



# **Product Disclosure Statement**

Lease Protection Insurance

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## Part A:

# Product Disclosure Statement

### INTRODUCTION

Please take the time to read through this document carefully and keep it in a safe place as it contains important information required under the Corporations Act 2001 including information about the extent of your insurance cover and any limitations.

If you have any questions about this document or your insurance cover, please contact us and we will be happy to explain any matter for you.

Preparation date 1st February 2019. V010219 FPA

This policy was developed for Carinsurance.com.au Pty Ltd (AR 1009043) and is distributed by it or its related entities. For details of the entity distributing your policy please see the Distributor Notice.

### YOUR PRODUCT DISCLOSURE STATEMENT (PDS)

This PDS sets out the terms and conditions of your insurance cover. Please read it so that you can make an informed choice about your insurance needs.

The information in this PDS was current at the time of its preparation. If there is a significant change to the information, we will make available to you a replacement or Supplementary PDS. If you wish to obtain confirmation of the current terms and conditions of your insurance, please contact us and we will provide them free of charge.

Some words or expressions have special meaning and may begin with capital letters. Their meanings are explained under the heading "What do we mean by that?" in this PDS.

### ERIC INSURANCE

Eric Insurance Limited ABN 18 009 129 793 Australian Financial Services Licence (AFSL) 238 279 (Eric), is the issuer and underwriter of this insurance product.

If you need to contact us you can do so through any of the options below:

Post: PO Box 9106, Scoresby VIC 3179  
 Phone: 1800 999 977  
 Web: [www.ericinsurance.com.au](http://www.ericinsurance.com.au)  
 Email: [info@ericinsurance.com.au](mailto:info@ericinsurance.com.au)

### OUR AGREEMENT WITH YOU

Upon payment of the Premium, our agreement with you is made up of:

- This PDS and Distributor Notice together make up this document;
- The Policy Schedules which show the details relevant to your insurance cover; and
- Any Endorsement or Supplementary PDS which we may send to you.

### NO OBLIGATION TO PURCHASE

This insurance cover provides Consumer Credit Insurance (CCI). It is not compulsory for you to acquire it and it is not a condition of your Lease Contract that you must acquire it. If you do choose to acquire CCI, you may do so with another insurer on terms that are the same or different to the terms of this insurance cover.

### OUR DISTRIBUTORS

Eric has relationships with distributors and other licensees who may arrange insurance on our behalf, and if so, may receive remuneration. For more information, please refer to the Distributor Notice.

### HOW TO APPLY AND ELIGIBILITY

To apply for this insurance, you will need to contact our distributor who can assist you in completing our online application form.

Your answers to the questions we ask are used to evaluate your application. Refer to section under the heading "Your Duty of Disclosure".

Once your application has been assessed in accordance with our underwriting acceptance criteria and if insurance cover is accepted, we will provide you with a Policy Schedule confirming the terms and conditions specific to your cover.

To be eligible to purchase this insurance, at the commencement of the Period of Insurance you must:

- Be at least 18 years of age and under the age of 65;
- Be working on a continuous basis for reward for a minimum of 20 hours each week either in:
  - Full time or permanent part time employment; or
  - Casual employment, provided you have been in continual employment for least 12 months with the same employer. For the avoidance of doubt, a break in casual employment of no greater duration than 4 weeks in the 12 months prior to any claim under this insurance is permissible;
- Not be employed in a seasonal or Intermittent position.

**YOUR LEASE PROTECTION INSURANCE (LePI)**

If, during the Period of Insurance, and subject to the terms and conditions of our agreement with you, you are unable to perform your Employment for a period of greater than 30 days because you experience one of the following events:

- Disability as certified by a Medical Practitioner; or
- Involuntary Unemployment as a result of you being made redundant, retrenched, or your employer ceases to operate;

then you may choose to:

- Receive a Monthly Payment Option Benefit; and/or
- Handback your Vehicle to a Lease Company.

**MONTHLY PAYMENT OPTION BENEFIT**

You may choose to use the Monthly Payment Option Benefit as an alternative to Handback of the Vehicle to contribute towards your Monthly Repayments under your Lease Contract, allowing you to retain your Vehicle.

The Monthly Payment Option Benefit can be used to cover up to a maximum of 6 Monthly Repayments during the Period of Insurance, subject to your ongoing Disability or Involuntary Unemployment.

All payments made under the Monthly Payment Option Benefit will be made in accordance with your documentation provided and may include part payments in circumstances such as partial return to work. Where this applies, we will pay 1/30th of your Monthly Repayment for every day you are unable to perform your Employment.

Following any use of the Monthly Payment Option Benefit you may choose to Handback the Vehicle should you remain unable to perform your Employment in accordance with the terms of this insurance cover.

**VEHICLE HANDBACK**

Where you choose to Handback your Vehicle to a Lease Company and experience a Shortfall as a result of the Handback, then we will pay the Shortfall to the Lease Company.

**The Lease Company must agree to facilitate clear title in respect of the Vehicle before any claim payment for Handback under this Insurance cover is made.**

Any benefits payable under this insurance cover will be made directly to the Lease Company.

**COVER BENEFIT LIMITS**

The table below shows the maximum benefits provided by this insurance.

Cover Level	Cover Benefit Limit	Monthly Payment Option Benefit	Maximum Cover Term
Level 1	We will pay up to \$15,000 for all claims under the Policy (including the Monthly Payment Option Benefit)	We will pay the lesser of: <ul style="list-style-type: none"> <li>• 6 Monthly Repayments; or</li> <li>• \$15,000.</li> </ul>	The lesser of the term of your Lease Contract or 60 months.

**COVER LIMITATIONS AND WHAT YOU ARE NOT INSURED FOR**

This insurance cover does not apply to:

- Death; or
- Any sickness contracted by you within 30 days of the commencement of the Period of Insurance and which prevents you performing your Employment.

We will not pay a benefit for an event or circumstance caused by or arising directly or indirectly or in any way connected with:

- Backache, unless a Medical Practitioner provides medical evidence showing definite symptoms of restriction of movement;
- Any Pre-existing Medical Condition;
- Deliberate self-harm;
- Any complications associated with Pregnancy, IVF treatment, abortion or childbirth;
- You choose not to follow the advice of a Medical Practitioner
- A World Health Organisation declared Pandemic;
- An addiction to or being under the influence of alcohol or a drug other than a drug taken under the advice of a Medical Practitioner; or
- War, riot, civil commotion, strike, lockout or an act of terrorism.

The following amounts will not be included in any payment of a Shortfall:

- Any arrears and/or late payment fees owed under the Lease Contract;
- Refunds of cancellable insurance or other products financed under the Lease Contract;
- Any amount of any increased liability where there has been a variation to your Lease Contract which has not been confirmed in writing by us as being covered by the Policy; and
- Any liability or entitlement you may have under the Goods and Services Tax Act 1999.

Unless expressly included by this insurance, we do not provide cover for all or any consequential financial or non-financial loss, damage or liability incurred as a consequence of the incident giving rise to a claim.

Any amount payable by an insurer or a third party in relation to damage to the Vehicle incurred prior to the Handback will not be included in the Shortfall.

## HOW TO MAKE A CLAIM

Contact us on 1800 999 977 as soon as something happens to you that you believe you can claim for.

When making a claim and to assist us in processing it, you must give us the information and assistance we reasonably request, and any information you give us must be honest, correct and complete.

We may need certificates or other documentation to verify your claim, including a completed claim form. Where this is required, we will ask for it. Any costs associated with obtaining further information regarding your claim are payable by you.

Until such time as we accept and approve a claim, you are responsible to continue to make repayments under the Lease Contract.

### CLAIM EXAMPLE

Six months after buying the Vehicle you have a fall, and your Medical Practitioner advises that you will be unable to perform your Employment for an undetermined period.

You decide to use the Monthly Payment Option Benefit to continue to pay your Monthly Repayments of \$709.52 under the Lease Contract whilst unable to perform your Employment.

After your 6th Monthly Repayment, your Medical Practitioner advises you that you will not be able to return to work for a further 6 months. You decide to Handback your Vehicle to a Lease Company, who appraises the Vehicle and buys it for \$33,100. We determine the Vehicle value to be \$34,300 based upon Glass's AutoEdge. The Payout Figure to the Lease Company is \$38,916.20, leaving a Shortfall of \$4,616.20 (the difference between the Payout Figure and the greater of Glass's AutoEdge value and the price paid by the Lease Company).

We pay the Shortfall to the Lease Company, leaving an outstanding balance on your Lease Contract of \$1,200 (the difference between what the Lease Company has paid for the Vehicle and the Glass's AutoEdge value).

Monthly Repayments \$ 4,257.12 (x6)

<b>Payout Figure</b>	<b>\$38,916.20</b>
Value of the Vehicle	\$33,100.00* (paid to the Lease Company)
Balance owed	\$ 5,816.20 (to the Lease Company)
Shortfall	\$ 4,616.20 (paid by us to Lease Company)
Balance owing on loan	\$ 1,200.00 (you pay the Lease Company)

Total claim payments \$ 8,873.32 (paid by us to Lease Company) (being the 6 Monthly Repayments plus the Shortfall)

## THE COST OF YOUR INSURANCE COVER

The Premium for your insurance cover will be shown on the Policy Schedule. Some of the key factors that may influence your Premium include, where applicable:

- The risk profile;
- The terms of your Lease Contract;
- The Purchase Price; and
- Government taxes and/or charges.

You are not obliged to finance the payment of the Premium.

## COOLING OFF PERIOD

You can cancel your insurance within 21 days of the date your insurance commences ("cooling off period") by contacting us by phone, email or mail, and unless you have made a claim, we will refund the Premium in full.

You are also entitled to cancel your insurance cover after the cooling off period (refer to the "Cancellation of your insurance" section for full details).

## WHAT YOU NEED TO TELL US

We require you to be truthful, honest and accurate whenever we interact with you in relation to this insurance. You must also inform us immediately if any of the following circumstances apply to you:

- There is a change in your personal or Employment details; or
- You are no longer the owner of the Vehicle; or
- You pay out the Lease Contract before its scheduled completion date.

## EARLY PAYOUT OF YOUR LEASE CONTRACT

If you have paid out the Lease Contract prior to its scheduled completion date, your insurance cover will terminate, so it is important you let us know.

## YOUR DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty of disclosure under the [Insurance Contracts Act 1984](#).

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 SOMETHING

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.

## HOW WE PROTECT YOUR PERSONAL INFORMATION

Eric are committed to ensuring that your personal information is protected. We collect, store and use your personal information (including sensitive information) for the purpose of providing you with insurance, administering your insurance policy including assessing and paying claims as required. Where it is possible for us to do so, we will collect personal information directly from you or through our distributors at point of sale of your insurance.

We may also use your personal information to inform you about other insurance products or services which may benefit you, perform administrative functions such as training and development of employees, manage complaints and disputes, and to comply with our legal obligations.

Further information on how we use your personal information is set out in our Privacy Policy that is available on our web site [www.ericinsurance.com.au/privacy-policy](http://www.ericinsurance.com.au/privacy-policy).

## CODE OF PRACTICE

The Insurance Council of Australia (ICA) has developed a voluntary General Insurance Code of Practice (the Code) to which we are a signatory. This Code aims to raise the standards of practice and service within the general insurance industry.

The objectives of this Code are:

- To commit us to high standards of service;
- To promote better, more informed relations between us and you;
- To maintain and promote trust and confidence in the general insurance industry;
- To provide fair and effective mechanisms for the resolution of complaints and disputes between us and you; and
- To promote continuous improvement of the general insurance industry through education and training.

To obtain a copy of the Code visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au) or contact us.

## CANCELLATION OF YOUR INSURANCE

### CANCELLATION BY YOU

You may cancel your insurance at any time by contacting us by phone, email or mail. If you cancel your insurance, your cover will end on the date we receive your cancellation request, unless you inform us otherwise and we agree.

### CANCELLATION BY US

We may cancel this insurance when it is permitted by law such as if you:

- Made a misrepresentation to us before entering into this insurance;
- Fail to comply with the duty of utmost good faith;
- Fail to comply with a provision of this insurance (including the obligation to pay the Premium on time); or
- Make a fraudulent claim under this insurance policy or any other insurance policy.

### UPON CANCELLATION

If your insurance cover is cancelled either by you or us (except in the case of fraud) outside your cooling off period, we will refund any Premium you have paid for the period after the cancellation date, less any non-refundable taxes and charges.

If we have cancelled your insurance cover due to fraud, we will not pay any refund.

Where the Premium has been financed, you authorise us to pay any refund direct to the Lease Company unless the Lease Company otherwise authorises the refund to be paid direct to you.

## TERMINATION

This insurance cover will terminate and a Premium refund may be payable (refer to the "Cancellation of your insurance" section), if:

- You no longer reside in Australia; or
- Your Lease Contract is discharged.

This insurance cover will terminate and no Premium refund will be payable if:

- The Period of Insurance expires; or
- We have paid all amounts we are obliged to pay under this insurance.

## DISPUTE RESOLUTION

Eric is committed to providing a great range of products and services to our customers. Eric is a signatory to the General Insurance Code of Practice and follows the Complaints process outlined in the Code. Please talk to us using the details set out below if at any time we have not satisfied your expectations. Most times we will be able to resolve your concerns upon initial contact.

Post: PO Box 9106, Scoresby VIC 3179  
 Phone: 1800 999 977  
 Web: [www.ericinsurance.com.au](http://www.ericinsurance.com.au)  
 Email: [info@ericinsurance.com.au](mailto:info@ericinsurance.com.au)

If we are unable to resolve your concern, please ask to speak to our Customer Resolution Leader (CRL) who will register your complaint and conduct an initial review of the matter and provide a recommendation to you.

If at this point the CRL recommendation has not resolved your complaint to your satisfaction, you may wish to request a final internal review by Eric's Internal Dispute Resolution (IDR) Committee. Our dispute resolution procedure is free of charge to you.

A dispute can be referred to the Australian Financial Complaints Authority (AFCA). It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms. Their contact details are:

Phone: 1800 931 768  
 Post: GPO Box 3, Melbourne, Victoria 3001  
 Web: [www.afca.org.au](http://www.afca.org.au)

## FINANCIAL CLAIMS SCHEME

This insurance cover may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS), administered by the Australian Prudential Regulation Authority (APRA). The FCS applies in the unlikely event of insurer insolvency if the Federal Treasurer declares that the FCS will apply to the insolvent insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA. Information about the FCS can be obtained from APRA at [www.fcs.gov.au](http://www.fcs.gov.au) or by calling 1300 55 88 49.

## GST

Any claim payments we make will be based on GST inclusive costs. If you are entitled to claim an input tax credit for any claim paid under this insurance, we will reduce the claim payment by the amount of such input tax credit.

If you are registered for GST, you must advise us of your correct input tax credit percentage. You are liable for any GST liability we incur arising from your incorrect advice or failure to advise us of your GST situation.

## WHAT DO WE MEAN BY THAT?

Certain words used in this document have special meanings. These words and their meanings are listed below:

**Disability:** An injury or sickness that renders you incapable of continuous performance for no less than the Non-benefit Period of the duties, of any occupation for which you are reasonably qualified by education, training or experience as certified by a Medical Practitioner.

**Employment:** You are working on a continuous basis for reward for a minimum of 20 hours each week:

- In full time or permanent part time employment; or
- In casual employment, provided you have been in continual employment for least 12 months prior to any claim under this insurance. For the avoidance of doubt, a break in casual employment of no greater duration than 4 weeks in the 12 months prior to any claim under this insurance is permissible.

and you are not in employment of a seasonal or temporary nature.

**Endorsement:** An additional term or condition applied by us or an alteration requested by you and agreed to by us. An Endorsement may be sent as a separate document or may be described on the Policy Schedule.

**Glass's AutoEdge:** An Australian automotive reference publication which provides valuations for vehicles in different conditions.

**Handback:** You sell your Vehicle to the Lease Company as a consequence of one of the events covered by this insurance.

**Intermittent:** In relation to Employment, occurring at irregular intervals; not continuous or steady. Including but not limited to, temporary or seasonal employment.

**Involuntary Unemployment and Involuntarily Unemployed:** You become unemployed and remain unemployed for no less than the Non-benefit Period, as a result of you being made redundant, retrenched, or your employer ceasing to operate. Your unemployment status is required to be certified by the appropriate government agency.

**Lease Company:** The finance company or credit institution named in the Policy Schedule with whom you have entered into a Lease Contract.

**Lease Contract:** The legal agreement with the Lease Company which describes the terms and conditions under which the funds were provided to you for the purchase of the Vehicle, as described on the Policy Schedule. The agreement must have the Vehicle listed as security for the funds provided under the agreement.

**Medical Practitioner:** A doctor or specialist who is registered or licensed to practice medicine under the laws of the country in which they practice, other than you, a member of your immediate family or your employee.

**Monthly Repayment:** Your monthly repayment due to the Lease Company (**excluding any residual value or balloon payment**) under the Lease Contract.

**Non-benefit Period:** The period of time during which a benefit will not be paid being 30 days.

**Payout Figure:** The amount required by the Lease Company, at the date of your claim to discharge your indebtedness under the Lease Contract.

**Period of Insurance:** The period during which cover is provided under this insurance. The Period of Insurance begins on the commencement date and ends on the expiry date, as stated on the Policy Schedule, unless this insurance cover ends earlier in accordance with its terms.

**Policy Schedule:** The most recent document we provide to you describing the terms and conditions specific to your insurance cover which includes your details, the Vehicle details, the policy number together with the details of cover, Premium, additional interest charges (if applicable) and other policy details. This document also provides you with confirmation of your transaction.

**Pre-existing Medical Condition:** Any medical condition of which you were aware at the time of acquiring this insurance, or a reasonable person could have been expected to be aware at the time of acquiring this insurance, and which existed in the 12-month period prior to the commencement of the Period of Insurance.

**Premium:** The amount you pay for this insurance cover including amounts payable by us in relation to any compulsory Government charges such as Stamp Duty, GST and levies if applicable.

**Purchase Price:** The amount paid for the Vehicle as shown on your contract of sale, including:

- Registration;
- Dealer delivery fees;
- Statutory insurance; and
- Government taxes and charges.

**Shortfall:** The difference between the Payout Figure and the greater of:

- The value of the Vehicle as determined by us in accordance with the trade value of the current edition of the Glass's AutoEdge (determined at the time you advise us of your intention to Handback your Vehicle), for a Vehicle which is the equivalent age, make, condition and model as your Vehicle; and
- The price paid by the Lease Company following a Handback.

If we deem it necessary we reserve the right to obtain an independent assessment and valuation report.

**Vehicle:** The vehicle described in your Policy Schedule (including any fitted modifications and accessories).

**We, us and our:** The issuer and insurer of this policy, Eric Insurance Limited ABN 18 009 129 793 AFSL 238 279.

**You and your:** The insured person/s named in the Policy Schedule and having a liability under the Lease Contract under which the Vehicle is secured.



**Call us - 1300 369 169**

P.O. Box 9106  
Scoresby VIC 3179  
ABN 18 009 129 793 AFSL 238 279

## Appointment

We are Fleet Partners Pty Ltd (ABN 63 006 706 832). We have been appointed under ASIC Corporations (Basic Deposit and General Insurance Product Distribution) Instrument 2015/682 (Distributor) as an Insurance Distributor of Eric Insurance Limited (ABN 180 009 129 793 AFSL 238279)(Eric). The Third Party Introducer (TPI) is Car Insurance Pty Ltd (ACN 605 879 939)

Fleet Partners acts for Eric Insurance limited in dealing in this financial product. We are not permitted to provide you with any financial product advice or recommendation and will only provide you with factual information in regards to the product.

## Remuneration

Eric receives the premium you agree to pay for the product which may include amounts in relation to stamp duty, GST, fire services levy and/or other government charges, taxes, fees or levies (where relevant).

Eric retains an agreed amount of the premium dependent on factors such as the type of product and coverage and the TPI's services and retains the amount of premium received in relation to relevant taxes, charges and levies. The TPI receives the difference between that amount and the premium paid.

Distributors as well as other parties that contract with the TPI to undertake some or all of the TPI's duties (where relevant) may receive a share of the amount that the TPI receives from TPI, in the form of an agreed commission and/or fee between the TPI and the Distributor and/or other party (as relevant).

Employees of the TPI and/or the Distributor(s) (including directors and subcontractors) may be paid a salary for their services and may also receive bonuses based on the volume of sales of all financial products over a period and may participate in profit sharing arrangements, business related conferences, study trips or other functions. The TPI and/or Distributor(s) may share or pass on a proportion of any additional remuneration or other benefits they receive to their authorised staff.

Where a third party has referred you to the TPI, Distributor or another party they contract with, that party may share with them a part of the amount it earns.

All of the above remuneration is taken from the premium paid by you. This remuneration may also be received on premium paid when you renew or vary your insurance.

## Emergency Services Levy explained for our customers in New South Wales

From 1 July 2017 you will no longer pay for the Emergency Services Levy as part of your insurance premium. This fee will be replaced by the Emergency Services Property Levy. Eric Insurance will continue to collect the ESL until this date to ensure we meet our obligations to the New South Wales government.

After 1 July 2017 Eric's policies will no longer include the Emergency Services Levy. Please see [www.ericinsurance.com.au/](http://www.ericinsurance.com.au/)

## Dispute Resolution

Eric will work with you to resolve any complaints you may have in relation to the financial services provided by us. If you wish to lodge a complaint you may contact Eric:

By Phone: 1800 99 99 77  
 By Mail: PO Box 9106 Scoresby VIC 3179  
 By Email: [complaints@ericinsurance.com.au](mailto:complaints@ericinsurance.com.au)

If you need further information regarding Eric's complaints process please contact Eric or refer to the complaints process available on its website [www.ericinsurance.com.au](http://www.ericinsurance.com.au).

Further details about Eric's complaints process are available in the Product Disclosure Statement.