

more
than
money



NAB MORTGAGE *Protect*

Product Disclosure Statement

Issue No. 4

Preparation date: 11 December 2017

This Product Disclosure Statement is issued by:
MLC Limited, ABN 90 000 000 402 AFSL 230694



Throughout this Product Disclosure Statement:

References to:	Are to be read as:
'we', 'us', 'our', 'MLC'	MLC Limited as the insurer and issuer of this insurance.
'you', 'your'	You as both the policy owner(s) and the life/lives insured.
NAB	National Australia Bank Limited
PDS	Product Disclosure Statement

Within this booklet, words that are in bold (such as **pre-existing condition**) have a special meaning and are explained in section 7 definitions.

The full terms and conditions for the insurance product are included in the policy document. Just call us on **13 22 95** and we'll send you a free copy. If you take out this insurance we'll send you a policy document.

Important information

MLC Limited ABN 90 000 000 402 AFSL 230694 (**MLC**) is the insurer and issuer of NAB Mortgage Protect, which has been branded by National Australia Bank Limited ABN 12 004 044 937, AFSL and Australian Credit Licence 230686 (**NAB**). **NAB** is the distributor of NAB Mortgage Protect.

MLC Limited uses the **MLC** brand under licence. MLC Limited is part of the Nippon Life Insurance Group and not a part of the **NAB** Group of Companies. **MLC** is the issuer of this PDS and takes full responsibility for the whole PDS. Your contract is with **MLC**.

The insurance policy is not a deposit with or a liability of **NAB**, or any of its related bodies corporate.

Neither **NAB**, nor its related bodies corporate guarantees or accepts any liability for this product.

Any financial advice in this PDS is general only and has not been prepared having regard to your particular objectives, financial situation or needs. You should read this PDS and consider your personal circumstances before acting on any information or advice in this PDS.

NAB Mortgage Protect is offered only in Australia.

You are not obliged to buy NAB Mortgage Protect and don't need to have NAB Mortgage Protect to be approved for a **NAB home loan** and if you wish you may be able to arrange this type of insurance with a different insurer.

We receive your **premium** and your **benefits** are paid from MLC Limited's Statutory Fund No. 1.

CONTENTS

1. WHY BUY NAB MORTGAGE PROTECT	4
2. HOW IT WORKS	6
2.1 Who can apply	6
2.2 How to apply	6
2.3 Is this the right insurance for you	6
2.4 If you're replacing your existing insurance	6
2.5 What you need to tell us	7
2.6 When does your insurance start	7
2.7 What you'll receive from us each year	7
3. WHAT'S COVERED	8
3.1 Life cover	8
3.2 Disablement cover	10
3.3 Involuntary unemployment cover	12
4. WHAT'S NOT COVERED	14
4.1 When a claim won't be paid	14
4.2 What loan payments won't be covered	16
5. YOUR PREMIUM	17
5.1 How your premium is calculated and charged	17
5.2 Minimum premium	17
5.3 How you pay your premiums	18
5.4 Will premiums change	18
5.5 Commission and other benefits	18
6. MORE INFORMATION YOU NEED TO KNOW	19
6.1 Welcome pack	19
6.2 Cooling off period	19
6.3 Cancelling your policy	19
6.4 When will your insurance end	19
6.5 When two people apply for a loan	20
6.6 Making a claim	20
6.7 Resolving complaints	21
6.8 Product changes	21
6.9 Transfer of ownership	21
6.10 Tax	22
7. DEFINITIONS	23
PRIVACY	30

1. WHY BUY NAB MORTGAGE PROTECT

You've worked hard to buy your home and establish some security for yourself and your family. In fact, for most of us, buying a home is the biggest financial commitment we'll make during our lifetime. But life doesn't always go to plan.

What would happen if you couldn't meet your **loan** commitments because you lost your job, suffered a serious illness or, worst of all, you died? How would you and your family cope if you lost your home?

Money will never make-up for hardship or replace a loved one but it can help you and your family be financially secure if something happens and you're not able to repay your **home loan**.

NAB Mortgage Protect has the following covers:

What's included?	What does it cover?	Payments to help with your loan commitments	For more information about what's covered go to page:	For more information about what's not covered go to page:
life	Death and terminal illness.	A lump sum up to \$1 million.	8	14
disablement	Your inability to work due to injury or illness, such as injury from a car accident.	A monthly benefit for up to 24 months up to: <ul style="list-style-type: none"> • \$10,000 for a loan with principal and interest repayments, or • \$7,500 for a line of credit or a loan with interest only repayments. 	10	14
involuntary unemployment	Involuntary unemployment such as redundancy.	A monthly benefit for up to 6 months up to: <ul style="list-style-type: none"> • \$10,000 for a loan with principal and interest repayments, or • \$7,500 for a line of credit or a loan with interest only repayments. 	12	14

You can apply for NAB Mortgage Protect to match your **loan amount**, up to \$1 million. If you have multiple NAB Mortgage Protect policies the maximum cover per policy is \$1 million and each policy must be for a separate **loan**.

Benefits of NAB Mortgage Protect:

- security of knowing you have help to pay your **loan** if you become **disabled** or **involuntarily unemployed**
- up to \$1 million to **pay out** your **loan** should you die or if you're **terminally ill**, and
- protection for two people, if two people have applied for the **loan** and have also applied for this insurance.

NAB Mortgage Protect also offers:

- a simple application process with no medical examinations, and
- peace of mind if you're overseas and you become **disabled** or die.

Getting to know your insurance

To make this insurance cover more affordable, there are specific exclusions and defined terms that apply to this cover. It's important that you read the entire PDS carefully for full details of what is covered and what is not covered. If you'd like a free copy of the policy document, please call us on **13 22 95**.

If you have any questions about the contents of this PDS or this product please contact us on **13 22 65**. You may also wish to consult with your financial or your medical adviser.

2. HOW IT WORKS

2.1 Who can apply

You can apply for NAB Mortgage Protect if you:

- are aged 18 to 59
- are applying personally or in a capacity as an individual trustee of a trust fund
- received this PDS in Australia, and
- are living in Australia at the time of this insurance application.

2.2 How to apply

You can apply for NAB Mortgage Protect by simply completing and submitting the application form and we'll do the rest.

2.3 Is this the right insurance for you

Not all insurances with the same name provide the same benefits. For example, different insurances provided by different companies may cover different illnesses. Or the illnesses may need to be at a different stage of advancement for you to receive payment.

Decide what you want the insurance to do for you. Then read the PDS carefully from cover to cover so you understand what the insurance includes and check if it meets your needs. If it doesn't, you could be financially disadvantaged if you need to make a claim.

We also recommend you talk with a qualified financial adviser.

This insurance is designed to cover your **home loan**.
This PDS is designed to help you decide if this insurance suits you.
For more information, talk to your banker, mortgage broker or financial adviser, or call us on **13 22 95**.

2.4 If you're replacing your existing insurance

It's a good idea to compare your existing insurance with the information in this PDS to make sure you don't lose any important **benefits**.

One risk you need to manage is to make sure you don't cancel your existing policy before your new insurance is in place otherwise you may not be insured if something happens.

Another risk is that any **pre-existing conditions** that you may have developed before the **start date** of this insurance will be excluded from life and **disablement** cover under this insurance.

2.5 What you need to tell us

For this product you're required to answer the questions we ask you truthfully and completely. If you do not do this, it may impact your insurance policy or any claim you make on the policy.

2.6 When does your insurance start

If we accept your application before the **settlement date**, your insurance will start on the **settlement date**:

- for a **home loan**, this is the first date **NAB** lends you any part of the **loan**. For a **line of credit**, this is the date the **credit limit** is attached to your **loan account** and is available for you to draw on
- if your **home loan** is (or includes) a building **loan**, the **settlement date** will not occur until **NAB** makes the first progress payment for the building unless you're also borrowing to buy the property or get another advance prior to that. In this case your **settlement date** is when **NAB** lends you any part of the **loan**.

If you apply for NAB Mortgage Protect after the **settlement date**, the insurance will start on the day your application is accepted by us.

The **start date** of your insurance will be confirmed in your **policy schedule**.

2.7 What you'll receive from us each year

You'll receive a new **policy schedule** each year to replace the previous one. Each **policy schedule** will set out your **benefit** details, reflecting any changes to your **loan amount** and the **premiums** you'll need to pay.

3. WHAT'S COVERED

3.1 Life cover

Helps you **pay out** your **loan** if you die or are diagnosed with a **terminal illness**.

Benefits of life cover:

- security knowing a lump sum will be paid to help **pay out** the **loan**
- 100% of the life **benefit** or the **loan amount**, whichever is higher, will be paid if you die or are diagnosed with a **terminal illness**. Your life **benefit** amount is set out in your **policy schedule**
- your life **benefit** amount will automatically adjust to your **loan amount** each year
- if the life **benefit** amount is higher than the **loan amount**, the difference will be paid to you or your estate
- if the **loan amount** is greater than the life **benefit** amount in the **policy schedule**, the **loan amount** will be **paid out** up to \$1 million. This could be the case if you increase your **loan amount** after the **policy schedule** was issued, and
- any **disablement** or **involuntary unemployment benefits** you receive does not affect your life **benefit**.

Life cover also provides cover should you die anywhere in the world – we'll pay a lump sum (up to \$1 million) to your **loan account** so your family has one less thing to worry about.

How benefits are calculated and paid

For a **line of credit** your life **benefit** is equal to your **credit limit**.

For a **home loan** your life **benefit** is equal to your **loan amount** when your **policy schedule** is issued and will be set out in your **policy schedule** each year.

Your life **benefit** is calculated differently for different types of **loans**:

Home loan type:	Benefit payable:
principal and interest repayments or interest only repayments	Your loan amount will always be paid out up to \$1 million. If your loan amount is less than the life benefit stated on your policy schedule , the loan amount will be paid to the loan account and the difference will be paid to you or your estate.
line of credit	Your line of credit will be paid out up to the credit limit up to \$1 million, even if you owe less. If your loan amount is less than the life benefit stated on your policy schedule , the loan amount will be paid into the loan account and the difference will be paid to you or your estate.

Example

Jane takes out a **home loan** with **principal and interest repayments** for \$350,000 and NAB Mortgage Protect. She's killed in a car accident a few years later and her estate makes a claim. The life **benefit** amount on the **policy schedule** is \$284,626 but the **loan amount** is only \$264,582. In this example \$264,582 is paid into the **loan account** and \$20,044 is paid to Jane's estate.

Example

Jack takes out a **home loan** with an initial **interest only period** for \$400,000 and NAB Mortgage Protect. He's killed in a climbing accident a few years later and his estate makes a claim. The life **benefit** amount on the **policy schedule** is \$400,000. The policy covers the total **loan amount** of \$400,000.

Example

Barry takes out a **home loan** with a **line of credit** for \$350,000 and NAB Mortgage Protect. He dies of a heart attack a few years later and his estate makes a claim. The life **benefit** amount on the **policy schedule** is \$350,000 but the **loan amount** is \$236,582. In this example \$236,582 is paid into the **loan account** and \$113,418 to Barry's estate.

These examples are illustrative only, and any **benefits** you receive would be subject to your claim being accepted by us.

3.2 Disablement cover

Helps you meet your monthly **loan** commitments for up to 24 months if you're **disabled**.

Benefits of disablement cover:

- security knowing you have help with your **loan** if you become **disabled**
- **benefits** are paid into your **loan account** on a monthly basis in arrears
- provided you're **disabled** for more than 30 days, the **benefit** will be calculated and payable monthly from the start of the **disablement**
- you can make as many **disablement** claims as you need during the life of the policy
- each claim has a maximum period of 24 months
- if you're **disabled** because of more than one **disability** condition during a 24 month period, we'll pay only one **disablement benefit** for that period, and
- your **premiums** will be refunded to you while you receive **benefits**.

Gain peace of mind anywhere in the world – if you are overseas at the time of **disablement**, we'll pay the **disablement benefit** whilst you remain **disabled** for a period of up to six months.

If you remain **disabled** and return to Australia we'll pay the **disablement benefit** whilst you remain **disabled** for up to 24 months, taking into account any **benefits** paid to you in respect of the period whilst you were overseas.

How benefits are calculated and paid

If you're **disabled**, the **benefits** payable are calculated differently for different types of **home loans**.

Home loan type:	Benefit payable:
principal and interest repayment	You get a monthly benefit to cover principal and interest repayments up to \$10,000.
line of credit	You get a monthly benefit equal to 0.75% of your life benefit , up to \$7,500.
interest only	<p>If you have a home loan in an interest only period at the start of the period of cover, you get a monthly benefit equal to 0.75% of your life benefit up to \$7,500 (the interest only benefit).</p> <p>If your home loan changes from having interest only repayments to principal and interest repayments during the period of the cover, you get a monthly benefit equal to the higher of:</p> <ul style="list-style-type: none">• the interest only benefit, and• the amount of your principal and interest repayment up to \$10,000. <p>If the benefit is more than the interest only repayments due, the difference will be paid to you.</p>

We'll continue to pay the **benefit** while you're **disabled** for up to 24 months, unless your insurance ends earlier. For more detail about when your insurance ends, refer to section 6.4 of this PDS.

Example:

Michael has NAB Mortgage Protect. His current **principal and interest repayments** are \$3,000 each month and his **premium** is paid from a **NAB** transaction account. On 1 July he has a serious accident, becomes **disabled** and makes a claim. Michael remains **disabled** beyond 30 days, so the **benefit** is calculated from the date of **disablement** which in this case is 1 July. The first monthly **benefit** payment will be paid to Michael's **loan account** in arrears on 31 July and his **principal and interest repayments** are covered by his insurance until he's able to return to work on 16 November. This example is shown in the table below. He also receives a refund for his **premiums** while he's **disabled**.

Benefit period:	Benefits paid:
1 Jul	Michael has a serious accident and becomes disabled .
1-31 Jul	As Michael has remained disabled for more than 30 days, \$3,000 is paid to the loan account and the premium paid for this period is refunded.
1-31 Aug	\$3,000 paid to the loan account and the premium paid for this period is refunded.
1-30 Sept	\$3,000 paid to the loan account and the premium paid for this period is refunded.
1-31 Oct	\$3,000 paid to the loan account and the premium paid for this period is refunded.
1-15 Nov	\$1,500 paid to the loan account and the premium paid for this period is refunded.

This example is illustrative only, and any **benefits** you receive would be subject to your claim being accepted by us.

Recurring disablement

If, within six months of a previous period of **disablement** ending, you suffer a recurrence of the same or a related sickness or injury, the original **disability** will be treated as continuing and the same **disability benefits** will recommence from the date the **disablement** recurs.

3.3 Involuntary unemployment cover

Helps you pay your **loan** for up to 6 months if you're unemployed due to circumstances beyond your control.

Benefits of involuntary unemployment cover:

- provides the security of knowing you have help with your **loan** if you become **involuntarily unemployed**

- **benefits** are paid into your **loan account** on a monthly basis in arrears
- provided you meet the definition of **involuntary unemployment** and you're **involuntarily unemployed** for more than 30 days, the **benefit** will be calculated and payable from the start of the **involuntary unemployment**
- we'll pay one **involuntary unemployment benefit** at a time, and **benefits** will be paid for up to 6 months each time
- each person insured can make one claim a year and up to three claims over the life of your policy, and
- your **premiums** will be refunded to you while you receive **benefits**.

How benefits are calculated and paid

If you're **involuntarily unemployed**, **benefits** payable are calculated differently for different types of **home loans**.

Home loan type:	Benefit payable:
principal and interest repayments	You get a monthly benefit to cover principal and interest repayments up to \$10,000.
line of credit	You get a monthly benefit equal to 0.75% of your life benefit , up to \$7,500.
interest only repayments	<p>If you have a home loan in an interest only period at the start of the period of cover, you get a monthly benefit equal to 0.75% of your life benefit up to \$7,500 (the interest only benefit).</p> <p>If your home loan changes from having interest only repayments to principal and interest repayments during the period of the cover, you get a monthly benefit equal to the higher of:</p> <ul style="list-style-type: none">• the interest only benefit, and• the amount of your principal and interest repayment up to \$10,000. <p>If the benefit is more than the interest only repayment due, the difference will be paid to you.</p>

We'll continue to pay the **benefit** while you're **involuntarily unemployed** for up to 6 months, unless your insurance ends.

You'll receive **benefits** in the same way as the example of Michael on page 12.

4. WHAT'S NOT COVERED

4.1 When a claim won't be paid

There are some instances when a claim will not be paid, as detailed in the table below. The exclusion to each type of cover is indicated with a (x) in the applicable column. We have exclusions to help keep this insurance more affordable for you.

Exclusions	Insurance cover		
	Life	Disablement	Involuntary unemployment
A pre-existing condition , refer page 26.	x	x	
Any sickness, disease or symptoms contracted within the first 30 days of the start date of your insurance.		x	
Any sickness, disease or symptoms contracted within the first 30 days of the effective date of a loan increase , on the increased portion of the loan .		x	
A period of disablement or involuntary unemployment that is less than 30 days.		x	x
Intentional self-inflicted injury or illness.		x	
Written or verbal notification of impending unemployment received before the start date or within 30 days of the start date of your insurance.			x
Written or verbal notification of impending unemployment received before the effective date or within 30 days of the effective date of a loan increase on the increased portion of the loan .			x
Your fixed term contract, seasonal or casual work ending.			x
Choosing to end your employment.			x
Your position automatically ceasing under a partnership agreement or law.			x
Unemployment due to industrial action.			x
Unemployment due to normal and uncomplicated pregnancy or childbirth.			x
Becoming unemployed when employed by your family .			x
Your business temporarily ceasing to trade if you're self-employed or in a business partnership except where caused by natural disaster.			x
Engaging in professional racing of any kind except foot racing.		x	
Suicide or attempted suicide within 13 months of the start date of your insurance.	x		
Suicide or attempted suicide within 13 months from the effective date of a loan increase , on the increased portion of the loan .	x		
Being under the influence of alcohol or drugs.	x	x	x
Involvement in criminal activity.	x	x	x
War or warlike operations.		x	

5. YOUR PREMIUM

4.2 What loan payments won't be covered

NAB Mortgage Protect won't cover:

- any amount you owe under a **home loan** or **line of credit** (including interest) that has been in arrears for more than two months before the claim date
- any accumulated interest exceeding two months before the claim date, and
- any part of the **loan balance** resulting from **economic costs**, penalty interest charges and statutory charges on the **loan**.

If you'd like a copy of the current **premium** rates, you can call us on **13 22 95**. These rates are indicative only and are subject to change. We'll confirm what your actual **premium** is after your annual review in your **policy schedule** each year. If you have any other questions regarding your **premium**, please call us.

5.1 How your premium is calculated and charged

Your **premium** is calculated based on your:

- life **benefit**
- **disability benefit**
- **involuntary unemployment benefit**
- age (**premium** rates generally increase as you get older), and
- gender.

This information is used to calculate your initial **premium**.

A new **premium** is calculated on each **policy anniversary**.

If two people are insured, the **premium** will be the sum of the **premium** amounts for each person insured.

Your **premium** will be confirmed in your **policy schedule**.

5.2 Minimum premium

The minimum annual **premium** for this insurance is \$150.

Your insurance will continue while your **loan account** remains open, even when your **loan amount** is equal to zero, or your account is in credit unless you tell us that you don't want to continue with the insurance or your policy otherwise ends. In these circumstances the minimum **premium** of \$150 will be charged annually.

Continuation of your insurance means you're covered if you redraw on your **loan** at any time. This may benefit you if you develop any health conditions after the **start date** of your insurance. If you cancel your insurance and start a new insurance when you redraw on your **loan**, any **pre-existing conditions** that you may develop before the **start date** of the new insurance will be excluded from life cover and **disablement** cover insurance.

If you wish to cancel your insurance when your **loan amount** is equal to zero or your **loan** has a credit, please call us on **13 22 95**. If two people are insured the request must come from both insured people.

6. MORE INFORMATION YOU NEED TO KNOW

5.3 How you pay your premiums

You can choose to pay your **premiums** annually or monthly, by credit card or from your nominated **NAB** transaction account.

If you haven't paid your **premium** within 30 days from the date it is due, you'll receive a letter reminding you to do so. You then have a further 30 days to pay any outstanding **premiums**. If you don't pay your outstanding **premiums**, your insurance will end.

5.4 Will premiums change

Your **premiums** will be adjusted on each **policy anniversary** taking into account any changes to your life **benefit, disability benefit, involuntary unemployment benefit**, and your age.

We may also make changes to the **premium** rates which could increase or decrease your **premium** payments. Whilst we work hard to keep your insurance affordable, there are factors that may change your **premium** rates such as increased rates of claims, increased business costs or improved **benefits** or discounts offered.

Individuals aren't singled out for **premium** rate changes. You'll be contacted about any changes at least 30 days before they take effect. Most **premium** changes are implemented on the next **policy anniversary** following the change, unless we notify you.

We may also pass on to you any costs incurred in implementing government legislation, or fees charged by third parties.

5.5 Commission and other benefits

A commission of twenty percent (20%) of your first year's **premium** (excluding government charges) is paid to **NAB**. The commission payable is included in the **premium** you pay for the insurance.

MLC will pay a distribution allowance to a related body corporate of **NAB**, National Wealth Management Services Limited in respect of the distribution of **MLC's** insurance products. This payment will depend in part on the value of **MLC's** insurance portfolio relating to insurance distributed through **NAB** and its related bodies corporate and the performance of **NAB** and its related bodies corporate against agreed annual performance criteria.

6.1 Welcome pack

You'll receive a welcome pack containing everything you need to know about your policy including the **policy schedule** and the policy document. Your policy document and current **policy schedule** will be your insurance contract with **MLC**. Please keep these documents safe for any future claims.

6.2 Cooling off period

If you cancel your policy within 30 days of the **start date**, we'll refund any **premiums** already paid unless you've made a claim under the contract.

If you cancel at any other time we'll refund the unused portion of your **premium** on a pro-rata basis.

6.3 Cancelling your policy

You can cancel your policy at any time by calling **13 22 95**. If two people are insured the request must come from both people.

The policy will be cancelled from the date we receive the advice.

6.4 When will your insurance end

Your policy ends when:

- you cancel your policy
- the **loan account** is closed
- the **premiums** aren't paid within 60 days of the due date
- you reach your **policy anniversary** after your 65th birthday. Where two people are insured and the other person is younger than 65, the policy will continue to cover that person until they reach their **policy anniversary** following their 65th birthday
- a life **benefit** under the policy is paid
- you make a fraudulent claim, or
- you die.

6.5 When two people apply for a loan

If two or more people apply for a **loan**, the insurance can only cover two of them and one **benefit** is payable to the **loan account** at any one time. The table below shows how this works.

Type of cover:	Two people are insured and:
life	<ul style="list-style-type: none">one of you dies, we'll pay the life benefit up to \$1 million to your loan and the insurance will end.you both die, we'll pay one life benefit up to \$1 million to your loan and the insurance will end.
disablement and involuntary unemployment	<ul style="list-style-type: none">one of you becomes disabled or involuntarily unemployed, we'll make monthly repayments to your loan account.if both of you become disabled or involuntarily unemployed at the same time, we'll pay just one benefit into your loan account as a monthly payment. <p>We'll only pay one benefit at a time. If you're receiving a benefit and one of you dies, we'll pay your life benefit and the insurance will end.</p>

If two or more people apply for the **loan** and only one person applies for insurance, **benefits** are only payable to the person insured.

6.6 Making a claim

Call us on **1300 125 246 (1300 1 CLAIM)**, Monday to Friday between 8.30am and 5.30pm (AEST/AEDT), to find out what you need to do.

If you need to make a claim let us know as soon as possible so we can start working on your claim. Any delay could make it difficult for us to assess your claim and this could potentially impact your **benefit**. This doesn't apply if you aren't legally capable of providing information about the claim during that time.

Your **benefit** is paid directly to your **loan account**.

If the life **benefit** is more than the outstanding **loan amount**, the difference will be paid to you or your estate.

6.7 Resolving complaints

In many cases, we can resolve your complaint. Please contact us on **13 22 95** to discuss your concerns and we'll work with you to resolve the complaint quickly.

If you're unhappy with the resolution of your complaint, you can ask for it to be reviewed by MLC Life Insurance Resolve. This team will ensure your complaint is reviewed and provide you with the outcome in writing. This will include the reasons for our decision. You can request a review of your complaint by:

- calling** **13 22 95**, or
- writing to** The Complaints Manager
MLC Life Insurance Resolve
GPO Box 4341
Melbourne VIC 3001

We're allowed up to 45 days to respond to your complaint. If the complaint will take longer to resolve we'll let you know and tell you the reasons for any delay. We'll also keep you updated on the progress of your complaint.

If you're unhappy with the final outcome of your complaint, you have the right to lodge a dispute with an external dispute resolution body. Contact them by:

- writing to** Financial Ombudsman Service Australia
GPO Box 3
Melbourne VIC 3001
- calling** **1800 367 287** (free call) or international callers +61 3 9613 7366 (charges apply)
- faxing** 03 9613 6399, or
- emailing** info@fos.org.au

For more information go to **fos.org.au**

6.8 Product changes

The information in this PDS may change from time to time. We'll write to let you know about any changes we make that are materially adverse. Information about any other changes will be available online at **nab.com.au/protect**. You can also call us on **13 22 95** and we'll send you a free copy of the information.

6.9 Transfer of ownership

We don't allow any transfer or assignment of ownership of your insurance.

7. DEFINITIONS

6.10 Tax

If you're the **policy owner** of this type of insurance, generally the **premium** is not tax deductible and **benefits** paid under the policy are not assessable.

The information is of a general nature only, and we recommend that you seek professional advice regarding your own taxation position. In addition, you may obtain information from the Australian Taxation Office at ato.gov.au

Key terms explained

To help you read this PDS we have listed some key definitions for terms we've used throughout the PDS.

You can find the specific details about the insurance terms and conditions in the NAB Mortgage Protect policy document. You'll receive a copy of the policy document in your welcome pack or you can call us on **13 22 95** and we'll send you a copy.

'balance owing'

means for a **loan account**, at any time, the difference between all amounts debited and credited to that account at that time. When this amount is to be calculated for the end of day, it includes all debits and credits assigned to that day.

'benefit'

means the amount(s) shown in your current **policy schedule** for which we insure you.

'credit limit'

means the maximum amount of credit funds **NAB** agrees to make available for a **line of credit loan**.

'disablement'

the definition of disablement varies according to your employment status.

If you're **gainfully employed** for at least 15 hours per week and have been so employed on a continuous basis for six months or more immediately prior to the date of your disablement, then you'll be assessed as disabled if:

- as a result of injury or sickness, you're unable to continuously and totally carry out all the normal duties of your usual occupation, and
- you're not engaged in any **gainful employment**.

If you're unemployed or not **gainfully employed** for at least 15 hours per week, or have not been so employed on a continuous basis for six months or more immediately prior to the date of your disablement, then you'll be assessed as disabled if, as a result of injury or sickness, you:

- (a) are continuously and totally unable to do any two or more of the following groups of activities of daily living without physical help from someone else:
 - bathing or showering
 - dressing
 - moving from place to place, into and out of bed, and into and out of a chair

- eating and drinking
- using the toilet, or

(b) have severe cognitive impairment (with a score of 15 or less out of 30 in a **mini mental state examination**) which leads to the need for continuous supervision to protect yourself or other people.

The disablement must be as a result of you sustaining accidental bodily injury, sickness or disease, which is certified by a **registered medical practitioner** and confirmed by **MLC's** medical adviser.

Your disablement must be regularly confirmed by a **registered medical practitioner** and you must not be engaged in any **gainful employment**.

(‘**disability**’ and ‘**disabled**’ have corresponding meanings)

‘**economic costs**’ (or **break costs**)

means a fee which may be payable if the borrower makes certain changes such as switching the **loan** from a fixed to variable rate or fully paying out the **loan** prior to the expiry of the fixed rate period. Economic cost is the lender’s estimated loss resulting from the change.

‘**employed by your family**’

means employed by an employer which is not a listed public company, or a related body corporate of a listed company, and in which an immediate family member of yours is, or was, either:

- a director, majority shareholder or partner of the employer, or
- in control of the employer.

‘**gainfully employed**’

means being in active employment for remuneration, payment or profit.

(‘**gainful employment**’ has a corresponding meaning)

‘**home loan**’

means a credit facility which **NAB** provides for a specified **loan** term, and which **NAB** refers to as a home loan.

‘**interest only repayments**’

means repayments comprising only interest, payable for a **home loan** during an **interest only period**.

‘**interest only period**’

means an agreed period during which **interest only repayments** are payable for a **home loan**.

‘**involuntary unemployment**’

means a period during which you’re not working and are actively seeking employment, and are registered with Centrelink or other Government approved job placement agencies as a job seeker or otherwise actively seeking work, commencing on the date of registration and continuing during such period as you’re not working for earnings, payment or profit. The unemployment must be a result of one of the following events:

- the termination of your **gainful employment** by your employer
- being made redundant from your **gainful employment** by your employer
- if you’re **self-employed** or a partner in a business partnership, the business ceasing trading permanently 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
- if you’re **self-employed** or a partner in a business partnership, the business ceases trading temporarily for reasons outside your control for natural disasters including floods, storms, fires, lightning, earthquakes and tsunamis or otherwise declared as a natural disaster by a relevant government body (and in such case, you do not need to be actively seeking employment or registered with Centrelink or other approved agency as a job seeker), or
- if you’re a partner in a business partnership, your status as a partner is discontinued without your actual or implied consent, agreement or approval (for example, against your consent you’re forced out of the partnership) and you cease to work with that business.

(‘**involuntarily unemployed**’ has a corresponding meaning)

‘**line of credit**’

means a credit facility that **NAB** provides through a **loan account** which has a **credit limit**.

‘**loan**’

means **home loan** or **line of credit**.

‘**loan account**’

means the account used by **NAB** to record transactions in relation to the **loan**.

‘**loan amount**’

means the **total owing**.

‘loan increase’

means:

- for a **home loan** - an additional advance of funds, increasing the amount of credit originally advanced (but doesn't include additional funds obtained through redraw)
- for a **line of credit** - an increase to the **credit limit**.

‘mini mental state examination’

means the Mini Mental State Examination (MMSE) test which samples various functions including arithmetic, memory and orientation to assess cognition.

‘MLC’

means MLC Limited ABN 90 000 000 402 AFSL 230694.

‘NAB’

means National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686.

‘pay out’ (in relation to a loan)

means to pay the **total owing**. Pay out amount excludes arrears more than two months or there are **economic costs**, such as extra break costs for paying out a fixed interest **loan**.

(‘paid out’ has a corresponding meaning)

‘policy anniversary’

means each anniversary of the **start date** of the policy.

‘policy owner’

means the person or persons named in your current **policy schedule** as the policy owner.

‘policy schedule’

means the policy schedule issued for this insurance. This is issued to you on the **start date** of your insurance and on each **policy anniversary**. It sets out details of the insurance such as the name(s) of the insured person(s), details of the **benefits**, the **premium** payable and the **loan amount**.

‘pre-existing condition’

means injury, illness, condition or symptom that you:

- (a) were aware of, or a reasonable person in your position should have been aware of, and
- (b) have, or should have, sought advice or treatment from a **registered medical practitioner** or other health professional for (in circumstances where a reasonable person in your position would have sought advice or treatment)

in the 12 months prior to your policy **start date** or, for a **loan increase**, in the 12 months prior to the date of the **loan increase**.

For example, if you had a shoulder injury within the 12 months prior to the policy **start date**, you will not be covered under the policy for that shoulder injury or any death, illness or injury related to that shoulder injury.

Accidental injuries that happen after the application date for this insurance, or **loan increase**, for the increased portion of the **loan**, are not considered as pre-existing for the purpose of assessing **disablement** cover.

‘premium’

means the money paid to us (or owed to us) for the insurance we provide under this policy.

‘principal and interest repayment(s)’

means the regular minimum principal and interest amount you need to pay **NAB** set out in your **home loan** contract.

‘registered medical practitioner’

means a registered and qualified medical practitioner and includes a specialist medical practitioner who is recognised and qualified to provide a diagnosis as a specialist, who is not the insured person or spouse of, or related to, the insured person.

‘self-employed’

means when you're employed by yourself, or an employer, which is not a listed public company or a related body corporate of a listed public company, and you're, or were, either:

- a director, majority shareholder
- a partner of the employer, or
- in control of the employer.

(‘self-employment’ has a corresponding meaning)

‘settlement date’

means:

- for a **home loan** the first date we lend you any part of the **loan**, or
- for a **line of credit** the date the **credit limit** is attached to your **loan account** and is available for you to draw on.

‘specialist’

means a **registered medical practitioner** who is an appropriate specialist in a relevant medical field.

‘start date’

means the day the insurance begins as shown in the **policy schedule**.

‘terminal illness’

means any illness that, even with appropriate medical treatment, in the opinion of the treating **specialist**, and where required, a further medical opinion from a **specialist** approved by us, is likely to lead to death within a period that ends no more than 24 months from the date we are notified in writing by the approved doctor.

‘total owing’

means the total of the **balance owing** at any time, plus all accrued interest charges, default interest charges and other amounts which you must pay under your **loan** contract but which have not been debited to an account at that time.

This page has been left blank intentionally.

PRIVACY

We collect your personal information from you directly wherever we can, but in some cases we may collect it from third parties such as your adviser, your employer or medical professionals or medical facilities. We do this to determine your eligibility for, and to administer your insurance. If personal information is not provided, we may not be able to provide you with the insurance cover available through this product or administer it appropriately. Government regulations require some information to be collected including company and tax laws.

We may disclose your personal information to third parties including our parent company Nippon Life Insurance Company, those involved in managing or administering any aspect of your product, and to National Australia Bank Limited and its related bodies corporate who either distribute or are involved in the administration and maintenance of our life insurance products. For more information refer to **mlcinsurance.com.au/privacy-notification**

We may also need to disclose your information with organisations outside Australia. We may use your personal information to contact you about products and for marketing activities. You can let us know, at any time, if you no longer wish to receive these direct marketing offers by contacting us.

More information about how we collect, use, disclose and handle your personal information, how you can access, correct your personal information and how you can make a complaint about a privacy issue is in our Privacy Policy which is available at **mlcinsurance.com.au/privacy-notification** or by contacting us on **13 22 95** (Hearing impaired customers can call TTY 13 36 77).

This page has been left blank intentionally.

For more information call us on

13 22 95

from anywhere in Australia.

8am – 6pm (AEST/AEDT)

Monday to Friday

visit **nab.com.au**

or ask at your local NAB branch

MLC Limited postal address:

PO Box 200

North Sydney NSW 2059



Hearing impaired people with
telephone typewriters can
contact us on **1300 363 647**