

Novated Lease Protection product disclosure statement and insurance policy

Preparation date: 15 April 2009

Insurer and issuer: Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680 AFS Licence No. 238292

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Welcome to the security of Swann Insurance

This PDS is important

This Product Disclosure Statement and Insurance Policy (PDS) contains important information required under the Corporations Act 2001.

Please read this PDS before you apply for insurance.

This PDS sets out the terms, conditions and limits that apply for the insurance we offer to you. If you have paid the Premium and we accept your application for insurance, you will receive a Policy schedule that sets out details of the insurance you have taken out. It is your responsibility to make sure that all details contained on the Policy schedule are correct.

Our agreement with you is made up of:

- ◆ your application,
- ◆ this PDS,
- ◆ the Policy schedules, and
- ◆ endorsements we send to you. Endorsements are notices we send to confirm any change to your insurance.

Together these set out the terms, conditions and limits of your insurance.

Keep this PDS in a safe place. You may want to refer to it from time to time.

If you need more information about this insurance, please contact us.

The information in this PDS was current at the time of preparation. However, some information may change from time to time. If a change is significant, we will issue a supplementary PDS or replacement PDS. If a change is not significant, you can obtain a copy of the updated information free of charge by contacting us.

Introduction

Who is the insurer

Swann Insurance (Aust) Pty Ltd is the insurer, Australian Business Number 80 000 886 680, Australian Financial Services Licence Number 238292. In this PDS the insurer is called 'we', 'us', 'our', or 'Swann Insurance'.

Who is insured

The person or persons named as the insured when you applied for this insurance and named on the Policy schedule. In this PDS that person or persons are called 'you' or 'your'.

The purpose of this PDS

This PDS has been prepared to assist you in understanding this insurance and making an informed choice about your insurance requirements.

How to apply for insurance

Complete our application. If you apply for this insurance and your answers to our questions are entered into our Web based system, you will be provided with a copy of the questions we have asked and the answers you provided relating to the assessment of your particular risk.

General Insurance Code of Practice

Swann Insurance has adopted the General Insurance Code of Practice. The purpose of the code is to raise the standards of practice and service in the general insurance industry.

The objectives of the code are:

- ◆ to promote better, more informed relations between insurers and their customers,
- ◆ to improve consumer confidence in the general insurance industry,
- ◆ to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- ◆ to commit insurers and the professionals they rely upon to higher standards of customer service.

If you would like more information about the code, please contact us.

Your duty of disclosure

What you need to tell us

You must tell us anything that you know, or should know, which could affect our decision to insure you and/or the terms on which to insure you. You must do this when you apply for insurance, renew your insurance or when you change or reinstate your insurance. When we ask you specific questions, you must answer these questions truthfully and in a way that a reasonable person in the circumstances would answer them. It is important that every person who will be insured by this insurance answers all questions in this way. These are requirements of the Insurance Contracts Act 1984.

What you do not need to tell us

You do not need to tell us anything that:

- ◆ reduces our risk,
- ◆ is of common knowledge,
- ◆ we know, or as an insurer should know, or
- ◆ we indicate that we do not want to know.

What will happen if you do not tell us

If you withhold relevant information or you do not answer our questions in the way we have described, we can reduce the amount we pay you for your claim, or we can cancel your insurance. If your failure to tell us is fraudulent, or your answers are untruthful, we can treat your insurance as if it never existed.

If you do not understand

If you do not understand your duty, please contact us.

Important Information

Before you apply for insurance

You are not obliged to purchase this insurance and insurance can be arranged through a different insurer.

This insurance provides Consumer Credit Insurance which has been developed to assist you to meet your obligations under your Lease agreement in the event you become involuntarily unemployed. The amount paid on a claim is measured by reference to your liability under your Lease agreement and is subject to the benefit limits set out in this PDS.

We will not cover leases over \$110,000 (including balloon or residual amounts).

To make a claim you must remain involuntarily unemployed for 30 days. We will make one Initial payment. You can then select one of the two settlement options for further payments.

We issue your insurance relying on:

- ◆ the information you provide in answer to our questions when you apply for insurance, and
- ◆ you meeting the entry age conditions when we accept your application for insurance, and
- ◆ you being engaged in Permanent and gainful employment and you are not under notice of dismissal when we accept your application for insurance.

About this insurance

This insurance has been designed to provide payment to your Lease company if during the Period of insurance you become involuntarily unemployed.

The way we handle your personal information

We collect personal information from you for the purpose of providing you with insurance products, services, and processing and assessing claims.

You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose information we hold about you to:

- ◆ other insurers,
- ◆ an insurance reference service,
- ◆ our service providers and/or advisers,
- ◆ any third party with whom you have been dealing in respect of this insurance and who referred you to Swann Insurance, and
- ◆ any other third party as permitted or required by law.

In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers.

Lease agreement

The agreement between you and the Lease company that is providing the lease. This agreement must be in writing and state:

- ◆ the term of the agreement, and
- ◆ the amount you agree to pay your Lease company.

Lease company

The provider you have entered into a Lease agreement with to lease a vehicle detailed in that Lease agreement.

Lease repayment

The regular monthly repayment amount that you, or any other person, entity or company has agreed to pay under the terms of your Lease agreement. This does not include any residual or any balloon payments.

Maximum benefit

The Maximum benefit we will pay for Involuntary unemployment is \$15,000.

Pandemic influenza

An influenza virus that spreads through an entire continent.

Period of insurance

The period of cover shown on the Policy schedule.

Permanent and gainful employment

You are:

- ◆ working on a permanent and continuous basis for wages or income for a minimum of 20 hours every week and you are not in employment of a seasonal, casual, temporary or non-renewable contract nature, or
- ◆ self-employed, or in a partnership, and working on a permanent and continuous basis for a minimum of 20 hours every week and you are not self-employed on a seasonal, casual, temporary or non-renewable contract nature.

Policy schedule

The most recent schedule we give you describing the terms and conditions that are specific to your insurance. This also includes any amendments we send you in writing.

Premium

The amount you pay for the insurance.

Remaining balance due

The amount owing by you to your Lease company at the time that you become involuntarily unemployed. This does not include:

- ◆ any arrears due from you or any other person, entity or company responsible for the repayments, or
- ◆ any amount charged for early discharge of the Lease agreement.

Terrorism

Any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

Vehicle

The vehicle that you have leased under a Lease agreement with your Lease company.

War or warlike activities

War (including war service), an act of a foreign enemy, hostilities or war like operation (whether war is declared or not), civil commotion, civil war or rebellion.

What you are insured for

Provided you have paid the Premium and we have accepted your application, we agree to insure you during the Period of insurance for the type of cover selected and stated on the Policy schedule, subject to the terms, conditions and limits of this PDS.

The cover provided by this insurance may vary from the prescribed standard cover. It is therefore important that you read, retain and understand this PDS.

What we pay

Initial payment	<p>If you become involuntarily unemployed and remain involuntarily unemployed for 30 consecutive days we will pay one Lease repayment to your Lease company.</p> <p>This payment is only applicable to the first period of Involuntary unemployment and not to any subsequent periods of Involuntary unemployment.</p>
<p>For example, if you become Involuntarily unemployed for more than 30 days and you make a claim and it is the first period of Involuntary unemployment during the Period of insurance. If your Lease repayment is \$1,500, we will pay to your Lease company \$1,500.</p>	

Further payments

If we have accepted a claim from you for an Initial payment, you can select 1 of the following 2 settlement options that will apply to the remainder of your claim. These are:

Settlement option 1 – Lease repayment cover	<p>If you choose to retain your Vehicle and to continue with your Lease agreement, for each day you remain involuntarily unemployed after the initial 30 days of Involuntary unemployment, we will pay 1/30th of your Lease repayment to your Lease company.</p> <p>We will pay this to your Lease company until we have paid for a maximum of 150 days after the end of the initial 30 days, or we have paid a Maximum benefit of \$15,000 including the Initial payment, whichever happens first.</p> <p>With this settlement option, if we pay either of the Maximum benefits, cover will end and no further claims can be made by you on this policy.</p>
<p>For example, if you become Involuntarily unemployed for more than 30 days and you make a claim and wish to retain your Vehicle under Settlement option 1 - Lease repayment cover. If your Lease repayment is \$1,500, we will pay to your Lease company the following:</p> <ul style="list-style-type: none"> ◆ Initial payment of \$1,500; and ◆ \$50 for each day of Involuntary unemployment during the Period of insurance up to a maximum of 180 days. 	

<p>As another example, if you become Involuntarily unemployed for more than 30 days and you make a claim and wish to retain your Vehicle under Settlement option 1 – Lease repayment cover. If the Lease repayment is \$3,000, we will pay to your Lease company the following:</p> <ul style="list-style-type: none"> ◆ Initial payment of \$3,000; and ◆ \$100 for each day of Involuntary unemployment during the Period of insurance up to a maximum of \$12,000. 	
<p>Additional Benefit</p>	<p>If we have accepted a claim from you under Settlement option 1 – Lease repayment cover and you have returned to Permanent and gainful employment before the Maximum benefit shown above has been paid, you can lodge a claim for the balance under Settlement option 1 – Lease repayment cover for any subsequent periods of Involuntary unemployment occurring during the remaining Period of insurance provided that:</p> <ul style="list-style-type: none"> ◆ you remain involuntarily unemployed for a further 30 consecutive days, and ◆ the total maximum number of days of Involuntary unemployment covered by the policy for all claims, including the Initial payment, cannot exceed 180 days or the Maximum benefit limit of \$15,000, whichever is the lesser, and ◆ you must be in Permanent and gainful employment for a minimum of 6 months prior to a subsequent event of Involuntary unemployment, and ◆ any further subsequent period of Involuntary unemployment must be at least 12 months after the last day of Involuntary unemployment for which we have made a Lease repayment cover payment.

<p>For example, if you become Involuntarily unemployed for 60 days and you make a claim and wish to retain your Vehicle under Settlement option 1 - Lease repayment cover. If the Lease repayment is \$600, we will pay to your Lease company the following:</p> <ul style="list-style-type: none"> ◆ Initial payment of \$600; and ◆ \$20 for each day of Involuntary unemployment during the Period of insurance for 30 days. <p>Assume you return to Permanent and gainful employment for 7 months and you become Involuntarily unemployed for another 90 days. We will pay to your Lease company \$20 for each day of Involuntary unemployment during the Period of insurance for 60 days.</p> <p>If you return to Permanent and gainful employment for 15 months and you become Involuntarily unemployed for another 90 days. We will pay to your Lease company \$20 for each day of Involuntary unemployment during the Period of insurance for 60 days.</p>
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<p>Settlement option 2 – Hand back cover</p>	<p>This cover is only available for the first period of Involuntary unemployment during the Period of insurance.</p> <p>If you remain Involuntarily unemployed for 30 days and within the first 30 days of your Involuntary unemployment you sell your Vehicle, or you surrender your Vehicle to your Lease company, we will pay to your Lease company:</p> <ul style="list-style-type: none"> ◆ the Remaining balance due on your lease, ◆ less the Fair sale price of the Vehicle, ◆ less the Initial payment we have made to your Lease company, ◆ less the hand back excess of \$250. <p>The maximum we will pay under this settlement option is \$15,000 including the Initial payment. With this settlement option, cover will end and no further claims can be made on this policy.</p> <p>If you have not sold your Vehicle or surrendered your Vehicle to your Lease company within 30 days of the commencement of your Involuntary unemployment claim we will be unable to settle your claim under Settlement option 2 – Hand back cover and your Involuntary unemployment claim will be settled using Settlement option 1 – Lease repayment cover.</p>
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<p>For example, if you become Involuntarily unemployed for more than 30 days and you make a claim under Settlement option 2 - Hand back cover. If you have sold your Vehicle during the initial 30 days of your Involuntary unemployment, the Lease repayment is \$1,500, the Remaining balance due on your lease is \$9,000 and the Fair sale price of the Vehicle is \$4,000, we will pay to your Lease company the following:</p> <ul style="list-style-type: none"> ◆ Initial payment of \$1,500; and ◆ \$3,250. <p>As another example, if you become Involuntarily unemployed for more than 30 days and you make a claim under Settlement option 2 - Hand back cover. If you have sold your Vehicle during the initial 30 days of your Involuntary unemployment, the Lease repayment is \$3,000, the Remaining balance due on your lease is \$40,000 and the Fair sale price of the Vehicle is \$20,000, we will pay to your Lease company the following:</p> <ul style="list-style-type: none"> ◆ Initial payment of \$3,000; and ◆ \$12,000.

Who we pay

In the event of a claim, payment will be made to your Lease company, or as directed by your Lease company.

What you are not insured for

We will not pay for:

- ◆ any balloon or residual payment.
- ◆ Involuntary unemployment arising from:
 - War or warlike activities, or
 - Terrorism, or
 - Avian influenza, Epidemic influenza, Pandemic influenza, or
 - any intentionally self-inflicted illness or injury, or
 - you engaging in a criminal act, or
 - misconduct, or
 - you being unable to perform the work that you were employed to undertake, or
 - you taking part in or being subject to lockouts, riots, labour disputes or strikes, or
 - childbirth, abortion or pregnancy, including conditions accelerated or caused by childbirth, abortion or pregnancy, or
 - maternity or paternity leave, or
 - alcoholism, drug addiction or the influence of intoxicating liquor or drugs, or
 - engaging in professional motor racing, or
 - death or disablement, or
 - overseas transfer, or
 - your employer, or part of your employer, being sold and you are transferred or offered transfer to the new owner, or
 - any illness, injury or condition known to be present, whether treated or not, prior to you signing your Lease agreement, or
 - a decision made by you or a relative about the continuation of your employment, or
 - you refusing to accept a reasonable alternate position offered to you by your employer within your state of residence.

The benefits provided by this policy will not apply to you when:

- ◆ you have not remained involuntarily unemployed for 30 consecutive days, or
- ◆ Involuntary unemployment occurs within 1 month of the date you signed your Lease agreement, or
- ◆ you have selected to settle your claim under Settlement option 1 – Lease repayment cover and you cannot demonstrate to us that you are actively seeking re-employment, or
- ◆ you are no longer an Australian resident, or
- ◆ your Lease agreement is terminated, or
- ◆ you do not have a current Lease agreement, or
- ◆ you are less than 18 years of age, or more than 63 years of age, when you signed your Lease agreement, or
- ◆ you are not engaged in Permanent and gainful employment or you are under notice of dismissal when you sign your Lease agreement, or
- ◆ you are aware of a pending event that could lead to you becoming involuntarily unemployed.

How to make a claim

Contact us on 1300 657 382 within 30 days of an event occurring that may give rise to a claim.

You must complete a claim form and return it to us immediately following an incident occurring that may result in a claim on this insurance. If we do not receive your completed claim form within 14 days of such an incident, we may refuse a claim or reduce the amount we pay for a claim.

We may make any reasonable enquiries about the claim. This includes understanding the circumstances that lead to your Involuntary unemployment.

Certain additional information must be supplied

Depending on the type of claim you make, you will be required to assist us by providing information we require from you in writing. This can include:

- ◆ certification of registration as unemployed by the appropriate Australian government agency, and
- ◆ details of the Remaining balance due to your Lease company and how the amount is calculated including your payment history, and
- ◆ a copy of a report made by your Lease company detailing the condition of your Vehicle when you surrendered the vehicle to your Lease company, and
- ◆ evidence of the sale price obtained for your Vehicle, how it was sold and who it was sold to.

Claim recovery

If for any reason we pay benefits to which you or your Lease company is not entitled, we shall have a right to recover those benefits.

When this insurance ends

The policy ends on the day that any of the following occur:

- ◆ the policy is cancelled, or
- ◆ at the expiry of the period of your lease, or
- ◆ you make a claim on the policy for Settlement option 2 – Hand back cover, or
- ◆ the Maximum benefit limit has been reached, or
- ◆ your Lease agreement ends or was due to end, or is discharged or is refinanced, or
- ◆ your final Lease repayment is made, or
- ◆ 5 years have elapsed after you have signed your Lease agreement, or
- ◆ you turn 65 years of age, or
- ◆ you are no longer an Australian resident, or
- ◆ you default on your Lease repayment.

Cancelling this insurance

Cancellation by you

You may cancel this insurance at any time by requesting us to do so in writing.

If you do request cancellation, we will retain an amount from the Premium in accordance with relevant legislation. We will refund the balance to you.

If we receive your cancellation request within 28 days from the Commencement date and you have not made a claim on this insurance, we will refund your Premium in full.

You must notify us immediately if your Lease agreement ends earlier than the term in the Period of insurance shown on your Policy schedule.

Cancellation by us

We may cancel this insurance where circumstances described in insurance legislation allow us to do so.

If we cancel this insurance, we will retain an amount from the Premium in accordance with relevant legislation. We will refund the balance to you.

Complaint and dispute handling process

Swann Insurance has a well-deserved reputation for providing quality products, good customer service and settling claims promptly and equitably.

However, if you are not satisfied with:

- ◆ one of our products,
- ◆ our service,
- ◆ our sales and marketing,
- ◆ changes made to your Premium,
- ◆ declined insurance,
- ◆ the service of our representatives or service providers,
- ◆ your claim,
- ◆ our handling of your personal information, or
- ◆ any other matter,

we have a process to help if you wish to make a complaint.

The process

The first thing you should do is call us on 1300 307 926. If you let us know what the complaint is we may be able to resolve the complaint for you. If the staff member you speak to is unable to resolve the complaint for you, they will refer you to a manager.

The manager will review and respond to your complaint.

A response will usually be provided within 15 days from when you made your complaint.

If the manager cannot resolve your complaint you can request the complaint be referred to an internal Dispute Resolution Officer (DRO). The DRO will treat your complaint as a dispute. They will conduct a review of your dispute and provide you with a decision usually within 15 business days. Our Dispute Resolution Procedure is completely free of charge to all of our customers.

If you do not agree with the DRO's decision, you may wish to seek an external review of the decision. The DRO's letter outlining their decision will provide you with information on external review option(s), including, if appropriate, referring you to the dispute resolution scheme run by the Financial Ombudsman Service (FOS). The FOS is administered by the Financial Ombudsman Service Limited ABN 67 131 124 448. The FOS is an external body that is independent of Swann Insurance. Your complaint should be put in writing and addressed to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Email: info@fos.org.au

It will deal with all enquiries and disputes and make its decision at no cost to you.

If your dispute is about our collection, use, disclosure of, or access to your personal information, you may refer the matter to the Australian Privacy Commissioner who will investigate your concerns and make a decision at no cost to you.

Contact us if you need any help in understanding how our complaint and dispute handling procedure operates. Swann Insurance also has brochures available explaining the dispute resolution process in more detail.

How to contact us

Swann Insurance (Aust) Pty Ltd

ABN 80 000 886 680

Mailing address:

PO Box 14459 Melbourne VIC 8001

Phone numbers:

Claims: 1300 657 382

Policy enquiries: 1300 307 926

Fax numbers:

Claims: 1300 657 370

Policy enquiries: 1300 720 380

Email:

Claims: swann.cci.claims@swanninsurance.com.au

Internet:

www.swanninsurance.com.au