

Gapcover Insurance product disclosure statement and insurance policy

Preparation date: 26 May 2009

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

Table of contents

This PDS is important	1	Words that have a special meaning	3
Introduction	2	The insurance cover you select	4
Who is the insurer	2	Limit on amount we pay	4
Who is insured	2	What you are insured for	4
The purpose of this PDS	2	Extras	4
How to apply for insurance	2	Excess	4
Current insurance	2	What you are not insured for	4
General Insurance Code of Practice	2	How to make a claim	4
Your duty of disclosure	2	What you are required to do for us	5
What you need to tell us	2	When this insurance ends	5
What you do not need to tell us	2	Cancelling this insurance	5
What will happen if you do not tell us	2	Complaint and dispute handling process	5
If you do not understand	2	The process	5
Important information	2	How to contact us	6
The way we handle your personal information	2		
Authority to act	3		
Your cooling-off period	3		
Costs	3		

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 insurance is only available at the commencement of your Loan contract.

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.

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

We recommend that you keep receipts for major items you purchase.

It is your choice as to whether or not you insure with us.

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 we accept your application for insurance, you will receive a Policy schedule that confirms cover and sets out details of the insurance you have taken out.

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

Current insurance

Before a claim is accepted under the Maximum benefit amount and Extras cover of this insurance you must first have had a claim accepted by Your comprehensive motor insurer.

If you have no current comprehensive insurance at the time of Your vehicle becoming a Total loss, we will be unable to accept a claim under this insurance. We recommend that you keep Your comprehensive motor insurance policy current at all times this insurance is current.

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

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,
- ◆ 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.

When you apply for insurance you can select to receive offers of products and services which may be of benefit to you. During the Period of insurance we may, or any other organisation we authorise may, provide these offers. You may be contacted in writing, by phone or other electronic means. If you do not wish to receive these offers you can select not to receive them when you apply for this insurance, or you can contact us at any other time.

If you wish to update or access any information, please contact us.

Authority to act

Swann Insurance has relationships with authorised representatives and other licensees who sell Swann Insurance policies. Swann Insurance may pay remuneration to authorised representatives and other licensees when they sell Swann Insurance policies.

Your cooling-off period

If you decide that you do not wish to continue with this insurance, you have 28 days after the Commencement date of this insurance to request cancellation. To do this, you must advise us in writing. We will provide you with a full refund of Premium paid, providing you have not made a claim under this insurance.

Costs

The Premium payable by you will be shown on your Policy schedule.

The key factors that influence the Premium calculations are reflected in the questions asked, and information sought, at the time of your enquiry or application for insurance.

These include factors relating to:

- ◆ the frequency with which claims will occur and the average cost of each claim,
- ◆ the frequency of motor vehicle insurance claims that are for a total loss,
- ◆ the level of cover you have selected,
- ◆ the value of Your vehicle,
- ◆ the Period of insurance,
- ◆ the average period of a loan contract,
- ◆ the average amount borrowed, and
- ◆ the changes in vehicle values.

Premiums are subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your Policy schedule.

If we are unable to issue your insurance when we receive your application, we are required to hold your Premium in a trust account on your behalf until your insurance can be issued. We will retain any interest payable by our bank to meet, among other things, bank fees and other bank costs we incur in operating the account.

Words that have a special meaning

Some of the words in this PDS have special meanings. These words and their meanings are listed below.

Agreed value

The amount that you and Your comprehensive motor insurer agreed to insure Your vehicle for.

Commencement date

The later of the date funds are advanced by the Financier for the acquisition of Your vehicle or the date we accepted your application for this insurance.

Cover option

The option you selected when you applied for this insurance.

Extras

A payment of the amount of extras cover you have selected when you applied for this insurance which is paid to you, but is not a payment which in any way relates to any property mortgaged to the Financier.

Financier

The finance company named when you applied for this insurance.

Loan contract

The loan contract arranged between you and the Financier for the purchase or lease of Your vehicle, as specified when you applied for this insurance.

Market value

The current market value of Your vehicle as it was immediately prior to the incident resulting in the Total loss. This value is determined by Your comprehensive motor insurer.

Maximum benefit

The maximum amount we will pay to the Financier in relation to a claim under this insurance as shown on your Policy schedule under the Cover option selected.

Period of insurance

The period of cover shown on the Policy schedule.

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 this insurance.

Remaining balance due

The amount owing to your Financier under your Loan contract as at the date of the incident resulting in the Total loss, less the amount of the Total loss payout.

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 or ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

Total loss

The situation where Your vehicle is stolen and not recovered or is damaged beyond economical repair.

Total loss payout

A payout of the full Market value (on a Market value insurance policy) or the full Agreed value (on an Agreed value insurance policy) by Your comprehensive motor insurer in respect of the Total loss of Your vehicle.

Your comprehensive motor insurance policy

The policy of insurance which provides cover for loss or damage to Your vehicle being in force as at the date of the incident resulting in the Total loss.

Your comprehensive motor insurer

The insurance company that has insured Your vehicle for loss or damage under Your comprehensive motor insurance policy.

Your vehicle

The vehicle described when you applied for this insurance and shown on the Policy schedule, including its standard equipment, tools and accessories (factory fitted or supplied by the vehicle manufacturer) which were in or on the vehicle at the time of purchase.

The insurance cover you select

When you take out your insurance you have a choice of Cover options to select from.

You can choose the Maximum benefit and Extras cover combination that is appropriate to your finance amount, vehicle and desired level of benefit should a claim arise. There are 4 Maximum benefit and Extras cover options available:

Option	Maximum benefit	Extras – up to
1	\$30,000	\$10,000
2	\$15,000	\$4,000
3	\$10,000	\$2,000
4	\$10,000	\$1,000

Limit on amount we pay

The maximum amount we will pay in relation to a claim made under this insurance is shown in the Cover option selected when you applied for this insurance.

What you are insured for

Provided you have paid the Premium and we have accepted your application, we agree to insure you from the Commencement date and 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.

In the event of a Total loss payout under Your comprehensive motor insurance policy, and payment of the amount of the Total loss payout being made to the Financier, we will pay to the Financier the Remaining balance due (subject to the maximum amount we will pay shown in the Cover option selected when you applied for this insurance) under your Loan contract.

However, in calculating the amount we pay to the Financier, the following amounts will not be included:

- ◆ any arrears or deferred payments under the Loan contract.
- ◆ penalty payments for early discharge or additional interest payments under the Loan contract.
- ◆ any excess or additional payments due and applicable to Your comprehensive motor insurance policy.
- ◆ any monies rebateable under contracts financed under the Loan contract.
- ◆ the amount of any increased liability where there has been a variation to your Loan contract which has not been notified to us and confirmed by us as being covered by this insurance.

In the event that the Total loss payout exceeds the amount owing to your Financier under your Loan contract as at the date of the Total loss or where a Total loss has occurred and there was no financier involved in the purchase of Your vehicle, we will pay you an amount of \$2,000 in lieu of the Cover option selected by you when you applied for this insurance. If a benefit is paid in this manner, we will not pay any Extras benefit. This benefit is to provide financial assistance to you during the period between the Total loss and the replacement of Your vehicle.

In the event of a Total loss under Your comprehensive motor insurance policy and Your comprehensive motor insurer replaces Your vehicle with a new vehicle, you can elect to continue this insurance on the replacement vehicle. To do this you must provide details of the replacement vehicle to us.

Where you elect to continue this insurance on the replacement vehicle,

- ◆ no payment will be made by us in respect of Your vehicle being a Total loss at that time, and
- ◆ the replacement vehicle will become Your vehicle for the purposes of this insurance.

Extras

In the event we make a payment to the Financier for the Remaining balance due, we will pay Extras for the Cover option you selected as follows:

- ◆ Option 1, up to \$10,000.
- ◆ Option 2, up to \$4,000.
- ◆ Option 3, up to \$2,000.
- ◆ Option 4, up to \$1,000.

Extras will be paid by us direct to you upon our receipt from you of any of the following which we may require:

- ◆ the relevant receipts and/or invoices relating to the Extras; and/or
- ◆ your confirmation or declaration that Extras will not be used in any way which relates to any property mortgaged to the Financier.

Excess

If you make a claim, no excess will apply to your claim.

What you are not insured for

We will make no payment if Your comprehensive motor insurer does not pay out the full Market value (on a Market value insurance policy) or the full Agreed value (on an Agreed value insurance policy) following a Total loss for any reason whatsoever.

We will not pay more than one claim on this insurance.

We will not pay if Your comprehensive motor insurer replaces Your vehicle with a replacement vehicle following a Total loss.

We will not pay any claim arising from contamination by chemical and/or biological agents which results from an act of Terrorism.

How to make a claim

Contact us on 1300 307 926 for a claim form as soon as you suffer a Total loss. You must fully complete the form, sign and return it to us as soon as possible. You must give us written statements and any other information we ask for to support your claim and provide assistance when required.

We may also request you to authorise:

- ◆ Your comprehensive motor insurer to release to us all documents relevant to any payout under Your comprehensive motor insurance policy.
- ◆ the Financier to release to us all documents relevant to verification of the amount you owe the Financier under the Loan contract.

What you are required to do for us

You must inform us immediately if:

- ◆ you change your name or address.
- ◆ you intend to vary the Loan contract in any way.
- ◆ your Loan contract ends earlier than the Period of insurance shown on your Policy schedule. The insurance also ends in this situation.
- ◆ Your comprehensive motor insurer replaces Your vehicle following a Total loss and you wish to continue insurance cover on the replacement vehicle. You must provide details of the replacement vehicle to us.

When this insurance ends

The insurance ends as soon as one of the following occurs and you may be entitled to a refund provided you have contacted us:

- ◆ the insurance is cancelled.
- ◆ the Loan contract is paid out, discharged, refinanced or terminated.
- ◆ the date for repayment under the Loan contract has expired – this applies even if you still owe money.
- ◆ Your vehicle is no longer covered by a comprehensive motor insurance policy.

The insurance ends as soon as one of the following occurs and you will not be entitled to a refund:

- ◆ payment by us of a claim under this insurance.
- ◆ the earlier of:
 - five years from the Commencement date, or
 - when the Period of insurance shown in your Policy schedule ends.

Cancelling this insurance

You may cancel this insurance at any time by telling us in writing. The cancellation is effective from the day we receive your written request.

We may cancel this insurance, by telling you in writing, only for reasons allowed under the law.

As the outstanding amount of your loan and the value of Your vehicle changes constantly, the amount of cover we provide varies during the Period of insurance. It is generally higher during the early years of the insurance and significantly lower during the final years.

As a result, we will calculate any refund due reflecting the period of cover we have provided and the general changing risk profile during the original Period of insurance.

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

If you have obtained finance for the Premium, payments of refunded Premium will be made to the Financier or whomever the Financier directs us to pay.

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 657 318

Policy enquiries: 1300 307 926

Fax numbers:

Claims: 1300 720 451

Policy enquiries: 1300 720 380

Email:

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

Internet:

www.swanninsurance.com.au