

Purchase Price Insurance

Product Disclosure Document
and Policy Document.



Allianz 

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Table of contents

page

About this insurance

Introduction	3
Who is the insurer?	3
Our Product Disclosure Statement	3
Understanding your policy and its important terms and conditions	3
Your premium	4
Non-Renewable	5
Cooling off period and cancellation rights	5
Updating the PDS	5
Eligibility	6
What is Purchase Price Insurance?	6
Purpose of Purchase Price Insurance	6
What your policy consists of	6
Not everything is covered	7
Our agreement with you	7
Words with special meanings	8
What we will pay	10
When we will not pay your claim	12
Conditions of cover	
Changes to your policy	13
Geographic limits	13
Cancellation rights under your policy	13
When your policy ends	14
GST notice	14

	page
Premium payment by direct debit	15
Payment of unpaid premium when a claim is made	15
Making a claim	
What you must do	16
Other important information	
Your Duty of Disclosure	17
Privacy Act 1988 – Information	18
General Insurance Code of Practice – providing you with even better service	19
Dispute resolution process – helping you solve any problems	19
Financial Claims Scheme	20
Phoning for assistance and confirmation of cover	20

About this insurance

Introduction

Thank you for choosing Allianz.

This Purchase Price Insurance policy is designed to pay you the difference between the purchase price of your vehicle and the total loss payment made by your comprehensive motor vehicle insurer. Payment is made where the purchase price of your vehicle is a greater amount than the total loss payment, up to the maximum amount of cover listed on your policy schedule.

Who is the insurer?

The insurer is Allianz Australia Insurance Limited
AFS Licence No. 234708 ABN 15 000 122 850 of
2 Market Street, Sydney, NSW, 2000.

Our Product Disclosure Statement

This policy document is also a Product Disclosure Statement (PDS). A PDS is a document required by the Corporations Act and contains Information designed to help you decide whether to buy this insurance.

Understanding your policy and its important terms and conditions

The above is a summary only to properly understand your policy's significant features and benefits you need to carefully read:

- about the available type of cover and benefits in the relevant sections, including any endorsements (remember certain words have special meanings – see “Words with special meanings”);
- when we will not pay your claim section (this describes the limitations of the cover and benefits);

- “General conditions” and “Making a claim” sections (these set out certain obligations that you and we have. If you do not meet them we may be able to refuse to pay a claim); and
- “Other important information” section (this contains important information on your duty of disclosure, our privacy policy and our dispute resolution process).

Your premium

We advise what the premium is and the method of payment acceptable to us, either before or at the time the insurance is issued. The policy schedule contains the details of the premium.

The premium we charge you varies depending on certain factors, such as our costs, the type of vehicle, the level of cover you choose and other information you provide to us when applying for this insurance.

Factors that increase the risk to us generally increase the premium (e.g. where the highest level of cover is chosen) and those that lower the risk reduce premium payable (e.g. a lower level of cover is chosen).

The premium amount also includes amounts that take into account our obligation (actual or estimated) to pay any relevant compulsory government charges, taxes or levies (for example, Fire Services Levy, Stamp Duty and GST where applicable) in relation to your policy. If you have any queries on this you can ask us when you apply. You must ensure your premium is paid on time. We may cancel your policy if you fail to pay your premium by the time we require.

You can pay your premium by instalments. The four year period of insurance can be paid monthly over the first 12 months of the policy period.

If you pay your premium by instalments, refer to the ‘Conditions of cover’ section for important details on your and our rights and obligations. Note that an instalment premium outstanding for 14 days or more may result in our refusal to pay a claim.

Non-Renewable

This is non-renewable insurance, and the period of insurance will not continue beyond 4 years. Please be aware that all benefits will cease when your policy ends irrespective of the amounts already paid (see “When your policy ends” on page 14).

Cooling off period and cancellation rights

You have a cooling off period of fourteen (14) days from the date you purchased your policy. During this period you may cancel your policy and receive a refund of your premium unless:

- a. you have made a claim; or
- b. the period of insurance has ended.

We may deduct from your refund amount any reasonable administrative and transaction costs incurred by us that are reasonably related to you buying and cancelling your policy and any government taxes or duties we cannot recover.

After the cooling off period has ended, you still have cancellation rights (refer to “Conditions of cover” “Cancellation rights under your policy” on page 13, for full details).

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 using the contact details provided on the back cover of this document. If the update is to correct the PDS, we will provide you with a new PDS or a supplementary PDS.

Eligibility

This insurance is only available at the date of purchase of your motor vehicle and cover will only be provided on the basis that your vehicle has comprehensive motor vehicle insurance coverage effective from the date of purchase.

Your motor vehicle must:

- not be a motorcycle;
- not be used as a courier, delivery vehicle, taxi or any other vehicle used for transporting passengers or goods for hire, fare or reward;
- be less than 5 years of age from the vehicle's year of manufacture at the time of purchasing this policy; and
- have a carrying capacity of no greater than 2 tonnes.

Other eligibility criteria apply; You will be advised of the criteria when you apply for cover.

You need to ensure the limits and level of cover are appropriate for you, if they are not, you may be underinsured and have to bear part of the loss yourself.

What is Purchase Price Insurance?

Purpose of Purchase Price Insurance

This insurance is designed to pay you the difference between the purchase price of your vehicle and the total loss payment made by the insurer of your comprehensive motor vehicle insurance. Payment is made where the purchase price of your vehicle is a greater amount than the total loss payment, up to the maximum amount of cover listed on your policy schedule.

What your policy consists of

Your policy consists of:

- this printed Purchase Price Insurance Product Disclosure Statement and Policy Document which

sets out details of your cover and its limitations, and

- the policy schedule approved by us which sets out who is insured, the covers selected, the period of insurance, the limits of liability and other important information. This is referred to as the schedule in the policy document

You should carefully read and retain your policy document and your policy schedule. These documents should be read together as they jointly form the contract of insurance between you and us. Any new or replacement policy schedule we may send you, detailing changes to your insurance or the period of insurance will become the policy schedule, which you should carefully read and retain.

Not everything is covered

Not everything is covered by this insurance. The above is only a summary and there are limitations. It is important that you carefully read your policy documents to understand the extent of cover and its limitations.

Our agreement with you

Where we have agreed to cover you, we will insure you for the cover selected by you for the period of insurance shown in the policy schedule on the basis:

- that you have paid, or agreed to pay us the premium for the cover which the policy schedule indicates are in force;
- of the verbal and/or written information provided by you which you gave after having been advised of your Duty of Disclosure either verbally or in writing. If you have failed to comply with your Duty of Disclosure, we may be entitled to reduce our liability under the policy in respect to a claim or we may cancel your policy. If you have told us something which is fraudulent, we have the option of cancelling your policy from the effective date stated in the schedule.

For your assistance we have provided a full explanation of your Duty of Disclosure and the consequences of non-disclosure, under the heading “Your Duty of Disclosure”, on page 17.

Words with special meanings

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

“agreed value” means the amount which you and your comprehensive motor vehicle insurer agree to insure your vehicle for.

“comprehensive motor vehicle insurance” means motor vehicle insurance commonly known as comprehensive motor vehicle insurance which provides cover for accidental loss of or damage to your vehicle (excluding insurance limited to cover for specified events only such as fire and theft) plus cover for your legal liability to third parties for damage to their property arising from the use of your vehicle.

“market value” means the cost determined by your comprehensive motor vehicle insurer to replace your vehicle with a vehicle of the same make, model, age and condition as your vehicle immediately prior to the loss or damage.

“out of pocket expenses” means a payment made under your comprehensive motor insurance as a result of your total loss claim for:

- emergency accommodation; or
- emergency repairs to your vehicle; or
- the towing of your vehicle; or
- travel necessary to return to your home; or
- hire or loan car costs.

“period of insurance” means the period of time commencing on the effective date stated in the policy

schedule and ending on the earlier of the expiry date shown on the policy schedule and the date your policy ends (see “When your policy ends” on page 14). The period of insurance will not continue beyond 4 years from the effective date.

“**personal effects**” means a payment made under your comprehensive motor vehicle insurance for loss or damage to personal items owned by you which are designed to be worn or carried.

“**Purchase Price**” means the amount you paid for your vehicle excluding:

- other insurance premiums, e.g. comprehensive insurance, CTP;
- registration costs;
- any stamp duty payable; and
- dealer delivery expenses;

up to a maximum of 110% of the vehicle’s retail value listed in Glass’s Guide edition current as at the date of your purchase of your vehicle.

“**total loss payment**” means either the market value or agreed value paid by your comprehensive motor vehicle insurer in the event of a total loss claim.

“**we**”, “**our**” or “**us**” means Allianz Australia Insurance Limited AFS Licence No. 234708 ABN 15 000 122 850 of 2 Market Street, Sydney, NSW, 2000.

“**your vehicle**” means the registered motor vehicle shown in your policy schedule, including its standard tools, modifications and accessories as supplied or fitted by the manufacturer or dealer when the vehicle was purchased.

“**you**”, “**your**” or “**yours**” means the persons named in the schedule.

What we will pay

If your comprehensive motor vehicle insurer makes a total loss payment in respect of your vehicle and the event causing the loss occurs during the period of insurance, we will pay you the difference between:

- the purchase price of your vehicle; and
- the market value or agreed value of your vehicle [whichever is applicable], as determined by your comprehensive motor vehicle insurer,

up to the maximum amount specified for the Option listed on the policy schedule. You can choose from the following Options:

- Option A: \$7,000
- Option B: \$15,000
- Option C: \$25,000
- Option D: \$40,000

We will also cover the amount of any excess that you must pay under your comprehensive motor vehicle insurance in relation to the total loss claim.

We will not pay for any adjustments made to the total loss payment by your comprehensive motor vehicle insurer for:

- a. any outstanding premium payments applicable to your comprehensive motor vehicle insurance policy;
- b. your ITC (Input Tax Credit) entitlement;
- c. the amount of the damaged vehicle where you retain the vehicle; or
- d. reimbursement of out of pocket expenses and/or cost of the repair or replacement of personal effects.

Should the total loss payment from your comprehensive motor vehicle insurer equal the purchase price of your vehicle or the comprehensive motor vehicle insurer provides you with a replacement vehicle, then we will pay you:

- a refund of the premium paid by you for your policy; less
- an administration fee (which will be based on the reasonable administration and transaction costs we incur that are related to your acquisition of the policy and its termination),

and your policy will end.

When we will not pay your claim

We will not pay for any loss caused by, arising from or in any way connected with:

1. the insurer of your comprehensive motor vehicle insurance not making, or refusing to pay, a total loss payment under your comprehensive motor vehicle insurance in respect of your vehicle,
2. you not providing us with sufficient evidence to substantiate that your comprehensive motor vehicle insurer has made a total loss payment on your vehicle as is reasonable for us to request, or
3. any loss that is covered by any other insurance or warranty, to the extent permitted by law.

Conditions of cover

1. Changes to your policy

This policy is non transferable and non variable.

2. Geographic limits

Cover is only provided under your policy whilst your vehicle is:

- in Australia; or
- in transit by road, rail, air or sea within Australia.

3. Cancellation rights under your policy

- a. You may cancel your policy with us at any time by notifying us in writing using the contact details provided on the back cover of this document.
- b. We have the right to cancel your policy where permitted by law. For example, we can cancel your policy with us:
 - 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 relating to payment of premium, or
 - if you have made a fraudulent claim under your policy or under some other contract of insurance that provides cover during the same period of time as your policy,

and we may do so by giving you three business days notice in writing of the date from which the policy will be cancelled. The notification may be delivered personally or posted to you at the address last notified to us.

- c. If you or we cancel the policy we may deduct a proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover.

4. When your policy ends

Your policy begins on the effective date shown on the policy schedule.

Unless we agree otherwise, your policy will cease to be in force and all future claim payments under it will stop at the earliest of:

- a. the expiry date shown on the policy schedule; or
- b. on the date that your comprehensive motor vehicle insurance lapses or is cancelled; or
- c. from the time your ownership of your vehicle ends; or
- d. on payment of a claim under your policy; or
- e. if the total loss payment from your comprehensive motor vehicle insurance is equal to the purchase price of your vehicle or if your comprehensive motor vehicle insurer provides you with a replacement vehicle and we refund the premium to you for your policy less reasonable administration and transaction costs we incur that are related to your acquisition of the policy and its termination.

5. GST notice

Your policy has a GST provision in relation to premium and our payment to you for claims. It may have an impact on how you determine the amount of insurance you need. Please read it carefully. Seek professional advice if you have any queries about GST and your insurance.

Claim settlements – Where we agree to pay

When we calculate the amount we will pay you, we will have regard to the items below:

- Where we make a payment under your policy as compensation instead of payment for a relevant acquisition, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to had the payment been applied to a relevant acquisition,
- Where your policy insures business interruption, we will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by your business that is relevant to your claim.

Disclosure input tax credit entitlement

If you register or are registered for GST, you are required to tell us your entitlement to an input tax credit on your premium. If you fail to disclose or understate your entitlement, you may be liable for GST on a claim we may pay. Your policy does not cover you for this GST liability, or for any fine, penalty or charge for which you may be liable.

6. Premium payment by direct debit

You may have chosen to pay the premium for this insurance by direct debit from a financial institution holding your account or your credit card account. If you choose this option, the financial institution may dishonour the direct debit payment due to lack of funds in your account. If this occurs, we may charge you for any direct and indirect costs that we incur arising from the payment being dishonoured.

7. Payment of unpaid premium when a claim is made

On payment of a claim under your policy, the amount of any unpaid premium for the period of insurance will be deducted from the settlement amount payable to you.

Making a claim

What you must do

1. Contact us as soon as possible

You must tell us of your claim as soon as possible by contacting our Customer Service Centre on the number on the back cover of this document.

2. Complete a claim form

You must obtain a claim form, complete it and return it to us promptly.

3. Assist us with your claim

You must give us all the information and assistance with your claim which we may reasonably require. If we have the right to recover any amount payable under your policy from any other person, you must co-operate with us in any action we may take. We may appoint a loss adjuster to help settle your claim.

4. Copy release

You must forward a copy of the release you forwarded the insurer of your comprehensive motor vehicle insurance or equivalent evidence of payment for a total loss in order to receive your claim payment under your policy.

Other important information

Your Duty of Disclosure

Before you enter into an insurance contract with us, you have a duty under the Insurance Contracts Act 1984 to provide us with the information we need to enable us to decide whether to accept your application for insurance and, if so, and on what terms and to calculate how much premium is required for your insurance.

We set out this duty below.

Your Duty of Disclosure when you enter into your policy with us

You will be asked various questions when you apply for our policy. When you answer these questions, you must:

- give us honest and complete answers;
- tell us everything that you know; and
- tell us everything that a reasonable person in the circumstances could be expected to know is relevant to our decision whether to insure you and whether any special conditions need apply to your policy.

What you don't need to tell us?

You do not need to tell us about any matter that:

- diminishes our risk;
- is of common knowledge;
- we know or should know as an Insurer; or
- we tell you we do not need to know.

Who must tell us?

Everyone who is insured under your policy must answer the questions in this way.

What happens if you or they do not comply with this duty?

If you or they do not answer the questions in this way, we may cancel your policy or reduce the amount we pay if you make a claim. If fraud is involved, we may treat your policy as if it never existed and pay nothing.

Privacy Act 1988 – Information

We collect your personal information directly from you where reasonably practicable or if not, from other sources. We collect it to provide our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of our related companies and alliance partners that may interest you (but you can opt out of this by calling the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate your decision in the appropriate area of the Privacy section of our website at www.allianz.com.au). If you do not provide the information we require we may not be able to provide you with this service.

We disclose information to third parties who assist us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, your agents and other persons where required by law). We also provide this information to financiers and motor vehicle manufacturers if we have a relationship or insurance scheme in place with them under which you purchased your policy. We prohibit them from using it for purposes other than those we supplied it for. Where you provide us with information about another person for the above purposes, you must tell us if you haven't got their consent to this. If you wish to gain access to your

personal information (including to correct or update it), have a complaint about a breach of your privacy or you have any query on how your personal information is collected or used, or any other query relating to Privacy, contact us on 13 2664 EST 8am-6pm, Monday to Friday.

From time to time we may advise or offer you information on 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 call the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate your decision in the appropriate area of the Privacy section of our website at www.allianz.com.au.

General Insurance Code of Practice – providing you with even better service

The General Insurance Code of Practice was developed by the Insurance Council of Australia Limited to further raise standards of practice and service across the insurance industry.

We keenly support the standards set out in the Code. You can obtain more information on the Code of Practice and how it assists you by contacting us. Contact details are provided on the back cover of this policy.

Dispute resolution process – helping you solve any problems

We have a free internal complaints resolution process that can be accessed by contacting us using the details on the back cover. If this process doesn't resolve the complaint we will give you information about how to access available external dispute resolution schemes.

Financial Claims Scheme

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under this Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria and for more information see APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 55 88 49.

Phoning for assistance and confirmation of cover

If you need to confirm any policy transaction or clarify any of the information contained in this policy document or if you have any other queries, please use the contact details on the back cover.

For all enquiries please call us on 1300 139 664

allianz.com.au

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