

SHORT FORM
PRODUCT DISCLOSURE STATEMENT
Benefit Fund Members (Individuals)



Short Form PDS dated 1 June 2010 issued by

PBF Australia Limited

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The Purpose of this Short Form PDS

This is a Short Form Product Disclosure Statement (Short Form PDS). It is designed to provide you with a reasonable understanding of the key features of our product. The full PDS is available online at www.pbf.asn.au or by calling 1800 809 780.

PBF Australia Ltd (“PBF” or “PBF Australia”) and its representatives do not take your personal details into account and any advice given is of a general nature only. It is therefore important that you read all of this Short Form PDS before deciding whether or not to become a member of PBF.

Part 1 – General Information

1. Who is PBF Australia Ltd?

1.1 About Us

PBF Australia Ltd is a Not-For-Profit national charity established in 1984 by the late Sir George Bedbrook. PBF is an abbreviation for Paraplegic Benefit Fund. Our mission is to reduce the incidence and impact of spinal cord injury. PBF raises the majority of its revenue through membership subscription fees.

Individuals and families can apply to become PBF Benefit Fund members (“PBF members” or “members”) and pay an annual subscription fee. Subject to PBF’s Terms and Conditions, if a member sustains a permanent spinal cord injury*, they are entitled to apply for a *discretionary benefit payment* (current maximum \$100,000). *Please refer to the Terms and Conditions and the Schedule of Benefits in Part 2 of this PDS for further information.

PBF is the product issuer. Our product is a miscellaneous mutual risk product, which means it is a financial product consisting of membership of the company as well as an entitlement to make a claim for a *discretionary benefit payment*.

1.2 PBF Board

PBF Australia is managed by a Board of Directors. Prior to being elected as a Director, a person must first be admitted as an Ordinary Member of PBF (which requires nomination by the Board). Only Ordinary Members of PBF are entitled to vote at General Meetings. Benefit Fund members are not entitled to be notified, attend or vote at General meetings. Members are represented by the Directors, who are eligible to vote.

1.3 Regulation of PBF

PBF Australia is not an insurance company and the *discretionary benefit payment* is not an insurance product. As such, we are not required to be authorised under the Insurance Act 1973, or regulated by Australian Prudential Regulation Authority.

PBF holds an Australian Financial Services licence (AFSL No. 301359) and is regulated by the Australian Securities and Investments Commission (ASIC). As an AFS licence holder, PBF is required to always have assets that exceed liabilities. We are required to have our finances independently audited and provide same to ASIC. We are also required to inform ASIC if at any time we are unable to meet our licence conditions.

1.4 Estimating future liabilities

PBF has been operating for more than 20 years. PBF retains financial reserves in excess of predicted future benefit payments. It is current policy that additional funds be set aside each financial year to grow these reserves. To provide further financial security, PBF is itself insured for any *discretionary benefit payments* it may make.

2. Features and Benefits of PBF Benefit Fund Membership

2.1 Eligibility for Discretionary Benefit Payment

Membership of PBF entitles members to apply for a *discretionary benefit payment* (current maximum \$100,000) if they sustain a traumatic spinal injury resulting in permanent paraplegia or tetraplegia, subject at all times to the Terms and Conditions included in this Short-Form PDS.

The intent of the *discretionary benefit payment* is to provide early financial support following a traumatic spinal cord injury. The qualifying period for some disability insurance products can be more than a year. Settlements

or claims against Third Party insurers may take several years. People who have sustained a spinal cord injury have said that early money can make a critical difference in helping to meet the immediate, significant costs.

The PBF Board has full discretion to accept, deny or reduce a claim for a *discretionary benefit payment*. By offering membership and a financial product that is discretionary, PBF is able to offer this product without establishing an insurance company. Members are assured that the Board's discretion will be exercised cautiously and only in circumstances in which the Board believes it is appropriate.

Certain exclusions are listed in the Terms and Conditions contained later in this document. Eligibility for a *discretionary benefit payment* ceases if:

- The member is more than 80 years of age.
- Membership subscription fees are more than 28 days in arrears; or
- A benefit fund member resides outside Australia for more than three months.

2.2 Liability on Winding Up

As a member of PBF, you may be liable for an additional payment if the company were to wind up with outstanding debts. However, PBF is a **company limited by guarantee**, and any liabilities at the time of winding up are limited to one dollar (\$1) per member. This liability applies to current members and any persons who were members in the 12 months prior to the winding up.

3. PBF Membership

Membership offers a great way to support a charity whilst also gaining eligibility to apply for a benefit of up to \$100,000. Many people and organisations support worthy causes, but how many charities provide significant benefits back to their supporters?

Membership of PBF is at the discretion of the Board of Directors. Only PBF members (or Eligible Persons of Corporate Members) may apply for a *discretionary benefit payment*. There are a number of categories of membership with the vast majority of members being Benefit Fund or Corporate Benefit Fund Members.

PBF Australia is incorporated as a public company, being a company limited by guarantee. There are no shares issued. Because PBF was set up as a charity, in the event of the company winding up, any assets cannot be distributed to members but shall be given/transferred to a similar approved institution with similar objectives to PBF. Membership subscriptions attract GST but not stamp duty.

3.1 Benefit Fund Member

Any individual, who is 17 years of age or more at the date of application, may apply for Benefit Fund Membership. Benefit Fund Membership is available at the discretion of the Board to individuals or families.

To join PBF, a potential member must pay an annual subscription fee and complete an application form, providing details of their name, address, contact number, occupation and date of birth. In the case of a family membership, the same details must be provided for the member's spouse and/or children. A family membership includes spouse and the children of their union, or the children of either of them, who are under 17 years of age. A discounted subscription rate is offered to families with only two members, such as a member and their spouse, or two siblings, or a parent and child, providing the two members are residing at the same address. A family who elects to pay the 'double' rate remains a 'family member' as defined in the Terms and Conditions.

A membership card will be issued once the application is accepted by the PBF Board.

Annual membership fees (incl. GST) are:

- \$40/year single
- \$54/year double
- \$70/year family (children under 17)

3.2 Cancellation and Renewal of your membership

Initial membership of PBF shall commence on the day of the receipt by PBF of both the membership application form and payment of the annual membership fee (subject to clearance of funds) ("**the Start Date**") and shall continue for a period of 12 calendar months, or such further period (not exceeding 30 days) as to extend to the last day of the month in which the Member joined ("**the Renewal Date**").

Subsequent periods of membership shall commence on the Renewal Date, subject to payment of the membership fee within 28 days of the Renewal Date and continue for a period of 12 calendar months. PBF will

send notice of a membership renewal becoming due, at the address shown on PBF records, generally no later than one month before it is due.

Subject to the Constitution of PBF, membership shall be cancelled at the request of the member (in writing) or shall be automatically cancelled if the membership subscription is in arrears for a period greater than 28 days.

4. Changes to your membership details

If your personal or contact details change, you need to tell us so that our records remain up to date and your renewals can be sent to the correct address. If you forget to inform us, you may miss your renewal date and your membership may lapse.

5. How to make a claim

If a member sustains a permanent spinal cord injury and wishes to apply for a *discretionary benefit payment*, the member must write and advise PBF within **28 days** of the day of the event that resulted in the injury.

All correspondence should be sent to:

PBF Australia Ltd, PO Box 723, Osborne Park WA 6916 or email: info@pbf.asn.au

PBF will send an application form for *discretionary benefit payment* to the member. The member will require a letter of diagnosis from the attending Medical Practitioner. PBF will also seek a diagnosis from a nominated Medical Practitioner, appointed by the Board of PBF.

Members of PBF have a right to have their claim for a *discretionary benefit payment* considered by the Board of Directors of PBF. The payment of benefit is at the discretion of the Board. Once the claim application, diagnosis and recommendations are received, the Board will meet to consider the claim.

If the board approves a claim, PBF will provide the benefit payment as soon as practicable but in any event within three months of its decision. If the Board decides not to make a payment, this will be communicated to the member as soon as practicable.

6. Privacy Statement

PBF Australia is committed to upholding the Privacy Act 1988 (Commonwealth) which sets standards for how organisations should collect, use, disclose and handle personal information. Our Privacy Statement is available online at www.pbf.asn.au.

7. Complaint and Dispute Resolution

If you have any comments or suggestions about how we can improve our product, or if you have received excellent service from one of our staff members, we would like to hear from you. All feedback should be forwarded to: Administration Manager, PBF Australia Ltd, PO Box 723, Osborne Park, WA 6916. Phone: 1800 809 780. Email: info@pbf.asn.au

If you have encountered a problem with our service, or if you have any concerns about a procedure or policy, we would also like to hear from you. All correspondence should be directed to: Complaints Manager, PBF Australia Ltd, PO Box 723, Osborne Park WA, 6916. Phone: 1800 809 780. Email: info@pbf.asn.au

We expect that our staff and managers will be able to resolve any issues you raise. However, if you believe your complaint has not been dealt with satisfactorily, you may contact the Financial Industry Complaints Service. This service is provided at no charge to you. Contact details: FICS, PO Box 579, West Melbourne, VIC 8007. Phone: 1800 335 405. Fax: (03) 9621 2291. Website: www.fics.asn.au

8. How to contact us

To contact PBF Australia, you can phone 1800 809 780 or fax (08) 9443 1788. Alternatively, email info@pbf.asn.au or write to PO Box 723, Osborne Park, WA, 6916.

9. How to obtain further information

Need to know more? The full PDS is available by downloading it from our website (www.pbf.asn.au). Alternatively, we would be happy to send you one by email or post if you contact us (see details above) and request a copy.

Part 2 - Terms and Conditions

BENEFIT FUND MEMBERSHIP (Individuals)

Terms and Conditions

1. For the purpose of these Non-Corporate Terms and Conditions, the following words and phrases shall (unless the context otherwise requires) have the following meanings.

“Board” means the Board of Directors of PBF Australia Ltd.

“Constitution” means the Constitution of PBF being the Memorandum and Articles of Association including any amendments for the time being in force.

“Member” means a natural person or persons accepted by the Board as a Member of PBF subject at all times to the Constitution and all Terms and Conditions of PBF.

“Nominated Medical Practitioner” means the registered Medical Practitioner as determined from time to time by the Board and selected from a panel of Medical Practitioners who are currently, or have previously, held the position as Director of a Spinal Unit of a State of Australia.

“PBF” means PBF Australia Ltd.

“Relevant Event” means an event as defined in clause 6 of these Non-Corporate Terms and Conditions.

2. The Board may from time to time establish a Table of Subscription Rates together with a Schedule of Benefits.
3. The Board may vary the Table of Subscription Rates, the Schedule of Benefits, and/or these Terms and Conditions from time to time. However, any such variation is not binding upon a Member until the day upon which the membership is due for renewal following the particular variation being communicated in writing to the Member. Any such variation shall be deemed to have been communicated to a Member if notice of the particular variation has been forwarded via mail or electronic means to the member at the address of the member shown in membership records.
4.
 - 4.1 Subject to these Terms and Conditions, and upon the happening of a Relevant Event, a Member becomes entitled to be assessed for payment of the benefit as specified in the Schedule of Benefits.
 - 4.2 If a Relevant Event should occur during a time when the subscription of the Member has fallen in arrears by more than 28 days, then the Member shall not be entitled to be paid a benefit from PBF.
5. On the occurrence of a Relevant Event, the Board shall consider any claim made against PBF and may in its sole and absolute discretion, and either in whole or in part, determine whether or not to grant a benefit.
6. For the purpose of these Terms and Conditions, a Relevant Event is the occurrence of a traumatic injury to the spinal cord of the Member making the claim that has resulted in total paraplegia or tetraplegia where such injury has been diagnosed and certified by the Nominated Medical Practitioner. Injury means a bodily injury resulting from an accident and which is not an illness or disease and which:
 - a) is caused by violent, external and visible means; and
 - b) occurs during the period of membership; and
 - c) results solely and independently of any other causes, including any pre-existing physical or congenital conditions.No benefit will be paid to a member where the total or substantial paraplegia or tetraplegia results directly or indirectly from:
 - 6.1 disease or illness; or
 - 6.2 trauma or injury at or near the site of either an existing injury or at or near the site of an existing disease (to be determined by the Nominated Medical Practitioner with such determination to be in the absolute discretion of the Nominated Medical Practitioner); or
 - 6.3 trauma or injury caused by earthquake, cyclone, hurricane or other natural disaster; or

- 6.4 trauma or injury at war (whether declared or not), invasion, civil war or any other military disturbance; or
- 6.5 any intentional self injury, or attempt at same, suicide or illegal or criminal act committed by the Member; or
- 6.6 trauma or injury resulting from any civil disturbance and any incidental measures taken by the relevant authorities in such circumstances to deal with the civil disturbance; or
- 6.7 trauma or injury resulting from a member engaging in or taking part in flying in an aircraft or aerial device other than as a passenger in an aircraft licensed to carry passengers; or
- 6.8 traumatic injury to the spine where the injured party has failed to wear an available seatbelt restraint, and where, in the opinion of the Nominated Medical Practitioner, failure to do so has resulted in the total or substantial paraplegia or tetraplegia; or
- 6.9 an injury that occurred from a trauma at a time when the member had consumed drugs and/or alcohol which on blood analysis creates a level greater than 0.05 per cent alcohol by volume provided. However, if the member was a passenger in a motor vehicle then the Board may in its discretion decide that the blood alcohol level of the member/passenger is not a relevant factor; or
- 6.10 a member engaging in, or taking part in training for, professional sports of any kind, motor vehicle or motor cycle racing (whether as a driver or a passenger) or the racing or preparation for racing of any kind; or
- 6.11 the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel; or
- 6.12 pregnancy, childbirth, miscarriage or the complications of these conditions; or
- 6.13 an act of terrorism.
7. Upon the occurrence of a Relevant Event, the Member concerned shall advise PBF of the occurrence of the Relevant Event in writing within **28 days** of the date on which the Relevant Event occurred.
8. The manner and amount of the payment of benefit, as determined to be made in the absolute discretion of the Board to an eligible member following the occurrence of a Relevant Event, shall be in accord with the Schedule of Benefits as current at the time of acceptance of the membership application and subject always to the Terms and Conditions herein contained. Payment to an Eligible Member who is less than 18 years of age will be made to the legal guardian of the Eligible Member.
9. An Eligible Member is a Member:
- a) To whom a Relevant Event has occurred and who has not been excluded by reason of matters set out in paragraph 6 of these Terms and Conditions; and
 - b) Who has advised PBF of the occurrence of the Relevant Event within the timeframe stipulated in paragraph 7 (above); and
 - c) Who has at the time of the occurrence of the Relevant Event:
 - I In the case of an individual has paid the subscription required by PBF within the time frame in these Terms and Conditions;
 - II In the case of a family member:
 - d) Paid the family membership subscription in the amount required by PBF within the time frame as specified by these Terms and Conditions; and
 - e) Is a family member as defined in paragraph 9 (d) of these Terms and Conditions.
 - f) A family member is the husband or defacto husband and wife or defacto wife and the children of their union, or the children of either of them, who are less than 17 years of age, and who are named on the membership application.
10. Initial membership of PBF shall commence on the day of the receipt by PBF of both the signed Application and payment of the annual membership fee (subject to clearance of the funds) (**"the Start Date"**) and shall continue for a period of 12 calendar months, or such further period (not exceeding 30 days) as to extend to the last day of the month in which the Member joined (**"the Renewal Date"**). Subsequent periods of membership shall commence on the Renewal Date, subject to payment of the membership fee within 28 days of the Renewal Date, and continue for a period of 12 calendar months. Subject to the Constitution of PBF, membership shall be cancelled at the request of the member or shall be automatically cancelled if the membership subscription is in arrears for a period of more than 28 days.
11. The benefit, as determined to be paid by the Board following the exercise of its discretion herein, shall be paid to the Eligible Member within three months of the date of the exercise of the discretion of the Board to pay a member benefit payment. Payment to an Eligible Member who is less than 18 years of age will be made to the legal guardian of the Eligible Member.
12. Membership benefits shall cease upon a Member residing outside of Australia for a period greater than three months.

13. Members aged 80 years or more are ineligible to claim the discretionary member benefit. However, this will not prejudice any eligibility to claim the discretionary member benefit which arises due to an incident that occurs before a member reaches 80 years.

SCHEDULE OF BENEFITS PAYABLE

1. Subject to the Terms and Conditions herein appearing, and in the event of total or substantial paraplegia or tetraplegia as determined by the Nominated Medical Practitioner and following upon a Relevant Event, then an Eligible Member of the Fund is entitled to be assessed to receive a benefit to a maximum sum of \$100,000.