

**Personal  
Loan  
Protection**

# Product Disclosure Statement

including Policy Wording

For customers applying by the Westpac website

Effective 1 June 2009

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# Personal Loan Protection

## Product Disclosure Statement including Policy Wording

### 1. Important Information

This is our Product Disclosure Statement ("PDS") effective 1 June 2009.

It is important that you read the whole PDS carefully so you understand:

- The eligibility criteria
- What Personal Loan Protection covers
- What Personal Loan Protection doesn't cover
- About the cost
- How to apply
- The cooling off period
- How to make a claim
- Your privacy

Make sure you save or print a copy of this PDS and keep it in a safe place so you can refer to it if you have any queries.

Personal Loan Protection is issued by the insurers who are:

- Westpac General Insurance Limited ABN 99 003 719 319 (the issuer of the unfit for work and the job loss cover) Level 20, 275 Kent Street SYDNEY NSW 2000; and
- Westpac Life Insurance Services Limited ABN 31 003 149 157 AFSL 233728 (the issuer of the death cover) Level 20, 275 Kent Street SYDNEY NSW 2000.

If you apply for Personal Loan Protection and we accept your application and receive your premium, this PDS together with the policy schedule are the terms and conditions of your policy. They describe the insurance we will provide you with. You will receive your policy schedule when you sign your personal loan contract.

All claims and enquiries are handled by Westpac General Insurance Limited. If you have any questions, now or later contact us.

Westpac General Insurance Limited

Post: GPO Box 4451  
SYDNEY NSW 2001

Telephone: 1300 369 989  
(working days Monday to Friday 8.45am to 5.00pm  
Sydney time)

Facsimile: 1300 786 606 (for claims) or  
1300 786 525 (for any other enquiries)

Email: [loanprotectionclaims@westpac.com.au](mailto:loanprotectionclaims@westpac.com.au) (for claims) or  
[loanprotection@westpac.com.au](mailto:loanprotection@westpac.com.au) (for any other enquiries)

### 2. Roles and relationships

Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 (the "Bank") distributes the cover but is not the insurer. The Bank will be entitled to receive up to 20% of your premium (after government charges have been deducted) as distribution commission.

Personal Loan Protection provides three types of cover:

- unfit for work cover;
- job loss cover; and
- death cover.

Westpac General Insurance Limited issues the unfit for work cover and the job loss cover components of Personal Loan Protection and Westpac Life Insurance Services Limited issues the death cover component. These components cannot be cancelled separately (see page 7 for details of policy cancellation).

This PDS has been prepared and issued solely by the insurers, neither of whom are a bank or other approved deposit taking institution. The insurer's obligations do not represent deposits with or other liabilities of the Bank. Neither the Bank or any other member of the Westpac Group (other than the insurers) stand behind the insurers or are otherwise responsible for the insurance or the payment of any claims.

### 3. What is Personal Loan Protection?

It's consumer credit insurance. It helps cover your personal loan repayment obligations if you lose your job, contract a sickness or disease, or sustain an injury, and aren't able to work. It also pays the balance owing if you die. Full details of the cover and limits are explained later in this document.

The decision to buy Personal Loan Protection is entirely up to you. You are not obliged to apply for or obtain this type of insurance. You may be able to arrange this insurance through a different insurer however you should be aware that such insurance is normally only available as part of a loan package.

Our legal team have also asked us to remind you that:

- You're required to tell the truth in your communications and dealings with us; and
- In respect of any matter arising under or in relation to this policy, you must act towards us, and we must act towards you, with the utmost good faith.

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### 4. How do I apply?

Simple. First check you are eligible.

To be eligible to apply you must:

- Be applying for a personal loan from the Bank. Up to two borrowers on the one personal loan can apply.
- Be in paid employment. This includes being self employed, a partner in a business partnership, a full time, part time, contract or seasonal worker, or if you are contracted for a specified period or to perform a specified task. Please note the job loss exclusions set out on page 5.
- Be working in that employment for at least 20 hours per week. If your hours vary, we take an average of your hours over the past month. If you have more than one job, you can add the hours for each of your jobs together. However, you will not be able to claim for job loss or being unfit for work unless you lose or are unable to perform all of your jobs.

If you are eligible you can apply when completing your online or downloaded personal loan application.

TIP: If you aren't eligible to apply for this cover, you may contact the Financial Ombudsman Service on 1300 780 808. This service may be able to give you the name of an insurer or insurers who can provide you with alternative insurance options.

### 5. Key features of Personal Loan Protection?

The key features of Personal Loan Protection are:

- There is no medical examination required when applying.
- The premium is included as part of the amount borrowed under your personal loan.
- A 25% discount applies to each premium if two joint borrowers each take out the insurance.
- You don't pay more for your insurance because of your age, occupation, health record or participation in sporting or hazardous activities.
- You can lodge a claim through any branch of the Bank.
- You can claim even if you're entitled to other benefits from another source such as workers compensation, sick leave or Centrelink benefits.

### 6. The Cover

We'll pay your personal loan if:

- You are unfit for work (see the definitions on page 10), or
- You lose your job (see the definitions on page 10), or
- You die,

subject to the limits and exclusions on pages 4 and 5.

How we work out the amount we'll pay to your personal loan and the limits that apply are listed in the Benefits Table on page 4. Examples are also provided.

#### Things to note:

- For a benefit to be paid the event giving rise to a claim must happen on or after the commencement date, not before the commencement date.
- All benefits are paid to your personal loan. We do not make payments to you.
- The amount we pay if you're unfit for work or have lost your job is calculated on the monthly loan repayment.
- No benefits are paid for the first 30 consecutive days of any period of job loss or being unfit for work. This is called the 30 day waiting period.
- We break down the monthly loan repayment to a daily amount.
- We pay the daily amount for each day after the 30 day waiting period has elapsed, subject to the limits in the Benefits Table.
- Up to two borrowers on the one personal loan may take out Personal Loan Protection. For any period during which only one of the insured persons is entitled to make a claim, that person may claim the full amount payable under this policy. However, where both insured persons are entitled to claim for the same period, two claims can be made however we will make payment for only one insured person whilst the periods coincide. If you and/or the other insured person die, we will pay only one death benefit and your insurance then expires.
- This policy doesn't have any surrender value nor does it participate in our profits. The death payment is issued from the No. 1 Statutory Fund of Westpac Life Insurance Services Limited and is determined on the balance owing at the time of death.

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### 7. Benefits Table

Claim type	How we work out the amounts we'll pay and the limits that apply	Examples of the calculations
<b>Unfit for work</b>	<ul style="list-style-type: none"> <li>■ We find out the amount of your monthly loan repayment.</li> <li>■ We break it down to a daily amount.</li> <li>■ We then pay this daily amount for each day (after the 30 day waiting period has elapsed) you're unfit for work.</li> <li>■ The maximum amount we'll pay is the total of the monthly repayments remaining in the period of insurance (excluding any amount overdue) at the time you become unfit for work.</li> </ul>	<p>If your monthly loan repayment is \$300, we will pay \$10 per day (that is, 1/30th of \$300) for each day you are unfit for work after the 30 day waiting period. So, if you are unfit for work for 200 days, we deduct 30 days for the waiting period, and pay \$1,700 to your personal loan (being 170 days at \$10 per day).</p> <p>If there were 15 monthly repayments remaining after the 30 day waiting period, the maximum payable is \$4,500 (being 15 monthly repayments of \$300).</p>
<b>Job loss</b>	<ul style="list-style-type: none"> <li>■ We find out the amount of your monthly loan repayment.</li> <li>■ We break it down to a daily amount.</li> <li>■ We then pay this daily amount for each day (after the 30 day waiting period has elapsed) until you recommence employment where you are or will be working at least 20 hours per week, up to a maximum of 90 days for any one continuous period of unemployment.</li> <li>■ To make another job loss claim you must start another job where you are or will be working at least 20 hours per week and lose your job again.</li> </ul>	<p>If you lost your job and did not start a new job for 70 days and your monthly loan repayment is \$300, we will pay \$10 per day (that is, 1/30th of \$300) for each day after the 30 day waiting period. We deduct 30 days for the waiting period and pay \$400 to your personal loan (being 40 days at \$10 per day).</p> <p>Using the above example, if you did not start a new job for 180 days, we deduct 30 days for the waiting period leaving 150 days. As this exceeds the maximum of 90 days, the total paid to your personal loan is \$900 (being 90 days at \$10 per day).</p>
<b>Death</b>	<ul style="list-style-type: none"> <li>■ We will pay the balance owing on your personal loan as at the date of your death up to a maximum of one hundred thousand dollars (\$100,000).</li> <li>■ We do not pay any interest, costs or other amounts which accrue after the date of death.</li> </ul>	<p>If you die, and the balance owing on your personal loan at the time of death is \$4,300, we will pay \$4,300 to your personal loan.</p>

The examples in the Benefits Table are illustrative only. As the balance owing on your account may differ to the balances in the above examples the actual amount payable in your circumstances may differ.

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### 8. We've told you what's covered and when we'll pay, now we'll tell you what's not covered and when we won't pay

We call these 'exclusions'. They're listed in the table below and their relevance to each type of cover is indicated by a cross (X) in the applicable column. For example, you aren't covered and no payment will be made for job loss if you voluntarily resign.

Exclusions	Death	Unfit for work	Job loss
If you were not in employment at least 20 hours per week at the time you became unfit for work (if you are employed by more than one employer, or if your hours vary, we add your working hours together and take an average over the month prior to the time you became unfit for work)		X	
If you have more than one usual occupation and you continue to be able to perform the duties of one or more of your usual occupations		X	
If you were employed by more than one employer and you continue to be employed by at least one of those employers			X
Sickness, injury or disease occurring within 6 months of the commencement date for which medical advice or treatment had been sought or obtained by you during the 6 months prior to the commencement date		X	
Voluntary redundancy			X
When you voluntarily resign or abandon your employment			X
If you have been engaged in seasonal or contract work and your employment ceases at the end of that season or contract			X
If you were hired to complete a specified task or to work for a specified period and your employment ceases at the end of that task or period			X
If you are self-employed or in a business partnership and your business temporarily ceases to trade			X
If you were in a business partnership and your status as a partner was automatically discontinued under law or the relevant partnership agreement			X
Pregnancy or childbirth		X	X
Industrial stoppage or you being on strike			X
Suicide within 14 days of the commencement date	X		
War or warlike activities, civil war, rebellion, revolution, insurrection or the use of military or usurped power	X	X	X
The use, existence or escape of nuclear material or waste or ionizing radiation	X	X	X

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### 9. How to make a claim

#### For unfit for work claims:

- you and your medical practitioner must complete and sign our claim form and send it to us.
- if you are unfit for work for longer than the period in your claim form, just send us further medical certificates – you don't need to complete another claim form.
- any fees charged by your medical practitioner are your responsibility.

#### For job loss claims:

- you must complete and sign our claim form and send it to us with a copy of your Employment Separation Certificate from your relevant previous employer. If you can't provide the certificate, you may provide a letter from that employer confirming your period of employment, the reason for your employment ceasing and the employer's name and contact details.
- if you were self-employed or in a business partnership, you must complete and sign our claim form and send it to us with documentation which satisfies us of your loss of employment. For example, a letter from your accountant confirming the business has ceased trading, and/or a letter from the person you were contracting with confirming that your employment has ceased, the reason for your employment ceasing and the person's name and contact details.
- to confirm you continue to be unemployed beyond the 30 day waiting period, we'll provide a declaration for you to sign and send to us.
- if you're entitled to claim beyond 30 days after lodging a declaration, we'll provide further declarations for you to sign and send to us until the maximum of 90 days for any one continuous period of unemployment has been reached.

#### For death claims:

- we need a certified copy of the original death certificate. A claim form isn't required.

#### Assessing claims

We're allowed to make any reasonable enquiries about your claim. When it comes to unfit for work claims, we may also need you to be examined by medical practitioners we nominate. We'll pay for these examinations and any reasonable expenses you incur attending them. You must also give us any other information and documentation we may ask for to support your claim.

#### Goods and Services Tax

When we ask, you must provide us with information about the extent (if any) to which you were entitled to claim input tax credits on your premium for Goods and Services Tax purposes.

### 10. Timing and payment

It is important to lodge your claims promptly to avoid being in default under your personal loan.

We usually take up to 10 working days to process a claim, but in some cases we may take longer. In these cases we'll agree reasonable alternative timeframes with you. We'll notify you if your claim is accepted or denied, or if we need further information. You can check on the status of your claim by calling 1300 369 989.

For unfit for work and job loss claims, we'll pay your benefits progressively or in one payment (after the 30 day waiting period has elapsed).

For death claims, we'll pay the benefit in one payment.

**IMPORTANT:** Claim forms are available from any branch of the Bank, by calling us on 1300 369 989 (working days Monday to Friday from 8.45am to 5pm Sydney time) or by visiting [westpac.com.au](http://westpac.com.au) (click on Insurance in the Main Menu and then on Make a Claim).

### 11. Cooling off Period

If within 14 days of receiving the policy schedule you wish to change your mind about this insurance and have not made a claim, you may cancel your policy by writing to us or phoning us (subject to the verification of your identity).

A refund of any premium paid will be sent to you unless you request for your personal loan account or another account you have with the Bank to be credited.

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### 12. About the cost of Personal Loan Protection?

Your premium is calculated based on the term of your personal loan, the amount you have borrowed (excluding the premium), and the current rate of Stamp Duty applicable to consumer credit insurance policies in your state. The premium includes Goods and Services Tax.

The premium is paid to us on your behalf by the Bank. The premium will be included in the amount financed by the Bank under your personal loan and will be taken into account in calculating your monthly repayments.

For example, if a borrower took out a 7 year unsecured personal loan of \$20,000 in NSW, the total premium (including stamp duty) would be \$2,588. This amount would be added to the amount borrowed. If the interest rate on the loan was 13.89%, the total monthly loan repayment would be \$434.66. Without the cover, the total monthly loan repayment would be \$386.26. If there were two joint borrowers insured the total premium would be \$3,882 (\$2,588 + \$2,588 less a 25% discount of \$1,294) and the total monthly loan repayment would be \$458.86. This includes the 25% discount which applies to each premium when joint borrowers take out the insurance.

This example is calculated based on the rates of stamp duty applicable in NSW at the date of this PDS. The example is illustrative only. The figures used should not be relied upon as indicative of the actual premium payable or the actual discount you may receive if joint borrowers insure.

You will be told the amount of the premium when you apply for your personal loan. The amount of the premium is also shown in your policy schedule.

#### Variation of premium

This is a single premium policy and under normal circumstances upon receipt of the total premium shown in your policy schedule you will have no further premium obligations in respect of this policy (however, you must continue to meet the loan repayments when due). The premium payable when you take out your policy is inclusive of taxes, levies or duties which relate to your policy at that date, unless otherwise stated.

However, if the level of taxes, levies or duties is varied or additional taxes, levies or duties are imposed we may require you to pay this additional amount. We will notify you if we require you to pay any further taxes, levies or duties. If these amounts are not paid we may:

- cancel your policy;
- reduce the term of your policy to allow for the amount unpaid;
- reduce the amount of any refund payable to you on early cancellation of your policy by the amount unpaid; or
- reduce the amount of any claim made under your policy by the amount unpaid.

### 13. Policy cancellation

The unfit for work, job loss and death cover components cannot be taken separately so they cannot be cancelled separately.

#### When you can cancel your policy

You can cancel your policy at any time by either:

- advising us in writing, stating your name, address and personal loan account number. This advice must be signed by you; or
- advising us by telephone (subject to the verification of your identity).

#### When your policy is cancelled automatically

Your policy will be cancelled automatically when any of the following occur:

- the period of insurance comes to an end; or
- you pay out your personal loan; or
- we pay out your personal loan; or
- both joint borrowers have taken out the insurance and we pay the death benefit for either you or the other insured borrower on your personal loan.

#### When we can cancel your policy

We can cancel your policy by advising you in writing:

- if there is a default under your personal loan and the Bank is entitled to:
  - make all amounts owing under the personal loan immediately due for payment; or
  - enforce any security for the loan; or
  - commence proceedings to recover any amounts owing under the loan; or
- for any other reason allowed under the law (for example, if you make a fraudulent claim).

If you ask us in writing, we will write back explaining why we cancelled your policy.

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### 14. Refund of premium

If your policy is:

- cancelled by you after the cooling-off period; or
- cancelled by us; or
- cancelled because you pay out your personal loan

before the end of the period of insurance, you will receive a partial refund of your premium. However, no refund of the premium will be given to you if we have paid out your personal loan or if we have paid a death benefit.

If you pay out your personal loan before the end of the period of insurance, the Bank reduces your pay-out figure by the amount of the refund. In other cases where a refund is due to you, you will receive a cheque for the amount of the refund unless you ask for the refund to be credited to an account you hold with the Bank. For example, if your personal loan with the Bank remains in force, you can ask for the refund to be credited to your personal loan.

In calculating any refund, a greater portion of the premium is allocated to the earlier months of the period of insurance, to reflect the higher risk and greater outstanding loan amount during those earlier months, and a lesser portion of the premium to later months when the risk is lower and the outstanding amount is less.

The refund is calculated using the formula:

$$R = P \times S \times \frac{(S + 1)}{T \times (T + 1)}$$

where:

R is the amount of the refund;

P is the amount of your premium (excluding stamp duty where stamp duty rebates are precluded by legislation);

S is the number of whole months in the unexpired portion of the period of insurance; and

T is the number of whole months in the period of insurance.

For example, if the period of insurance is 60 months and the premium was \$2,171 and you cancelled your policy with 33 whole months of cover remaining, the refund is calculated as:

$$\$2,171 \times 33/60 \times 34/61 = \$665.54.$$

### 15. What to do if you have a complaint

If you have a complaint about your policy, our service, the way the policy was sold to you, or the way a claim is handled, here's what you should do.

#### Step 1

Contact one of our Customer Service Officers on

Telephone: 1300 369 989

Facsimile: 1300 786 606 (for claim related issues) or  
1300 786 525 (for any other issues).

Email: [loanprotectionclaims@westpac.com.au](mailto:loanprotectionclaims@westpac.com.au)  
(for claim related issues) or  
[loanprotection@westpac.com.au](mailto:loanprotection@westpac.com.au) (for any other issues).

If they're unable to resolve the matter they'll refer it to their Team Leader or Manager.

#### Step 2

If, after the Team Leader or Manager has investigated the issue, you're still not satisfied, you can contact our Internal Dispute Resolution Officer who will review the matter under our internal dispute resolution process. The Internal Dispute Resolution Officer has the authority to make a decision on complaints.

Contact:

Internal Dispute Resolution Officer  
Westpac General Insurance Limited  
GPO Box 4451  
Sydney NSW 2001

Telephone: 1300 369 989

Facsimile: 1300 786 606 (for claim related issues) or  
1300 786 525 (for any other issues).

Email: [loanprotectionclaims@westpac.com.au](mailto:loanprotectionclaims@westpac.com.au)  
(for claim related issues) or  
[loanprotection@westpac.com.au](mailto:loanprotection@westpac.com.au) (for any other issues).

You will be provided with a response within 15 working days. In cases where further information, assessment or investigation is required we will agree reasonable alternative timeframes.

With both of these steps we'll do our best to resolve your complaint quickly and fairly. We'll keep you informed of the progress.

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### Step 3

If you're still unhappy with our decision, you can contact the

Financial Ombudsman Service Limited

GPO Box 3

Melbourne VIC 3001

Telephone: 1300 780 808

Facsimile: (03) 9613 6399

Email: info@fos.org.au

TIP: If you haven't contacted us first about your complaint, the Financial Ombudsman Service will direct you back to us.

## 16. Your privacy

We and the Bank (the "Parties") will collect, use and disclose your personal information in order to assess your eligibility for the policy, calculate your premium and administer your policy.

You can access most personal information the Parties hold about you. Sometimes there'll be a reason why that's not possible, in which case you'll be told why. If you'd like to find out what sort of personal information the Parties have about you or, make a request for access, please call 132 032.

If you fail to provide any information requested in the application form, or don't agree to any of the possible exchanges or uses detailed below, your application or any subsequent claim may not be accepted by us.

If you don't wish to receive any marketing communication from the Parties about products and services, please call 132 772; write to Westpac Banking Corporation, PO Box 3433, Sydney NSW 2001; or call in at any branch of the Bank.

By applying for Personal Loan Protection, you agree to the following:

- (a) The Parties may exchange with each other any information about you including:
- any information provided by you in the application;
  - any other personal information you provide to any of the Parties or which they otherwise lawfully obtain about you; and
  - details regarding your personal loan, including the balance owing, monthly loan repayments and the status of the account.

- (b) If you make a claim under your policy:
- we will collect further personal information, which may include health information, for the purpose of assessing the claim;
  - it may be necessary for us to disclose that information to third parties such as medical practitioners and claim investigators; and
  - you agree that the necessary collections and disclosures of your personal information will be a condition of making a claim.
- (c) If we engage anyone (a "Service Provider") to do something on our behalf (for example a mailing house or a data processor) then you agree that we and the Service Provider may exchange with each other any information referred to above.
- (d) You agree that the Parties may use your information to; assess your eligibility for the policy, calculate your premium, administer your policy and any claims you may make and for planning, product development and research purposes.

We might give any information referred to above to entities other than the Parties and the Service Providers where it's required by law or where you have otherwise consented.

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### 17. Definitions

To help you with reading this PDS and your policy schedule, here are some definitions for terms that we've used.

**“commencement date”** means the date stated in the policy schedule on which this insurance commences, being the date that we accept your application for the insurance.

**“employment”** or **“employed”** means performing work or services for payment and includes being self-employed, a partner in a business partnership, a full time, part time, contract or seasonal worker, or if you are contracted for a specified period or to perform a specified task.

**“insured person”** means each person named as an insured person in your policy schedule.

**“job loss”** or **“lose your job”** means the termination of your employment by your employer as a result of:

- redundancy;
- shortage of work;
- unsatisfactory work performance;
- misconduct; or
- if you are self-employed or in a business partnership, the business ceasing to trade due to actual or imminent insolvency or business factors beyond your reasonable control and being wound up or placed in the control of an insolvency administrator; or
- if you are in a business partnership, your status as a partner is discontinued without your actual or implied consent, agreement or approval (for example, if you are voted out of the partnership without your consent) and you cease to work in connection with that business.

**“monthly loan repayment”** means your monthly personal loan repayment as stated in the policy schedule.

**“period of insurance”** means the period for which you are covered as stated in the policy schedule.

**“personal loan”** means your personal loan with the Bank described in the policy schedule.

**“policy schedule”** means the document entitled “Policy Schedule” which refers to this PDS and includes your details and details of your personal loan.

**“unfit for work”** means contracting a sickness or disease, or sustaining an injury, that prevents you from carrying out the duties of your usual job and is certified by a medical practitioner.

**“we”, “us”, “our”** means:

- in relation to unfit for work or job loss cover, Westpac General Insurance Limited;
- in relation to death cover, Westpac Life Insurance Services Limited; and
- for all other purposes either or both of Westpac General Insurance Limited and Westpac Life Insurance Services Limited, as the context requires.

**“Westpac Group”** means Westpac Banking Corporation and its related bodies corporate, which include Westpac General Insurance Limited and Westpac Life Insurance Services Limited.

**“you”** means the insured person. If there is more than one insured person, each insured person is deemed to have a separate policy and, in respect of each such policy “you” means the relevant insured person.

**“your”** means belonging or pertaining to you, even if jointly with one or more other persons.

**“30 day waiting period”** means the first 30 consecutive days of any period of job loss or being unfit for work.