

Product Disclosure Statement and Insurance Policy

Preparation date: 11 December 2009

Product issuer and insurer for Sickness, Accident, Hospitalisation & Involuntary unemployment:
Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680 AFS Licence No. 238292
Life Insurer: The National Mutual Life Association of Australasia Ltd. ABN 72 004 020 437 AFS Licence No. 234649

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Welcome to the security of Swann Insurance

This PDS is important

This Product Disclosure Statement and Insurance Policy (PDS) contains important information required under the Corporations Act 2001.

Please read this PDS carefully before you apply for insurance.

This PDS sets out the terms, conditions and limits that apply for the insurance we offer to you. If you have paid the Premium and we accept your application for insurance, you will receive a Policy schedule that sets out details of the insurance you have taken out. It is your responsibility to make sure that all details contained on the Policy schedule are correct.

Our agreement with you is made up of:

- ◆ your application,
- ◆ this PDS,
- ◆ the Policy schedules, and
- ◆ endorsements we send to you. Endorsements are notices we send to confirm any change to your insurance.

Keep this PDS in a safe place. You may want to refer to it from time to time.

It is your choice as to whether or not you insure with us.

If you need more information about this insurance, please contact us.

The information in this PDS was current at the time of preparation. However, some information may change from time to time. If a change is significant, we will issue a supplementary PDS or replacement PDS. If a change is not significant, you can obtain a copy of the updated information free of charge by contacting us.

Introduction

Who are the insurers

For Sickness, Accident, Hospitalisation, and Involuntary unemployment Daily benefits - Swann Insurance (Aust) Pty Ltd is the insurer, Australian Business Number 80 000 886 680, Australian Financial Services Licence Number 238292. In this PDS, Swann Insurance (Aust) Pty Ltd is called 'we', 'us', 'our', or 'Swann Insurance'.

For the Life insurance benefit – Swann Insurance holds an insurance policy issued by The National Mutual Life Association of Australasia Ltd, Australian Business Number 72 004 020 437, Australian Financial Services Licence Number 244649 (National Mutual) on trust for our insurance customers.

Swann Insurance administers the Life benefit. The administration function includes collecting Premium, processing insurance applications and managing claims. Our liability for the Life benefit is limited to these activities.

Who is insured

The person or persons named as Parent or guardian on the Policy schedule. In this PDS, that person or persons are called 'you' or 'your'.

The purpose of this PDS

This PDS has been prepared to assist you in understanding this insurance and making an informed choice about your insurance requirements. This insurance provides school fee continuation cover in the event of your death, Sickness, Accident, Hospitalisation, or Involuntary unemployment, subject to the terms and conditions set out in this PDS.

How to apply for insurance

Complete our application. If we accept your application for insurance, you will receive a Policy schedule that confirms cover and sets out details of the insurance you have taken out.

If you apply for this insurance and your answers to our questions are entered into our Internet based system, we will provide you with a copy of the questions we have asked and the answers you have provided relating to the assessment of your particular risk.

Costs

The Premium payable by you will be shown on your Policy schedule.

The key factors that influence the Premium calculations are reflected in the questions asked and information sought at the time of your enquiry or application for insurance.

These include factors relating to:

- ◆ the particular cover or combination of covers you select.
- ◆ the frequency with which claims occur, or may occur.
- ◆ the amount of School fees you select to insure.
- ◆ for Sickness, Accident, Hospitalisation, and Involuntary unemployment covers, the period of Sickness, Accident, Hospitalisation, and Involuntary unemployment claims.
- ◆ for Life cover, the expected mortality rates.

Premiums are subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your Policy schedule.

If we are unable to issue your insurance when we receive your application, we are required to hold your Premium in a trust account on your behalf until your insurance can be issued. We will retain any interest payable by our bank to meet, among other things, bank fees and other bank costs we incur in operating the account.

Pay your Premium by instalments

You can pay your Premium by instalments to help spread your payment over the period of your insurance cover.

An administration charge will apply to use this facility. If you do choose to pay your Premium by instalments, your Premium will be more than if you choose to pay by a single annual payment.

If you are paying by instalments and an instalment is 14 days or more overdue, we may refuse a claim. We may cancel this insurance if the instalment is one month or more overdue. If we cancel your insurance where an instalment is unpaid, your insurance cover will end on the due date of the first unpaid instalment payment.

General Insurance Code of Practice

Swann Insurance has adopted the General Insurance Code of Practice. The purpose of the code is to raise the standards of practice and service in the general insurance industry.

The objectives of the code are:

- ◆ to promote better, more informed relations between insurers and their customers,
- ◆ to improve consumer confidence in the general insurance industry,
- ◆ to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- ◆ to commit insurers and the professionals they rely upon to higher standards of customer service.

If you would like more information about the code, please contact us.

Your duty of disclosure

What you need to tell us

You must tell us anything that you know, or should know, which could affect our decision to insure you and/or the terms on which to insure you. You must do this when you apply for insurance, renew your insurance or when you change or reinstate your insurance. When we ask you specific questions, you must answer these questions truthfully and in a way that a reasonable person in the circumstances would answer them. It is important that every person who will be insured by this insurance answers all questions in this way. These are requirements of the Insurance Contracts Act 1984.

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.
- ◆ we indicate that we do not want to know.

What will happen if you do not tell us

If you withhold relevant information or you do not answer our questions in the way we have described, we can reduce the amount we pay you for your claim, or we can cancel your insurance. If your failure to tell us is fraudulent, or your answers are untruthful, we can treat your insurance as if it never existed.

If you do not understand

If you do not understand your duty, please contact us.

Important information

Before you apply for insurance

You are not obliged to purchase this insurance and insurance can be arranged through a different insurer.

This insurance provides Consumer Credit Insurance which has been developed to assist you in the event of your Sickness, Accident, Hospitalisation, Involuntary unemployment or if you die. The amount paid on a claim is measured by reference to the amount of School fees you are required to pay for each Nominated child and is subject to the benefit limits set out in this PDS.

We issue your insurance relying on:

- ◆ the information you provide in answer to our questions when you apply for insurance, and
- ◆ you meeting the entry age conditions when we accept your application for insurance, and
- ◆ you being engaged in Permanent and gainful employment and you are not under notice of dismissal when we accept your application for insurance. This does not apply to the Life cover.

About this insurance and what you are required to do

This insurance is for a maximum period of 12 months and will end on the 31st January each year.

At least 14 days before the end of each Period of insurance we will advise you if you are eligible to renew this insurance for a further 12 month period. If you are eligible to renew your insurance and you wish to do so, you are required to effect renewal before the end of the current Period of insurance. By providing your agreement to renew this insurance and by paying the renewal Premium, we will provide insurance cover for the new Period of Insurance.

The way we handle your personal information

We collect personal information from you for the purpose of providing you with insurance products, services, and processing and assessing claims.

You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose information we hold about you to:

- ◆ other insurers,
- ◆ an insurance reference service,
- ◆ our service providers and/or advisers,
- ◆ any other third party as permitted or required by law.

In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers.

When you apply for insurance you can select to receive offers of products and services which may be of benefit to you. During the Period of insurance we may, or any other organisation we authorise may, provide these offers. You may be contacted in writing, by phone or other electronic means. If you do not wish to receive these offers you can select not to receive them when you apply for this insurance, or you can contact us at any other time.

If you wish to update or access any information, please contact us.

Your cooling-off period

If you decide that you do not wish to continue with this insurance, you have 21 days after the Commencement date of this insurance to request cancellation.

To do this, you must advise us in writing. We will provide you with a full refund of Premium paid, providing you have not made a claim under this insurance.

Previously declined cover

You do not need to tell us about an insurer who refused to cover you or renew your policy, if the insurer informed you that refusal was not due to an assessment of your particular risk. This includes where the insurer no longer issues that type of insurance.

Additional cover

If you require additional cover, you must apply for a new policy.

Words that have a special meaning

Some of the words in this PDS have special meanings. These words and their meanings are listed below.

Avian influenza

An influenza virus that occurs naturally among birds and can be transmitted to humans. Avian influenza is commonly called Bird flu.

Commencement date

The date we accepted your application for this insurance.

Daily benefit

The amount of the School fee selected and shown in the Policy schedule divided by 365.

Sickness and Accident

Your total and continuous inability due to illness or injury to perform the duties of your usual occupation. This must be certified by a Medical practitioner and you must not be engaged in work or an occupation for remuneration or profit.

Epidemic influenza

A widespread outbreak of an influenza virus.

Hospitalised

Being admitted as an in-patient to a hospital, but does not include being admitted to a facility for the care of mental or nervous illness or convalescence.

Involuntary unemployment

If you are:

- ◆ working for wages or income, your involuntary termination 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.
- ◆ self-employed, or in a partnership, your termination from Permanent and gainful employment arising from the business ceasing to operate due to actual or imminent insolvency or business factors beyond your reasonable control and the business is being wound up or placed in the control of an insolvency or bankruptcy administrator.

Medical practitioner

A person qualified and registered to practise medicine in Australia, who is acceptable to us. This cannot be yourself, or a member of your immediate family.

Nominated child

The child/children named on the Policy schedule and attending the school to whom the School fees are payable.

Pandemic influenza

An influenza virus that spreads through an entire continent.

Parent or guardian

The person or persons named as Parent or guardian on the Policy schedule. The Parent or guardian must be a resident of Australia and in Permanent and gainful employment within Australia at the time of a claim.

Period of insurance

The period of cover shown on the Policy schedule. This insurance is for a maximum period of 12 months and will end on the 31 January each year.

Permanent and gainful employment

You are:

- ◆ working on a permanent and continuous basis for wages or income for a minimum of 20 hours every week and you are not in employment of a seasonal, casual, temporary or non-renewable contract nature, or
- ◆ self-employed, or in a partnership, and working on a permanent and continuous basis for a minimum of 20 hours every week and you are not self-employed on a seasonal, casual, temporary or non-renewable contract nature.

Policy schedule

The most recent schedule (or renewal invitation) we give you describing the terms and conditions that are specific to your insurance. This also includes any amendments we send you in writing.

Premium

The amount you pay for the insurance.

School fee

The amount of money you are required to pay annually for each Nominated child when you took out this insurance. This cannot exceed \$25,000 for each Nominated child. This does not include any:

- ◆ additional fees that may become payable during the school year, or
- ◆ voluntary or optional fees.

Terrorism

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

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.

The insurance cover you select

When you take out your insurance you have a choice of covers to select from. Subject to meeting our acceptance criteria, you may select the combination of covers that you require.

You must select Sickness, Accident and Hospitalisation cover if you wish to select Involuntary unemployment cover.

The type of cover you have is stated on the Policy schedule. The cover provided by this insurance may vary from the prescribed standard cover. It is therefore important that you read, retain and understand this PDS.

What you are insured for

Provided you have paid the Premium, and we have accepted your application, we agree to insure you during the Period of insurance for the type of cover selected and stated on the Policy schedule, subject to the terms, conditions and limits of this PDS.

What we pay

Life insurance benefit	<p>In the event of your death, we will pay, on behalf of the Life insurer, the lesser of:</p> <ul style="list-style-type: none"> ◆ the amount of the School fee for each Nominated child, increased by 5.0% on a compound basis for the number of years remaining until each Nominated child reaches: <ul style="list-style-type: none"> - the final year of primary school, if the Nominated child is attending a primary school when you took out this insurance, or - year 12, if the Nominated child is attending a secondary school when you took out this insurance. or, ◆ \$500,000. <p>For example, if you die whilst your Nominated child is in Year 8, we will pay the School fee in total for that year. If the School fee was \$10,000 we will pay the year 9 School fee based on \$10,000 plus 5.0%. The following table provides details of each year we will pay.</p> <table border="1"> <tr> <td>Year 8</td> <td>\$10,000</td> </tr> <tr> <td>Year 9</td> <td>\$10,500</td> </tr> <tr> <td>Year 10</td> <td>\$11,025</td> </tr> <tr> <td>Year 11</td> <td>\$11,576</td> </tr> <tr> <td>Year 12</td> <td>\$12,155</td> </tr> <tr> <td>Total amount</td> <td>\$55,256</td> </tr> </table>	Year 8	\$10,000	Year 9	\$10,500	Year 10	\$11,025	Year 11	\$11,576	Year 12	\$12,155	Total amount	\$55,256
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Sickness or Accident benefit	<p>For each day of Sickness or Accident, provided the period of Sickness or Accident exceeds 14 days, we will pay the Daily benefit.</p> <p>If the period of Sickness or Accident continues beyond the 31st January and the insurance has been renewed, we will continue payment of the Daily benefit for up to 12 months from the date of your Sickness or Accident.</p> <p>The most we will pay for the Sickness or Accident benefit in total during the Period of insurance is \$20,000 per Nominated child.</p>												
& Hospitalisation benefit	<p>If you are Hospitalised due to illness or injury, provided the period of Hospitalisation exceeds 5 days, we will pay the Daily benefit for each day you are Hospitalised.</p> <p>The most we will pay for the Hospitalisation benefit in total during the Period of insurance is \$6,000 per Nominated child.</p>												

	<p>For example, if the School fee is \$10,950, you become ill and you are unable to work for 45 days. We will pay \$1,350 calculated by dividing the School fee by 365 and then multiplying by number of days you are ill and unable to work.</p> <p>Another example, if the School fee is \$22,630 and you are Hospitalised for 20 days due to an Accident. We will pay \$1,240 calculated by dividing the School fee by 365 and then multiplying by number of days you are Hospitalised.</p>
Involuntary unemployment benefit	<p>For each day of Involuntary unemployment, provided the period of Involuntary unemployment exceeds 14 days, we will pay the Daily benefit for up to 90 days.</p> <p>No Involuntary unemployment benefit will be paid if the Involuntary unemployment occurred within 12 months after the last day paid under a previous Involuntary unemployment claim.</p> <p>If the period of Involuntary unemployment continues beyond the 31st January and the insurance has been renewed, we will continue payment of the Daily benefit for up to 90 days from the date of your Involuntary unemployment.</p> <p>The most we will pay for the Involuntary unemployment benefit in total during the Period of insurance is \$5,000 per Nominated child.</p> <p>For example, if the School fee is \$8,760, you become Involuntarily unemployed and remain unemployed for 60 days. We will pay \$1,440 calculated by dividing the School fee by 365 and then multiplying by number of days you are Involuntarily unemployed.</p>
Total benefit	The most we will pay in aggregate of Life, Sickness, Accident, Hospitalisation and Involuntary unemployment benefits during the Period of insurance is \$500,000.

Who we pay

All benefits under this insurance will be paid to you or who you nominate when you make a claim.

What you are not insured for

This insurance does not cover:

- ◆ more than one Daily benefit at the same time or more than one Life insurance benefit.
- ◆ any benefit as a result of an event or a circumstance indicated by a '•' in the table below:

Event or circumstance	Benefit		
	Life	Sickness, Accident & Hospitalisation	Involuntary unemployment
War or warlike activities.	•	•	•
Terrorism.		•	•
An illness, injury or condition present in the 12 months preceding the Commencement date.	•	•	
Any illness sustained or manifested within 30 days of the Commencement date.		•	•
Avian influenza, Epidemic influenza, Pandemic influenza.		•	•
Childbirth, abortion or pregnancy (including conditions accelerated or induced thereby).		•	•
Alcoholism, drug addiction or the influence of intoxicating liquor or drugs.		•	•
An intentionally self-inflicted illness or injury or engaging in a criminal act.		•	•
Lockouts, taking part in riots, strikes.		•	•
Engaging in professional motor racing.		•	•
Cessation of your employment within 30 days of the Commencement date or failure to provide proof of at least 60 days continuous employment prior to any period of Involuntary unemployment.			•

How to make a claim

Contact us on 1300 657 382 for a claim form as soon as something happens that you believe you can claim for.

A claim form must be completed and returned to us immediately following an incident occurring that may result in a claim on this insurance. If we do not receive a completed claim form within 14 days of such an incident, we may refuse a claim or reduce the amount we pay for a claim.

We ask that all reasonable assistance is provided to us when requested in relation to a claim made under this insurance. We may:

- ◆ require other documentation or statutory declarations from you depending on the circumstances of your claim. Where this is required, we will ask for it.
- ◆ require you to have a medical examination or we may require a post-mortem examination. We pay for these examinations.

Any communication from other parties involved must be referred to us.

Certain additional information must be supplied

◆ Life claim

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

◆ Sickness, Accident and Hospitalisation

Evidence from a Medical practitioner of the Sickness, Accident or Hospitalisation, and evidence that you have obtained and are following the advice of the Medical practitioner.

◆ Involuntary unemployment claim

If you were:

- employed, certification of registration as unemployed by the appropriate Australian government agency, or
- self-employed, or in a partnership, documentation from your accountant providing details of your business ceasing to operate.

Claim recovery

If for any reason we pay benefits to which you are not entitled, we shall have a right to recover those benefits.

When this insurance ends

The policy ends on the earliest of:

- ◆ the expiry date of the Period of insurance, or
- ◆ the date we receive your written request to cancel this insurance, or
- ◆ the date we give you written notice cancelling this insurance in accordance with relevant legislation, or
- ◆ the date you attain your 65th birthday if you are the only person named as the insured on the Policy schedule, or
- ◆ the date a Life insurance benefit or the total benefit is paid, or
- ◆ the date you are no longer a resident of Australia or you reside outside Australia for more than 6 months (unless otherwise agreed in writing by us).

If there are 2 people named as the insured on the Policy schedule, cover provided by this insurance will end in respect of a person when they attain their 65th birthday.

Cancelling this insurance

Cancellation by you

You may cancel this insurance at any time by requesting us to do so in writing.

If you do request cancellation, we will retain an amount from the Premium that you have paid to cover the time that the insurance has been in force. We will refund the balance to you.

If we receive your cancellation request within 21 days from the Commencement date and you have not made a claim on this insurance, we will refund your Premium in full.

You must notify us immediately if a Nominated child leaves the school shown on your Policy schedule. The policy also ends in this situation.

Cancellation by us

We may cancel this insurance where circumstances described in insurance legislation allow us to do so.

If we cancel this insurance, we will retain an amount from the Premium that you have paid to cover the time that the insurance has been in force. We will refund the balance to you.

In the event of a Life insurance benefit payment, we will not refund any Premium for this benefit and this policy will end.

Complaint and dispute handling process

Swann Insurance has a well-deserved reputation for providing quality products, good customer service and settling claims promptly and equitably.

However, if you are not satisfied with:

- ◆ one of our products,
- ◆ our service,
- ◆ our sales and marketing,
- ◆ changes made to your Premium,
- ◆ declined insurance,
- ◆ the service of our representatives or service providers,
- ◆ your claim,
- ◆ our handling of your personal information, or
- ◆ any other matter,

we have a process to help if you wish to make a complaint.

The process

The first thing you should do is call us on 1300 307 926. If you let us know what the complaint is we may be able to resolve the complaint for you. If the staff member you speak to is unable to resolve the complaint for you, they will refer you to a manager.

The manager will review and respond to your complaint. A response will usually be provided within 15 days from when you made your complaint.

If the manager cannot resolve your complaint you can request the complaint be referred to an internal Dispute Resolution Officer (DRO). The DRO will treat your complaint as a dispute. They will conduct a review of your dispute and provide you with a decision usually within 15 business days. Our Dispute Resolution Procedure is completely free of charge to all of our customers.

If you do not agree with the DRO's decision, you may wish to seek an external review of the decision. The DRO's letter outlining their decision will provide you with information on external review option(s), including, if appropriate, referring you to the dispute resolution scheme run by the Financial Ombudsman Service (FOS). The FOS is administered by the Financial Ombudsman Service Limited ABN 67 131 124 448. The FOS is an external body that is independent of Swann Insurance. Your complaint should be put in writing and addressed to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Email: info@fos.org.au

It will deal with all enquiries and disputes and make its decision at no cost to you.

If your dispute is about our collection, use, disclosure of, or access to your personal information, you may refer the matter to the Australian Privacy Commissioner who will investigate your concerns and make a decision at no cost to you.

Contact us if you need any help in understanding how our complaint and dispute handling procedure operates. Swann Insurance also has brochures available explaining the dispute resolution process in more detail.

How to contact Swann Insurance

Swann Insurance (Aust) Pty Ltd

ABN 80 000 886 680

Mailing Address:

PO Box 14459 Melbourne VIC 8001

Phone Numbers:

Claims: 1300 657 382

Policy Enquiries: 1300 307 926

Fax Numbers:

Claims: 1300 657 370

Policy Enquiries: 1300 720 380

Email:

Claims: swann.cci.claims@swanninsurance.com.au

Internet: www.swanninsurance.com.au