
Extended Warranty Insurance Policy

Product Disclosure Statement and Policy Wording

Prepared 18th June 2008

The Hollard Insurance Company Pty Ltd ABN 78 090 584 473

AFS License No.241436

- 1 Introduction
- 2 Summary of Extended Warranty insurance cover
- 3 Important matters you should consider when purchasing this insurance
- 4 What you must do after you have purchased this insurance
- 5 What you are insured for
- 6 Limits on the amount we pay
- 7 When we will not pay
- 8 Making a claim
- 9 What our words mean
- 10 General rights and obligations

1. Introduction

This Extended Warranty insurance policy is designed to provide cover for the reasonable cost of necessary repair or replacement of the parts of your vehicle covered under this policy, when such repair or replacement is necessitated by the unforeseen failure of such parts during the period of cover.

■ Who is the insurer

The insurer of this policy is The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473, AFS Licence Number 241 436). Hollard is authorised under its AFS licence to issue this policy

■ Who administers and arranges this insurance

This insurance is administered by MotorOne Insurance Pty Ltd (ABN 12 098 913 823) of 275 Canterbury Road, Canterbury VIC 3126 trading as MotorOne.

This insurance is arranged by McMillan Shakespeare Australia Pty Ltd (McMillan Shakespeare) who is an authorised representative of the insurer and is authorised by the insurer to arrange, but not enter into this insurance on the insurer's behalf.

In arranging this insurance McMillan Shakespeare acts for the insurer and not you.

■ About this product disclosure statement and policy wording

This Product Disclosure Statement (PDS), which incorporates the insurance policy wording, contains important information about this Extended Warranty insurance cover. You should read this document carefully so that you can decide whether this insurance is right for you. This document has been prepared in a simple and straightforward format to make it easier for you to understand what is and is not covered. Other documents may form part of this PDS. Any such documents will include a statement identifying them as part of this PDS and will be provided to you at the same time as you receive this PDS.

Any such documents will include a statement identifying them as part of this PDS and will be provided to you with your Policy Schedule.

■ Understanding what is covered

For your convenience, we have provided a summary of the cover we offer in Point 2, however, you should also read the full terms and conditions of the cover provided which is set out in Point 5 details of the maximum benefits for each cover option.

It is also important to read the other sections of this PDS including the limits and exclusions that apply which are specifically addressed in Points 6 and 7 to ensure this policy is right for you.

■ Cooling off period

If you cancel your Policy within 14 days of the earlier of:

- receiving a confirmation of the purchase of your Policy; or
- the end of the fifth business day after cover is issued,

by notifying us electronically or in writing, we will refund your premium in full less any duties and taxes we cannot recover. However, we will not refund the premium if you have made a claim or you are entitled to make a claim under your policy.

Even after this cooling off period ends you still have cancellation rights. See Point 10 'General rights and obligations'.

■ To be eligible for this policy

To be eligible for cover

- You must be at least 18 years of age when the period of cover commences;
- The odometer of your vehicle must be working and recording distance travelled accurately;
- The vehicle must be a motor vehicle with goods carrying capacity less than 2 tonnes;
- The vehicle must not be a prestige or high performance sports model unless agreed as eligible with the Administrator;
- The purchase price of your vehicle must be greater than \$3,500; and
- The vehicle must not be used for hire or reward, courier or delivery services or police or emergency services.

2. Summary of Extended Warranty Insurance Cover

This Elite Warranty Insurance Cover provides cover for the reasonable cost of necessary repair or replacement of the parts of your vehicle which were covered by the manufacturer's warranty for your vehicle when such repair or replacement is necessitated by the failure of such components during the term of this cover, provided that such repair or replacement is first authorised by the administrator, using components of a like kind and quality to those replaced.

As part of the cover provided under this Policy, we also provide additional benefits for Towing Expenses, Substitute Transport Costs and Trip Interruption. Details about the additional benefits provided under this policy are detailed in Point 5.

An excess applies to each claim for a part failure. The excess applicable to your selected cover is \$100.

We will pay the cost of repair or replacement of any particular covered part only once during the period of cover of this policy. Our maximum payment for all benefits paid or payable under this policy will not exceed the retail price you paid for your vehicle.

Our liability under this policy is excluded in certain circumstances. In order to understand when the Policy will cover you and when it will not, you should carefully read Point 7 "When we will not pay" and Point 5 "Parts that are not Covered"

For full details of the cover provided under this policy please refer to the full terms and conditions, exclusions and limits as set out in the remainder of this Product Disclosure Statement (PDS).

3. Important matters you should consider when purchasing this insurance

■ Decide what cover suits you best

You must decide what cover suits you best. In making your decision, you should carefully read this PDS. In doing so you should remember there are limits on the amount we pay (see Point 6), and circumstances where we will not pay claims (see Point 7) that apply to all types of cover.

Your Proposal and your Policy Schedule contain important information relevant to your policy including the period of cover, your premium, your level of cover, the excess that will apply and whether any standard terms have been varied. This PDS and your most recent Proposal and your Policy Schedule and any endorsements and or amendments that we provide you with will make up your policy with us. You need to keep these documents in a safe place together with receipts and other documentary evidence we may require.

■ Comply with your duty of disclosure

We rely on the information you provide us to decide whether to insure you and the terms on which we will insure you. Before you enter into a contract of general insurance with us, you have a duty under the Insurance Contracts Act 1984 (Cth.) to tell us everything that you know, and which a reasonable person in the circumstances could be expected to know that is relevant to our decision whether to insure you and, if so, on what terms.

■ This is your duty of disclosure.

You have the same duty to disclose those matters to us before you extend, vary or reinstate a contract of general insurance.

You do not have to tell us anything that is common knowledge or that we should know through the ordinary course of our business that reduces the risk of a claim or that we tell you we do not need to know. If you fail to comply with your duty of disclosure, we may reduce or deny any claim you make and/or cancel your Policy. 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.

■ Period of cover

The period that your vehicle will be covered under the policy is as follows:

Cover will commence one day after the expiry of the manufacturer's warranty or dealer warranty period, or in the case of your vehicle not being covered by a manufacturer's warranty or dealer warranty, cover will commence from the commencement date of lease settlement. This

date will be shown on your Proposal and your Policy Schedule as the commencement date.

Cover will cease at the earliest of:

- when your vehicle has reached the term noted on the Proposal and the Policy Schedule or 200,000 kilometres from the date of first registration, whichever occurs first; or
- the time of cancellation of your policy; or
- the time your ownership of your vehicle ends; or
- as otherwise indicated in this policy.

■ Territory

This policy applies only to repairs carried out within Australia.

■ How we determine your premium

The cost of the policy is called the premium. We calculate your premium based on various factors including the model, age and value of your vehicle, the cover options and the period of cover that you select. It also includes an amount that takes into account any policy fee, compulsory government charges and or taxes (e.g. stamp duty and GST). Once your Policy Schedule has been issued it becomes your receipt for the amounts you have paid with respect to your policy. The total amount shown in your Proposal will be inclusive of GST and stamp duty. If you require a breakdown of these amounts, please ask McMillan Shakespeare who will provide it in writing to you.

■ Acceptance of your policy

Your policy is accepted from the time you submit your Proposal and pay your premium. You must also comply with your duty of disclosure.

Once your Proposal is received by us, we may accept or decline cover within 30 days.

If we decline cover we will advise you in writing and issue a full refund of premium less any government charges that we cannot recover. Where this is the case, cover will cease 7 days after the date on which we mailed the notice to you.

If we accept your application a Policy Schedule will be forwarded to you.

4. What you must do after you have purchased this insurance

■ Keep your vehicle serviced and checked

In order to keep this policy in effect, you must have your vehicle checked and serviced by a service centre authorised by us. These services must be in accordance with the original manufacturer's specifications, as outlined in your vehicle owner's manual. Once the vehicle is outside the manufacturer warranty period, these services must be at intervals of 6 months or 10,000 kms, whichever occurs first. You must also ensure you retain invoices for work performed and that the service centre stamps and signs the Service Register Page attached to this policy.

Your owner's manual lists different servicing recommendations based on your individual driving habits and climate conditions. You are required to follow the maintenance schedule that applies to your conditions. Failure to follow the manufacturer's recommendations that apply to your specific conditions may result in denial of coverage. If an owner's manual is not available to you, contact the administrator for assistance. If unsure of the requirements, it is your responsibility to obtain applicable maintenance requirements as may apply to your vehicle.

■ Tell us if your vehicle is used for a different purpose

You must notify us in writing if there is a significant change in the use of your vehicle.

If any of the above occurs and you do not provide us with this information you may not be covered in the event of a claim. When you provide this information to us we may alter the terms and conditions of your policy and this may involve the payment of an additional premium. Alternatively, we may cancel your policy.

■ Tell us if any of your circumstances change

You must inform us immediately if you change your name or address or any of your contact details.

■ Transfer of your policy

This policy will cease on the sale or transfer of your vehicle. However, you may make an application to us for approval of the transfer of this policy to another private owner. To enable the administrator to consider your request, an application to transfer this policy and a transfer fee of \$75.00 must be forwarded within seven (7) days of the change of ownership to a subsequent private owner. The administrator should be contacted on telephone number 1300 724 980 to assist with the consideration of the transfer.

5. What you are insured for

■ Cover provided

This policy covers you for the reasonable cost of repairing or replacing any of the covered parts, when such repair or replacement:

- is necessitated by part failure, and
- occurs during the period of cover, and
- is first authorised by us, and
- involves the use of parts of a similar kind and quality to those being replaced.

■ Parts that are not covered

We will not cover you under this policy for part failure involving the following parts:

Maintenance items, adjustments, body panels and body hardware, paintwork, trim, glass, friction materials (including clutch and brake parts), direction and navigation systems, sound system parts, lubricants and all expendable items including radiators, key pads, aerial assemblies, tyres, batteries, hoses, exhausts, mufflers and belts.

■ Maintenance items include but are not limited to

- Brake adjustments and relining,
- Clutch adjustments and relining,
- Engine tuning and adjustment,
- Wheel alignment and balance,
- Steering adjustment,
- Cleaning of any parts, including the radiator,
- Gassing of air conditioning,
- Replacement of oils, filters, globes, belts, sensors and batteries, and any other maintenance items that are specified by the manufacturer as being the owner's responsibility.

■ Additional benefits provided

In addition to the repair or replacement of covered parts under this policy, you will also be entitled to the following additional benefits:

- **Towing Expenses:** we will reimburse you for costs incurred by you having your vehicle towed to an authorised repairer to a maximum of \$100 after each part failure covered under this policy. This will apply over and beyond any entitlement, which may apply through a roadside assistance program.
- **Substitute Transport Costs:** we will reimburse you for costs incurred by you through the rental or hire of alternate transport through a bona fide rental operator while your vehicle is being repaired after part failure under this policy. An entitlement of \$50 per day to a maximum of 3 days will apply provided the repair entails a minimum of 8 hours labour.
- **Trip Interruption:** we will reimburse you for costs incurred by you for accommodation and meals of up to \$100, provided the repair entails a minimum of 8 hours labour and the part failure has occurred more than 150 kilometres from your home.

■ Excess

In the event of a part failure covered by this Policy, you may be required to pay a \$100 excess per each part failure

6. Limit on the amount we pay

The amount that we will pay in relation to a claim under your policy is limited as follows:

- a) We will pay the cost of the repair or replacement of any covered part only once during the period of cover,
- b) Our liability for any one part failure shall not exceed the actual market value of your vehicle at the time of such part failure,
- e) The total of all benefits paid or payable by us while this policy is in force shall not exceed the market value of your vehicle.

7. When we will not pay

This policy does not cover repair or replacement of any part which:

- a) is necessary due to gradual reduction in operating performance caused by normal wear and tear having regard to age of your vehicle and total kilometres it has travelled;
- b) is required by way of normal maintenance and servicing;
- c) is damaged as a result of failure to carry out proper servicing and maintenance in accordance with manufacturer's recommendations or damage caused by continued use after failure of a part;
- d) is damaged as a result of misuse or abuse to the vehicle;
- e) is damaged as a result of incorrect or contaminated fuel, oil or lubricant;
- f) is damaged as a result of the operation of the vehicle after it is known to be defective;
- g) is modified from the manufacturer's original specifications or fitted after sale;
- h) has not itself failed unless necessary as part of the repair or replacement of any covered part under this policy;
- i) is covered by manufacturer's warranty, repairer's or manufacturer recalls or for which the manufacturer is otherwise liable or accepts liability;

- j) is necessary as a result of fire, accident, flood, hail, corrosion, deliberate act, act of God or consequential damage;
- k) is damaged by racing, rallying, speed trials, time or like activities or by overloading of the vehicle;
- l) fails during a period of ownership by a business whose occupation is selling or servicing vehicles.

■ This policy will not pay

- for repairs or replacement of seals and gaskets unless required in conjunction with the repair or replacement of a failed covered part;
- the excess, which is the amount which you may be required to pay in regards to each and every claim
- any costs to upgrade your vehicle's air-conditioning system to meet current environmental or safety standards;
- diagnostic costs.

8. Making a Claim

If your vehicle is in need of repair, you must take the following steps to make a claim:

1. Take immediate action to prevent further damage. This policy will not cover the damage caused by you not securing a timely repair of the covered part.
2. The administrator will offer advice on getting your vehicle to the nearest authorised repair facility. The administrator can be contacted by telephone on: 1300 724 980. It is your responsibility to have your vehicle towed to the repair facility.
3. Provide the authorised repair facility with a copy of this policy and/or your policy number.
4. Instruct the service manager of the authorised repair facility to obtain authorisation from us through the administrator prior to any repair or disassembly of your vehicle being undertaken. The administrator will only authorise repairs on our behalf, carried out by a licensed repairer that has an ABN and is registered for GST. The amount authorised by the administrator is the maximum that will be paid for repairs covered under the terms of the policy. Any additional amount will be your responsibility.
5. In some cases, you may need to authorise the authorised repair facility to inspect and/or disassemble your vehicle in order to determine the cause and cost. The administrator reserves the right to require an inspection of your vehicle prior to any repair being carried out. You will be responsible for these charges if the part failure is not covered under the policy.
6. After the administrator has been contacted, they will review with the service manager of the authorised repair facility what will be covered by the policy and what portions of the repair (if any) will not be covered.
7. Please note that the repair may be completed with parts of like quality and kind, commensurate with the age and odometer reading of your vehicle at the time of the part failure. In some cases, remanufactured or used parts may be utilised.

■ Note to authorised repairer

When submitting a claim, you must include the following details on your Report and Quote sheet and repair invoice.

- a. Owner's Name
- b. policy Number
- c. Vehicle Make and Model

- d. Registration Number
- e. Breakdown of parts and labour costs (including part numbers)
- f. Current Odometer Reading
- g. Authorisation Number

When sub-let repairs are involved a copy of the sub-let invoice must be provided. Report and Quote sheets can be obtained from the administrator.

■ Goods and Services Tax (GST)

Any claim payments made under your policy will 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. You must disclose these entitlements to us if you make a claim under this policy either before or at the time you make a claim.

Any maximum claim limit of liability stated in this policy is based on the GST inclusive cost. We will reduce the payment by the amount of any GST in cases where we are requested to make a payment to you in compensation rather than direct payment to the supplier of the goods, services or other supply.

9. What our words mean

Some of the words in your policy have special meanings wherever they appear. These words and their meanings are defined below.

administrator: means MotorOne Insurance Pty Ltd (ABN 12 098 913 823) trading in the name of MotorOne, 275 Canterbury Road, Canterbury VIC 3126

cover: means the protection provided by the policy, being the cover option(s) selected by you in the Proposal and Policy Schedule.

cover option: means the levels of cover options available under this policy and provided in the Proposal and Policy Schedule.

covered part(s): means a part(s) of your vehicle that was originally covered by manufacturers warranty but excludes those part(s) specifically excluded by this cover. All covered parts must be functioning properly at the time of the purchase of your vehicle and the date of this policy. Pre-existing conditions are not covered under this policy.

dealer warranty: means the minimum warranty obligations of motor vehicle dealer as dictated by legislation in each state and territory and any warranty coverage provided by the dealer.

McMillan Shakespeare: means McMillan Shakespeare Australia Pty Ltd, ABN 39 082 449 036, Locked Bag 11 Collins Street East, Melbourne Vic 8003.

excess: means the amount which you are required to pay, towards the total cost of repair or replacement of covered parts under this policy.

exclusions: means the circumstances which the policy does not cover, as set out under the heading(s), "When we will not pay" and "Parts that are not covered" in the policy wording.

financier: means the financial institution you have stated in the proposal and policy schedule.

lease settlement means where a financier approves a lease of a motor vehicle, the date the finance is advanced to the motor vehicle dealer

manufacturer warranty: means the original equipment warranty coverage provided by the manufacturer of your vehicle at the time that the vehicle was purchased as a new vehicle.

market value: means the average of Average Retail and Good Retail values as listed in The Red Book Guide to vehicle values current at the time a market value is to be determined

normal wear and tear: means the gradual reduction in operating performance of a covered part of the vehicle, having regard to the age of vehicle and the distance it has travelled.

part failure: is an event caused by an unexpected or sudden failure of a covered part. A covered part has failed when it can no longer perform the function for which it was designed solely because of its condition and not because of the action or inaction of other parts not covered under this policy. Noise does not necessarily constitute failure.

period of cover: means the period of cover as stated on the Proposal and Policy Schedule, and ending on the date the cover ceases, as defined under the heading, "Period of Cover",

policy: means this extended warranty insurance policy.

policy wording: means the policy wording set out in this PDS.

premium: means the amount you pay for your policy, including any policy fee.

Proposal: means the form titled Extended Warranty Insurance Proposal, once it has been properly completed and signed by you, on which you provide information about yourself and the cover option that you have chosen.

Policy Schedule: means the form containing important information relevant to your policy including the period of cover, your premium, your level of cover the excess that will apply and whether any standard terms have been varied.

service: means the service of your vehicle, which must be completed in accordance with the servicing requirements specified under the heading "keep your vehicle serviced and checked" in this policy wording.

term and kilometre limitation: means the number of months or kilometres specified in the Proposal and Policy Schedule.

vehicle: means the vehicle described in the Proposal and in the Policy Schedule as the insured vehicle including factory or manufacturer fitted equipment and accessories.

we, us, our: means the insurer, The Hollard Insurance Company Pty Ltd (Hollard)(ABN 78 090 584 473) Australian Financial Services (AFS) Licence No. 241436.

you, your: means the person(s) named as the insured in the Proposal and the Policy Schedule. We only cover the interest of this person(s).

10. General rights and obligations

■ Cancelling your insurance

In addition to your cooling off rights, you may cancel your policy or any part of your policy at any time by notifying us in writing. If your policy has been issued to more than one person each person must sign the notice.

We have the right to cancel your policy where permitted by law. For example, we can cancel:

- if you have failed to comply with your duty of disclosure; or
- where you have made a misrepresentation to us during negotiations prior to the issue of your policy; or
- where you have failed to comply with a provision of your policy, including the term relation to payment of premium; or

- where you have made a fraudulent claim under your policy or under some other policy of insurance that provides cover during the same period of time that your policy covers you.

If you or we cancel your policy we will refund your premium (less any policy 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 we cannot recover.

■ How we protect your privacy

We value your privacy and are committed to handling your personal information in accordance with Australia's privacy laws. We collect, store and use your personal information to provide you with insurance, manage the insurance policies you have with us and inform you about relevant products and services. To do this we may disclose your personal information to our related bodies corporate, our service providers, your financier or any of our agents. By providing us with your personal information you consent to our use of this information for these purposes. You represent to us that where you have provided personal information to us about another person, you are authorised to provide that information to us, and that you will inform that person who we are, how we use and disclose their information, and that they can gain access to that information. We aim to ensure that your personal information is accurate, up-to-date and complete. You have the right to correct your personal information held by us and to correct it at any time. If you would like to do this, please contact us between EST 9am-5pm, Monday-Friday. Should you wish to obtain more information about our privacy policies, please contact us and ask for a copy of our Privacy Policy Statement.

Your personal information helps us to provide you with a range of leading products and services. When you provide your personal information to us you acknowledge and consent to us, our related bodies corporate and our authorised representatives (whether or not in Australia) collecting and using your personal information to contact you for market research and to advise or offer you other products or services that may be relevant and of interest to you. If you do not wish to receive these offers or information, please advise us in writing or contact us between, EST 9am-5pm, Monday-Friday.

■ Dispute resolution

We welcome every opportunity to resolve any concerns you may have with our products or service. In the first instance contact us by calling 1300 764 562. If you are not satisfied with their response you can request that their manager address your concern. If your concern is not resolved to your satisfaction please write to our Internal Dispute Resolution Committee at: 275 Canterbury Road, Canterbury, Victoria 3126. Your concern will be investigated by an officer with the authority and experience to deal with the complaint and you will be informed of the outcome within fifteen working days of your letter being received. If your concern still remains unresolved to your satisfaction we will assist you in directing your issue for further review to an independent external dispute resolution scheme.

■ Contacting us

If you need to contact us for any reason about your policy. Please call Hollard on (02) 9253 6600

■ How to contact the administrator

Telephone: 1300 724 980

Fax: 1300 764 639

Write to:

MotorOne, 275 Canterbury Road, Canterbury, Victoria 3126 or

Email: insurance@motorone.com