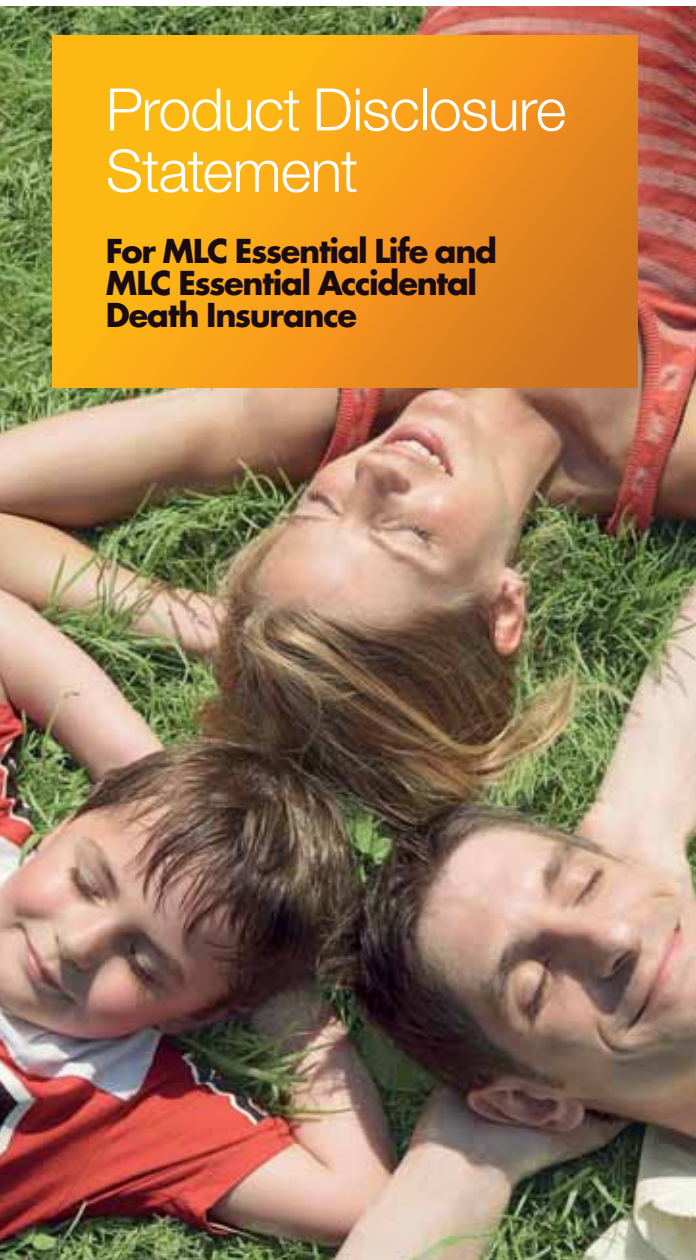


Product Disclosure Statement

**For MLC Essential Life and
MLC Essential Accidental
Death Insurance**



Why MLC Essential Life

Life's busy and it often seems there's hardly any time to plan for the future.

While the benefits of life insurance may seem obvious, let's face it, most of us would rather spend time and money on more enjoyable things.

But did you know 60% of Australian families with dependants will run out of money within a year without the main breadwinner?

So by spending time now making your future a little more secure, you could make a huge difference to your family in the long term.

The MLC Essential Life solution

MLC Essential Life is affordable life insurance, including Terminal Illness cover, with Australia's number one life insurer.

With no medical examinations and up to \$1 million cover, insurance has never been so effortless.

Here are just some of the benefits you'll receive through MLC Essential Life:

- Hassle-free application with no medical examinations, just straightforward questions
- Immediate cover
- Up to \$1 million insurance to protect your family when you can't
- 100% of the death benefit payable on diagnosis of Terminal Illness
- Advance payment of \$10,000 on death
- Insurance can continue up to age 75
- Automatic annual increases in insurance in line with inflation, and
- Insurance all day, every day anywhere in the world.

Why MLC is the right choice

More Australians choose MLC for insurance than anyone else.

With over 120 years experience protecting Australians' wealth, it's no surprise we provide more personal insurance to Australians than any other company.

In 2009, we were voted Life Insurance Company of the Year at the Australia and New Zealand Insurance Industry Awards for the fourth time in six years.

Our claims processing is also market leading, so you can be sure your claim will be handled efficiently and professionally.



Things to consider about life insurance

How much insurance do you need?

The amount of insurance is a very personal choice, so you'll need to consider a range of factors including your:

- family commitments
- savings and investment plans
- financial commitments
- income and lifestyle, and
- age.

Replacing your existing insurance

If you're replacing your existing insurance, you should compare the differences between the policies. If you cancel your existing policy before your new insurance is in place, there's a risk:

- your new insurance may not provide you with benefits that would have been available under your existing policy, and
- you may be without protection.

What you need to tell us

It's important you tell us everything that may be relevant to our decision to accept your application. See page 11 for more details about what you need to tell us.

If you don't tell us, your insurance may be affected.

MLC Essential Life – the details

Understanding MLC Essential Life

With MLC Essential Life, a lump sum benefit is paid if:

- you die, or
- you're diagnosed with a Terminal Illness.

Terminal Illness—An illness which, in the opinion of an appropriate specialist medical physician approved by MLC, would reasonably be expected to reduce your life expectancy to less than 12 months. You don't have to return the Terminal Illness Benefit if you live longer than 12 months.

Who can apply?

You may apply for this insurance if you're an Australian permanent resident from age 18 to 64 years and you do not already have an MLC Essential Life policy.

How much insurance can you apply for?

You can apply for a minimum of \$100,000 up to \$1 million depending on your age at application, as shown in this table:

Age	Maximum amount
18–44	\$1,000,000
45–54	\$750,000
55–64	\$500,000

When you move into a new age bracket your insurance remains at the amount you originally chose plus any Consumer Price Index increases.

Applying for your insurance

All you have to do is answer a few questions about your health; no medical examinations are required.

MLC Essential Life – the details

Changes to your insurance

You can apply to increase your insurance, but you will need to answer further questions. You can decrease your insurance at any time.

Your insurance will increase automatically each year in line with the Consumer Price Index (inflation) or 3% (whichever is higher), unless you tell us otherwise.

Any changes to your insurance will take effect when you pay your next monthly premium.

What if you don't qualify for MLC Essential Life?

In some cases, we won't be able to offer you MLC Essential Life because you don't qualify for it. If this applies to you, we may offer you MLC Essential Accidental Death Insurance. This insurance will cover you for Accidental Death.

Accidental Death—An event where death is due to bodily injury caused solely and directly by violent, accidental, external and visible means, independently of any other cause. Death must be within 12 months of the accident.

When does your insurance start?

Your insurance starts when we accept your application. We'll confirm this date with you in your welcome pack, along with other details about your insurance.

When will your insurance end?

Your insurance ends when:

- you reach the anniversary of your start date after you turn 75
- your benefit is paid
- your premiums aren't paid
- you cancel your insurance
- you die, or
- you make a fraudulent claim.



MLC Essential Life – the details

When won't a claim be paid?

MLC Essential Life

We won't pay any benefits arising from:

- suicide, attempted suicide or intentional self-inflicted injury or illness within 13 months from the start of your policy
- being under the influence of alcohol or drugs
- involvement in criminal activity
- participation in mountaineering, rock climbing, motor sports, scuba diving at more than 30 metres depth or flying other than as a passenger of a regularly scheduled flight of a licensed commercial airline
- working underground, with explosives or at heights greater than 10 metres, or
- a pre-existing condition.

What is a pre-existing condition?

This is an injury or illness that first occurred or appeared before the start of your policy and which we asked you a question about that you did not fully or accurately answer at the time you applied for the policy.

MLC Essential Accidental Death Insurance

We won't pay any benefits arising from:

- suicide, attempted suicide or intentional self-inflicted injury or illness
- being under the influence of alcohol or drugs
- involvement in criminal activity
- participation in mountaineering, rock climbing, motor sports, scuba diving at more than 30 metres depth or flying other than as a passenger of a regularly scheduled flight of a licensed commercial airline
- working underground, with explosives or at heights greater than 10 metres, or
- an injury which occurred before you started your policy.

Your premium

We calculate your premium for MLC Essential Life based on the amount of insurance you have and your individual circumstances including:

- age
- gender, and
- smoking status.

Premiums generally increase with age and are higher for smokers than non-smokers.

The premium for MLC Essential Accidental Death Insurance is dependent only on your amount of insurance.

The table of premium rates is available on **mlc.com.au/essentiallife**

Your premium will be confirmed in your Policy Schedule.

How you pay your premiums?

You pay your premiums monthly, in advance, by credit card or direct debit from your bank account.

By giving us your bank details you agree to us deducting money from your account to pay your premiums. If you'd like further information please go to **mlc.com.au/essentiallife**

Will premiums change?

We'll adjust your premiums each year:

- for your age at each policy anniversary, and
- for any increases to your insurance.

We may also make changes to the premium rates which could increase or decrease your premiums. We don't single out individuals for premium changes and we'll tell you about any changes we make to these rates 30 days before they take effect.

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



Additional information you need to know

We provide the following information so you can stay informed about your insurance:

Welcome pack

Together with the Policy Schedule we will also send you a Policy Document. You'll need these documents for any future claims.

Want to change your mind?

If you change your mind, you can contact us to cancel your insurance. If you do this within 30 days of your insurance starting, we'll refund the premiums you paid during that time.

Product changes

We'll write to you to tell you about any changes we make that are materially adverse. Any other changes are available on **mlc.com.au**. You can also call us and we'll send a paper copy.

In the future we may decide to discontinue MLC Essential Life or MLC Essential Accidental Death Insurance. If this happens, your insurance may be replaced with similar MLC insurance. Any replacement insurance will have the same or better benefits for you.

Resolving complaints

We can usually resolve complaints over the phone. If we can't, or you're not satisfied with the outcome, then please write to us. We'll work to resolve your complaint as soon as possible.

If you're not satisfied with our decision you can get further advice from the Financial Ombudsman Service by calling **1300 780 808**. Or by **emailing info@fos.org.au**

More information is available on **fos.org.au**

Additional information you need to know

Tax

Your premiums aren't tax deductible but the benefit is tax-free, whether paid to you or your estate.

Talking with an expert

An MLC adviser could easily, and cost-effectively, help you protect your family's future with a range of insurance solutions. When you're ready we'd be happy to help put you in touch with one. Please call us, or go to mlc.com.au

Go on the web for more information

mlc.com.au is full of clever ways to help you make more of your money so you can reach your financial goals sooner. So please go online now to find out more.



Duty of Disclosure

What you must tell us

Before you enter into a contract of life insurance with MLC, you have a duty, under the Insurance Contracts Act 1984, to disclose to MLC every matter that you know, or could reasonably be expected to know, is relevant to MLC's decision to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to MLC before such a contract of life insurance is extended, varied or reinstated.

Your duty, however, doesn't require disclosure of a matter:

- that diminishes the risk to be undertaken by MLC
- that is of common knowledge
- that MLC knows or, in the ordinary course of business, ought to know, or
- for which your duty of compliance is waived by MLC.

Non-disclosure

If you fail to comply with your Duty of Disclosure, and MLC wouldn't have entered into the contract on any terms if the failure had not occurred, MLC may avoid the contract within three years of entering into it. If your non-disclosure is fraudulent, MLC may avoid the contract at any time.

Even if MLC is entitled to avoid a contract of life insurance, MLC may, within three years of entering into it, elect not to avoid it but reduce the sum you've been insured for. This is in accordance with a formula that takes into account the premium that would have been payable if you'd disclosed all relevant matters to MLC.

Your Duty of Disclosure continues until the contract of life insurance has been accepted by MLC (the insurer) and a policy is issued. It also applies if the contract is extended, varied or reinstated.

Privacy Notification

MLC Ltd and its subsidiaries are members of the National Australia Bank Group (“Group”). The Group includes MLC Ltd and all our other banking, financing, funds management, financial planning, superannuation, insurance, broking and e-commerce organisations. This statement is an outline of certain matters relating to the collection and handling of your personal information by the Group.

Collecting your personal information

The Group organisation will collect personal information for the purposes of:

- Providing you with a product or service (including assessing your application);
- Managing and administering the product or service;
- Identifying you and protecting against fraud;
- Verifying your authority to act on behalf of a customer;
- Determining whether a beneficiary will be paid a benefit upon a person’s death;
- Letting you know about products or services from across the Group that might better serve your financial, e-commerce and lifestyle needs or promotions or other opportunities in which you may be interested.

If you provide us with incomplete or inaccurate personal information, the Group organisation may not be able to process your requests and applications or manage or administer your products or services. It may also not be possible to tell you about other products or services from across the Group that might better serve your financial, e-commerce and lifestyle needs.

Using and disclosing your personal information

Group organisations may disclose your personal information to other organisations:

- Involved in providing, managing or administering the products and services we offer, including third party suppliers (eg printers, posting services etc), other Group organisations, loyalty and affinity program partners and our advisers;
- Who are your financial or legal advisers or representatives and their service providers;
- Involved in maintaining, reviewing and developing our products, business systems, procedures and infrastructure including testing or upgrading our computer systems;
- Involved in a corporate re-organisation or involved in a transfer of all or part of the assets or business of a Group organisation;
- Involved in the payments system including financial institutions, merchants and payment organisations;
- Which are Group organisations who wish to tell you about their products or services that might better serve your financial, e-commerce and lifestyle needs or promotions or other opportunities, and their related service providers, except where you tell us not to;
- As required or authorised by law and/or where you have given your consent.

Your personal information may also be used in connection with such purposes. Because the Group operates throughout Australia and overseas, some of these uses and disclosures may occur outside your State and Territory and Australia.

Gaining access to your personal information

Subject to some exceptions allowed by law, you can gain access to your personal information. If access is denied, you will be given reasons for this. In some cases, your request may be dealt with over the telephone. For more information about our Privacy Policy please call **132 652**.



Important information

The MLC group of companies is the wealth management division of the National Australia Bank Limited (NAB). We provide investment, super and insurance solutions and support the provision of quality financial advice, which helps people achieve and protect their lifestyle and financial goals.

Neither an MLC Essential Life policy nor an MLC Essential Accidental Death Insurance policy represents a deposit with or a liability of the NAB, or other related bodies corporate of NAB (other than MLC as Insurer). MLC receives your insurance premiums and your claim is paid from MLC's Statutory Fund No.1. MLC Essential Life and MLC Essential Accidental Death Insurance is offered only in Australia.

Preparation date: 2 October 2010

Insurance is issued by: MLC Limited (MLC)
ABN 90 000 000 402, AFSL 230694

For more information or to apply call **131 936** from anywhere in Australia.

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Melbourne VIC 3001

Registered office:

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