

Lease Protection Insurance Policy

**Single Premium
Payable by Monthly Instalments
Product Disclosure Statement
and Policy Wording**

CONTENTS

Introduction	2
About this Product Disclosure Statement (PDS).....	2
Definitions	2
Part A: Important Information	2
About Lease Protection Insurance.....	2
About ProRisk.....	3
How To Contact Us	4
The Insurer	4
Lloyd's of London	4
Your Duty of Disclosure	4
Changes To Your Circumstances	4
Privacy.....	4
The General Insurance Code of Practice.....	5
Complaints Handling.....	5
General Conditions	6
Eligibility Criteria	6
The Cost of This Policy.....	7
How to Make a Claim.....	7
Cooling-Off Information.....	7
Cancelling The Policy	7
Refund of Premium	8
Paying Your Premium	8
What You are Not Covered For	8
Part B Policy Wording	9
About Financial Lease Protection Insurance.....	9
Applying for Cover	9
Summary of Cover and Benefits	9
The Maximum Benefit We Will Pay.....	9
General Exclusions	12
General Conditions	13
How to Make a Claim.....	13
Input Tax Credit Entitlement	15
Several Liability Notice	15
Definitions.....	15-17

INTRODUCTION

THIS PRODUCT MAY NOT BE SUITABLE FOR YOU UNDER THE FOLLOWING CIRCUMSTANCES

- If **You** have a Pre-existing Medical Condition occurring in the six (6) months prior to reviewing this Product and the PDS.

ABOUT THIS PRODUCT DISCLOSURE STATEMENT (PDS)

This Product Disclosure Statement and Policy Wording (PDS) contains 2 sections. The information contained in the PDS is designed to assist **You** in making an informed choice about **Your** insurance needs.

Part A sets out important information about **Your** policy. It also contains information about how the premium is calculated, **Our** dispute resolution system, the cooling off period, and other relevant information relating to this product.

Part B is the policy wording, which sets out all the terms, conditions, exclusions, features and benefits applicable to this insurance.

It is important that **You** read both Part A and Part B of this PDS carefully before applying for this insurance so that **You** understand the cover provided and its terms, conditions and exclusions.

DEFINITIONS

Apart from in the various headings, words appearing in bold type in the PDS have specific meanings attached to them, such as "**You**" and "**Us**". When reading the PDS please make sure that **You** refer to the various definitions on page 17 to ensure that **You** understand what is being said.

Preparation Date: 1st November 2018

Updating the PDS

Information in the PDS may need to be updated from time to time. **You** can request a copy of the updated information by contacting **Us** using the contact details set out on page 4. **We** will send **You** a copy of the updated information upon **Your** request. **We** will issue a supplementary or replacement PDS if there is a materially adverse change or omission from this PDS.

PART A: 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 factors that affect the premium cost and any cooling off rights.

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.

The PDS 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.

ABOUT LEASE PROTECTION INSURANCE

The purpose of lease protection insurance is to provide **You** with insurance cover in respect of **Your** obligations under a finance agreement. In particular, the **Policy** is designed to meet **Your Lease Repayments** in the event of **Involuntary Unemployment** or, provided **You** have chosen to include this cover, **Sickness and Accident**. The **Policy** will also pay the difference between the **Outstanding Balance** and the **Fair Sale Price of Your Vehicle** if **You** decide to take the **Hand-Back Option** following a defined period of **Involuntary Unemployment** or **Sickness and Accident**.

Only **You** can decide whether **You** need the cover provided by Lease Protection Insurance. As the PDS and Policy Wording contain information that may help **You** make that decision, **We** suggest that **You** read both to see what is and what is not covered. Any advice contained in this document is of a general nature and unfortunately, **We** cannot give consideration to **Your** personal financial situation or needs.

This insurance is not compulsory, and a finance or lease provider cannot insist upon **You** taking out the **Policy** as a condition of a lease. **You** should also be aware that **You** can effect insurance of this kind with any insurer of **Your** choice.

Some examples of Lease Protection Claims and the benefits applicable

The following claim examples will demonstrate to **You** how a benefit is paid under this **Policy**.

Example 1 - Involuntary Unemployment Claim

David took out a Lease Protection Insurance policy on January 1st, 2015 when he began his **Lease Agreement** with his **Lease Provider**.

On March 31st, 2017 David is made redundant by his employer. His **Lease Repayment** is \$750 and there is a 14-day waiting period per claim for **Involuntary Unemployment**.

As per the terms and conditions of the **Policy** for a benefit to be paid, David has registered his unemployment with Centrelink and begins actively seeking new employment. After the waiting period of 14 days has passed, for each day he remains **Involuntarily Unemployed**, this **Policy** will pay a benefit of 1/30th of his **Lease Repayment**.

David remains unemployed for 100 days after the waiting period has passed. The benefit payment under this **Policy** to the **Lease Provider** would be:

$750 \div 30 \times 100 = \$2,500$ (equivalent to 3.3 **Lease Repayments**).

After 100 days, David is still unemployed and has not, nor is about to, enter into an agreement for new employment. He decides to surrender his vehicle to the **Lease Provider**.

He is able to claim under the **Hand-Back Option** of **Involuntary Unemployment** cover to assist him to settle and end his **Lease Agreement** with his **Lease Provider**.

At the date of surrendering his vehicle to the **Lease Provider**, the **Outstanding Balance** of the **Lease Agreement** is \$16,000. The **Fair Sale Price** obtained for his vehicle by the **Lease Provider** is \$14,000. The **Hand-Back Excess** he is required to pay to claim under this option is \$300.

The benefit payment to the **Lease Provider** from this **Policy** to assist in settling and ending his **Lease Agreement** is an amount equal to:

$\$16,000 - \$14,000 - \$300 = \$1,700$

Example 2 - Sickness and Accident Claim

Wendy took out a Lease Protection Insurance policy on June 30th, 2017 when she began her **Lease Agreement** with her **Lease Provider**.

On January 31st, 2018 Wendy becomes unable to work due to an injury from a horse riding accident. Her **Lease Repayment** is \$1,000 and there is a 28-day waiting period per claim for **Sickness and Accident**.

As per the terms and conditions of the **Policy** for a benefit to be paid, Wendy has provided written evidence from her **Medical Practitioner** of her injury and she is following the **Medical Practitioner's** advice for her rehabilitation. After the waiting period of 28 days has passed, for each day she remains unable to work due to her injury, this **Policy** will pay a benefit of 1/30th of her **Lease Repayment**.

Wendy remains unable to work for 105 days after the waiting period has passed. The benefit payment from this **Policy** would be $\$1,000 \div 30 \times 105 = \$3,500$ (equivalent to 3.5 **Lease Repayments**).

Wendy continued to receive a salary for the first thirty (30) days of her claim and her employer continued to pay her **Lease Agreement**, so the benefit payable for this period of her claim was paid directly to her.

If Wendy continues to suffer from her injury for a continuous and uninterrupted eighteen (18) month period, she may decide to surrender her vehicle to the **Lease Provider** and claim under the **Hand-Back Option** of the **Sickness and Accident** cover to assist in settling and ending her **Lease Agreement** with her **Lease Provider**.

ABOUT PRORISK

Professional Risk Underwriting Pty Ltd (ABN: 80 103 953 073) (AFSL: 308076) (**ProRisk**) is an Australian underwriting agency and coverholder for certain underwriters at Lloyd's London (Lloyd's Underwriters). **ProRisk** was incorporated in 2003 and quickly established itself as an innovative and competitive underwriting agency offering quality insurance solutions for Australian businesses and consumers.

For more information about **ProRisk** visit www.prorisk.com.au

HOW TO CONTACT US

We can be contacted by telephone or in writing at:

ProRisk

Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

Email: enquiries@prorisk.com.au

Phone: (03) 9235 5255

Fax: 1800 633 073

THE INSURER

This policy is issued by Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076 ("**ProRisk**") on behalf of certain underwriters at Lloyd's ("Lloyd's Underwriters"). The Lloyd's Underwriters are as specified in the agreement between the underwriters and **ProRisk**, and details of the participating underwriters will be provided to **You** upon request.

LLOYD'S OF LONDON

Lloyd's of London is the world's leading insurance market providing specialist insurance services in over 200 countries and territories. Together, the syndicates underwriting at Lloyd's form one of the largest commercial insurers in the world. Lloyd's Underwriters are authorised insurers in Australia. Lloyd's enjoys strong financial security supported by excellent ratings. Visit www.lloyds.com for more information.

YOUR DUTY OF DISCLOSURE

Before **You** enter into an insurance Contract, **You** have a duty of disclosure under the Insurance Contracts Act 1984.

You have a duty to disclose to the insurer every matter the **You** know, or could reasonably be expected to know, that is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. **You** have the same duty to disclose those matters to the insurer before **You** renew, extend, vary or reinstate a contract of general insurance.

Your duty, however does not require disclosure of matter:

- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That **Your** insurer knows or in the ordinary course of it's business, ought to know;

- As to which compliance with **Your** duty of disclosure is waived by the insurer;

You have this duty until **We** agree to insure **You**

If **We** ask **You** questions that are relevant to **Our** decision to insure **You** and on what terms, **You** must tell us anything that **You** know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until **We** agree to insure **You**.

If **You** do not tell **Us** anything **You** are required to tell **Us**, **We** may cancel **Your** contract or reduce the amount **We** will pay **You** if **You** make a claim, or both.

If **Your** failure to tell us is fraudulent, **We** may refuse to pay a claim and treat the contract as if it never existed.

CHANGES TO YOUR CIRCUMSTANCES

You must tell **Us** as soon as possible if circumstances occur, or if changes or alterations are intended or made to the information stated on **Your Policy Schedule**.

PRIVACY

ProRisk is bound by the obligations of the Privacy Act 1988 (as amended) regarding the collection, use, disclosure and handling of personal information.

We collect personal information about **You** and about other individuals to enable **Us** to provide **You** with relevant products and services, to assess **Your** application for insurance and, if a contract is entered, to enable **us** to provide, administer, and manage the policy, and to investigate and handle any claims under the policy. **We** may disclose personal information **We** collect to third parties (who may be located in the United Kingdom and other countries outside Australia). These include the insurer, lawyers, claims adjusters, and others appointed by **ProRisk** to assist **Us** in providing relevant products and services. **We** may also disclose **Your** information to people listed as co-insured on the policy and to **Your** agents. By providing **Your** personal information to **Us**, **You** consent to **Us** making these disclosures.

If **You** do not provide all or part of the information required, **We** may not be able to provide **You** with **Our** products and services, consider **Your** application for insurance, administer the policy, assess or handle claims under the policy. **Your** duty of disclosure may require **You** to provide personal information to **Us**.

When **You** provide **Us** with personal information about other individuals, **We** rely upon **You** to have made them aware of that disclosure, and to ensure that they are aware of the matters set out in this **ProRisk** Privacy Statement and **ProRisk's** Privacy Policy and have consented to the disclosure.

Further information about **ProRisk's** collection, use, disclosure and handling of personal information is set out in its Privacy Policy, available on its website at www.prorisk.com.au. The Privacy Policy contains information about how **You** may access or seek a correction of **Your** personal information and how **We** deal with privacy complaints. To obtain a hard copy of **Our** Privacy Policy or to request access to or correction of or to update personal information, contact the Privacy Officer at **ProRisk** by email: enquiries@prorisk.com.au or by mail at the address shown on this PDS.

THE GENERAL INSURANCE CODE OF PRACTICE

Underwriters at Lloyd's proudly support the General Insurance Code of Practice (Code). The purpose of the Code is to raise standards of practice and service in the general insurance industry. **You** can obtain a copy of the General Insurance Code of Practice from [http://www.codeofpractice.com.au/](http://www.codeofpractice.com.au) or by contacting **Us**.

COMPLAINTS HANDLING

There is an established process for dealing with complaints and disputes which is outlined in this PDS.

Stage 1

Any enquiry or complaint relating to this insurance should be referred to **ProRisk** in the first instance by email, telephone or in writing at the address outlined in this PDS. Contact details are set out on page 4 of this PDS.

We have a complaints handling and internal dispute resolution process to assist **You**, and **We** will respond to complaints within 15 business days.

Stage 2

If this does not resolve the matter or **You** are not satisfied with the way that the complaint was dealt with, **You** should write to:

Lloyd's Underwriter's
General Representative in Australia
Level 9
1 O'Connell Street
Sydney NSW 2000

Telephone Number: (02) 8298 0700
Facsimile Number: (0) 8298 0788
Email: ldraustralia@lloyds.com

Stage 3

If **Your** dispute remains unresolved within 45 calendar days of its receipt **You** may refer **Your** complaint to the Australian Financial Complaints Authority (AFCA) under the terms of the General Insurance Code of Practice. AFCA contact details are:

The Australian Financial Complaints Authority
Local call: 1800 931 678
Post: GPO Box 3, Melbourne, Victoria 3001
Email: info@afca.org.au
Website: www.afca.org.au

The AFCA is an independent body that operates nationally in Australia and aims to resolve disputes between **You** and **Your** insurer. **Your** dispute must be referred to the AFCA within 2 years of the date of **Your** final decision.

For other disputes **You** will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

Service of Suit

In the event of a dispute arising under this policy, underwriters at the request of the insured will submit to the jurisdiction of any competent court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such court.

Any summons notice or process to be served upon underwriters may be served upon:

Lloyd's Underwriter's
General Representative Australia
Level 9
1 O'Connell Street
Sydney NSW 2000

Telephone Number: (02) 8298 0700
Facsimile Number: (0) 8298 0788

Who has the authority to accept service and to enter into appearance on behalf of underwriters and is directed at the request on the insured to give written undertaking to the insured that it will enter an appearance on behalf of underwriters.

If a suit is instituted against underwriters, underwriters will abide by the final decision of any such court or competent appellate court

Financial Claims Scheme

If **You** are eligible to make a claim, **You** may be entitled to payment under the financial claims scheme in the event that **We** become insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from <https://www.fcs.gov.au> or by calling the Australian Prudential Regulation Authority (APRA) on 1300 55 88 49.

Terrorism Insurance Act 2003 Notice

Underwriters have treated this insurance (or part of it) as an insurance to which the Australian Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which the insurance is subject to will not apply to an “eligible terrorism loss” as defined in ATIA

Any coverage established by ATIA is only in respect of an “eligible terrorism loss” resulting from a “terrorist act” which is a “declared terrorist incident” as defined by ATIA. The terrorism exclusion, to which this insurance applies, in full force and effect to any other loss and any act or event that is not a “declared terrorism incident”

All other terms, conditions, insured coverage and exclusions of this insurance including applicable limits and deductibles remain unchanged.

If underwriters have reinsured this insurance with the Australian Reinsurance Pool Corporation, then underwriters will not be liable for any amounts for which they are not responsible under ATIA due to the application of a “reduced percentage” as defined in ATIA which results in a cap on underwriter’s liability for payment for “eligible terrorism losses”

GENERAL CONDITIONS

These general conditions apply to all sections of this policy. There may be additional conditions set out under Part B Policy Wording.

Applying for Cover

You may apply for the insurance at the time of applying for **Your** lease.

Assuming that **You** meet the eligibility criteria and **Your** application is accepted, **You** will be issued with a **Policy Schedule** confirming **Your** cover and including the following information:

- **Your** name and address;
- The amount of **Your Lease Repayment** that is covered;
- Which covers **You** have selected; and
- **Your Premium** including taxes and charges.

ELIGIBILITY CRITERIA

If **You** wish to take the covers provided by the **Policy You** must do so when you apply for cover:

- be at least 18 years of age at the commencement date of the **Policy**;
- be no older than 67 years old at the conclusion of the lease;
- be engaged in Permanent Gainful Employment when **You** apply for **Your** lease with the Lease Provider;
- not have any prior knowledge that **Your Gainful Occupation** is to be terminated when **You** apply for this insurance;
- not be absent from your **Gainful Occupation** due to illness or injury, other than due to a minor illness such as a cold or flu, when **You** apply for this insurance; and
- be an Australian or New Zealand citizen or holder of any Australian or New Zealand Permanent Residency Visa or 457 Visa Holder when **You** apply for this insurance.

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, distribution costs, the taxes and government charges applicable. You will be informed of the cost of this policy prior to purchasing and the premium will also 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 number of covers / benefits that You have selected. e.g. the more covers selected the higher the premium
- the lease amount. e.g. the premium is calculated on the lease size and the premium will increase as the amount of the lease increases.
- The period of the lease. e.g. the longer the cover the higher the premium.
- the average cost of claims. e.g. the cost of claims is a determining factor in calculating the premium cost
- the frequency for which claims occur. e.g. the frequency or number of claims is a determining factor in calculating the premium cost
- distribution cost e.g. the costs associated with the product research, development, packaging, marketing and distribution

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 PDS. To make a claim under this policy please contact:

ProRisk

Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

Email: enquiries@ProRisk.com.au
Tel: (03) 9235 5255

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 if **You** cancel during the cooling off period. This cooling off right does not apply if **You** have made 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 under the section '**General conditions - Cancelling the 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:

ProRisk
Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

Email: enquiries@prorisk.com.au
Tel: (03) 9235 5255

CANCELLING THE POLICY

When The Policy Ends

The policy ends, and **We** stop paying benefits on the earliest of any of the following:

- the expiry date shown on **Your** schedule
- the date upon which **Your Finance Contract** is paid out in full, discharged, refinanced or terminated;
- 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; or
- the premium is not received.

How You May Cancel Your Policy

If **You** want to return **Your** policy after **Your** decision to buy it, **You** may cancel it and receive a full refund if **You** cancel during the cooling off period. This cooling off right does not apply if **You** have made 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 Refund of Premium Section below).

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:

ProRisk
Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

Email: enquiries@prorisk.com.au
Tel: (03) 9235 5255

After this period, **You** may cancel the policy at any time that **You** want to by using the contact details above.

How We May Cancel Your Policy

We may cancel **Your** policy in any of the circumstances permitted by law by informing **You** in writing. These reasons include but are not limited to the following:

- where **You** fail to comply with the duty of utmost good faith;
- where **You** make a misrepresentation; or
- where **You** make a fraudulent claim

We will give **You** this notice in person or send it to **Your** address last known to **Us**.

The cancellation will take effect from such time as may be agreed.

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, an administration fee of \$75 and any government taxes or duties (where these are not refundable under the applicable State legislation).

PAYING YOUR PREMIUM

The premium installments payable by **You** for this insurance will be shown on the **Policy Schedule**. The premium installments must be paid by the due date. If **You** do not pay the premium instalment within 60 days and **You** have not made alternative arrangements with **Your** fleet manager or leasing company then the **Policy** will not operate and there will be no cover.

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.

What You Are Not Covered For

There are certain times when this insurance may not provide cover.

Ensure that **You** have read the "General Exclusions" table for full details.

We may also refuse to pay or may reduce the amount **We** pay for a claim:

- if **You** do not comply with the policy terms and conditions;
- If **You** do not comply with **Your** duty of disclosure; or If **You** make a fraudulent claim

PART B POLICY WORDING

ABOUT FINANCIAL LEASE PROTECTION INSURANCE

The purpose of lease protection insurance is to provide **You** with insurance cover in respect of **Your** obligations under a finance agreement. In particular, the **Policy** is designed to meet **Your Lease Repayments** in the event of **Involuntary Unemployment** or, provided **You** have chosen to include this cover, **Sickness and Accident**. The **Policy** will also pay the difference between the **Outstanding Balance** and the **Fair Sale Price** of **Your Vehicle** if **You** decide to take the **Hand-Back Option** following a defined period of **Involuntary Unemployment** or **Sickness and Accident**.

Before **You** purchase a financial Lease Protection 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 whether to purchase the insurance

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 Lease Protection 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 **Lease Contract**. **You** should also be aware that **You** can affect cover with an insurer of **Your** choice.

APPLYING FOR COVER

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**.

SUMMARY OF COVER AND BENEFITS

The maximum benefit We will pay

The total benefit **We** will pay for the aggregate of all claims under all covers, during the **Period of Insurance**, is \$75,000.

Cover 1: Involuntary Unemployment with Hand-Back Option

This cover will apply in the event **You** are unable to continue **Your Permanent Gainful Employment** as a direct result of **Your** involuntary dismissal or redundancy or **Your** fixed term contract being terminated prior to the end of the fixed term.

After **We** have paid a benefit of three (3) **Lease Repayments** for a claim for **Involuntary Unemployment**, **You** have the option under **Your Lease Agreement** to surrender **Your Vehicle** to the **Lease Provider** (if **You** have not returned to **Permanent Gainful Employment**) and take advantage of the **Hand-Back Option**.

Benefit Payable

We will only pay a benefit under this **Policy** for an **Incident** that occurs during the **Period of Insurance**, excluding any **Incident** that occurs during the first thirty (30) days of the **Period of Insurance**.

For each day of **Involuntary Unemployment**, excluding the first fourteen (14) days, **We** will pay to the **Lease Provider** 1/30th of the **Lease Repayment** shown on the **Lease Agreement**.

For any claim, **We** will only pay a benefit for a maximum period of six (6) **Lease Repayments**, or up to the date **You** return to **Permanent Gainful Employment** (or in the case of **You** being employed under a fixed term contract **You** commence a new contract or up to the scheduled end date of **Your** fixed term contract), whichever occurs first.

For a benefit to be paid, **You** must:

- register **Your Involuntary Unemployment** with Centrelink or the relevant Government employment agency in **Your** area (regardless of whether **You** are able to receive any benefit payments from Centrelink); and
- be able to provide the required evidence of **Your Involuntary Unemployment**; and
- be actively seeking new Permanent Gainful Employment.

Any period of **Involuntary Unemployment** will commence on the first day after **You** final date of employment.

The maximum amount that **We** will pay under this cover including any payment made to the **Lease Provider** under the **Hand-Back Option**, during the **Period of Insurance**, is \$25,000, regardless of the number of claims.

Once **You** have made a claim for **Involuntary Unemployment** and have returned to **Permanent Gainful Employment** and did not elect to take the **Hand-Back Option**, **You** must have remained in **Permanent Gainful Employment** for at least another consecutive one hundred and eighty (180) days before another claim can be made under this cover.

Hand-Back Option

After **We** have paid a benefit of three (3) **Lease Repayments** for a claim for **Involuntary Unemployment**, **You** will be able to take up the **Hand-Back Option** of this cover.

If **You** are still **Involuntarily Unemployed** after **We** have paid a benefit of three (3) **Lease Repayments** and **You** have not entered into or are not about to enter into an agreement to commence new **Permanent Gainful Employment**, **You** will, up until immediately before the sixth (6th) **Lease Repayment**, be able to terminate the **Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**.

Should **You** decide to terminate **Your Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**, **We** will pay to the **Lease Provider** an amount equal to:

- the Outstanding Balance of the Lease Agreement as at the date **You** returned **Your Vehicle**; less
- the Fair Sale Price obtained for **Your Vehicle**; less
- the **Hand-Back Excess** of \$300.

The **Policy** will end once **We** have made a payment to the **Lease Provider** under the **Hand-Back Option**.

If **You** do decide not to surrender **Your Vehicle**, **We** will continue to pay a benefit for **Involuntary Unemployment** up to the maximum period per claim of six (6) **Lease Repayments**, or until the date **You** return to **Permanent Gainful Employment** (or in the case of **You** being employed under a fixed term contract up to the scheduled end date of **Your** fixed term contract), whichever occurs first.

You will not be able to exercise the **Hand-Back Option** after **We** have paid the maximum benefit for **Involuntary Unemployment** of six (6) **Lease Repayments**.

You will not be able to exercise the **Hand-Back Option** if the **Incident** of **Involuntary Unemployment** occurred in the final six (6) months of **Your Lease Agreement**.

Cover 2: Sickness and Accident with Hand-Back Option

THIS COVER IS ONLY PROVIDED IF YOU HAVE CHOSEN IT, PAID THE REQUIRED PREMIUM, AND IT IS SHOWN ON YOUR POLICY SCHEDULE.

This cover will apply in the event that **You** are unable to perform **Your Usual Occupation** for up to twenty-four (24) months due to **Sickness and Accident**.

After **We** have paid a benefit of eighteen (18) **Lease Repayments** for a claim for **Sickness and Accident**, **You** have the option under **Your Lease Agreement** to surrender **Your Vehicle** to the **Lease Provider** and take advantage of the **Hand-Back Option**.

Benefit payable

We will only pay a benefit under this **Policy** for an **Incident** that occurs during the **Period of Insurance**, excluding any **Incident** of sickness that occurs during the first thirty (30) days of the **Period of Insurance**.

For each day of **Sickness and Accident**, excluding the first twenty-eight (28) days, **We** will pay to the **Lease Provider** 1/30th of the **Lease Repayment** shown on the **Lease Agreement**.

For any claim, **We** will only pay a benefit for up to twenty-four (24) **Lease Repayments**, or up to the date **You** are able to return to **Your Usual Occupation**, (or in the case of **You** being employed under a fixed term contract **You** commence a new contract or up to the scheduled end date of **Your** fixed term contract), whichever occurs first.

If **Your Lease Repayments** are still being paid for via salary sacrifice when **Your** claim begins, **We** will make **Our** payments to **You** until such a time when **Your Employer** stops paying **Your Lease Repayments** to the **Lease Provider**.

For a benefit to be paid, **You** must:

- provide written evidence from a **Medical Practitioner** for the sickness or injury **You** have sustained and that **You** are following the advice of the **Medical Practitioner** for **Your** rehabilitation; and
- not be working in **Your Usual Occupation**.

The maximum amount that **We** will pay under this cover including any payment made to the **Lease Provider** under the **Hand-Back Option**, during the **Period of Insurance**, is \$50,000, regardless of the number of claims during the **Period of Insurance**.

If **Your** employment with **Your Employer** is terminated while **We** are paying a benefit for **Sickness and Accident**, **We** will continue making payments according to the terms and conditions of this cover for up to twenty four (24) monthly **Lease Repayments**, or up to the date **You** are able to return to any **Gainful Occupation**, whichever occurs first.

If **You** return to work for less than six (6) months following a period of **Sickness and Accident**, any further claim for **Sickness and Accident** will be considered as a continuation of the prior period(s) of **Sickness and Accident**.

Hand-Back Option

After **We** have paid a benefit for a continuous and uninterrupted eighteen (18) month period for a claim for **Sickness and Accident**, **You** will be able to take up the **Hand-Back Option** of this cover.

If **You** still are unable to return to **Your Usual Occupation**, or any **Gainful Occupation** if **Your** employment with **Your Employer** was terminated:

- after **We** have paid a benefit for a continuous and uninterrupted eighteen (18) **Lease Repayments**; and
- a **Medical Practitioner** can confirm that **You** will be unable to return before the twenty fourth (24th) and final month of **Your** claim, and for at least another three (3) months after the maximum claim period has ended;

You will, up until immediately before the twenty fourth (24th) monthly **Lease Repayment** is paid by **Us**, be able to terminate the **Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**.

Should **You** decide to terminate **Your Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**, **We** will pay to the **Lease Provider** an amount equal to:

- the Outstanding Balance of the Lease Agreement as at the date **You** returned **Your Vehicle**; less
- the Fair Sale Price obtained for **Your Vehicle**; less
- the Hand-Back Excess of \$300.

The **Policy** will end once **We** have made a payment to the **Lease Provider** under the **Hand-Back Option**.

If **You** do not decide to surrender **Your Vehicle**, **We** will continue to pay a benefit for **Sickness and Accident** up to the maximum period per claim for **Sickness and Accident** of twenty four (24) **Lease Repayments**.

You will not be able to exercise the **Hand-Back Option** after **We** have paid the maximum benefit for **Sickness and Accident** of twenty-four (24) **Lease Repayments**. **You** will assume the responsibility of the **Lease Repayment** after the maximum claim period is reached and **You** did not take up the **Hand-Back Option**.

You will not be able to exercise the **Hand-Back Option** unless the maximum claim period of twenty-four (24) **Lease Repayments** ends before the final day of **Your Lease Agreement**.

GENERAL EXCLUSIONS

Events that **We** will not cover are listed in the following table are marked by a 'X'.

Event or Circumstance	Involuntary Unemployment	Sickness and Accident
A Pre-existing Medical Condition occurring in the six (6) months preceding the Commencement Date .		X
Any Involuntary Unemployment or sickness that occurs during the first thirty (30) days of the Period of Insurance .	X	X
Alcoholism, Drug addiction or the influence of intoxicating liquor or Drugs .	X	X
Mental or functional disorder (meaning any form of anxiety, depression, stress, psychosis or neurosis), unless You are receiving care and attention from a psychiatric specialist or psychiatric nurse.		X
Involuntary Unemployment which You were aware of before You entered into this Policy .	X	
Normal cessation of an employment contract or seasonal employment.	X	
Voluntary redundancy, resignation, retirement or abandonment of Your employment.	X	
Self employment or where Your employing company is controlled by You or Your family.	X	
Dismissal due to misconduct. Misconduct means not following company rules or breaking the law.	X	
Sickness and Accident and Involuntary Unemployment claims simultaneously.	X	X
Any claim arising directly or indirectly from: <ul style="list-style-type: none"> • War or acts of Terrorism. • You engaging in Active War. • Nuclear Risks. 	X	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 PDS.

Sanction Limitation and Exclusion Clause

No(re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide and benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the(re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

War and Civil War Exclusion Clause

Notwithstanding anything to the contrary contained herein this Policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Radioactive Contamination Exclusion Clause

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused NEVERTHELESS if fire is an insured peril and a fire arises directly or indirectly nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

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

Notification of an Incident

You must advise **ProRisk** as soon as possible of an **Incident** which could lead to a claim on the **Policy**.

How to make a claim

When **You** make a claim **You** must:

- contact **ProRisk** by phone as soon as practicable and be ready to provide details of the **Incident**;
- promptly return the completed claim form provided to **You**, together with all letters, documents, medical certificates or other documentation that **You** have been asked to provide, otherwise it will not be possible to process **Your** claim;
- attend an independent examination by a **Medical Practitioner** if requested and paid for by **ProRisk**;
- for claims in respect of mental or functional disorders **You** will need to supply suitable evidence from an appropriate specialist;
- provide written statements under oath if **ProRisk** require it;

- be interviewed about the circumstances of the claim, if **ProRisk** require this.

If **You** require assistance or have any questions regarding a claim, please contact **ProRisk** on (03) 9235 5255 or in writing to:

ProRisk
Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

or by email enquiries@prorisk.com.au

How claim administration and legal proceedings are undertaken

When a claim is admitted under the **Policy**, **ProRisk** has the right, at its discretion, to exercise all the legal rights of **You** relating to the **Incident** and to do so in **Your** name.

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

You must assist ProRisk

Before **ProRisk** will pay anything under the **Policy**, **You** must have complied with all the requirements of this Section and provided **ProRisk** with all information and assistance that they have requested.

False or misleading information

Part or all of **Your** claim may be denied 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 ProRisk do

ProRisk may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If **ProRisk** do this they will do it in **Your** name. **ProRisk** has full discretion in the conduct of any legal proceedings and in the settlement of any claim. **You** must co-operate by giving **ProRisk** any statements, documents or assistance that they require. This may include giving evidence in any legal proceedings.

WHAT CAN AFFECT A CLAIM

Payment of a claim may be refused if **You** are in breach of **Your Duty of Disclosure** or any of the General Conditions of the **Policy**, including any endorsements noted on or attached to the **Policy Schedule**.

ProRisk will 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 the **Policy**.

1. Subrogation

Where a claim has been paid under this **Policy**, **We** become entitled to any rights **You** may have against any party in relation to that claim. **You** must assist **Us** (including giving evidence at any civil trial) and provide such information (including signed statements) as **We** reasonably require to exercise such rights.

You must not, without **Our** prior written consent, enter into any contract or agreement which excludes, limits or prejudices a right of recovery which **You** may have in respect of any claim covered under this **Policy**. Further, **You** must not do anything or fail to do anything which excludes, limits or prejudices **Our** rights of subrogation.

2. Other Insurance

In the event of a claim, **You** must advise **ProRisk** of any other insurance that **You** may have covering the same risk.

3. Insurance Contracts Act 1984

This **Policy** is governed by and **We** will act in accordance with the Insurance Contracts Act 1984 (Cth) (as amended).

4. Fraud

Subject to the provisions of the Insurance Contracts Act, if **You** make a claim knowing the same to be false or fraudulent, as regards amount or otherwise, **We** may refuse payment of the claim.

5. Due Diligence

You will exercise due diligence in doing all things to avoid or reduce any loss under this **Policy**.

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.

SEVERAL LIABILITY NOTICE

The subscribing underwriters' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing underwriters are not responsible for the subscription of any co-subscribing underwriters who, for any reason, do not satisfy all or part of their obligations.

DEFINITIONS

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

Wherever the following words and phrases appear in bold in this **Policy** they will always have these meanings.

1. **Active War** means **Your** active participation in a **War** where **You** are deemed under Australian Law to be under instruction from or employed by the armed forces of any country.
2. **Commencement Date** means the policy inception date as shown in the **Policy Schedule**.
3. **Drug(s)** means any illegal substance or non-prescribed drug which, when used, impairs the person's faculties, or a prescribed drug used contrary to medical or manufacturer's advice.
4. **Duty of Disclosure** means **Your** duty of disclosure to **Us** as set out on page 6 of this document.
5. **Fair Sale Price** means the value the **Lease Provider** achieved on sale or disposal of **Your Vehicle**. This value is calculated using standard process used by **Your Lease Provider** at the **Commencement Date**. This value cannot be

reduced by reason of any damage to **Your Vehicle** that is not considered wear and tear as defined by **Your Lease Provider's** guidelines. If this is not defined by **Your Lease Provider**, it will be defined by the 'Fair Wear and Tear Guide' issued by the Australian Fleet Lessors Association.

6. **Gainful Occupation** means any occupation for which **You** receive a financial reward.
7. **Hand-Back Option** means the optional cover **You** may choose as described under "Cover 1" and "Cover 2" in the Policy Wording.
8. **Hand-Back Excess** means the amount **You** must contribute when **You** decide to take up the **Hand-Back** option of this **Policy**.
9. **Incident** means an event, neither expected nor intended from **Your** standpoint, which results in a claim on this **Policy**.
10. **Insured** means the person named in the **Policy Schedule** as being covered by this **Policy**.
11. **Insurer** means certain Underwriters at Lloyd's.
12. **Involuntary Unemployment / Involuntarily Unemployed** means an inability to continue **Permanent Gainful Employment** as a direct result of involuntary dismissal or redundancy or, in the case of **You** being employed on a fixed term contract basis, where the fixed term contract is terminated early.

For the avoidance of doubt, in the case of a person who is employed on a fixed term contract basis "**Involuntary Unemployment / Involuntarily Unemployed**" does not include a situation where the fixed term contract comes to an end.
13. **Lease Agreement** means the written agreement between **You** and the **Lease Provider** with the Lease Number shown on the **Policy Schedule**.
14. **Lease Provider** means the company with whom **You** have entered a **Lease Agreement** to lease a vehicle detailed in that **Lease Agreement**.
15. **Lease Repayment** means the regular monthly repayment amount that **You**, or any other person, entity or company has agreed to pay under the terms and conditions of the **Lease Agreement**. This does not include any final residual or balloon payment.
16. **Medical Practitioner** means a legally qualified and registered Medical Practitioner, as approved by **ProRisk**, who is not **You** or **Your** business partner or another immediate family member.

17. **Nuclear Risk** means ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
18. **Outstanding Balance** means the amount outstanding in relation to the **Lease Agreement** at the date of the **Incident**. This amount excludes:
- any arrears in **Lease Repayments** due by **You**, or any other person, entity or company responsible for the repayments; and/or
 - any additional costs or repayment amounts arising from any variation to the **Lease Agreement** after the **Policy** was entered into including early discharge fees.
19. **Period of Insurance** means the period from and to as shown in the **Policy Schedule**.
20. Permanent Gainful Employment means You are working:
- on a permanent and continuous basis for wages or income for a minimum of twenty (20) hours every week; or
 - on a fixed term contract basis for wages or income for a minimum of twenty (20) hours every week for the duration of the contract;
 - and **You** are not in employment of a seasonal, casual, temporary or self-employed nature.
21. **Permanent Resident of Australia or New Zealand** means an Australian or New Zealand citizen or holder of an Australian or New Zealand Permanent Residency Visa.
22. **Policy** means **Your** insurance contract which consists of this PDS (including the Policy Wording) and the **Policy Schedule**.
23. **Policy Schedule** means the relevant Policy Schedule **We** issue to **You** which attaches to and forms part of the **Policy**.
24. **Pre-existing Medical Condition** means an injury, sickness, condition or related symptom that **You** were aware of or should reasonably have been aware of, or for which **You** had a medical consultation.
25. **Premium** means the amount stated as the premium in the **Policy Schedule**.
26. **ProRisk** means Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076 who are the administrators of the **Policy**.
27. Sickness and Accident means:
- illness or disease which manifests itself during the **Period of Insurance**; or
 - bodily injury that is unintentional, caused solely and directly by external and visible means as a result of an accident occurring during the **Period of Insurance**;
- that:
- has been certified by a **Medical Practitioner**; and
 - which prevents **You** from engaging in **Your Usual Occupation**.
28. **Terrorism** means an act including, but not limited to, the use or threat of force and/or violence of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.
29. **Underwriters** means the **Insurer**.
30. **Usual Occupation** means the main occupation **You** are engaged in when an **Incident** occurred to lead **You** to claim under this **Policy** that is suitable to **Your** experience, training and/or education and for which **You** receive a financial reward.
31. **War** means:
- a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion assuming the proportions of, or amounting to, an uprising, military or usurped power; or
 - b) Any act of **Terrorism**; or
 - c) Any act of war or **Terrorism** involving the use of, or release of a threat to use, any nuclear weapon or device or chemical or biological agent.
32. **We, Us and Our** mean certain Underwriters at Lloyd's.
33. **You, Your** mean the person named on the current **Policy Schedule** as the '**Insured**'.

34. **Your Employer** means the company **You** are employed by.
35. **Your Vehicle** means the motor vehicle referred to in the **Lease Agreement** and:
- which is not more than five (5) years old at the commencement of the Period of Insurance;
 - which is registered for use on public roads;
 - which includes its standard tools, modifications and any genuine and non-genuine accessories that were fitted to the vehicle at the time of purchase by the selling motor dealer;
 - which does not have a carrying capacity greater than 2 tonnes; and
 - which is not used as a courier vehicle, taxi, or any other type of vehicle used for the carriage of people or goods for reward or used for driver education (other than for **Your** immediate family member).