



# Out Of Pocket Solutions



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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**

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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 Out of Pocket Solutions. 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.

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

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.

**We suggest You store these documents in a safe place**

### **WHO IS THE INSURER?**

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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 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 agent 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

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- You must be at least 16 years of age.
- Your Vehicle must be covered by a Comprehensive Motor Insurance Policy.
- The Covered Vehicle must be one of the following:
  - a Motor Vehicle less than 2 tonnes;
  - a motorcycle;
  - a boat; or
  - a caravan.

## SIGNIFICANT FEATURES

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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 amount paid by Your Comprehensive Motor Insurer will not Cover out of pocket expenses associated with the loss of Your Vehicle. Subject to the terms and conditions of this Policy, when this happens We will pay the Out of Pocket Benefit amount to You.
- Depending on Your needs, You may choose one of three Cover Options:

	Cover Option 1	Cover Option 2	Cover Option 3
<b>Out of Pocket Benefit</b>	\$3,000	\$4,000	\$5,000

- The table above shows the maximum amount We will pay in relation to a claim for an Out Of Pocket Benefit under each Cover Option.
- The Out Of Pocket Benefit amount is payable as a lump sum regardless of what expenses You actually incur.

## POLICY EXCLUSIONS

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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 COVER

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Your Cover will end if certain events occur – for example, when the Vehicle is sold, or if You do not have a current Comprehensive Motor Insurance Policy at the time of any claim.

You should refer to the circumstances in which Your Cover will end, which are listed in the section 'When am I covered?' in the Policy Wording.

## SIGNIFICANT RISKS

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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 declare Your Vehicle a Total Loss, We will not be liable for the Out Of Pocket benefit amount.

In order to understand when the Policy will Cover Your out of pocket expenses 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' in the Policy Wording.

## HOW TO APPLY

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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?**

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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 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**

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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**

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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**

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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**

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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 post to PO Box 561, Collins Street West Post Office, Melbourne VIC 8007; or
- by logging on to the web at [www.insuranceombudsman.com.au](http://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**

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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. We reserve the right to obtain an independent assessment and valuation report.

## **THE GENERAL INSURANCE CODE OF PRACTICE**

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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**

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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

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Some words have a special meaning in this Policy and 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 this Policy, being the Cover Option selected by You in the Proposal and Policy Schedule. If, for any reason, You have failed to make a selection it means Cover Option 1.

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

**Establishment Fee:** means the amount of fee the Administrator may charge to initiate the Policy. This fee is not refundable except within the cooling-off period.

**Financier:** means the financial institution you have stated in the Proposal and Policy Schedule.

**Out of Pocket Benefit:** means the Cover Option selected by You on the Proposal & Policy Schedule. Out of Pocket Benefit does not include payments which in any way relate to property mortgaged to, or otherwise encumbered by the Financier.

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

**Policy:** means Out of Pocket Solutions.

**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.

**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.

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

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**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**

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You must inform Us immediately in writing if:

- You change Your name or address.

## **POLICY COVERAGE**

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In the event Your Vehicle is declared a Total Loss by Your Comprehensive Motor Insurer, We will pay You, or anyone You nominate, the Out of Pocket Benefit amount subject to the terms and conditions of this Policy (including the maximum limits set out below.) We may also pay the Out of Pocket Benefit amount to any Financier claiming a mortgage over this Policy, and any such payment discharges Our obligation to You.

## **MAXIMUM OUT OF POCKET BENEFIT**

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The maximum Out of Pocket Benefit amount We will pay in the event of a claim will depend on the Cover Option You have selected:

- **Cover Option 1**                      **\$3,000**
- **Cover Option 2**                      **\$4,000**
- **Cover Option 3**                      **\$5,000**

## POLICY EXCLUSIONS

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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 declare Your vehicle a total loss.
- We will not pay a claim if Your Comprehensive Motor Insurer denies Your claim for whatever reason.
- We will not pay a claim if for any reason whatsoever there is no Comprehensive Motor Insurance Policy in force at the time the Total Loss occurs.
- We will not pay a claim if You have failed to comply with Your disclosure obligations in the sections '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.
- We will not pay any GST liability unless You are not a Registered Entity within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (Cth.)

## WHEN AM I COVERED?

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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 and PDS.

### The start of Your Cover

Your Cover will commence on the date You sign the Proposal and Policy Schedule.

### 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.
- payment of a claim is made under this Policy.

## HOW CAN YOUR POLICY BE CANCELLED?

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**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**

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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.

Payments or refunds under this policy may be paid to any mortgagee or Financier who has funded the premium. Our obligation to You will be satisfied to the extent of any such payment.

## **GST ON CLAIMS PAYABLE**

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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**

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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.

# VIRGINIA SURETY COMPANY, INC.

**Insurer**

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

Australian Financial Services Licence number 245579

