

Product Disclosure Statement and insurance policy

Insurer:
Swann Insurance (Aust) Pty Ltd ABN 80 000 886 680 AFS Licence No. 238292

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Table of contents

This PDS is important	1	Words that have a special meaning	3
Introduction	2	What you are insured for	4
Who is the insurer	2	What we pay	4
Who is insured	2	Additional benefit	4
The purpose of this PDS	2	Who we pay	5
How to apply for insurance	2	What you are not insured for	5
General Insurance Code of Practice	2	How to make a claim	5
We rely on the information you provide us	2	Claim recovery	5
Important information	2	When this insurance ends	5
Before you apply for insurance	2	Cancelling this insurance	5
About this insurance	2	Cancellation by you	5
The way we handle your personal information	2	Cancellation by us	6
What you are required to do for us	2	Complaint and dispute handling process	6
Authority to act	3	The process	6
Your cooling-off period	3	Financial Claims Scheme	6
Costs	3	How to contact us	6
Previously declined cover	3		

Welcome to the security of Swann Insurance

This PDS is important

This Product Disclosure Statement and Insurance Policy (PDS) contains important information required under the Corporations Act 2001.

Please read this PDS before you apply for insurance.

This PDS sets out the terms, conditions and limits that apply for the insurance we offer to you. If you have paid the Premium and we accept your application for insurance, you will receive a Policy schedule that sets out details of the insurance you have taken out. It is your responsibility to make sure that all details contained on the Policy schedule are correct.

Our agreement with you is made up of:

- ◆ your application,
- ◆ this PDS,
- ◆ the Policy schedules, and
- ◆ endorsements we send to you. Endorsements are notices we send to confirm any change to your insurance.

Together these set out the terms, conditions and limits of your insurance.

Keep this PDS in a safe place. You may want to refer to it from time to time.

If you need more information about this insurance, please contact us.

The information in this PDS was current at the time of preparation. However, some information may change from time to time. If a change is significant, we will issue a supplementary PDS or replacement PDS. If a change is not significant, you can obtain a copy of the updated information free of charge by contacting us.

Introduction

Who is the insurer

Swann Insurance (Aust) Pty Ltd is the insurer, Australian Business Number 80 000 886 680, Australian Financial Services Licence Number 238292. In this PDS the insurer is called 'we', 'us', 'our', or 'Swann Insurance'.

Who is insured

The person named as the insured when you applied for this insurance and named on the Policy schedule. In this PDS this person is called 'you' or 'your'.

The purpose of this PDS

This PDS has been prepared to assist you in understanding this insurance and making an informed choice about your insurance requirements.

How to apply for insurance

Complete our application. If you apply for this insurance and your answers to our questions are entered into our Internet based system, you will be provided with a copy of the questions we have asked and the answers you provided relating to the assessment of your particular risk.

General Insurance Code of Practice

Swann Insurance has adopted the General Insurance Code of Practice. The purpose of the code is to raise the standards of practice and service in the general insurance industry.

The objectives of the code are:

- ◆ to promote better, more informed relations between insurers and their customers,
- ◆ to improve consumer confidence in the general insurance industry,
- ◆ to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- ◆ to commit insurers and the professionals they rely upon to higher standards of customer service.

If you would like more information about the code, please contact us.

We rely on the information you provide us

When we agree to insure you, renew or vary your policy or decide on your claim, our decision relies on the accuracy of information you give us.

If that information is not accurate we may reduce a claim, or cancel the policy, or refuse to pay a claim made by you or anyone else insured by this insurance. We therefore ask you to answer honestly, correctly and completely any questions we ask about you, your Loan contract, a claim or any other person insured or to be insured by this insurance.

We do not require you to comply with the general duty of disclosure. We do require you to be truthful, honest and accurate whenever you interact with us in relation to this insurance.

Important information

Before you apply for insurance

You are not obliged to purchase this insurance and insurance can be arranged through a different insurer.

We will not cover loans over \$110,000 (including balloon or residual amounts, if applicable).

We issue your insurance relying on the information you provide in answer to our questions when you apply for insurance.

About this insurance

This insurance has been designed for vehicles that travel up to 50,000 kilometres on average per year over the period of your Loan contract. We guarantee you will receive, at the end of your Loan contract, the lesser of:

- ◆ an amount equal to the minimum residual value of your Vehicle by using the percentages shown in the Guaranteed buyback value shown on page 3 of this PDS, and
- ◆ the Residual value, if applicable, as stated in your Loan contract,

having regard to the kilometres your Vehicle has travelled.

The way we handle your personal information

We collect personal information from you for the purpose of providing you with insurance products, services, and processing and assessing claims.

You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose information we hold about you to:

- ◆ other insurers,
- ◆ an insurance reference service,
- ◆ our service providers and/or advisers,
- ◆ any third party with whom you have been dealing in respect of this insurance and who referred you to Swann Insurance, and
- ◆ any other third party as permitted or required by law.

In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers.

When you apply for insurance you can select to receive offers of products and services which may be of benefit to you. During the Period of insurance we may, or any other organisation we authorise may, provide these offers. You may be contacted in writing, by phone or other electronic means. If you do not wish to receive these offers you can select not to receive them when you apply for this insurance, or you can contact us at any other time.

If you wish to update or access any information, please contact us.

What you are required to do for us

You must:

- ◆ tell us as soon as possible of any changes to your address.
- ◆ comply with the conditions of this insurance.
- ◆ have the Vehicle serviced in accordance with your Vehicle manufacturer's service requirements.
- ◆ have all repairs for any damage to your Vehicle completed before you make a claim.

Authority to act

Swann Insurance has relationships with authorised representatives and other licensees who sell Swann Insurance policies.

Swann Insurance may pay remuneration to authorised representatives and other licensees when they sell Swann Insurance policies.

Your cooling-off period

If you decide that you do not wish to continue with this insurance, you have 21 days after the Commencement date of this insurance to request cancellation. To do this, you must advise us in writing. We will provide you with a full refund of Premium paid, providing you have not made a claim under this insurance.

Costs

The Premium payable by you will be shown on your Policy schedule.

The key factors that influence the Premium calculations are reflected in the questions asked, and information sought, at the time of your enquiry or application for insurance.

These include factors relating to:

- ◆ the frequency with which claims occur,
- ◆ the changing values of vehicles,
- ◆ the term of a loan, and
- ◆ the amount of a loan.

Premiums are subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your Policy schedule.

If we are unable to issue your insurance when we receive your application, we are required to hold your Premium in a trust account on your behalf until your insurance can be issued. We will retain any interest payable by our bank to meet, among other things, bank fees and other bank costs we incur in operating the account.

Previously declined cover

You do not need to tell us about an insurer who refused to cover you or renew your policy, if the insurer informed you that refusal was not due to an assessment of your particular risk. This includes where the insurer no longer issues that type of insurance.

Words that have a special meaning

Some of the words in this PDS have special meanings. These words and their meanings are listed below.

Commencement date

The later of the date the first loan monies are advanced (the settlement date of your Loan contract) or the date we accepted you for insurance.

Disposal fee

This includes:

- ◆ costs we incur in selling the Vehicle, and
- ◆ an administration cost for our services, and
- ◆ an administration fee we pay to the organisation who arranged your Loan contract.

Finance company

The provider that has financed the purchase of the Vehicle listed on the Loan contract.

Finance repayment

The regular monthly finance repayment amount that you, or any other person, entity or company has agreed to pay under the terms of your Loan contract. This does not include any operating or running costs, or any residual or any balloon payments.

Guaranteed buyback value

The lesser of the percentage of the Purchase price used to calculate the minimum residual value of your Vehicle as shown in the table below or the Residual value, if applicable, as stated in your Loan contract.

Term of loan	Percentage of Purchase price
Year 2	56.25%
Year 3	46.88%
Year 4	37.50%
Year 5	28.13%

Where the term of your loan is not equal to one of the terms shown in the table above, the percentage of the Purchase price will be calculated by using the number of full years in the loan period plus 0.78125% for each additional full month.

The Guaranteed buyback value will be reduced if your Vehicle travels between 30,001 kilometres and 50,000 kilometres on average per year over the period of your Loan contract. This reduction is shown in the Kilometre allowance below.

Kilometre allowance

If your Vehicle travels up to 30,000 kilometres on average per year over the period of your Loan contract, we will not reduce the Guaranteed buyback value of your Vehicle.

If your Vehicle travels between 30,001 kilometres and 40,000 kilometres on average per year over the period of your Loan contract, the percentage of the Purchase price used to calculate the Guaranteed buyback value of your Vehicle will be reduced by 10%.

If your Vehicle travels between 40,001 kilometres and 50,000 kilometres on average per year over the period of your Loan contract, the percentage of the Purchase price used to calculate the Guaranteed buyback value of your Vehicle will be reduced by 15%.

If your Vehicle travels 50,000 kilometres or more on average per year over the period of your Loan contract you will not be able to claim under this policy.

For example, if the term of your loan is 4 years and you travel 35,000 kilometres on average, then the percentage of your purchase price will be 27.50%.

Finance company

The provider you have entered into a Loan contract with to purchase a vehicle detailed in that Loan contract.

Likely market value

The average value that a franchised motor vehicle dealer would pay for your Vehicle at auction or when traded in on a similar new vehicle taking into consideration the kilometres the Vehicle has travelled and the condition of the Vehicle. This value includes GST and is described in the publication 'Glass's Guide Autocomplete' by Glass's Information Services Pty Ltd. ABN 44 004 382 478.

Loan contract

The agreement between you and the Finance company that is providing the loan. This agreement must be in writing and state:

- ◆ the name and address of the Finance company, and
- ◆ the term of the agreement, and
- ◆ the Residual value, if applicable, and
- ◆ the amount you agree to pay your Finance company.

Maximum benefit

The Maximum benefit we will pay under this insurance is \$25,000.

Period of insurance

The period of cover shown on the Policy schedule.

Policy schedule

The most recent schedule we give you describing the terms and conditions that are specific to your insurance. This also includes any amendments we send you in writing.

Premium

The amount you pay for the insurance.

Purchase price

The total cost to acquire your Vehicle. The Purchase price includes registration costs, stamp duty and delivery charges but does not include GST.

Residual value

The value (including GST) calculated by your Finance company when your Loan contract ends.

Terrorism

Any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

Vehicle

The vehicle that you have purchased under a Loan contract with your Finance company.

War or warlike activities

War (including war service), an act of a foreign enemy, hostilities or war like operation (whether war is declared or not), civil commotion, civil war or rebellion.

What you are insured for

Provided you have paid the Premium and we have accepted your application, we agree to insure you during the Period of insurance, subject to the terms, conditions and limits of this PDS.

The cover provided by this insurance may vary from the prescribed standard cover. It is therefore important that you read, retain and understand this PDS.

What we pay

When your Loan contract ends and the Likely market value of your Vehicle is less than the calculated Guaranteed buyback value of your Vehicle, we guarantee that you will receive an amount equal to the Guaranteed buyback value of your Vehicle.

You may be entitled to make a claim:

- ◆ at any time after your policy has been in place for at least 2 years, if you terminate your Loan contract earlier than the period you agreed when you completed your Loan contract ; or
- ◆ at the end of your Loan contract.

120 days before your Loan contract ends, we will send you advice of:

- the Residual value (including GST), if applicable, of your Vehicle which we will obtain from your Finance company, and
- the Guaranteed buyback value (including GST) of your Vehicle, and
- the Likely market value (including GST).

If your Loan contract is terminated earlier than the period you agreed when you first entered into your Loan contract, we will use the termination date to calculate the average kilometres travelled per year.

When you make a valid claim, we will:

- ◆ take possession of the Vehicle, and
- ◆ pay to your Finance company the Guaranteed buyback value, and
- ◆ dispose of the Vehicle

For example, if the value of your Vehicle, not including GST, was \$40,000 when you purchased it, and your Loan contract was for a period of 4 years and you have travelled less than 30,000 kilometres on average per year, the minimum residual rate as shown in the table on page 3 of his PDS is 37.5%. The calculated Guaranteed buyback value is \$16,500, including GST. If the Likely market value of your Vehicle is \$12,000, including GST, you are eligible to make a claim. We will pay the Guaranteed buyback value of \$16,500 including GST to your Finance company and take possession of your Vehicle.

Additional benefit

If you are not eligible to make a claim, as the Likely market value of your Vehicle is higher than the calculated Guaranteed buyback value of your Vehicle, you can elect for us to sell your Vehicle on your behalf. Your Finance company will collect a disposal fee, from you, for this service. The amount of the Disposal fee may change over time. This Disposal fee will be shown on the documentation we provide to you when you elect to use this additional benefit. If we do dispose of your Vehicle for you, we will set a minimum sale price equal to the Guaranteed buyback value. If you do this and the vehicle is sold, we will forward the Guaranteed buyback value to your Finance company and the remaining sales proceeds to you.

In the event that the Residual value of your Vehicle is greater than the Guaranteed buyback of your Vehicle, you will be required to pay the difference to your Finance company.

For example, if the value of your Vehicle was \$40,000, not including GST, when you purchased it, and your Loan contract was for a period of 4 years and you have travelled less than 30,000 kilometres on average per year, the minimum residual rate as shown in the table on page 3 of this PDS for 4 years is 37.5%. The calculated Guaranteed buyback value is \$16,500 including GST. If the Likely market value of your Vehicle is \$18,000 including GST, you are not eligible to make a claim and you can elect for us to sell your Vehicle. If the Residual value owing to your Finance company is \$16,500 including GST and if we achieve a sale value of \$18,000 including GST, we will pay your Finance company the Residual value, if applicable, and we will pay you the difference.

Who we pay

In the event of a claim, payment will be made to your Finance company, or as directed by your Finance company.

What you are not insured for

We will not pay if your Vehicle travels 50,000 kilometres or more on average per year over the period of your Loan contract.

The benefits provided by this policy will not apply to you when:

- ♦ you are no longer an Australian resident, or
- ♦ your Loan contract is terminated, or
- ♦ you do not have a current Loan contract, or
- ♦ you sell your Vehicle.

If your Vehicle is outside the fair wear and tear guide,

- ♦ as defined by your Finance company, or
- ♦ if this is not defined by your Finance company, it will be determined by the 'Fair Wear & Tear Guide' issued by the Australian Fleet Lessors Association Incorporated ABN 78 059 998 533,

when you surrender your Vehicle, you will be responsible for any costs in rectifying your Vehicle.

For a copy of the Australian Fleet Lessors Association 'Fair Wear & Tear Guide' go to the www.AFLA.com.au website.

How to make a claim

Contact us on 1300 657 318 within 30 days of an event occurring that may give rise to a claim.

You must complete a claim form and return it to us immediately following an incident occurring that may result in a claim on this insurance. If we do not receive your completed claim form within 14 days of such an incident, we may refuse a claim or reduce the amount we pay for a claim.

You must provide all reasonable assistance, when requested, in relation to your claim. You must give us the information and assistance we reasonably request and any information you give us must be honest, correct and complete.

For your claim to be processed we will require:

- ♦ a vehicle assessment form to be completed.
- ♦ a minimum of six digital photographs of your Vehicle. These photographs are to include the front, rear and each side of the Vehicle, and at least one of the console of the Vehicle and one of the interior of the Vehicle.
- ♦ you to surrender the Vehicle to us, or to an organisation we will nominate. You will need to do this by the date we advise you. If you are unable to surrender the Vehicle we can arrange for your Vehicle to be collected from a mutually convenient location. If you want us to arrange the collection, you may be responsible for the cost of doing so.
- ♦ you to accept our offer to settle your claim by the date we advise you.

In the event that the Residual value, if applicable, of your Vehicle is greater than the Guaranteed buyback of your Vehicle, you will be required to pay the difference to your Finance company.

We may make any reasonable enquiries about the claim.

Claim recovery

If for any reason we pay benefits to which you or your Finance company is not entitled, we shall have a right to recover those benefits.

When this insurance ends

The policy ends on the day that any of the following occur:

- ♦ the policy is cancelled, or
- ♦ the Period of insurance shown in your Policy schedule ends, or
- ♦ at the expiry of the period of your loan, or
- ♦ the Maximum benefit limit has been reached, or
- ♦ your Loan contract ends or was due to end, or is discharged or is refinanced, or
- ♦ your final Finance repayment is made, or
- ♦ 5 years have elapsed after you have signed your Loan contract, or
- ♦ you are no longer an Australian resident, or
- ♦ you default on your Finance repayment.
- ♦ your loan is changed from being a Loan contract, or
- ♦ you do not respond to our offer to settle your claim by the date we advise you.

Cancelling this insurance

Cancellation by you

You may cancel this insurance at any time by requesting us to do so in writing.

If we receive your cancellation request within 21 days from the Commencement date, we will refund your Premium in full.

If we receive your cancellation request after 21 days from the Commencement date and within 2 years after the Commencement date, we will refund the Premium you have paid less our cancellation fee of \$75.

If we receive your cancellation request after 2 years of the Commencement date, we will not refund the Premium.

You must notify us immediately if your Loan contract ends earlier than the term in the Period of insurance shown on your Policy schedule.

Cancellation by us

We may cancel this insurance where circumstances described in insurance legislation allow us to do so.

If we cancel this insurance, we will retain an amount from the Premium that you have paid to cover the time that the insurance has been in force. We will refund the balance to you.

Complaint and dispute handling process

Swann Insurance has a well-deserved reputation for providing quality products, good customer service and settling claims promptly and equitably.

However, if you are not satisfied with:

- ◆ one of our products,
- ◆ our service,
- ◆ our sales and marketing,
- ◆ changes made to your Premium,
- ◆ declined insurance,
- ◆ the service of our representatives or service providers,
- ◆ your claim,
- ◆ our handling of your personal information, or
- ◆ any other matter,

we have a process to help if you wish to make a complaint.

The process

The first thing you should do is call us on 1300 307 926.

If the staff member you speak to cannot help, your complaint will be automatically referred to a manager who will review it and respond to you. The response will usually be provided within 15 days from when you made your complaint to the Manager.

If the manager cannot resolve your complaint you can request the complaint be referred to an internal Dispute Resolution Officer (DRO). The DRO will treat your complaint as a dispute. They will conduct a review of your dispute and provide you with a decision usually within 15 business days. Our Dispute Resolution Procedure is completely free of charge to all of our customers.

If you do not agree with the DRO's decision, you may wish to seek an external review of the decision. The DRO's letter outlining their decision will provide you with information on external review option(s), including, if appropriate, referring you to the dispute resolution scheme run by the Financial Ombudsman Service (FOS). The FOS is administered by the Financial Ombudsman Service Limited ABN 67 131 124 448. The FOS is an external body that is independent of Swann Insurance. Your complaint should be put in writing and addressed to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Email: info@fos.org.au

It will deal with all enquiries and disputes and make its decision at no cost to you.

If your dispute is about our collection, use, disclosure of, or access to your personal information, you may refer the matter to the Australian Privacy Commissioner who will investigate your concerns and make a decision at no cost to you.

Contact us if you need any help in understanding how our complaint and dispute handling procedure operates. Swann Insurance also has brochures available explaining the dispute resolution process in more detail.

Financial Claims Scheme

This Policy may be a 'protected policy' for the purposes of the Federal Government's Financial Claims Scheme (FCS), which is administered by the Australian Prudential Regulation Authority (APRA). The FCS entitles certain persons, who have valid claims in connection with protected policies, to be paid certain amounts by APRA in the event that an insurer becomes insolvent. Information about the FCS can be obtained from APRA at www.apra.gov.au or by calling APRA on 1300 55 88 49.

How to contact us

Swann Insurance (Aust) Pty Ltd

ABN 80 000 886 680

Mailing address:

PO Box 14459 Melbourne VIC 8001

Phone numbers:

Claims: 1300 657 318

Policy enquiries: 1300 307 926

Fax numbers:

Claims: 1300 657 370

Policy enquiries: 1300 720 380

Email:

Claims: swann.cci.claims@swanninsurance.com.au

Internet:

www.swanninsurance.com.au