

The Disability and Involuntary Unemployment component of this policy is underwritten by Credicorp Insurance Pty Ltd ABN: 50 069 196 756 AFSL No.: 238 335.

Life Insurance underwritten by arrangement with Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680. AFS Licence Number 238292. ("Swann").

Swann holds an insurance policy issued by The National Mutual Life Association of Australasia Ltd. ABN 72 004 020 437 AFS License Number 234649 on trust for Credicorp Insurance Pty Ltd customers.

Credicover Loan Insurance

Product Disclosure Statement and Policy Wording

Date of preparation: 1 March 2009



Credicorp Insurance Pty Ltd

ABN: 50 069 196 756

AFSL No.: 238 335

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This Product Disclosure Statement and Policy Wording is issued by Credicorp Insurance Pty Ltd
ABN: 50 069 196 756
AFSL No.: 238 335

Table of contents

Introduction

This booklet is important	2
Who is the insurer?	2
How to contact us	3
Fees and charges	3
General Insurance Code of Practice	3
Your duty of disclosure	4
Important Notices	
Before you sign the proposal	4
What is Consumer Credit Insurance?	5
Eligibility requirements	5
Our agreement	5
Your privacy	6
Authority to act	6
Cooling-off period	6
Definitions	6
What we will pay	8
What we won't pay	10
Extension of policy period	12
Making a claim	12
Cancellation of policy	13
Questions or complaints	14
Notes	15

This booklet is important.

This Product Disclosure Statement and policy wording (PDS) is prepared to help you understand the Credicover Consumer Credit Insurance policy and to decide whether Credicover is appropriate for you.

The information is general and does not take account of your individual needs. You may wish to speak to an adviser authorised to provide advice tailored for your personal situation before making a decision to purchase Credicover.

The PDS is an important legal document required under the Corporations Act 2001 and contains details of Credicover Consumer Credit Insurance cover.

This PDS has been prepared to assist you in understanding the insurance policy and making an informed choice about your insurance requirements.

This PDS can only be used by customers in Australia.

Please read this PDS carefully and in its entirety and ask us about any issues that concern you. Always retain a copy of all PDS documents along with the certificate of insurance in a safe place.

Who is the insurer?

Your Credicover policy is provided by Credicorp Insurance Pty Ltd ABN: 50 069 196 756 AFSL No.: 238 335.

The Disability and Involuntary Unemployment component of this policy is underwritten by Credicorp Insurance Pty Ltd. ABN: 50 069 196 756 which is a wholly owned subsidiary of Credit Union Australia Ltd ABN: 44 087 650 959. AFSL No.: 238 317. The Life Insurance component is underwritten by arrangement with Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680. AFS Licence Number 238292. ("Swann").

Swann holds an insurance policy issued by The National Mutual Life Association of Australasia Ltd. ABN 72 004 020 437 AFS License Number 234649 on trust for Credicorp Insurance Pty Ltd customers.

How to contact us

- In person at Level 3, 175 Eagle Street, Brisbane
- By telephone on **(07) 3365 0289**
- By fax on **1300 797 066**
- By writing to us at Credicorp Insurance Pty Ltd, GPO Box 100, Brisbane, Qld 4001

Fees and charges

The premiums payable by you will be shown on your schedule as follows:

- Personal loans - a once only premium covering the full term of your loan will be included in the disbursement of your loan.
- Revolving credit facilities - a monthly premium at the rate set out in the schedule 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 facility.
- All premiums are subject to Commonwealth and State government taxes and charges - including Goods and Services Tax (GST) and Stamp Duty.

The General Insurance Code of Practice

Credicorp Insurance is 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 can be obtained from the Insurance Council of Australia or from this office.

Your duty of disclosure

What you must tell us

You have a duty of disclosure under law to tell us anything you know, or could reasonably be expected to know, which is relevant to our decision as to whether to insure you and on what terms. We will use this information in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

What you do not need to tell us

You do not need to tell us anything that:

- reduces our risk;
- is of common knowledge;
- we know or, as an insurer, should know; or
- we indicate that we do not want to know.

Who needs to tell us

It is important that you understand you are providing information in this way for yourself and anyone else you want to be covered by the policy.

If you do not tell us

If you fail to comply with your duty of disclosure, we may reduce or refuse to pay a claim or cancel the policy. If you provide information fraudulently, we may refuse to pay a claim and treat the policy as never being issued.

IMPORTANT NOTICES

Before you sign the proposal

Before you enter into this policy, there are some things we must tell you.

Understand what cover is provided and what is not provided. For your protection, you are also advised to read this policy carefully to understand what is covered and what is not covered.

What is Consumer Credit Insurance?

Consumer Credit Insurance provides you with insurance cover in respect of your obligations under a loan agreement. Benefits paid under this policy (subject to policy terms and conditions) are credited directly to your loan or revolving credit facility with your financial institution for the following events, depending on the type of cover you choose:

- Disablement (sickness and accident)
- Involuntary unemployment
- Death (Life cover)

You should be aware that you may be able to arrange Consumer Credit Insurance through a different insurer. It is also important to note that this insurance is optional.

Eligibility requirements

You must be:

- (1) aged 18 to 59 years
- (2) engaged in permanent and gainful employment and working a minimum of 20 hours per week (not applicable to Life cover)
- (3) an Australian resident

Our agreement

We issue the policy relying on:

- (1) The information you disclose in the proposal and the covers selected therein; and
- (2) You meeting the age conditions shown in the proposal; and
- (3) You being engaged in permanent and gainful employment and not under Notice of Dismissal when the policy begins (not applicable to Life cover); and
- (4) The payment of the premiums for the cover selected in the proposal.

The policy and schedule are the “Contract of Insurance” with us.

Subject to the following wording, benefits will be paid under the policy to the financial institution shown in the schedule, or as directed by them.

Your privacy

Credicorp only collects personal information from you that is necessary in order for us to issue 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. You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose your personal information to other insurers, or as required by law. In the event of a claim, we may collect information from other sources as authorised on our claim application forms. You may access information held for your own policy upon request and authorise the correction of any incorrect data.

Authority to act

The agent issuing this policy will be acting on our behalf.

Cooling-off period

You have 14 days to consider the information in this PDS. This is called the “cooling-off period”. If you wish you can cancel your insurance within 14 days from the day you receive your schedule of insurance and be entitled to a full refund of your premium.

Definitions

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

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

“**Commencement date**” means the later of the dates the loan monies are advanced, your credit facility is approved or the date we accepted you for insurance, and we have received the required premiums.

“**Cover**” or “**Covers**” means the protection provided by this policy.

“Disablement” means for the first 12 months of a claim, your total and continuous inability due to illness or injury to perform the duties of an occupation for which you are reasonably qualified by education, training or experience, and, thereafter, means your total and continuous inability to engage in or attend to any gainful occupation.

This must be so certified by a legally qualified medical practitioner and you must not be engaged in work or an occupation for remuneration or profit.

“Injury” means a bodily injury sustained by you through violent accidental external and visible means which results in disablement.

“Involuntary Unemployment” means being involuntarily terminated from permanent and gainful employment and being certified as unemployed by the appropriate Australian government agency. This also means your termination was not due to voluntary unemployment, voluntary redundancy, wilful misconduct or reaching retirement.

“Loan contract outstanding balance” means the amount of principal owing under the loan contract.

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

“Period of Insurance” means the period from commencement date but not continuing beyond expiry, termination, cancellation or paying out of the loan contract to which this policy applies.

“Permanent and gainful employment” means you are working on a permanent and continuous basis for wages or income a minimum of 20 hours every week and you are not in employment of a seasonal, casual, temporary or non-renewable contract nature.

“Repayment” means the regular repayment due under your loan contract. If due to a variation to the interest rate stated in your loan contract the repayments vary, we will calculate the benefits payable on the basis of the amended repayment amount.

“Sickness” means a sickness which requires you to undergo treatment by a medical practitioner.

“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.

“War or warlike activities” means war (including war service), an act of a foreign enemy, hostilities or war-like operation (whether war is declared or not), civil commotion, civil war or rebellion.

“We”/“Us” means Credicorp Insurance Pty Ltd or Swann Insurance (Aust.) Pty Ltd in respect of Life cover.

“You” or **“Your”** means the person or persons named as insured on the proposal and who has had an application for a loan approved by the financial institution and, being eligible for the cover under this policy, has completed a proposal form and paid or agreed to pay the premium required by us to be insured under this policy.

WHAT WE WILL PAY

If you are disabled

- For each day of your disablement we will pay one fourteenth of the fortnightly repayment stated in the loan contract or one thirtieth of 5% of your revolving credit loan contract outstanding balance at the date of disablement (up to a maximum of \$30 per day).

For example: You are unable to work for 35 days due to an accident. Your fortnightly repayment is \$160.00. We will pay 1/14th for each day you are unable to work. We will pay \$400.05.

Another example: You are unable to work for 35 days due to an illness. Your fortnightly repayment is \$450.00. We will pay the maximum of \$30.00 per day. We will pay \$1050.00.

An example for Revolving Credit: You are unable to work for 50 days. If your Revolving Credit loan contract outstanding balance as at the date of disablement is \$4200.00 we will pay 1/30th of 5% of this balance for each day. We will pay \$350.00.

- If due to a variation to the interest rate stated in your loan contract the repayments vary, we will calculate the benefits payable on the basis of the amended repayment amount.
- We will not pay more than the outstanding loan balance at the date of disablement in respect of any one claim.

Life benefit

In the event of death, we will pay the lesser of:

- the loan contract outstanding balance at the date of death (less any repayments overdue for more than two months except where a revolving credit loan is insured); or
- \$50,000; or
- the credit limit.

For example: If your loan obligation outstanding balance at the date of your death is \$35,000, we will pay \$35,000.

If you are Involuntarily Unemployed

- For each day of your involuntary unemployment we will pay one fourteenth of the fortnightly repayment stated in the loan contract or one thirtieth of 5% of your revolving credit loan contract outstanding balance at the date of unemployment (up to a maximum of \$30 per day).
For example: If you become involuntarily unemployed and you remain unemployed for 70 days. If your fortnightly repayment is \$250.00 we will pay 1/14th for each day. We will pay \$1250.20.
- If due to a variation to the interest rate stated in your loan contract the repayments vary, we will calculate the benefits payable on the basis of the amended repayment amount.
- The maximum amount we will pay for unemployment is: Up to 90 days of unemployment during each 12 month period of insurance.

- After the first claim for unemployment you must provide proof for all subsequent claims for unemployment that you resumed permanent and gainful employment for at least 30 days prior to your next period of unemployment.

Total Benefit

The most we will pay in aggregate of disablement, involuntary unemployment and life benefits during the entire period of the policy is \$50,000.

Whether you are Disabled or Unemployed:

- The period of the claim must exceed 14 days.
- The maximum amount we will pay per day is obtained by dividing the total amount repayable by the number of days comprising the loan repayment period, or \$30 per day, whichever is the lesser.
- We will not pay for more than one event at the same time.
- When this policy covers two people the maximum amount we will pay for each day of your total disablement or involuntary unemployment is one fourteenth of the fortnightly repayment stated in the loan contract, or one thirtieth of 5% of your revolving credit loan contract outstanding balance at the date of disablement or involuntary unemployment (up to a maximum of \$30 per day) during the period of Insurance.

WHAT WE WON'T PAY

Disablement and Involuntary Unemployment

1. We will not pay for any disablement arising when you are not in permanent and gainful employment at the time of the disablement.
2. We won't pay at all during the entire period of insurance for any disablement or involuntary unemployment that results from any illness, injury or condition present in the six (6) months preceding the commencement date.

3. In respect of revolving credit contracts, we won't pay at all during the entire period of insurance for any disablement or involuntary unemployment that results from any illness, injury or condition present in the six (6) months immediately preceding any loan advance.
4. We will not pay if your **disablement** or **involuntary unemployment** is a result of:
 - War or war-like activities.
 - The use of nuclear weapons, material or radiation or contamination by radioactivity nuclear fuel or nuclear waste.
 - Terrorism.
5. We will not pay if your **disablement** or **involuntary unemployment** is a result of:
 - Sickness or involuntary unemployment which happens within 28 days of the commencement date.
 - A deliberately self-inflicted injury or condition.
 - You being under the influence of alcohol or a drug, or suffering from alcoholism or drug addiction.
 - You taking part in a riot or civil commotion (other than for the purpose of law enforcement or providing emergency services), acting maliciously or being engaged in an unlawful act.
 - You becoming pregnant including any injury or illness accelerated or induced by childbirth or pregnancy.
 - You engaging in flying or other aerial activities other than as a passenger in a licensed commercial aircraft or flying as pilot or crew of a licenced commercial aircraft flying between duly established and maintained Australian airports.
 - You engaging in professional sport or racing of any kind other than on foot.
 - You choosing to become unemployed.
 - You becoming unemployed when you were self-employed.
 - Your employment contract being limited to a specified period or specified work and that contract expiring.

Life

1. We won't pay if your death is the result of:
 - Any sickness, injury or condition for which you had a consultation or treatment within the six (6) months immediately preceding the commencement date and which requires treatment within the six (6) months after the commencement date.
 - War or war-like activities.
2. In respect of a revolving credit contract, if death is a result of any sickness, injury or condition for which you had a consultation or treatment within the six (6) months immediately preceding any loan advance and which requires treatment within the six (6) months after the advance, then that loan advance is excluded from cover, in respect of that sickness, illness or condition.

Extension of policy period

Extension of the period of insurance is allowed if the original term of the loan contract is extended due to an increase in interest rate or loan variation due to hardship up to six (6) months or until the loan is discharged, whichever comes first. However in no case will the policy extend beyond a term of seven (7) years (excluding revolving credit).

MAKING A CLAIM

- You must give us written notice within 90 days of an event which may give rise to a claim.
- We will send you a claim form which you must, within 14 days of receipt, fully complete and return together with all relevant evidence we may need.
- We may make any reasonable enquiries about the claim.
- We may require you to have a medical examination or we may require a post-mortem examination. We 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 be supplied

A. Disablement claim

- Evidence from a medical practitioner of the disablement and evidence that you have obtained and are following the advice of the medical practitioner.

B. Involuntary Unemployment claim

- Certification of registration as unemployed from an appropriate Australian government agency.
- A certified copy of your "Employment Separation Certificate".

C. Death claim

Proof of death, age, identity and amount to be claimed.

CANCELLATION OF POLICY

1. If you want to cancel

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

2. If we want to cancel

We may cancel this policy for any reason allowed under the law by telling you in writing.

3. Automatic cancellation

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

- (a) your loan is repaid or consolidated into a further loan contract.
- (b) the time for repayment of the loan has expired - regardless of whether or not you have paid all the money you owe.
- (c) on the seventh anniversary of the commencement date of this policy (excluding revolving credit).
- (d) you die.
- (e) you attain 67 years of age.
- (f) the date you are no longer an Australian resident or you reside outside Australia for more than six (6) months (unless otherwise agreed in writing by us).

4. Refund of premium

We will refund all premiums to the financial institution for credit to your account if:

- (a) At the commencement date of this policy you were ineligible to apply for this insurance.
- (b) You request cancellation within 14 days of receiving the policy confirmation letter.

We will refund a proportion of the premium to the financial institution for credit to your account if:

- (a) You request cancellation later than 14 days after receiving the policy confirmation letter.
- (b) Your loan is repaid or consolidated into a further loan contract.

We will not refund any premium for a Life policy where the total death benefit has been paid.

QUESTIONS OR COMPLAINTS

- If you have any concerns about the way your insurance is being handled, please contact our office and ask to speak to a member of our staff who is appropriately authorised to deal with your concern.
- If your concerns cannot be dealt with to your satisfaction immediately, the matter will be referred to management.
- If the issue has still not been resolved five (5) working days after your initial contact, we will notify you in writing as to the reason why and how long it will take to resolve the matter.
- In the unlikely event that you are still not satisfied with our service, you may request that the matter be further considered and reviewed by senior management who after consideration of your situation and in conference with the Dispute Resolution Officer, will advise you in writing of our decision within ten (10) working days of your request.
- If you are not satisfied with the outcome of this process there is a free service available to you through the Financial Ombudsman Service Limited (ABN 67 131 124 448). You must register your dispute with the FOS

within three (3) calendar months of receiving notice of the IDR decision and they will independently assist in the resolution of your complaints or enquiries.

The contact details for the Financial Ombudsman Service Limited are:

Financial Ombudsman Service

GPO Box 3

MELBOURNE VIC 3001

Tel: 1300 780 808

Fax: (03) 9613 6399

Email: info@fos.org.au

Website: www.fos.org.au

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