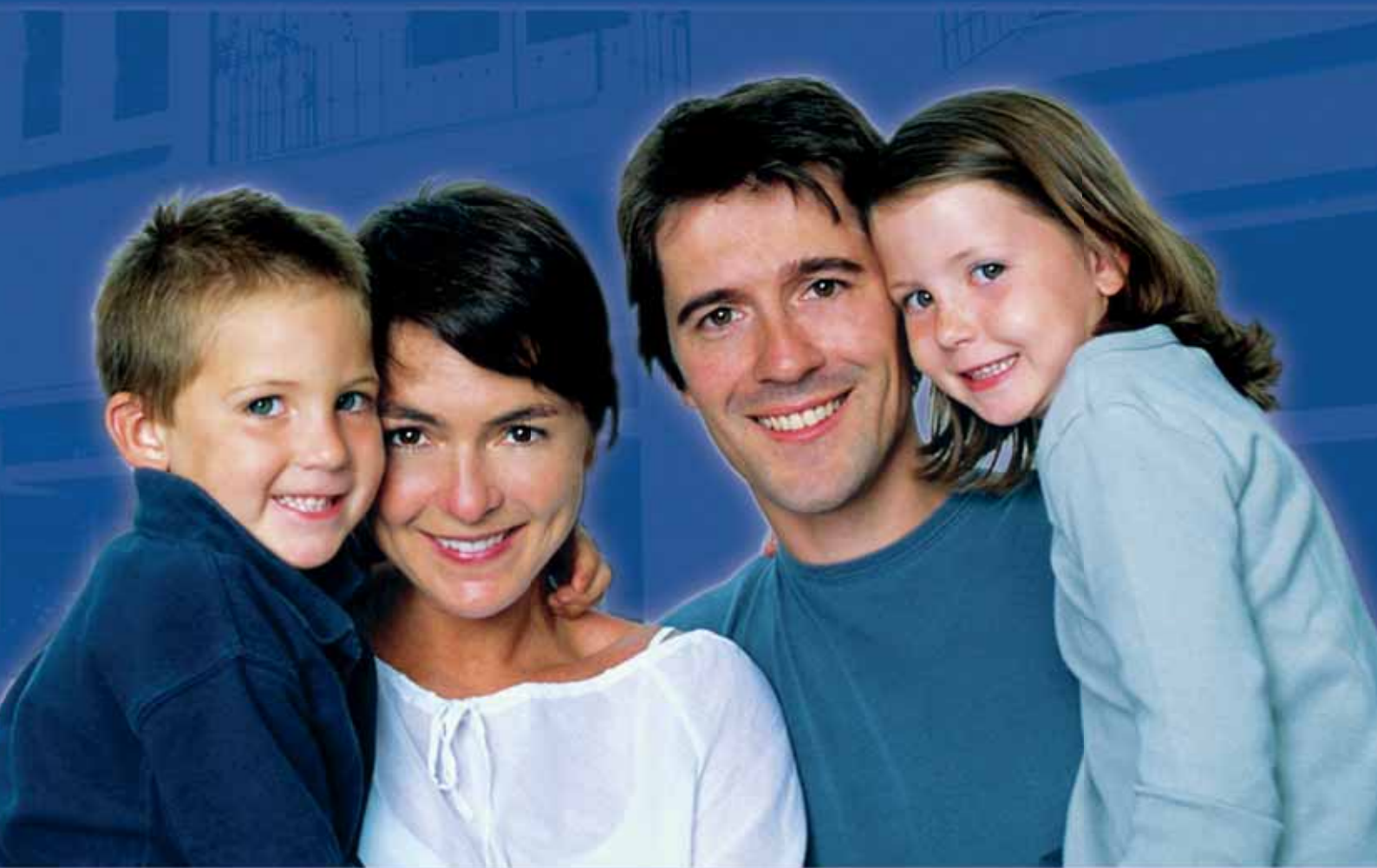


LOAN PROTECTION PLAN



Convenient protection for your mortgage

SHORT FORM PRODUCT DISCLOSURE STATEMENT

Issue Date: 1st November 2008

Issued by:



TOWER

Distributed by:

ALI Group

ABOUT TOWER

Loan Protection Plan is issued by TOWER Australia Limited (ABN 70 050 109 450) (AFSL 237 848). We are responsible to you as our customer for meeting the terms and conditions of the policy including the payment of benefits.

TOWER is a leading provider of life insurance and investment solutions to Australians. We have a strong customer focus with the objective of delivering flexible products which are competitive in the benefits and customer value they provide.

TOWER has been named Money Management's *Runner Up - Risk Company of the Year 2008*. This follows consecutive years of being Money Management's Risk Company of the Year (2007 and 2006), demonstrating our ongoing commitment to excellence in life insurance.

ABOUT AUSTRALIAN LIFE INSURANCE

Loan Protection Plan is distributed by Australian Life Insurance Distribution Pty Ltd (ABN 31 103 157 811) (AFSL 226 403) and your loan consultant as their authorised representative.

Australian Life Insurance is a specialist risk insurance business that is committed to providing people with convenient and timely access to insurance protection. For the customers of their affiliated loan consultants this is usually when they are buying a home or investment property.

Australian Life Insurance is focused on providing quality products with a simple, understandable offer that allows customers to make an informed decision on their need for protection. **In order to do this, your loan consultant will not provide you with advice in respect of the product or your insurance needs.**

LOAN PROTECTION PLAN

PROTECTION FOR YOUR MORTGAGE

Loan Protection Plan provides financial assistance in the event of death, terminal illness or any one of 11 serious medical conditions. The benefit can be used for any purpose including paying off or reducing your loan balance.

3 MONTHS FREE COVER – CONSIDER YOUR NEEDS

A feature of Loan Protection Plan is that the first 3 months of cover is **absolutely free**. In addition to the valuable cost saving, this means that you can apply now and then carefully consider your need for this cover before ever having to pay any premiums. You can of course cancel it at anytime within the 3 month free cover period and it will not cost you anything.

SIMPLE TO APPLY

Once you have decided you want to protect your mortgage all you need do is complete the short application form. It is a simple process that only takes 10 minutes and:

- there are no medical examinations.
- you can obtain cover even where you have previously suffered from a serious illness or injury.
- you can adjust your level of cover to suit your needs and budget.

BENEFITS

A benefit is payable upon the occurrence of any of the events covered by the policy. All benefits are payable as a lump sum and are subject to any applicable exclusions (see page 6).

DEATH BENEFIT

This benefit is paid upon the death of the insured person. The benefit payable will be the amount of the *death benefit* that applies at that time. Upon payment of a death benefit your cover will end and no further benefits will be payable.

TERMINAL ILLNESS BENEFIT

This benefit is paid if the insured person suffers a terminal illness. This occurs when in our opinion the insured person is terminally ill or injured and as a result has a life expectancy of less than 12 months. The amount of the terminal illness benefit is always the same as the death benefit at the time when the terminal illness occurs. As this benefit brings forward the payment of the death benefit, payment of a terminal illness benefit will bring your cover to an end and no further benefits will be payable.

LIVING BENEFIT

This benefit is paid if the insured person is diagnosed with any one of 11 specified serious medical conditions. The benefit payable will be the amount of the *living benefit* that applies at that time.

The living benefit is a once only benefit so that once it has been paid your insurance will no longer provide this benefit. Where a living benefit is paid the death benefit and terminal illness benefits will be reduced by the amount we paid.

The insured conditions covered are:

- Alzheimer's disease - dementia
- Cancer
- Coronary artery bypass surgery
- Heart attack
- Kidney failure
- Loss of independent existence
- Paralysis
- Severe burns
- Stroke
- Total loss of hearing
- Total loss of sight

The full definition of each insured condition is contained in the full PDS.

COVER TO AGE 99

As long as your policy remains in-force, cover is provided for death or terminal illness that occurs up to the anniversary date immediately after the insured person's 99th birthday. The living benefit is only available for conditions suffered up to the anniversary date after the insured person's 65th birthday.

DETERMINING YOUR BENEFIT AMOUNTS

DEATH AND TERMINAL ILLNESS BENEFITS

The amount of your death and terminal illness benefits at the start of your cover will be equal to the total amount of the loan obtained or being applied for, rounded up to the next \$10,000. This is subject to a minimum and maximum amount, so that for loans of less than \$50,000 the benefit will be \$50,000. For loans in excess of \$500,000, the benefit will be capped at \$500,000.

The maximum allowable total of “death benefit” amounts for an insured person under all Loan Protection Plan insurances is \$500,000 (calculated when this cover commences).

Where the loan application is to increase an existing loan, the benefit will be based on the full amount of the loan and not just the increase.

LIVING BENEFIT

The amount of your living benefit at the start of your cover will always be equal to 30% of the death and terminal illness benefit, even where you request a change to your death and terminal illness benefits at the time of applying.

CHANGING THE BENEFIT AMOUNTS

At the time of applying you may request your benefit amounts to be changed. You can do this by requesting your death and terminal illness benefits to be reduced by an amount of your choosing to a minimum of \$50,000. Alternatively you can request it to be increased by up to 25%, to a maximum of \$500,000. The amount requested will be rounded up to the nearest \$10,000.

The amount of the living benefit will automatically be changed and will be equal to 30% of the death and terminal illness benefit requested.

You can always request us to vary any of your benefit amounts after cover has commenced, although we will need to agree to the change.

INDEXATION INCREASES

We will automatically increase the amount of all of your benefits each year on the policy anniversary by reference to the increase in the Consumer Price Index (CPI). The amount of the increase in your benefits will be at least 3% and where the CPI exceeds 10%, the increase may be capped at 10%.

You may decline an automatic increase in any year or tell us that you do not want us to increase your benefits in this way.

EXCLUSIONS

STANDARD EXCLUSIONS

For most people there are only a small number of exclusions that apply to their cover. These relate to conditions that were self inflicted, conditions existing at the commencement of cover and certain conditions occurring in the first 3 months of cover.

This means that a benefit will not be paid:

- **(All Benefits)** for death, terminal illness or an insured condition that first occurred prior to the commencement of the cover.
- **(Death & Terminal Illness Benefits)** if the event giving rise to death or terminal illness is caused by the insured person's own hand within 13 months of the commencement (or reinstatement) of the policy.
- **(Living Benefits)** if the event giving rise to the insured condition is caused by an intentional act of the insured person or any other owner of the insurance.
- **(Living Benefits)** if the insured condition of cancer, coronary artery bypass surgery, heart attack or stroke first occurs before three months after the commencement of the cover.

To claim a benefit the illness, injury or medical procedure will need to meet the respective definition of the condition being claimed, including the required level of severity. Should there be an increase in your benefits (other than an indexation increase) or a reinstatement of your cover, some exclusions will also apply and these are set out in the full PDS.

PRE-EXISTING EXCLUSIONS

Your cover may be subject to a further exclusion depending on your medical history at the commencement date. There are 2 types of exclusions, both of which may apply to your cover.

The form of the exclusion differs a little depending on which exclusion applies, but in general terms it will exclude death, terminal illness or an insured condition which is caused or contributed to by:

- the medical condition that caused the exclusion to apply; or
- any complications arising from the treatment received in connection with that medical condition.

In some situations, the exclusion may also exclude death, terminal illness or an insured condition that is caused or contributed to by other related or specified medical conditions and their treatment.

The exclusions and how they apply are set out in full on page 10. Importantly, where there are joint applicants the exclusion will only apply to the cover on the person who caused the exclusion to apply.

OTHER IMPORTANT INFORMATION

ELIGIBILITY

To be eligible to apply, you as the person to be insured must:

- be an applicant for a loan (or loan increase) taken by your loan consultant in the last 12 months or nominated by a company that is a borrower on that loan application as a person associated with the company.
- be no younger than 18 and no older than 59.
- not be the “insured person” under two or more Loan Protection Plan insurances where at the time of the acceptance of your application, the total of the “death benefit” amounts under all of those insurances is greater than \$500,000.

We may at our discretion choose to waive any of these eligibility requirements as we see fit.

COVER FOR 2 PERSONS

Cover can be obtained for a second person with the cover for each person operating independently (although the premium will be paid jointly so that only one payment is made).

To be the second insured person you will be required to meet all of the eligibility requirements, except where you are a spouse or partner of the first insured person you will not need to be a borrower or a person nominated by the corporate borrower. Additionally the benefit amounts applying to each person need not be the same.

OWNERSHIP AND PAYMENT OF BENEFITS

Where you only obtain cover on your own life you will usually be entitled to all benefits as the owner of the insurance. You will also be responsible for making sure that the premiums are paid.

There are only two exceptions to benefit payments being paid to you as owner and both relate to the payment of a death benefit. Where you are the only owner as well as the insured person who has died, the death benefit will be payable to your estate. If you are a joint owner as well as the insured person who has died, the benefit will be paid to the surviving owner(s).

Where cover has been obtained on the life of two persons, both of you will jointly own these insurances. If you wish to be the sole owner of the cover on your life you should apply on separate applications.

COOLING OFF PERIOD

Cover is provided free for the first 3 months of the insurance so if you do not want the cover you may cancel it at anytime during the first 3 months and we will not ask you for any premium. All you need to do is write to us within 3 months of commencement and request us to cancel the cover.

PREMIUMS

3 Months Free Cover – monthly premium payments commence at the beginning of the fourth month of cover.

Premium Payments – payable in advance by equal monthly instalments. Pay by MasterCard, Visa or American Express or by automatic debit from your bank, building society or credit union account.

Calculation of Premiums – determined by the amount of your death and living benefits and your age, gender and smoking status.

Your premium is calculated at the start of your cover and then each year on the anniversary date and when there is a change to any of your benefit amounts. This is done by multiplying the premium rates applicable to you by each \$100,000 (or part thereof) of the amount of both your death and living benefits. A monthly policy fee is also payable as part of your premium.

The premium rates and policy fee used to calculate your premium at the start of the cover are set out on page 12.

Failure to pay premiums – if premiums are not paid when due we will cancel your cover. We will give you a grace period of at least 28 days in which to pay the overdue amount.

Premium Rate Variations – the premium rates and/or the policy fee may change where we give you advance notice and the change applies to all policies obtained under this version of the Product Disclosure Statement. Irrespective of any such change, the policy fee will increase each year by either 3% or the percentage increase in the CPI (whichever is the greater).

Government Charges – currently you will not have to pay any duties or charges in addition to the premiums. In the future we may ask you to pay to us any government duty, tax, excise or charge that is payable in connection with your cover.

TERMINATION

Loan Protection Plan is guaranteed renewable to age 99 (for death and terminal illness benefits) and age 65 (for living benefit) unless it has ended earlier because:

- the insured person has died.
- the terminal illness benefit has been paid.
- the death benefit has been reduced to zero following the payment of a living benefit.
- we cancel your policy because you have not paid your premium or you have not met the eligibility requirements.
- you cancel the policy.

RELATIONSHIP TO LOAN

Loan Protection Plan provides insurance cover only, has no investment component and operates independently to your loan. This optional cover does not end when the loan is paid off and the benefits are paid to you and not the lender.

TAXATION

Under current taxation laws premiums for your cover will not usually be tax deductible and the benefit payments will not usually be treated as assessable income. This position may differ where this cover is obtained by a business. *You should seek professional tax advice to determine the correct treatment of premiums and benefits.*

CONTACTING US AND CLAIMS

Contact our Customer Service Centre if you have any questions about the product or if you wish to change anything on your policy or make a complaint. All instructions must be made in writing to us. You should always notify us of a claim as soon as possible.

COMPLAINTS

You should always contact our Customer Service Centre first if you have a complaint and we will try to resolve it for you. If we cannot resolve it you may then raise it directly with the Financial Ombudsman Service (also known as FOS) at GPO Box 3, Melbourne VIC 3001 or telephone 1300 780 808 (toll free).

FOS is an independent complaints resolution scheme established to provide free advice and assistance to consumers.

HOW TO APPLY

- You will need to complete an application form for this product and provide it to your loan consultant.
- It is essential that you answer any questions in the application honestly.
- You can only use an application form that corresponds to the date of either this document or the full PDS.
- Cover will only begin when we tell you that we have accepted your application.
- Upon acceptance we will provide you with our standard policy conditions and a policy schedule that sets out the details specific to your cover. These are the terms and conditions of your cover.

A copy of the full Product Disclosure Statement for this product can be obtained by contacting our Customer Service Centre.

PRE-EXISTING EXCLUSIONS

WHEN DOES THE TYPE A EXCLUSION APPLY?

A Type A exclusion will apply, if at the commencement date you had suffered from, or had sought or intended to seek advice or treatment from a health professional for any of the conditions contained in the following paragraphs:

- (a) Diabetes (excluding diabetes only during pregnancy), chest pain, heart condition, stroke or circulatory condition (excluding controlled high blood pressure);
- (b) Cancer, leukaemia, lymphoma or melanoma (excluding other skin cancer);
- (c) Any chronic condition of the kidney;
- (d) Any chronic condition of the bladder;
- (e) Any chronic condition of the liver (including hepatitis);
- (f) Any chronic lung condition (excluding controlled asthma);
- (g) Paralysis;
- (h) Multiple sclerosis or other nervous system condition;
- (i) Serious mental condition (including schizophrenia, bi-polar disorder, psychosis, Post Traumatic Stress Disorder, drug or alcohol dependency, suicide attempt or major depressive disorder);
- (j) Any sight impairment (excluding long or short sightedness corrected by glasses or contact lenses);
- (k) Any hearing impairment; or
- (l) A blood condition including (but not limited to) HIV or AIDS.

Where any of these conditions apply to you (in the circumstances set out above), the **excluded conditions** are all of those conditions contained in the paragraph which included that condition. Where multiple conditions apply, this exclusion may extend to one or more of the paragraphs.

Example: If at the commencement date you had previously suffered from cancer, then all of the conditions referred to in paragraph (b) will be **excluded conditions**. If you had also previously suffered from a major depressive disorder, then all of the conditions referred to in paragraphs (b) and (i) will be **excluded conditions**.

WHAT IS THE TYPE A EXCLUSION?

Where a Type A exclusion applies, no benefit will be payable for any insured event which is in any way (directly or indirectly) caused or contributed to by:

- any of the excluded conditions; or
- any complications arising from the treatment that you receive in connection with any of those excluded conditions.

Example: If at the commencement date you had previously suffered from any of the conditions in paragraph (b) (e.g. cancer), then all the conditions referred to in paragraph (b) are excluded from the cover provided. This means that no benefit will be paid which is in any way (directly or indirectly) caused or contributed to by the conditions of cancer, leukaemia, lymphoma and melanoma (excluding other skin cancers) or any complications arising from their treatment.

WHEN DOES THE TYPE B EXCLUSION APPLY?

A Type B exclusion will apply, if at the commencement date two or more of your natural parents, brothers or sisters had been diagnosed before the age of 55 with:

- bowel cancer (all insured persons); or
- breast cancer or ovarian cancer (for female insured persons only)

WHAT IS THE TYPE B EXCLUSION?

Where the Type B exclusion applies, no benefit will be payable for any insured event which is in any way (directly or indirectly) caused or contributed to by:

- a cancer; or
- any complications arising from the treatment that you receive in connection with a cancer.

Example: If at the commencement date both of your parents had previously been diagnosed with bowel cancer before the age of 55, then no benefit will be paid which is in any way (directly or indirectly) caused or contributed to by a cancer or any complications arising from the treatment of the cancer.

DEFINITIONS

controlled means regulated by medication or treatment and the condition does not restrict your lifestyle.

chronic means the condition is recurrent, has lasted more than one month or requires ongoing prescribed medication or treatment.

serious mental condition includes the conditions listed, and describes any mental condition that required hospitalisation treatment. It does not include mild stress, depression or anxiety that is well managed by medication and/or counselling only.

PROTECTION OF YOUR PRIVACY

As your insurer, we are committed to protecting and maintaining the privacy, accuracy and security of our customers' personal information. If you have any questions about your personal information or wish to obtain a copy of our Privacy Policy please call us.

COLLECTING PERSONAL INFORMATION

We collect personal information from our customers so that we can:

- assess the application for insurance.
- provide a premium quote.
- issue and administer the insurance.
- assess claims under the insurance.
- improve our insurance products.
- provide customers with information on our products and services.

By applying for this insurance you and any other insured person will be consenting to the collection, use and disclosure of the personal information set out in this statement. If we are not provided with this information we will not be able to provide this insurance.

In most instances, we collect your personal information from you when you complete an application form or personal statement, but we may also collect information from you which you provide over the telephone or internet.

In some situations, we may also collect your personal information from a third party, such as your loan consultant, financial planner or adviser, health professional, accountant or another organisation with whom we have an arrangement for the promotion and sale of products offered or distributed by us.

DISCLOSURE OF PERSONAL INFORMATION

We will not without your consent disclose your personal information to any person outside our company other than:

- anyone to whom we outsource tasks or who do something on our behalf. This includes our administrators and the licensed distributor of this insurance.
- medical practitioners, reinsurers, legal advisers and claims investigators.
- other insurers to which the insurance policy has been transferred.
- where the disclosure is required (or allowed) by law.

All persons engaged to do something on our behalf will be required to ensure that our privacy requirements are met when using this information. Importantly they will only be permitted to use the information to perform tasks which we have asked them.

PRODUCT AND MARKETING MATERIAL

We would like to be able to contact you or send you information about our special offers and other products and services that we offer. We may choose to do this through a licensed distributor. If you do not wish to receive this information please call our Customer Service Centre on 1800 006 776.

RIGHT TO ACCESS – CONTACTING US

You may access your personal information that we hold by calling our Customer Service Centre. We may charge you for providing access to your information. If any of your personal information is not accurate, complete or up-to-date, you may be able to have the information corrected.

PREMIUMS

To calculate your monthly premium at the start of your cover, multiply the premium rate applicable to you by each \$100,000 of the death benefit. Then add the policy fee (see below).

Monthly premium rates per \$100,000 Death Benefit and \$30,000 Living Benefit				
Current Age	Male Non-Smoker	Male Smoker	Female Non-Smoker	Female Smoker
18 to 20	12.74	19.97	8.83	12.11
21	12.89	20.24	8.98	12.33
22	13.04	20.54	9.15	12.56
23	13.22	20.84	9.33	12.81
24	13.39	21.17	9.50	13.11
25	13.59	21.54	9.78	13.48
26	13.79	21.94	10.05	13.93
27	14.02	22.39	10.35	14.41
28	14.24	22.89	10.68	14.93
29	14.49	23.47	11.00	15.48
30	14.74	24.09	11.38	16.13
31	15.02	24.79	11.70	16.73
32	15.32	25.52	12.03	17.33
33	15.72	26.42	12.43	18.01
34	16.24	27.57	13.01	18.88
35	16.72	29.03	13.98	20.42
36	17.19	30.67	14.83	21.98
37	17.67	32.63	15.78	23.58
38	18.65	34.99	16.82	25.43
39	19.89	37.95	18.04	27.64
40	21.28	41.11	19.14	29.58
41	22.69	44.62	20.33	31.76
42	24.24	48.36	21.56	33.97
43	26.28	53.38	23.20	36.75
44	29.01	59.77	25.24	40.27
45	31.73	66.06	27.06	43.47
46	34.66	72.24	29.18	46.88
47	37.98	79.14	31.39	50.32
48	42.40	88.27	34.13	54.65
49	47.97	99.88	37.48	59.93
50	53.73	111.70	40.66	64.73
51	59.14	122.22	43.73	69.15
52	65.26	133.43	47.00	73.82
53	73.83	149.05	51.87	80.84
54	84.97	168.81	58.60	90.58
55	95.31	185.45	64.82	98.94
56	105.03	199.10	69.68	104.77
57	115.83	213.48	74.84	110.81
58	128.37	229.80	81.10	117.78
59	143.23	249.55	88.38	126.11

Policy Fee: For policies with a commencement date **before** 1 January 2010 - \$5 per month. The fee will increase after this time by a minimum of 3% p.a. (see page 8). Where it is increased, the monthly fee will be rounded up to the next five cents.

This application form relates to the Loan Protection Plan Product Disclosure Statement and the Short Form Product Disclosure Statement, both dated 01/11/08.

ELIGIBILITY

You must be able to meet the eligibility requirements on page 7:

- be between age 18 and 59.
- be a borrower on a loan application or their spouse/partner.

The cover operates independently to the loan and is available for up to 2 persons.

Person(s) to be insured:

Person 1

Title Surname

--	--

Given Name(s)

--

Person 2

Title Surname

--	--

Given Name(s)

--

BENEFIT LEVELS

Amount of loan

\$	
----	--

**Death & Terminal
Illness Benefit**

A	\$	
---	----	--

- Amount of the loan rounded up to the next \$10,000, subject to a minimum of \$50,000 and a maximum of \$500,000.

Living Benefit

\$	
----	--

- 30% of Death Benefit.

BENEFITS

Loan Protection Plan provides financial assistance in the event of a serious medical condition or death. The benefit can be used for any purpose including paying off or reducing your loan balance.

• Death & Terminal Illness Benefits

Protection for:

- Death
- Terminal Illness (12 months life expectancy)

• Living Benefit

The 11 conditions covered are:

- Alzheimer's disease/dementia
- Cancer*
- Coronary artery bypass surgery*
- Heart attack*
- Kidney failure
- Loss of independent existence
- Paralysis
- Severe burns
- Stroke*
- Total loss of hearing
- Total loss of sight

**a 3 month waiting period applies.*

OWNERSHIP

The owner of the protection is:

- entitled to the proceeds of any claim.
- responsible for paying premiums.

One Person Covered: That person will also be the owner.

Two Persons Covered: The cover will operate separately but both applicants will jointly own the protection.

Use separate applications if each wish to be sole owner of the protection on their own life.

PREMIUMS

	Person 1	Person 2	Example
Date of Birth (dd/mm/yy)	<input type="text" value="/ /"/>	<input type="text" value="/ /"/>	
Age	<input type="text"/>	<input type="text"/>	<input type="text" value="38"/>
Gender	<input type="checkbox"/> M <input type="checkbox"/> F	<input type="checkbox"/> M <input type="checkbox"/> F	<input checked="" type="checkbox"/> M <input type="checkbox"/> F
Smoking Status <i>Tick "no" only if no tobacco or any other substance has been smoked in the last 12 months.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Death & Terminal Illness Benefit	A <input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$ 270,000"/>
Divide A by 100,000	B <input type="text"/>	<input type="text"/>	<input type="text" value="2.7 (\$270,000 ÷ 100,000)"/>
Monthly premium rates (see page 12)	C <input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$ 18.65"/>
Multiply B by C	D <input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$ 50.35 (2.7 x \$18.65)"/>
Monthly policy fee for Person 1	<input type="text" value="\$5.00"/>	<input type="text" value="Nil"/>	<input type="text" value="\$5.00"/>
Your monthly premium (add the policy fee to D)	<input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$ 55.35 (\$50.35 + \$5)"/>
Combined monthly premium (Add monthly premium for Persons 1 and 2)	<input type="text" value="\$"/>		

PRODUCT FLEXIBILITY

- 3 month premium free period (while you have the cover) to consider protection needs further.
- Tailor protection to suit benefit and premium requirements by varying the benefit levels of the various benefits now or after the insurance has started.
- Cancel anytime without penalty.
- Contact ALI with any questions or changes.

CHANGE TO BENEFIT AMOUNTS

Complete this section only if you wish to change the benefit amounts to apply from the commencement of your cover.

You may request the Death and Terminal Illness Benefit (A) to be:

- reduced (minimum of \$50,000).
- increased by up to 25% (maximum of \$500,000).

Amount requested to be rounded up to the nearest \$10,000.

Person 1

Person 2

Revised Death Benefit (where requested)

The Living Benefit will automatically be set at 30% of the revised Death & Terminal Illness Benefits. (To further change the Living Benefit, contact ALI after commencement).

Revised Monthly Premium

Combined Monthly Premium

* \$5 monthly policy fee to be included

SELECT YOUR METHOD OF PAYMENT

ALI will send you a letter after 2 months to remind you that premiums commence after the 3rd month.

Please complete either Credit Card or Direct Debit details below.

Credit Card

I authorise TOWER Australia Ltd to charge any amounts which become payable in relation to Loan Protection Plan as follows:

Type of Credit Card (tick one):

American Express MasterCard Visa

Card Number

Name on Card

Expiry Date /

Signature of Cardholder

Name

Date / /

OR

Direct Debit Request

(Bank, Building Society or Credit Union)

I request TOWER Australia Ltd (User ID 316540) to arrange for any amounts which become payable in relation to Loan Protection Plan to be debited from my account as follows:

Account Name

Name of Financial Institution

BSB

-

Account No.

I acknowledge that this request is governed by the terms of the Direct Debit Service Agreement which is on page 13 of the Short Form Product Disclosure Statement.

Signatory 1 to Account

Signatory 2 to Account

Date / /

Date / /

Important: Please note that direct debiting is not available on all accounts. If in doubt please contact your financial institution.

EXCLUSIONS

- Suicide/self inflicted within 13 months excluded (**Death & Terminal Illness**).
- Self inflicted insured events excluded (**Living Benefit**).
- Death, terminal illness or insured conditions existing at commencement excluded (or in first 3 months for 4 insured conditions).
- Further exclusions may apply for prior conditions or adverse family history.

(Refer to page 6 and the full PDS for further details)

YOUR DECLARATION

I agree and acknowledge that:

- I wish to apply for Loan Protection Plan and acknowledge that cover does not commence until this application has been accepted by TOWER Australia Ltd.
- I have received a Financial Services Guide and Short Form Product Disclosure Statement for Loan Protection Plan dated 1/11/2008.
- I acknowledge that:
 - the information I have provided in this application is true and correct;
 - I have met the eligibility requirements for this product; and
 - I am aware of the exclusions that apply to this cover (see page 6).
- I have not been given any advice by my loan consultant regarding my decision to apply and I understand that in not obtaining advice the product may not be appropriate to my actual financial circumstances, personal needs and objectives.
- My decision to apply is based solely on the information provided to me in the Short Form Product Disclosure Statement.
- I consent to the collection, use and disclosure of my personal information in the manner set out in the "Protection of Your Privacy" information provided on page 11.

Signature Person 1

Date / /

Signature Person 2

Date / /

COVER COMMENCES WHEN YOU ARE NOTIFIED OF ACCEPTANCE

CUSTOMER COMMITMENT

During free period:

- **Read materials**
- **Consider protection carefully**

DIRECT DEBIT SERVICE AGREEMENT

AUTHORISATION:

By providing us with the Direct Debit Request, you have authorised us to arrange for funds to be debited from your account for the purpose of paying the premiums on a life insurance policy issued by us. The authorisation will be on the terms set out in this agreement.

We will draw the premium from your account each month on the premium due date. We will not issue a billing notification prior to initiating a drawing.

The amount of the premium may vary and we will not notify you of this variation unless we are required to do so under the Policy Document.

We will only draw from your account those amounts that you have authorised under the Direct Debit Request and except in the circumstances permitted by the Policy Document we will not change the amount or frequency of drawing arrangements, without your prior approval. Importantly, you will not be able to vary the amount or frequency of the premium that will be debited to your account.

We may change the terms of this agreement without your consent. If we do, we will tell you 14 days prior to the change.

DRAWING ARRANGEMENTS:

Where the premium due date falls on a non business day, we will draw the premium on the next business day.

We will not draw an amount from your account other than the full premium due. In the event that the drawing is dishonoured by your financial institution, we may (in our discretion) make further attempts to draw the amount from your account after we receive notice of the dishonour.

We reserve the right to cancel the authorisation if three or more drawings are returned unpaid by your financial institution.

We will keep all information relating to your account confidential and will only use the information for purposes connected with this agreement and the insurance. However, our financial institution may also require this information to be provided in connection with a claim made on it relating to an alleged incorrect or wrongful debit. Our Privacy Policy will apply to this information and if you wish to obtain a copy please call us.

YOUR RIGHTS:

By giving written notice to us at least 14 days prior to the premium due date (either directly or through your financial institution):

- you may cancel the authorisation; or
- you may stop a drawing being made from the account.

If you believe that there has been an error in debiting your account you should take the matter up with us or lodge a Direct Debit Claim through your financial institution. If we can not resolve the matter to your satisfaction you may also contact your financial institution. If we conclude that your account has been incorrectly debited we will arrange for this to be corrected.

YOUR RESPONSIBILITIES:

It is your responsibility to:

- ensure that direct debiting is available on your account and that the account details you have given us are correct.
- ensure that sufficient funds are available in the account to meet the drawing on each premium due date. If there are insufficient funds and the payment is dishonoured then you will be responsible for any fee charged by the financial institution to your account. You will also be responsible for any fee that is incurred by us and we are authorised to recover this from your account.
- ensure that the person or persons who have given us the authorisation to draw on the account are permitted to do so under the account signing instruction held by your financial institution.
- advise us if the account is transferred or closed.
- arrange for a suitable alternate payment method if you wish to cancel the authorisation.
- check your account statement to verify that the amounts debited are correct.
- pay any fees or charges made to your account by your financial institution in connection with the drawings made on your account.

CHANGE OF INSURER:

If we cease to be the “insurer” of the life insurance product as a result of the insurance being transferred to another registered life insurer, then in order for premium payments to continue, the authorities provided to us under this Direct Debit Request will be transferred to the new insurer without the need for your consent.

CONTACT DETAILS:

If you wish to contact us about any matter connected with this agreement please call 1800 006 776, email service@aligroup.com.au or write to: Customer Relations Officer, Loan Protection Plan, GPO Box 4737, Sydney NSW 2001.

INTERPRETATION:

“**we**” or “**us**” means TOWER Australia Limited (ABN 70 050 109 450) or any subsequent insurer of the life insurance product.

“**you**” means the person or persons who provided us with the Direct Debit Request.

“**account**” means the account you have authorised us to directly debit with the premium payments on the life insurance policy issued by us.

“**policy document**” means the policy document for Loan Protection Plan.

“**premium**” means the amount of premium payable in accordance with the policy document.

For any information on Loan Protection Plan call
1800 006 776

ABOUT THIS SHORT FORM PRODUCT DISCLOSURE STATEMENT

This Short Form PDS provides you with information on the features of Loan Protection Plan and you should consider its contents carefully before deciding whether to apply. For further information you can obtain the full PDS for this product simply by contacting our Customer Service Centre.

The information in this document is current at the date of issue. You will be notified of any changes as required by consumer protection laws.

ALWAYS CONSIDER YOUR CIRCUMSTANCES

The information that we have provided in this document does not take into account your financial situation or your personal needs and objectives.

We recommend that before you make any decision about the product based solely on this information, you should consider whether the insurance is suitable to you and your individual circumstances.

If you are unsure, you should seek the assistance of an independent financial adviser.

Loan Protection Plan is issued by TOWER Australia Limited (ABN 70 050 109 450) (AFSL 237 848) of 80 Alfred Street, Milsons Point NSW 2061 and distributed by Australian Life Insurance Distribution Pty Ltd (AFSL 226 403) and its authorised representatives.

Customer Service Centre

Phone: 1800 006 776

Fax: (02) 8224 2599

Email: service@aligroup.com.au

Postal address: GPO Box 4737 Sydney NSW 2001