

Financial Gap Policy

QBE Insurance (Australia) Limited

Insurance product disclosure statement and policy
wording



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Introduction

We understand how important it is to be comfortable with your cover so we are glad you chose QBE to take care of your insurance. As the largest Australian owned general insurer and reinsurer, we have been taking care of the insurance needs of Australians since 1886. Safe, strong and secure, you can be confident you've made a great choice.

Inside, you will find the information you need to know about the Policy. We explain what the Policy covers, information about excesses and importantly, how to make a claim.

Remember, whether you call us for a quote, or to report a claim, or to change your details, you can rely on our friendly team to help you.

Thank you for making QBE your first choice.

About this booklet

This booklet is a Product Disclosure Statement (PDS) and is also the Policy Wording. Other documents may comprise the PDS and we will tell you if this is the case in the relevant document.

This booklet has two (2) parts: Important Information to help you understand the insurance, and the Policy Wording, which sets out terms and condition of the cover provided. It is up to you to choose the cover you need. Any advice in this booklet is general in nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if it is right for you.

Updating our PDS

We may update the information contained in this PDS when necessary. A paper copy of any updated information is available to you at no cost by calling us. We will issue you with a new PDS or a supplementary PDS, where the update is to rectify a misleading or deceptive statement or omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain or renew this insurance.

For more information

Please take the time to read through this booklet and if you have any questions or need more information, please contact:

- QBE on 1300 361 823 or email us on motorinfo@qbe.com.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international

general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide insurance solutions that are focused on the needs of policyholders.

QBE is a respected name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

Important Information

The information provided in this section includes high level information about this Policy including your duty of disclosure, privacy, how to make a claim, our dispute resolution process and other relevant information. This section may also set out other information such as options in cover you can choose from, factors that affect the cost and any cooling off rights.

The Policy Wording section sets out the detailed terms, conditions and exclusions relating to the insurance.

If we issue you with a Policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Wording.

The Policy Wording and Policy Schedule form your legal contract with us so please keep them in a safe place for future reference. You should check the Policy Schedule, or renewal schedule if you are issued one, when you receive it to ensure it accurately states what you have insured.

Duty of disclosure

What you must tell us

Under the *Insurance Contracts Act 1984* (Cth) (the Act), you have a duty of disclosure. The Act requires that before a Policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the Policy, and on what terms. Your duty of disclosure is different, depending on whether this is a new Policy or not.

New business

Where you are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions you must be honest.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the Policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having worked.

Privacy

All companies in the QBE Group are committed to safeguarding your privacy and the confidentiality of your personal information. QBE collects only that personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claim made by you. QBE will only use and disclose your personal information for a purpose you would reasonably expect. We will request your consent for any other purpose.

Without this personal information we may not be able to issue insurance cover, administer your insurance or process your claim. Our aim is to always have accurate and up-to-date information. When you receive a Policy Schedule, Certificate of Insurance, Renewal or other document from us, you should contact us if the information is not correct.

QBE uses the services of a related company located in the Philippines to provide Call Centre sales and claims handling, accounting and administration services to QBE in Australia.

QBE or our authorised agent may collect or disclose your personal information from or to:

- any person authorised by you;
 - a mail house, records management company or technology services provider (for printing and/or delivery of mail and email, including secure storage and management of our records). These companies may be located or the records stored using 'Cloud' technology overseas, including in India, Ireland, USA or the Netherlands;
 - a financier whose name appears on your Policy Schedule (for the purpose of confirming the currency of your Policy or when you have a claim and the insured property is a total loss, to confirm if the financier has a current interest);
 - an organisation that provides you with banking facilities (for the purpose of arranging direct debit or other payment transactions or confirming payments made by you to us);
 - a financial services provider or our agent who is arranging your insurance (for the purpose of confirming your personal and insurance details);
 - another person named as a co-insured on your Policy (for the purpose of confirming if full disclosure has been made to us);
 - another insurer (to obtain confirmation of your no claim bonus or to assess insurance risks or to assist with an investigation);
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- our reinsurer that may be located overseas (for the purpose of seeking recovery from them);
- a dispute resolution organisation such as the Financial Ombudsman Service (for the purpose of resolving disputes between QBE and you or between QBE and a third party);
- a company to conduct surveys on our behalf for the purpose of improved customer services; and
- an insurance reference bureau (to record any claims you may make upon us).

In addition to the above, in the event of a claim, QBE or our authorised agent may disclose your personal information:

- to a repairer or supplier (for the purpose of repairing or replacing your insured items);
- to an investigator, assessor (for the purpose of investigating or assessing your claim);
- to a lawyer or recovery agent (for the purpose of defending an action by a third party against you or recovering our costs including your excess or seeking a legal opinion regarding the acceptance of a claim);
- to a witness to a claim (for the purpose of obtaining a witness statement);
- to another party to a claim (for the purpose of obtaining a statement from them or seeking recovery from them or to defend an action by a third party).

Personal information (about you) may also be obtained from the above people or organisations.

In addition we will:

- give you the opportunity to find out what personal information we hold about you and when necessary, correct any errors in this information. Generally we will do this without restriction or charge; and
- provide our dispute resolution procedures to you, should you wish to complain about how we handle your personal information.

To obtain further information about our Privacy Policy, to request access to or correct your personal information, or to make a complaint please email: complaints@qbe.com.

About financial gap insurance

Financial gap insurance is designed to meet the financial loss you incur as a result of your vehicle being declared a total loss by your comprehensive motor vehicle insurer and your total loss payout is not sufficient to discharge your finance contract.

Before you purchase a financial gap insurance Policy, you should find out what is covered and what is not covered by reading this PDS in full.

It is up to you to choose the cover you need. This PDS contains information which can help you decide.

Any advice contained in this document is of a general nature only and has not considered your objectives, financial situation or needs. You should therefore consider the information provided having regard to your personal circumstances before deciding whether to apply for financial gap insurance.

This insurance is not compulsory and a credit provider cannot insist upon you taking out a Policy as a condition of providing you with a finance contract. You should also be aware that you can effect cover with an insurer of your choice.

Applying for this Policy

You may apply for this Policy if you have a finance contract on your vehicle and comprehensive motor vehicle insurance covering the vehicle.

Assuming that you meet all eligibility criteria, you will be issued with a Policy Schedule confirming your cover including the following information:

- your name and address;
- which cover you have selected;
- the premium (including government charges) that you have paid; and
- the period of insurance.

Eligibility criteria

If you wish to take out this Policy, you must:

- apply for it at the commencement of your finance contract; and
- have your vehicle covered by a 'Comprehensive motor vehicle insurance policy';

and your vehicle must be either:

- a motor vehicle of no more than two (2) tonnes carrying capacity;
- a camper-van.

The cost of this policy

The total premium is the amount we charge you for this Policy. It includes the amount we have calculated for the risk and the taxes and government charges applicable. The premium will be shown on the Policy Schedule.

When calculating the premium we take a number of factors into account. These factors and the degree to which they affect the premium will depend on the information you give us, and the level and type of cover you choose. The main factors that impact your premium include:

- the level of cover that you have selected,
- the average cost of claims, and
- the frequency for which claims occur.

This is a single premium Policy, that is, it provides cover for the period of insurance which will usually be the term of which the finance is arranged. You can pay us the premium up front or it can be included in your loan contract.

The Policy is not renewable.

How to make a claim

Full details of what you must do for us to consider your claim are provided in the 'Claims' section at the end of this booklet. To make a claim under this Policy please contact:

- QBE on 1300 361 823 as soon as possible.

Cooling-off information

If you want to return your Policy after your decision to buy it, you may cancel it and receive a full refund. This cooling off right does not apply if you have made or are entitled to make a claim. Even after the cooling off period ends, you still have cancellation rights. However, we may deduct certain amounts from any refund (refer to the Policy Wording under the section 'General conditions - Cancelling your Policy').

To cancel your Policy within the cooling off period you must submit your request to us within twenty one (21) days of the commencement of your Policy. You can send your request to:

- motorinfo@qbe.com.

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice.

The Code aims to:

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

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention. We have a complaints and dispute resolution procedure which undertakes to provide an answer to your complaint within fifteen (15) working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist. If you are not happy with our answer, or we have taken more than fifteen (15) working days to respond, you may take your complaint to the Financial Ombudsman Service (FOS), an ASIC approved external dispute resolution body.

FOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of FOS but the determination is not binding on you.

Financial claims scheme

This Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from APRA - www.apra.gov.au or 1300 55 88 49.

Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney NSW 2000.

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

The limits of cover applying to the cover selected by you and the amount of any excess that applies to your Policy, is shown on your Policy Schedule.

Your Policy

Your Policy consists of the Policy Wording in this booklet and the Policy Schedule we give you. Please keep them in a safe place for future reference.

Please check the Policy Schedule details to ensure it accurately states what you have insured. Be sure to check that the limits and sums insured are adequate.

The 'general exclusions' and 'general conditions' apply to all sections of this Policy.

Paying your premium

The ways you can pay your premium, and the frequency you can pay it, are described below:

- up front by cash, cheque or credit card; or
- included in your financing arrangement for your loan.

If you include the premium in your financing arrangement, the premium will be included in the total cost payable by you plus interest for the full length of the finance term - irrespective of when this insurance cover commences or the term of the cover being shorter than the financing term.

You must pay your premium by the due date, if it has not been included in your financing arrangements. If we do not receive your premium by the due date or your payment is dishonoured then this Policy will not operate and there will be no cover under this Policy.

Words with special meaning

Some key words and terms used in this Policy have a special meaning. If words and terms are only used in one (1) section of the Policy, we will describe their special meaning in that section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or term	Meaning
Additional benefits	<p>any amount that we may pay you for costs (shown below) which are not included in your total loss payment from your motor comprehensive insurer and not recoverable from a third party, and which you reasonably incur:</p> <ul style="list-style-type: none"> • registration costs (first twelve (12) months); • stamp duty payable; • compulsory third party insurance premium; • dealer delivery costs; • comprehensive motor vehicle insurance premium; • the excess paid by you in relation to the total loss claim; and • any establishment or loan origination fee associated with the finance contract on your replacement vehicle; <p>up to the limit of the level of cover selected by you.</p>
Commencement date	the date that we accepted your insurance and on which the Policy commences, and which will be shown in the Policy Schedule.
Comprehensive motor vehicle insurance	<p>the insurance policy covering your vehicle against:</p> <ul style="list-style-type: none"> • accidental loss or damage; • theft of your vehicle; and • legal liability.
Excess	the amount that you have to contribute towards any claim under your comprehensive motor vehicle insurance.

Word or term	Meaning
Finance contract	the original finance agreement that you arranged with the financier to enable you to purchase or lease the vehicle shown in the Policy Schedule.
Financier	the company, shown on the Policy Schedule, with which you arranged your finance contract.
Outstanding balance	the amount outstanding in relation to the finance contract (excluding any arrears in repayments) at the date of the incident that led to the total loss of your vehicle.
Period of insurance	the period shown in the Policy Schedule.
Policy	your insurance contract which consists of the Policy Wording and the Policy Schedule.
Policy Schedule	the schedule of insurance, which sets out details of the cover provided to you.
Total loss	your vehicle has been: <ul style="list-style-type: none"> • damaged beyond what your comprehensive motor vehicle insurer considers to be economical to repair; or • has been stolen and not recovered.
Total loss payment	the full amount agreed to be paid to you (after deduction of any excess) being the value of your vehicle under your comprehensive motor vehicle insurance, following a total loss.
Your vehicle	the motor vehicle, registered for use on public roads, which you have financed under the finance contract and which is described on the Policy Schedule including: <ul style="list-style-type: none"> • standard tools, modifications or accessories that were part of the original supply at time of purchase; and • any non-standard accessories or modifications which have been listed on the comprehensive motor vehicle Policy as being part of the vehicle but not: <ul style="list-style-type: none"> ○ a courier vehicle; ○ taxi;

Word or term	Meaning
	<ul style="list-style-type: none"> any other vehicle used for the carriage of people or goods for reward; or a vehicle used for driver education (other than for your immediate family).
You, your	the person(s) named on the current Policy Schedule as the 'Insured'.
We, our, us	QBE Insurance (Australia) Limited ABN 78 003 191 035, AFSL 239545.

What we will pay

Levels of cover

Level	Loan balance up to	Additional benefits
1	\$10,000	\$3,000
2	\$15,000	\$4,000
3	\$20,000	\$5,000
4	\$30,000	\$7,500

What we will pay

(1) Your loan balance difference

This Policy will pay to the financier of your vehicle, the difference between the finance contract outstanding balance and the total loss payment you receive, up to the level of cover selected by you as shown on your Policy Schedule.

Any loan balance difference paid to your financier will only be paid by us when:

- your vehicle was declared a total loss by your comprehensive motor vehicle insurer following a total loss event occurring and you have received a total loss payment from your insurer;
- this total loss event occurred during the period of insurance of this Policy; and
- the amount you received for your total loss payment from your comprehensive motor vehicle insurer is less than the outstanding balance of your finance contract.

This section of the Policy will not pay any claim when:

- the total loss payment paid to you by your comprehensive motor vehicle insurer is greater than the outstanding balance of your finance contract; or
- your vehicle is replaced by your comprehensive motor vehicle insurer with another vehicle.

Any payment under this section of the Policy will always be paid directly to your financier.

(2) Additional benefits

In addition to above, this Policy will also pay to you additional benefits for the costs associated with replacing your vehicle that are incurred by you (which are not included in the total loss payment from your comprehensive motor vehicle insurer and not recoverable from a third party) up to the level of cover selected by you as shown on your Policy Schedule.

The costs you can claim for under this section of your Policy are:

- registration costs (first twelve (12) months);
- stamp duty payable;
- compulsory third party insurance premium;
- dealer delivery costs;
- comprehensive motor vehicle insurance premium;
- the excess paid by you in relation to the total loss claim; and
- any establishment or loan origination fee associated with the finance contract on your replacement vehicle.

If your vehicle has been replaced by your comprehensive motor vehicle insurer, this section will only cover those costs listed above that your insurer has not covered when replacing your vehicle.

If a situation occurs where your total loss payment is greater than your outstanding balance of your finance contract and there is no loan balance difference to be paid, we will still pay you up to a maximum of 50% of the additional benefit limit payable of the level of cover you have selected to cover you for any additional costs listed above that are associated with replacing your vehicle.

For any additional benefits to be paid, we must have:

- received any relevant receipts and/or invoices to verify these costs covered have been incurred; and
- confirmation from you that any payment for additional benefits will not be used in any way which relates to any property mortgaged to the financier.

General exclusions

There are exclusions to the cover provided by this Policy.

Events that we will not cover are listed in the following table are marked by a 'x'.

Event or circumstance	
War or warlike activities (not including peace time manoeuvres).	x
Acts of terrorism which are directly or indirectly related to biological, chemical, or nuclear weapons, pollution or contamination.	x
Engaging in a criminal act.	x
Where your comprehensive motor vehicle insurer has not made a total loss payment in full.	x
Any arrears on the repayments of your finance contract, including deferred payments and penalty costs associated with late or deferred payments.	x
Additional costs which you incur as a result of: <ul style="list-style-type: none"> • there being amounts due under the finance contract which are not directly linked to the purchase or lease of your motor vehicle; • any variation to your original finance contract; • early discharge of your finance contract. 	x
Using your vehicle for: <ul style="list-style-type: none"> • hire; • carriage of passengers for fare or reward (but not including car pooling arrangements); • courier purposes; and • driver instruction (other than for your immediate family). 	x
Using your motor vehicle in motor sport of any kind including testing.	x
Removal of your vehicle from Australia.	x
More than one (1) claim during the period of insurance.	x

General conditions

These general conditions apply to all sections of this Policy. There may be additional conditions set out under the claims section of this booklet.

A claim may be refused

We may refuse to pay or reduce the amount we pay under a claim if you do not comply with the Policy conditions, if you do not comply with your duty of disclosure, or if you make a fraudulent claim.

Cancelling your Policy

How you may cancel this Policy

You may cancel this Policy at any time by telling us in writing that you want to cancel it.

Where 'you' involves more than one (1) person, we will only cancel the Policy when a written agreement to do so is received from all persons named as the insured.

How we may cancel this Policy

We may cancel the Policy in any of the circumstances permitted by law, by informing you in writing.

We will give you this notice in person or send it to your address last known to us.

Refund of premium

On cancellation of your Policy, a refund of premium will be paid to you.

If you paid for this Policy by including it in the amount financed in your finance contract, the refund premium will be paid to the financier or whomever the financier directs us to pay.

The premium refund will be calculated after deducting a portion of the premium for time on risk, reasonable administrative costs and any government taxes or duties (where these are not refundable under the applicable State legislation).

Changes to your circumstances

You must tell us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss.

Notices

Any notice we give you will be in writing, and it will be effective:

- If it is delivered to you personally; or
- It is delivered to you at your address (including an electronic address) last known to us.

It is important for you to tell us of any change of address as soon as possible.

Taxation implications

There may be other taxation implications affecting you, depending upon your own circumstances. We recommend that you seek professional advice.

Claims

What you must do

Notification of an incident

You must advise us as soon as possible of an incident which could lead to a claim on this Policy.

How to make a claim

To make a claim following a total loss event occurring with your vehicle you must:

- contact us by phone as soon as practicable and be ready to provide details of the incident;
- complete, sign and return the claim form to us;
- provide the following documentation:
 - a copy of the release from your comprehensive motor vehicle insurer that states your total loss payment made by them to you;
 - a copy of the finance contract from your financier and a statement of the outstanding balance of your finance contract; and/or
 - any relevant receipts or invoices relating to the additional benefits being claimed for;
- provide written statements under oath if we require it;
- be interviewed about the circumstances of the claim if we require this.

If you require assistance or have any questions regarding a claim, please contact us on 1300 361 823.

How claim administration and legal proceedings are undertaken

When a claim is admitted under this Policy, we have the right at our discretion, to exercise all the legal rights of you relating to the incident and to do so in your name.

We will take full control of the administration, conduct or settlement of the claim.

You must assist us

Before we will pay anything under this Policy, you must have complied with all the requirements of this section and provided us with all information and assistance that we have requested.

Input tax credit entitlement

You are required to tell us of any entitlement to an input tax credit.

If you fail to do so, you may be liable to GST on any claim we pay.

The Policy does not provide cover for any GST liability, or for any fine or penalty for which you become liable.

What you must not do

False or misleading information

We may deny part or all of your claim if you are not truthful and frank in any statement you make in connection with a claim, or if the claim is fraudulent or false in any respect.

What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name.

We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

What can affect a claim

We may refuse to pay a claim if you are in breach of your duty of disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent; or
- any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.

When the Policy ends

The Policy ends, and we stop paying benefits on the earliest of any of the following:

- the premium is not received;
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- the date we receive a written request from you to terminate the insurance;
 - the date given when we provide you with written notice to terminate the insurance in accordance with relevant legislation;
 - the date upon which a claim is paid under the Policy; or
 - the expiry date shown in the Policy Schedule.
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QBE Australia

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This policy is underwritten by QBE Insurance (Australia) Limited
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