

SMSF Risk Pool

Product Disclosure Statement

This Product Disclosure Statement (PDS) contains important information about the product being offered and a Subscriber Application Form.

The issuer of this product is Zurich Australia Limited
ABN 92 000 010 195, AFSLN 232510

The Administrator is Lonsdale Financial Group Limited
ABN 76 006 637 225, AFSLN 246934

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Preparation Date: 15 September 2008



Important Information You Should Know

This Product Disclosure Statement (PDS) is an important document. You should read it in full before making a decision to purchase this product.

This PDS will help you to:

- decide whether this product will meet your needs; and
- compare this product with other products you may be considering.

The information contained in this PDS is general information only. It does not take into account your or your members' objectives, financial situation or particular needs. You should consider the appropriateness of this product having regard to such objectives, financial situation and needs. We recommend you seek professional financial advice before making any decision affecting your investment in this product.

The information in this PDS, including taxation information, is based on our understanding of legislation as at the date of issue of this PDS and its continuing accuracy. Certain information contained in this PDS may change from time to time.

We reserve the right to change the product specifications and terms of this product where permitted to do so under the law.

If any change occurs which would be materially adverse, we will issue a Supplementary Product Disclosure Statement. In the case of other changes, including any updates to this PDS and any notifications we are required to give you, the change or notification will be disclosed via www.lonsdale.com.au and also communicated directly to you where we are legally required to do so. Alternatively, you can request a paper copy free of charge by calling Lonsdale on 03 9916 6300.

Where there is any reference to a third party in this PDS that third party has provided their consent to be named in this PDS.

Applying for SMSF Risk Pool

The only way to apply for a product described in the following pages is to complete and submit the Subscriber Application Form in this PDS together with a completed Member's Brief Personal Statement or Group Risk Personal Statement (Insurance Statement) in respect of each *Life Insured*. Your adviser can provide and assist you to fill out these forms.

We do not accept cash. Cheques should be made payable to Lonsdale Financial Group Limited. This offer is only available to Australian residents, receiving it within Australia. We cannot accept print applications or electronic applications signed, mailed or sent from outside Australia. Monies received must always be in Australian dollars.

Definitions

In this PDS, 'Zurich', 'us', 'our' and 'we' normally means Zurich Australia Limited ABN 92 000 010 195, AFSL 232510, except in the About Zurich section of this PDS where these terms mean Zurich Financial Services Australia Limited ABN 11 008 423 372 and its subsidiaries. In the About Lonsdale Financial Group Limited section of this PDS 'us', 'our' and 'we' means Lonsdale Financial Group Limited ABN 76 006 637 225.

'You' and 'your' means the applicant trustee.

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About Lonsdale Financial Group Limited

Lonsdale Financial Group Limited ('Lonsdale') was founded in 1985 and is one of Australia's leading financial services companies specialising in delivering services to financial planning practices.

Lonsdale supports a network of over 100 financial planning practices and 250 advisers nationally.

Our commitment to quality is seen throughout our strong emphasis on ongoing education, compliance and understanding the latest regulations and how they affect you. Our focus is on effective customer service and communication.

Lonsdale is a wholly owned subsidiary of DKN Financial Group Limited ABN 75 008 112 150 ('DKN'), an ASX listed company. Zurich has a shareholding of around 31% in DKN.

About Zurich

Zurich Financial Services Australia Limited provides wealth protection and wealth creation solutions, offering general insurance for commercial customers, and life risk, investments and superannuation solutions for corporates and personal customers. Zurich's solutions and services are primarily accessible through insurance brokers, financial advisers and other intermediaries in Australia and New Zealand.

Zurich Financial Services Australia Limited is part of the worldwide Zurich Financial Services Group (Zurich), an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

About this Product

This product is an interest in a group life insurance policy issued by Zurich to Lonsdale (as the policy proposer and administrator). Under the terms of the policy, benefits which become payable under the policy are paid either directly to you as trustee of your fund or to Lonsdale for on payment to you.

Neither you nor the *Lives Insured* have any rights of ownership or rights to amend, vary or cancel the policy. In addition, no *Life Insured* has any right to claim under the policy.

SMSF Risk Pool at a glance

Product Description	SMSF Risk Pool pays a lump sum benefit on the death, Terminal Illness or <i>Total and Permanent Disablement</i> of a <i>Life Insured</i> (depending on the cover you select). Refer to page 6 for detailed information on what is covered.
Eligible ages	You can apply for cover for individuals aged between 16 and 64.
Expiry age	<ul style="list-style-type: none"> Total and Permanent Disablement cover ceases on a <i>Life Insured</i> attaining age 65. Death cover ceases on a <i>Life Insured</i> attaining age 70.
Minimum Premium	\$90 per annum per member excluding Administration Fee.
Minimum Cover Available	\$50,000 per <i>Life Insured</i> .
Maximum Cover Available	Depends on the circumstances of the <i>Life Insured</i> , however Total and Permanent Disablement benefits with Zurich and all other insurers cannot exceed \$1,500,000 for a <i>Life Insured</i> . Refer to page 6.
How Premiums are Calculated	Premiums are based on: level of cover, type of cover selected, and the current age, gender and smoking status of the <i>Life/Lives Insured</i> . The <i>Life/Lives Insured's</i> circumstances including state of health, occupations and pastimes may also affect premiums. Refer to page 8.
Benefits	<ul style="list-style-type: none"> Death cover - a lump sum payment on the <i>Life Insured's</i> death or Terminal Illness. Refer to page 7. Death & Total and Permanent Disablement (TPD) cover - a lump sum payment on the <i>Life Insured's</i> death, Terminal Illness or <i>Total and Permanent Disablement</i>. Refer to page 7.
Exclusions/Limitations	There are conditions under which benefits will not be paid. For details refer to page 7.
Other Important Information	<ul style="list-style-type: none"> Alterations - We reserve the right to change the product specifications and terms of this product where permitted to do so under the law. Refer to page 2. Cooling off period - A 21 day cooling off period applies. Please refer to page 8. Fees and charges - An Administration Fee will be applied to the policy. We may also pay commission and other benefits to financial advisers and other representatives, from the premiums. Please refer to page 8 (for commission information) and page 9 (for information about charges). Continuation option - A member of the fund may be entitled to continue cover under a new policy, subject to certain conditions. Refer to page 9. There may be tax implications on the payment of benefits. Refer to page 10. Information about your cover - Refer to page 9 for details of what information you will receive on your cover. Complaints resolution - We have a complaints handling procedure in place. Refer to page 10. Your privacy - Both Zurich and Lonsdale have privacy provisions in place. Refer to page 11.

About SMSF Risk Pool

Defined Terms

In this PDS all terms appearing in *italic* (other than in headings) are defined terms with special meanings. Detailed definitions appear on page 12.

Product Overview

This product pays you a lump sum on the death, Terminal Illness or *Total and Permanent Disablement of a Life Insured* (depending on the cover you select). You can choose between Death only or Death and Total and Permanent Disablement ('TPD') cover in respect of your members. Terminal Illness is covered under both options.

Applying for SMSF Risk Pool

Who can apply?

Trustees of complying superannuation funds can apply for cover in respect of their members who are aged between 16 and 64.

Your members will not be required to apply for cover but will be requested to complete an Insurance Statement (see Duty of Disclosure requirements on page 13).

How much cover can I apply for?

The minimum amount of cover you can apply for is \$50,000 per benefit per *Life Insured* subject to a minimum annual Premium for each *Life Insured* of \$90 (excluding the Administration Fee and any government charges).

The maximum amount of cover you can apply for will depend on the individual circumstances of the *Life Insured*. However, if you select Death and TPD cover, the TPD cover with Zurich and other life insurers cannot exceed \$1,500,000. You should also be aware that there may be taxation implications for beneficiaries where death benefits are paid in respect of a member from a superannuation fund. Refer to page 10.

Do Automatic Acceptance Limits apply?

There are no Automatic Acceptance Limits for SMSF Risk Pool and each individual you wish to cover will be required to supply satisfactory evidence of health to Zurich.

Can cover be increased?

Subject to Zurich's reassessment of the *Life Insured's* circumstances, you may apply to increase cover any time before the *Life Insured's* 65th birthday for Death only cover or the *Life Insured's* 59th birthday for Death and TPD cover. The minimum increase you can apply for is \$20,000.

When does cover start?

When you apply for cover you will be asked to nominate a 'commencement date'. Provided your premium is received by Lonsdale, a *Life Insured* will be covered from the nominated commencement date for *Accidental Death* if you are applying for Death only cover, or *Accidental Death and Accidental Total and Permanent Disablement*, if you are applying for Death and TPD cover, for up to 90 days while Zurich assesses your application or such earlier time and date as we advise. Full cover will commence from the date Zurich accepts the cover in writing.

If circumstances mean that Zurich is unable to complete its assessment within 90 days of the nominated commencement date, you will be refunded any premiums paid in respect of this period.

If, as a result of this assessment, Zurich declines cover in relation to any *Life Insured*, all premiums paid for that *Life Insured* will be refunded.

When will cover cease?

Cover will cease in respect of a *Life Insured* on the first of any one of the following:

- The termination of cover in respect of that member by you;
- The payment of a Death or TPD benefit in respect of that member;
- The payment of a Terminal Illness benefit equal to 100% of the Death cover;
- The *Life Insured* attaining 70 years of age for Death cover. TPD cover ceases on the *Life Insured* attaining 65 years of age.
- Thirty (30) days after the *Life Insured* ceases to be a member of your fund;
- The day upon which the *Life Insured* commences active duty with the armed forces of any country;
- Thirty (30) days after the due date for payment of premiums, if the premium has not been paid by you with respect to the *Life Insured*;
- The day in which the *Life Insured* ceases to be eligible to contribute to a superannuation fund;
- Ninety (90) days after notification is sent by us or Lonsdale advising of the closure of SMSF Risk Pool.

Benefits of SMSF Risk Pool

We will pay a lump sum equal to the amount a *Life Insured* is covered for if, while cover is in force:

- he or she dies; or
- you have selected Death and TPD cover, he or she becomes *Totally and Permanently Disabled*.

We may also pay a lump sum if the *Life Insured* contracts a Terminal Illness while cover is in force, as outlined below.

Terminal Illness benefit

If a *Life Insured* is diagnosed with a terminal illness where death is likely to occur within twelve (12) months, we may pay a benefit of up to 100% of the Death cover. The maximum we will pay is limited so that the total payable on the Terminal Illness benefit under this and any other insurance policies issued by Zurich in respect of that *Life Insured* is no more than \$2,000,000.

Please note that where a Terminal Illness benefit is paid in respect of a *Life Insured*, we will reduce his or her Death only cover, or Death and TPD cover, by the amount paid.

Inflation protection

Each year until the expiry of your cover you will be offered the opportunity to increase the level of cover for each *Life Insured* by the *Consumer Price Index (CPI)* to ensure your benefits keep up with inflation (Indexation offer). Unless you reject the Indexation offer, the premium will increase each year by an extra amount to reflect that change. If you take up this offer the *Life/Lives Insured* do not have to provide any further health evidence. The offer will only apply if the increase would not cause the benefit to exceed \$1,500,000 of cover in respect of a *Life Insured*.

Exclusions & Limitations

No benefit will be payable if a *Life Insured* dies within a period of thirteen (13) months from the date cover commences, is reinstated, or from the date of any increase (but only in respect of the increase), and the death of the *Life Insured* is caused directly or indirectly by his or her own hand or act whether sane or insane.

No benefit will be payable in respect of a *Life Insured* who suffers *Total and Permanent Disablement* as a result of:

- being under the influence of alcohol or any medication or drug not prescribed for that person by a registered medical practitioner; or
- war (whether declared or not), military activity or insurrection; or
- a self-inflicted injury; or
- travel by air except as a fare-paying passenger on a scheduled airline.

Cover is conditional upon us being notified of any claim for *Total and Permanent Disablement* within twelve (12) months of the *Life Insured* becoming absent from work with the *Life Insured's* participating employer, if such absence is the subject of the claim for *Total and Permanent Disablement*.

Limitations on Total and Permanent Disablement

If the *Life Insured* has been engaged in full-time domestic duties in his/her own residence for more than six consecutive months prior to the onset of the sickness or injury leading to *Total and Permanent Disablement* then a restricted definition of *Total and Permanent Disablement* will apply. Refer to the definition of *Total and Permanent Disablement* on page 12.

Additional Information about SMSF Risk Pool

Cooling Off Period

A 21 day cooling off period applies. Within this time you may cancel the cover and receive a full refund of any premiums paid, provided you have not lodged a claim under SMSF Risk Pool. Your request will need to be in writing and forwarded to Lonsdale at the address shown on the front cover of this PDS.

If you exercise any rights in relation to the insurance cover before the 21 day period has elapsed, your option to cancel the cover and receive a refund will be forfeited.

Significant Risk

The only significant risk associated with holding a SMSF Risk Pool product is:

- if the duty of disclosure is not complied with, we may not pay your claim, pay only a portion of your claim or cancel your cover

The Duty of Disclosure is explained on page 13.

Premiums

What are premiums and how are they calculated?

Premiums are the amount charged by us in respect of any *Life Insured* or *Lives Insured* in order to provide cover. Premiums will depend on the level and type of cover you require, as well as the current age/s, gender/s and smoking status of the *Life/Lives Insured*. Premiums will also depend on the personal circumstances of the *Life/Lives Insured*, as detailed below.

Premiums will include any stamp duty charged by a State government as well as any other taxes that may be levied by State or Federal governments.

A table of premiums is available on request from your adviser.

Listed below are the significant factors that may impact premiums.

How does the type of cover affect premiums?

Death and TPD cover premiums are higher than those for Death only cover.

How does age affect premiums?

The premium will vary according to the *Life Insured's* age. Generally, the premium will increase with age.

How does gender affect premiums?

Premiums for male *Lives Insured* are higher than for those who are female.

How does smoking status affect premiums?

Premiums for *Lives Insured* who are smokers are higher than for those who are non-smokers. A non-smoker is defined as a person who has not smoked tobacco or any other substance for the past twelve (12) months.

How do personal circumstances affect premiums?

In order to become *Lives Insured*, the members of your fund are ordinarily required to undergo a process known as underwriting. This underwriting process takes into account the health, pastimes and occupation/s of the *Life/Lives Insured*.

If a *Life Insured* is in good health (as determined by us during underwriting), and is not involved in pastimes recognised by us as carrying an associated high risk (such as hang gliding), and is not in an occupation which includes duties deemed by us to be of a hazardous nature (such as explosives handling), then a standard premium will be payable on his or her behalf.

If the underwriting process indicates that a *Life Insured* has poor health, is involved in high-risk pastimes or performs hazardous duties at work, a premium that is higher than the standard premium may be payable or cover may be limited or declined.

What if I don't pay the premium?

If you do not pay the premium when it is due, cover will lapse after thirty (30) days. This means cover will cease.

How can I pay the premium?

Premiums are charged by Zurich on 1 July each year. If you join after 1 July you will be required to pay a prorated premium from the commencement date to the following 1 July. As the administrator of SMSF Risk Pool, Lonsdale collects premiums on Zurich's behalf and you should pay this premium by cheque to Lonsdale before 1 July.

Are premium rates guaranteed?

Premium rates are not guaranteed and can change from time to time. Any change, however, will affect all *Lives Insured* in the same category, not just an individual. You will be notified at least thirty (30) days prior to any such change taking effect.

Is commission payable?

Lonsdale may retain any commission payable by Zurich including any amounts received from Zurich by way of profit sharing rebate. Zurich may pay commission and benefits to financial advisers and other representatives. Your adviser will provide details of the benefits he or she will receive if we issue insurance cover in the Statement of Advice that he or she will give to you. We pay these amounts out of the premium payments - they are not additional amounts that have to be paid.

What are the Other Charges?

Apart from the premium which is charged by Zurich, the only other charge is an Administration Fee charged by Lonsdale to help cover the costs of administering SMSF Risk Pool. Lonsdale and Zurich retain the right to change the Administration Fee or to introduce new fees. If Lonsdale or Zurich introduce any new charges, or there is an increase to current charges, you will be notified at least thirty (30) days prior to such charge taking effect.

Administration Fee

Number of Members	Administration Fee per Member
One	\$77* per annum
Two or more	\$55* per annum

State governments impose additional stamp duties on some policies. They vary from State to State. If applicable, the stamp duty will be included in or added to the premium. Should changes in the law result in additional taxes or imposts in relation to the policy, these amounts may be added to the policy.

*Including GST.

Statutory Fund

The premiums you pay form part of the Zurich No. 2 Statutory Fund. Any benefits you receive from these policies will be paid from that fund. The policy does not participate in any profits of that or any other statutory fund.

24-hour World-wide Cover

Cover is provided in respect of a *Life Insured* 24 hours a day worldwide.

Continuation Option

On ceasing to be a member of the fund, a *Life Insured* may continue his or her cover by establishing a new individual life insurance policy with an insurance company of our choice, provided that the *Life Insured* applies in writing for such a policy within thirty (30) days of leaving the fund. In addition, the *Life Insured* must not have:

- attained the age of sixty (60) years; or
- left employment for duty with the armed forces; or
- left employment due to *Total and Permanent Disablement*.

Furthermore, you must not have submitted or intended to submit a claim to us with respect to the *Life Insured*.

The policy that results from exercising this Continuation Option may be of any type allowed by us, for an amount payable on the death of the *Life Insured* which is no greater than the level of accepted benefits payable on the death of the *Life Insured*. The maximum total benefit for any *Life Insured* under all policies resulting from exercising this or any similar Continuation Options allowed by us may not exceed \$750,000.

The new policy will expire on the sixty-fifth (65th) birthday of the *Life Insured*.

The new policy will be issued subject to the *Life Insured* lodging with the insurance company such documents and information as the insurance company may require to issue the new policy, as well as payment of a premium for that policy.

No claim with respect to the *Life Insured* will be considered by us under the SMSF Risk Pool, following the thirty day period or lodgement of the documents, information and premium required to issue the new policy, whichever happens first.

Information on the Policy

When you take out an interest in the policy, each *Life Insured* will receive a Life Insurance Certificate. This outlines the cover for each member - such as whether or not TPD cover applies. These are important documents and should be read carefully. Should there be any changes to the benefits included in the policy, you will be notified by mail.

Each year Lonsdale will send you a renewal advice indicating the new premium amount and, if applicable, an offer to increase cover in line with inflation.

Further Information

You may request further information about this product by contacting Lonsdale at the address shown on the front cover or by telephoning them on (03) 9916 6300. If so requested, Lonsdale will give you further information which has previously been generally made available to the public and might reasonably influence your decision whether to acquire these products. The provision of further information may be subject to a charge.

Enquiries and Complaints Resolution

If you have an enquiry or require further information about this product, please contact Lonsdale on (03) 9916 6330.

If you have a complaint about this product, please contact Lonsdale who will aim to acknowledge any complaint within 21 days and to resolve the complaint within 45 days (or up to 90 days if you agree). Lonsdale and Zurich are also members of the Financial Ombudsman Service (FOS), an independent body designed to help you resolve complaints relating to your policy, as well as complaints relating to financial or investment advice and sales of financial or investment products. If you are not satisfied with the response from Lonsdale, or we fail to resolve the complaint within 45 days (or any extended period you agree), you can raise the matter with FOS at GPO Box 3, Melbourne VIC 3001. The number for FOS is 1300 780 808.

Taxation

The policy pays benefits to you as trustee of an eligible superannuation fund, in respect of *Lives Insured*. If you are the trustee of a complying superannuation fund, the premiums you pay under this product may be deductible. The proceeds payable under the policy to you as trustee to facilitate the provision of benefits to members, do not form part of your assessable income. Payments out of your fund in respect of such members are not deductible.

When the proceeds are paid out of your fund to or in respect of a *Life Insured* those proceeds may be assessable.

Death benefits

In the event of the death of a *Life Insured* member and where a lump sum benefit is paid, no tax is payable where that benefit is paid to a death benefits dependant. Death benefits paid to a non-death benefit dependant may be taxed at up to 30% plus Medicare Levy.

Invalidity

Taxation concessions may be available in respect of lump sum benefits paid in the event of the permanent invalidity of a *Life Insured*. However, these provisions are complex and you should consult your taxation adviser.

Terminal Illness

A lump sum benefit paid to a member who has a terminal medical condition is received tax-free. Certain conditions must be met in relation to the terminal illness and the timing of the payment. The member must also satisfy a condition of release to allow the lump sum benefit to be paid.

Disclaimer

This information is a guide only and is based on current taxation laws, their continuation and their interpretation.

For information about your specific circumstances, contact your taxation adviser.

How to Make a Claim

You must advise us of the death or Total and Permanent Disablement of a *Life Insured* as soon as is reasonably possible (and not later than 12 months after the Life Insured's death or Total and Permanent Disablement). If you are late notifying us of a claim, we may reduce the amount we pay if we are prejudiced by the delay.

You can make a claim by contacting Lonsdale and a claim form will be forwarded to you.

Before a claim is payable, we must receive proof to our satisfaction of the *Life Insured's* death, Terminal Illness or *Total and Permanent Disablement*. While we summarise the significant aspects of the claims process here, further details about the claims process are set out in the policy document, which is available upon request from Lonsdale.

Proof of occurrence of an insured condition must be supported by:

- one or more appropriate specialist Medical practitioners registered in Australia or New Zealand (or other country approved by us) who are not related to you;
- confirmatory investigations including, but not limited to, clinical, radiological, histological and laboratory evidence; and
- if it is a result of a surgical procedure, we will require evidence that the procedure was medically necessary.

Our medical advisers must support the occurrence of the *Life Insured's Total and Permanent Disablement* or the *Life Insured's* diagnosis of Terminal Illness. We reserve the right to require the *Life Insured* to undergo an examination or other reasonable tests with a medical doctor of our choice or other specialists to confirm the occurrence of an insured condition.

Privacy

Zurich and Lonsdale respect your privacy. Before we collect personal information you should know the following things:

We need personal information about you and the *Lives Insured* to:

- assess your application for one of our products; and
- administer the insurance cover that may result.

Where relevant for this purpose, we will disclose this information (which may include disclosure of sensitive information such as health information):

- to your adviser and the Australian Financial Services licensee your adviser represents;
- to our agents, contractors, business partners and service providers who provide financial, administration and other services in connection with the operation of our business or products;
- to our regulators.

A list of the type of agents, contractors and service providers commonly used is available by calling Zurich. You can also find this list, together with Zurich's privacy policy, on our website, www.zurich.com.au

Similarly, Lonsdale's privacy policy may be found on www.lonsdale.com.au

We may also disclose information about you and the *Lives Insured* where we are required or permitted to do so by law.

If you do not provide the information asked for, we may not be able to:

- accept your application for this insurance cover; or
- offer insurance cover (or increased insurance cover).

We may use personal information (but not sensitive information, such as health information) collected about you and the *Lives Insured* to notify you of other products and services, or we may pass it to other companies in the Zurich Financial Services Australia Group to allow them to notify you of their products or services. If you do not want any of this personal information used in this way you should contact us.

In most cases, on request, we will give you access to any personal information we hold about you. We may charge you for reasonable administrative costs associated with providing you with this information.

You may contact Zurich by telephone on 132 687, e-mail us at privacy.officer@zurich.com.au or by writing to 'The Privacy Officer' at Zurich Financial Services Australia Limited, PO Box 677, North Sydney, 2059. For Lonsdale, please call (03) 9916 6300, or otherwise address your letter to 'The Compliance Officer' at Lonsdale Financial Group Limited, PO Box 179, Collins Street West, Melbourne VIC 8007. To help us respond promptly to your enquiry, please provide details of your membership where known.

By applying for this product you agree to the above uses of information.

Definitions

For the purpose of this document the following important definitions apply:

Accidental Death means death directly and independently of any other cause from an unforeseen and unintended accident happening to the *Life Insured* and caused by violent, external and visible means and provided:

- Death occurs within three (3) calendar months of the date of sustaining the injury; and
- The accident occurs while the cover is in force.

Accidental Total and Permanent Disablement means *Total and Permanent Disablement* caused directly and independently of any other cause from an unforeseen and unintended accident happening to the *Life Insured* and caused by violent, external and visible means and provided:

- *Total and Permanent Disablement* occurs within three calendar months of the date of sustaining the injury; and
- The accident occurs while the cover is in force.

Activities of Daily Living are:

- (1) bathing and showering;
- (2) dressing and undressing;
- (3) eating and drinking;
- (4) using a toilet to maintain personal hygiene;
- (5) moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Consumer Price Index (CPI) is the increase in the CPI published for the quarter falling immediately prior to three (3) months before the cover anniversary, to the CPI published for the quarter falling immediately prior to fifteen (15) months before that date. 'CPI' means the 'Weighted Average of Eight Capital Cities Index' as published by the Australian Bureau of Statistics or, if that index ceases to be published or is substantially amended, such other index that we select.

Life Insured/Lives Insured means a member or members of your fund in respect of whom we provide cover.

Total and Permanent Disablement means:

- (a) Suffering a specific loss being the entire and irrevocable loss of use of two (2) or more of the sight in one (1) eye, and a hand or a foot; or
- (b) Having been absent from work through injury or illness for an initial period of six (6) consecutive months and in our opinion being incapacitated to such a extent as to render the *Life Insured* unable ever to engage in or work for reward in any occupation or work which he or she is reasonably capable of performing by reason of education, training or experience, or
- (c) If the *Life Insured* is engaged in full time domestic duties, the *Life Insured* is unable to carry out through disease, illness or injury all his/her household duties for a period of six (6) consecutive months and is unlikely to ever be able to do so again, and he/she has been required to employ domestic assistance to carry out these household duties. The person he/she employs must not be his/her relative or spouse, and they must be employed and appropriately remunerated for six (6) months before a claim can be made; or
- (d) If before cover ends the *Life Insured* is permanently unable to perform at least two of the five listed Activities of Daily Living and has been so disabled for the immediately preceding six calendar months; or
- (e) If before cover ends the *Life Insured* suffers cognitive impairment that results in the *Life Insured* requiring permanent and constant supervision. The condition must have existed for a period of at least six (6) months and will continue permanently.

If the *Life Insured* has been engaged in full-time domestic duties in his/her own residence for more than six consecutive months prior to the onset of the sickness or injury leading to *Total and Permanent Disablement* then only paragraphs (a), (c) and (d) of the definition of *Total and Permanent Disablement* apply.

SMSF Risk Pool

Subscriber Application Form

Your Duty of Disclosure

Your duty of disclosure

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

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of life insurance.

Your duty however does not require disclosure of a matter:

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

Non-disclosure

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within (3) three years of entering into it.

If your non-disclosure is fraudulent the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within (3) three years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

In the case of *Lives Insured*, there is no statutory duty of disclosure which exists. However it is a condition of provision of cover in respect of a *Life Insured* under this policy that you obtain an Insurance Statement from each *Life Insured* in the form we make available. We will not be liable to provide or to pay benefits where there has been misrepresentation or non-disclosure by a *Life Insured*.

For these purposes we will treat a *Life Insured* as if they did owe a duty of disclosure to us and without limitation will exercise any powers in respect of non-payment of benefits or cancellation of cover which we could exercise under the Insurance Contracts Act 1984 if a *Life Insured* did owe us a duty of disclosure.

The issuer of this product is
Zurich Australia Limited
ABN 92 000 010 195.
AFSLN 232510.

The Administrator is
Lonsdale Financial Group Limited
ABN 76 006 637 225.
AFSLN 246934.

Zurich Australia Limited
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Lonsdale Financial Group Limited
Level 41, 120 Collins Street
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Telephone: (03) 9916 6300
Facsimile: (03) 9621 1205

Preparation Date:
15 September 2008

To: LONSDALE FINANCIAL GROUP LIMITED

Subscriber

as Trustee of the Superannuation Fund/Scheme

Address Postcode

Hereby applies for participation in **SMFS Risk Pool** and in consideration of the acceptance of this application:

1. Appoints Lonsdale as its agent for the purpose of claiming the benefits payable under the policy in respect of death or *Total and Permanent Disablement* of a nominated Member listed overleaf and in respect of such other Member as may from time to time be accepted for participation in SMSF Risk Pool by the Insurer; and
2. Warrants that each Member of the abovenamed superannuation Fund/Scheme who becomes a participating Member of SMSF Risk Pool has specifically authorised Lonsdale to make disclosure on his or her behalf pursuant to the Insurance Statement or any other such declaration of health, occupation and pastimes; and
3. Acknowledges:
 - (a) that the amount of benefits payable under SMSF Risk Pool in respect of a participating Member shall be limited to such amounts as Lonsdale is able to secure in respect of the participating Member under the Group Life Insurance Policy effected with the Insurer, **a copy of which is available for inspection at the office of Lonsdale**, and that any benefits payable are subject to the terms and conditions of such policy; and
 - (b) that Lonsdale is entitled to receive remuneration for its services in the constitution and administration of SMSF Risk Pool, may retain any commission payable by the Insurer in respect of the Group Life Insurance Policy including any amounts received from the Insurer by way of profit sharing rebates and may pay a commission to any agent who has procured this application to be made; and
4. Undertakes to pay to Lonsdale as and when required the premiums and fees payable by it as detailed in the SMSF Risk Pool product disclosure statement; and
5. Has read and understood the Duty of Disclosure on page 13 and Privacy Statement on page 11 and that payment of benefits is subject to full and proper disclosure by the *Life Insured* or you on behalf of the *Life Insured* and undertakes to provide such information as may be required by the insurer in respect of a prospective participating Member and declares the information overleaf is true and correct; and
6. Covenants to perform and observe the agreements, covenants, obligations, stipulations and conditions of the Group Life Policy Document as far as they are or ought to be performed and observed by it; and
7. Certifies that all the employees joining the Fund/Scheme were actively at work on the or absent for reasons other than injury or illness with the exception of those indicated overleaf.

DATED this

day of

Where the Subscriber is a Company:

THE COMMON SEAL OF

Signatures where the subscriber is one or more individuals:

was affixed hereto by authority of the Directors in the presence of:

Secretary

Director

Commencement date of insurance

Benefits to be provided (tick box)

Death Death and Total & Permanent Disablement

Eligibility conditions for membership

Membership parameters

	Males	Females
Minimum Entry Age	<input type="text"/>	<input type="text"/>
Maximum Entry Age	<input type="text"/>	<input type="text"/>
Retirement Date	<input type="text"/>	<input type="text"/>

Benefit formula

Name of company or companies participating in the Fund/Scheme

List of members

Member's name	Date of birth	Age next birthday	Sum insured	Annual premium	At work Yes/No*
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Total number of lives

*If No, please advise reason for absence.

Pro-rata premium

Adviser's name and address