

# Guaranteed Buyback

## FAQ



### Q What is Guaranteed Buyback?

Issued by Swann Insurance, Guaranteed Buyback is an optional insurance product that complements our Maxxia Fully Maintained Novated Leases.

It offers you protection from the risk that your car may be worth less than the residual (or pay-out figure) at the end of your lease, by paying you a Guaranteed Buyback value, so long as the conditions of the insurance are met.

The Guaranteed Buyback value will, in most cases, be equal to the residual value.

### Q What are the benefits of Guaranteed Buyback?

Guaranteed Buyback offers you:

- **Peace of mind** – Guaranteed Buyback can help secure the end of lease value of your car
- **Flexibility** – you can still choose to buy, sell or trade in your car
- **Convenience** – the premium is financed and salary packaged as part of your lease repayments
- **Great value** – it costs less than a \$1 a day after tax (based on an average<sup>1</sup> four or five year term)
- **Simplicity** – allowing an easier transition into a new lease
- **Opportunity** – you could benefit further if your car's likely market value is greater than the residual value at end of lease. When the insurer disposes of the car, the remaining profit goes to you.

### Q How does it work?

By paying as little as \$1 a day built into your lease repayments (where you lease an average<sup>1</sup> car over a four or five year lease term), Guaranteed Buyback offers you peace of mind at great value.

If your car is worth less than the residual value at end of lease:

1. You make a claim to the insurer.
2. You hand back the car to the insurer for disposal.
3. The insurer pays the Guaranteed Buyback value to the financier, who will use it to pay down the residual.

### Q What if the car's likely market value is greater than the Guaranteed Buyback value?

With this end of lease scenario, you could also stand to benefit. You can simply arrange for the insurer to sell the car on your behalf – the insurer will set the minimum sale price at the Guaranteed Buyback value, and any remaining profit left goes to you (less a small disposal fee).

### Q What is the disposal fee and how is it charged?

Swann Insurance charges you a small Disposal Fee (approximately \$130-\$140), which is deducted from the vehicle sale proceeds. It covers the cost of getting a vehicle assessor out to your location to inspect the car and prepare a condition report – a necessary requirement before it is listed for sale online.

### Q What if I think I can obtain a better price for the car at end of lease?

If you think you can obtain a better price elsewhere, you can choose to sell or trade the car in. If you consider selling the car but do not obtain the price you want, you can still elect to utilise your Guaranteed Buyback policy and get Swann Insurance to sell the car, provided you have not previously waived this option. However, you must do so within 120 days prior to the end of your lease, otherwise the policy becomes null and void.

### Q Is there a limit to the amount of kilometres you can drive per year under Guaranteed Buyback?

Yes. Guaranteed Buyback is designed for cars travelling up to 50,000km on average per year over the period of the loan contract. The Guaranteed Buyback value is reduced at end of lease:

- by 10 per cent of the purchase price if the vehicle travels between 30,001 and 40,000kms on average per year
- by 15 per cent of the purchase price between 40,001 and 50,000kms on average per year
- no benefit will be paid if the vehicle travels more than 50,000kms on average per year.

# Guaranteed Buyback CONT.

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### Q What happens if the residual value is more than the Guaranteed Buyback value at end of lease?

In this scenario, you will be required to pay the difference to the financier.

### Q Are there limits to the car's lease finance amount under Guaranteed Buyback?

Yes. Under Guaranteed Buyback, cars with lease finance in excess of \$110,000 are excluded.

### Q Can I take out a Guaranteed Buyback policy if I'm already packaging a novated lease?

No. Under current Guaranteed Buyback arrangements, it's only available for new customers leasing new and used cars leased over three, four, and five year terms. For used cars, the age of the vehicle at the start of the policy must be less than three years old.

### Q Can I terminate the policy before my lease term expires?

Yes. However, the contract must have been in effect for a minimum of two years.

### Q What other conditions and exclusions are included under the Guaranteed Buyback policy?

- wear and tear exclusions apply
- the maximum benefit payable by the insurer under the policy is \$25,000.

### Q Need more information?

Contact our friendly Customer Care Team on **1300 123 123**.

#### NOTES

<sup>1</sup> After tax, based on an average car valued at \$33,606.

#### IMPORTANT INFORMATION

This general information doesn't take your personal circumstances into account. Please consider whether this information is right for you before making a decision and seek professional independent tax or financial advice. Conditions and fees apply, along with credit assessment criteria for lease and loan products. The availability of benefits is subject to your employer's approval. Maxxia may receive commissions in connection with its services.

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