

Residual Protection Cover

This Cover provides financial protection up to the Policy's maximum benefit of \$20,000. At the end of Your Finance Contract should the Fair Sale Price of Your Vehicle be less than the ATO Discounted Value (Residual Value), the policy will pay you the shortfall being the difference between the two.

What is the ATO discounted value?

The Vehicle Purchase Price multiplied by the relevant Minimum Residual Percentage as per table to the right.

End of Policy Term	Minimum Residual Percentage
Year 2	56.25%
Year 3	46.88%
Year 4	37.50%
Year 5	28.13%

What is a fair sale price?

Fair Sale Price is the trade value that a franchise motor vehicle dealer in the nearest capital city to your place of residence would pay for the Vehicle at auction or when traded in a similar new vehicle taking into consideration the kilometres the Vehicle has travelled and the condition of the Vehicle.

Benefits

- Cover is available on two to five-year leases
- A level of protection is provided against depressed economic conditions impacting the Fair Sale Value of your Vehicle
- You can use the benefit to help with the payout of your Finance Contract
- The policy benefit is also available regardless of whether you choose to sell or extend the lease on your vehicle

How does this work?

Shortly before your Lease ends (or on early termination after 24 months), we will contact you and advise you the Fair Sale price of your Vehicle and the ATO discounted value.

Should a shortfall exist you will be able to make a claim.

As an example, on a Three-Year Novated Lease:

Three-Year Novated Lease	
Original Purchase Price	\$42,000
ATO Discounted Value	\$21,658 (46.88% of OPP)
Fair Sale Price	<u>\$17,412</u> (as per definition above)
Shortfall Benefit	\$4,426 (paid directly to you)

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