for each month you are continuously *disabled* or *unemployed* applies regardless of the percentage you choose. These benefits are paid for up to 12 months.

### **The right level of cover**

Choosing a lower cover percentage reduces your premium by the same percentage (subject to our minimum monthly premium of \$25). For example, if you insured 50% of your original loan, you would pay 50% of the premium you'd pay if you'd insured 100% of the loan.

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

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

### **Changing Your Policy**

#### **Changes to your loan balance**

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

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

#### **Increases**

When increasing your level of cover a new premium will be calculated using your age at the time of your request.

#### **Decreases**

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

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

#### **Change your partial cover amount**

If you have partial cover you can request us to change the partial cover amount already selected (subject to the conditions contained in this PDS) to 25%, 50%, 75% or 100% (up to a maximum of \$750,000).

#### **Change who is covered**

You can change who is insured under your policy,

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

### **How to request a change**

To request a change you can:

- call us on **13 3982** between 8am and 8pm (Sydney time), Monday to Friday, or
- visit any Commonwealth Bank branch.

## **Cancelling Your Policy**

### **How you can cancel your policy**

You can cancel your policy at any time. To do this call us on **13 3982** between 8am and 8pm (Sydney time), Monday to Friday.

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

### **When we may cancel your policy**

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

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

Please note that limitations as to when we pay benefits will apply from the date the policy is re-instated.

### **Making A Claim**

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

To claim:

- Call **13 3982** between 8am and 5pm (Sydney time), Monday to Friday. We will send you a claim form and a covering letter outlining the supporting evidence we need to be able to assess the claim.
- Complete the claim form and return it to us with

supporting evidence of your claim. You must provide all certificates and evidence we require at your own expense, except where we ask for a medical examination or other tests. We may require all certificates to be supported by our chief medical officer.

If we consider it necessary, we may require access to all medical records and test results so we can independently verify the existence and the extent of an event. We can make any reasonable enquiries about the claim and we may require you to have a medical examination by a *doctor* we nominate (see Privacy on page 14).

### **How we pay a claim**

Once we've received all the necessary documents and assessed the validity of your claim, we'll pay your claim as soon as possible.

## **Important Information**

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

### **Understanding The Risks**

You should be aware that we only provide cover under Home Loan Protection for death, terminal illness, trauma, disablement and unemployment. The extent to which benefits are payable under Home Loan Protection is measured by reference to the amount you owe on your loan.

### **Commission**

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

### **Taxation**

As CommInsure is not a registered tax (financial) adviser under the Tax Agent Services Act 2009, you should seek independent, professional tax advice from a registered tax agent or a registered tax (financial) adviser before making any decision based on this information or relying on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

### **If You Have A Complaint**

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

To get help resolving your problem, call us on **13 3982** between 8am and 8pm (Sydney time), Monday to Friday or send an email to [comminureservices@cba.com.au](mailto:comminureservices@cba.com.au) and we'll review your situation and try to resolve it straight away.

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

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

### **External dispute resolution**

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

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

Financial Ombudsman Service, GPO Box 3, Melbourne

VIC 3001 or online at <http://www.fos.org.au>

## **Privacy**

### Collecting information

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

### How we collect it

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

The law may require us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. Collecting and verifying information helps to protect against identity

theft, money-laundering and other illegal activities. We may disclose your customer information in carrying out verification e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

### What we collect

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

### Accuracy

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

### How do we use your personal information?

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

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

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

### Electronic communication

If we have your email or mobile phone details we may contact you electronically including by SMS.

You may also receive information on the group's products and services electronically.

### Direct marketing

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

### Gathering and combining data to get insights

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

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

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

### Protecting your personal information

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

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

### Who do we exchange your personal information with?

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

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

### Third parties

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

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

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

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

### Sending information overseas

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

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

For more information about which countries your information may be sent to, see the Commonwealth Bank group privacy policy available at [commbank.com.au](http://commbank.com.au).



## Viewing your information

You can (subject to permitted exceptions) request access to your personal information by contacting Customer Relations (see page 13 for contact details).

We may charge you for providing access.

For more information about our privacy and information handling practices, please refer to the Commonwealth Bank group privacy policy, which is available through [commbank.com.au](http://commbank.com.au) or on request from any Commonwealth Bank branch.

## Making a privacy complaint

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

## **Contact Us**

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

Email us: [comminsureservices@cba.com.au](mailto:comminsureservices@cba.com.au)

Call us: **13 3982** between 8am and 8pm, Monday to Friday (Sydney time)

Write to us: CommInsure Life Insurance Services, PO Box 328, Silverwater NSW 2128

## **National Relay Service**

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

- TTY/Voice: **133 677**
- SSR: **1300 555 727**
- [www.relayservice.com.au](http://www.relayservice.com.au)

# Glossary

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## *cancer*

Any malignancy characterised by unlimited growth and which expands locally by invasion, but excluding malignancies which meet the following medical and/or histopathology classifications:

- Pre-malignant conditions
- Cancer with a stage less than T1N0M0 as defined by the American Joint Committee for Cancer, including carcinoma in situ and intraepithelial neoplasia, but not if:
  - i. the cancer is located in the breast and all breast tissue of the affected breast is removed or
  - ii. the cancer is located in a testis
- Cervical dysplasia, CIN1, CIN2 and CIN3
- Non-melanoma skin cancers, but not if the cancer has spread to another part of the body
- Prostate cancers which remain classified as TNM T1a, T1b or another equivalent or lesser classification, but not if the Gleason Score is 6 or more
- Melanoma with a depth of invasion classified as Clark Level II or less, or a Breslow thickness of 1.5mm or less
- Chronic lymphocytic leukaemia with a classification equivalent to Rai Stage 1 or less

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## *coronary artery disease requiring bypass surgery*

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

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## *disablement, disabled or disability*

Means that due to injury or illness you are:

- unable to perform the occupation for which you are paid your income, and
- following the advice of a *doctor*, and
- not working.

A *doctor* must certify this has occurred and until we receive the certification we won't consider you to have met this definition.

Once you become disabled as defined above, we will continue to consider you as disabled even if you return to work for less than 20 hours a week but for us to do this you must:

- provide us with a *doctor's* certificate confirming that, due to your injury or illness, you are unable to return to work for at least 20 hours a week and
- meet the other requirements of this definition.

In this case, you won't meet this definition once you return to work for 20 or more hours per week or your injury or illness no longer prevents you from doing so.

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*doctor*

A person who:

- is legally qualified and registered to practise, and is practising, medicine in Australia,
- is not you, a member of your family, or your friend, and
- is acceptable to us.

In the case of *terminal illness* or *trauma*, we may require that the doctor be a specialist that we consider to be appropriate.

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*employed,  
employment*

You are employed if you are *permanently or casually employed, self-employed, a sole trader or working under a fixed term contract*, as follows:

- *permanently or casually employed*: You've been working as an employee of an employer for payment or reward for an average of 20 or more hours per week in employment that is neither for a fixed or specified term nor seasonal in nature.
  - *self-employed*: You've been working for payment or reward for an average of 20 or more hours per week in a business or an enterprise that:
    - does not employ you,
    - you have power or control over the business or enterprise because you own it, or are a shareholder in the company that owns it, or are a partner in the partnership that owns it, and
    - is not seasonal in nature.
  - *sole trader*: You've been working for payment or reward as an independent contractor solely for one person or entity for at least 20 hours per week in work that is neither seasonal in nature nor for a fixed or specified term.
  - *working under a fixed term contract*: You've been working as an employee of an employer for payment or reward for an average of 20 or more hours per week in employment that is for a fixed or specified term but is not seasonal in nature.
- 

*heart attack*

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

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

or

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

<i>maximum death and terminal illness benefit amount</i>	The amount shown as such on the policy schedule, as updated by us from time to time. It cannot be more than \$750,000.
<i>minimum monthly repayment</i>	See what this means on page 7.
<i>stroke</i>	<p>A cerebrovascular accident or incident producing neurological sequelae. This includes infarction of brain tissue, intracranial, and/or subarachnoid haemorrhage or embolisation from an extracranial source.</p> <p>The following are excluded:</p> <ul style="list-style-type: none"> <li>• cerebral symptoms due to: <ul style="list-style-type: none"> <li>i. transient ischaemic attacks</li> <li>ii. reversible ischaemic neurological deficit or</li> <li>iii. migraine</li> </ul> </li> <li>• cerebral injury resulting from: <ul style="list-style-type: none"> <li>i. trauma</li> <li>ii. hypoxaemia, or</li> <li>iii. vascular disease affecting the eye, optic nerve or vestibular function.</li> </ul> </li> </ul>
<i>terminal illness, terminally ill</i>	An illness or injury which, in the opinion of a <i>doctor</i> and where we consider it necessary supported by our chief medical officer, will lead to death within twelve months. The <i>doctor</i> and, if we consider it necessary, our chief medical officer must certify that the terminal illness has occurred. Until we receive the required certifications, a terminal illness won't meet the requirements of this definition.
<i>trauma</i>	<i>cancer, coronary artery disease requiring bypass surgery, heart attack or stroke.</i> A <i>doctor</i> must certify that your trauma has occurred. Until we receive this certification, a trauma won't meet the requirements of these definitions.
<i>unemployed, unemployment</i>	<p>You are unemployed if you are not working, actively seeking work and meet one of the following:</p> <ul style="list-style-type: none"> <li>• You were <i>permanently or casually employed</i> when you stopped work and you stopped work because your employer terminated your employment,</li> <li>• You were <i>self-employed</i> when you stopped work and you stopped work because your business permanently ceased trading, was wound up, dissolved or placed in the hands of an insolvency practitioner,</li> <li>• You were a <i>sole trader</i> when your work ended because the person or entity you'd been doing the work for terminated your contract with them. If your work ends because you voluntarily end it or the required work is completed, you don't qualify as being unemployed.</li> <li>• You were <i>working under a fixed term contract</i> when you stopped work and you stopped work because your employer terminated your employment before its fixed or specified term ended. If your work ends because you voluntarily end it or the fixed or specified term ends, you don't qualify as being unemployed.</li> </ul> <p>Please refer to the definition of <i>employed</i> on page 18 for the definitions of <i>permanently or casually employed, self-employed, sole trader and working under a fixed term contract.</i></p>

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

**Email us**

[comminsureservices@cba.com.au](mailto:comminsureservices@cba.com.au)

**Call us**

**13 3982** between 8am and 8pm  
Sydney time, Monday to Friday

**Write to us**

Commlnsure Life Insurance Services  
PO BOX 328 Silverwater, NSW 2128

CIL109A 281115

