



GAP Insurance

Product Disclosure Statement and Policy

INTRODUCTION

We welcome You to the AVEA Insurance Limited Guaranteed Asset Protection Product Disclosure Statement (PDS).

It is important that before You purchase the insurance You take the time to read and understand this PDS in its entirety, as it contains important information as required under the financial service provisions of the Corporations Act 2001.

If You do not understand any part of this PDS, please contact Us and We will be happy to explain any matter for You.

PLEASE TAKE THE TIME TO READ THROUGH THIS BOOKLET CAREFULLY AND RETAIN FOR YOUR RECORDS

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This PDS has been prepared as at 9th February 2010. V60210.

DEFINITIONS

This table below defines and explains some important terms used throughout this PDS.

Term	Meaning
Comprehensive Vehicle Insurance	The insurance Policy that provides cover for loss or damage to the Vehicle and being in force at the date of the incident.
Comprehensive Vehicle Insurer	The insurance company which has provided the Comprehensive Vehicle Insurance Policy to You for the Vehicle.
Financier	The finance company named in the Policy Schedule.
Indebtedness	The amount owing after the deduction of arrears and rebatable amounts owing to the Financier under the Finance Contract as at the date of the incident resulting in the Total Loss.
Finance Contract	The legal agreement with the finance company or credit institution which describes the terms and conditions under which the funds were provided to You for the purchase of the Vehicle, as stated on the Policy Schedule. The agreement must have the Vehicle as stated on the Policy Schedule listed as security for the funds provided under the agreement.
Period Of Insurance	The period commencing on the inception date and ending on the expiry date, as stated on the Policy Schedule.
Policy	The insurance contract. It consists of this PDS, and the Policy Schedule and any other endorsements or notices We may give You.
Policy Schedule	The document which shows Your details, the Vehicle details, the level of cover you selected, the Policy number together with the details of the Premium and other Policy details.
Premium	Is the amount You pay for Your Policy including any Policy fee.
Private Expenses	Expenses directly incurred as a result of the Total Loss of the Vehicle that would not have been incurred if it were not for the Total Loss. These expenses include, but are not limited to: <ul style="list-style-type: none"> • additional travelling expenses; • overnight accommodation; • meals; and • phone calls. This does not include the cost of hiring a replacement Vehicle.

DEFINITIONS Cont.

Term	Meaning
Purchase Price	The total amount paid for the Vehicle including registration, on road costs, government charges and Vehicle extras, but does not include the cost of insurance and existing debt.
Shortfall	The amount owing on the Finance Contract as at the date of the Total Loss of the Vehicle, less the amount of the Total Loss Payout from the Comprehensive Vehicle Insurance and any other amounts not covered under this Policy.
Total Loss	When the Vehicle is stolen and not recovered and/or considered damaged beyond economical repair in the opinion of the Comprehensive Vehicle Insurer.
Total Loss Payout	The amount paid by Your Comprehensive Vehicle Insurer (before any deductions for excess and overdue Premiums including the balance of monthly payments due), following the Total Loss of the Vehicle.
Vehicle	The Vehicle described in the Policy Schedule, including its factory or motor vehicle dealer fitted equipment or accessories. This means motor Vehicles (with carrying capacities up to 2 tonnes), motorcycles, trailered pleasure craft, caravan and campervans.
We, Us and Our	The underwriter, AVEA Insurance Limited.
You and your	The insured person (s) named in the Schedule.

WHAT IS A PRODUCT DISCLOSURE STATEMENT (PDS)

This PDS is designed to assist You in understanding the product You are considering so You can make an informed choice about whether You should purchase the insurance product.

WHO IS THE INSURER

AVEA Insurance Limited (AVEA), the underwriter of this insurance product, is an Australian owned insurance company which holds an Insurance Licence issued by Australian Prudential Regulation Authority (APRA), and an Australian Financial Services Licence issued by Australian Securities and Investments Commission (ASIC).

If You need to contact AVEA please do so through any of the options listed in the company details below:-

AVEA Insurance Limited
ABN: 18 009 129 793
AFS Licence: 238279

PO Box 226, Nunawading VIC 3131

Telephone: (03) 8878 1899 / 1800 99 99 77
Facsimile:(03) 8878 1880
Website:www.avea.com.au
Email:aveainsurance@avea.com.au

COOLING OFF PERIOD

You have the right to return the Policy to Us within 14 days of the date that it was issued or sold to You ("cooling off period") unless You make a claim under the Policy within the cooling off period.

If You return the Policy during the cooling off period, We will refund the full amount of Your Premium. The Policy will be terminated from the date You notify Us of Your request.

To return the Policy, You must notify Us in writing within the cooling off period. You can do this by contacting Us by the methods detailed above.

YOUR PRIVACY

We need to collect, Use and disclose Your personal information in order to consider Your application for an insurance Policy and to provide the cover You have chosen, administer the Policy and assess any claim. You can choose not to provide Us with some of the details or all of Your personal information, but this may affect Our ability to provide the cover.

By providing Your personal information to Us, You acknowledge and consent that We can collect and use Your personal information for the following purposes:

- to assess Your current and any subsequent application; administer the Policy; calculate or offer discounts; and to investigate, assess and pay any claim made by You or against You; and
- for these purposes, We can collect Your personal information from and/or disclose it on a confidential basis to, the following: Our related entities; Our distributors; other insurers; insurance reference bureaus; law enforcement agencies; investigators; lawyers; advisers and the agents of these.

Where You provide personal information to Us about another person, You must be authorised to provide that information to Us and inform that person (unless doing so would pose a serious threat to the life or health of any individual) who We are, how We use and disclose their information, and they can gain access to that information.

You may gain access to the personal information held on record about You and/or a copy of Our Privacy Policy by contacting Us on 1800 99 99 77. The complete Privacy Policy is also available on Our website www.avea.com.au.

YOUR DUTY OF DISCLOSURE

WHAT YOU MUST TELL US:

Before You enter into a contract of insurance with Us, You must advise Us of anything that You or a reasonable person in the circumstances could be expected to know, which is relevant to Us insuring You and, if so, on what terms. You must advise Us of any information relating to You and anyone likely to drive the Vehicle, when entering into the contract and each time You change Your Policy, such as:

- Any criminal convictions or charges.

If You do not notify Us of all information that You are aware of We may:

- Refuse to pay a claim, or
- Reduce the amount of Your claim, or
- Cancel Your Policy.

COST OF THE POLICY

If You decide to purchase GAP Insurance from Us, the cost of the Policy is determined by the level of cover You select. The price will include any compulsory Government charges including Stamp Duty and GST.

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COST OF THE POLICY Cont.

Also included in the Premium amount is the commission payable to the Authorised Representative who provided the Policy to You (and associated Marketing Agencies). The amount of commission varies between Authorised Representatives; however, the specific details applicable to the purchase are defined in percentage form in the Financial Services Guide (FSG) that is issued to You by the Authorised Representative.

This commission amount is calculated on the total Premium payable. These charges will be included in the amount payable which is shown on the Policy Schedule and We will refer to this whole amount as the "Premium".

Before We can give You any insurance cover, the Premium for the Policy must be paid either by You or by including the Premium in the Finance Contract and the Financier making the payment to Us.

WHAT IS GUARANTEED ASSET PROTECTION INSURANCE (GAP)?

In the event that Your Vehicle sustains Total Loss damage, GAP will provide You with a level of cover, to assist with the payment towards the amount of Indebtedness outstanding on Your Finance Contract as at the date of loss, less the Payout received from Your comprehensive insurer.

TO BE ELIGIBLE FOR THIS POLICY

- You must be 16 years of age.
- Your Vehicle must be covered by a Comprehensive Insurance Policy for the term of this cover
- The Finance Contract must be for one of the following:
 - a motor Vehicle less than 2 tonnes;
 - a motorcycle;
 - a boat; or
 - a caravan.

HOW DOES GAP BENEFIT YOU?

GAP provides You with a level of financial protection in the event that there is a Shortfall or debt remaining on Your Finance Contract after having received a Total Loss Payout from Your comprehensive insurer.

The amount of financial benefit will be dependent on the sum insured and the value of Your Vehicle at the time of the loss and the amount of debt owing to the Financier.

It also provides some additional benefits to assist with the cost in relation to a replacement Vehicle.

An example:

- If Your Vehicle was declared a Total Loss and the Finance Contract payout figure was \$27,500, the Comprehensive Insurer payout figure may be less, for example, \$22,500. In this example, GAP Insurance would pay Your financier up to \$5,000 (if You had selected Cover 4).
- In addition to the Shortfall, You may wish to select a Cover Option that covers certain other out-of-pocket expenses (Additional Benefits) if Your Vehicle is declared a Total Loss. Depending on Your needs, You may choose one of four (4) levels of Cover below.

MAXIMUM SHORTFALL AMOUNT PAYABLE

The maximum Shortfall amount We will pay up to in the event of a claim will depend on the level of cover You have selected:

Cover 1	First 12 months of the Policy	\$15,000
Cover 1	Subsequent months of the Policy	\$10,000
Cover 2		\$10,000
Cover 3		\$7,500
Cover 4		\$5,000

ADDITIONAL BENEFITS

If You have selected a Level of Cover that includes Additional Benefits, in the event of a Total Loss Payout We will pay You the cost of the cost of the Additional Benefits. Additional Benefits are not all of Your out-of-pocket expenses. The maximum amount we will pay in relation to Additional Benefits will depend on the Level of Cover You have selected.

Levels of Cover include the following:

Cover 1	\$4,000
Cover 2	\$2,500
Cover 3	\$1,000
Cover 4	\$ 500

NO SHORTFALL BENEFITS

The maximum No Shortfall Benefit We will pay in the event of a claim will depend on the Level of Cover You have selected.

Cover 1	\$2,000
Cover 2	\$2,000
Cover 3	\$1,000
Cover 4	\$ 500

Any Additional Benefit claim must be reported to AVEA within 6 months from the date of the incident giving rise to a claim under this Policy.

A summary of the covers is shown in the table under Summary of Covers.

SUMMARY OF COVERS

The table below summarises the key benefits of each level of cover.

This table is a guide only. The detail of the insurance covers, terms, conditions and exclusions are shown in pages 3 to 4 of this PDS.

COVERS PROVIDED	MAXIMUM SHORTFALL	MAXIMUM ADDITIONAL BENEFITS WITH A SHORTFALL	MAXIMUM ADDITIONAL BENEFITS WITH NO SHORTFALL
COVER 1	\$15,000 for the first 12 month \$10,000 subsequent months	\$4,000	\$2,000
COVER 2	\$10,000	\$2,500	\$2,000
COVER 3	\$7,500	\$1,000	\$1,000
COVER 4	\$5,000	\$ 500	\$ 500

POLICY EXCLUSIONS

Our liability to pay a claim under the Policy is excluded under the following circumstances:

- We will not pay a claim if for any reason what so ever Your Comprehensive Vehicle Insurer does not pay out the full market or agreed value of Your Vehicle in the event of a Total Loss.
- If You accept a reduced claim settlement amount from Your Comprehensive Vehicle Insurer, We may reduce Your Shortfall amount by the same proportion.
- We will not pay a claim if You have failed to comply with Your disclosure obligations in the section 'Your Duty of Disclosure' in the Policy wording.
- We will not pay a claim if You are not the registered owner of the Vehicle at the time the Total Loss occurs.
- In the event of a Total Loss, if there is no Shortfall, a claim for Additional Benefits will not be accepted.
- If a replacement Vehicle is offered by Your Comprehensive Vehicle Insurer but not accepted by You, it will be deemed that there is no Shortfall. Therefore, no Shortfall is payable to the Financier and no claim for Additional Benefits will be accepted.

The following amounts will not be included in any claim for a Shortfall:

- Any penalty for early discharge or additional interest payments;
- Any excess or additional payment due and applicable to Your Comprehensive Vehicle Insurance Policy.
- The amount of any increased liability where there has been a variation to the Finance Contract.
- Any arrears, Deferred payments and/or late charges owed to the Financier at the time the Vehicle became a Total Loss.
- Any amounts rebatable for contracts which were financed under the contract or agreement;
- Any liability for You to pay the Goods and Services Tax, unless You are not a registered entity within the meaning of the Goods and Services Tax Act 1999.
- Any Additional Benefit claim made after 6 months from the date of the incident giving rise to a claim under this Policy.

HOW TO MAKE A CLAIM

If You need to make a claim, please contact Us on 1800 99 99 77 as soon as possible. Written notice in the form of a signed claim form containing full particulars of any event in respect of which a claim is to be made must be given to Us.

All documentation and information required by us shall be furnished by you and, if requested, you must;

- Authorise the comprehensive vehicle insurer to release to us all documents relevant to any payout under your comprehensive vehicle insurance policy;

- Provide us with a copy of the contract of sale for the vehicle and the finance contract that was taken out when the vehicle was purchased;
- Provide us with the documentation from the financier that verifies the amount you owe the financier under the finance contract as at the date of loss.

This policy will NOT perform until such time as the comprehensive vehicle insurer declares the vehicle a total loss AND makes full settlement under the comprehensive vehicle insurance policy.

All documentation and information required by Us shall be furnished by You and, if requested, You must;

- Authorise the Comprehensive Vehicle Insurer to release to Us all documents relevant to any Payout under Your Comprehensive Vehicle Insurance Policy;
- Provide Us with a copy of the contract of sale for the Vehicle and the Finance Contract that was taken out when the Vehicle was purchased;
- Provide Us with the documentation from the Financier that verifies the amount You owe the Financier under the Finance Contract as at the date of loss.

This Policy will NOT perform until such time as the Comprehensive Vehicle Insurer declares the Vehicle a Total Loss AND makes full settlement under the Comprehensive Vehicle Insurance Policy.

CANCELLATION

CANCELLATION BY YOU

If You wish to cancel the Policy, You can do so at any time by providing Us with notice in writing.

If You cancel the Policy during the Period Of Insurance We will charge an administration fee of 15% of the Premium . This fee will be deducted from any refund that may be owing. We will not charge a cancellation fee if You cancel the Policy during the cooling off period or if We cancel the Policy for any reason.

We will calculate the amount of the refund using the Rule of 78 formulae. The refund calculation takes into account the total Premium paid, term of Policy and unexpired portion of the Period Of Insurance.

CANCELLATION BY US

We may cancel this Policy if You;

- Made a misrepresentation to Us before entering into this Policy;
- Fail to comply with the duty of disclosure or the duty of utmost good faith;
- Fail to comply with a provision of the Policy;
- Make a fraudulent claim under this or any other insurance Policy; or
- You are paying the Premium by monthly instalments and an instalment remains unpaid for a period of one month past its due date.

If We cancel Your Policy, We will give written notice to You personally or by post to Your last known address. Such notice will be effective from 4pm on the seventh day after the day it is given to You, unless it specifies a later date.

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CANCELLATION Cont.

You may be entitled to a refund for the remaining period of cover, which is calculated as stated in Cancellation By You.

Where the Premium has been financed, You authorise Us to pay any refund direct to the Financier unless the Financier otherwise authorises the refund to be paid direct to You.

TERMINATION

This Policy will terminate on any of the following events:

- The Period Of Insurance expires;
- The Policy is cancelled;
- The Finance Contract or lease is paid out;
- A claim is made under this Policy, in which case no Premium refund will be payable; or
- Six years from the commencement date of the insurance.

DISPUTE RESOLUTION

We have an internal procedure for dispute resolution so that If at any time Our products or services have not satisfied Your expectations You can contact Us.

Step 1 Talk to Us first

If You have a complaint, please give Us every opportunity to try to resolve Your complaint.

Step 2 Contact the Operations Manager

If You are not satisfied with Our initial response, Your complaint will be referred for review by the Operations Manager who would respond to You within fifteen business days.

Step 3 Contact Our Compliance Manager

If the complaint is still not resolved to Your satisfaction, You can ask the Compliance Manager to refer Your dispute to Our Internal Dispute Resolution (IDR) Committee for review. The IDR Committee members are independent and have the authority to review the decision. The IDR Committee will inform You of the final decision within fifteen business days.

Step 4 Seek an external review of the decision

If You are not satisfied with the final decision, You can seek an external review of the decision. You can approach the Financial Ombudsman Service (FOS) within three months of Us informing You of Our final decision. You can contact the FOS by:

Post: GPO Box 3, Melbourne VIC 3001

Phone: 1300 780 808

Fax: (03) 9613 6399

Email: info@fos.org.au

Website: www.fos.org.au

FOS is without cost to You and the decision of the FOS is binding on Us.

CODE OF PRACTICE

The Insurance Council of Australia (ICA) has developed a voluntary General Insurance Code of Practice to which We are a signatory. This Code aims to raise the standards of practice and service within the general insurance industry and it includes, but is not limited to, the following:

- We will only ask for, and take into account, relevant information when selling insurance;
- Our representatives will act in an honest, fair, efficient and transparent manner;
- We will respond to routine requests for information within 10 business days; and
- We will keep You informed of the progress of Your claim.

To obtain a copy of the code visit www.ica.com.au or call (02) 9253 5100.

GAP POLICY

This PDS, together with the Policy Schedule, set out the terms and conditions of the insurance cover and form the basis of the contract of insurance (GAP Policy) with You.

Upon payment of the Premium applicable to the cover level selected by You, the cover provided by the GAP Policy will be activated from the inception date shown on the Policy Schedule.