



Asset Protection



Asset Protection

Product Disclosure Statement prepared on 1st March 2006
Insurer: Virginia Surety Company, Inc (ABN 63 080 339 957)
Australian Financial Services Licence number 245579

SECTION 1

Important Information about this Policy

THE PURPOSE OF THIS PRODUCT DISCLOSURE STATEMENT

The law requires that we prepare and provide You with a 'Product Disclosure Statement' (PDS). The purpose of this PDS is to give You the information You require to make an informed decision about whether or not to apply for the Cover provided by Asset Protection. To assist You in understanding the Cover provided by the Policy, this PDS details the significant features of the Policy, including the Policy's benefits, risks and information about how the insurance premium is calculated. The information is general and does not take account of Your individual needs.

This PDS, including the Proposal & Policy Schedule, forms Your contract of insurance with Us. Provided You have paid the premium, We will insure You during the Period of Cover subject to the terms and conditions set out in this PDS.

Before deciding to purchase this Policy, You should read this PDS carefully to understand the extent of the Cover provided by this product and its limitations.

Capitalised terms and expressions used in this PDS have the meanings given to them at the beginning of the Policy Wording in Section 2.

We suggest You store these documents in a safe place

WHO IS THE INSURER?

This Insurance Policy is underwritten by Virginia Surety Company, Inc (ABN 63 080 339 957) of Level 2, 74 Doncaster Rd North Balwyn VIC 3104. In this PDS, the Insurer is called 'We', 'Us' or 'Our'. We hold an Australian Financial Services Licence (number 245579).

You can contact Us:

- by phone on 1300 654 611
- by faxing Us on 03 9862 3299
- by writing to Us at PO Box 246, Balwyn VIC 3103

Australian Dealer Insurance Limited (ABN 71 104 054 266) administers the Policy on Our behalf. In effecting this Insurance Policy, the selling agent is acting as Our agent, and not as Your agent. The selling agent will receive a commission from Us for effecting the insurance. Details of the commission received by the agent are set out in the Financial Services Guide that the dealer will provide to You.

The purchase of this Policy is optional. You are entitled to arrange this Cover through any insurer of Your choice.

TO BE ELIGIBLE FOR THIS POLICY:

- You must be at least 16 years of age.
- Your Vehicle must be covered by a Comprehensive Motor Insurance Policy.
- The total amount financed must not exceed the purchase price plus the cost of insurances by more than 20% of the purchase price of the Vehicle.
- The Finance Contract must be for one of the following:
 - a motor vehicle less than 2 tonnes;
 - a motorcycle;
 - a boat; or
 - a caravan.

SIGNIFICANT FEATURES AND BENEFITS OF THE POLICY

The Policy is an insurance policy with the following significant features and benefits:

- If Your Vehicle is declared a Total Loss by your Comprehensive Motor Insurer, it is possible that the Total Loss Payout paid by Your Comprehensive Motor Insurer to Your Financier will be less than the amount still owing on Your Finance Contract. The difference between the amount owing on Your Finance Contract and the amount of the Total Loss Payout is called the Shortfall Amount. Subject to the terms and conditions of this Policy, we will pay the Shortfall Amount to Your Financier.

An example:

- If Your car was written off and the Finance Contract payout figure was \$27,500, the motor insurance payout figure may be less, for example, \$22,500. In this example, Asset Protection would pay Your Financier \$5,000.
- In addition to the Shortfall Amount, You may wish to select a Cover Option that covers certain other out-of-pocket expenses ("Extras") if Your Vehicle is declared a Total Loss. Depending on Your needs, You may choose one of three Cover Options below

	Cover Option 1	Cover Option 2	Cover Option 3 First 12 months	Cover Option 3 Subsequent months
Shortfall Amount	Up to \$5,000	Up to \$10,000	Up to \$15,000	Up to \$10,000
Extras	Up to \$1,000	Up to \$2,000	Up to \$3,000	Up to \$3,000
Maximum Total	\$6,000	\$12,000	\$18,000	\$13,000
No Shortfall Benefit	\$1,000	\$2,000	\$3,000	\$3,000

- The table above shows the maximum amount We will pay in relation to a claim for a Shortfall Amount, Extras or No Shortfall Benefit under each Cover Option.
- You should note that We will only cover Extras if there is a Shortfall Amount claim paid.

POLICY EXCLUSIONS

Our liability under this Policy is excluded in certain circumstances. You should refer to the 'Policy Exclusions' section in the Policy Wording to ensure that You are aware of all exclusions that apply to the Cover provided.

PERIOD OF COVER

Your Cover will end if certain events occur – for example, when the Finance Contract is paid out or re-financed. The Period of Cover is not necessarily the term of the Finance Contract. You should refer to the circumstances in which Your Cover will end, which are listed in the Policy Wording in the section 'When am I Covered?'.

SIGNIFICANT RISKS

You should be aware of the following risks associated with the Policy:

Disclosure Obligations: Failure to comply with disclosure obligations may have consequences in relation to the Cover being provided or may affect a claim being paid. These consequences are outlined under 'Your Duty of Disclosure' in the Policy Wording.

Policy Coverage: Our liability under this Policy is excluded in certain circumstances. For example, if for any reason, Your Comprehensive Motor Insurer does not pay out the full market or agreed value of Your Vehicle in the event of a Total Loss, We will not be liable for the Shortfall Amount or for any Extras. If You accept a reduced claim settlement amount from Your Comprehensive Motor Insurer, We may reduce the Shortfall Amount by the same proportion. Furthermore, in the event of a Total Loss, if there is No Shortfall Amount, You will not be entitled to make a claim for any Extras. In order to understand when the Policy will cover Your Shortfall Amount and Extras and when it will not, You should carefully read the 'Policy Exclusions' relating to the Cover in the Policy Wording.

Benefit Limits: Benefits payable under the Policy are subject to limits. The maximum amounts We will pay for the Cover You have chosen are set out in the Policy Wording and in the table in the section 'Significant features and Benefits of the Policy' which is listed earlier in this PDS.

Extras: It is important that you keep records and receipts for Extras in relation to which you make a claim. We may ask You to provide receipts for these amounts. Extras will not necessarily cover all of Your out-of-pocket expenses.

Variation to Your Finance Contract: It is important that You notify Us of any increased liability under Your Finance Contract or change made to Your Finance Contract as this may affect Your Cover (see 'Policy Exclusions' in the Policy Wording).

You must not accept any offer made by Your Comprehensive Motor Insurer until We have had the opportunity to assess the claim in full. We reserve the right to obtain an independent assessment and valuation report.

HOW TO APPLY

To apply for Cover, the Proposal & Policy Schedule will need to be completed. You will be covered for 30 days from the date You sign the Proposal & Policy Schedule. During this time, Your application will be processed and either accepted or declined. If We decline Your application We will refund Your premium in full and Cover shall cease 7 days from the date We mail Our notice to You. If We accept Your application a confirmation of Cover letter will be provided.

WHAT IS THE COST?

The premium payable for Your insurance policy will be shown on Your Proposal & Policy Schedule. In setting premiums, a number of factors are taken into consideration. These factors may include:

- the Cover Option chosen;
- the amount financed;
- the type of Vehicle.

The premium will vary depending on the Cover You chose, with Option 1 being the least expensive and Option 3 the most expensive. The amount of the premium will be calculated and provided to You in the Proposal & Policy Schedule before You acquire the Cover.

You may also be required to pay one-off fees in the following circumstances:

- Establishment Fee
- Cancellation Fee: 15% of the premium.

TAXATION INFORMATION

Premiums are subject to Goods and Services Tax (GST) and stamp duty imposed by Commonwealth and State Governments. GST will also affect any claim You make under the Policy. Please refer to the 'How to Make a Claim' section in the Policy Wording.

Generally, Your premiums are not tax deductible and claims payments are not assessable income for tax purposes unless You purchase Your policy for business purposes. This taxation information is a general statement only. You should seek professional taxation advice for information about Your personal circumstances.

YOUR DUTY OF DISCLOSURE

When entering into a policy of insurance, We rely on the information You provide to Us. You are required to be truthful in answering Our questions. You must tell Us anything known to You, or that should be known by You, that could affect Our decision to insure You. Please refer to the full details under 'Your Duty of Disclosure' and 'Ongoing Disclosure' in the Policy Wording.

COOLING OFF PERIOD

You may cancel Your Policy within 14 days of the earlier of:

- the end of the fifth day after You sign the application for insurance and receive a copy of this Policy booklet; or
- receiving confirmation from Us of the purchase of the Policy;

If You wish to cancel Your Policy during this period, You must notify Us in writing or electronically. If You do so, We will refund the premium in full. However, We will not refund the premium if You have made a claim under Your insurance Policy.

To cancel Your Policy at other times, please refer to the 'How Can Your Policy Be Cancelled' section in the Policy Wording.

DISPUTE RESOLUTION

If You have a complaint relating to Your insurance Policy or any area of Our business You may request that it be dealt with by Our Internal Disputes Panel. You can contact Our Internal Disputes Panel:

- by writing to PO Box 246, Balwyn VIC 3103; or
- by phone on 1300 654 611.

We will respond to Your complaint within 15 working days. Our dispute resolution process is provided to You free of charge.

If You are not satisfied with the outcome of Our process You may refer the matter to the Insurance Ombudsman Service (IOS). The IOS may be contacted:

- by phone on 1300 780 808 (local call fee applies);
- by fax on (03) 9621 2060;
- by writing to PO Box 561, Collins Street West Post Office, Melbourne VIC 8007; or
- on the web www.insuranceombudsman.com.au

The IOS provides an independent service which will investigate Your complaint and provide a ruling at no cost to You.

MAKING A CLAIM

You should refer to the section 'How to Make a Claim' in the Policy Wording for the information regarding making a claim under the Policy. You must not accept any offer made by Your Comprehensive Motor Insurer until We have had the opportunity to assess the claim in full. We reserve the right to obtain an independent assessment and valuation report.

THE GENERAL INSURANCE CODE OF PRACTICE

Virginia Surety Company, Inc participates fully in the General Insurance Code of Practice. The Code was developed with the objective of raising the standards of service and practices in the insurance industry to a level that seeks to achieve total customer satisfaction. The Code aims to improve the quality of policy documentation and information provided to consumers; employee and agent training; claims handling and dispute resolution. Please contact Us if You would like to obtain Our brochure on the Code.

YOUR PRIVACY

Virginia Surety Company, Inc are bound by the National Principles contained in the Privacy Act 1988 (Cth). By submitting a Proposal & Policy Schedule, You will be supplying Us with personal information. We collect this information so that We can assess the risk and determine the appropriate terms and conditions that will apply. If We accept Your proposal, We will use the information so that We can administer Your Policy, including processing claims and responding to Your queries. The information collected is held by Us and will be disclosed to Financiers and/or service providers such as assessors or loss adjusters, as well as companies in the Aon Group. With some exceptions You have rights of access to, and correction of, Your personal information upon request. We value the privacy of personal information and We ensure that information about You is handled as permitted and required by law. Please contact Our Privacy Officer on 1300 654 611 if You have any queries or would like a copy of Our privacy brochure.

SECTION 2

Policy Wording

DEFINITIONS

Some words have a special meaning in this Policy & PDS. These words are listed below.

Comprehensive Motor Insurer: means the insurance company that provides the Comprehensive Motor Insurance Policy for Your Vehicle.

Comprehensive Motor Insurance Policy: means the insurance policy that provides cover for loss or damage to Your Vehicle, in force as at the date of Your claim.

Cover: means the protection provided by the Policy, and includes the three Cover Options.

Cover Option: means the three types of Cover available under this Policy.

Establishment Fee: means the amount of fee We charge from time to time to initiate the Policy. This fee is not refundable except within the cooling-off period.

Extras: means the amount You select to protect specific additional costs incurred in the event of claim. Extras does not include payments which in any way relate to property mortgaged to, or otherwise encumbered by, the Financier.

Finance Contract: means the loan contract arranged for the purchase of Your Vehicle, as specified in the Proposal & Policy Schedule.

Financier: means the financial institution You have stated in the Proposal & Policy Schedule.

No Shortfall Benefit: means the amount You will receive in the event of an accepted claim where there is no Shortfall Amount.

Period of Cover: means the period of Cover as stated on the Proposal & Policy Schedule.

Policy: means Asset Protection.

Proposal & Policy Schedule: refers to the form on which You provide information about yourself and the type of Cover You have chosen and includes any written amendments We send You.

Shortfall Amount: means the amount owing on Your Finance Contract at the date of a claim less the amount of the Total Loss Payout.

Total Loss: means that Your Vehicle as declared in writing by Your Comprehensive Motor Insurer, is damaged beyond economical repair or stolen and not recovered.

Total Loss Payout: means the payout of the full market or agreed value of Your Vehicle paid by the Comprehensive Motor Insurer to You or Your Financier in the event of the Total Loss of Your Vehicle.

Vehicle: means the Vehicle described in the Proposal & Policy Schedule including factory or manufacturer fitted equipment or accessories.

We, Us, Our: means the insurer, Virginia Surety Company, Inc (ABN 63 080 339 957).

You, Your: means the person(s) named as the insured in the Proposal & Policy Schedule.

YOUR DUTY OF DISCLOSURE

What You Must Tell Us and Why: When entering into a policy of insurance with Us You must answer Our questions truthfully and You have a duty under law to tell Us anything known to You and which a reasonable person in the circumstances would include in answer to Our questions. We will use Your answers to decide whether or not to insure You and anyone else named on the Policy, and on what terms We will provide Cover.

Who Needs to Tell Us: It is important that You understand You are answering questions for yourself and those answers will affect anyone else You want to be covered by the Policy. You have the same duty to disclose this information to Us before You extend, vary or reinstate a policy of insurance.

If You Do Not Tell Us: If You do not answer Our questions in this way, We may reduce or refuse to pay a claim, or cancel the Policy. If You answer Our questions fraudulently, We may refuse to pay a claim and treat the Policy as never having existed

ONGOING DISCLOSURE: CHANGES TO YOUR DETAILS OR CIRCUMSTANCES

You must inform Us immediately in writing if:

- You change Your name or address; or
- You intend to vary the Finance Contract in any way.

POLICY COVERAGE

In the event Your Vehicle is declared a Total Loss by Your Comprehensive Motor Insurer and Your Comprehensive Motor Insurer pays the Financier the Total Loss Payout, We will pay to Your Financier the Shortfall Amount, subject to the terms and conditions of this Policy (including the maximum limits set out in the Policy Wording).

MAXIMUM SHORTFALL AMOUNT PAYABLE

The maximum Shortfall Amount we will pay in the event of a claim will depend on the Cover Option You have selected:

- Cover Option 1 \$5,000
- Cover Option 2 \$10,000
- Cover Option 3 First 12 months of the policy \$15,000
- Cover Option 3 Subsequent months of the policy \$10,000

EXTRAS OPTION

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

- Cover Option 1 \$1,000
- Cover Option 2 \$2,000
- Cover Option 3 \$3,000

You may only make a claim for Extras if there is a Shortfall Amount claim paid.

NO SHORTFALL BENEFIT

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

- Cover Option 1 \$1,000
- Cover Option 2 \$2,000
- Cover Option 3 \$3,000

POLICY EXCLUSIONS

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

- We will not pay a claim if for any reason whatsoever Your Comprehensive Motor 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 Motor 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' and 'Ongoing 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 Amount, a claim for Extras will not be accepted.

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

- Any arrears or deferred payments owed under the Finance Contract.
- Any excess or additional payment due and applicable to your Comprehensive Motor Insurance Policy.
- Any early discharge penalty payment or additional interest owed under the Finance Contract.
- Any amounts rebatable for contracts financed under the Finance Contract.
- Any amount of any increased liability where there has been a variation to Your Finance Contract which has not been notified to us and confirmed in writing as being covered by this Policy.
- Any GST liability unless You are not a Registered Entity within the meaning of the A New Tax System (Goods and Services Tax) Tax Act 1999 (Cth).

WHEN AM I COVERED?

The Period of Cover is the period beginning on the date Cover commences and ending on the date Cover ceases. Provided You have paid the premium, We will insure You during the Period of Cover subject to the terms and conditions set out in this Policy & PDS.

The start of Your Cover

Your Cover will commence on the date You sign the Proposal and Policy Schedule, or the date of commencement of Your Finance Contract, whichever is the later.

The end of Your Cover

Your Cover will end when any of the following occurs:

- the Policy is cancelled (see section 'How can Your Policy be Cancelled?' in the Policy Wording)
- the Period of Cover expires
- the Finance Contract is paid out or refinanced
- payment of a claim is made under this Policy
- your Vehicle is no longer covered by Comprehensive Motor Insurance Policy
- the time for repayment specified in Your Finance Contract has passed
- the Financier repossesses Your Vehicle.

HOW CAN YOUR POLICY BE CANCELLED?

Cooling-Off Period: You may cancel Your Policy during the cooling-off period. See section 'Cooling Off Period' in the Policy Wording.

Other Cancellations:

- Cancellation by You
You may cancel this Policy at any time by advising Us in writing. If the Policy is cancelled We will retain the proportionate premium for the time that Cover has been provided together with Our Cancellation and Establishment Fees.
- Cancellation by Us
We may cancel this Policy by giving You notice in writing in accordance with the Insurance Contracts Act 1984 for reasons including:
 - non-disclosure
 - failure to comply with the conditions of this Policy
 - misrepresentation
 - non-payment of premium.

If We cancel Your Policy, We do not have to refund Your premium if You have already made a claim on the Policy. If You have financed the premium for this Cover, We will require the approval of the finance company before cancelling the Policy. Any refund will be made to the Financier.

HOW TO MAKE A CLAIM

If Your Vehicle has been assessed as a Total Loss, contact Us by telephoning 1300 131 308 for a claim form. You will need to fully complete and sign the claim form, and provide Us with any information We ask for. You must also authorise the following:

- Your Comprehensive Motor Insurer to provide all details of Your Comprehensive Motor Insurance Policy and any documents relating to the settlement of Your claim.
- Your Financier to provide all details relating to Your Finance Contract and the full calculation of the amount outstanding on the Finance Contract.
- All claims should be referred to Us prior to accepting any settlement from Your Comprehensive Motor Insurer.

You must not accept any offer made by Your Comprehensive Motor Insurer until We have had the opportunity to assess the claim in full. We reserve the right to obtain an independent assessment and valuation report.

GST on claims payments

When We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of any payment by the amount of input tax credit (ITC) that You are entitled to, whether or not that acquisition is actually made. In the case that a compensation payment is made under this Policy in lieu of payment for the acquisition of goods, services or other supply, We will reduce the amount of that payment by the amount of ITC You would have been entitled to, had the payment been used to acquire goods, services or other supply.

Claim Recovery

We reserve the right to take action to recover costs incurred by Us where We believe the incident is the responsibility of another party. When We do this, We may take action in Your name and You will be required to co-operate with Us and provide any information We may require.

NOTES

VIRGINIA SURETY COMPANY, INC.

Insurer

Virginia Surety Company, Inc
(ABN 63 080 339 957)

Australian Financial Services Licence number 245579

