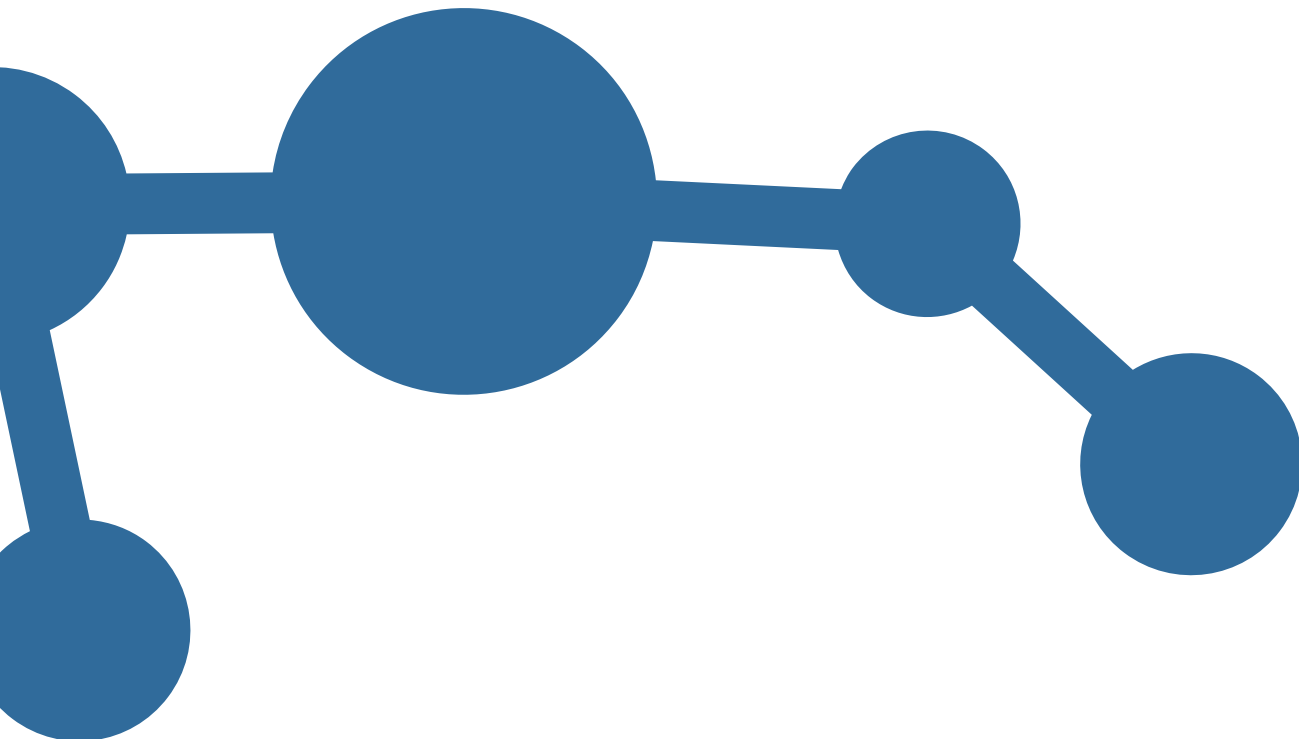




PRODUCT DISCLOSURE STATEMENT

Equity Protection Insurance



Contents

Part A Product Disclosure Statement

Introduction	1
Your Product Disclosure Statement (PDS)	1
Eric Insurance	1
Our agreement with you	1
Our representatives and distributors	1
How to apply	1
Your Equity Protection Insurance cover	2
Early payout of your Finance Contact	2
Out of pocket expenses benefit	2
What you are not insured for	2
How to make a claim	2
Claim example 1	2
Claim example 2	3
Claim example 3	3
The cost of your insurance cover	3
Pay your premium by instalments	3
Overdue instalments	3
Cooling off period	3
We rely on the information you provide us	3
What you need to tell us	3
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

Thank you for considering the purchase of this insurance.

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 1 August 2019. V010819

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.

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

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 "We rely on the information you provide us".

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.

YOUR EQUITY PROTECTION INSURANCE COVER

If, during the Period of Insurance, the Vehicle is declared a Total Loss by a Comprehensive Vehicle Insurer then, subject to the terms and conditions of our agreement with you, we will pay to you (or the Financier if applicable) the following Shortfall:

Total Loss	The Shortfall we pay
Occurs during the first 36 months of the Period of Insurance.	The greater of: <ul style="list-style-type: none"> • The difference between the Replacement Vehicle Value and the Total Loss Payout; or • The difference between the balance owed on the Finance Contract as at the date of the Total Loss and the Total Loss Payout.
Occurs after the first 36 months of the Period of Insurance. (only applies where the Vehicle is subject to a Finance Contract)	<ul style="list-style-type: none"> • The difference between the balance owed on the Finance Contract as at the date of the Total Loss and the Total Loss Payout.

EARLY PAYOUT OF YOUR FINANCE CONTRACT

If you have paid out the Finance Contract prior to its scheduled completion date, your insurance cover will continue for the remaining Period of Insurance and you will still be eligible to claim for out of pocket expenses.

OUT OF POCKET EXPENSES BENEFIT

In the event of a Total Loss settlement by your Comprehensive Vehicle Insurer, you can lodge a claim for out of pocket expenses directly incurred as a result of the Total Loss. The maximum amount we will pay in relation to out of pocket expenses will be \$2,000 whether or not a Shortfall exists.

Examples of out of pocket expenses you can claim include:

Incidental Expenses	
Travel	Accommodation
Taxis	Car hire
Meals	Phone calls
Personal Items	
CDs and DVDs	Laptops/Tablets
Phones	Sunglasses
Baby seats	Clothing
Golf clubs	Luggage/Handbags
Tennis/squash racquets	Handheld Navigation Devices
Fishing gear	Umbrellas
Ski gear	Toys
Portable DVD Player	Surfing equipment

If available, you will need to provide us with receipts for any expenses you claim under this benefit.

Payments under this benefit are paid to you but are not payments which in any way relate to any property mortgaged to the Financier.

WHAT YOU ARE NOT INSURED FOR

We will not pay for a Shortfall under this insurance cover if a Comprehensive Vehicle Insurer does not provide you with a Total Loss Payout for whatever reason.

The Shortfall will not be paid where a replacement vehicle is offered by the Comprehensive Vehicle Insurer. However, out of pocket expenses will still be payable to you.

We will continue to provide Shortfall cover for the replacement vehicle for the remainder of the Period of Insurance, if you provide us with details of the replacement vehicle within 90 days of you taking delivery of it. The replacement vehicle will be shown on a new Policy Schedule we will send to you.

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

- Any excess or additional payment due and applicable to your Comprehensive Vehicle Insurance, if applicable;
- The amount of any increased liability where there has been a variation to the Finance Contract since the commencement of the Period of Insurance;
- Any arrears and/or late payment fees owed to the Financier at the time the Vehicle became a Total Loss;
- Refunds of cancellable insurance or other products financed under the Finance Contract; 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.

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.

All claim payments for a Shortfall will be made to the Financier in the first instance (where applicable) with any remaining funds being paid to you.

CLAIM EXAMPLE 1 (Total Loss occurs during first 36 months)

You purchase a Vehicle for \$50,000 and you arranged finance of \$55,000 (allowing for additional aftermarket costs and insurance) taken over 60 months.

You have an accident 32 months after the purchase date and the Vehicle is assessed as a Total Loss with a Total Loss Payout of \$21,200. The balance owing under your Finance Contract as at the date of the Total Loss is \$25,666.

Given that the accident occurred within the first 36 months of the Period of Insurance, we determine the Shortfall to be \$28,800. This has been calculated as the difference between the Replacement Vehicle Value of the Vehicle and the Total Loss Payout, which is greater than the difference between the balance owed to the Financier at as the date of the Total Loss and the Total Loss Payout.

Your Comprehensive Vehicle Insurer settles to your Financier the amount of \$21,200 this leaves a balance under the Finance Contract as at the date of the Total Loss of \$4,466.

Upon acceptance of your claim, we will pay \$4,466 to your Financier and the balance of \$24,333 to you making up the total Shortfall of \$28,800.

Replacement Vehicle Value	\$50,000
Less Total Loss Payout	\$21,200
Shortfall payment	\$28,800

Additionally, upon providing receipts you can receive up to \$2,000 for out of pocket expenses incurred.

CLAIM EXAMPLE 2 (Total Loss occurs after first 36 months)

You purchase a Vehicle for \$90,500 and you arranged a lease of \$99,000 (including a balloon of \$9,000 and allowing for additional aftermarket costs and insurance), taken over 60 months.

You have an accident 45 months after the purchase date and the Vehicle is assessed as a Total Loss with a Total Loss Payout of \$28,634. The balance owing under your Finance Contract as at the date of the Total Loss is \$35,750.

Given that the accident occurred after the first 36 months of the Period of Insurance, the Shortfall will be \$7,116, and upon acceptance of your claim will be paid to your Financier. This has been calculated as the difference between the balance owed on the Finance Contract as at the date of the Total Loss and the Total Loss Payout.

Balance owed on your Finance Contract	\$35,750
Less Total Loss Payout	\$28,634
Shortfall payment (paid to the Financier)	\$ 7,116

Additionally, upon providing receipts you can receive up to \$2,000 for out of pocket expenses incurred.

CLAIM EXAMPLE 3 (Finance paid out early)

Your Vehicle has been stolen and your Comprehensive Vehicle Insurer settles your claim as a Total Loss. As you have paid out your Finance Contract early there is no Shortfall, however you incurred out of pocket expenses as a direct result of the Total Loss.

During the time you were without your Vehicle you needed to hire a car and several items in your Vehicle were damaged, including a laptop and luggage. You submit receipts for these expenses amounting to \$1,750. Upon acceptance of your claim, we will pay \$1,750 to you.

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 Period of Insurance;
- Your Vehicle being subject to a Finance Contract;
- The price you paid for the Vehicle;
- Government taxes and/or charges; or
- The method of payment you choose by which to pay the Premium, including payment by instalments.

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

PAY YOUR PREMIUM BY INSTALMENTS

You can pay the Premium by instalment payments to help spread your payment over time. If you pay the Premium by instalment payments:

- An Interest Charge will apply which will be separately disclosed on your Policy Schedule, and
- The Total Amount Payable will be more than if you pay the Premium in a single upfront payment.

If you make a claim which results in the termination of your insurance cover, we shall deduct the instalment payments for the remaining Period of Insurance from any claim amount we pay you.

OVERDUE INSTALMENTS

If you are paying the Premium by instalment payments and an instalment payment is overdue, we can do one or both of the following:

- Refuse to pay a claim if the instalment payment is 14 days (or more) overdue;
- Cancel your insurance cover if the instalment payment is 1 month (or more) overdue.

If we cancel your insurance cover because an instalment payment is unpaid, your insurance cover will end on the due date of the unpaid instalment payment.

If you are paying the Premium by instalment payments, please refer to the Direct Debit Request Service Agreement which sets out the terms and conditions applicable to your instalment payment arrangement.

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).

WE RELY ON THE INFORMATION YOU PROVIDE US

When we agree to insure you, vary your insurance cover or decide on your claim, our decision relies on the accuracy of the information you give us. If that information is not accurate, we may reduce or deny a claim made by you or anyone else insured by this insurance, or cancel this insurance.

We never want to have to do that, so you must answer honestly, completely and correctly the questions we ask about you, your Finance Contract, the Vehicle, your claim or any events that may result in a claim on your insurance.

WHAT YOU NEED TO TELL US

We don't require you to comply with the general duty of disclosure. We do 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 details;
- You are no longer the owner of the Vehicle; or
- The use of the Vehicle changes.

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 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; and
- Our cancellation fee of \$50.

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

If the refund amount is less than the cancellation fee and other charges, a refund will not be issued and we will not charge you an additional amount to cover the difference.

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:

- 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:

Comprehensive Vehicle Insurance: Means the insurance policy that provides cover for physical loss of or damage to the Vehicle and is in force at the date of the incident in relation to which a claim is made under the Policy.

Comprehensive Vehicle Insurer: Means the insurance company which has provided the Comprehensive Vehicle Insurance policy to you for the Vehicle. The Comprehensive Vehicle Insurer must be authorised by the Australian Prudential Regulation Authority (APRA) to carry on general insurance business in Australia under the Insurance Act 1973 (Cth) and hold an Australian Financial Services Licence issued by the Australian Securities and Investments Commission (ASIC).

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.

Insurance Charge: The amount you pay for this insurance cover prior to any compulsory Government charges such as Stamp Duty, GST and levies if applicable.

Interest Charge: The additional charge payable by you if you choose to pay the Premium by instalments. This amount is a separate charge and does not form part of the Premium you pay for this insurance cover.

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.

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. This amount does not include the additional Interest Charge payable by you if you choose to pay your Premium by instalments.

Replacement Vehicle Value: The value determined by us at the commencement of your insurance cover. This value cannot exceed the cost paid to purchase the Vehicle described in your Policy Schedule.

Shortfall: Where the Total Loss occurs during the first 36 months of the Period of Insurance, the Shortfall is the greater of:

- The difference between the Replacement Vehicle Value of the Vehicle and the Total Loss Payout; or
- The difference between the balance owed on the Finance Contract as at the date of the Total Loss and the Total Loss Payout.

Where the Total Loss occurs after the first 36 months of the Period of Insurance, the Shortfall is the difference between the balance owed on the Finance Contract as at the date of the Total Loss and the Total Loss Payout.

Total Amount Payable: Your Premium and Interest Charges payable (if applicable) shown on your Policy Schedule.

Total Loss Payout: Means the amount your Comprehensive Vehicle Insurer agrees to pay under your Comprehensive Vehicle Insurance policy following the Total Loss of the Vehicle, before taking into account any deductions for any excess(es) and overdue Premiums including the balance of monthly payments due.

Total Loss: Following an accident, the Vehicle is considered damaged beyond economical repair by a Comprehensive Vehicle Insurer or is stolen and not recovered.

Vehicle: The Vehicle described in the 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 (Eric).

You and your: The insured person named in the Policy Schedule or any other party 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