

Product Disclosure Statement (PDS)

Life & Total Permanent Disablement Insurance

Issue No. 3, dated 20 December 2010

Distributor: Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680 AFS Licence No. 238292

Insurer and issuer: National Mutual Life Association of Australasia Limited ABN 72 004 020 437 AFS Licence No 234649 (NMLA)

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Important information

ActivLife is provided through a Group Insurance Policy owned by Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680 AFS Licence Number 238292 (Swann). The insurer and issuer of this product is National Mutual Life Association of Australasia Limited ABN 72 004 020 437 AFS Licence No 234649 (NMLA). Insurance is provided under the terms and conditions of a group policy issued by NMLA to Swann (“the Policy”).

Swann and NMLA reserve the right to change the terms and conditions of the Policy. Where the alterations affect you, 14 days prior written notice of the change will be provided.

Overview

This Product Disclosure Statement (PDS) offers you simple and flexible insurance options that provide you with financial security when you need it most. The information provided will help you to decide whether this product will meet your needs, as well as to assist you in comparing the

types of cover available with others that you may be considering.

The type of insurance you choose depends on:

- your current insurance needs
- your financial goals
- your financial destination
- your ability to plan for the situations you want to avoid the most.

You should read this information prior to completing the application.

Definitions in this document

In this booklet and the relevant application, any reference to ‘us’, ‘we’ or ‘the insurer’ means The National Mutual Life Association of Australasia Limited (NMLA). ‘Policy’ refers to the group insurance policy issued to Swann by NMLA. ‘You’ refers to the person (or persons) seeking to be covered under the terms of the Policy. ‘Swann’ means Swann Insurance (Aust) Pty Limited who administers this Policy.

Who can apply for cover?

Entry age – 16 to 55 last birthday

Expiry age – the first anniversary of the cover commencement date following your 69th birthday
Minimum initial cover \$50,000

Maximum initial cover \$500,000

Cover is available only to Australian Permanent residents.

Insurance Cover available

You can apply for either cover online:

- Life Insurance cover, or
- Life Insurance and Total and Permanent Disability (TPD) Insurance cover.

Life Insurance

The Life Insurance cover pays a lump sum if you die or suffer from a Terminal Illness.

Terminal Illness

The amount of your Terminal Illness cover is equivalent to the amount of your Life Insurance cover.

“Terminal Illness” means an illness which, in our opinion, will result in your death within 12 months, regardless of any treatment that might be undertaken.

If paid the Terminal Illness benefit, your Life Insurance benefit will cease.

Funeral Benefit

We may in our sole discretion, pay \$10,000 for funeral expenses on receipt of the death certificate or any other documentary proof acceptable to us. Payment of the Life Insurance benefit may occur at a later date following assessment of the claim.

The Funeral benefit is paid in addition to any Life Insurance benefit (but not as part of the Terminal Illness benefit). Payment of the Funeral benefit does not constitute an admission of liability by us to pay the Life Insurance benefit.

Where we refuse a Life Insurance claim, you must repay the Funeral benefit paid.

Total and Permanent Disability Insurance

The Total and Permanent Disability (TPD) benefit pays a lump sum if you satisfy the conditions of the TPD definition below. TPD cover can only be purchased with Life Insurance cover.

The amount of your TPD cover is equivalent to the amount of your Life Insurance cover (excluding any Funeral benefit).

TPD means:

a) Unlikely to work in any occupation

An injury or illness that stops you working in any business, occupation or regular duties continuously for 6 months, and after considering all evidence which we believe is necessary to reach our view, in our opinion, you are unlikely ever to be able to work in any business, occupation or regular duties, whether paid or unpaid.

Or

b) Suffers a specific loss*

If you have suffered the total and permanent loss of the use of:

- both hands
- both feet
- one hand and one foot
- the entire sight in both eyes
- one hand and the entire sight in one eye, or
- one foot and the entire sight in one eye.

Or

c) Requires future care*

If, because of illness or injury, you are totally and permanently unable to perform at least two of the five ‘activities of daily living’ listed below, without assistance from another person:

- bathing/showering
- dressing/undressing
- eating/drinking
- using the toilet to maintain personal hygiene
- getting in and out of bed, a chair, a wheelchair or moving from place to place by walking, wheelchair or with a walking aid.

* Only definitions (b) and (c) above apply once you attain the age of 65.

General information

Online application

To apply for cover, you must submit the application form through the www.swanninsurance.com.au website. In completing the online application, you warrant that all information provided to Swann is true and correct.

Immediate cover

If the application is approved, your cover will commence once you have paid the premium.

Certificate of Insurance (COI)

A COI is issued if the application is accepted and you have paid the premium due. The COI details your cover under the terms and conditions of the Policy and the cover commencement date.

Premium calculation

The initial premium payable at the cover commencement date will be detailed in the COI. It is calculated based on your age, type of cover, smoking status, gender, health, occupation, amount of cover, Government stamp duty and any premium discount which may apply.

Government stamp duty is included in the insurance premium. The initial premium payable will be calculated as a part of the application process.

Annual Increase of Cover

To protect you against the effects of inflation we will automatically increase your cover by 5% each year (excluding the Funeral benefit) without asking for evidence of health. This occurs on each anniversary of the cover commencement date until the anniversary date following your 65th birthday or until your cover exceeds \$1,500,000, whichever occurs first.

Annual premium adjustments

Each year your premium will increase as a result of the Annual Increase. Your premium will also be affected as your age increases.

24 hour worldwide cover

You will be covered 24 hours a day, every day of the year, anywhere in the world.

Cover for multiple lives

Two people can be covered under one COI. The COI will note each person's cover. Your respective interests in the cover however will be separate, meaning if cover is terminated in respect of one person it does not affect the other person's cover.

Premium discount

If you obtain cover with another individual under one COI, a premium discount of 5% will be applied to the premium.

If cover terminates in respect of one individual the other individual shall remain covered at the discounted rate.

Cooling-off period

Providing no claim has been made, you have 30 days from the cover commencement date to inform Swann in writing that you wish to cancel the cover and have any premium paid refunded. If you cancel the cover then no benefit will be payable for any claim.

You can cancel your cover by writing to Swann.

You will not receive a refund of premium for any cancellation made outside the 30 day period.

Method of payment of premiums

The premium is charged monthly in advance. You must pay the premium to ensure your cover remains in force.

Premiums can be charged to your credit card or by direct debit from your bank account. You can alter the payment method at any time by contacting Swann on 1300 307 926.

Before providing your account details, please check with your bank or financial institution that direct debit deductions are allowed on the account you have chosen.

Please make sure that you have enough money in your account to cover payment of your premiums when due. Your bank or financial institution may charge a fee if the payment cannot be met.

Your bank or financial institution may charge a fee for the direct debit arrangement. This will be reflected in your bank account statement.

Maximum cover that can be applied for

You can make more than one application, but the total cover applied for in all your combined applications cannot exceed \$500,000. However your cover can exceed \$500,000 as a result of Annual Increases.

For example, you cannot apply for a combined cover amount of \$550,000 via one or more applications but your cover can increase to more than \$500,000 due to Annual Increases.

Electronic communications

By participating in **ActivLife**, you agree to receive notices in relation to this product by electronic communication to the email address nominated in your application.

Benefit payments

In the case of your death the benefit will be paid to the person you nominate in the application ("the Nominee"). If we cannot locate the Nominee after reasonable investigation or no Nominee is stated in your application, we shall pay the benefit to the executor of your will, or to the administrator of your estate. Once the death benefit is paid, your cover will cease.

The Funeral benefit may be paid to the Nominee or any other party we believe is appropriate, in our sole discretion.

If you suffer a Terminal Illness or TPD, the benefit will be paid to you and your cover will cease.

Exclusions

No benefit will be paid to you where your TPD, Terminal Illness or Death:

- occurred within 12 months of the cover commencement date and was directly or indirectly attributable to or a consequence of any condition or illness which you suffered from on or before the cover commencement date
- was sustained as a result of engaging in a criminal act

- was caused directly or indirectly as a result of “War or Warlike Activities”
- occurred before the cover commencement date, or
- which you have not notified to Swann or NMLA as required by the terms and conditions of the Policy (see page 4 of this PDS under the heading “Making a claim”)

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

Specific Life and Terminal Illness Exclusions

In addition, no benefit shall be paid where your Death or Terminal Illness occurs within one year and 30 days of the cover commencement date and is directly or indirectly attributable to, or a consequence of, suicide, attempted suicide or intentional self-injury (including conditions arising from the use of drugs without medical advice) or intentionally contracted infection or any attempt thereat.

Specific Total and Permanent Disability Exclusions

In addition, no benefit shall be paid to you in respect of TPD where you have sustained TPD as a consequence of an injury or illness:

- that results in your death within 14 days of the date on which such injury or illness was sustained or diagnosed
- in respect of which benefits have previously become payable under your cover, or
- that is directly or indirectly attributable to, or a consequence of, attempted suicide or intentional self-injury (including conditions arising from the use of drugs without medical advice) or intentionally contracted infection or any attempt thereat.

Termination of the cover

Your cover will terminate on the earliest of:

- the first anniversary of the cover commencement date after your 69th birthday
- the date you die
- the date a benefit is paid
- the date you request in writing to cancel your cover
- the date your premium instalment remains unpaid for more than 30 days
- the date you cease to be an Australian Permanent resident
- the date on which you have resided outside Australia for a continuous period exceeding 6 months (unless you obtain our prior written consent).

Applying for benefits

Making a claim

To apply for benefits please call Swann on 1300 657 382 from anywhere in Australia for the cost of a local call.

We will then send you or your Nominee the relevant claim forms. Assessment of the claim will commence upon receipt of a completed and properly executed claim form and fulfilment of any other requirements including provision of any medical and financial reports as specified.

The completed forms will need to be returned as soon as possible. All necessary information must be provided to us.

Any amounts paid under the cover will be paid in Australian currency in Australia.

When incorrect information is provided

We rely on the information you provide to assess whether we will provide cover to you. If incorrect information is provided, in some circumstances we may be legally entitled not to pay the benefit.

We may also be legally entitled not to pay the benefit if you have not complied with your duty of disclosure.

The Duty of Disclosure

Before you become insured under the terms and conditions of the Policy, Swann has a duty of disclosure to the issuer NMLA under the Insurance Contracts Act 1984. In order for Swann to comply with its duty, you must disclose in your application every matter that you could be reasonably expected to know that is relevant to the insurer’s decision whether to accept the risk of insurance, and if so on what terms.

Your duty, however, does not require disclosure of a matter:

- that is common knowledge
- that diminishes the risk to be undertaken by the insurer
- that the insurer knows or, in the ordinary course of business, ought to know, and
- as to which compliance with your duty is waived by the insurer.

Privacy – use and disclosure of personal information

The privacy of your personal information is important to you and also to NMLA and Swann. We will only collect information about you and your immediate family background that is necessary for the purposes of assessing your application for insurance or for the purposes of assessing any claim you may make under the cover. This includes information about health, financial situation, occupation and lifestyle.

We will only seek information from your Nominee in the event of your death.

If the information you give us is not complete or accurate we may not be able to provide you with the cover you have applied for.

In assessing your application for insurance and any future subsequent claim, we may need to disclose your personal information to other parties, such as reinsurers, service providers, medical and financial professionals, judicial or dispute resolution bodies.

In the future, we may contact you about new products or special offers. If, at any time, you do not want to receive this information, you can opt out by telephoning 1300 307 926 and quoting your cover number.

You are entitled to request reasonable access to information we have about you. Swann's privacy policy is available from www.swanninsurance.com.au or by calling Swann on 1300 307 926. If you have any complaints or questions about the privacy of your personal information, please contact Swann by writing to:

Swann Insurance
PO Box 14459
MELBOURNE VIC 8001

If your complaint is not resolved by NMLA or Swann to your satisfaction, you may write to the Privacy Commissioner at:

Office of the Federal Privacy Commissioner
GPO Box 5128
SYDNEY NSW 2001

Taxation

Life and TPD insurance premiums are not generally deductible to you. Life and TPD benefits are generally not assessable for income tax.

Specific taxation implications may apply if this cover is taken out for business purposes. Seek professional taxation advice if this applies to you.

If we are required to pay any tax, duty or government charge or levy related to any payment to you, we may reduce the amount payable to you by the amount of that tax, duty or government charge or levy.

The statement made here is based on our interpretation and the continuance of current tax laws of the relevant legislation as at the issue date of the PDS and is subject to change. Individual circumstances may differ and independent taxation advice should be sought.

Alterations or assistance

Please contact Swann on 1300 307 926 for all enquiries/alterations from anywhere in Australia for the cost of a local call.

Complaint resolution

If you have a complaint, please advise Swann in writing, stating the precise nature of your complaint and the number of your COI.

The address is:

Swann Insurance
PO Box 14459
Melbourne VIC 8001

If you are not satisfied with Swann or NMLA's handling of your complaint, the Financial Ombudsman Service (FOS) is available to you. The Financial Ombudsman Service is governed by an independent council which reports directly to the Federal Minister for Consumer Affairs. FOS can be contacted on 1300 780 808. Alternatively, you can write to:

Financial Ombudsman Service
GPO Box 3
MELBOURNE VIC 3001

How to contact NMLA

Write to us at:

The National Mutual Life Association of
Australasia Limited
750 Collins St
DOCKLANDS VIC .3008