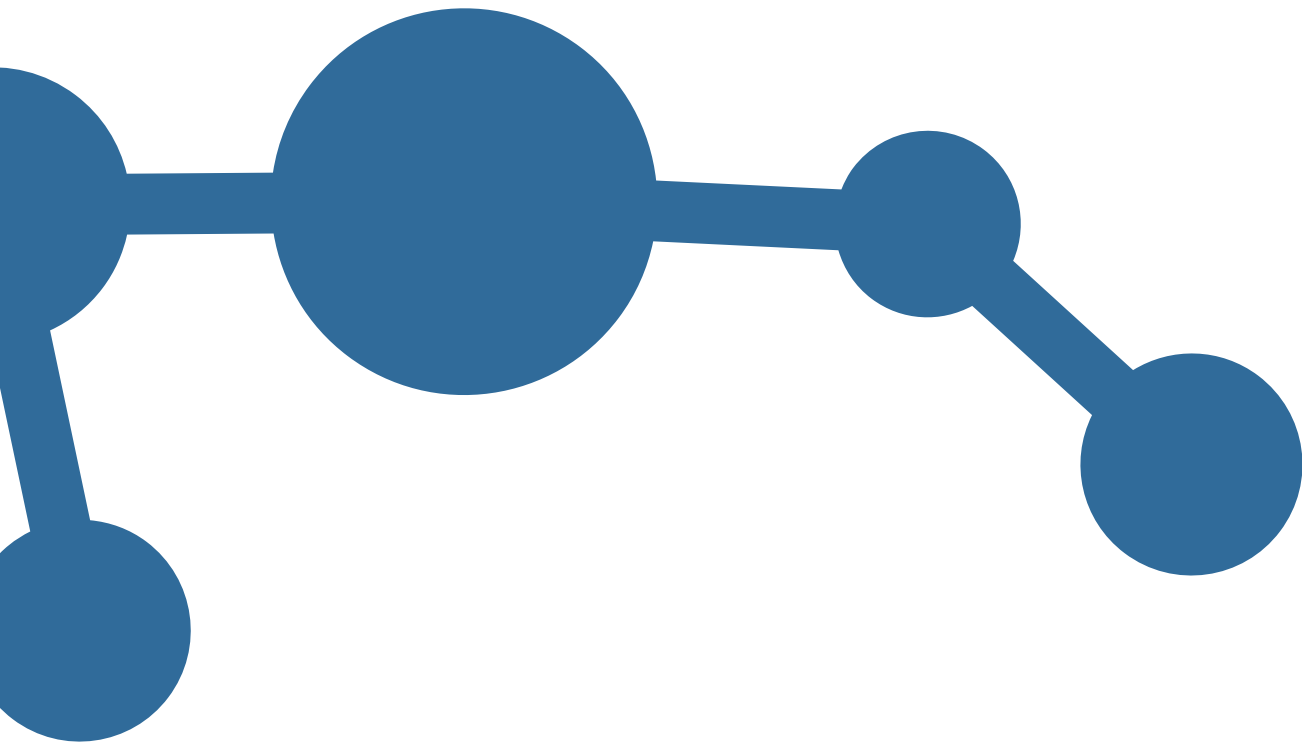




eric

PRODUCT DISCLOSURE STATEMENT

# GAP Insurance



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## 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 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](http://www.ericinsurance.com.au)  
Email: [info@ericinsurance.com.au](mailto: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 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 the following criteria must be met:

- You must be at least 18 years of age at the commencement of the Period of Insurance;
- You must be the registered owner of the Vehicle;
- During the Period of Insurance your Vehicle must be covered by Comprehensive Vehicle Insurance;
- You must have a liability under the Finance Contract; and

- The Finance Contract must be for one of the following:
  - a motor vehicle (including trucks up to 22 tonnes);
  - a motorcycle;
  - a boat;
  - a caravan;
  - trailered pleasure craft;
  - campervans; or
  - any other vehicle approved by us.

This insurance specifically excludes any vehicle that is let on hire or is being used for carrying passengers for hire or reward. This includes taxis, rental cars or rideshare. It also specifically excludes courier or delivery vehicles, including fast food delivery.

## YOUR GAP INSURANCE (GAP)

### CHOOSING THE LEVEL OF COVER

There are 4 levels of cover available as summarised in the table below. The level of cover applicable to you will be shown on your Policy Schedule.

Cover Level	Maximum Shortfall Benefit	Maximum Private Expenses Benefit (with Shortfall)	Maximum Private Expenses Benefit (with no Shortfall)
Cover 1	\$30,000	\$10,000	\$2,000
Cover 2	\$15,000	\$4,000	\$2,000
Cover 3	\$10,000	\$2,000	\$2,000
Cover 4	\$7,500	\$2,000	\$2,000

### SHORTFALL BENEFIT

If your Vehicle is declared a Total Loss by your Comprehensive Vehicle Insurer then, following the Total Loss Payout being made to your Financier by your Comprehensive Vehicle Insurer, we will in the event that there is a Shortfall or debt remaining under your Finance Contract, pay the Financier the amount of the Shortfall up to the maximum Shortfall benefit payable.

### 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 private expenses.

### PRIVATE EXPENSES BENEFIT

In the event of a Total Loss settlement by your Comprehensive Vehicle Insurer, you can lodge a claim for private expenses directly incurred as a result of the Total Loss. The maximum amount we will pay in relation to private expenses will depend on the level of cover you have selected and whether or not a Shortfall exists.

Examples of private 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 expenses claimed 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.

### COVER LIMITATIONS AND WHAT YOU ARE NOT INSURED FOR

We will not pay any claim under this insurance if:

- Your Comprehensive Vehicle Insurer does not provide you with a Total Loss Payout for whatever reason;
- You are not the registered owner of the Vehicle at the time the Total Loss occurs;
- The Vehicle is let on hire or is being used for carrying passengers for hire or reward. This includes taxis, rental vehicles or rideshare; or
- The Vehicle is used as a courier or delivery vehicle, including fast food delivery.

If you accept a reduced claim settlement amount from your Comprehensive Vehicle Insurer, we may reduce your Shortfall benefit amount by the same proportion.

In the event of a Total Loss, if there is no Shortfall, a claim for private expenses will be limited to \$2,000.

If a replacement vehicle is offered by your Comprehensive Vehicle Insurer, there is no Shortfall. Therefore, you may only claim for private expenses and the maximum that may be paid is \$2,000.

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

- Any excess or additional payment due and applicable to your Comprehensive Vehicle Insurance Policy.
- 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, deferred payments and/or late charges owed to the Financier at the time the Vehicle became a Total Loss.
- Any amounts of any refunds of cancellable insurance or other products financed under the Finance Contract.
- Any liability for you to pay the Goods and Services Tax, within the meaning of 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.

**NO benefit is payable under this insurance until such time as the Comprehensive Vehicle Insurer declares the Vehicle a Total Loss AND makes full settlement under the Comprehensive Vehicle Insurance Policy.**

### CLAIM EXAMPLE 1

You have an accident and the Vehicle is assessed as a Total Loss by your Comprehensive Vehicle Insurer at \$22,500. The balance owing under your Finance Contract as at the date of the Total Loss is \$27,500. This leaves a Shortfall under the Finance Contract as at the date of the Total Loss of \$5,000. Upon acceptance of your claim, we will pay **\$5,000** to your Financier.

Balance owing to Financier	\$27,500
Total Loss	\$22,500
<b>Shortfall</b>	<b>\$ 5,000</b>

### CLAIM EXAMPLE 2

Your Vehicle catches fire and your Comprehensive Vehicle Insurer assesses your Vehicle as a Total Loss at \$17,900. The balance owing under your Finance Contract as at the date of the Total Loss is \$16,500. As the Total Loss Payout is more than the balance owed to the Financier, there is no Shortfall.

Balance owing to Financier	\$16,500
Total Loss	\$17,900
<b>Shortfall</b>	<b>\$ NIL</b>

However, as you are entitled to claim for private expenses incurred as a result of the Total Loss, you submit receipts for travel, meals and accommodation costs amounting to \$1,205. Upon acceptance of your claim, we will pay **\$1,205** to you.

### CLAIM EXAMPLE 3

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 private 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 risk profile;
- The terms of your Finance Contract;
- The Purchase Price;
- The cover level selected;
- Government taxes and/or charges, and
- 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).

## 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 details;
- You are no longer the owner of the Vehicle; or
- The use of the Vehicle changes.

## 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](http://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](http://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:

- You no longer reside in Australia; or
- You are no longer the registered owner of the Vehicle.

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](http://www.ericinsurance.com.au)

Email: [info@ericinsurance.com.au](mailto: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](http://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](http://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:** 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 this insurance. In the case of an off road motorcycle it also includes a Third Party Fire and Theft policy.

**Comprehensive Vehicle Insurer:** 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 holds 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.

**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 amount owing on the Finance Contract as at the date of the Total Loss of the Vehicle, less the amount of the Total Loss Payout and less any other amounts excluded by this insurance.

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

**Total Loss:** When the Vehicle is stolen and not recovered and/or considered damaged beyond economical repair in the opinion of the Comprehensive Vehicle Insurer and this requires them to make a Total Loss Payout.

**Total Loss Payout:** 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.

**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.

**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](http://ericinsurance.com.au)  
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