Essential Cover

Insurance information

™membersafe

Essential cover

Essential Cover Insurance allows you to cover your loan repayment or line of credit at an affordable cost.

Protect yourself with Essential Cover Insurance – an insurance product designed to meet your loan or credit obligations and provide you with the security that your major commitment will be taken care of in the event of certain unforeseen circumstances.

What it covers

Disablement

If you can't work due to illness or injury, we'll pay the amount you selected to cover your repayment up to $3,500 per month. Our commitment to you will continue until the earlier of you being able to return to work or the claim reaches its benefit limit of 30 months or the policy limit.

Hospitalisation

If you are hospitalised due to illness or injury, we'll pay your repayment during the period you are hospitalised. We will pay up to a maximum of $6,000 for the life of the policy.

Involuntary unemployment

Should you become involuntarily unemployed, we'll provide you with temporary assistance while you're in search of employment. We'll pay your repayment up to $3,500 per month for a maximum of 180 days. One claim can be made in any 12-month period. A $7,500 limit applies to each claim. During the term of the policy we'll pay up to $15,000.

Cover is provided if you work as an employee for wages or income, as well as if you are self-employed or in a partnership. Involuntary unemployment cover may only be taken with Disablement and Hospitalisation cover.

This insurance product is issued by CGU Insurance Limited ABN 27 004 478 371 AFSL No. 238291 (CGU). The insurer of the Life and Trauma cover is National Mutual Life Association of Australasia Ltd ABN 72 004 020 437 AFSL No. 234649 (NMLA), a member of the AMP Group. CGU administers the Life and Trauma cover on behalf of NMLA and CGU's liability under that policy is limited to the administration of that cover including the management of claims. This document contains general information only and may not suit your particular circumstances. Before making decisions about insurance products you should consider the appropriateness of the information having regard to your circumstances and the Product Disclosure Statement available by calling 1800 CGU CCI (1800 248 224).

Life cover

If you have a mortgage or personal loan, life cover pays the outstanding balance of your loan (up to the policy limit) upon your death.

For a line of credit, overdraft, credit card or interest only loan, life cover pays the amount of credit (up to the policy limit) that has been made available when you take out the insurance.

Trauma cover

If you suffer a heart attack, stroke, cancer, or have coronary artery surgery, a lump sum selected benefit of up to $50,000 will be paid directly to you. This lump sum payment can be used for anything that is needed, like medical expenses, convalescence, home help, modifications to your home or any other expenses.

Plain language trauma definitions

What is a heart attack?

Blood is carried to the heart through the coronary arteries, so that the heart muscle itself can function. If one or more of the coronary branches are severely narrowed and become sealed off, the blood flow to the heart is interrupted. This results in the heart becoming severely damaged as a result of oxygen deprivation.

Common terms used to describe a heart attack are: coronary; coronary occlusion; coronary thrombosis; or myocardial infarction.

What is coronary artery surgery?

Surgery is performed in order to remedy a blocked or narrowed coronary artery. The operation involves grafting a vein to the obstructed artery so that the blocked or diseased portion is bypassed.

What is a stroke?

A stroke is the sudden interruption of the normal function of the brain.

This is either due to:

1. cerebral haemorrhage; or
2. cerebral thrombosis (or cerebral embolism).

What is cancer?

Cancer or malignant tumour is the abnormal uncontrolled growth of cells which invade and destroy healthy tissue.

What are your chances of contracting any of these illnesses?

Each year there are about 40,000 - 48,000 stroke events among Australians. (1)

Heart disease, stroke and vascular diseases kill more Australians than any other disease group – 47,637 deaths (36% of all deaths) in 2004. 1.4 million Australians live with a long-term disability caused by heart disease, stroke and vascular diseases. (2)

Cancer is the leading cause of death in Australia – more than 36,000 people die from cancer each year. (3)

The total number of underlying deaths caused by stroke, heart failure and cancer in 2004 was 53,173. (4)

References

(1) AIHW: Senes S 2006. How we manage stroke in Australia. AIHW cat. no. CVD 31. Canberra: Australian Institute of Health and Welfare.
(2) Heart Week 2007 (29 April – 5 May) Heart disease facts in Australia, Australian Institute of Health and Welfare (www.aihw.gov.au)
(3) Facts and figures, Cancer in Australia, The Cancer Council Australia (www.cancer.org.au)
(4) Australian Institute of Health and Welfare 2006. AIHW cat. no. AUS 73. Canberra: AIHW.

Who can apply?

If you are aged 16 to 59 and in good health, you are eligible for cover.

For Disablement, Hospitalisation and Involuntary unemployment covers, an additional requirement is that each person is in permanent and gainful employment and not under notice of dismissal when we accept your application.

It's that simple!

Joint cover is available

Many people who share commitments prefer a joint policy. This means that both people who share the responsibility of loan commitments can also share the protection of Essential Cover Insurance. A requirement is that each partner is in permanent and gainful employment for Disablement, Hospitalisation and Involuntary unemployment covers.

Where two people to a loan contract or line of credit select one or more of the same insurance covers, this is known as joint cover. Joint cover can be provided at a reduced premium for the second borrower.

It's easy to pay

The full premium can simply be added to your repayment by your financial institution. Alternatively, for longer term loans or lines of credit, you can pay the premium by instalments.

Money back guarantee

To make sure that you are completely satisfied with your Essential Cover Insurance policy we give you a 28-day money back guarantee (from policy start) for you to return your policy and receive a full refund provided you have not made a claim on the policy.

That's how confident we are that you will find your Essential Cover Insurance policy the best value for money.

When does cover start?

Life and accident covers commence immediately from the beginning of your policy. Illness and Involuntary unemployment covers start after 30 days from the beginning of the policy and Trauma cover after 90 days.

A waiting period of 21 days is applicable to Disablement and Involuntary unemployment claims. A waiting period of 5 days is applicable to Hospitalisation claims.

Plus - special bonus cover

When taking out some loans (e.g. a mortgage), it is common to find a period of time existing between the date your loan is approved and the date it is settled.

If we have accepted your application during this period, should you die, we will pay the Life benefit even though your policy has not started, so your family can continue with the use of the loan funds. For example, to proceed with the purchase of your home. We will not charge a premium for this benefit and the period of cover applies for up to 120 days. Of course, this special bonus cover is only available if you select Life cover.

What we don't cover

In order to provide value for money protection and keep costs to a minimum, there are a few basic policy exclusions.

Some typical examples include: pre-existing conditions, self-inflicted illnesses or injuries, motor racing and drug or alcohol abuse (refer to the Product Disclosure Statement for specifics on all exclusions).

The application process is simple and you don't have any questions to answer about your health or medical history, unless your Life cover is over $350,000, or you are aged 50 to 59 and your Life cover application is over $100,000.

Important information about Consumer Credit Insurance

This information is provided to enable you to obtain a better understanding of this valuable protection.

1. Before you buy a Consumer Credit Insurance (CCI) policy, you should find out what the policy covers and what it does not cover.
2. You may choose whether or not you want to buy this insurance. Please note that CCI is not compulsory and does not have to be purchased in order to secure a loan package.
3. If you have any complaints about this insurance or a claim under this policy, please contact CGU Insurance. This phone number is shown on your Product Disclosure Statement. If you are still not satisfied, you can contact the Financial Ombudsman Service, telephone 1300 780 808.

CGU Insurance – who we are

The issuer of this insurance policy is CGU Insurance Limited ABN 27 004 478 371. Australian Financial Services Licence Number 238291.

A commission of up to twenty per cent of your premium, excluding government charges, will be paid to the seller of this insurance for arranging this insurance policy.

CGU sells its insurance products through a network of over 1,000 intermediaries, and more that 100 business partners. They are supported by our team of over 3,500 dedicated and highly professional employees located in over 75 CGU branches and representative offices spread throughout Australia.

Contact details

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Life and Trauma Insurer
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