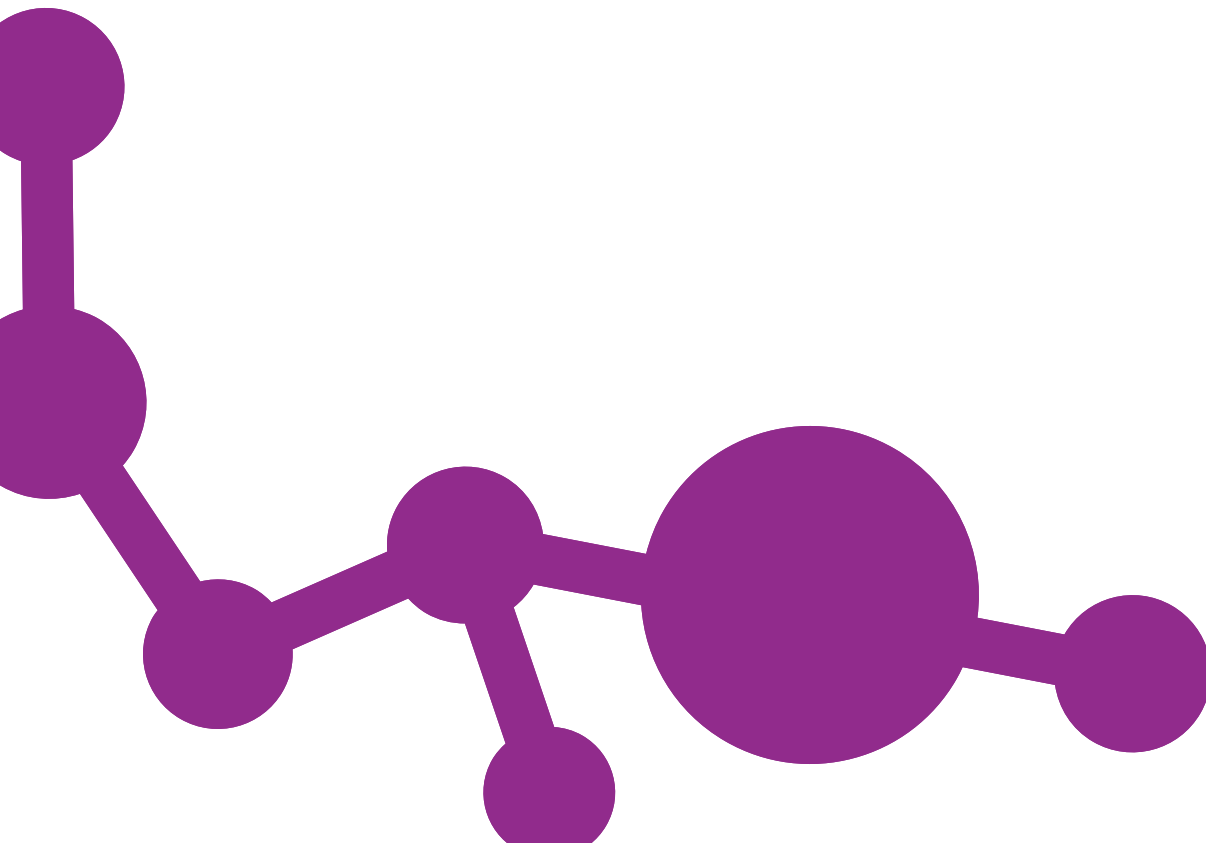




COMBINED PRODUCT DISCLOSURE STATEMENT (PART A)
AND FINANCIAL SERVICES GUIDE (PART B)

Financial Protection 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 11th February 2020. V110220

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

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 FINANCIAL PROTECTION INSURANCE (FPI)

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 21 consecutive days because you become;

- Sick, injured or ill, as certified by a Medical Practitioner, except where as a result of deliberate self-harm;
- Unemployed as a result of you being made redundant, retrenched, or your employer ceasing to operate;

then you may choose to:

- Receive a Payment Assist Benefit; and/or
- Handback your Vehicle to a Dealer.

PAYMENT ASSIST BENEFIT

You may choose to use the Payment Assist 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 Payment Assist Benefit can be used to cover up to a maximum of 6 Monthly Repayments during the Period of Insurance, subject to your ongoing sickness, injury, illness or unemployment.

All payments made under the Payment Assist 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 Payment Assist 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 and where applicable, the salary packaging entity.

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 overdue instalment payments (with the exception of any "waived" instalment payments) and instalment payments of Premium scheduled to become due during the remaining Period of Insurance;
- 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.

Where we require additional medical reports other than those provided by a Medical Practitioner engaged by you, we may require you to submit to a further medical examination by a Medical Practitioner engaged by us, at our expense.

CLAIM EXAMPLE 1

You are advised by your employer that your role has been made redundant. After the initial non-benefit period of 21 days you decide to Handback the Vehicle and terminate your Finance Contract. At Handback, the Dealer appraises the Vehicle and buys it for \$17,100.

We determine the Vehicle value to be \$17,000, based upon Glass's AutoEdge. The Payout Figure for your Finance Contract is \$23,000, and therefore the Shortfall amount is \$5,900. (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 to discharge the outstanding balance of your Finance Contract. In this example, the policy will terminate following the payment of the shortfall.

Payout Figure	\$23,000.00
Dealer Handback value	\$17,100.00 (paid by Dealer to Financier)
Shortfall	\$ 5,900.00 (Paid by us to Financier)



CLAIM EXAMPLE 2

You have an unexpected fall six months after buying the Vehicle, and your Medical Practitioner advises that you will be unable to perform your Employment for an undetermined period.

After the initial non-benefit period of 21 days, you decide to use the Payment Assist Benefit (which covers a maximum of 6 monthly payments) to continue to pay your Monthly Repayments of \$709.52 under the Finance Contract whilst unable to perform your Employment. During this six month period, we also stop deducting your monthly instalment payments.

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).

As the date of the Handback is after the final monthly instalment payment due date, you are not required to pay any further instalment payments.

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). In this example, the policy will terminate following the payment of the shortfall.

Monthly Repayments (\$709.52 x6)	\$ 4,257.12
Instalment Payments (\$69.36 x6)	\$ 416.16 (waived)

Payout Figure	\$38,916.20
Dealer Handback value	\$33,100.00 (paid by Dealer 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)

CLAIM EXAMPLE 3

Nine months after you purchased the Vehicle, your employer has advised that the business will cease to operate. After the initial non-benefit period of 21 days, you elect to use the Payment Assist Benefit (which covers a maximum of 6 monthly payments) to continue to pay your Monthly Repayments of \$849.73 under the Finance Contract. After three months you regain Employment.

Monthly Repayments (\$849.73 x3)	\$2,549.19
Instalment Payments due (\$71.25 x3)	\$ 213.75 (waived)

As you are paying the Premium by instalments of \$71.25 over the first 12 months of the policy, and the claim benefit period incorporated the last three months of the first year of insurance, you were not required to pay the final three instalment payments.

In this example, your policy remains active and you could claim the remaining 3 payments and/or Shortfall Benefit should you need to lodge a future claim during the term of the Finance Contract.

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;
- Government taxes and/or charges; and
- The method of payment you choose by which to pay the Premium, including payment by instalments.

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 may 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 any overdue instalment payments (with the exception of any "waived" instalment payments) and instalment payments of Premium scheduled to become due during the remaining Period of Insurance from any claim amount payable to 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 next unpaid Premium 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.

INSTALMENTS DUE DURING A CLAIM UNDER THE PAYMENT ASSIST BENEFIT

If you are paying the Premium by instalment payments and make a claim under the Payment Assist Benefit, we will waive any Premium instalment payments (including any Interest Charge) that fall due* during the period for which a Payment Assist Benefit is payable. Upon completion of the period during which the Payment Assist Benefit is payable, Premium instalment payments (including any Interest Charge) will recommence (where applicable).

*Instalment deduction date cannot be altered during a claim.

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 or 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 Employment, your Finance Contract, the Vehicle, your claim or any events that may result in a claim on your insurance.

DUTY OF DISCLOSURE BEFORE YOU ENTER INTO COVER

Before you enter into this insurance cover, 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 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.

DUTY OF DISCLOSURE IF YOU REQUEST A VARIATION TO COVER

If you request a variation to this insurance cover, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and, if so, on what terms. You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us anything you are required to tell us, in relation to a variation, 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.

WHAT YOU NEED TO TELL US

You must also inform us immediately if any of the following circumstances apply to you during the Period of Insurance:

- There is a change in your personal or Employment details; or
- You no longer use or possess 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.

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:

- Fail to comply with the duty of disclosure;
- Make 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.

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: Where you elect to sell your Vehicle to the Dealer in accordance with the terms and conditions of this insurance.

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.

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: Means Your monthly repayment due to the Financier (**excluding any residual value or balloon payment**) under the Finance Contract and where applicable, the monthly contributions of running costs associated with the following items as specified in your salary packaging agreement:

- Fuel;
- Maintenance;
- Tyres;
- Registration;
- CTP; and
- Comprehensive motor insurance.

Monthly contributions of running costs will be paid directly to your salary packaging entity, if applicable.

Payout Figure: The amount required by the Financier under the Finance Contract as at the later of:

- The expiration of the initial 21-day period from the event or circumstance that results in a claim under this insurance cover; or
- The date you advise us you have chosen to Handback your Vehicle.

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 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 you acquired 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. 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 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 Glass's AutoEdge, for a vehicle which is the equivalent age, make, condition and model as your Vehicle, as at the later of:
 - The expiration of the initial 21-day period from the event or circumstance that results in a claim under this insurance cover; or
 - The date you advise us you have chosen to Handback your Vehicle.

or

The price paid by the Dealer following your Handback

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

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.



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