



# Home Loan Compassionate Care.

## Information booklet

Complimentary Protection for eligible CommBank home loan customers.

Home Loan Compassionate Care is only available for eligible Claim Events that occur on or after 24 February 2020 and on or before 16 April 2024.

**Effective 17 April 2024**



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# About this document

This is an important document.

You should read it carefully to understand the terms, conditions and exclusions that apply to Home Loan Compassionate Care (**Compassionate Care**) and how it may benefit you in certain situations.

The information in this document is of a general nature only. It does not take into account your objectives, financial situation or needs. Examples are included for illustrative purposes only. You should consider seeking financial advice before making any decision about your insurance or financial needs.

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## Meaning of words

In this document:

- **You/Your** – refers to an individual named as a ‘borrower’ on the loan contract we issue for an eligible home loan
- **We/Us/Our/CommBank** – refers to Commonwealth Bank of Australia, ABN 48 123 123 124, AFSL and Australian credit licence 234945
- **Insurer** – refers to AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia).

We also refer to death and the medical certification of terminal illness as a ‘claim event’ in this document.

There are important words in this document that have a particular meaning. See pages 4-7 and 11 for these definitions.

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## Important information about Compassionate Care

Important: Home Loan Compassionate Care is only available for eligible Claim Events that occur on or after 24 February 2020 and on or before 16 April 2024.

Compassionate Care is complimentary death and terminal illness protection made available by CommBank to its eligible home loan customers and is underpinned by a group policy held by us with the Insurer. The Insurer is part of the AIA group.

We will only make Compassionate Care payments if we receive a lump sum benefit from the Insurer once a claim is made.

Compassionate Care may be varied or terminated at any time. If this happens, we will, to the extent practicable:

- give you written notice of the variation or termination; or
- otherwise advise you (e.g. through our website or electronic notice) that a variation or termination will occur.

Claim events that occur before Compassionate Care is varied or terminated will still be eligible for benefits.

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## Understanding the risks

- The total amount payable on a claim depends on a variety of factors at the time of claim event, such as the type of loan you have, the interest rate and the amount you owe.
- If a claim is accepted, a fixed benefit amount will be paid to us by the Insurer, which we will pay into your eligible home loan as a lump sum.
- Certain limitations and exclusions apply, as well as a maximum limit – see pages 6 and 11-13 for more details.
- As Compassionate Care only provides protection for terminal illness and death for a limited period of time, it is not a substitute for comprehensive mortgage or life insurance and is not intended to replace any existing insurances you may have.



## What is Compassionate Care?

We know that when you, or someone in your family is diagnosed with a terminal illness or passes away, it's a difficult time for everybody. There are a number of things to be done and decisions to make – all of which can be stressful, and the last thing you need is to be worrying about your home loan.

Compassionate Care is complimentary protection for your eligible home loans if you, your spouse or dependant(s) are medically certified with a terminal illness or pass away. It is designed to provide benefits to you - by paying a lump sum payment worth around 12 months of minimum required repayments from the claim event.

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**A claim event occurs if an insured person is medically certified with a terminal illness or passes away.**

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# Eligibility

You may be eligible for Compassionate Care benefits if you have an eligible home loan when a claim event happens to an insured person on or after 24 February 2020 and on or before 16 April 2024.

## Who is an insured person?

An **insured person** is:

- You (the borrower), if aged 18 to 59 (inclusive);
- Your spouse, if aged 18 to 59 (inclusive); or
- Your dependant(s), if aged 18 (inclusive) and under.



A **borrower** is an individual named as a 'borrower' on the loan contract for an eligible home loan.



A **spouse** is a person who is:

- legally married to the borrower; or
- living with the borrower on a genuine domestic basis in a relationship as a couple and has done so continuously for the past 12 months (and is not related to the borrower by blood).



A **dependant** is a person who is:

- the biological or legally adopted child or step-child of the borrower;
- under the legal guardianship of the borrower, including a foster child; or
- related by blood to the borrower and living with, and financially dependent on, them.



## What is an eligible home loan?

An eligible home loan is a fully or partially funded, Commonwealth Bank branded, Owner Occupied home loan but does not include the following:

- Viridian Line of Credit loans, Equity Unlock for Seniors loans, Commonwealth Portfolio loans or Staff Housing loans;
- any Investment home loan;
- loans established for business purposes or for organisations or trusts;
- any loan that is closed, written off, sold or discharged;
- any loan product not branded 'Commonwealth Bank'.

**Note:** We determine 'Owner Occupied' based on our records as at the time of the claim event. If you have an Investment home loan and the purpose changes to Owner Occupied, you need to notify us as soon as possible so we can record the change.

## Ineligibility

If you are not eligible for Compassionate Care benefits, we may have other solutions to help you get back on track financially.

For more information, please visit [commbank.com.au/support/financial-difficulty](https://commbank.com.au/support/financial-difficulty) or call us on **1300 720 814** to request financial assistance.

## How much does it cost?

Compassionate Care comes at **no additional cost to you**. It's complimentary protection we make available to our eligible home loan customers.



## How does Compassionate Care work?

### When can you claim?

You can claim if you meet the eligibility requirements described in the previous section and you, your spouse or your dependant:

- pass away; or
- are medically certified with a terminal illness

on or after **24 February 2020** and on or before **16 April 2024**.



### What does terminal illness mean?

Terminal illness is an illness or injury which will likely result in death within 12 months.

### What does it mean to be medically certified with a terminal illness?

This occurs when a medical practitioner certifies in writing that you, your spouse or dependant suffers from a terminal illness (as defined in 'What does terminal illness mean?').

The **medical practitioner** must be a legally qualified specialist in the relevant field of medicine or the medical condition, who is registered by the governing medical authority to practise in the relevant Australian state or territory. They can't be the insured person or an immediate family member or business partner of the insured person.



# Compassionate Care Benefits

## What benefits are paid if my claim is accepted?

If your claim is accepted, we will receive a fixed benefit amount from the Insurer, which we will pay into your eligible home loan as a lump sum.

## What is the fixed benefit amount?

The fixed benefit amount is a lump sum, calculated by taking your home loan's estimated monthly repayment as at the date of claim event and multiplying this by 12.

For details on how we calculate your home loan's estimated monthly repayment and how it may differ from your actual minimum required repayment, refer to the section 'What is the estimated monthly repayment?' in the next section.

## How is the fixed benefit amount paid?

Once the fixed benefit amount has been calculated, we pay this amount to your eligible home loan as a lump payment payment equal to your home loan's estimated monthly repayment at the time of the claim event, multiplied by 12 months.

If you have a variable rate loan, the lump sum payment may go into available redraw. Any available redraw on your loan may reduce over time so that by the end of your agreed loan term, both your loan balance and the available redraw will be zero.

## Can I claim if my home loan is closed?

Your eligibility for benefits is always assessed as at the time of claim event. This means that if you had a funded eligible home loan at the time of claim event, and the event occurred on or after 24 February 2020 and on or before 16 April 2024, you may still be eligible to receive benefits (even if you make the claim after your loan is closed).

If, at the time your claim is accepted, your eligible home loan is closed, your benefits will be paid into the bank account you nominate. For joint loans, the benefits are paid into the bank account nominated by the borrower who suffered the claim event (or their legal representative) or the borrower whose spouse or dependant suffered the claim event.

The nominated account must be an Australian bank account and not subject to any sanctions or other legal restrictions. We accept instructions from the relevant borrower or their legal representative. You may need to provide a bank statement so that we can verify your bank account details.



## Is there a limit on the benefits?

Yes, the maximum we pay for any insured person is \$120,000 in total for all loans.

# What is the estimated monthly repayment?

Your 'estimated monthly repayment' is an amount we calculate so that we can determine the total benefits you will receive under Compassionate Care for your eligible home loan. We calculate your estimated monthly repayment at the date of the claim event and multiply it by 12 – we call this the 'fixed benefit amount'. The estimated monthly repayment therefore may not be your actual minimum required repayment at the time of claim event.

The fixed benefit amount is subject to a maximum of \$120,000 per insured person.



The estimated monthly repayment is what we determine your minimum required repayment would have been had we recalculated it on the date of claim event. It takes into account your loan balance, interest rate and if you have a Principal and Interest loan, the remaining loan term as at the date of claim event. The estimated monthly repayment does not take into account any offset account balances, insurance premiums or loan service fees.

**Note:** Your estimated monthly repayment could be more or less than your actual minimum required repayment at the time of claim event. This could be due to, for example, the time it takes to adjust your required repayments following a redraw or additional payment you made, or an interest rate change.

We use the following assumptions and process for each loan type when we determine your estimated monthly repayment:

## **Principal and Interest loan**

We use the outstanding loan balance, remaining loan term and interest rate at the time of claim event and calculate what your minimum required repayment would have been at the time of the claim event to pay off your loan by the end of the loan term.

## **Interest Only loan**

We use the outstanding loan balance and interest rate at the time of claim event and calculate a monthly interest only payment.

## **Construction loan**

We use the approved loan amount and the interest rate at the time of claim event and calculate a monthly interest only payment.







# Exclusions

Some events are excluded and won't be covered under Compassionate Care. This can depend on the date your loan was fully or partially funded.

**The following exclusions only apply to eligible home loans fully or partially funded on or after 24 February 2020:**

## ⊗ **Pre-existing terminal illness**

No benefit will be paid if the illness or injury from which the insured person passes away or suffers a terminal illness, was medically diagnosed as terminal before the home loan was funded.

## ⊗ **Pre-existing illness**

No benefit will be paid if the insured person passes away within one year after the home loan was funded and the person died from an illness or injury that was medically diagnosed before the home loan was funded.

## ⊗ **Suicide and self-inflicted injury**

No benefit will be paid if the insured person is a borrower, and the borrower passes away from suicide or self-inflicted injury within one year of the home loan being funded.

## ⊗ **Outside of policy period**

No benefit will be paid if the Claim Event occurred after 16 April 2024.

We won't apply these exclusions if your eligible home loan was due to an internal CommBank refinancing, and the loan refinanced was from an eligible home loan fully funded before 24 February 2020.

Claim events must still occur on or after 24 February 2020 and on or before 16 April 2024 to be eligible.

## **The following exclusions apply to all home loans:**

### ⊗ **War**

No benefit will be paid if the insured person passes away and this is directly or indirectly caused by:

- their participation in an act or activity of war where the participation occurs on or after the date they became an insured person under Compassionate Care; or
- an act or activity of war which occurs within Australia on or after 24 February 2020.

This exclusion applies whether the war is declared or not, but doesn't apply where the insured person dies while on war service for the Commonwealth of Australia.

### ⊗ **Illegal/terrorist activity**

No benefit will be paid if the insured person passes away and this is directly or indirectly caused by their participation, or intention to participate, in an illegal activity or in a terrorist act or activity.

### **i** An **illegal activity** includes the following:

- (a) an action that is injurious to the public welfare and is legally prohibited;
- (b) any other action (including anti-social behaviour) which, in the Insurer's opinion, is of such gravity that could justify a refusal of the claim on the grounds of public policy;

but does not include a crime or offence for which the offender cannot be imprisoned.





## Examples of Pre-Existing Condition exclusions.

The following examples demonstrate how these exclusions could apply for loans fully or partially funded after 24 February 2020:

### Pre-existing terminal illness

Joe's 15 year old son, Charlie, was medically diagnosed with a terminal illness in October 2019. In March 2020, Joe's new eligible home loan is funded. Joe wants to make a claim for his son's terminal illness under Compassionate Care.

As Joe's eligible home loan is funded after 24th February 2020, the pre-existing terminal illness exclusion applies.

This means:

- Joe will not receive Compassionate Care benefits for Charlie's terminal illness as it was medically diagnosed as terminal before the eligible home loan was funded.
- For that same reason (the illness was diagnosed as terminal before the loan was funded), Joe won't receive benefits under Compassionate Care if Charlie subsequently passes away from the same illness.

### Pre-existing illness

Alice's husband, James, was medically diagnosed with an illness (not terminal) in December 2019. In April 2020, Alice applies for an eligible home loan which is funded in that same month.

As Alice's eligible home loan is funded after 24th February 2020, the pre-existing illness exclusion applies for a one year period from the date her home loan is funded.

James passes away in June 2021 from the illness that was medically diagnosed in December 2019. As the claim event (James' death) occurs after the one year exclusion period (which expired in March 2021), Alice will be eligible to receive Compassionate Care benefits for her home loan.

# Important limitations.

There are several important limitations that apply.

## **\$120,000 limit per insured person**

If an insured person passes away or is medically certified as terminally ill, Compassionate Care benefits will be paid up to a maximum of \$120,000 in total across all loans per insured person (whether held by you or others).

If the benefits in total would exceed the \$120,000 limit and there is more than one eligible home loan at the time of assessment, we will allocate the \$120,000 proportionally across all the home loans for which we know benefits are payable. This includes eligible home loans held by others. Once the benefit amount under each loan is determined, we will pay a lump sum payment into the respective loans.

Once the \$120,000 limit for an insured person is reached, no other benefits are payable for that person on any home loans.

## **One claim event per insured person**

No Compassionate Care benefits will be paid if an insured person passes away or is medically certified with a terminal illness and a fixed benefit amount has already been paid, or is already liable to be paid, for that person (e.g. due to an earlier terminal illness).

While you are limited to one claim event for an insured person, you may receive benefits across one or more eligible home loans which existed when the claim event occurred (subject to the \$120,000 limit).

For example, Jane is a borrower and has two eligible home loans. She is medically certified with terminal cancer with 6 months to live and Compassionate Care benefits are paid on both her home loans for this illness. If she later passes away (whether or not as a result of that terminal illness), no further Compassionate Care benefits can be claimed for her death as they have already been paid for her terminal illness.

## **Limitations for joint borrowers**

If there's more than one borrower on an eligible home loan and Compassionate Care applies to an insured person in more than one capacity (e.g. as a borrower and a spouse), benefits will only be payable for one of those capacities and not both.

For example, Sam and Jen are married and are co-borrowers on an eligible home loan. Compassionate Care benefits are payable when Sam passes away. Although Sam's death qualifies for benefits both as the death of a borrower (Sam) on the loan and as the death of a borrower (Jen)'s spouse, Compassionate Care benefits are only payable for Sam's death as either a borrower or a spouse but not both. This means that the fixed benefit amount payable on the home loan will be calculated once (and not effectively doubled by calculating it twice).



# Example of how Compassionate Care works.

Here's an example to help explain how Compassionate Care may help.

Sarah has a CommBank Owner Occupied Standard Variable Rate home loan with Principal and Interest repayments. On 23 October 2023, George, her 57 year old husband is medically certified as terminally ill. At that time, her minimum required repayments are \$2,663 a month.

1



Sarah reaches out to CommBank to advise that her husband George has been medically certified with a terminal illness 2 months ago (being after 24 February 2020 and before 16 April 2024).

2



Sarah discusses her options with us, and learns that she may be eligible for Compassionate Care.

3



Sarah completes the required claim form and lodges it at her local CommBank branch.

4



CommBank lodges the claim with the Insurer.

5



After the Insurer receives the required evidences, it assesses and accepts the claim

6



We calculate Sarah's estimated monthly repayment as \$2,663, using the outstanding balance, remaining loan term and interest rate on her loan at the time of George's medical certification.

7



As Sarah's estimated monthly repayment is \$2,663, (**Note:** this could have been higher or lower than Sarah's actual required repayment) the fixed benefit amount (the lump sum amount the Insurer pays us) is  $\$2,663 \times 12 \text{ months} = \$31,956$ .

8



We make a lump sum payment of \$31,956 into Sarah's home loan.

9



No further benefits will be payable for Sarah's home loan in relation to George.



# How do I claim?

If a claim event occurs, you or your legal representative should contact us as soon as possible as your home loan may be eligible for Compassionate Care.





# Lodging a claim.



To claim for Compassionate Care, you or your legal representative will need to:



Complete the relevant claim form available on **[commbank.com.au/compassionatecare](http://commbank.com.au/compassionatecare)**

Provide us with the completed claim form and the relevant supporting documentation by:



Submitting this to your local CommBank branch, or



Mailing it to:  
Processing Services, Home Loan Compassionate Care,  
PO Box 334, Silverwater  
NSW 2128, Australia

If you need help filling out the claim form or if you have any questions around your claim, call us on **1800 319 457** between 8am and 5pm (Sydney/Melbourne time), Monday to Friday.

We may ask you to confirm your identity and your relationship to the insured person when you complete the claim form. In the case of terminal illness, we will also require the insured person to consent to their details being provided to us and the Insurer.

If you are contacting us on behalf of the borrower we will ask to see original or certified documents to verify your authority. For more information on what documents you will need to provide, visit **[commbank.com.au/compassionatecare](http://commbank.com.au/compassionatecare)**.

Once a claim is made, we'll then submit it to the Insurer who will contact you directly for any further information they require to assess your claim.

You will need to cover any costs in providing the Insurer with the evidence they require to assess the claim, including reports from medical practitioners. However, the Insurer will sometimes meet these costs as explained below under 'Medical examinations.'

We know that getting paperwork may be the last thing you feel like doing. However, a delay in providing us or the Insurer with the correct information may result in a delay in us paying your fixed benefit amount.





## Medical examinations

If a claim is made for an insured person's terminal illness, the Insurer may, when considering the claim, require the insured person to undergo some medical examinations and non-invasive tests. If the insured person is overseas at the time of the claim, the Insurer may require them to travel to Australia to be medically assessed or examined.

If the Insurer requires medical examinations or tests:

- the Insurer has the discretion to appoint a medical practitioner;
- the Insurer will pay the medical practitioner's fees, the costs of any tests or procedures the insured person undergoes at the Insurer's request and the reasonable fees incurred by the insured person for travelling within Australia to an appointment with the medical practitioner;
- unless agreed in writing, the Insurer will not pay any other costs related to the

medical practitioner or the insured person's appointment with the medical practitioner, including fees for non-attendance at an appointment or the cost of the insured person travelling to Australia from overseas for a medical examination or test required by the Insurer.

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## Evidence to support a claim

The evidence provided must meet the Insurer's requirements, including a report from a medical practitioner as described in this document. All evidence must be legible and written in English, otherwise the Insurer may at your expense have the evidence transcribed into a form in which it can be comprehended in English.

# Privacy statement.

## Important information about your privacy and how we and the Insurer collect, use and share your information.

It is important for you to understand that we and the Insurer have separate privacy policies.

For further information on how we and the Insurer manage privacy please refer to our privacy policy at [commbank.com.au/privacy](https://commbank.com.au/privacy) and the Insurer's privacy policy at [aia.com.au/privacy](https://aia.com.au/privacy) which also contain information about how an individual may complain about a breach of privacy laws, including the Australian Privacy Principles

## Why we and the Insurer collect your information and what we use it for

We and the Insurer collect, use and exchange with each other information about the insured person, the claim notifier(s), the relevant home loan borrower(s) and their home loan account(s). We and the Insurer use this information to:

- Confirm the identity of the notifier, borrower(s) and insured person
- Identify and review eligible home loans of the notifier, borrower(s) and insured person
- Confirm the claim meets the eligibility requirements
- Assess and manage the claim, which may require collecting sensitive information, such as health information
- Contact you, for example, when we or the Insurer need further documents or to tell you the result of the claim
- Manage our relationship with you and improve our service to you and your experience with us
- Minimise risks and identify or investigate fraud and other illegal activities
- Comply with laws, for example the Anti-Money Laundering and Counter-Terrorism Financing Act, Taxation Administration Act 1953 and Income Tax Assessment Act, and assist government or law enforcement agencies

We and the Insurer may also collect, use and

exchange your information for other reasons where the law allows.

You may decline to share certain personal information with us, or the Insurer, in which case we, or they, may not be able to proceed with your Home Loan Compassionate Care claim.

## Sharing your information

We, and the Insurer, may share your information with third parties for the reasons listed above or where the law otherwise allows. These third parties include:

- Other members of the Commonwealth Bank Group
- AIA Australia Limited and other members of the AIA group
- People who act on your behalf – for example, a person with a Power of Attorney or the claim notifier
- People who help us process claims – for example, assessors and investigators
- Other people with the same account – for example, co-borrowers
- Other banks and financial institutions – for example, if we need to process a claim for a mistaken payment
- Auditors, insurers and re-insurers
- Government and law enforcement agencies or regulators
- Organisations that help identify illegal activities and prevent fraud

Your personal information which you provide in support of a claim will not be sent overseas.

Our privacy policy, and the Insurer's policy, tells you about other ways and reasons we, or the Insurer, may collect, use or share your information. It also contains information about how to access your information and correct it if it's wrong.



Visit [commbank.com.au/privacy](https://commbank.com.au/privacy) for our most up to date privacy policy or go to any CommBank branch for a copy.

Visit [aia.com.au/privacy](https://aia.com.au/privacy) for the Insurer's most up to date privacy policy.

# If you have a complaint.

## We're listening

If you have a complaint contact us in the first instance. If we've done wrong, or you're not satisfied in any way, it's important we hear about it so we can make things right.

We'll take your complaint seriously, work with you to address your complaint quickly and aim to find a resolution that's fair. Sometimes we may need more time, but we'll keep you updated regularly throughout the process to let you know where things are at.

## Can we resolve it right away?

Any of our staff can help you with a complaint.

The fastest way to have a problem fixed is to call us on **1800 319 457** between 8am and 5pm (Sydney/Melbourne time), Monday to Friday.

Alternatively you can contact us via Online at **commbank.com.au/feedback**.

We acknowledge every complaint we receive and provide our name, a reference number and contact details of the investigating officer. We keep you updated on the progress we're making towards fixing the problem.

If you aren't satisfied with our solution and need further assistance, contact Group Customer Relations by:



By calling us on **1800 805 605**, or



Writing to:  
CBA Group Customer Relations,  
Reply Paid 41, Sydney, NSW 2001.

## If you're unhappy with the resolution

You can lodge a dispute through the Australian Financial Complaints Authority (AFCA), our external dispute resolution provider. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You can contact AFCA:



By calling **1800 931 678** (free call), or



Online at **afca.org.au**, or



By writing to:  
Australian Financial Complaints  
Authority GPO Box 3,  
Melbourne VIC 3001



