



# Loan Protection Insurance

PRODUCT DISCLOSURE  
STATEMENT AND POLICY

5 OCTOBER 2021



## Loan Protection Insurance

Combined Product Disclosure Statement and Policy prepared 5 October 2021.

Issued by LFI Group Pty Ltd ABN 31 138 903 581 Australian Financial Services Licence number 413613 (LFI).

## This PDS is important

This Product Disclosure Statement (PDS) is designed to help you decide if Loan Protection Insurance is right for you.

It is important to read the whole PDS as it contains key information including:

- how Loan Protection Insurance can benefit you, and whether you are eligible;
- what Loan Protection Insurance covers and doesn't cover;
- the policy terms; and
- how to make a claim.

This PDS and any information or advice we or our representatives provide in relation to Loan Protection Insurance is general only and does not take into account your personal objectives, financial situation or needs.

Before you decide whether to purchase Loan Protection Insurance or use any of the services offered by us and/or our representatives, you should read this document carefully to understand the features and limitations of this insurance and to decide whether it is right for you.

Words with capital letters have special meanings which are explained in the **Definitions** on [page 11](#). In this document, 'we', 'us' and 'our' refer to LFI, and 'you' and 'your' refer to you as the policy owner.

If you do not understand any part of this document or would like more information, please contact us and we will be happy to explain.

## Cooling off period

You have a cooling off period during the first 21 days of the Period of Cover. During the cooling off period you can cancel your Policy for a full refund of any premium you have paid, unless you make a claim during the cooling off period.

If you wish to cancel your Policy during the cooling off period, you must notify us before the end of the cooling off period. You can notify us using our contact details under **How to contact us** on [page 1](#).

## How to contact us

You can contact us (including to confirm any Policy transaction or obtain further information relating to your Policy) by any of the following methods:

**Telephone:** 1300 888 318  
**Facsimile:** 03 8613 1999  
**Post:** Level 16, 535 Bourke Street, Melbourne, Victoria 3000  
**Email:** [enquiry@lfi.com.au](mailto:enquiry@lfi.com.au)  
**Website:** [www.lfi.com.au](http://www.lfi.com.au)



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## Welcome to LFI Loan Protection Insurance

Getting your loan approved can be an exciting feeling, but have you considered how you would meet your Loan Repayments if you:

- unexpectedly lose your job;
- can't work because of a serious illness or injury affecting you or your dependents; or
- are diagnosed with a life changing illness such as cancer or motor neurone disease?

Your financial commitments continue, even if your income doesn't.

If you lose your job or if serious illness or injury prevents you from earning income, Loan Protection Insurance (Loan Protection) can meet your Loan Repayments (subject to some limits and exclusions).



## Loan Protection benefits at a glance

A summary of the cover types are listed below. Cover is subject to other terms (including conditions, limitations and exclusions) as set out in this document.

We set out more detail about these benefits, including the benefit limits below, under the heading **Policy coverage** on [page 5](#). We set out our exclusions under the heading **Policy exclusions** on [page 6](#)

### Disability Cover

Disability Cover pays your Loan Repayments if you can't work because of a serious illness or injury amounting to Disability, and features:

- cover available for Self-Employed, contractors, part-timers and casuals, subject to our eligibility conditions on [page 7](#);
- no limit to the number of claims (subject to terms and conditions);
- benefits are not impacted by death and continue for up to a year if you pass away while Disabled, assisting your family manage your estate; and
- partial cover for your Balloon Repayment if you are Disabled when your Balloon Repayment is due.

#### Example – workplace accident

Susan has Loan Protection with Disability Cover. As a result of a workplace accident, Susan is unable to work for 180 days. LFI will pay Susan's Loan Repayments to her Lender for each day Susan is Disabled of 180 days.

#### Example – family facing repossession of their main transport

Mei has Loan Protection for her car loan with Disability Cover. Mei's car is the family vehicle and Mei is her family's main income earner. As a result of a workplace accident, Mei is severely injured and makes a Disability claim after the Qualifying Period. LFI will pay Mei's Loan Repayments to her Lender while Mei remains Disabled. If Mei passes away, the entitlement to Disability benefits continues uninterrupted for up to 12 months. This will assist Mei's family to deal with her loss, without being concerned about how to pay Mei's lender or losing access to the family car.

### Life Changing Illness Cover

Life Changing Illness Cover provides you with immediate cash assistance if you are diagnosed with a Life Changing Illness, featuring:

- immediate access to a lump sum benefit to help you manage financial commitments; and
- the benefit can be used as you see fit, and is paid independently of other benefits.

#### Example – Life Changing Illness

Tanisha has Loan Protection for her \$10,000 car loan when she is diagnosed with melanoma. LFI will pay Tanisha a lump sum of \$1,500 which she uses to cover travel, child care and time off work incurred when undergoing surgery and chemotherapy.

### Unemployment and Carer Cover

Unemployment and Carer Cover can meet your Loan Repayment obligations if you lose your job, your business fails or your take unpaid leave in order to care for a Family Member, featuring:

- cover for Self-Employed, contractors, expatriates, part-timers and casuals, subject to our eligibility conditions on [page 7](#); and
- up to 12 months of Unemployment and Carer Cover during the Period of Cover, and up to 6 months per claim.

#### Example - Redundancy

Cameron has Loan Protection with Unemployment and Carer Cover. Unfortunately, he is made redundant from his place of work, and remains Unemployed for 7 months. LFI pays Cameron's Loan Repayments for each day Cameron is Unemployed up to the limit of 6 months.

### Hardship Handback Cover

Hardship Handback Cover helps you to discharge your Motor Loan if you have been unemployed for 7 months and you can't meet repayments from income or savings. Hardship Handback Cover pays your Lender the difference between the amount needed to repay your Loan and the value of your vehicle, less any unpaid premium.

As Hardship Handback Cover is designed to help you finalise your Loan, payment of a Hardship Vehicle Handback benefit will end your Policy.

We do not guarantee that a Hardship Handback benefit will be sufficient to enable you to finalise your Motor Loan.

#### Example – Long term unemployment

Asim, who has a Motor Loan, lost his job and we have paid his Lender the limit of 6 monthly Unemployment benefits. A month later, Asim still has not found work and cannot afford to keep his car. Asim needs \$15,000 to pay off his Motor Loan and his car is worth \$10,000. Asim claims for Hardship Handback cover and we pay his Lender \$4,400, being the difference between the amount Asim needs to repay his Motor Loan and the market value of his vehicle, less Asim's unpaid premiums of \$600. Asim's Loan Protection Insurance ends.

Asim can negotiate with his Lender to accept the return of his car or to allow him to sell the car privately to pay off the rest of his loan. Alternatively, as Asim is ahead in repayments, he could decide to keep the car longer while he keeps searching for work.

## Policy coverage

Policy coverage and benefit limits are set out below. Cover is subject to the other terms (including conditions, limitations and exclusions) set out in this Policy.

COVER	DESCRIPTION OF COVER	BENEFIT LIMITS
<b>Disability Cover</b>	<p>If you become Disabled during the Period of Cover and remain Disabled for the Qualifying Period, we will pay your Loan Repayments to your Lender, in full during each complete payment period and on a pro-rata basis during any incomplete payment period during the Period of Cover until you cease to be unable to perform:</p> <ul style="list-style-type: none"> <li>the duties of your usual occupation; or</li> <li>after you have been continuously Disabled for more than 12 months, any occupation for which you are reasonably qualified by education, training or experience,</li> </ul> <p>because of the the same Injury, illness or other medical condition.</p> <p>A 10 day Qualifying Period applies to Disability Cover. If the same Disability recurs within 6 months of your return to work, the Qualifying Period will not apply.</p> <p>If you are Disabled when your Balloon Repayment is due, we will pay 50% of the Balloon Repayment to your Lender.</p> <p>An unlimited number of Disability Cover claims may be made during the Period of Cover.</p>	<p>The most we will pay for a Disability claim is the total of your Loan Repayments during the Period of Cover and 50% of any Balloon Repayment. This would only occur if you became Disabled at the beginning of your Period of Cover and remained Disabled for the Period of Cover.</p>
<b>Life Changing Illness Cover</b>	<p>If you are diagnosed with a Life Changing Illness during the Period of Cover, we will pay you 15% of your outstanding loan balance up to a cap of \$3,000.</p>	<p>The maximum benefit for Life Changing Illness Cover is \$3,000.</p> <p>We will only pay one Life Changing Illness claim per policy.</p>
<b>Unemployment and Carer Cover</b>	<p>Subject to the Benefit limits in the next column for Unemployment and Carer Cover:</p> <ul style="list-style-type: none"> <li>If you become Unemployed other than by reason of a Mental Disorder or become a Carer during the Period of Cover and remain so for the Qualifying Period, we will pay your Loan Repayments to your Lender, in full during each complete payment period and on a pro-rata basis during any incomplete payment period while you remain Unemployed or a Carer subject to the Benefit limits in the next column for Unemployment and Carer Cover.</li> <li>If you become Unemployed by reason of a Mental Disorder during the Period of Cover and remain so for the Qualifying Period, we will pay your Loan Repayments to your Lender, in full from the expiry of the Qualifying Period during each complete payment period and on a pro-rata basis during any incomplete payment period while you remain Unemployed.</li> </ul> <p>The following Qualifying Periods apply:</p> <ul style="list-style-type: none"> <li>Unemployment due to a Mental Disorder: 30 days</li> <li>Unemployment due to any other cause: 10 days</li> <li>Carer: 14 days</li> </ul> <p>You may make more than one Unemployment and Carer Cover claim during the Period of Cover. However, you must be re-employed (or back at work if you if you have been a Carer) for a minimum of 3 calendar months before you can lodge any subsequent Unemployment and Carer Cover claim.</p>	<p>The period for which we will pay for any one Unemployment and Carer claim is capped at 6 calendar months.</p> <p>The total period for which we will pay for Unemployment and Carer claims is capped at one year at 365 days per Policy per Insured.</p>
<b>Hardship Handback Cover</b>	<p>If you qualify for Hardship Handback Cover and choose to claim on Hardship Handback Cover, we will pay to your Lender the difference between the amount required to discharge your Loan Contract and the sum of the Expected Vehicle Value and the Unpaid Premium, up to \$10,000. Your Policy will then end.</p> <p>If you financed your Loan Protection premium and become entitled to a refund of any part of that premium, we will deduct the refund amount from the amount we pay.</p> <p>You will qualify for Hardship Handback if:</p> <ul style="list-style-type: none"> <li>your Loan Contract is a Motor Loan;</li> <li>we have paid 6 months of Unemployment benefits continuously; and</li> <li>at the end of the month following our last Unemployment Benefit payment you remain Unemployed and you are Unable To Meet Your Obligations under your Loan Contract.</li> </ul> <p>Our responsibility under Hardship Handback Cover is limited to paying the Hardship Handback benefit. We are not responsible for your Lender's dealings with you and we have no further liability or obligation to you if the sale price of your vehicle and the Hardship Handback benefit are insufficient to repay your Loan.</p>	<p>The maximum benefit for Hardship Handback is \$10,000.</p>

## Payments to you

If you or your Lender tell us when your Loan Repayments are due, from the time we approve a claim, we will take reasonable steps to make payments at or before the time at which they become due to your Lender while you remain Disabled, a Carer or Unemployed, subject to the limits and exclusions of your Policy.

If any payment or part of a payment that we are required to make to your Lender exceeds the amount of your liability under your Loan Contract, we will pay the balance to you. For example, if you experienced a period of Unemployment but had overlooked your ability to claim and repaid your Loan Contract, you could claim for the period and we would pay you the amount we would have paid your Lender if you had claimed while you were Unemployed.

If we are required to pay money to more than one Insured, we will pay in accordance with the joint instructions of all the Insureds. If you are unable to provide joint instructions, for example if your relationship has broken down, we may meet our obligations by dividing the money into equal shares and paying a share to each of you.

## Policy exclusions

In addition to the other Cover limitations set out in this document and any additional exclusions we have included in the Policy Schedule, we will not pay any benefit or claim under this Policy:

- arising from a variation to your Loan Contract which has not been notified to us and confirmed by us in writing to you as being covered under your Policy.
- for any Balloon Repayment where a Balloon Repayment is not set out in the Schedule.
- after you reach 67 years of age.
- if you are not an Australian Resident.
- for an Unemployment and Carer Cover claim, for any period of Unemployment for which you have received payment in lieu of notice.
- for an Unemployment and Carer Cover claim:
  - (i) if your employment is seasonal or intermittent
  - (ii) if you are employed under a contract ending at an agreed time or on performance of an agreed task, and your contract ends at the agreed time or on performance of the agreed task; or
  - (iii) if you were working on average less than 20 hours per week during the 6 months preceding your Unemployment.
- for any period after the Period of Cover ends.

We will only pay your Loan Repayments once, so if you are Unemployed and Disabled, or there are two of you and you are both Unemployed, we will not pay your Loan Repayments twice.

In addition to the exclusions listed above, the following table sets out further exclusions to Cover under this Policy.

## Event or circumstance

We will not pay any benefit or claim which results directly or indirectly from an event or circumstance indicated by an 'X' in the column below in relation to the corresponding Cover:

	DISABILITY	UNEMPLOYMENT AND CARER	LIFE CHANGING ILLNESS
Your suicide, attempted suicide or intentional self-inflicted Injury or illness.	X	X	X
Your participation in any illegal or criminal activity.	X	X	X
Your Unemployment as a result of terrorism, war or warlike activities, riot, civil commotion, strike or lockout.	X	X	
Your use of or contact with nuclear materials, weapons or waste, ionising radiation or asbestos.	X	X	X
Aerial activity, except as a fee paying passenger in a fixed wing aircraft owned and operated by a licensed airline or air charter company.	X		
Pre-existing Condition: any illness, Injury or condition which you were aware of whether or not you have received advice or treatment from a Medical Practitioner or other health professional, or a person in your circumstances could have been expected to have been aware of, within 5 years prior to the commencement of the Period of Cover.	X	X	X
Backache, unless we receive medical evidence from a Medical Practitioner which certifies that you are suffering from a musculoskeletal disorder arising from abnormalities of any part of the vertebral column (including cervical spine), discs or muscles attached to the spine, including where the abnormalities of such body areas are due to nerve root irritation.	X	X	
You being affected by any form of Mental Disorder.	X		
You being affected by any form of post-viral debilities, chronic fatigue syndrome or neurological condition.	X	X	
You suffering from any illness, Injury or condition which is a direct or indirect result of any illness, Injury and/or medical condition that you had or suffered from before the commencement of the Period of Cover.	X	X	X
You being addicted to or under the influence of alcohol or a drug other than a drug taken in accordance with the advice of a Medical Practitioner.	X	X	X
Avian influenza, epidemic influenza, pandemic influenza	X	X	
Pregnancy, abortion or childbirth.	X	X	
Your participation in professional sporting activities (including motor racing) for remuneration or other reward.	X	X	
If you become voluntarily Unemployed or if you become Unemployed due to misbehaviour, misconduct or similar actions.	X	X	
If you have been offered employment but you elect not to take it.		X	

## If there are more than one of you

Loan Protection can protect joint borrowers who rely on combined income to meet their loan obligations.

Joint cover is not automatic and has a higher cost.

## Applying for Cover

You can purchase Loan Protection with Disability Cover, Life Changing Illness Cover, Unemployment and Carer Cover and Hardship Handback Cover together or, at a lower cost, without Unemployment, Carer Cover and Hardship Handback Cover.

If there are more than one of you, you can each make your own selection between these options.

If you are eligible for Loan Protection and have paid or agreed to pay the applicable premium, we will provide Cover to you on the terms and conditions contained in this PDS and the Policy Schedule.

This PDS and your Policy Schedule make up your Loan Protection Policy with us. It is your responsibility to ensure that all details in your Policy Schedule are correct and to immediately inform us of any corrections that need to be made.

## Are you eligible for Loan Protection?

To be eligible for Loan Protection each applicant must:

- be at least 18 years of age;
- be a borrower on a loan that settled no more than 60 days before your Application and that must be repaid before your 67th birthday;
- be an Australian Resident; and
- be employed or Self-Employed working on average at least 20 hours per week continuously for at least:
  - (i) the longer of 3 months or the duration of any probationary period in a permanent position; or
  - (ii) 12 months in a casual position; and
- not be employed or Self-Employed in a seasonal position.

We will decide whether you are eligible for Loan Protection based on the information you provide.

## Your Privacy

When you apply for Loan Protection Insurance, we will collect the information required in your Application and determine both your eligibility for Loan Protection Insurance and your premium.

When you make a claim under your insurance, we will collect information relevant to assessing your claim, including health information relevant to a Disability or Life Changing Illness claim. We may collect information directly from you, from your Lender, Medical Professionals and from publicly available sources or via surveillance. You consent to such parties disclosing information to us that is relevant to these purposes.

If you do not provide information that we request, we may be unable to provide you with Loan Protection or may refuse to pay a claim.

When you purchase Loan Protection, you consent to our use and disclosure of your information in accordance with our Privacy Policy (available at <https://www.lfi.com.au/about-us/disclosures/privacy-policy>) and for:

- processing and administering your insurance, including the assessment and payment of claims. This will involve sharing your information with related companies who manage our data, and may involve sharing information about you with your Lender, investigators, Medical Practitioners, assessors, professional advisers and external complaint resolution bodies;
- marketing, subject to your right to opt-out, of products or services that we, or our business associates may provide. This may involve disclosure to our business associates and to external service providers including mail houses and information technology providers; and
- managing our business generally, including forecasting, financial modelling and data analysis, process development, strategy and compliance with legal requirements. This may involve disclosure to our business associates and to external service providers including but not limited to mail houses and information technology providers, professional advisers, reinsurers, auditors, investigators, Government regulatory and law enforcement agencies, courts and tribunals.

Your information may be shared with processors situated outside of Australia. Our Privacy Policy offers up to date information about where information processing and storage may be conducted outside of Australia. We may update the Privacy Policy from time to time.

Our Privacy Policy also explains how you can access your information and raise any concern about the way we deal with your information, including any request to update or correct your information and how to complain if you are not satisfied with the way we handle your information.



## What is the cost?

The premium payable for your Policy will be quoted before you apply and shown on your Policy Schedule. In setting premiums, we take the following factors into consideration:

- the Cover you select;
- how many of you apply;
- how much you have borrowed under your Loan Contract;
- whether Life Changing Illness Cover, Carer Cover or Hardship Handback are relevant to you, which depends on your age, whether you would be able to make a Carer Cover claim and whether your Loan is a Motor Loan, and
- the duration of your Loan Contract.

Your Loan Protection premium includes the commission payable by us to the representative who assisted with arranging your Policy. The amount of commission we pay to representatives is up to 20% of the premium, excluding government taxes. More information on commission payments and the benefits received by representatives is available from the Financial Services Guide provided to you in relation to this Policy or by contacting us.

## Payment of premium

Your Loan Protection premium may be:

- financed by your Loan Contract and paid to us by your Lender; or
- paid by you as a single sum or in equal monthly instalments during the Period of Cover.

When paying by instalments, your first instalment is due one calendar month after the commencement of your cover and the remaining instalments are due at calendar monthly intervals. If a payment is due on a day that is not in a particular month, your payment is due on the last Business Day of that month.

You may pay by credit or debit card, or by direct debit. We will bill instalments due on non-Business days on the last Business day preceding the due day.

## Ongoing disclosure: changes to your details or circumstances

It is in your interests to inform us if:

- your employment type or terms change;
- your Loan Contract ends earlier than the end of the Period of Cover; or
- you wish to vary the Loan Contract in any way.

These changes may impair your cover. We'll let you know if they do. If your cover is reduced by these changes, you may wish to cancel your policy and obtain a refund of unused premium (see the section headed **Cancellation by you** on [page 9](#)).

## When am I covered?

The Period of Cover commences when the Policy Term commences or the date of the commencement of your Loan Contract, whichever is the later.

The Period of Cover ends on the earliest to occur of the following:

- the Policy is cancelled;
- the Policy Term ends;
- 12 months after the death of the last Insured to die;
- the Loan Contract is paid out or re-financed with a lender who is not the Lender;
- the time for repayment by you of the outstanding amount specified in your Loan Contract has passed;
- seven years from the commencement of the Period of Cover;
- you and if more than one Insured is named in your Policy Schedule, each of you:
  - (i) reach the age of 67 years; or
  - (ii) cease to be an Australian Resident.



## How can your Policy be cancelled?

### Cancellation by you

You may cancel this Policy at any time by notifying us in writing. If the Policy is cancelled after the cooling off period and you have financed or paid the premium in a lump sum, we will retain the proportionate premium for the time that Cover has been provided.

We will refund the unexpired portion of the premium in accordance with the formula specified in the *National Consumer Credit Protection Regulations 2010 (Cth)*.

If you are paying the premium in monthly instalments, we will not pay a refund.

### Cancellation by us

We may cancel this Policy in accordance with the law. This includes where you have:

- failed to comply with a term of your Policy, including a failure to pay the premium; or
- made a fraudulent and material misrepresentation to us before the Policy was entered into.

If we cancel your Policy, we will give you notice in writing of the cancellation.

If your premium has been financed, you authorise us to pay any refund direct to the Lender unless the Lender otherwise authorises the refund to be paid directly to you.

Otherwise, we will pay any refund to you.

If we cancel your Policy after we have paid a claim, we do not have to refund your premium.

### Variations to your Policy

Your Policy can only be changed by LFI. No other person or entity (including agents of LFI) has the right to change any part of the Policy.

## How to make a claim

Telephone us on 1300 888 318 for a claim form.

A completed claim form and the following information will be required in order for us to assess your claim.

Where we require medical reports in relation to a Disability or Life Changing Illness claim, we will reimburse you up to \$500 for the costs of obtaining the medical reports, whether we pay your claim or not.

### Disability Cover

We require a full medical report from your Medical Practitioner confirming your condition and providing evidence that you are following the advice of the Medical Practitioner when you claim and ongoing medical certificates for each month that you remain Disabled.

If you remain Disabled for more than 12 months, we may require a further full medical report from your Medical Practitioner confirming that you meet the criteria for Disability set out in the **Definitions** on [page 11](#).

We may also require a full medical report from a Medical Practitioner of our choice and at our expense.

### Life Changing Illness Cover

We require a full medical report from your Medical Practitioner confirming your condition.

We may also require a full medical report from a Medical Practitioner of our choice and at our expense.

### Unemployment Cover

#### Claiming in relation to your Unemployment

We require:

- If you are not Self-Employed:
  - a statement from your former employer confirming that you are Unemployed and the reasons for your Unemployment; and

- written confirmation of the terms upon which you were employed or contracted to perform services (for example, a copy of your contract of employment or contract for services signed by all applicable parties) and the period of your employment; and
- If you are normally employed in Australia:
  - written confirmation from Centrelink that you are registered with Centrelink as being Unemployed; and
  - a monthly certificate from Centrelink confirming your continuing Unemployment; or
- If you are Self-Employed:
  - documentation providing details of your business ceasing to operate due to your actual or impending bankruptcy and your business being wound up, dissolved or placed into the control of an administrator; or
  - details of the impact of an event declared by the Insurance Council of Australia to be a catastrophe or a disaster and financial information of your business sufficient to enable us to determine whether your income has been materially interrupted.

We may require confirmation of the relevant circumstance from your accountant or insolvency practitioner.

#### Claiming as a Carer

We require:

- If you are:
  - not Self-Employed, written confirmation of the terms upon which you were employed or contracted to perform services (for example, a copy of your contract of employment or contract for services signed by all applicable parties) and the period of your employment; or
  - Self-Employed, documentation from your accountant or other reliable documentation providing details of your normal income and other receipts or financial benefits from your business; and

- a full medical report from your Family Member's Medical Practitioner confirming their condition and carer needs; and
- ongoing medical certificates for each month that your Family Member requires full time care.

We may also require a full medical report from a Medical Practitioner of our choice and at our expense.

### Claiming Hardship Handback

We require completion of a financial position statement (available on our website). We may ask you to verify information in the position statement.

We may ask you to provide us with other information in support of your claim, including confirmation from your Lender of your Loan Repayments or Balloon Repayment. You must provide us with any other information we reasonably require in order to assess your claim.

If any document is not in English, we may charge you for the cost we reasonably incur in translating the document.

### Claim recovery

We reserve the right to take action against any person or entity and to recover costs incurred by us from them where we believe that such other person or entity has caused or contributed to you suffering a loss covered by this Policy. If we do this, we may take action in your name and you will be required to cooperate with us and provide any information we may reasonably require.

### Fraudulent claims

We are entitled to refuse to pay claims made fraudulently subject to the *Insurance Contracts Act 1984*, and we may cancel your Policy if you make a fraudulent claim.

## Complaints and dispute process

If you have a complaint relating to your Policy or the services that we or our representatives provide, please contact us and we may be able to resolve the complaint for you. If we are unable to satisfactorily resolve your complaint you may request that it be referred to our Internal Dispute Resolution process. You can contact LFI's Internal Disputes Officer at:

**Post:** Level 16, 535 Bourke Street,  
Melbourne, Victoria 3000

**Telephone:** 1300 888 318

Our Internal Dispute Resolution process is provided to you free of charge and we will respond to your complaint within 15 working days.

If you are not satisfied with the outcome of our Internal Dispute Resolution process, you may refer the matter to the Australian Financial Complaints Authority (AFCA). The AFCA may be contacted:

**Telephone:** 1800 931 678 (local call fee applies)

**Address:** GPO Box 3, Melbourne, Victoria 3001

**Website:** [www.afca.org.au](http://www.afca.org.au)

The AFCA is provided at no cost to you and is an independent service which will investigate your complaint and provide a ruling that is binding on us.

## The General Insurance Code of Practice

The Insurance Council of Australia (ICA) has developed a voluntary General Insurance Code of Practice, which we have adopted.

The Code is designed to raise the standards of service and practices in the general insurance industry. It aims to promote more informed relations between insurers and their customers, improve consumer confidence in the general insurance industry, improve the quality of Policy documentation and information provided to consumers and ensure that our representatives act in an honest, fair, efficient and transparent manner.

To obtain a copy of the Code visit [www.insurancecouncil.com.au](http://www.insurancecouncil.com.au) or call (02) 9253 5100.

## Government charges

We reserve the right to pass onto you any Government charges, taxes or duties that are or become payable by us or you in respect of your Policy.

## Other information

### Financial claims scheme

A person entitled to claim under an insurance policy issued by an insolvent general insurer may be entitled to payment under the financial claim scheme established by Part VC of the *Insurance Act 1973* (Cth). Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from <http://www.fcs.gov.au>.

### Updating your PDS

This PDS is current as at the date of preparation. We may update information and may change the policy wording, provided the change does not prejudice you. If a change is important, we will notify you. We will make information about non-material changes available on the LFI website at [www.lfi.com.au](http://www.lfi.com.au).

### Relevant law

This Policy is governed by the laws of Australia.

### Taxation information

General insurance premiums are subject to Goods and Services Tax (GST) imposed by the Commonwealth Government. In addition, State Governments impose stamp duty on premiums at varying rates. These taxes and duties will be shown on your Policy Schedule.

The income tax treatment of premiums paid by you under the Policy and any claims payments received by you will depend on your personal circumstances. You should seek your own professional taxation advice for information about your personal circumstances.

## Definitions

Some words have a special meaning in this document. These words are listed below.

**Application:** means your application for LFI Loan Protection Insurance whether in writing or made by telephone or other means that we make available and in which you:

- provide information about yourself and anyone else you want to be covered by this Policy;
- provide information about your Loan Contract; and
- choose your Cover;

and **apply** and **applicant** have a corresponding meaning when used in relation to your Application.

**Australian Resident:** means an Australian citizen or permanent resident.

**Backache:** means any musculoskeletal disorder arising from abnormalities of any part of the vertebral column (including cervical spine), discs or muscles attached to the spine, including where the abnormalities of such body areas are due to nerve root irritation.

**Balloon Repayment:** means a lump sum repayment, if any, that is due at the end of your Loan Contract and is larger than your Loan Repayments.

**Business Day:** means a day on which banks are open in Victoria.

**Carer:** means a full-time carer for a Family Member who reasonably requires full-time care by reason of an illness, other medical condition or Injury that first arose or occurred during the Period of Cover.

**Cover:** means the insurance Cover that is provided by your Policy.

**Disability:** means that:

- (i) you have suffered an Injury, illness or other medical condition; and
- (ii) you are unable to perform the duties of your usual occupation by reason of that Injury, illness or other medical condition; and

- (iii) If you have been continuously Disabled for more than 12 months, you are unable to perform any occupation for which you are reasonably qualified by education, training or experience because of same Injury, illness or other medical condition,

and **Disabled** has a corresponding meaning.

**Disability Cover:** means the insurance Cover described under the heading 'Disability Cover'.

**Expected Value:** means our reasonable assessment of the market value of a vehicle of the same make, age and model with the same mileage as the financed vehicle in reasonable condition.

**Family Member:** means a Spouse or dependent child who lives with you full time or for whom you are the primary carer.

**Harship Handback Cover:** means the insurance Cover described under the heading 'Hardship Handback Cover'.

**Injury:** means bodily Injury caused solely and directly by violent, sudden, accidental, visible and external means, which happens at a definite time and place during your Period of Cover and does not result from any illness, sickness or disease.

**Insured:** means the person or persons named in your Policy Schedule to whom we have given Cover.

**Life Changing Illness:** means an illness which the Australian medical profession recognises as, or equivalent to, cancer, heart attack, stroke, Parkinson's Disease, motor neuron disease or early onset dementia.

**Life Changing Illness Cover:** means the insurance Cover described under the heading 'Life Changing Illness'.

**Lender:** means the credit provider named in the Policy Schedule.

**Loan Contract:** means the Loan Contract, as specified in your Policy Schedule.

**Loan Repayments:** the regular minimum periodic amount needed to pay for loan obligations as defined in your Loan Contract. References to Loan Repayments do not refer to your Balloon Repayment (if you have one).

**Medical Practitioner:** means an individual who is qualified, registered and/or licensed in accordance with all applicable laws and regulatory requirements to practise medicine other than you, a member of your immediate family, your business partners, or your employees.

**Mental Disorder:** means a condition that the Australian medical profession recognises as any of: chronic depression or anxiety, post traumatic stress disorder, an eating disorder or schizophrenia.

**Motor Loan:** means a loan for the dominant purpose of purchasing a vehicle that is secured by a charge over the vehicle.

**Period of Cover:** means the period when you are entitled to Cover, commencing and ending in accordance with the section headed **When am I covered?** on [page 8](#).

**Policy:** means the insurance contract between you and us on the terms set out in this document and the Policy Schedule.

**Policy Schedule:** means the policy schedule we provide to you which confirms the insurance Cover provided to you under your Policy.

**Policy Term:** means the period described as the Policy Term in the Schedule.

**Pre-existing Condition:** means any illness, Injury or condition which you were aware of whether or not you have received advice or treatment from a Medical Practitioner or other health professional, or a person in your circumstances could have been expected to have been aware of, prior to the commencement of the Period of Cover.

**Qualifying Period:** means the minimum period for which you must be unable to work in order to be able to claim benefits under Disability Cover or Unemployment and Carer Cover.

**Self-Employed:** means that you are a sole trader or a partner in a partnership.

**Spouse:** includes legally married and defacto spouses and spouses in a same sex relationship.

**Unable To Meet Your Obligations:** means, in relation to your Loan, that you are unable to make your Loan Repayments from income or savings. Savings includes distributions or dividends that you are or might become entitled to from any trust or company that you control. Income includes (without limitation) any government benefit, annuity or pension and the proceeds of any income protection insurance or similar insurance. Savings does not include assets that you own or control. For example, if the only way you could make Loan Repayments would be to sell your home or an investment, we will treat you as Unable to Meet Your Obligations.

**Unemployment:** means

- if you are not Self-Employed:
  - (i) you are unemployed; and
  - (ii) if you normally work in Australia, you are registered with Centrelink,
 each as a direct result of your employment being terminated or being made involuntarily redundant by your employer.
- if you are Self-Employed:
  - (i) you are unemployed and your employment was terminated as a result of your business ceasing to operate due to your actual or impending bankruptcy and your business is being wound up, dissolved or placed into the control of an administrator; or
  - (ii) your employment ceases, or your income is materially interrupted due to an event declared by the Insurance Council of Australia to be a catastrophe or a disaster. Income is materially interrupted if as a direct or indirect result of such an event, it falls below 60% of your expected income (based on prior years) over the period of the interruption, if it falls to a level at which you are Unable To Meet Your Obligations or if, acting reasonably, we determine that it is materially interrupted.

and **Unemployed** has a corresponding meaning.

**Unemployment and Carer Cover:** means the insurance Cover described under the heading 'Unemployment and Carer Cover'.

**we, us and our:** means LFI Group Pty Ltd.

**you, your:** means a person named as an Insured in the Policy Schedule.

