

Asset Protection Insurance

Sample Product Disclosure Statement and Policy Document

SECTION 1: IMPORTANT NOTICES & DISCLOSURES

WELCOME

Welcome to Your Asset Protection Insurance (API) Policy.

This insurance is designed to pay the difference, up to the Sum Insured shown on Your Policy Schedule, between the Total Loss Valuation and the Purchase Price of Your Asset or if greater, the Early Settlement Amount that You owe Your Finance Company, following the Total Loss of Your Asset during the Policy Term.

In addition, We will pay the relevant 'Additional Cover Benefit' amount to You (full details are provided later in the Benefit of the Policy, Section 1.6) in order to compensate for the inconvenience suffered, arising from the Total Loss Claim under Your Comprehensive Asset Insurance, up to the relevant limits specified for the cover option selected, as shown in the Policy Schedule.

The 'API Loyalty Benefit' is also payable if, and only if, You purchase a replacement vehicle at the same Selling Agent You purchased the Vehicle from originally. You do not have to return to the original Selling Agent to purchase a replacement vehicle but, if You do, You are entitled to the API Loyalty Benefit.

We know everyone's circumstances differ, so We offer a variety of Policy options with different levels of cover which allows You to choose the appropriate level of coverage for Your circumstances.

The above is only a limited summary so please carefully read this PDS document for the full details of the terms, conditions, limits and exclusions that apply.

Please carefully read this Product for the full Terms and Conditions.

IMPORTANT INFORMATION

It is important that:

- You check Your Policy Schedule to ensure the details are correct and that the cover is as You requested;
- You check that You are eligible for this insurance (see Eligibility, Section 2.1);
- You check the information You have given Us is accurate (see Your Duty of Reasonable Care, Section 3.1);
- You notify the Selling Agent as soon as possible of any inaccuracies on Your Policy Schedule, or if You are not eligible for the insurance; and
- You comply with any duties detailed under each section of the Policy Document and under the insurance as a whole.

1.1 LANGUAGE

All Policy documents and all communications with You about the Policy will be in easy-to-understand English. If You have any disability that makes communication difficult, please tell Us and We will be pleased to help.

1.2 GENERAL ADVICE WARNING

Any financial product advice given to You by the Selling Agent/Selling Agent's Representative is general advice only, limited to this insurance Policy only, and does not take into account Your personal objectives, needs or financial circumstances. Please read the Product Disclosure Statement to consider whether this Policy is appropriate for Your personal objectives, needs or financial circumstances before entering into the Policy.

Please note that this Policy **is not compulsory** and is not a condition for this Motor Vehicle purchase or any other reason.

1.3 ABOUT THIS PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (PDS) contains information designed to help You make an informed decision about whether to purchase the Policy. This PDS was prepared on the 16th of March 2026. Certain words have special meanings which are explained in the Definitions, Section 1.11.

1.4 UPDATING THE PDS

We may need to update this PDS from time to time if certain changes occur when required and permitted by law. We will issue You with a new PDS or a supplementary PDS or other compliant documents to update the relevant information except in limited cases, such as, where the information is not something that would affect You negatively, where We may issue You with notice of this information in other forms or keep an internal record of such changes. You can get a paper copy free of charge by contacting AWN using Our details provided in this document.

1.5 ABOUT AWN AND THE INSURER

Australian Warranty Network Pty Ltd. (AWN) trading as AWN Insurance, (ABN 78 075 483 206) is an Australian Financial Services Licence No. 246469, authorised to provide general financial product advice and deal in general insurance products. This insurance is underwritten by Sovereign Insurance Australia Pty Ltd (Insurer) (ABN 85 138 079 286) who holds AFS Licence No 342516. Under a binding authority with the Insurer, AWN as a managing general agent is authorised by them to arrange, issue, vary, cancel and handle all Claim enquiries for these Policies on their behalf.

The Insurer can be contacted:

Sovereign Insurance Australia Pty Ltd

3801-3803 Pacific Highway, Tanah Merah, QLD 4128

If You need information about this insurance, in the first instance You should contact AWN Insurance at the details set out below.

Post: PO Box 4301, Loganholme QLD 4129

Phone: (07) 3802 5577

Web: www.awninsurance.com.au

1.6 BENEFITS OF THE POLICY

Following a valid Claim, where Your Asset is declared a Total Loss by Your Comprehensive Asset Insurance provider, We will pay the difference, up to the Sum Insured shown on Your Policy Schedule, between the Total Loss Valuation of Your Asset and the Purchase Price of Your Asset or, if greater, the Early Settlement Amount that You owe Your Finance Company. We will pay up to the amount specified in the table below for the applicable cover option shown on Your Policy Schedule.

Choice of Coverage

Coverage Option	Coverage A	Coverage B	Coverage C	Coverage D	Coverage E
API Cover Benefit Limit	\$8,000	\$12,000	\$15,000	\$25,000	\$40,000
Additional Cover Benefit Limit	\$1,500	\$3,000	\$3,000	\$5,000	\$6,000
API Loyalty Benefit Limit	5% of the Replacement Vehicle Value				

In addition to the API Cover Benefit, Additional Cover Benefit is also provided to assist You to pay the following, up to the maximum limit specified for the cover option You select:

- The relevant excess paid by You under Your Comprehensive Asset Insurance relating to the event causing the Total Loss payment; and
- Up to 10 days car hire up to a maximum of \$100 per day, whilst You are without an Asset following the Total Loss, but only if the car hire has been arranged or approved by Us first; and
- Dealer delivery charges, compulsory third party insurance, 12 months registration and stamp duty payable on Your replacement Asset; and
- 12 months Comprehensive Asset Insurance premium on Your replacement asset.
- The API Loyalty Benefit is also payable if, and only if, You purchase a replacement vehicle at the same Selling Agent You purchased the Vehicle from originally. You do not have to return to the original Selling Agent to purchase a replacement vehicle but, if You do, You are entitled to the API Loyalty Benefit.

You need to determine if the cover, and what level of coverage, is right for You and in deciding some things to consider include:

- The amount borrowed under Your Finance Contract; and
- The amount potentially payable under Your Comprehensive Asset Insurance in the event of a Total Loss payment; and
- The potential gap between the amount payable under Your Finance Contract and the Total Loss Payment in the event of a Total Loss; and
- How much You can afford to be out of pocket if a Total Loss occurs.

Not everything is covered by the Policy. The above is a limited summary only and not a full description of the coverages. All cover is subject to terms, conditions, exclusions and limitations that are not listed in the summary. You need to read the Policy Terms and Conditions included in this document to properly understand the cover provided and its limitations.

1.7 COST OF THE POLICY

The cost of the Policy is dependent on the level of cover You select. In addition to the Policy Premium price, You also need to pay any applicable Commonwealth and State taxes and/or charges such as Goods and Services Tax (GST) and Stamp Duty. The total Premium price and amount of these taxes and/or charges will be shown on Your Application Page.

The total Premium will also be determined by the payment method used by You. If the Premium is financed or if You use a credit card, interest charges will apply but will differ depending on Your financial provider. Administration charges may also apply if You select to pay by instalments option.

1.8 COOLING-OFF PERIOD

You may cancel this Product for any reason within 30 days from the Application Date by notifying Us in writing, or by calling Us on (07) 3802 5577 or emailing Us at claims@theclaimshub.com.au. This is known as the Cooling-Off Period. You will need to return the Product Schedule to Us, together with a letter to request cancellation of the Product during the cooling-off period.

If the Product has been issued to more than one person each person must authorise and sign the cancellation request.

Provided no Claim has been paid or You have not made a valid Claim, We will refund the amount paid, less any taxes, charges or duties which We cannot recover from other sources. After the Cooling-Off Period ends You still may have Cancellation Rights which are noted in this Product.

1.9 PAY BY INSTALMENTS

You can choose to pay the Premium in instalments to help spread Your payment over time by one of two methods.

- Independent Third-Party Provider; or
- Monthly Payments by Administered Subscription

Independent Third-Party Provider

Please note this facility is not part of the Product Terms and Conditions as it is an additional service. Additional administration charges may apply to use this facility; therefore, the cost may be more than if You choose to pay the full Premium by a single payment. The third-party provider, if required, will provide any disclosure documentation for Your perusal and acceptance if You select this payment option.

The following additional conditions apply using the independent third-party provider pay-by-instalments option:

- If You are paying by instalments and an instalment remains unpaid for 14 days or more, without notice to or arrangement with the third-party provider, We may refuse a Claim.
- If You have an authorised Claim during the pay-by-instalment term, We may, after giving notice to You, deduct any outstanding instalments from the Claim amount We authorise.
- If You fail to make a payment or repayment of the Instalment Plan in full by the due date the provider may, at its absolute discretion, charge a late fee proportionate to the additional fees and administrative duties applicable to the transaction.

Monthly Payments by Administered Subscription

The payment model is offered by Us and is a subscription model where you pay monthly instalments.

The following additional conditions apply using the pay-by-instalments option:

- You must ensure that Your first and any subsequent instalment Premium payments are made by the due dates. You are responsible for paying any outstanding Premium if we authorise Your claim.
- If You are paying by instalments and an instalment remains unpaid for 14 days or more, We may refuse a Claim.
- If an instalment payment is not paid, we will send You a missed payment notification, which informs You of Our intention to cancel the Product if it remains unpaid. After 3 attempts to seek payment (each attempt takes approximately 7 days), the Product is cancelled automatically based on the final missed payment notification.
- If the Product is cancelled for any reason, a cancellation fee of \$100.00 will be incurred. This fee covers administrative, and processing costs associated with the cancellation.

Deductions from Your claim

If You make an authorised Claim during a pay-by-instalment period, the outstanding balance of Your Instalment Plan must be paid in full before We can proceed with authorising the Claim.

If prior arrangements have been agreed in writing, We may instead deduct any unpaid Premium, including any overdue instalments, from the authorised Claim amount.

Dishonoured payments

If any instalment payment is dishonoured or reversed for any reason, You remain responsible for the unpaid instalment and any fees or charges applied by Us or our payment service provider in connection with the dishonour.

Where permitted by law, We may recover all such dishonoured payment fees as part of the Instalment Plan and may require these amounts to be paid before a Claim is authorised or deduct them from an authorised Claim amount.

1.10 ADDITIONAL INFORMATION AND CONFIRMATION OF TRANSACTIONS

If You require additional information about the Policy or wish to confirm a transaction, please contact AWN Insurance.

1.11 DEFINITIONS

There are a number of words in this document that have a specific meaning:

API means Asset Protection Insurance.

Asset means the covered Asset identified and specified on the Policy Schedule.

Claim means a valid Claim authorised in accordance with these Terms and Conditions and approved by AWN.

Comprehensive Asset Insurance means the Comprehensive Asset Insurance policy which provides accidental loss or damage and third-party property damage cover for Your Asset to the minimum value of the market value of Your Asset (agreed value is acceptable but must be greater than market value at time of the Comprehensive Asset Insurance being issued).

Contributory Negligence means the failure by You to act carefully or thoughtfully and Your negligent act or omission which entitles the issuer of Your Comprehensive Asset Insurance to reduce a Total Loss Valuation because You contributed to the damage to Your Asset resulting in a Total Loss. Examples include driving carelessly or driving without using a seatbelt.

Cover Commencement Date means the date this insurance cover commences as shown on Your Policy Schedule.

Early Settlement Amount means the amount required at the date of the Total Loss to settle the element of Your Finance Agreement that relates to the Purchase Price. (N.B. If You borrowed more than the Purchase Price on the Finance Agreement, You will still have an outstanding balance after We have settled Your Claim. For example, You may have borrowed to pay for insurance premiums, asset registration fee, fuel, paintwork and/or upholstery protection kits and We would not pay any outstanding balance relating to such items).

Finance Agreement means the credit agreement between You and the Finance Company relating to the Purchase Price of Your Asset.

Finance Company means an authorised Australian Finance Company You have the Finance Agreement relating to Your Asset.

Glass's Guide Retail Transacted Value means an independent vehicle Market Value guide published monthly by Glass's Information Services Limited, used by the insurance industry in assessing values relating to vehicles. Their retail transacted value is based on the typical sale price achieved by a retail dealer.

Insurer means Sovereign Insurance Australia Pty Ltd.

Negative Equity means any finance carried over from a previous asset or finance agreement.

New Car means a first registered motor vehicle or approved demonstration vehicle that has new for old coverage as a benefit within the applicable Comprehensive Asset Insurance.

Policy/Product means this API insurance policy.

Policy Schedule means the document that names You as the policyholder and sets out what this Policy covers You for including relevant limits, sums insured and excesses. We will replace Your Policy Schedule whenever You make any changes to the Policy.

Policy Term means the period defined by the Cover Commencement Date and the cover expiry date stated on Your Policy Schedule unless it ends earlier in accordance with the terms of this Policy.

Premium means the amount paid or payable for this Product.

Purchase Price means the price paid by You for Your Asset (including all factory fitted accessories, delivery for a new Asset and dealer fitted accessories) after any discount is given. The Purchase Price does NOT include the cost of new asset registration fees, number plates, fuel, paintwork protection applications, insurance premiums (including the premium for this Policy), warranty premiums/charges, any arrears or any finance carried over from a previous Finance Agreement.

Replacement Vehicle Value means the replacement vehicle value for the Vehicle that is specified in Your Policy Schedule.

Salvage Value means any deduction made under Your Comprehensive Asset Insurance for You to retain the salvage of Your Asset.

Selling Agent means an individual or company appointed by AWN as an approved representative.

Sum Insured means the maximum amount that We will pay following a Claim under this insurance, as shown on Your Policy Schedule.

Third-Party Asset Insurer means an insurance company against who, or against whose insured person, You or parties acting on Your behalf make a claim for loss of or damage to Your Asset following a Asset accident which was not Your fault.

Total Loss means where You have submitted a valid claim under a Comprehensive Asset Insurance policy or under a policy issued by a Third-Party Motor Insurer, and the insurer declares that Your Asset is beyond economic repair resulting in a payment being made to compensate You for the loss of Your Asset.

Total Loss Valuation means the value of Your Asset at the date of the incident which caused Your Asset to be declared a Total Loss. This will exclude any contents or any compensation for third party claims, personal injury, motor vehicle rental charges or any other out of pocket expenses as assessed by the insurer of the Comprehensive Asset Insurance or the Third-Party Motor Insurer.

We, Us, Our means Australian Warranty Network Pty Ltd trading as AWN Insurance, on behalf of Sovereign Insurance Australia Pty Ltd.

You, Your means the insured named in the Policy Schedule.

SECTION 2: TERMS AND CONDITIONS

Please read these Policy Terms and Conditions and PDS for full details of what We cover, as well as what Policy limits, conditions and exclusions that apply.

2.1 ELIGIBILITY

API is available for new and used Assets and is available for Assets purchased within 180 days before the cover start date. When You applied for this insurance, We asked You to confirm that You were eligible for cover. The eligibility requirements are as follows:

- Your Asset must be covered by a Comprehensive Asset Insurance Policy throughout the Policy Term. Please Note: Motor vehicle trade insurance, including mutual policies are excluded.
- You are the registered owner or keeper of Your Asset.
- The Asset is NOT a motorcycle, motor scooter or moped.
- Your Asset has not been declared a Total Loss before the Cover Commencement Date.
- Your Asset is under 15 years old at the Policy Cover Commencement Date.
- Your Asset is not a commercial Asset with a gross Asset weight exceeding 3.5 tonnes or used as a taxi or any other motor vehicle used for transporting goods for hire, fare or reward.
- Your Asset is registered in Australia.
- You are a permanent resident in Australia or an Australian registered company.
- A Guaranteed Asset Protection (GAP) Insurance Policy is not already in place for Your Asset.

We may decide not to offer cover if Your Asset does not meet specified eligibility criteria that We set based on the age, value, make or model of the Asset.

2.2 CHOICES OF COVERAGE

Coverage Option	Coverage A	Coverage B	Coverage C	Coverage D	Coverage E
API Cover Benefit Limit	\$8,000	\$12,000	\$15,000	\$25,000	\$40,000
Additional Cover Benefit Limit	\$1,500	\$3,000	\$3,000	\$5,000	\$6,000
API Loyalty Benefit Limit	5% of the Replacement Vehicle Value				

2.3 ADDITIONAL COVER

In addition to the API Cover Benefit, Additional Cover Benefit is also provided to assist You to pay the following, up to the maximum limit specified for the cover option You select:

- The relevant excess paid by You under Your Comprehensive Asset Insurance relating to the event causing the Total Loss Payment; and
- Up to 10 days car hire up to a maximum of \$100 per day, whilst You are without an Asset following the Total Loss, but only if the car hire has been arranged or approved by Us first; and
- Dealer delivery charges, compulsory third party insurance, 12 months registration and stamp duty payable on Your replacement Asset; and
- 12 months Comprehensive Asset Insurance premium on Your replacement asset.

2.4 EXCLUSIONS

The following is not covered under this Policy:

1. Any benefit if You do not meet the eligibility requirements for this Policy.
2. Any percentage or monetary amount deducted from the Total Loss Valuation because of Contributory Negligence or due to the condition of Your Asset.

3. Any amount in excess of the Purchase Price that You may have borrowed under the Finance Agreement. (For example, You may have borrowed to pay for insurance premiums, road fund licence, new Asset registration fee, fuel, paintwork and/or upholstery protection kits and We would not pay any outstanding balance relating to such items).
4. Any amount that has become due and payable under the Finance Agreement and has not been paid by its due date of payment.
5. Any recoverable GST where You are GST registered or part GST registered.
6. Any incident resulting in a Total Loss which did not occur in Australia.
7. Your Asset if it is used for hire or rental purposes (rideshare is acceptable).
8. Any loss of use of Your Asset or any other direct or indirect losses (such as travel costs or loss of earnings).
9. Any Negative Equity.
10. The Salvage Value of Your Asset if You are not required or choose not to transfer the ownership to Your Asset Insurer or a Third-Party Asset Insurer.
11. Any Claim where Your Asset Insurer or a Third-Party Asset Insurer has offered to repair Your Asset but You have requested the Claim to be dealt with on a Total Loss basis.
12. Your Asset if it is used as an emergency Asset, for track days, road racing, rallying, pacemaking, speed testing or any other competitive event.
13. Your Asset if it is driven by any person not holding a valid current licence to drive Your Asset.
14. Your Asset if the Total Loss occurred after it was taken or driven without Your consent by a family member, spouse or partner.
15. Your Asset if the Total Loss occurred when being driven with Your consent by any person who is not authorised under Your Comprehensive Asset Insurance Policy.
16. If the Total Loss was the result of a theft when Your Asset was left unoccupied (that is, nobody is inside it) and is left unlocked, with the windows or roof open or with the keys inside or on it.
17. Any theft or malicious damage Claim which is not accompanied by a valid crime reference number.
18. Your Asset if the Total Loss occurred while the person in charge of the Asset is convicted of driving under the influence of drink or drugs at the time of an incident, or driving against medical advice.
19. Any loss, damage, liability, cost or expense as a result of:
 - War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion, terrorist activity of any kind.
 - Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - Malicious or non-malicious use of any application, process, software, code or programme, including computer virus (or any computer-related hoax).
20. Any early discharge penalty payment or additional interest owed under the Finance Agreement.
21. Any loss that is attributable to or arising from a variation of the Finance Agreement after the Policy has been entered into. Alterations to the Finance Agreement after the Policy has been accepted will result in the immediate expiry of the Policy.

2.5 PERIOD OF INSURANCE

The Policy will commence on the Cover Commencement Date specified on the Policy Schedule.

The Policy will end on the earlier of:

- The Expiry Date as shown on Your Policy Schedule; or
- The effective date of Your Policy being cancelled; or
- The date Your Comprehensive Asset Insurance lapses or is cancelled; or
- From the time Your ownership of Your Vehicle ends; or

- On the date Your Vehicle is repossessed by the Finance Company; or
- The date the Finance Agreement is varied; or
- On payment of a claim under Your Policy.

2.6 WHAT DO WE PAY

This insurance is designed to pay the shortfall between the amount Your Comprehensive Asset Insurance provider pays as a result of a Total Loss Claim and the original Purchase Price of Your Asset or the outstanding balance owed on Your Finance Agreement, whichever is the greatest, up to the Sum Insured amount that appears on Your Policy Schedule. We will pay up to the amount specified in the table below for the applicable cover option shown on Your Policy Schedule.

The Purchase Price does NOT include the cost of new Asset registration fees, number plates, fuel, paintwork protection applications, insurance premiums (including the premium for this Policy), warranty premiums/charges, any arrears or any finance carried over from a previous Finance Agreement.

2.7 LOYALTY BENEFIT

The API Loyalty Benefit it is also payable if, and only if, You purchase a replacement vehicle at the same Selling Agent You purchased the Vehicle from originally. You do not have to return to the original Selling Agent to purchase a replacement vehicle but, if You do, You are entitled to the API Loyalty Benefit.

2.8 FOR NEW CARS ONLY

To allow for the new for old coverage that is available on most Comprehensive Asset Insurance policies available to the first registered owner of motor vehicles, the premium of this Policy has been adjusted to facilitate for this additional benefit given to You by the comprehensive motor insurer. The Cover Commencement Date and the Expiry Date will remain unchanged and all other benefits are available for the term of the Policy.

2.9 HOW TO MAKE A CLAIM

Who to Contact?

Read the full terms of this Policy carefully to ensure Your Claim is covered.

Telephone, write or lodge online. Contact details are:

AWN Insurance

PO Box 4301, Loganholme, Qld 4129

Web: lodge online 24/7 at www.awninsurance.com.au

Phone: 07 3802 5577

Email: claims@theclaimshub.com.au

Office Hours: Monday to Friday 8:15 am to 5:15 pm (AEST)

Things You must do

You must comply with the following conditions. If You fail to do so, Your claim amount could be reduced to the extent your failure has prejudiced Us.

- Before You accept any Total Loss Valuation from an Asset Insurer, You must notify the AWN Claims Team on (07) 3802 5577. Failure to do this may result in Your Claim being settled based on the Glass's Guide Retail Transacted Value and not the Total Loss Valuation applied by Your Asset Insurer. If Your Asset is not shown in Glass's Guide, We will use the average retail value of three similar Assets by reference to Glass's Guide, other trade publications or the internet.
- All claims must be reported to the claims team as soon as possible after receiving the Total Loss offer to verify the claim amount. You must complete a claim form (in full) and provide at Your own expense, any information and assistance which the claims team may require in establishing the amount of any payment under Your insurance.

You will need to provide supporting documents which may include:

- proof of the amount of payment of Your Total Loss Claim;
- a copy of Your Comprehensive Asset Insurance Policy Schedule;
- details of Your Finance Agreement/Early Settlement Amount (if applicable);
- other relevant documents as requested by Us.

2.10 HOW WE DEAL WITH YOUR CLAIM

If Your Asset was purchased under a Finance Agreement, We will make any Claim payment directly to Your Finance Company.

2.11 RENEWING OUR POLICY

This insurance Policy cannot be renewed or extended.

2.12 CANCELLATION

You may cancel Your Product at any time by providing Your cancellation requests in writing to claims@theclaimshub.com.au. If You cancel Your Product, Your cover will end on the date We receive Your cancellation request, unless You inform Us otherwise and We agree to a mutually agreed date. If We agree to cancel this Product, any refund calculation will be on a Rule of 78 basis for the unexpired portion of the Product less any authorised or paid Claims. If the Policy has been issued to more than one person each person must sign the cancellation request.

Please note:

This Policy will automatically end on the earliest of the following dates:

1. The expiry date as shown on Your Policy Schedule.
2. The date on which Your Asset is repossessed by the Finance Company.
3. The date Your Asset is declared a Total Loss.
4. The date Your Asset is sold or transferred to a new owner.
5. The date Your Comprehensive Asset Insurance lapses or is cancelled.
6. The date You request cancellation.
7. The date You vary Your Finance Agreement.

We have the right to cancel this Policy where permitted by law. For example, We can cancel:

8. If You have failed to comply with Your duty of disclosure; or
9. Where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
10. Where You have failed to comply with a provision of Your Policy, including the term relating to the payment of premium; or
11. Where 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 that Our Policy covers You; or
12. Where We have been unable to collect a premium payment, We will contact You in writing requesting payment by a specific date. If We do not receive the payment by this date, We will issue a cancellation letter. Your Policy will be cancelled if payment is not received by the end of the cancellation notice period.

How We Calculate Your Refund if You Cancel Early (Rule of 78)

If You cancel Your Product before the end of the term, We use an industry-standard method called the **Rule of 78** to work out how much of Your Premium has been “used” and how much We can refund to You.

What the Rule of 78 Means

The Rule of 78 assumes that more of the Premium is used in the earlier months of Your coverage. There are **no extra administration fees built into this method**, but it does mean Your refund reduces more quickly at the start of the policy.

How It Works

For a 12-month policy, the months are given weights that add up to **78**.

Month 1 has the highest weight, and Month 12 has the lowest.

- Month 1 uses **12/78ths** of the Premium
- Month 2 uses **11/78ths**
- Month 3 uses **10/78ths**, and so on

When You cancel, We add up the weights for the months You have already been covered. This tells Us how much of Your Premium has been “earned”. The rest is the amount We refund to You (less any approved cancellation fee in Your Product Disclosure Statement).

Example

If Your Premium is **\$1,200 for 12 months** and You cancel after **3 months**:

- Months used: $12 + 11 + 10 = 33/78$ ths of the Premium
- Earned Premium: $33/78 \times \$1,200 = \507.69
- Refundable amount: $45/78 \times \$1,200 = \692.31
- If a cancellation fee applies, it is deducted from the refundable amount.
- If there is any outstanding dishonoured fees, they will be deducted from the refundable amount.

SECTION 3: PRIVACY, COMPLAINT AND TAXATION DISCLOSURES

3.1 YOUR DUTY OF REASONABLE CARE

Before You enter into an insurance contract, You have a duty of disclosure under the Insurance Contracts Act 1984. If We ask You questions that are relevant to Our decision to insure You and on what terms, You must tell Us anything that You know and that a reasonable person in the circumstances would include in answering the questions. You have this duty until We agree to insure You.

For variations, extensions and reinstatements, You have a broader duty to tell Us anything that You know, or could reasonably be expected to know, which may affect Our decision to insure You and on what terms.

3.2 IF YOU DON'T TELL US SOMETHING

If You do not tell Us anything You are required to tell Us, We may cancel Your Policy or reduce the amount We will pay You if You make a Claim, or both. If Your failure to tell Us is fraudulent, We may refuse to pay a Claim and treat the contract as if it never existed.

3.3 PRIVACY NOTICE AND CONSENT

Unless the context otherwise provides, in this section 'We', 'Our' or 'Us' means the Insurer and AWN Insurance.

Personal information is essentially any information or an opinion about an identified individual, or an individual who is reasonably identifiable. See the Privacy Act 1988 (the Privacy Act) for full details of what constitutes personal information.

This privacy notice details how We collect, disclose and handle personal information.

3.4 WHY WE COLLECT YOUR PERSONAL INFORMATION

We collect personal information (including sensitive information) so We can:

- Identify You and conduct necessary checks; and
- Determine what service or products We can provide to You e.g. offer Our insurance products; and
- Issue, manage and administer services and products provided to You or others, including Claims investigation, handling and settlement; and
- Improve Our services and products, e.g. training and development of Our representatives, product and service research and data analysis and business strategy development.

3.5 WHAT HAPPENS IF YOU DON'T GIVE US YOUR PERSONAL INFORMATION

If You choose not to provide Us with the information We have requested, We may not be able to provide You with Our services or products or properly manage and administer services and products provided to You or others.

3.6 HOW WE COLLECT YOUR PERSONAL INFORMATION

Collection can take place through websites (from data input directly or through cookies and other web analytic tools), email, by telephone or in writing.

We collect it directly from You unless You have consented to collection from someone other than You, it is unreasonable or impracticable for Us to do so or the law permits Us to.

If You provide Us with personal information about another person You must only do so with their consent and agree to make them aware of this privacy notice.

3.7 WHO WE DISCLOSE YOUR PERSONAL INFORMATION TO

We share Your personal information with third parties for the collection purposes noted above.

The third parties include: Our related companies and Our representatives who provide services for Us, other insurers and reinsurers, Our Claim management partner(s), Our legal, accounting and other professional advisers, data warehouses and consultants, investigators, loss assessors and adjusters, other parties We may be able to Claim or recover against, and anyone either of Us appoints to review and handle complaints or disputes and any other parties where permitted or required by law.

We may need to disclose information to persons located overseas who will most likely be located in the United Kingdom, South Africa, Asia-Pacific and the USA. Who they are may change from time to time. You can contact Us for details or refer to Our Privacy Policy available on Our website. In some cases, We may not be able to take reasonable steps to ensure they do not breach the Privacy Act and they may not be subject to the same level of protection or obligations that are offered by the Act. By proceeding to acquire Our services and products You agree that You cannot seek redress under the Act or against Us (to the extent permitted by law) and may not be able to seek redress overseas.

3.8 MORE INFORMATION, ACCESS, CORRECTION OR COMPLAINTS

For more information about Our privacy practices including how We collect, use or disclose information, how to access or seek correction to Your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled, please refer to Our Privacy Policy. It is available at www.awninsurance.com.au or by contacting Us on (07) 3802 5577 EST 9 am - 5 pm, Monday-Friday.

3.9 YOUR CHOICES

By providing Us with personal information, You and any person You provide personal information for, consent to these uses and disclosures unless You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with please contact Us. You can opt-out of this by emailing administration@awninsurance.com.au or by calling Us on (07) 3802 5577.

3.10 TAXATION INFORMATION

Premiums are subject to Goods and Services Tax (GST) and Stamp Duty imposed by Commonwealth and State Governments. GST will also affect any Claim You make under the Policy. Please refer to the Goods and Services Tax, Section 3.11 of the Policy.

Generally, Your Premiums are not tax-deductible and Claims payments are not assessable income for tax purposes unless You purchase Your Policy for business purposes. This taxation information is a general statement only. You should seek professional taxation advice for information about Your personal circumstances.

3.11 GOODS AND SERVICES TAX (GST)

Any Claim payments made under the Policy will be based on GST inclusive costs, up to the relevant maximum amount that We pay. However, if You are or would be entitled to Claim any input tax credit for the any of the things covered, We will reduce any Claim under the Policy by the amount of such input tax credit. You must advise Us of Your correct input tax credit percentage where You are registered for GST.

You are liable to Us for any GST liability We incur arising from Your incorrect advice or inaction.

3.12 OTHER INSURANCE

If at the time of a valid Claim under this Policy, there is another insurance Policy in force which covers You for the same loss or expense, We may seek recovery of some or all of Our costs from the other Insurer. You must give Us any help or information We may need to assist Us with Our loss recoveries.

3.13 FRAUDULENT CLAIMS OR MISLEADING INFORMATION

We take a robust approach to fraud prevention in order to keep Premium rates down so that You do not have to pay for another people's dishonesty. If any Claim under this insurance is deliberately fraudulent, exaggerated, or is intended to mislead, or if any deliberately misleading or fraudulent means are used by You or anyone acting on Your behalf to obtain a benefit under this insurance, Your right to any benefit under this insurance will end, Your Policy will be cancelled without any Premium refund and We will be entitled to recover any benefit paid and costs incurred as a result of any such deliberately fraudulent or misleading Claim. We may also inform the police.

3.14 COMPLAINTS RESOLUTION

Complaints about Policy and claim administration matters

If You have any concerns or wish to make a complaint in relation to this policy, Our services or Your insurance Claim, please let Us know and We will attempt to resolve Your concerns in accordance with Our Internal Dispute Resolution procedure. Please contact AWN Insurance in the first instance:

Internal Dispute Resolution Officer - AWN Insurance

Email: idr@awninsurance.com.au

Phone: (07) 3802 5577

Post: PO Box 4301, Loganholme QLD 4129

We will acknowledge receipt of Your complaint and do Our utmost to resolve the complaint to Your satisfaction within 10 business days.

If we cannot resolve Your complaint to Your satisfaction, We will escalate Your matter to Sovereign Insurance Australia. Their contact details are:

Sovereign Insurance Australia

Email: complaints@sovereigninsurance.com.au

Phone: 1800 240 125

Post: 3801-3803 Pacific Highway, Tanah Merah, QLD 4128

A final decision will be provided to You within 30 calendar days of the date on which You first made the complaint.

You may refer Your complaint to the Australian Financial Complaints Authority (AFCA) at any time, and if Your complaint is not resolved to Your satisfaction within 30 calendar days of the date on which You first made the complaint:

AFCA can be contacted as follows:

Email: info@afca.org.au

Phone: 1800 931 678

Post: GPO Box 3 Melbourne VIC 3001

Your complaint must be referred to AFCA within 2 years of the final decision. If your complaint is not eligible for consideration by AFCA, undertake your own legal proceedings.

The Insurer accepting this Insurance agrees that:

1. If a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Insurer will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
2. Any summons notice or process to be served upon the Insurer may be served upon:
Sovereign Insurance Australia Pty Ltd
3801-3803 Pacific Highway, Tanah Merah, QLD 4128

In the event of a claim arising under this Policy **IMMEDIATE NOTICE** should be given to:

National Claims Manager - AWN Insurance

Email: claims@theclaimshub.com.au

Phone: (07) 3802 5577

Post: PO Box 4301, Loganholme QLD 4129

3.15 GOVERNING LAW

The Product is governed by the laws of Australia. Any dispute relating to the Product shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the Product was issued.

3.16 SANCTIONS

We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any Claim or the provision of any benefit where doing so would breach any sanction, prohibition, or restriction imposed by law or regulation.

Financial Services Guide

Date of Issue:

Authorised Representative Details

"We", "Us", "Our":

ABN:

Address:

AR Number:

Phone:

Third-Party Introducer (TPI) Details (if applicable)

TPI:

ABN:

Address:

Phone:

WHAT IS THE PURPOSE OF THE FINANCIAL SERVICES GUIDE?

This Financial Services Guide (FSG) is designed to assist You in deciding whether You wish to use any of the services We provide. It contains information about how We are remunerated in relation to the services, and about how You may access AWN Insurance's internal and external dispute resolution procedures.

THIS FSG CONTAINS INFORMATION ABOUT:

- The services We are authorised to provide to You;
- How We are remunerated for providing these services;
- How complaints are dealt with; and
- Other important information.

WHAT DOCUMENTS WILL YOU RECEIVE?

When providing You with a quote or issuing the insurance, We will give You:

- The FSG, which has been approved for distribution by AWN.
- A Product Disclosure Statement (PDS), contains sufficient information so that a retail client may make an informed decision about whether to purchase a financial product.

HOW YOU CAN PROVIDE INSTRUCTION TO US

If You want to provide Us with instructions in relation to the financial services and products We can offer, contact Us using the details provided above.

ABOUT US AND OUR SERVICES

We are an Authorised Representative of the following licensee:

Australian Warranty Network Pty Ltd trading as AWN Insurance (AWN)

ABN: 78 075 483 206 | AFSL No: 246469.

Address: 3801 - 3803 Pacific Highway, Tanah Merah QLD 4128

Tel: (07) 3802 5577

Email: claims@theclaimshub.com.au

AWN who is underwritten by Sovereign Insurance Australia, ABN: 85 138 079 286 and holder of AFS Licence No 342516, provides the listed products.

We are authorised to do the following on behalf of AWN in accordance with the terms of Our agreement with them:

- Issue and apply for the financial products listed below.
- Provide general financial product advice (but NOT personal financial product advice) in relation to the financial products listed below.

HOW ARE WE REMUNERATED?

Authorised representatives

We receive a commission from AWN when We arrange Your Products. The amount is calculated as a percentage of the Premium (excluding taxes and statutory charges) and is included in the Premium quoted to You.

The following commissions apply:

Products	Commission rates
Mechanical Breakdown Insurance	Depending on the retail price, this may vary between 0% and 30% of the Premium
Asset Protection Insurance	Depending on the retail price, this may vary between 0% and 30% of the Premium
Vehicle Equity Insurance	Depending on the retail price, this may vary between 0% and 30% of the Premium
Loan Protection Insurance	Depending on the retail price, this may vary between 0% and 20% of the Premium
Complimentary Policies: Excess/30 Day Introductory	If the Premium on the Policy Schedule is showing \$0 or Complimentary, the commission rate on that Policy is 0%.

AWN may also provide benefits in the form of advertising and promotional material, admission to sales seminars, business-related conferences and attendance at sporting or hospitality events. These are provided to Us at no additional cost to You.

Third party introducer (if applicable and noted above)

The TPI receives from AWN in the form of an agreed fee, an amount to complete relevant duties as agreed by AWN and the TPI. These fees are included in the Premium quoted to You.

If you require more detailed information about the remuneration that is received please contact AWN within a reasonable time after the FSG is provided to you and before the financial service is provided to You.

Authorising licensee

AWN is paid a commission by the Insurer when You are issued with a Product. The commission is included in the premium charged by the Authorised Representative. AWN's employees are paid an annual salary and may be paid a bonus based on performance criteria.

If you require more detailed information about the remuneration that is received please contact AWN within a reasonable time after the FSG is provided to you and before the financial service is provided to You.

WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?

If You wish to make a complaint about service matters such as general administration of Your policy, or about a claim, the first thing You should do is contact AWN, and Your complaint will be referred to their Internal Dispute Resolution Committee (IDRC) to review the dispute at no cost to You. If our review takes more than 10 business days, we will provide you with regular updates and, depending on the outcome, may engage Sovereign Insurance Australia to conduct a further review before you receive a final decision.

Please address all complaints to:

Mail: Internal Dispute Resolution Committee, AWN, PO Box 4301, Loganholme, QLD, 4129.

Phone: (07) 3802 5577.

Email: idr@awninsurance.com.au

Further details will be provided at the appropriate stage of the complaints process. This complaints procedure does not affect Your legal rights.

PROFESSIONAL INDEMNITY INSURANCE OF LICENSEE

AWN holds Professional Indemnity (PI) insurance. The PI cover is maintained in accordance with the law; is subject to its terms and conditions; and provides indemnity up to the sum insured for the activities of the employees and Authorised Representatives in respect of the financial services authorised under the Australian Financial Services Licence of AWN.