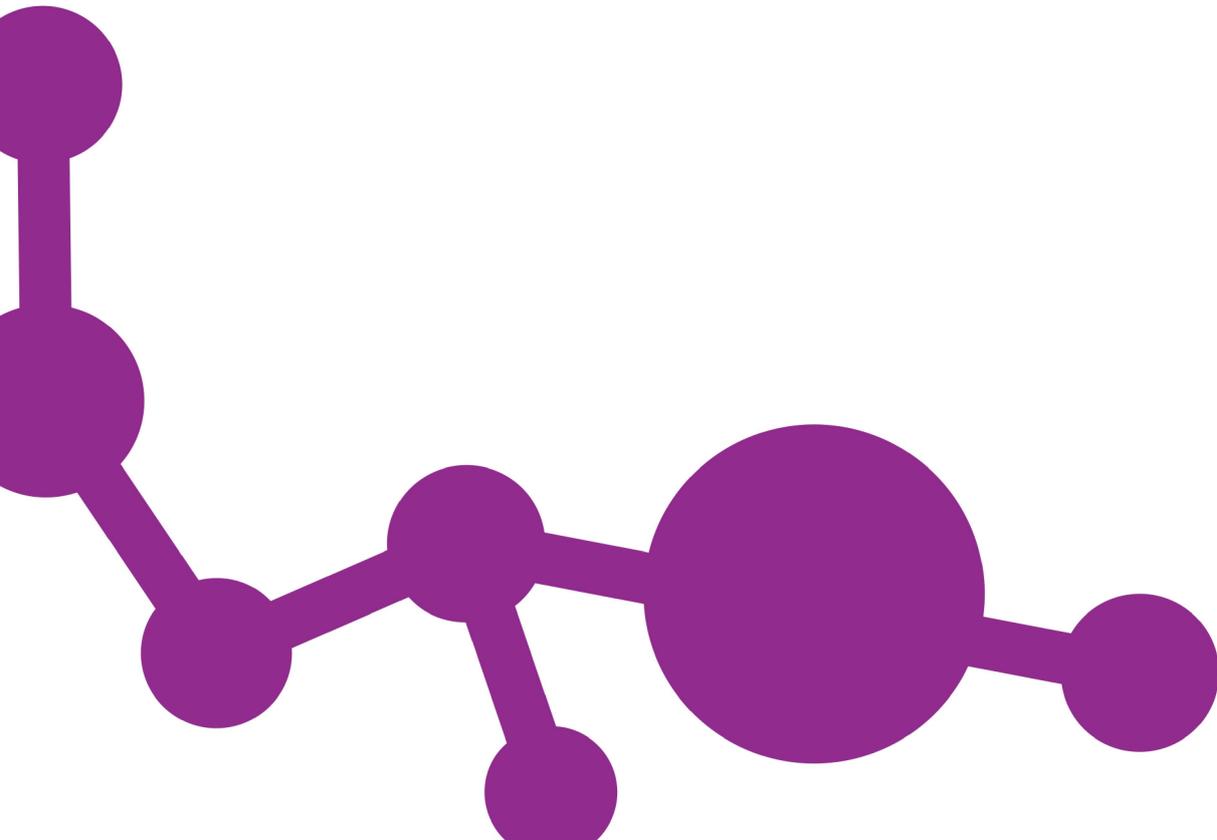




eric

PRODUCT DISCLOSURE STATEMENT

Loan Termination Insurance



Contents

Part A Product Disclosure Statement

Introduction	1
Your Product Disclosure Statement (PDS)	1
Eric Insurance	1
Our agreement with you	1
No obligation to purchase	1
Our representatives and distributors	1
How to apply and eligibility	1
Your Loan Termination Insurance (LTI)	2
Monthly Payment Option Benefit	2
Vehicle Handback	2
Choosing the level of cover	2
Cover limitations and what you are not insured for	2
How to make a claim	3
Claim example 1	3
Claim example 2	3
The cost of your insurance cover	3
Cooling off period	3
We rely on the information you provide us	3
What you need to tell us	3
Early payout of your finance contract	3
Your Duty of Disclosure	3
If you do not tell us something	4
How we protect your personal information	4
Code of Practice	4
Cancellation of your insurance	4
Cancellation by you	4
Cancellation by us	4
Upon cancellation	4
Termination	4
Dispute resolution	4
Financial Claims Scheme	5
GST	5
What do we mean by that?	5

Part B Financial Services Guide



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

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
Email: info@ericinsurance.com.au

OUR AGREEMENT WITH YOU

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

- This combined PDS and Financial Services Guide (FSG);
- The Policy Schedule which shows 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 Finance 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 REPRESENTATIVES AND DISTRIBUTORS

Eric has relationships with authorised representatives, distributors and other licensees who may arrange insurance on our behalf, and if so, may receive remuneration. For more information, please refer to the FSG (Part B of this document).

HOW TO APPLY AND ELIGIBILITY

To apply for this insurance, you will need to contact one of our participating authorised representatives or distributors 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 LOAN TERMINATION INSURANCE (LTI)

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 Dealer.

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 Finance 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 (Cover limited by the level of cover selected) 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 Dealer and experience a Shortfall as a result of the Handback, then we will pay the Shortfall to the Financier.

The Financier 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 Financier.

CHOOSING THE LEVEL OF COVER

You can choose from 3 levels of cover and the level of cover applicable to your insurance will be shown on the Policy Schedule.

Cover Level	Level 1	Level 2	Level 3
Cover Benefit Limit Inclusive of Monthly Payment Option Benefit	\$30,000	\$20,000	\$10,000
Maximum Cover Term	The term of your Finance Contract up to 84 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 Finance Contract;
- Refunds of cancellable insurance or other products 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 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 Finance Contract.

CLAIM EXAMPLE 1

You have Level 1 Cover and you suffer from a Disability during the Period of Insurance.

You have been advised that you will be unable to work for approximately 365 days. You can elect to Handback the Vehicle after you have been Disabled for 30 days or you can elect to claim for payment under the Monthly Payment Option Benefit for the period you are Disabled in excess of 30 days, up to a maximum of 6 Monthly Repayments or \$30,000, whichever is the lesser.

You decide to use the Monthly Payment Option Benefit. Each Monthly Repayment is \$1,000. Eric pays to the Financier \$3,000 as a lump sum payment covering 3 Monthly Repayments as per the certification provided. After the 3 month period covered by this payment has elapsed you continue to remain unable to work. At this point instead of continuing with the Monthly Payment Option Benefit, you elect to Handback your Vehicle to the Dealer.

The value of the Vehicle as reasonably determined by us is \$22,000* and the Payout Figure is \$35,000 (as at the completion of the period covered by the latest Monthly Payment Option Benefit payment). You have a Shortfall of \$13,000.

We will pay the Financier \$13,000 being the lesser of the Shortfall and Level 1 Cover of \$30,000.

*Vehicle value is determined in accordance with the trade value of the current edition of the Glass's AutoEdge, for a Vehicle which is the equivalent age, make, condition and model as your Vehicle.

CLAIM EXAMPLE 2

You have Level 3 Cover and 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 Finance 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 Dealer, 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 Financier 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 Dealer).

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

Monthly Repayments (x6) \$ 4,257.12

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

Total claim payments \$ 8,873.32 (paid by us to Financier) (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 Finance Contract;
- The Purchase Price;
- The cover level selected; 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 Finance Contract before its scheduled completion date.

EARLY PAYOUT OF YOUR FINANCE CONTRACT

If you have paid out the Finance 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.

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 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 Financier unless the Financier 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 Finance 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
Email: 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

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 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:

Dealer: Any Licensed Motor Vehicle Trader (LMCT) in Australia that you choose to Handback your Vehicle to.

Disability or Disabled: 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.

Finance Contract: The legal agreement with the Financier 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.

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

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

Handback: You sell your Vehicle to the Dealer 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.

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 Financier (**excluding any residual value or balloon payment**) under the Finance 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 Financier, at the date of your claim to discharge your indebtedness under the Finance 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 Dealer 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 Finance Contract under which the Vehicle is secured.





ericinsurance.com.au
1800 999 977

PO Box 9106
Scoresby Victoria 3179
ABN 18 009 129 793 AFS Licence No: 238279