

Lease Guarantee

Product Disclosure Statement and Policy



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Calliden Lease Guarantee
Product Disclosure Statement (PDS) and Policy

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Product Disclosure Statement

Introduction

This Product Disclosure Statement (PDS) contains important information about the Lease Guarantee Insurance Policy.

The intent of this document is to assist you in deciding whether this insurance Policy meets your needs.

We always recommend that you should read the PDS in conjunction with the policy wording.

This PDS is dated 01 December 2008 (ref: CMNLC L 1208).

The Insurer

The insurer of this Policy and issuer of this PDS is:

Calliden Insurance Limited ABN 47 004 125 268
Level 7, 100 Arthur St, North Sydney, NSW 2060,
Ph: 02 9551 1111

Calliden Insurance Limited (Calliden) ABN 47 004 125 268, is a public company incorporated in Australia. It is authorised under the Australian 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, Calliden is regulated by the Australian Prudential Regulation Authority.

Calliden is also regulated under the Corporations Act 2001 and is the holder of an Australian Financial Services Licence (AFS Licence No 234438) issued pursuant to that Act. As a holder of an AFS Licence, Calliden is regulated by the Australian Securities and Investments Commission (ASIC).

Calliden specialises in manufacturing general insurance products for individuals, the SME sector and groups across metro and regional Australia.

About the Agent

Vehicle Insurance Underwriters Pty Ltd (ABN 85 063 264 371, AFSL 318544) (VIU) arranges policies for and on behalf of Calliden.

VIU acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of this Policy VIU acts as an agent for the insurer and not for you.

About NLC Insurance Pty Ltd

NLC Insurance Pty Ltd (NLCi) is an authorised representative of Vehicle Insurance Underwriters Pty Ltd (ABN 85 063 264 371, AFSL 318544).

NLCi is designed primarily to assist NLC novated lease customers with their vehicle insurance needs. You can contact NLCi on 03 8699 7000.

Duty of Disclosure

Whether you are entering into a policy for the first time or are proposing to renew, vary, extend or reinstate a policy you have a duty of disclosure.

Your Duty of Disclosure for New Policies

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 the answer to the question. We will use the answers in deciding whether to insure you and anyone else to be insured under the Policy, and on what terms.

Your Duty of Disclosure for Renewals

If you have already entered into a policy and you are proposing to renew, vary, extend or reinstate the Policy your duty of disclosure changes. You have a duty to tell us of everything that you know, or could reasonably be expected to know, that is relevant to our decision to insure you and to the terms of that insurance. If you are not sure whether something is relevant you should inform us anyway.

Who Needs to Tell Us?

It is important that you understand you are answering our questions in this way for yourself and anyone else that you want to be covered by the Policy.

What You Are Not Required to Disclose

Your duty does not require disclosure of matters that:

- reduce the risk
- are common knowledge
- we know or, in the ordinary course of our business, ought to know, and
- we have indicated we do not want to know.

If You Do Not Tell Us

If you do not answer our questions in this way or disclose everything you know, we may reduce or refuse to pay a claim, or cancel the Policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat this Policy as never having been in force.

Cooling Off Period

There is a 21 (twenty one) day cooling off period. If you are not completely satisfied with the policy, you can cancel it in writing within 21 (twenty one) days of the issue date and receive a full refund, other than non-refundable government taxes and duties.

This will not apply if you make a claim for any incident within the 21 (twenty one) day period.

Product Disclosure Statement (cont'd)

Significant Features and Benefits

This Policy provides you with cover for payment of lease payments if you become involuntarily unemployed.

This table summarises the significant features and benefits of the Lease Guarantee Policy. Please see the policy wording for full details of cover.

Benefit	Cover
Involuntary Unemployment Benefit	We will pay your monthly lease payment of up to \$1,500 per month up to a maximum of 3 (three) monthly payments.
Involuntary Unemployment Choice "GAP" Benefit	If we have paid 3 (three) monthly lease payments under the involuntary unemployment benefit you can then choose to end the lease or keep the vehicle and be responsible for payments. If you choose to end the lease and give the vehicle back to the lessor we will pay the lessor the difference between the lease pay out and the sale price of the vehicle up to \$10,000.

Significant Risks: Exclusions

The Policy will not provide insurance cover under certain circumstances. For example, we will not cover claims arising from:

- you becoming unemployed or being advised that your employment would be terminated before the start of the Policy or in the first 30 days after the Policy started
- you being aware prior to the start of the Policy that your employer was planning to reduce the number of employees
- criminal or illegal acts
- you being under the influence of alcohol or drugs
- nuclear weapons, fuel or waste
- war or terrorism.

We will not pay you if:

- you are under 18 years old
- you are 65 or more years old
- you take out a lease where the finance value of the vehicle is more than its market value
- your liability increases due to a variation of the lease agreement.

Full details of the exclusions appear in the 'Exclusions' section of the policy wording. You should read the policy wording and make yourself aware of all the exclusions that apply.

Conditions

You must meet certain conditions for your insurance cover to apply. For example, you must pay the premium. Conditions of cover are shown in the 'Conditions' section of the policy wording. You should make yourself aware of all the conditions that apply by reading the policy wording.

Limits of Cover

Our liability is limited to the amount shown in the Schedule that we will issue to you or as stated in the policy wording. You need to decide if the limits of cover are appropriate for you. If they are not, you may be underinsured and have to bear part of any loss yourself.

The Amount You Pay

The amount that we charge you for this insurance is the total that we calculate when considering all of the factors which make up the risk, such as:

- the level of cover
- the term of the lease
- the amount financed.

The premium that we charge also includes statutory charges such as GST, stamp duty and remuneration to VIU and NLCi for providing this service and costs incurred by NLCi in bundling this insurance as part of their lease package.

Product Disclosure Statement (cont'd)

Waiting Periods

There is a 30 (thirty) day waiting period in respect of the involuntary employment benefit. This means that we will not pay any claim until 30 (thirty) days after your final day with your last employer if you are eligible for this benefit.

Consumer Credit Insurance

You are free to choose whether to buy a lease protection product and who to buy any of these type of products from. Consumer Credit Insurance can not be made a condition of credit approval.

GST

If you are not registered for GST, in the event of a claim we will reimburse you the GST component in addition to the amount that we pay.

The amount that we are liable to pay under this Policy will be reduced by the amount of any input tax credit that you are or may be entitled to claim for the supply of goods or services covered by that payment.

If you are entitled to an input tax credit for the premium you must inform us of the extent of that entitlement at or before the time you make a claim under this Policy. We will not indemnify you for any GST liability, fines or penalties that arise from or are attributable to your failure to notify us of your entitlement (or correct entitlement) to an input tax credit on the premium.

If you are liable to pay an excess under this Policy, the amount payable will be calculated after deduction of any input tax credit that you are or may be entitled to claim on payment of the excess.

If you are unsure about the taxation implications of this Policy, you should seek advice from your accountant or tax professional.

General Insurance Code of Practice

Calliden is a signatory to the General Insurance Code of Practice (Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact us or the Financial Ombudsman Service on 1300 78 08 08 or visit www.codeofpractice.com.au

Dispute Resolution Process

How You Can Resolve a Complaint You Have With Us

If you would like to make a complaint, we will do everything we can to try to resolve it as quickly and fairly as possible. The following paragraphs provide details on how you can lodge your complaint and how Calliden will try to resolve it.

You may contact us at any time if you are dissatisfied with any matter relating to your insurance with Calliden, including:

- our decision on your claim;
- our handling of your claim;
- the service of our representatives, assessors, loss adjusters or investigators; and
- your insurance Policy.

Contact Us

- If you have a complaint regarding your claim, please contact your claims consultant.
- If you have a complaint regarding your insurance Policy, please contact us on 02 9551 1111 and we will try to resolve your complaint straight away.
- You can write to us at:
 - Fax: 02 9551 1155
 - Address: PO Box 348, Milsons Point NSW 1565.

How We Resolve Complaints

- We will address all complaints, except where specific circumstances apply, in accordance with Calliden's Complaints Handling Process. This process is compliant with the Insurance Council of Australia's Code of Practice. Both the Code of Practice and our Complaints Brochure, which contains a guide to our process, are available upon request.
- We will handle all complaints without cost to you.
- A complaints consultant will be assigned to the management of your complaint and will acknowledge your complaint within 2 business days of receipt. If further information is required to consider the complaint, it will be requested at this time.
- The complaints consultant will aim to resolve your complaint within a further 13 business days. In certain circumstances a longer period may be required, and we will request a later response date.

Product Disclosure Statement (cont'd)

- The outcome of the complaint will be advised to you in writing, stating our reasons and any corrective action that will be undertaken.

If Your Complaint is Still Unresolved

If we cannot resolve your complaint within 15 business days or you are not happy with our response to your complaint, you can seek an external review via our external dispute resolution scheme, administered by the Financial Ombudsman Service (FOS).

This national scheme is for consumers, free of charge and is aimed at resolving disputes between insureds and their insurance companies.

For more information call 1300 78 08 08 or visit www.fos.org.au

If the FOS is unable to address your complaint then Calliden may be able to provide you with details of an alternative external dispute resolution service.

Privacy

Calliden respects your privacy and operates at all times in accordance with its privacy policy. This privacy notification provides a summary of how Calliden treats your privacy, and it is recommended that you read the policy in conjunction with this notice.

Calliden collects personal information to assess your request for insurance, to administer your Policy, provide other insurance services as requested by you, and also to notify you about other Calliden services or promotions from time to time. At the time of collecting your information we will inform you of the purpose for the collection and the consequences if you choose not to provide the information.

In order to provide its insurance services Calliden may need to share your information with third parties including your agent or broker and Calliden's reinsurers and claims providers (for a full list see Calliden's privacy policy).

In accordance with Calliden's privacy policy you may obtain access at any time to information that Calliden or its service providers hold on you. If you would like to contact Calliden about privacy, or would like to obtain a copy of the privacy policy you may do so through one of the following means:

- obtain the privacy policy online at www.calliden.com.au
- by phone 02 9551 1111
- by email to privacy@calliden.com.au
- by letter to Privacy Officer, PO Box 348, Milsons Point NSW 1565.

Updating the PDS

Information in this PDS may need to be updated from time to time. You can obtain a paper copy of any updated information without charge by contacting us or your insurance intermediary. You can also obtain an electronic copy without charge by contacting us or your insurance intermediary. The Corporations Act requires us to tell you that, if the update is to correct a misleading or deceptive statement or an omission, that is materially adverse from the point of view of a reasonable person deciding whether to acquire this Policy, we will provide you with a new PDS or a supplementary PDS.

How to Make a Claim

To make a claim please contact us on 02 9551 1111 or contact your insurance intermediary. For full details on claims procedures please refer to the 'Conditions' section of the policy wording.

Lease Guarantee Insurance Policy

Introduction

This Policy is a legal contract between you and us. Your Policy is made up of:

- this policy wording;
- the most current Schedule of insurance issued by us;
- any endorsements; and
- any other changes advised to us in writing and agreed to by us.

If you have paid us the premium, we will provide you the cover you have chosen as set out in the Schedule and in this policy wording.

You or any other person insured under the Policy must comply with all provisions of the policy otherwise we may be entitled to refuse to pay a claim or reduce the amount you are entitled to receive.

Definitions

The meaning of some important words and terms used in this **Policy** are set out below.

Benefit means any payment which can be made to **you** or on **your** behalf under this **Policy**.

Event means an occurrence that could give rise to a claim for a **Benefit** under this **Policy**.

Involuntary Unemployment means the termination of your employment during the **Policy Period** where **you**:

- have been made redundant or are retrenched by the act of **your** employer; and
- have registered as being unemployed with Centrelink or the equivalent government authority or a recognised recruitment or personnel agency; or can provide other evidence of unemployment that **we** accept as satisfactory; and
- are in receipt of unemployment benefits unless **you** are not eligible to receive unemployment benefits because of income received by **you** or **your** spouse or the value of **your** assets; and
- are actively looking for work.

Lease means an initial lease agreement between **you** and the **Lessor** for the lease of the **Vehicle**.

Lease Pay Out means the amount required to discharge or terminate the **Lease**.

Lessee means the person named in the **Lease** as the approved credit applicant and who is:

- 18 years of age or older and not more than 60 years of age at the **Start Date**; and
- an Australian resident; and
- in **Permanent Full Time Employment**.

Lessor means the company that approved **your Lease** and is named in the **Lease** as the Lessor.

Monthly Lease Payment means the monthly payment **you** are required to make to the **Lessor** as specified in **your Lease**.

Permanent Full Time Employment means working as an employee for at least 25 hours per week in continuous employment for a salary or wages for a continuous period of at least 12 months at the **Start Date**. This does not include:

- casual, seasonal, temporary employment; or
- working under a contract for a specified period of time or based upon completing specified work.

Policy means the agreement between **you** and **us** for this insurance. The **Policy** is made up of this policy wording, the most current **Schedule**, any endorsements and any other changes advised to **us** in writing and agreed to by **us**.

Policy Period means the time **you** are covered by this insurance. It starts on the **Start Date** and ends on the date that:

- **your Lease** is terminated, discharged or refinanced; or
 - this **Policy** is cancelled or ended in some other way;
- whichever happens first.

Lease Guarantee Insurance Policy (cont'd)

Premium means the amount payable by **you** for the insurance provided by **us** under this **Policy** including all applicable taxes and duties.

Schedule means the most recent **Schedule** issued by **us** which shows **your Policy** number, the **Premium**, the cover selected by **you**, and any special provisions, limits or endorsements.

Self Employment means that **you** have control over a business because **you** own it or are a share holder in the company that owns it or **you** are a partner in the partnership that owns it for a continuous period of at least 12 months at the **Start Date**.

Start Date means the date that **we** agree to commence this **Policy**. This date is shown on **your Schedule**.

You/your means the entity or person/s named as the **Insured** in the **Schedule**.

Vehicle means the registered motor vehicle shown in the **Lease**.

Waiting Period means the period of time during which no **Benefits** are available or payable under this **Policy**.

We/our/us means Calliden Insurance Limited (Calliden) (ABN 47 004 125 268, AFSL No. 234438).

1. Benefits Provided

1.1 Involuntary Unemployment Cover

In the case of **your Involuntary Unemployment**, we agree to pay the following Involuntary Unemployment Benefit:

We will pay **your Lessor** 1/30th of **your Monthly Lease Payment** for each day **you** are **Involuntarily Unemployed** up to a maximum of 3 (three) **Monthly Lease Payments**.

We will not pay for more than \$1,500 including GST for each **Monthly Lease Payment**.

We will apply a **Waiting Period** of 30 (thirty) days to the **Involuntary Unemployment Benefit**. The **Waiting Period** starts on the last day of **your** employment.

We will not pay this if:

- **you** return to work and are no longer **Involuntarily Unemployed**,
- **your** termination was due to retirement or **you** became unemployed due to disciplinary action by **your** employer, demotion or transfer to another position,
- **your** unemployment is due to the seasonal nature of **your** employment or a specific contract, project or period of employment is completed,
- **you** were not in **Permanent Full Time Employment** for at least 12 months prior to the **Start Date**,
- **you** voluntarily resign or accept a voluntary redundancy or **you** are self employed and abandon **your** employment,
- **you** became unemployed due to any injury or condition arising out of or connected to alcoholism, drug addictions or the influence of alcohol or non medically prescribed drugs,
- **you** became unemployed due to being dismissed for misconduct or breach of **your** employment contract,
- **you** are not resident in Australia,
- **you** became unemployed or were advised that **your** employment would be terminated at or before the **Start Date** or during the first 30 days after the **Start Date**,

- **you** were aware (or ought reasonably to have been aware) that **your** employer was planning to decrease the number of its employees before the **Start Date** and **your Involuntary Unemployment** was a result of that plan.

1.2 Involuntary Unemployment Choice Cover

If **we** have paid 3 (three) **Monthly Lease Payments** under the **Involuntary Unemployment Benefit** (as described in 1.1 above) **we** agree to pay the following Involuntary Unemployment Choice Benefit.

If **you** are still **Involuntarily Unemployed** after **we** have paid 3 (three) **Monthly Lease Payments**, **you** must make a choice and tell the **Lessor** before the next **Monthly Lease Payment** that **you** will either:

- terminate the **Lease** and return the **Vehicle** to the **Lessor**; or
- continue with the **Lease** and make all further payments and meet all other obligations under the **Lease** yourself.

If **you** choose to terminate the **Lease** and return the **Vehicle** to the **Lessor** before the next **Monthly Lease Payment** is due, **we** will pay the **Lessor** with:

- the **Lease Pay Out** less the actual sale price of the **Vehicle**; or
- if the **Vehicle** is deemed to be a total loss while **you** are **Involuntarily Unemployed**, the **Lease Pay Out** less the amount paid by the **Vehicle's** comprehensive insurer.

We will not pay for:

- any charges due by **you** under the **Lease** or to the **Lessee** for early repayment; or
- for any repayments in arrears.

We will not pay for more than \$10,000 including GST under this **Involuntary Unemployment Choice Benefit**.

2. Exclusions

Your Policy will not apply to any event arising directly or indirectly out of:

- a criminal or illegal act,
- any consequences of war (whether declared or not) or civil war, taking part in a riot or civil commotion,
- the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel,
- a minus equity transfer contract (that is a **Lease** where the amount financed is more than the market value of the **Vehicle** at the start of the **Lease**),
- any increased liability due to the variation of the initial **Lease**,
- any:
 - a. act of terrorism, as defined herein; or
 - b. action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- i. involves violence against one or more persons; or
 - ii. involves damage to property; or
 - iii. endangers life other than that of the person committing the action; or
 - iv. creates a risk to health or safety of the public or a section of the public; or
 - v. is designed to interfere with or to disrupt an electronic system.
- asbestos or any materials containing asbestos in any form or quantity.

Your Policy will not apply if **you** are 65 years of age or older or under 18 years of age at the **Start Date**.

3. Conditions

You must comply with these conditions. If **you** do not comply, **we** reserve **our** rights to refuse to pay a claim or to reduce the amount of any **Benefit**.

3.1 Claims Procedures

If **you** wish to make a claim under this **Policy**, **you** must notify **us** as soon as possible of all such circumstances and provide all reasonable information and assistance that **we** may require, including:

- completion of claim forms
- any reports obtained from the police or other authorities about an accident, loss or damage
- any other documents **we** may require to prove the claim falls under the **Policy** at **your** own expense.

You can contact **us** to make a claim in any of the following ways:

Tel: 1300 65 7211

Fax: 1300 78 77 55

Postal address: PO Box 2717, Taren Point NSW 2229

Email: claims@calliden.com.au

3.2 Discharge of Liabilities

We will pay all **Benefits** under the **Policy** to the **Lessor**.

3. Conditions (cont'd)

3.3 Cancellation

This **Policy** may be cancelled by:

- **you** at any time notifying **us** in writing, in which case:
 - i. cancellation takes place when **we** receive the notice; and
 - ii. **we** will retain, or be entitled to, **Premium** for the period during which this **Policy** has been in force and non-refundable taxes and duties.
- **us** on any grounds set out in the Insurance Contracts Act 1984, as amended from time to time, by giving **you** notice in writing, in which case **we** will refund the **Premium** paid for the unexpired part of the **Policy Period**.

You must supply **us** with such particulars as **we** may require for the adjustment of the **Premium** following any cancellation.

3.4 Automatic Cancellation

This **Policy** is cancelled without any notice to **you** if **you** do not pay the **Premium** within 90 days of when it is due. The cancellation is effective from the date that the period relating to any **Premium you** have previously paid us ends.

The **Policy** is also automatically cancelled when:

- **you** reach the age of 65 years,
- the **Lease** is terminated, discharged or refinanced,
- the **Lease** is restructured and this changes the **Lease Pay Out** or duration of the **Lease**,
- the maximum **Benefit/s** available under this **Policy** are paid to **you** or on **your** behalf,
- **you** return to paid employment.

3.5 Jurisdiction

This **Policy** is governed by the laws of the State or Territory in the Commonwealth of Australia where it was issued and all disputes in respect of this **Policy** will be submitted to the exclusive jurisdiction of the courts of the State or Territory in the Commonwealth of Australia where it was issued.

3.6 Severability

A term or condition of this **Policy** that is illegal or unenforceable may be severed from this **Policy** and the remaining terms and conditions of this **Policy**, or parts of it, will continue to be in force.

3.7 Interpretation

The singular includes the plural and vice versa, unless the context requires otherwise. A reference to a person includes a body corporate, an unincorporated body or other entity. Headings are for convenience only and do not affect interpretation. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

3.8 GST

In this subsection, GST and input tax credit have the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time. Taxable percentage means **your** entitlement to an input tax credit on the **Premium** as a percentage of the total GST on that **Premium**.

If **we** are liable to pay an amount to **you** or on **your** behalf under this **Policy** and **you** have paid or are liable to pay an amount for GST on acquisitions in connection with **your** claim, **we** will indemnify **you** for that GST amount, less any input tax credit **you** are or may be entitled to claim for **your** acquisitions.

You must advise **us** of **your** correct taxable percentage. Any GST liability arising from **your** failure to do so is payable by **you**.

powered by
calliden

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