

Lease Protection Insurance Policy

Product Disclosure Statement and Policy Wording



PRORISK
PROBLEM SOLVED

Level 3, 100 Wellington Parade
East Melbourne VIC 3002
Tel 03 9235 5255 Fax 1800 633 073
enquiries@prorisk.com.au
www.prorisk.com.au

Professional Risk Underwriting Pty Ltd
ABN 80 103 953 073
AFSL 308076



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the problem solving **PEOPLE**

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INTRODUCTION

About ProRisk

Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076 (“**ProRisk**”) is an Australian coverholder for certain **Underwriters** at Lloyd’s of London. **ProRisk** was incorporated in 2003 and has quickly established itself as a competitive underwriting agency offering reliable products predominantly backed by Lloyd’s.

Lloyd’s of London

Lloyd’s of London is the world’s leading insurance market providing specialist insurance services in over 200 countries and territories. Together, the syndicates underwriting at Lloyd’s form one of the largest commercial insurers in the world. Lloyd’s Underwriters are authorised insurers in Australia.

About this Booklet

This booklet contains 2 sections.

Part A is a Product Disclosure Statement (PDS) which sets out important information about **Your Policy**. The information contained in the PDS is designed to assist **You** in making an informed choice about **Your** insurance needs. It gives **You** a summary of the significant features and benefits of this product. It also contains information about how the premium is calculated, **Our** dispute resolution system, the cooling off period, and other relevant information relating to this product.

Part B is the **Policy**, which sets out all the terms, conditions and exclusions applicable to this insurance.

It is important that **You** read both Part A and Part B of this booklet carefully before applying for this insurance so that **You** understand the cover provided and its terms, conditions and exclusions.

Updating the PDS

Information in the PDS may need to be updated from time to time. **You** can request a copy of the updated information by contacting **Us** using the contact details set out on page 4. **We** will send **You** a copy of the updated information upon **Your** request. **We** will issue a supplementary or replacement PDS and **Policy** if there is a materially adverse change or omission from this PDS and **Policy**.

PART A: PRODUCT DISCLOSURE STATEMENT (PDS)

Preparation Date: 15 October 2015

ABOUT US

The Insurer

The **ProRisk** Lease Protection Insurance Policy is issued by Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076 (“**ProRisk**”) on behalf of certain **Underwriters** at Lloyd’s. The Lloyd’s **Underwriters** are as specified in the agreement between the **Underwriters** and **ProRisk**, and details of the participating **Underwriters** will be provided to **You** upon request.

How To Contact Us

We can be contacted by telephone or in writing at:

ProRisk

Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

Email: enquiries@prorisk.com.au

Phone: (03) 9235 5255

Fax: 1800 633 073

Your Insurance Broker will arrange this insurance for **You**. If **You** have any questions about **Your** cover, or **You** wish to contact **ProRisk**, please contact **Your** Insurance Broker for assistance.

IMPORTANT INFORMATION ABOUT LEASE PROTECTION INSURANCE

Lease Protection Insurance meets the requirements of consumer credit insurance. The purpose of consumer credit insurance is to provide **You** with insurance cover in respect of **Your** obligations under a finance agreement. In particular, the **Policy** is designed to meet **Your Lease Repayments** in the event of **Involuntary Unemployment** or **Sickness and Accident**. The **Policy** will also pay the difference between the **Outstanding Balance** and the **Fair Sale Price of Your Vehicle** if **You** decide to take the **Hand-Back Option** following a defined period of **Involuntary Unemployment** or **Sickness and Accident**.

Only **You** can decide whether **You** need the cover provided by Lease Protection Insurance. As the PDS and **Policy** contain information that may help **You** make that decision, **We** suggest that **You** read both to see what is and what is not covered. Any advice contained in this document is of a general nature and, unfortunately **We** cannot give consideration to **Your** personal financial situation or needs.

This insurance is not compulsory and a finance or lease provider cannot insist upon **You** taking out the

Policy as a condition of a lease. **You** should also be aware that **You** can effect insurance of this kind with any insurer of **Your** choice.

APPLYING FOR COVER

You may apply for the insurance at the time of applying for **Your** lease. Assuming that **You** meet the eligibility criteria and **Your** application is accepted, **You** will be issued with a **Policy Schedule** confirming **Your** cover including the following information:

- **Your** name and address;
- The amount of **Your Lease Repayment** that is covered;
- Which covers **You** have selected; and
- **Your** premium including taxes and charges.

SUMMARY OF BENEFITS AND RISKS

The following is a summary only and does not form part of the terms and conditions of **Your** insurance. **You** must read this entire document including the **Policy** wording of this insurance to make sure it matches **Your** expectations.

Summary of benefits

Cover	Benefit
Involuntary Unemployment	<ul style="list-style-type: none"> • Pays the monthly Lease Repayment shown in the Lease Agreement if You become Involuntarily Unemployed. • After We have paid a benefit for Involuntary Unemployment of three (3) monthly Lease Repayments, You can surrender Your Vehicle to the Lease Provider and take advantage of the Hand-Back Option. • The maximum claim period per claim is six (6) monthly Lease Repayments. • The maximum payable regardless of the number of claims made during the period of insurance is \$25,000.
Sickness and Accident	<ul style="list-style-type: none"> • Pays the monthly Lease Repayment shown in the Lease Agreement if You are unable to work due to sickness or injury.

	<ul style="list-style-type: none"> After We have paid a benefit for Sickness and Accident of eighteen (18) monthly Lease Repayments, You can surrender Your Vehicle to the Lease Provider and take advantage of the Hand-Back Option. The maximum claim period per claim is twenty four (24) monthly Lease Repayments. The maximum payable regardless of the number of claims made during the period of insurance is \$50,000.
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- if **You** do not comply with the **Policy** terms and conditions;
- If **You** do not comply with **Your Duty of Disclosure**; or
- If **You** make a fraudulent claim.

THE COST OF THIS INSURANCE POLICY

The total premium is the amount **We** charge **You** for the **Policy**. It includes the amount which **We** have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will then be shown on **Your Policy Schedule**.

In order to calculate **Your** premium, **We** take various factors into consideration, including:

Factor	Impact
the lease amount	the premium will be calculated on the lease size and will increase as the amount borrowed increases
the period of the lease	the premium will increase as the period of cover increases
the type of cover that You have selected	as You select more cover types, the premium increases.

Commission or fees are paid to the **Lease Provider** who sold **You** the **Policy**.

PAYING YOUR PREMIUM

The premium payable by **You** for this insurance will be shown on the **Policy Schedule**. The premium must be paid by the due date. If **We** do not receive **Your** premium by the due date or **Your** payment is dishonoured then the **Policy** will not operate and there will be no cover.

CANCELLING THE POLICY

How You may cancel the Policy

You may cancel the **Policy** at any time by telling **Us** in writing that **You** want to cancel it.

How We may cancel the Policy

We may cancel the **Policy** in any of the circumstances permitted by law by informing **You** in writing. **We** will give **You** this notice in person or send it to **Your** address last known to **Us**.

Refund of premium

On cancellation of **Your Policy**, **You** may be entitled to a refund of premium. The refund of

Summary of risks

This product may not match **Your** expectations (for example, because an exclusion applies). **You** should read the PDS and the **Policy** carefully. Please ask **Us** if **You** are unsure about any aspect of this product.

The policy does not cover certain things

Claims may be refused in certain circumstances. Please refer to this PDS and the **Policy** for full details of the terms and conditions of cover provided by the **Policy** and the relevant exclusions.

ELIGIBILITY CRITERIA

If **You** wish to take the covers provided by the **Policy**, **You** must:

- be at least 18 years of age at the commencement date of the **Policy**;
- be no older than 67 years old at the conclusion of the lease;
- be in good health and not suffering from any chronic or serious sickness that was previously known to **You**;
- be engaged in **Permanent Gainful Employment** when **You** apply for **Your** lease with the **Lease Provider**;
- not have any prior knowledge that **Your Permanent Gainful Employment** is to be terminated or decreased; and
- be an Australian or New Zealand citizen or holder of any Australian or New Zealand Permanent Residency Visa or 457 Visa Holder.

WHAT YOU ARE NOT COVERED FOR

There are certain times when this insurance may not provide cover. Ensure that **You** have read the "When **You** are not covered" table for full details.

We may also refuse to pay or may reduce the amount **We** pay for a claim:

premium will be calculated after deducting a portion of the premium for time on risk, reasonable administrative costs and any government taxes or duties (where these are not refundable under the applicable state legislation).

WAIVER OF RIGHTS OF SUBROGATION

This **Policy** provides that **You** must not, without **Our** prior written consent, enter into any contract or agreement which excludes, limits or prejudices any right of recovery which **You** may have in respect of any claim covered by this **Policy**. Further, **You** must not do anything or fail to do anything which excludes, limits or prejudices **Our** rights of subrogation.

YOUR DUTY OF DISCLOSURE

Your duty of disclosure – at new business

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 Policy** 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.

Your duty of disclosure - at renewal

Before **You** renew this **Policy**, **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.

Also, **We** may give **You** a copy of anything **You** have previously told **Us** and ask **You** to tell **Us** if it has changed. If **We** do this, **You** must tell **Us** about any change or tell **Us** that there is no change.

If **You** do not tell **Us** about a change to something **You** have previously told **Us**, **You** will be taken to have told **Us** that there is no change.

You have this duty until **We** agree to renew the **Policy**.

If you do not tell us something

If **You** do not tell **Us** anything **You** are required to tell us, **We** may cancel **Your Policy** 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 **Policy** as if it never existed.

Your duty of disclosure – renewal reminder

You have previously been given a notice informing **You** of **Your** duty of disclosure in relation to an eligible **Policy**.

This is a duty to tell **Us**, in response to **Our** questions, 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**.

PRIVACY COLLECTION STATEMENT

ProRisk is bound by the obligations of the Privacy Act 1988 (as amended) regarding the collection, use, disclosure and handling of personal information.

We collect personal information about **You** and about other individuals to enable **Us** to provide **You** with relevant products and services, to assess **Your** application for insurance and, if a contract is entered, to enable **Us** to provide, administer, and manage the **Policy**, and to investigate and handle any claims under the **Policy**. **We** may disclose personal information **We** collect to third parties (who may be located in the United Kingdom and other countries outside Australia). These include the insurer, lawyers, claims adjusters, and others appointed by **ProRisk** to assist **Us** in providing relevant products and services. **We** may also disclose **Your** information to people listed as co-insured on the **Policy** and to **Your** agents. By providing **Your** personal information to **Us**, **You** consent to **Us** making these disclosures.

If **You** do not provide all or part of the information required, **We** may not be able to provide **You** with **Our** products and services, consider **Your** application for insurance, administer the **Policy**, assess or handle claims under the **Policy**. **Your** Duty of Disclosure may require **You** to provide personal information to **Us**.

When **You** provide **Us** with personal information about other individuals, **We** rely upon **You** to have made them aware of that disclosure, and to ensure that they are aware of the matters set out in this **ProRisk** Privacy Statement and **ProRisk's** Privacy Policy and have consented to the disclosure.

Further information about **ProRisk's** collection, use, disclosure and handling of personal information is set out in its Privacy Policy, available on its website at www.prorisk.com.au. To obtain a hard copy of **Our** Privacy Policy or to request access to or correction of or to update personal information, contact the Privacy Officer at **ProRisk** by email: enquiries@prorisk.com.au or by mail at the address shown on the **Policy**.

THE GENERAL INSURANCE CODE OF PRACTICE

Underwriters at Lloyd's proudly support the General Insurance Code of Practice (**Code**). The purpose of the Code is to raise standards of practice and service in the general insurance industry. **You** can obtain a copy of the General Insurance Code of Practice from <http://www.codeofpractice.com.au/> or by contacting **Us**.

COMPLAINTS HANDLING

Any enquiry or complaint relating to this insurance should be referred to **ProRisk** in the first instance. **Our** contact details are set out on page 4 of this PDS. **We** have a complaints handling and internal dispute resolution process to assist **You**, and **We** will respond to complaints within 15 business days. If this does not resolve the matter or **You** are not satisfied with the way a complaint has been dealt with, **You** should write to:

Lloyd's Underwriters' General
Representative in Australia Suite
2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000
Telephone Number: (02) 9223 1433
Facsimile Number: (02) 9223 1466

If **Your** dispute remains unresolved **You** may be referred to the Financial Ombudsman Service Limited under the terms of the General Insurance Code of Practice. For other disputes **You** will be referred to other proceedings for resolution. Details are available from Lloyd's **Underwriters'** General Representative in Australia at the address above.

MAKING A CLAIM

Refer to the 'General Conditions' section of the Policy for full details about making a claim.

COOLING-OFF PERIOD

If **You** want to return **Your** insurance after **Your** decision to buy it, **You** may cancel it and receive a full refund. To do this **You** may notify **Your** broker electronically or in writing within 21 days from the date the **Policy** commenced.

This cooling-off right does not apply if **You** have made or are entitled to make a claim. Even after the cooling-off period ends, **You** still have cancellation rights. However, **Your** broker may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

TAXATION IMPLICATIONS

With this insurance, or **Your** lease there may be taxation implications affecting **You**, depending upon **Your** own circumstances. **We** recommend that **You** seek professional advice.

In the event of a claim, **We** will seek information from **You** in regards to any Input Tax Credit entitlement.

PART B: THE POLICY

IMPORTANT INFORMATION

ProRisk and the Insurer

Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076 (“**ProRisk**”) is a coverholder for certain **Underwriters** at Lloyd’s of London.

This insurance is underwritten by certain **Underwriters** at Lloyd’s, and **ProRisk** has the authority to issue this **Policy** on their behalf. The Lloyd’s Underwriters are as specified in the agreement between the **Underwriters** and **ProRisk**. Advice as to the participating **Underwriters** will be provided to you upon request.

This Policy

Please read this **Policy** carefully and satisfy yourself that it provides the cover **You** require. If **You** want more information about this **Policy**, please contact **Your** insurance broker. The **Policy** and the **Policy Schedule** should be kept in a safe and convenient place for future reference.

Your insurance broker has arranged this **Policy** for **You**. If **You** have any questions about **Your** cover, or **You** wish to contact **ProRisk**, please contact **Your** insurance broker for assistance.

This **Policy** is a legal contract between **You** and **Us**. **You** pay **Us** the premium, and **We** provide **You** with the cover **You** have chosen as set out in this **Policy**, occurring during the **Period of Insurance** as shown on your **Policy Schedule**. **Your Policy Schedule** will also include the covers that **You** are insured for by this **Policy** as the cover provided will depend on the cover combination chosen by **You** when applying for this **Policy**.

The exclusions in the section headed 'When **You** are not covered' and conditions in the section headed 'General Conditions' apply to all covers provided by this **Policy**.

Law and Jurisdiction

The laws of Australia will apply and the Courts of Australia will have jurisdiction over all matters which may arise under this **Policy**.

Definitions

Apart from in the various headings, words appearing in bold type in the **Policy** have specific meanings attached to them, such as “**You**” and “**Us**”. When reading the **Policy** please make sure that **You** refer to the various definitions to ensure that **You** understand what is being said.

Several Liability Notice

The subscribing **Underwriters**’ obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing **Underwriters** are not responsible for the subscription of any co-subscribing **Underwriters** who, for any reason, do not satisfy all or part of their obligations.

LEASE PROTECTION INSURANCE POLICY

What We will Pay

The total benefit **We** will pay for the aggregate of all claims under all covers, during the **Period of Insurance**, is \$100,000.

Cover 1: Involuntary Unemployment with Hand-Back Option

This cover will apply in the event **You** are unable to continue **Your Permanent Gainful Employment** as a direct result of **Your** involuntary dismissal or redundancy or **Your** fixed term contract being terminated prior to the end of the fixed term.

After **We** have paid a benefit of three (3) monthly **Lease Repayments** for a claim for **Involuntary Unemployment**, **You** can surrender **Your Vehicle** to the **Lease Provider** (if **You** have not returned to **Permanent Gainful Employment**) and take advantage of the **Hand-Back Option**.

Benefit payable

We will only pay a benefit under this **Policy** for an **Incident** that occurs during the **Period of Insurance**, excluding any **Incident** that occurs during the first thirty (30) days of the **Policy Period**.

For each day of **Involuntary Unemployment**, excluding the first fourteen (14) days, **We** will pay to the **Lease Provider** 1/30th of monthly **Lease Repayment** shown on the **Lease Agreement**.

For any claim, **We** will only pay a benefit for a maximum period of six (6) monthly **Lease Repayments**, or up to the date **You** return to **Permanent Gainful Employment** or (in the case of **You** being employed under a fixed term contract) **You** commence a new contract or up to the end date of **Your** fixed term contract), whichever occurs first.

For a benefit to be paid, **You** must:

- register **Your Involuntary Unemployment** with Centrelink or the relevant Government employment agency in **Your** area (regardless of whether **You** are able to receive any benefit payments from Centrelink); and
- be able to provide sufficient evidence of **Your Involuntary Unemployment**; and
- be actively seeking new **Permanent Gainful Employment**.

Any period of **Involuntary Unemployment** will commence on the first day after **Your** final date of employment.

The maximum amount that **We** will pay under this cover including any payment made to the **Lease Provider** under the **Hand-Back Option**, during the **Period of Insurance**, is \$25,000, regardless of the number of claims.

Once **You** have made a claim for **Involuntary Unemployment** and have returned to **Permanent Gainful Employment** and did not elect to take the **Hand-Back Option**, **You** must have remained in **Permanent Gainful Employment** for at least another consecutive one hundred and eighty (180) days before another claim can be made under this cover.

Hand-Back Option

After **We** have paid a benefit of three (3) monthly **Lease Repayments** for a claim for **Involuntary Unemployment**, **You** may be able to take up the **Hand-Back Option** of this cover.

If **You** are still **Involuntarily Unemployed** after **We** have paid a benefit of three (3) monthly **Lease Repayments** and **You** have not entered into or are not about to enter into an agreement to commence new **Permanent Gainful Employment**, **You** may up until immediately before the sixth (6th) monthly **Lease Repayment**, be able to (and decide to) terminate the **Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**.

Should **You** be able to (and decide to) terminate **Your Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**, **We** will pay to the **Lease Provider** an amount equal to:

- the **Outstanding Balance** of the **Lease Agreement** as at the date **You** returned **Your Vehicle**; less
- the **Fair Sale Price** obtained for **Your Vehicle**; less
- the **Hand-Back** excess of \$300.

The **Policy** will end once **We** have made a payment to the **Lease Provider** under the **Hand-Back Option**.

If **You** do decide not to surrender **Your Vehicle**, **We** will continue to pay a benefit for **Involuntary Unemployment** up to the maximum period per claim of six (6) monthly **Lease Repayments**, or until the date **You** return to **Permanent Gainful Employment** or (in the case of **You** being employed under a fixed term contract) up to the end date of **Your** fixed term contract), whichever occurs first.

You will not be able to exercise the **Hand-Back Option** after **We** have paid the maximum claim period for **Involuntary Unemployment** of six (6) monthly **Lease Repayments**, or until the date **You** return to **Permanent Gainful Employment**, whichever occurs first.

You will not be able to exercise the **Hand-Back Option** if the incident of **Involuntary Unemployment** occurred in the final six (6) months of **Your Lease Agreement**.

Cover 2: Sickness and Accident with Hand-Back Option

This cover will apply in the event that **You** are unable to perform **Your Usual Occupation** for up to twenty four (24) months due to **Sickness and Accident**.

After **We** have paid a benefit of eighteen (18) monthly **Lease Repayments** for a claim for **Sickness and Accident**, **You** may have the option under **Your Lease Agreement** to surrender **Your Vehicle** to the **Lease Provider** and take advantage of the **Hand-Back Option**.

Benefit payable

We will only pay a benefit under this **Policy** for an **Incident** that occurs during the **Period of Insurance**, excluding any **Incident** of sickness that occurs during the first thirty (30) days of the **Policy Period**.

For each day of **Sickness and Accident**, excluding the first twenty eight (28) days, **We** will pay to the **Lease Provider** 1/30th of the monthly **Lease Repayment** shown on the **Lease Agreement**.

For any claim, **We** will only pay a benefit for up to twenty four (24) monthly **Lease Repayments**, or up to the date **You** are able to return to **Your Usual Occupation**, or (in the case of **You** being employed under a fixed term contract) **You** commence a new contract or up to the end date of **Your** fixed term contract, whichever occurs first.

If **Your Lease Repayments** are still being paid for via salary sacrifice when **Your** claim begins, **We** will make **Our** payments to **You** until such a time when **Your Employer** stops paying **Your Lease Repayments** to the **Lease Provider**.

For a benefit to be paid, **You** must:

- provide **Us** with written evidence from a **Medical Practitioner** for the sickness or Injury **You** have sustained and that **You** are following the advice of the **Medical Practitioner** for **Your** rehabilitation; and
- not be working in **Your Usual Occupation** or in any **Gainful Occupation**.

The maximum amount that **We** will pay under this cover including any payment made to the **Lease Provider** under the **Hand-Back Option**, during the **Period of Insurance**, is \$50,000, regardless of the number of claims during the **Period of Insurance**.

If **Your** employment with **Your Employer** is terminated while **We** are paying a benefit for **Sickness and Accident**, **We** will continue making payments according to the terms and conditions of this cover for up to twenty four (24) monthly **Lease Repayments**, or up to the date **You** are able to

return to any **Gainful Occupation**, whichever occurs first.

If **You** return to work for less than six (6) months following a period of **Sickness and Accident**, any further claim for **Sickness and Accident** will be considered as a continuation of the prior period(s) of **Sickness and Accident**.

Hand-Back Option

After **We** have paid a benefit for a continuous and uninterrupted eighteen (18) month period for a claim for **Sickness and Accident**, **You** may be able to take up the **Hand-Back Option** of this cover.

If **You** still are unable to return to **Your Usual Occupation**, or any **Gainful Occupation** if **Your** employment with **Your Employer** was terminated:

- after **We** have paid a benefit for a continuous and uninterrupted eighteen (18) monthly **Lease Repayments**; and
- a **Medical Practitioner** can confirm that **You** will be unable to return before the twenty fourth (24th) and final month of **Your** claim, and for at least another three (3) months after the maximum claim period has ended;

You may up until immediately before the twenty fourth (24th) monthly **Lease Repayment** is paid by **Us**, be able to (and decide to) terminate the **Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**.

Should **You** be able to (and decide to) terminate **Your Lease Agreement** and surrender **Your Vehicle** to the **Lease Provider**, **We** will pay to the **Lease Provider** an amount equal to:

- the **Outstanding Balance** of the **Lease Agreement** as at the date **You** returned **Your Vehicle**; less
- the **Fair Sale Price** obtained by **Your Vehicle**; less
- the **Hand-Back excess of \$300**.

The **Policy** will end once **We** have made a payment to the **Lease Provider** under the **Hand-Back Option**.

If **You** do not decide to surrender **Your Vehicle**, **We** will continue to pay a benefit for **Sickness and Accident** up to the maximum period per claim for **Sickness and Accident** of twenty four (24) monthly **Lease Repayments**.

You will not be able to elect the **Hand-Back Option** after **We** have paid the maximum claim period for **Sickness and Accident** for twenty four (24) months. **You** will assume the responsibility of the **Lease Repayment** after the maximum claim period is reached and **You** did not take up the **Hand-Back** option.

You will not be able to elect the **Hand-Back Option** unless the maximum claim period of twenty four (24) monthly **Lease Repayments** ends before the final day of **Your Lease Agreement**.

Claim examples

The following claim examples will demonstrate to You how a benefit is paid under this **Policy**.

Example 1 - Involuntary Unemployment Claim

David took out a Lease Protection Insurance policy on January 1st, 2012 when he began his **Lease Agreement** with his **Lease Provider**. His chosen cover combination at the time of purchasing the **Policy** included cover for **Involuntary Unemployment**.

On March 31st, 2014 David is made redundant by his employer. His monthly **Lease Repayment** is \$7,50 and there is a 14 day waiting period per claim for **Involuntary Unemployment**.

As per the terms and conditions of the **Policy** for a benefit to be paid, David has registered his unemployment with Centrelink and begins actively seeking new employment. After the waiting period of 14 days has passed, for each day he remains **Involuntarily Unemployed**, this **Policy** will pay a benefit of 1/30th of his monthly **Lease Repayment**.

David remains unemployed for 100 days after the waiting period has passed. The benefit payment under this **Policy** to the **Lease Provider** would be:

$750 \div 30 \times 100 = \$2,500$ (equivalent to 3.3 monthly **Lease Repayments**).

After 100 days, David is still unemployed and has not, nor is about to, enter into an agreement for new employment. He is able to, and decides to, surrender his vehicle to the **Lease Provider**.

He is able to claim under the **Hand-Back Option** of **Involuntary Unemployment** cover to assist him to settle and end his **Lease Agreement** with his **Lease Provider**.

At the date of surrendering her vehicle to the **Lease Provider**, the **Outstanding Balance** of the **Lease Agreement** is \$16,000. The **Fair Sale Price** obtained for his vehicle by the **Lease Provider** is

\$14,000. The **Hand-Back Excess** he is required to pay to claim under this option is \$300.

The benefit payment to the **Lease Provider** from this **Policy** to assist in settling and ending his **Lease Agreement** is an amount equal to:

$\$16,000 - \$14,000 - \$300 = \$1,700$

Example 2 - Sickness and Accident Claim

Wendy took out a Lease Protection Insurance policy on June 30th, 2012 when she began her **Lease Agreement** with her **Lease Provider**. Her chosen cover combination at the time of purchasing the **Policy** included cover for **Sickness and Accident**.

On January 31st, 2012 Wendy becomes unable to work due to an injury from a horse riding accident. Her monthly **Lease Repayment** is \$1,000 and there is a 28 day waiting period per claim for **Sickness and Accident**.

As per the terms and conditions of the **Policy** for a benefit to be paid, Wendy has provided written evidence from her **Medical Practitioner** of her **Injury** and she is following their advice for her rehabilitation. After the waiting period of 28 days has passed, for each day she remains unable to work due to her **Injury**, this **Policy** will pay a benefit of 1/30th of her monthly **Lease Repayment**.

Wendy remains unable to work for 105 days after the waiting period has passed. The benefit payment from this **Policy** would be $\$1,000 \div 30 \times 105 = \$3,500$ (equivalent to 3.5 monthly **Lease Repayments**).

Wendy continued to receive a salary for the first thirty (30) days of her claim and her employer continued to pay her monthly **Lease Agreement**, so the benefit payable for this period of her claim was paid directly to her.

If Wendy continues to suffer from her **Injury** for a continuous and uninterrupted eighteen (18) month period, she may be able to, and decide to, surrender her vehicle to the **Lease Provider** and claim under the **Hand-Back Option** of the **Sickness and Accident Cover** to assist in settling and ending her **Lease Agreement** with her **Lease Provider**.

WHEN YOU ARE NOT COVERED

We will not cover claims where any of the circumstances listed in the table below and marked with an "x" apply.

Event or Circumstance	Involuntary Unemployment	Sickness and Accident
A Pre-existing Medical Condition occurring in the six (6) months preceding the Commencement Date .		X
An intentionally self-inflicted sickness or injury whilst sane or insane (including suicide within thirteen (13) months following the issue of the Policy).		X
Alcoholism, Drug addiction or the influence of intoxicating liquor or Drugs .	X	X
Mental or functional disorder (including but not limited to, any form of anxiety, depression, stress, psychosis or neurosis).		X
Any variation to the original Lease Agreement which results in increased liability.	X	X
Sickness and Accident and Involuntary Unemployment claim simultaneously.	X	X
Failure to seek medical attention and/or treatment, and/or failure to follow medical advice.		X
Childbirth, abortion or pregnancy (including conditions accelerated or induced as a result).		X
Unreasonable refusal to attend an independent examination by a Medical Practitioner requested and paid for by Us .		X
You were not engaged in Permanent Gainful Employment for at least thirty (30) days before becoming Involuntarily Unemployed .	X	
You became Involuntarily Unemployed and before You entered into this Policy You knew, or a reasonable person ought to have known, of any actual or proposed termination of employment or decrease in work available to You .	X	

Normal cessation of an employment contract or seasonal employment.	X	
Voluntary redundancy, resignation, retirement or abandonment of Your employment.	X	
Self employment or where Your employing company is controlled by You or Your family.	X	
Involuntary Unemployment arising out of not being able to or being unsuited to perform the work You were employed to undertake.	X	
Refusal to accept a reasonable alternative position in Australia either with Your existing Employer or Your new Employer who has taken over Your existing Employer .	X	
Dismissal due to unsatisfactory work, misconduct, performance or employment contract breach.	X	
War or warlike activities (excluding peace time manoeuvres).	X	X
Acts of Terrorism where such acts are directly or indirectly caused by, contributed to by, resulting from, or arising out of, or in connection with biological, chemical, or nuclear weapons, pollution or contamination.	X	X
Engaging in a criminal act.	X	X
Taking part in lockouts, riots, civil commotion, strikes.	X	X
Engaging in professional racing of any kind except foot racing.	X	X
Flying or taking part in aerial activity except as a fare paying passenger in a motor propelled aircraft owned and/or operated by a recognised airline or licensed charter company.	X	X

GENERAL CONDITIONS

1. Notices

Any notice **We** give **You** will be in writing, and it will be effective:

- if it is delivered to **You** personally; or
- if it is delivered or posted to **Your** address last known to **Us**.

It is important for **You** to tell **Us** of any change of address as soon as possible.

2. Changes to information previously advised

You must tell **Us** as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

3. When the Policy ends

The **Policy** ends, and **We** stop paying benefits, on the earliest of any of the following:

- the last day of the **Period of Insurance**;
- the date of **Your** sixty-seventh (67th) birthday;
- the date the **Lease Agreement** is discharged, re-financed, foreclosed or terminated;
- the date **Your** indebtedness under the **Lease Agreement** is transferred to someone else;
- the date **We** receive a written request from **You** to terminate the **Policy**;
- the date given when **We** provide **You** with written notice to terminate the **Policy** in accordance with relevant legislation;
- the date upon which **We** paid an amount for the **Hand-Back Option of Involuntary Unemployment** cover;
- the date upon which **We** paid an amount for the **Hand-Back Option of Sickness and Accident** cover;
- the date **You** are no longer a **Permanent Resident of Australia or New Zealand** or holder of any Australian or New Zealand Permanent Residency Visa or 457 Visa Holder (unless otherwise agreed in writing by **Us**).

4. Making a claim

Notification of an Incident

You must advise **Us** as soon as possible of an **Incident** which could lead to a claim on the **Policy**.

How to make a claim

When **You** make a claim **You** must:

- contact **Us** by phone as soon as practicable and be ready to provide details of the **Incident**;
- promptly return the completed claim form that **We** provide **You**, together with all letters, documents, medical certificates or other documentation that **You** have been asked to provide, otherwise **We** cannot process **Your** claim;
- attend an independent examination by a **Medical Practitioner** if requested and paid for by **Us**;
- provide written statements under oath if **We** require it;
- be interviewed about the circumstances of the claim, if **We** require this.

If **You** require assistance or have any questions regarding a claim, please contact **Us** on (03) 9235 5255.

How claim administration and legal proceedings are undertaken

When a claim is admitted under the **Policy** **We** have the right, at **Our** discretion, to exercise all the legal rights of **You** relating to the incident and to do so in **Your** name.

We will take full control of the administration, conduct or settlement of the claim.

You must assist Us

Before **We** will pay anything under the **Policy**, **You** must have complied with all the requirements of this Section and provided **Us** with all information and assistance that **We** have requested.

False or misleading information

We may deny part or all of **Your** claim if **You** are not truthful and frank in any statement **You** make in connection with a claim, or if the claim is fraudulent or false in any respect.

What We do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If **We** do this **We** will do it in **Your** name. **We** have full discretion in the conduct of any legal proceedings and in the settlement of any claim. **You** must co-operate by giving **Us** any statements, documents or assistance that **We** require. This may include giving evidence in any legal proceedings.

What can affect a claim

We may refuse to pay a claim if **You** are in breach of **Your Duty of Disclosure** or any of the **Conditions** of the **Policy**, including any endorsements noted on or attached to the **Policy Schedule**.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by **You** or anyone acting on **Your** behalf to obtain any benefits under the **Policy**.

5. Subrogation

Where **We** have paid a claim under this **Policy**, **We** become entitled to any rights **You** may have against any party in relation to that claim. **You** must assist **Us** (including giving evidence at any civil trial) and provide such information (including signed statements) as **We** reasonably require to exercise such rights.

You must not, without **Our** prior written consent, enter into any contract or agreement which excludes, limits or prejudices a right of recovery which **You** may have in respect of any claim covered under this **Policy**. Further, **You** must not do anything or fail to do anything which excludes, limits or prejudices **Our** rights of subrogation.

6. Service of Suit

We agree that:

- (a) in the event of a dispute arising under this **Policy**, **We** at **Your** request will submit to the jurisdiction of any competent Court in the Commonwealth of Australia, such dispute shall be determined in accordance with the law and practice applicable in such Court;

- (b) any summons notice or process to be served upon **Us** may be served upon:-

Lloyd's General Representative in Australia
Lloyd's Australia Limited
Suite 2, Level 21
123 Pitt Street
Sydney
NSW 2000
Australia

who has authority to accept service and to cause an appearance to be entered on **Our** behalf, and who is directed at **Your** request to give a written undertaking to **You** that he will cause an appearance to be entered on **Our** behalf;

- (c) if a suit is instituted against any one of **Us** all of **Us** will abide by the final decision of such court or any competent appellate court

7. Other Insurance

In the event of a claim, **You** must advise **Us** as of any other insurance that **You** may have covering the same risk.

8. Insurance Contracts Act 1984

This **Policy** is governed by and **We** will act in accordance with the Insurance Contracts Act 1984 (Cth).

9. Fraud

Subject to the provisions of the Insurance Contracts Act, if **You** make a claim knowing the same to be false or fraudulent, as regards amount or otherwise, **We** may refuse payment of the claim.

10. Due Diligence

You will exercise due diligence in doing all things to avoid or reduce any loss under this **Policy**.

DEFINITIONS

Wherever the following words and phrases appear in bold in this **Policy** they will always have these meanings.

1. Commencement Date

"**Commencement Date**" means the date upon which the lease monies are first advanced to **You** or on **Your** behalf under the **Lease Agreement**.

2. Drugs

"**Drugs**" means any illegal substance or non-prescribed drug which, when used, impairs the person's faculties, or a prescribed drug used contrary to medical or manufacturer's advice.

3. Duty of Disclosure

"**Duty of Disclosure**" means **Your** duty of disclosure to **Us** as set out in the PDS.

4. **Fair Sale Price**
"Fair Sale Price" means the value the **Lease Provider** achieved on sale or disposal of **Your Vehicle**. This value is calculated using standard process used by **Your Lease Provider** at the **Commencement Date**. This value cannot be reduced by reason of any damage to **Your Vehicle** that is not considered wear and tear as defined by **Your Lease Provider's** guidelines. If this is not defined by **Your Lease Provider**, it will be defined by the 'Fair Wear and Tear Guide' issued by the Australian Fleet Lessors Association.
5. **Gainful Occupation**
"Gainful Occupation" means any occupation for which **You** receive a financial reward.
6. **Hand-Back Option**
"Hand-Back Option" means the optional cover you may choose as described under "Cover 1" and "Cover 2" of Section B of this **Policy**.
7. **Hand-Back Excess**
"Hand-Back Excess" means the amount **You** must contribute when **You** decide to take up the **Hand-Back** option of this **Policy**.
8. **Incident**
"Incident" means an event, neither expected nor intended from **Your** standpoint, which results in a claim on this **Policy**.
9. **Insured**
"Insured" means the person named in the **Policy Schedule** as being covered by this **Policy**.
10. **Involuntary Unemployment / Involuntarily Unemployed**
"Involuntary Unemployment / Involuntarily Unemployed" means an inability to continue **Permanent Gainful Employment** as a direct result of involuntary dismissal or redundancy or, in the case of **You** being employed on a fixed term contract basis, where the fixed term contract is terminated early.

For the avoidance of doubt, in the case of a person who is employed on a fixed term contract basis **"Involuntary Unemployment / Involuntarily Unemployed"** does not include a situation where the fixed term contract comes to an end.
11. **Lease Agreement**
"Lease Agreement" means the written agreement between **You** and the **Lease Provider** with the **Lease Number** shown on the **Policy Schedule**.
12. **Lease Provider**
"Lease Provider" means the company with whom **You** have entered a **Lease Agreement** to lease a vehicle detailed in that **Lease Agreement**.
13. **Lease Repayment**
"Lease Repayment" means the regular monthly repayment amount that **You**, or any other person, entity or company has agreed to pay under the terms and conditions of the **Lease Agreement**. This does not include any final residual or balloon payment.
14. **Medical Practitioner**
"Medical Practitioner" means a legally qualified and registered Medical Practitioner, as approved by **Us**, who is not **You** or **Your** business partner or another immediate family member.
15. **Outstanding Balance**
"Outstanding Balance" means the amount outstanding in relation to the **Lease Agreement** at the date of the **Incident**. This amount excludes:
 - any arrears in **Lease Repayments** due by **You**, or any other person, entity or company responsible for the repayments; and/or
 - any additional costs or repayment amounts arising from any variation to the **Lease Agreement** after the **Policy** was entered into including early discharge fees.
16. **Period of Insurance**
"Period of Insurance" means the period from and to as shown in the **Policy Schedule**.
17. **Permanent Gainful Employment**
"Permanent Gainful Employment" means **You** are working:
 - on a permanent and continuous basis for wages or income for a minimum of twenty (20) hours every week; or
 - on a fixed term contract basis for wages or income for a minimum of twenty (20) hours every week for the duration of the contract;
and **You** are not in employment of a seasonal, casual, temporary or self employed nature.
18. **Permanent Resident of Australia**

- "**Permanent Resident of Australia**" means an Australian or New Zealand citizen or holder of an Australian or New Zealand Permanent Residency Visa.
19. **Policy**
 "Policy" means **Your** insurance contract which consists of this PDS & Part B Policy wording and the **Policy Schedule**.
20. **Policy Schedule**
 "Policy Schedule" means the schedule of insurance.
21. **Pre-existing Medical Condition**
 "Pre-existing Medical Condition" means an **Injury, Sickness**, condition or related symptom that **You** were aware of or a reasonable person should have been aware of, or for which **You** had a medical consultation.
22. **Premium**
 "Premium" means the amount stated as the premium in the **Policy Schedule**.
23. **ProRisk**
 "ProRisk" means Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076.
24. **Sickness and Accident**
 "Sickness and Accident" means:
 - illness or disease which manifests itself during the **Period of Insurance**; or
 - bodily injury that is unintentional, caused solely and directly by external and visible means as a result of an accident occurring during the **Period of Insurance**;
 that:
 - has been certified by a Medical Practitioner; and
 - which prevents **You** from engaging in **Your Usual Occupation** or in any **Gainful Occupation**.
25. **Sum Insured**
 "Sum Insured" means the amount that **You** have insured **Your Lease** repayments for as shown on the **Policy Schedule**. **We** will pay no more than this amount.
26. **Terrorism**
 "Terrorism" means any act of any person acting on their own or in connection with an organisation or foreign government, which can involve the use of, or threat of, force or violence, where the purpose, by its nature or context, is to put the public or a section of the public in fear, to resist or influence a government or to further an ideological, religious, ethnic or similar aim.
27. **Underwriters**
 "Underwriters" means certain Underwriters at Lloyd's participating in this contract of insurance.
28. **Usual Occupation**
 "Usual Occupation" means the main occupation **You** are engaged in when an **Incident** occurred to lead **You** to claim under this **Policy** that is suitable to **Your** experience, training and/or education for which **You** receive a financial reward.
29. **We, Us and Our**
 The words "**We**", "**Us**" and "**Our**" mean certain **Underwriters** at Lloyd's participating in this **Policy**, each to the extent of its own participation only.
30. **You, Your**
 The words "**You**", "**Your**" mean the person named on the current **Policy Schedule** as the '**Insured**'.
31. **Your Employer**
 "**Your Employer**" means the company **You** are employed by.
32. **Your Vehicle**
 "**Your Vehicle**" means the motor vehicle referred to in the **Lease Agreement** and:
 - which is not more than five (5) years old at the **Commencement Date** of the **Policy**;
 - which is registered for use on public roads;
 - which includes its standard tools, modifications and any genuine and non-genuine accessories that were fitted to the vehicle at the time of purchase by the selling motor dealer;
 - which does not have a carrying capacity greater than 2 tonnes; and
 - which is not used as a courier vehicle, taxi, and any other type of vehicle used for the carriage of people or goods for reward or used for driver education (other than for **Your** immediate family member).