

SuperGap Insurance

Product Disclosure Statement



About Us

Thank you for choosing AI Insurance Holdings Pty Limited (AI Insurance) to help protect your valuable assets. We are committed to providing customised insurance products combined with good 'old-fashioned' service.

Our SuperGap Insurance policy is underwritten by The Hollard Insurance Company Pty Ltd (Hollard). Hollard is a member of the international Hollard Insurance Group, which includes businesses in Australia, the United States, the United Kingdom, South East Asia and throughout Africa. Hollard provides a wide range of insurance products and services to more than 6.5 million policyholders worldwide.

You can contact us:

AI Insurance Holdings Pty Limited

By phone	1300 00 33 03
By email	contactus@aiinsurance.com.au
By mail	PO BOX 661, Newcastle NSW 2300

Further information is available on our website: www.aiinsurance.com.au

About this document

This document is designed to help you make an informed decision about our insurance product. It includes all of the information you need to know as well as specific information regarding what our insurance product covers. We have broken-up the document into 2 parts:

Part 1	Product Disclosure Statement (PDS)	The PDS explains the general terms and conditions of our SuperGap Insurance product and will assist you in understanding whether it is right for you.
Part 2	Financial Services Guide (FSG)	The FSG provides important information about our relationships and associations and is intended to assist you in deciding whether to use any of our services.

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Part 1 – Product Disclosure Statement (PDS)

The PDS was prepared on 11th January 2010 and authorised for issue by The Hollard Insurance Company Pty Ltd.

This PDS incorporates the policy wording and provides you with specific information about our SuperGap Insurance policy. It is important that you read this PDS together with your Certificate of Insurance, to fully understand what you are covered for. Once you have decided to purchase this SuperGap product, this PDS together with the most recent Certificate of Insurance and any declarations that you have made to us, will form part of the contract between you and us.

If you have any further questions regarding this policy or you have misplaced any policy documents, please contact us immediately.

About the insurer - The Hollard Insurance Company Pty Ltd

The insurer of this policy is The Hollard Insurance Company Pty Ltd (Hollard) (ABN 78 090 584 473 AFSL No 241436).

Hollard is authorised under the Insurance Act 1973 (Cth) to conduct insurance business in Australia. That Act establishes a system of financial supervision of general insurers in Australia. As an authorised insurer, Hollard is regulated by the Australian Prudential Regulation Authority.

Hollard is also regulated under the Corporations Act 2001 and is the holder of an Australian Financial Services Licence (AFS Licence) issued pursuant to that Act. As a holder of an AFS Licence, Hollard is also regulated by the Australian Securities and Investments Commission.

About the agent - AI Insurance Holdings Pty Limited

AI Insurance Holdings Pty Limited (AI Insurance) (ABN 78 135 243 364, Authorised Representative No 338193) under authority given to it as an authorised representative and agent of Hollard is empowered to enter into, alter and renew contracts of insurance, and to deal with and settle claims on Hollard's behalf.

What we cover

This policy is designed to minimise the financial burden you may experience in the event that your car is declared a total loss by the insurer of your comprehensive car insurance policy. Any benefit payable under this policy will be subject to the policy terms and conditions, and limited to the cover described in this PDS as well as listed on your Certificate of Insurance.

This policy has 2 key features:

- Shortfall benefit
- Additional benefit

Shortfall benefit

If your comprehensive car insurer declares your car a total loss and makes a total loss payment to your financier, we will cover the shortfall between your total loss payout and the balance of your finance. This will be limited to the relevant 'Maximum shortfall benefit' limit list in Table A below.

If there is no finance owing on the car after your comprehensive car insurer has made the total loss payment and we accept your claim, we will pay you an amount of 10% of your shortfall benefit to assist you during this time.

	Classic	Silver	Gold	Platinum
Maximum shortfall benefit	\$10000	\$15000	\$20000	\$30000
No shortfall assistance benefit	\$1000	\$1500	\$2000	\$3000

We will pay up to \$3,000 for any negative equity included in your finance agreement. This amount is included in the maximum shortfall benefit listed in Table A. The negative equity benefit of \$3,000 is the maximum payable and applies to all levels of cover.

Additional benefits

If we agree to pay your claim for the Maximum shortfall benefit listed in Table A we also will cover some of the out of pocket expenses you may suffer as a result of the total loss. The maximum we will pay will be limited to the amount stated in Table B below, depending on the level of cover you choose.

TABLE B				
	Classic	Silver	Gold	Platinum
Registration of replacement car	Unlimited	Unlimited	Unlimited	Unlimited
CTP for replacement vehicle	Unlimited	Unlimited	Unlimited	Unlimited
Stamp duty on replacement car	\$1000	\$2000	\$3000	\$4000
Dealer delivery charges on replacement car	\$1000	\$1500	\$2000	\$2500
Hire-car following total loss	0 days	5 days	5 days	10 days
Emergency travel and accommodation following the total loss incident	\$200	\$300	\$500	\$1000
Excess	\$0	\$0	\$0	\$0

Claims for additional benefits will only be paid within 30 days of the settlement date.

Limits for car hire benefit

If we agree to pay your claim for the shortfall benefit listed on page 5 we will assist you in hiring a car comparable to the car subject of this claim. The maximum benefit period is specified in Table B. The maximum amount we will pay under this benefit is \$60 per day.

You are required to enter into a contract with a licensed hire car company and pay for the hire car yourself. We will not pay you for any costs that we have not agreed to prior to you entering into the contract with the hire car company. Other rental conditions may apply including a daily kilometres allowance, limitations on authorised drivers, pick-up location and return of the car to a specific drop off location. You need to make sure you adhere to these conditions as we will not be responsible for your failure to do so. If your comprehensive insurer offers you this benefit also, you must use the cover provided by them before any hire car benefit is payable under this SuperGap Insurance policy.

This benefit ceases when you take possession of a replacement car or when the end of the period specified in Table B is reached, whichever is lesser.

We will not pay for:

- any costs for damage or applicable excesses that you may be liable for under your hire car contract;
- insurance, fuel, running costs or any additional costs of the hire car;
- loss, damage or legal liability arising from usage of the hire car.

What's not included in your cover

You are not covered under this policy if:

- your car is not insured comprehensively at the time the loss occurs;
- you do not take this cover out immediately when entering into the finance agreement when you first purchase the car;
- your comprehensive car insurer does not pay out the full market or agreed value (whatever is listed on your comprehensive car insurance contract). If your agreed value is lower than the car's market value, we will reduce any payments by this difference;
- your comprehensive car insurer does not declare your car a total loss;
- your comprehensive car insurer denies your claim for whatever reason;
- you failed to comply with your Duty of Disclosure (listed on page 11);
- you are not the registered owner of the car at the time of loss;
- you do not provide us with all of the relevant documentation relating to your claim (such as from your comprehensive car insurer and finance company) that we request;
- a replacement car is offered by your comprehensive insurer but not accepted by you.

We will also not pay for:

- any amount that has become due and payable under the finance agreement and which has not been paid by its due date;
- any additional costs that are added to the finance agreement after you purchase this policy;
- any penalty payments for early discharge, enforcement expenses or additional interest payment under the finance agreement;
- any excess or additional payments due to the insurer of your comprehensive car insurance policy;
- any amount the insurer of your comprehensive car insurance policy deducts from your claim in respect of damage to the car which existed prior to the incident which lead to the car being declared a total loss;
- any GST liability;
- any claim listed as an 'additional benefit' (on page 6) if the 'No shortfall assistance benefit' in Table A is claimed;
- more than one claim under this policy;
- any costs already paid under the claim on your comprehensive car insurance policy;
- any claim where the loss occurred outside Australia;
- any claims arising from war, warlike activities or an act of terrorism.

Other things you can expect from us

Your cooling off period

If you have not made a claim you may cancel your policy within 14 days of its purchase date and you will receive a full refund of any premiums paid (less any taxes or duties we cannot recover). You must call us during this time for this to be effective otherwise you will not be entitled to a full refund of premium.

Period of cover

You are covered from the time that you properly complete your application and pay your premium to us until the policy expiry date listed on your Certificate of Insurance. Your policy will be cancelled immediately if:

- you sell your car or transfer ownership;
- your car is not covered under a current comprehensive car insurance policy;
- your finance contract is paid out, refinanced or terminated;
- payment for a claim is made under this policy;
- your financier repossesses your car;
- you still owe money on the car after the finance agreement ends;
- you or we elect to cancel the policy.

The premiums you pay

The premium you pay depends on the level of cover you choose. This takes into account any policy fees, compulsory government charges and taxes (such as stamp duty and GST).

Our cancellation policy

You may cancel your policy at any time by calling us on 1300 00 33 03. We can cancel your cover at any time as allowed by law (for reasons such as not complying with your Duty of Disclosure or misrepresenting information). If we choose to do so, you will be notified in writing.

If you or we cancel your policy we will refund your premium (less any cancellation fee), but we may deduct a reasonable amount of the premium for the time on risk, reasonable administrative costs related to the acquisition and termination of your policy and any government taxes or duties that we cannot recover.

Whilst the level of cover we provide is maintained for the duration of the policy, the level of risk changes over time. Generally the level of risk (or the 'Gap') is significantly higher in the early years and lower during the final years. Any refund provided will reflect these changing circumstances. We use the *rule of 78* to determine what refund is due.

If you would like further details on how cancellation is calculated using the *rule of 78* please contact us on 1300 00 33 03.

How we protect your privacy

We value your privacy. We collect, store and use your personal information to provide you with and inform you about this insurance and other insurance related products and services. To do this we may communicate your personal information to our service providers. This will always be done as permitted by the relevant privacy legislation. Please let us know if you do not wish to receive information about other insurance related products and services.

You also have a right to access and correct your personal information held by us. If you would like to do this please call us.

How we resolve your complaints

We welcome every opportunity to resolve any concerns you may have with our products or service. Please contact us on 1300 00 33 03 and speak to one of our customer service officers. If you are not satisfied with the response received you can request that a manager address your concern.

If your concern is still not resolved to your satisfaction please write to our Internal Dispute Resolution Committee at: AI Insurance, PO BOX 661, Newcastle, NSW 2300. Your concern will be investigated by an officer with full authority to deal with the complaint and we will inform you of the outcome within 15 working days of receiving your letter.

If you are still unsatisfied we will assist you in directing your concerns to our independent external dispute resolution scheme.

Financial Ombudsman Service
GPO Box 3
MELBOURNE, VIC, 3001

Telephone: 1300 780 808

Fax: (03) 9613 6399

Email: To lodge a dispute online go to www.fos.org.au

Goods and Services Tax (GST)

Any claim payments made under your policy may be based on GST inclusive costs, where GST is applicable, up to the maximum amount that we pay. However, if you are or would be entitled to claim any input tax credits, we will reduce any claim under your policy by the amount of such input tax credits.

Law and Jurisdiction

Your policy is subject to the laws and jurisdiction of the state or territory in Australia where it was issued.

What we expect from you

When you buy insurance from us, you have certain responsibilities that you must comply with. We can refuse to pay a claim, reduce the amount we pay or cancel your policy, if you, or anyone covered by this policy:

- does not comply with your Duty of Disclosure;
- fails to meet your responsibilities under this policy.

If fraud is involved, we can treat the policy as if it had never existed.

Understand your Duty of Disclosure

We rely on the information you provide us with, to decide whether to insure you and the terms on which we will insure you.

To comply with your Duty of Disclosure when first entering into an insurance contract with us, you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the questions we ask you. This applies to every insured person under the insurance policy.

If you fail in your Duty of Disclosure we may reduce or deny any claim you make or cancel your insurance. If you fraudulently keep information from us or deliberately make false statements we may void your contract and treat your insurance as if it never existed.

To comply with your Duty of Disclosure when you vary your insurance, you must tell us everything that you know, and which a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to insure you, and if so, on what terms. You do not have to tell us anything that is common knowledge, which we should know through our business, that reduces the risk of a claim or that we tell you that we do not need to know.

Eligibility requirements

We have issued this policy on the basis of information you have supplied us. To be eligible for the cover provided by this policy:

- you must be at least 18 years of age when the cover commences
- your car must be covered by a comprehensive car insurance policy
- your car must not be used for hire or reward
- your car must not have a goods carrying capacity of more than 2 tonnes.

Check your Certificate of Insurance immediately

Please read and check your Certificate of Insurance carefully. If any information is incorrect or incomplete, please contact us immediately. Keep your policy documents in a safe place for your reference purposes. If you need further copies, please let us know.

Keep your car comprehensively insured at all times

It is a condition of this insurance policy that the car covered under this policy is at all times covered under a comprehensive car insurance policy.

Tell us about any changes

You need to tell us immediately if any details on your Certificate of Insurance have changed, including changes to your name, address or contact details.

Making a claim

If an event occurs that could lead to a claim under the policy, you should contact us on 1300 00 33 03 as soon as possible after the loss.

We may require you to:

- help us manage the claim by answering our questions and/or providing written statements to us under oath;
- provide us with all documentation that we require including receipts and invoices relating to the purchase of your car;
- request and authorise the release of documents from your comprehensive car insurer, financier and any other party that is relevant to your claim;
- tell us about any other policy of insurance that may be relevant to the claim;
- assist us in recovering money from any other person.

Definitions

Term:	Means:
agreed value	the amount that was agreed between you and your comprehensive car insurer for the value of your car and listed on your current certificate of comprehensive car insurance.
car	the registered 4 wheeled, motorised car that is described on your Certificate of Insurance.
comprehensive car insurance	a policy of insurance which provides cover for loss or damage to your car and third party property damage.
comprehensive car insurer	the insurance company that has insured your car with comprehensive car insurance.
cover	the protection provided by this policy. The level option you have taken will be listed on your Certificate of Insurance.
financier	the financial institution listed on your Certificate of Insurance.
loan	the arrangement whereby the financier gives money to a borrower with the expectation that the money will be paid, usually with interest.
market value	the current market value of your car as it was immediately prior to the incident resulting in the total loss. This takes into account the make, model, kilometres and condition of the car at that time.
negative equity	the additional money you borrow from your financier to cover any amount still owing on your trade-in car at the outset of the loan.
policy	the contract of insurance that you have paid for. This includes your declarations, this PDS as well as your Certificate of Insurance.
settlement date	the date that your comprehensive car insurer pays you or your financier for the total loss on your car.
total loss	your car has been stolen and not recovered or your comprehensive car insurer, because of damage sustained to your car, decides that it is uneconomical, impractical or unsafe to repair.
total loss payout	the payout of the full market or full agreed value by your comprehensive car insurer following a total loss.
we, us, our	AI Insurance Holdings Pty Limited acting as an Authorised Representative and agent of The Hollard Insurance Company Pty Ltd.
you, your, yourself, insured	the policyholder/s listed on the Certificate of Insurance. If the policy is held in more than one name, any policyholder can make changes or cancel a policy on behalf of other policyholders.

Part 2 – Financial Services Guide (FSG)

The purpose of this guide is to help you make an informed decision about whether to use the financial services we offer.

AI Insurance Holdings Pty Limited is responsible for this FSG. It provides you with information to help you to decide whether or not to use the financial services that AI Insurance provides. This FSG explains who AI Insurance represent and how AI Insurance are remunerated and provides details of how complaints will be dealt with as well as how AI Insurance can be contacted.

In this FSG references to:

- **We, our, and us** means AI Insurance
- **Hollard** means The Hollard Insurance Company Pty Ltd (ABN78 090 584 473 AFSL No 241436)
- **You, your** means the applicant for our SuperGap Insurance policy and, if a policy is issued, the policyholder.

About us

We are an Authorised Representative (Number 338193) of Hollard and are authorised to deal in Motor Insurance which is underwritten by Hollard. We can give you general information and general advice about our insurance, and can also arrange for the issue of your insurance policy. We cannot provide personal advice or financial product advice about our insurance.

We have not considered whether our insurance is appropriate for your personal objectives, financial situation or needs as we do not act for you. As a result, you need to consider the appropriateness of any information or general advice that we give you, having regard to your personal circumstances before buying our insurance. You need to read the PDS and other policy documents to determine if the product is right for you.

About Hollard

Hollard is the underwriter of our insurance policy. Hollard is an Australian Financial Services licensee and is authorised to deal in and provide product advice on general insurance products.

Fees

We have a set of standard policy fees we charge clients for the cost of administration and services provided. Any policy fee that we charge will be noted on your Certificate of Insurance. We can tell you the exact fee at the time you contact us. Such fees are charged for:

- preparation and distribution of documentation;
- amendments to the policy during the policy year.

If you cancel your cover during the period of insurance, we will charge you a cancellation fee.

We will not charge a cancellation fee if:

- you cancel the cover within the cooling off period; or
- we cancel the cover for any reason.

How we pay and are paid

As the agent, we share in any underwriting profit with the insurer. Where an insurance broker or affiliated association has referred you to us, we will pay them between 0% and 65% of the base premium. Our employees are paid an agreed salary and may also earn performance based bonuses or receive non-monetary benefits like paid attendances at business related conferences, study trips, functions or gift vouchers.

Compensation arrangements

The Corporations Act 2001 (Cth) requires Australian Financial Services licensees to have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of Chapter 7 of this Act, unless an exemption applies. Hollard is exempt from this requirement because it is an insurance company supervised by the Australian Prudential Regulation Authority and subject to the prudential requirements of the Insurance Act 1973 (Cth).

How we protect your privacy

We value your privacy. Our Privacy Policy (available at www.aiinsurance.com.au or by calling us) sets out how we protect your personal information. We collect, store and use your personal information to provide you with, and inform you about, insurance and insurance-related services. To do this we may communicate your personal information to our service providers, however this will always be done only as permitted by the relevant privacy legislation. If you wish to stop receiving information about new insurance products and insurance-related services you can call us or email us at privacy@aiinsurance.com.au. Please note that telephone conversations may be recorded for evidentiary, contractual, training and quality control purposes. If you would like a copy of the privacy policy of Hollard please phone 02 9253 6600.

How we resolve your complaints

If there is anything in our service delivery that you are not happy with, then please phone us on 1300 00 33 03 or write to us at PO BOX 661, Newcastle NSW 2300 and we will undertake to immediately investigate and resolve your complaint within 15 working days. If however you are still not satisfied that your complaint has not been resolved you may address a formal complaint to the Internal Dispute Resolution Committee (IDRC) at: AI Insurance, PO BOX 661, Newcastle NSW 2300. Your concerns will be investigated by an officer with full authority to deal with the complaint and you will be informed of the outcome within 15 working days of us receiving your written communication.

If you are not satisfied with the decision of the IDRC, we will assist you in directing your issue for further review to an independent external review scheme.

Financial Ombudsman Service
GPO Box 3
MELBOURNE, VIC, 3001

Telephone: 1300 780 808
Fax: (03) 9613 6399
Email: To lodge a dispute online go to www.fos.org.au

Our contact details:

Should you require any additional information you may contact us:

By phone	1300 00 33 03
By email	contactus@aiinsurance.com.au
By mail	PO BOX 661, Newcastle NSW 2300

Authorised for issue

This FSG was prepared by AI Insurance. Hollard have approved references to them in this FSG.



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