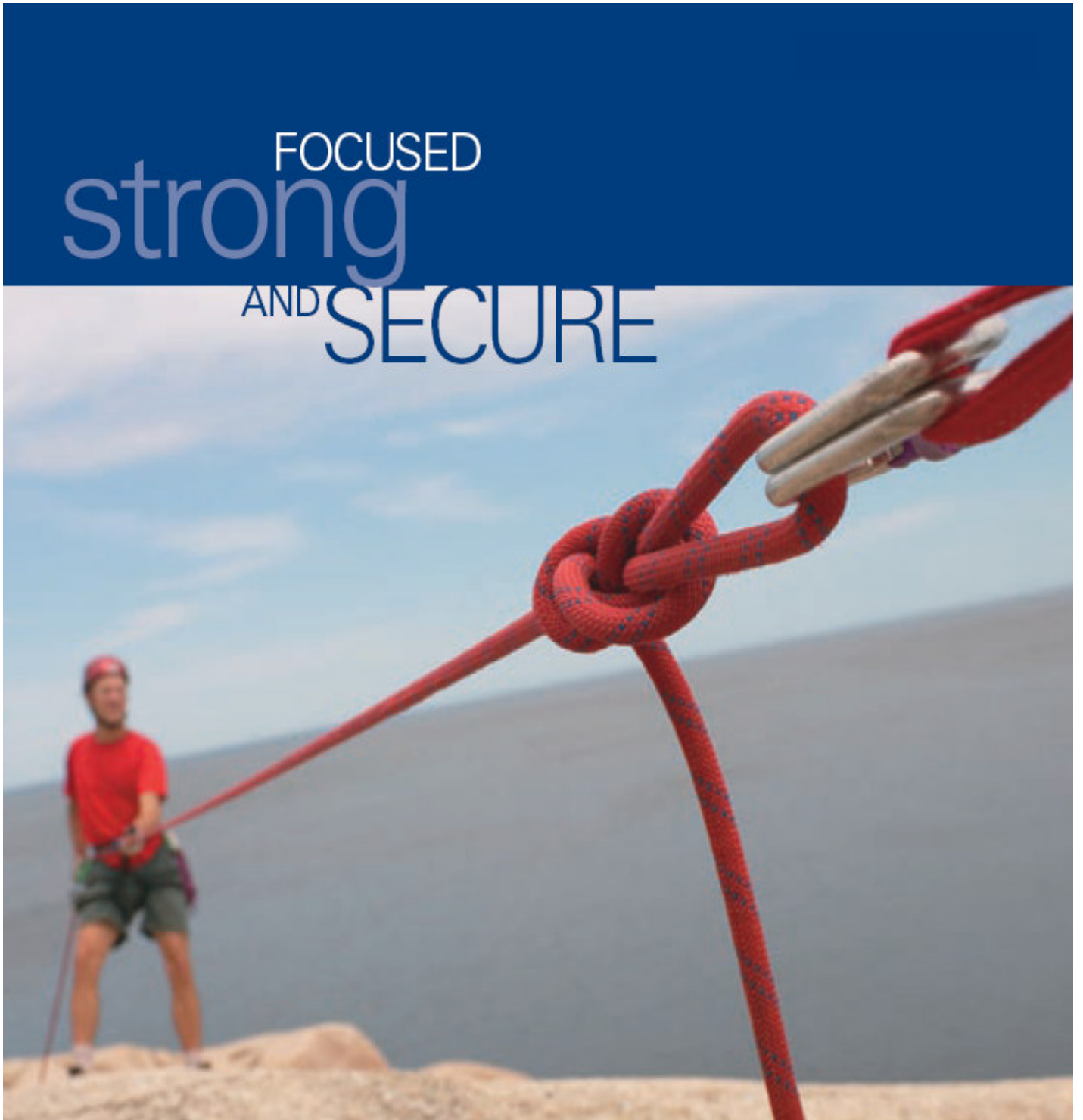


Motor Finance GAP Cover
Product Disclosure Statement and Policy Wording

FOCUSED
strong
AND **SECURE**



How this insurance is arranged.

This product is issued/insured by:

American Home Assurance Company ('AHAC'), ABN 67 007 483 267,
AFSL: 230903, **trading as AIG Australia**
549 St. Kilda Road
Melbourne Victoria 3004.

AHAC issue/insure this product, pay insurance claims and prepare the Product Disclosure Statement.

Cover is arranged and distributed by:

Freeman McMurrick Proprietary Limited
ABN 50 006 767 540
AFSL 236653

Tel (03) 9867 5677

Freeman McMurrick are appointed for these purposes as a Binder Operator of AHAC which allows them to deal on AHAC's behalf in relation to this product.

Freeman McMurrick will provide You with an FSG to help You decide whether You wish to use the services they offer.

Table Of Contents

Product Disclosure Statement ('PDS')	4
Highlights of Cover	4
Important matters about Your policy.....	5
Costs	5
Deductible or excess.....	5
What to do in the event of a claim	6
Code of practice.....	6
Dispute resolution.....	7
Duty of disclosure	7
Cooling off period	7
Privacy consent and disclosure.....	8
MOTOR FINANCE GAP WORDING	10

Product Disclosure Statement ('PDS')

This PDS contains information about key benefits and significant features of Your policy. Its purpose is to assist You in Your decision to purchase insurance.

It also contains important information about Your rights and obligations including the duty of disclosure and cooling off.

Details about the product issuer and relationship with Freeman McMurrick can be found on the first page of this brochure under '**How this insurance is arranged**'.

Highlights of Cover

The following highlights are a summary of cover only. For complete policy conditions and exclusions please read carefully the Policy Wording printed in this brochure.

This Policy provides covers for:

- Total Loss through fire, accident or theft where the agreed or current Market Value that is paid out by the Comprehensive Motor Vehicle Insurer is lower than Your indebtedness to Your vehicle Financier. The maximum amount AHAC will pay in relation to a claim in respect to motor finance GAP is \$15,000.
- The reimbursement cost of a rental Motor Vehicle, provided that there has been an event where the Total Loss payout is less than Your Indebtedness. The most we will pay for this benefit is \$1,250.

Important matters about Your policy

Please read the Policy Wording carefully for full details about the benefits, terms and conditions that apply to this insurance. Take special note of the following:

1. **"The cover provided"** on page 12 of the Policy Wording.
2. Your **"duty of disclosure"** and **"Definitions"** sections on pages 10 and 11 of the Policy Wording.
3. **"Limits of liability "** on page 13 of the Policy Wording;
4. This **PDS** and **Policy Wording** booklet also contains important information about Privacy, the Duty of Disclosure and the General Insurance Code of Practice.

Costs

The Amount Payable will be shown on Your Certificate of Insurance.

The Amount Payable includes any compulsory government charges such as Stamp Duty, GST and Fire Services Levy (where applicable) plus any additional charges we tell You of.

We tell You the total amount payable when You apply for, and if You effect cover. The amounts due will be confirmed in Your Policy Schedule.

Deductible or excess

There is no deductible or excess applicable to this insurance..

What to do in the event of a claim

1. Contact AHAC for a claim form as soon as You suffer a Total Loss. You must fully complete the form, sign and return it to AHAC as soon as possible. You must give AHAC written statements and any other information We ask for to support Your claim and provide assistance when required.

Contact details are:

Freecall Phone: 1800 22123

or in writing to:

AHAC Head Office

549 St Kilda Road

Melbourne Victoria 3004

2. AHAC may also request You to authorise:
 - Your Comprehensive Motor Insurer to release all documents relevant to any payout under Your Comprehensive Motor Vehicle Insurance policy.
 - The Financier to release to us all documents relevant to verification of the amount You owe the Financier under the Loan Contract.

Code of practice

American Home Assurance Company is a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, and it includes the following:

- When You lodge a claim we will tell You in plain language what information we need and how You should go about making Your claim.

We will respond promptly to any requests You make for assistance with Your claim and it will be considered and assessed promptly.

Dispute resolution

We are committed to handling any complaints about our products or services efficiently and fairly.

If You have a complaint:

1. Contact Freeman McMurrick and they may raise it with us.
2. If Your complaint is not satisfactorily resolved You may request that Your matter be reviewed by management by writing to:

The Compliance Manager
American Home Assurance Company
549 St Kilda Road, Melbourne
VICTORIA 3004

3. If You are still unhappy, You may request that the matter be reviewed by Our Internal Dispute Resolution Committee ("Committee"). We will respond to You with the Committee's findings within 15 working days.
4. If You are not satisfied with the finding of the Committee, You may be able to take Your matter to an independent dispute resolution body, Insurance Ombudsman Service Limited (IOS). This external dispute resolution body can make decisions of which AHAC are obliged to comply.

Contact details are:

Insurance Ombudsman Service Limited
Phone: 1300 780 808 (local call fee applies)
PO Box 561, Collins St West Post Office,
Melbourne, VIC 8007
or
3/56 Pitt Street, Sydney 2000

Duty of disclosure

Your duty of disclosure is described in the Policy Wording under '**Your duty of disclosure**'

Cooling off period

If You decide that You do not wish to continue with this policy, You have 21 days after the commencement of this insurance to request cancellation. We will provide You with a full refund of premium paid, provided You have not made a claim under the policy.

Privacy consent and disclosure

American Home Assurance Company (“AHAC”) is a wholly owned subsidiary of the American International Group (“AIG”).

Freeman McMurrick has been appointed as a binder operator of AHAC for the purposes of dealing in gap cover insurance policies. AHAC have adopted the General Insurance Information Privacy Code (“the Code”). The Code applies to any personal information collected by AHAC. Freeman McMurrick is also contractually bound to comply with the Code.

Purpose of collection

AHAC collect information necessary to underwrite and administer Your insurance cover, to maintain and to improve customer service and to advise You of our products.

You have a duty under the Insurance Contracts Act to disclose certain information. Failure to comply with Your duty of disclosure or to provide certain information may result in AHAC either declining cover, canceling Your insurance cover or reducing the level of cover.

In the course of administering Your policy AHAC may exchange Your personal information internally or disclose Your personal information to:

- i. another member of the AIG group of companies either in Australia or overseas.
- ii. contractors or third party providers providing services related to the administration of Your policy.
- iii. banks and financial institutions for the purpose of processing Your application and obtaining policy payments.
- iv. in the event of a claim, assessors, third party administrators, emergency providers, retailers, medical providers and travel carriers.

We will only disclose Your personal information to these parties for the primary purpose for which it was collected. In some circumstances AHAC is entitled to disclose Your personal information to third parties without Your authorisation such as law enforcement agencies or government authorities.

Access to Your information

You may gain access to Your personal information by a written request to AHAC. In some circumstances, AHAC may not permit access to Your personal information.

Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

AHAC has also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however we reserve the right to charge for access requests in limited circumstances.

If You feel You have a complaint about AHAC's Information Privacy Principles, require assistance in lodging a privacy complaint, or You wish to gain access to the information, You may write to The Privacy Manager, American Home Assurance Company, 549 St Kilda Road, Melbourne, or e-mail australia.privacy.manager@aig.com.

Your complaint will be reviewed and You will be provided with a written response. If it cannot be resolved, Your complaint will be referred to AHAC's Internal Dispute Resolution Committee who will respond within 15 working days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint.

Should Your complaint not be resolved by AHAC's internal dispute resolution process, You may take Your complaint to the Insurance Ombudsman Service Limited. This service is free of charge to You and the Committee has the power to investigate complaints and recommend appropriate action to AHAC to remedy Your complaint. The Privacy Compliance Committee may refer a complaint to the Privacy Commissioner or another code adjudicator where it is more appropriate to do so. A person aggrieved by a determination made by the Privacy Compliance Committee may apply to the Privacy Commissioner for review of the determination.

MOTOR FINANCE GAP WORDING

TERMINATION

This policy will terminate on any of the following events:

- ◆ When the period of insurance expires.
- ◆ If the policy is cancelled.
- ◆ If Your finance contract or lease is paid out, discharged, refinanced or terminated.
- ◆ If Your Motor Vehicle is no longer covered by a Comprehensive Motor Vehicle Policy.
- ◆ A claim is made under this Policy.
- ◆ Five years from the commencement date of the policy.

DUTY OF DISCLOSURE

What You must tell us. When answering our questions, You must be honest and You have a duty under law to tell Us anything known to You, and which a reasonable person in the circumstances, would include in answer to the question. We will use the answers in deciding whether to insure You and everyone else to be insured under the policy, and on what terms.

Who needs to tell us. It is important that You understand You are answering our questions in this way for Yourself and anyone else whom you want to be covered by the policy.

If You do not tell Us. If You do not answer our questions in this way, We may reduce or refuse to pay a claim, or cancel a policy. If You answer our questions fraudulently, We may refuse to pay a claim and treat the policy as never having worked.

OUR AGREEMENT

Provided You have paid the premium, we will insure you during the period of insurance subject to the terms and conditions of this policy.

The proposal, policy wording, schedule and any other endorsements or notices we may give You in writing, form our agreement and together set out the terms and conditions.

DEFINITIONS

Agreed Value means the sum insured that You and Your Comprehensive Motor Vehicle Insurer have agreed to insure Your vehicle for.

Comprehensive Motor Vehicle Insurance means the Insurance Policy that provides the cover for loss or damage for Your vehicle being in force at the date of the incident resulting in the Total Loss.

Financier means the Finance Company named in the Proposal and Schedule.

Indebtedness means the amount owing to Your Financier under Your Loan Contract as at the date of the incident resulting in the Total Loss.

Loan Contract means the Finance contract taken out for the purchase or lease of Your vehicle described in the schedule.

Market Value means the current Market Value of Your vehicle immediately prior to the incident resulting in the Total Loss.

Motor Vehicle means the Motor Vehicle described in the Proposal and Schedule including its standard equipment, tools and accessories that were in or attached to the vehicle at the time of purchase.

We, Us and Our means the underwriter, the American Home Assurance Company A.B.N. 67 007 483 267.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy. Terrorism shall also include any act which is verified or recognized by the government of any country in which the insured operates or exports products into, as an act of terrorism.

Total Loss means in the event Your vehicle is stolen and not recovered and/or damaged and is deemed a Total Loss by Your Comprehensive Motor Vehicle Insurer.

Total Loss Payout means the payout of either the market Value or the Agreed Value by your Comprehensive Motor Vehicle Insurer following the Total Loss of your vehicle.

You and Your means the Insured person(s) named in the schedule.

THE COVER PROVIDED

We will pay the balance of the Indebtedness to the Financier after the Total Loss of a Motor Vehicle under a Loan Contract or lease agreement taken out for the purchase of that vehicle, following the pay out of the Market Value or Agreed Value by that vehicles Comprehensive Insurer.

WHAT YOUR POLICY DOES NOT COVER

- ◆ Any penalty payments for early discharge or additional interest payments.
- ◆ The amount of that increased liability where there has been a variation to Your Loan Contract.
- ◆ Any arrears, deferred payments, overdue or outstanding interest payments or late charges owed to the financier at the time Your Motor Vehicle becomes a Total Loss.
- ◆ Any finance contract that includes a debt or amount outstanding under a previous finance contract (a minus equity amount) will not be included in the payout under this policy.
- ◆ Any liability for You to pay the Goods and Services Tax unless You are not a registered entity within the meaning of the Goods and Services Tax Act 1999.
- ◆ Except for the application of a policy excess or deductible, payment if Your Comprehensive Motor Insurer does not payout the full Market Value (on a Market Value insurance policy) or the full Agreed Value (on an Agreed Value insurance policy) following a Total Loss for any reason whatsoever.
- ◆ Payment for more than one claim on this policy.
- ◆ Any claim arising out of war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, invasion, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.
- ◆ Any claim arising directly or indirectly as a result of or in connection with Terrorism.

RENTAL VEHICLE FOLLOWING THEFT

- ◆ In the event that the Total Loss payout is less than Your Indebtedness AHAC will reimburse You for the additional cost of hiring a rental Motor Vehicle. This benefit is limited to \$1,250. If your Motor Vehicle is stolen reimbursement will be available to You up to a maximum total of \$1,250 or until Your Motor Vehicle is found, whichever comes first.

LIMITS OF LIABILITY

The maximum amount payable under Your policy are shown below:

Base Cover	Hire Vehicle
\$15,000	\$1,250

DIFFERENCE IN CONDITIONS AND DIFFERENCE IN LIMIT

If You effected a Comprehensive Motor Vehicle Insurance Policy with CGU through McMillan Shakespeare Australia Pty Ltd or Remuneration Services (Qld) Pty Ltd, document number MSA/CGU.MV.V5-09/05 it is a condition that such policy, hereinafter referred to as “the underlying policy” will act as primary insurance whereas this AHAC policy will act solely as excess and/or difference in conditions of the underlying policy but for no broader coverage than the terms, limitations and conditions of this policy.

MAKING A CLAIM

Written notice in the form of a signed claim form containing full particulars of any event in respect of which a claim is to be made must be given to AHAC.

All documentation and information required by AHAC shall be furnished by You and if requested You must authorise:

- ◆ Your Comprehensive Motor Vehicle Insurer to release to Us all documents relevant to any payout under Your Comprehensive Motor Vehicle Insurance Policy;

And

- ◆ Your Financier to release to Us all documents relevant to verification of the amount You owe the Financier under Your contract.

CANCELLATION

You may cancel this policy at any time prior to the occurrence of a loss by notifying Us in writing that You want to cancel the policy. The refund will be calculated on a pro rata basis subject to the company retaining a minimum premium of \$30. If the premium was Financed then the refund will be forwarded to your Financier.

MOTOR FINANCE GAP COVER

THIS CONTRACT IS UNDERWRITTEN BY:
AMERICAN HOME ASSURANCE COMPANY A.B.N. 67 007 483 267

Policy Schedule

Policy Number:

CUSTOMER INFORMATION		
MR/MRS/MISS/MS SURNAME or COMPANY NAME CONTACT NAME		GIVEN NAME
ADDRESS		STATE POSTCODE
DATE OF BIRTH	PRIVATE PHONE NO.	BUSINESS PHONE NO.

VEHICLE INFORMATION	Year Built: Style:	Engine Capacity:	Body
Make	Model	Type	Registration No.
Comprehensive Motor Vehicle Insurer		Expiry Date...../...../.....	Business or Private Use:
FINANCE CONTRACT			
Name of Financier.....			
Address of Financier.....			
Commencement Date		Term of Contract	months
Purchase Price	Deposit/Trade-in	Amount Borrowed	
COVER			
Finance GAP \$15,000, \$1,250 additional vehicle hire			
From.....		To.....	
Total Amount Payable Inclusive of GST and Stamp Duty \$..... Amount Payable Includes GST of \$.....			

WHEN THE AMOUNT PAYABLE HAS BEEN PAID THIS POLICY SCHEDULE MAY BE USED AS A TAX INVOICE

This Contract is Issued by:
AMERICAN HOME ASSURANCE COMPANY A.B.N. 64 007 483 267
549 St Kilda Road, Melbourne, Victoria, 3004