

Welcome to CommInsure.



CommInsure



Important information

CommInsure is a registered business name of The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA). CMLA is a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124.

This brochure contains factual information for the information of and use by persons or entities who are wholesale clients as defined by the Corporations Act 2001 and Commonwealth Bank Group employees and advisers only.

The information is not intended to constitute advice and does not take into account a reader's individual objectives, financial situation or needs. Appropriate professional advice should be obtained before making any decision based on the information contained in this brochure. CommInsure accepts no responsibility for any loss occasioned to any person acting or refraining to act as a result of information in this brochure, except to the extent that any liability under any law cannot be excluded.

Group Insurance is issued by CMLA. A Product Disclosure Statement (PDS) describing Group Insurance is available from comminsure.com.au. The PDS should be considered before deciding whether to acquire Group Insurance.

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Why CommInsure?

CommInsure has a strong brand and presence in the wholesale insurance market. We are one of the most financially secure life insurers in Australia and are 100% owned by the Commonwealth Bank.

At CommInsure we have:

- highly competitive underwriting terms and no underwriting premium loadings
- highly competitive Automatic Acceptance Limits
- market leading technology
- enhanced choice of fund solutions
- competitive and sustainable pricing.

We look after our clients and, as a result, we have a high retention of existing business and have developed long-term relationships with our clients.

As Life Insurance Company of the Year 2007¹ CommInsure is a leading provider of group insurance to both the corporate and the superannuation fund markets in Australia. We have been helping to provide financial security to Australian families for many years.

- CommInsure has helped protect the lifestyles of Australians for over 130 years – with a national presence dating back to 1873.
- CommInsure is rated AA with Standard & Poor's².
- CommInsure is the number one wholesale provider of life insurance in Australia³.



¹ 2007 Australian and New Zealand Institute of Insurance and Finance (ANZIIF) Insurance Industry Awards.

² Based on Standard & Poor's insurer financial strength rating at 30 June 2007.

³ No. 1 for group risk inflow and sales according to Plan for Life, media release 15 October 2007.

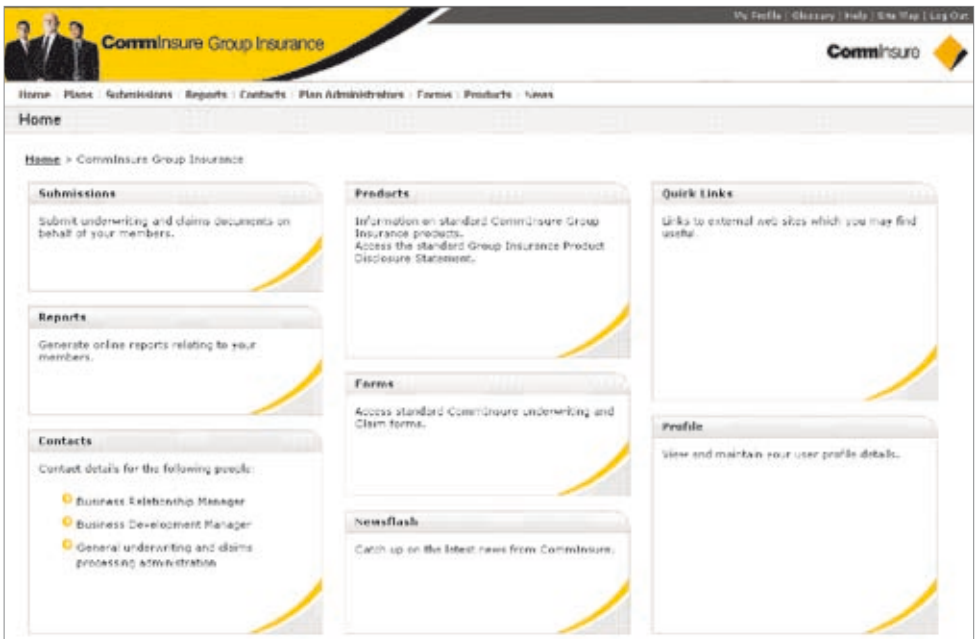
New processing technology

Our market leading group insurance technology solution has been developed in order to make the processing of insurance applications and claims more efficient.

- The technology is an innovative new channel created with the goal of improving client efficiencies by speeding up the transactional process, whilst minimising administration expenses. The advantages this is bringing to our clients are vast and we have received some very positive client feedback.
- The new Group Risk web site has now been launched to the majority of our existing clients.

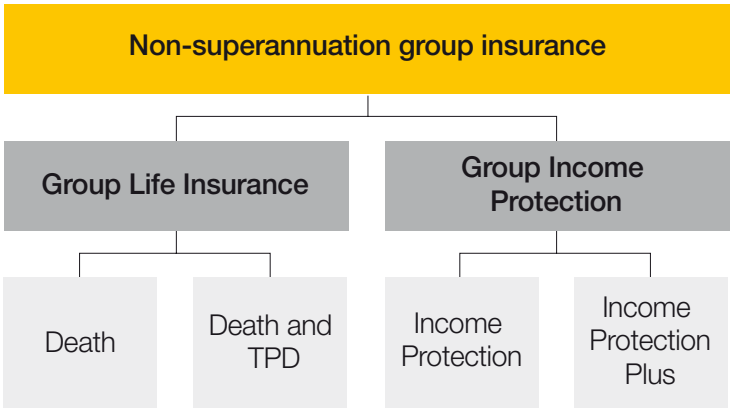
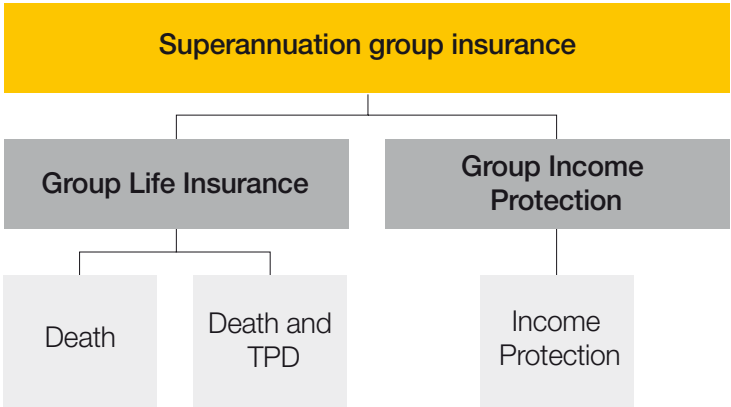
The technology solution allows our clients to:

- submit underwriting applications and claims online
- track the status of member applications and claims
- view product information
- tailor and run their own reports for production and status of both claims and underwriting cases.



Group insurance range

Our goal is to ensure that our products provide practical cover at an affordable price, without sacrificing security or service.



Some of the key features available within our group insurance product range include:

- automatic worldwide cover within the guarantee period for all insured persons
- death and Total & Permanent Disablement (TPD) cover for casuals, contractors and permanent staff to age 70 (maximum entry ages apply)
- increased Automatic Acceptance Limits for plans with more than 500 members and an innovative new two-tiered structure for group life
- expansion of the definition of 'Professional' ('own occupation' definition of TPD) to cover more members
- greater flexibility to tailor your cover – including a new TPD option with no waiting period for specified events
- increased maximum benefit amount of \$30,000 per month on income protection policies with benefit payment periods of two years (tapering applies)
- a death benefit equal to two months' income protection payments under the income protection range
- for non-superannuation Group Income Protection, a benefit equal to two months' income protection payments if a member donates a kidney or liver to another person.

Our group insurance product offering has been designed in association with your feedback and our extensive market research. The key features highlighted will be supported by updated processes and procedures, including short form underwriting, more communication throughout the claims process and a dedicated rehabilitation team to get your members back to work sooner.

You can easily apply to replace your existing policy with the new policy. For more information, please speak with your Business Development Manager.

Group insurance range

Group Life Insurance at a glance		
Benefits	Death	✓
	Terminal illness	✓
	Total & Permanent Disablement	✓
	Death, terminal illness and TPD cover for casual and permanent employees as well as contractors	✓
	Worldwide cover	✓
	Leave without pay cover	✓ max. 12 months
	Interim accident cover	✓
	Continuation option	✓
	Extended cover	✓
	Options	'Top up' accidental death cover
Guaranteed insurability		✓
Automatic variation of cover		✓
Choice of TPD definitions		✓

Group Income Protection range at a glance		Group Income Protection	Group Income Protection Plus
Benefits	Total disability benefit	✓	✓
	Partial disability benefit	✓	✓
	CPI indexation (for benefit payment periods greater than two years)	✓	✓
	Waiver of premium during total disability or partial disability	✓	✓
	Recurrent disability	✓	✓
	Rehabilitation expense	✓	✓
	Leave without pay cover	✓ max. 12 months	✓ max. 12 months
	Continuation option	✓	✓
	Extended cover	✓	✓
	Death benefit	✓	✓
	Donor elected transplant benefit	✓ ¹	✗
	Crisis benefit	✗	✓
	Specific injuries benefit	✗	✓
	Bed confinement benefit	✗	✓
Home care benefit	✗	✓	
Options	Waiting period	14 days, 1 month, 2 months, 3 months, 6 months or 2 years ²	14 days, 1 month, 2 months, 3 months, 6 months or 2 years ²
	Benefit payment period	2 years, 5 years or cover expiry age	2 years, 5 years or cover expiry age
	Automatic variation of cover	✓	✓
	'Any occupation' disability definition	✓	✓
	Super monthly benefit	✓	✓
	Mental illness limitation (for benefit payment periods greater than two years)	✓	✓

1 For non-superannuation Group Income Protection policies only.

2 This waiting period is only available where the client already has a CommInsure Group Income Protection policy with a two year benefit payment period.

Handy hints for quotations

What to remember when requesting a quotation

CommInsure quotations will not normally be provided for:

- groups with less than 200 insured members
- groups where insured membership is voluntary
- groups where the annual premium is less than \$60,000 (subject to change on an ongoing basis).

Each CommInsure group risk quotation is individually priced based on:

- benefits required (i.e. level of cover, benefit formulae, waiting period) and
- characteristics of the plan (e.g. ages, occupations, genders, income, claims history).

The maximum benefits for CommInsure group risk are:

- Death: \$5,000,000
- Total & Permanent Disablement (TPD): \$2,000,000
- Income Protection (IP)
 - Two year benefit period: \$30,000¹
 - Benefit period to age 65: \$20,000¹

Benefit amounts up to \$20,000 are at a maximum of 75% of salary. An additional 10% can be insured subject to it being paid into super.

Between \$20,000 and \$30,000, benefits are generally² calculated at a maximum of 50% of salary. An additional 10% can be insured subject to it being paid into super.

When comparing quotations from other insurance companies, it is important that you compare their benefits and definitions, as well as the cost, with those offered by CommInsure.

¹ Per month (inclusive of superannuation).

² An appropriate level of tapering is considered by CommInsure at quotation, subject to the characteristics of the individual plan arrangement.

Information CommInsure needs to provide a quote

So we can prepare a quote on a competitive and timely basis, we require a plan's member details and claims experience in Microsoft Excel (or compatible) format.

In addition, we require the following information:

1 Company/Group details

- Date quotation required
- Name of plan (company or trustee)
- Industry of the employer
- Total number of employees
- State of registration
- Rate of commission (Group Life and IP)
- Current insurer
- Current Automatic Acceptance Level

2 Member details

- Member name or other identifier
- Date of birth
- Gender
- Occupation
- Salary (if applicable)
- Sum insured (if applicable)
 - Group Life
 - IP
- Category of membership (if applicable)
- State of residence (or percentage split)
- Number of insured members in each of the last five years

3 Plan design details

- Eligibility criteria (for each category if applicable)
 - Membership (compulsory/voluntary)
 - Insurance (compulsory/voluntary)

- Group Life Insurance (if applicable)
 - Death or Death and TPD
 - Benefit formula (e.g. flat sum insured or multiple of salary)
 - Definition of salary
 - Cessation age
- Group Income Protection (if applicable)
 - Salary definition
 - Percentage of salary to be covered (75% maximum)
 - Percentage of superannuation to be covered (if applicable, 10% maximum)
 - Benefit period (two years, five years or to age 65)
 - Waiting period (30, 60, 90, 180 days)
 - Cessation age (ages 60 or 65)
- Confirmation where any of the above has changed in the last five years

4 Claims details

- Claims experience of the plan over the preceding five years including:
 - Claim type (Death, TPD or IP)
 - Claimant's gender
 - Claimant's date of birth
 - Incident date (date of death or disability)
 - Notification date
 - Payment date (if Death or TPD)
 - Claim cause
 - Claim status (pending, closed or denied)
 - Claim amount paid (expected if pending)
 - Monthly benefit (IP claim) (if applicable)

CommInsure quotation process

How does it work?

- 1** Forward quotation details via email to your CommInsure Group Risk Business Development Manager (BDM). Ensure that you have attached all the required information to enable us to provide an accurate quote quickly.
- 2** Your nominated BDM will review the quotation details and if all the required information is attached, they will forward it on to the Pricing team.
- 3** If all the required information is not attached, your BDM will contact you for any additional information. This step will be repeated until all required information is available, to enable us to provide a quote. It is often at this stage that the process is slowed. We need your help to move to the next step.
- 4** If we have been unable to obtain all the required information to provide an accurate quote, we may provide a quote that has either been:
 - inflated in price to cover CommInsure for the additional risk, or
 - issued only with indicative rates, subject to obtaining the required informationor we may decline the quote.
- 5** Once all the required information has been obtained, your nominated BDM will send it to the Pricing team.
- 6** Your BDM will contact you with your quotation.
- 7** Should you require any assistance with this process, please contact your BDM.

Two-tier Automatic Acceptance Limits structure

We offer competitive Automatic Acceptance Limits (AALs) based on size of the group and average cover. We have increased our AALs for plans with more than 500 members and introduced a two-tiered AAL structure. Cover under the higher Additional Automatic Cover (AAC) will be issued without you providing us with any evidence of health, but that cover will not, to the extent it exceeds the AAL, cover pre-existing conditions.

This 'limited' cover will apply until the insured person has completed two consecutive years of active employment. After that, the cover will no longer be limited cover.

Example

Tier one AAL	\$1,000,000
Tier two AAC	\$1,250,000

A superannuation fund with 750 members has the AAC and an AAL shown above.

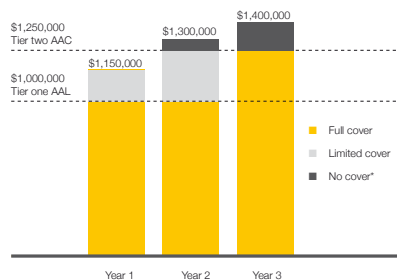
A woman joins the fund at age 29 and has a formula benefit of \$1.15 million. She was diagnosed with a relapsing-remitting form of multiple sclerosis (MS) at age 27.

If this woman died or became totally and permanently disabled (TPD) as a result of her MS during her first year of membership, she would only receive \$1 million. This is because MS would be a pre-existing condition and excluded under limited cover. If she died as a result of a new event (i.e. an accident), she would receive the full \$1.15 million.

In year two, her formula benefit increases to \$1.3 million. Her cover would be capped at the \$1.25 million AAC. (Had she provided satisfactory medical evidence of good

health, the formula would have lifted her cover to \$1.3 million.) Of this cover, she has \$1 million of full cover under the AAL and \$250,000 of limited cover.

In year three, if she died or became TPD as a result of any reason, including MS, she would receive \$1.25 million, as she would have been in active employment for two years and limited cover would no longer apply.



* Cover will only be provided above the AAC amount after successful underwriting.

To qualify for, and maintain, automatic acceptance, all of the following conditions must be satisfied:

- the plan must have clearly defined categories of membership so that an insured person cannot choose the level of cover
- the plan must have a clearly defined method for determining cover for all insured persons
- there must be at least 50 insured persons
- at least 75% of all eligible persons must be covered at all times, and
- for superannuation policies, at least 75% of persons eligible for membership of the superannuation fund must be members of the fund and the fund must be a 'default fund' for the purpose of the Choice of Fund requirements.

Two-tier Automatic Acceptance Limits structure

Frequently asked questions

Following are some questions that may be asked by members/employees.

Am I able to upgrade the limited cover sum insured to full cover in the first two years?

Yes, the limited cover can be upgraded to full cover subject to successful underwriting.

What happens if I am underwritten and declined?

Limited cover for amounts above tier one AAL is provided, up to the tier two AAC. This cover is upgraded to full cover once you have been in active employment for two years.

What happens if I did not know that I have an illness?

Under limited cover, you are only covered for an illness that first becomes apparent, or an injury that first occurs, after your limited cover started.

What happens if I leave my employer/super fund before two years of active employment?

You may be eligible to take up a death only continuation option for the full cover amount (the amount under the AAL).

What is active employment?

Active employment means that you are:

- employed by your employer to carry out identifiable duties
- actually performing these duties

- in our opinion, not restricted by injury, accident or illness from being capable of performing your full and normal duties on a full-time basis (for at least 30 hours per week) even though actual employment can be on a full-time, part-time or casual basis.

What is the tier one AAL?

If the tier one AAL applies, full cover will apply for you up to the tier one AAL without us giving you written acceptance of that cover.

What is the tier two AAC?

If the tier two AAC applies, limited cover will apply for you for amounts exceeding the tier one AAL but less than the tier two AAC, without us giving you written acceptance of that cover. This cover is upgraded to full cover if you complete two years of active employment.

It seems complicated. What are the benefits?

The maximum total cover provided, with no underwriting requirements, increases. Ideal for busy, healthy people with high sums insured.

What if I take a period of leave for disability? Will my required two years of active employment restart?

Yes. You have to be in active employment for two consecutive years in order to be provided full cover up to the tier two AAC.

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