

Assurance Cover Australia

Product Disclosure Statement

Issuer:

**Assurance Cover Australia Pty Ltd
ACN 165 604 731
AFSL 448 227**

Important information

Issuer

This is a Product Disclosure Statement (PDS) for Assurance Cover Australia (the **Trustee**), an unregistered managed investment scheme and discretionary mutual fund and is dated 4 March 2020. This PDS contains the offer interests in Assurance Cover Australia.

Assurance Cover Australia Pty Ltd ACN 165 604 731 (the **Trustee, us, we and our**) is the issuer of this PDS and the trustee of Assurance Cover Australia. We hold AFS Licence no. 448 227, issued by ASIC, which authorises us to act as trustee of Assurance Cover Australia.

Reliance on PDS only

No person is authorised by us to give any information or to make any representation in connection with the offer for you to join Assurance Cover Australia that is not contained in this PDS or in Updated Information provided by us.

Any information or representation not contained in this PDS or the Updated Information cannot be relied upon as having been authorised by us.

The issue of this PDS is authorised solely by us and none of our subsidiaries or related bodies corporate are responsible for any statement or information contained in this PDS.

PDS available electronically

If you are printing an electronic copy of this PDS, you must first print all pages including the Application Form and any documents incorporated by reference. If you make this PDS available to another person, you must give them the entire electronic file or print-out, including the Application Form. A paper copy of this PDS can also be obtained free of charge on request by calling us on (07) 3376 5097.

Interests cannot be issued unless you use the Application Form accompanying either a paper or electronic copy of this PDS. The Application Form contains a declaration that you have personally received the complete and unaltered PDS prior to completing the Application Form. You should read this PDS in its entirety before completing the Application Form.

Updated Information

Information in this PDS may change from time to time. If there is any material adverse change to the information contained in this PDS, then we will issue a supplementary or replacement PDS. However, if the change is not materially adverse, then we will include information about the change on our website (refer to www.theTrustee.com.au) along with Updated Information.

We recommend you check our website before you make an application. If you have received this PDS electronically, then we will give you a paper copy of the PDS and any updated information appearing on our website free of charge, on request.

Offer restrictions

The Offer under this PDS is available to persons receiving the PDS within Australia only. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer to any person to whom, or in any place in which, it would be illegal to make that offer.

No personal financial product advice

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should review this PDS carefully and assess whether becoming a Member is appropriate for you and talk to a financial adviser before making an application.

Additional personal information

We may require further information from you from time to time to comply with our obligations under the Foreign Account Tax Compliance Act and the Common Reporting Standard. By applying for an Interest under this PDS, you undertake to provide us with all additional information and assistance that we may reasonably require.

Privacy Act

Please read the privacy statement in section 12.6. By signing and returning the Application Form you consent to the matters outlined in that statement.

Glossary and currency

Defined terms and abbreviations used in this PDS are explained in the Glossary.

All references in this PDS to '\$' are references to Australian dollars unless stated otherwise.

Enquiries

If you have any questions or require assistance with completing the Application Form or additional copies of the PDS, please contact us on (07) 3376 5097.

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1 Key information

This Product Disclosure Statement (**PDS**) is an important legal document that contains details of your cover if you become a Member of Assurance Cover Australia. Before you decide to apply for Membership, please read this PDS carefully.

The information in this PDS was current at the date of preparation. We may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by contacting us on (07) 3376 5097.

It is very important for you to understand that:

- (a) this is an offer to become a member of Assurance Cover Australia;
- (b) this document is not a contract of insurance;
- (c) the Trustee is not an insurance company authorised by APRA to conduct insurance business in Australia and it therefore does not need to comply with the *Insurance Act 1973 (Cth)* (**Insurance Act**) or any other insurance laws or regulations;
- (d) as a member of Assurance Cover Australia you are bound by the Assurance Cover Australia's Constitution and the Membership Rules that governs Assurance Cover Australia and your Membership;
- (e) Assurance Cover Australia is operated by the Trustee;
- (f) the payment of any benefits under Assurance Cover Australia is at the discretion of the Trustee;
- (g) Assurance Cover Australia is not required to be registered with ASIC as a managed investment scheme because the Trustee has received relief from ASIC from the requirement to register; and
- (h) you should read the Membership Rules, which are summarised in this PDS, before you apply to become a Member and you may obtain a paper copy of the Membership Rules from the Trustee upon request at no charge.

2 Introduction

2.1 About Assurance Cover Australia

Assurance Cover Australia was established by David Hooke and Ross Mutton in response to the rising cost of vehicle insurance for professional drivers. With a combined 60 plus years of experience in the industry, their aim is to work together with professional drivers to provide an affordable risk protection product that provides discretionary cover specifically for vehicles and drivers. Their understanding of the industry has given them the knowledge and experience to create a comprehensive and affordable discretionary cover product for Vehicle Operators.

2.2 What is Assurance Cover Australia?

Assurance Cover Australia is a discretionary mutual fund established pursuant to the Constitution. When you contribute money to the fund, it is pooled together with other Member's contributions. The Trustee then manages the use of the contributions to pay benefits to Members and meet the management, administration and operating costs of the fund (including the acquisition of Insurance Policies).

In a discretionary mutual fund, members' entitlements are at the discretion of the trustee of the fund. In the case of Assurance Cover Australia, each claim will be considered by the Trustee on its merits and circumstances. The Trustee has absolute discretion to refuse a claim.

The Trustee also has the discretion to decide whom to admit to Membership and the discretion to decide whether or not to accept a member's application for Membership. Only Vehicle Operators are entitled to apply for Membership of Assurance Cover Australia. Members of Assurance Cover Australia have the right to have a claim for cover considered by the Trustee and the Trustee has the discretion to grant a member's claim for cover.

Assurance Cover Australia is not required to be registered with the Australian Securities and Investments Commission (**ASIC**) as a managed investment scheme pursuant to relief provided by ASIC to the Trustee.

2.3 Management of Assurance Cover Australia

the Trustee is the trustee of Assurance Cover Australia. the Trustee receives fees for the services it provides to Assurance Cover Australia which are set out in section 10. Mr David Hooke and Mr Ross Mutton are the directors of the Trustee and entities associated with them own the shares in the Trustee.

2.4 Who regulates Assurance Cover Australia?

the Trustee is regulated by ASIC as a trustee of an unregistered managed investment scheme and holds an AFS licence. To obtain an AFS licence, the Trustee had to provide ASIC with detailed information about its ability to provide the financial services it is authorised to provide under its licence, including the operation of Assurance Cover Australia.

One of its key licence conditions is to always have assets that exceed its liabilities and at all times maintain a minimum amount of capital. This means that it is required to provide ASIC with its audited accounts and to report to ASIC if at any time it is unable to meet its licence conditions. Because the Trustee is an AFS licensee which provides services to "retail clients", it is required to provide statutory disclosure documents to members. This PDS is one of those documents.

2.5 Why does the Trustee have discretion?

By offering Membership and cover that is discretionary, Assurance Cover Australia is able to offer its members a financial product for the management of risks without establishing an insurance company.

The Australian Prudential Regulatory Authority (**APRA**) regulates insurance companies and not discretionary mutual funds such as Assurance Cover Australia. Because it is not an insurance company, Assurance Cover Australia is not subject to APRA regulation (other than certain reporting obligations) and it is not required to be authorised under the Insurance Act to conduct an insurance business. For this reason, it is not subject to the provisions of the Insurance Act which establishes the system of financial supervision of general insurers.

Because it is the operator of an unregistered managed investment scheme which offers mutual risk cover, Assurance Cover Australia and the Trustee are regulated only by ASIC and are subject to its supervision.

2.6 **When you make a claim**

As a member of Assurance Cover Australia you will have a right to have your claim for cover considered by the Trustee. The payment of all claims under the selected cover is at the discretion of the Trustee.

The exercise of the Trustee's discretion will be based on, among other things, the summary of what cover is given and what is not given, as set out in section 5 of this PDS. The Trustee also has power to pay claims that are specifically excluded under the cover.

2.7 **Significant risks**

There are a number of risks for Members in making Contributions to this Scheme. These include:

- (a) **Structural risk:** Membership of Assurance Cover Australia is not a contract of insurance and so is not subject to the laws and regulations relevant to contracts of insurance issued by insurance companies subject to prudential oversight by APRA;
- (b) **Trustee discretion:** The payment of benefits is at the discretion of the Trustee – this is a condition of being a Member of this Scheme and of the laws and regulations it operates under. So regardless of the comprehensive details of the Cover offered, it is important that you appreciate that the Trustee still has an overriding discretion about whether it will pay a claim;
- (c) **Capital risk:** Assurance Cover Australia is not an insurance company and it is not prudentially regulated by APRA. This means the amount of financial resources it will hold to pay claims is determined by it in accordance with its own internal budgeting and risk assessment. There is no guarantee that Assurance Cover Australia will have sufficient money to pay claims in all circumstances.

For example, if a major natural catastrophe (hail, storm or flood, for example) occurs which causes a spike in the total cost of claims it may have insufficient financial resources available to pay claims.

The Trustee also relies on Insurance Policies it acquires on behalf of Members to pay certain claims. If the insurer under these policies refuses or rejects a number of claims made by the Trustee or does not pay the full amount of the claims, then this means there may not be sufficient financial resources to pay claims to Members.

Assurance Cover Australia has the power to borrow funds. It may consider borrowing if there are insufficient accumulated contributions to meet claims made which may reduce the risk of insufficient capital being used to pay claims. There are no restrictions on from whom Assurance Cover Australia may borrow including entities related to the Trustee. In the event the Trustee enters into a borrowing arrangement, it will pay interest at commercial rates as determined under any borrowing agreement.

- (d) **Counterparty risk:** the Trustee uses contributions to acquire certain Insurance Policies from insurers (refer to section 5.9). These insurers may refuse or reject claims under these policies made by the Trustee or they may be unable to pay benefits to the Trustee

and thus there may be a reduction of the amount available to pay claims made by Members or an inability of the Trustee to pay Members;

- (e) **Regulatory risk:** Regulatory environment is always subject to change whether that be in changes in the law or regulations that may impact on the ability of the Trustee to continue to operate;
- (f) **Fund operation risk:** the Trustee may fail to operate Assurance Cover Australia efficiently and effectively on behalf of Members;
- (g) **PI insurance risk:** due to a downturn in the Australian and global professional indemnity insurance market, the Trustee is unable to obtain professional indemnity insurance mandatorily required by law. This means that if any Member makes a claim against the Trustee for a matter ordinarily covered by professional indemnity insurance, such as a breach of chapter 7 of the Corporations Act, then there will be no insurance cover. The Trustee has applied to ASIC for relief from the requirement to hold PI insurance until such insurance is commercially available;
- (h) **Taxation risk:** Membership of the scheme may give rise to an adverse or unexpected taxation liability. Changes in tax laws mean that the tax treatment may alter year to year; and
- (i) **Other operational risks:** Many other operational risks exist such as the failure of a service provider to do their role efficiently, for example, insurance providers, intermediaries or administrators.

2.8 **General**

Despite anything in this PDS that suggests otherwise, the cover set out in this PDS is subject to the Membership Rules and to the limits, excesses and any other limitations specified in those Membership Rules and in this PDS.

Payment of claims is always at the discretion of the Trustee.

2.9 **Who may be a Member?**

The cover under Assurance Cover Australia has been designed for, and is only open to, Vehicle Operators operating in Australia. You must complete the Membership application attached to this PDS and lodge it with the Trustee. the Trustee reserves the right to inspect all vehicles before Membership is granted.

3 Your obligations

3.1 Your disclosure obligations

You have an obligation to tell us everything you know, or could reasonably be expected to know, that is relevant to our decision to accept your Membership and provide cover under Assurance Cover Australia.

It includes matters we specifically ask about when you apply for a Membership and any other matters which might affect whether we cover you and on what terms. The information you tell us can affect:

- (a) the amount of your contribution;
- (b) if we will cover you; and
- (c) if special conditions will apply to your Membership.

You do not need to tell us of anything which reduces the chances of you making a claim for benefits. If you are unsure about whether to disclose information to us, it is better to tell us. If you do not tell us something which you know or should know is relevant, we might reduce a claim for benefits, refuse to pay a claim for benefits, cancel your Membership or, if fraud is involved we can treat the Membership as if it never existed.

3.2 Your responsibilities

You must take all reasonable precautions to prevent damage or theft to the vehicle. This includes:

- (a) keep your Vehicle well maintained and in a good and roadworthy condition (e.g. replace worn out tyres, replace worn brakes and defective lights, fix paint problems, repair major rust, repair worn upholstery and repair major scratches or dents);
- (b) service your Vehicle and keep records of this in case you need to claim for benefits for mechanical damage resulting from an incident;
- (c) move your Vehicle away from rising flood waters;
- (d) remove keys when no one is in the Vehicle;
- (e) lock all doors and windows when your Vehicle is parked and unattended;
- (f) follow all the terms, conditions and responsibilities set out in the Membership Rules; and
- (g) provide honest and complete information for any claim for benefits, statement or document supplied to us.

This is not an exhaustive list. If you are uncertain, please contact the Trustee directly or refer to the Membership Rules. The Trustee has absolute discretion on the payment of any claim for benefits dependent on the circumstances.

3.3 Not meeting your responsibilities

If you do not meet your responsibilities, it may lead us to do either or both of the following:

- (a) reduce or refuse to pay your claim for benefits or cancel your Membership;
- (b) if fraud is involved, we can treat your Membership as if it never existed;

3.4 Special conditions

We may impose special conditions on your Membership that might exclude, restrict or extend cover for a person or particular matter. For example, we may not be able to cover certain drivers.

4 **About your Contribution**

4.1 **Basis of Contribution**

The contribution is the amount you pay us for this cover. This is calculated as the number of vehicles covered multiplied by the Annual Contribution (per vehicle). To determine the Annual Contribution we charge a Member, we look at the actual costs of running Assurance Cover Australia and then assess the likely costs in the future having regard to recent experience and expected experience. The costs of running Assurance Cover Australia include such things as the benefits paid to Members, and the management, administration and other operational costs and expenses. These costs and expenses include the fees and charges paid to the Trustee for doing its job. Please refer to section 10 for more information.

4.2 **Your Annual Contribution**

Your Annual Contribution for a vehicle will be advised in your offer of Membership by the Trustee on the basis of the information provided in your Application Form. The amount will depend upon a number of factors about you and your Vehicle determined by the Trustee.

Contributions are payable annually in advance. In some circumstances the Trustee may, at its complete discretion, permit alternative methods of payment and the frequency of payment but this is not usual. For example, the Trustee may accept monthly payments if you use a third-party premium funding organisation that is approved by us. Cash payments are not accepted.

- (a) You must pay the Contribution by the due date to ensure that you are covered.
- (b) If you make changes to your Membership details, it may affect the Contribution you need to pay.
- (c) Your contributions to Assurance Cover Australia attract GST. Your Contributions do not attract fire service levies or stamp duty.

4.3 **Overdue Contributions**

If your payment is overdue, we can do one or all of the following:

- (a) Charge interest for late payment(s) and charge reasonable costs;
- (b) Cancel your Membership without notifying you if payment is 1 month (or more) in arrears or should you not comply with a notice for payment; or
- (c) Refuse to pay a claim for benefits until any notice is complied with.

4.4 **How Contributions are used**

The Contributions paid by Members into Assurance Cover Australia are used as follows:

- (a) To pay for a personal accident and sickness group insurance policy held in the name of the Trustee for the benefit of members.
- (b) To be held on deposit to pay claims for benefits and any excesses under the Insurance Policies.
- (c) To pay the costs and expenses attributable to Assurance Cover Australia which are detailed in this PDS and the Constitution.

4.5 **Withdrawals**

Your Contributions are non-refundable except in limited circumstances. If you cease to be a Member during any part of a year, then any Contributions paid will not be returned to you. you must provide one month's notice if you wish to cease Membership.

5 About your cover

5.1 What we include as your Vehicle

Your Vehicle includes any meter, two-way radio, computer dispatch equipment, EFTPOS equipment, video surveillance equipment and hoist equipment in wheelchair accessible vehicles.

It does not include any car or mobile phones, cash and personal effects, tools or sports goods nor any non-standard items such as headlight and bonnet protectors.

5.2 Membership

Membership is open to all vehicles as determined by the Trustee as being appropriate for Membership.

5.3 Available covers

Members may apply for cover which includes:

- (a) accidental loss or damage cover;
- (b) towing costs cover; and
- (c) personal accident cover.

We will also seek to arrange for you to receive a policy of insurance from an APRA-regulated insurer to cover you for liability in respect of property damage caused by or arising out of the use of your Vehicle and broadform liability cover. More information about this arrangement is set out in section 5.9.

5.4 Accidental loss or damage

(a) Scope

You have the right to be considered for cover for accidental loss or damage to your Vehicle caused by an incident in the period of cover. Examples of incidents covered include:

- (i) hail, storm and flood;
- (ii) fire;
- (iii) theft or attempted theft;
- (iv) malicious damage or vandalism;
- (v) collision and impact; and
- (vi) loss of use of Vehicle when accidents are deemed not at fault. Rates at which loss of use is paid is at the discretion of the Trustee. Refer to "How to Establish your Loss" in section 6.8.

(b) Limit

If we decide to pay a claim, the most we will pay is the depreciated value of the base model of the same make, model and year of manufacture as your Vehicle with an allowance for the vehicle being used predominantly for carrying passengers and the number of kilometres on the odometer.

- (c) We do not cover

You have no right to have a claim considered if the Vehicle is being driven by someone under the age of 21. Also see 'General exclusions' in section 5.8.

- (d) Cover comes to an end following Total Loss

Where you have cover for more than one Vehicle, then the following will only apply to the particular Vehicle which has been treated as a total loss. If we declare your Vehicle a Total Loss and pay you the sum insured, market value or replace your Vehicle, then your cover will come to an end for that Vehicle and you will no longer have any cover for it. This means you will not be entitled to make any further claim for that Vehicle and:

- (i) where Contributions have been paid in full for the period of cover there will be no refund of any Contributions; or
- (ii) where Contributions are paid by instalments, we are entitled to deduct from any claim paid, the balance of the unpaid Contribution or instalments of Contribution

Where we replace your Vehicle with a new vehicle, and you choose to continue your cover with us and we accept your application, a pro rata Contribution is payable.

5.5 Towing costs

- (a) Scope

When your Vehicle is damaged in an incident covered by your Membership and it is not roadworthy or safe to drive or needs to be held in storage, we will consider covering the reasonable costs of towing your Vehicle to a Recommended Repairer or another location nominated by us.

- (b) Limit

If we decide to pay a claim, the maximum we will pay for towing is \$500 or such other higher amount as advised from time to time. You need to provide us with all invoices and receipts.

- (c) We do not cover

We will not consider claims for second tows or storage costs.

5.6 Personal accident cover

- (a) Scope

This cover provides a benefit to the driver if he or she suffers a personal accident causing death, partial or total disablement or loss of limbs or eyesight sustained during working hours while driving a Vehicle.

If benefits are provided, it will be provided in a lump sum except for payments for Temporary Partial Disablement or Temporary Total Disablement for which any benefit will be paid weekly.

We do not consider your individual objectives, financial situation or needs when considering the level of personal accident cover attached to your Membership. That is, we are not giving you personal financial product advice. You should review this PDS carefully and assess whether the level of cover and information about becoming a Member is appropriate for you and talk to a financial adviser before making an application.

(b) Limit

The total sum we will pay for any one or more claims shall not exceed the largest amount under any one benefit as follows:

Benefit	Aged 21-70	Aged 71-80
Death	\$250,000	\$25,000
Total loss of sight in both eyes	\$250,000	N/A
Total loss of sight in one eye	\$250,000	N/A
Loss of two limbs	\$250,000	N/A
Loss of one limb	\$250,000	N/A
Loss of sight in one eye and loss of one limb	\$250,000	N/A
Permanent Total Disablement	\$250,000	N/A
Temporary Total Disablement	\$750 per week or 85% of weekly income (whichever is the lesser). Maximum \$125 per shift day. Maximum 156 weeks.	\$750 per week or 85% of weekly income (whichever is the lesser). Maximum \$125 per shift day. Maximum 52 weeks.
Temporary Partial Disablement	30% of the benefit payable for Temporary Total Disablement. Maximum 156 weeks.	30% of the benefit payable for Temporary Total Disablement. Maximum 52 weeks.
Funeral expenses	\$3,000	\$3,000
Rehabilitation benefit	\$500 per week for 26 weeks	\$500 per week for 13 weeks

A waiting period applies to weekly benefits of 3 days if you are aged 21-70 and 5 days if you are aged 71-80 (for all covers).

(c) We do not cover

We will not consider claims if the vehicle was being driven by someone under the age of 21 or over 80 years. There may be reduced benefits for drivers aged between 71 and 80.

Cover is subject to the driver having held a valid Australian drivers licence for a minimum of 2 years.

We will not consider claims for injuries arising in certain circumstances including but not limited to the use of the Vehicle in a certain manner, suicide, intentional self-injury, insanity, venereal diseases (including AIDS), alcohol or drugs, pregnancy, childbirth or illness.

We will not consider claims arising out of any condition caused by, prolonged by, or aggravated by any psychiatric, mental or nervous disorder of the Insured Person, including anxiety and/or depression.

Also see 'General exclusions' in section 5.8.

5.7 Other Memberships

We may from time to time issue different forms of Memberships. For example, we may issue Membership which covers personal accident only or provides coverage for Vehicles with other levels of benefits (e.g. excesses) that are tailored for particular Members.

5.8 General exclusions

We will not consider claims under your Membership for damage, loss, cost or legal liability that is caused by or arises from or involves:

(a) Unlicensed Drivers

We will not consider claims relating to drivers who are driving the Vehicle as a passenger vehicle who do not hold a full, current State or Territory Open Drivers licence AND a current Hire Drivers licence.

(b) Overdue Contribution

If a Contribution payment is overdue, we can refuse to consider a claim for benefits if payment is 14 days (or more) late.

(c) Agreements you enter into

Any agreement or contract you, or someone you authorised to drive or be in charge of your Vehicle, enter into accepting liability. However, we will consider claims if the legal liability would have existed without that agreement.

(d) Alcohol or drugs

An incident occurring when your Vehicle is being driven by, or is in the charge of, anyone who:

- (i) was under the influence of, or had their judgement affected by any alcohol, drug or medication;
- (ii) had more than the legal limit for alcohol or drugs in their breath, blood, saliva or urine as shown by analysis; or
- (iii) refused to take a test for alcohol, drugs or medication.

(e) Asbestos

Asbestos, asbestos fibres or derivatives of asbestos of any kind.

(f) Biological, chemical, other pollutant or contaminant

- (i) Any actual or threatened biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.
- (ii) Any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.
- (iii) Any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.

(g) Confiscation or repossession

Legal confiscation or repossession of your Vehicle or its contents.

- (h) Condition of Vehicle
 - (i) Any structural, mechanical, electrical or electronic failure or breakdown.
 - (ii) Any mould, mildew, wear, tear, rust, corrosion or depreciation.
 - (iii) Your Vehicle if it was damaged, unsafe or un-roadworthy at the time of the incident.
- (i) Consequential losses or extra costs following an incident covered by your Membership

Consequential losses (financial and non-financial loss) or extra costs following an incident covered by your Membership, such as:

 - (i) Loss of income or wages;
 - (ii) Medical expenses;
 - (iii) The cost of your time (e.g. inconvenience);
 - (iv) Professional, expert, legal consulting or valuation costs unless you obtained our prior written authority to incur these costs;
 - (v) Any costs related to stress or anxiety;
 - (vi) Your Vehicle's value (including its trade-in or resale value) is less after being repaired;
 - (vii) Costs, including the cost of your time, to prove your loss or to help us with your claim for benefits (e.g. Telephone calls, postage);
 - (viii) Travel costs;
 - (ix) Cleaning costs; or
 - (x) Any costs not covered by your Membership.
- (j) Dangerous goods

Your Vehicle being used to illegally store or transport:

 - (i) Substances that pollute or contaminate;
 - (ii) Dangerous or hazardous goods.
- (k) Drivers under 21 years

Your Vehicle when being driven by a person under 21 years of age.
- (l) Driving a damaged Vehicle

Additional damage caused to your Vehicle by driving it after it has been damaged in an incident.
- (m) Exceeding loading or passenger limits

Your Vehicle when it is:

 - (i) carrying more passengers than the Vehicle was designed for, or more than the driver is permitted to carry by law;
 - (ii) carrying any load which is not secured according to law, over the legal limit or more than what your Vehicle was designed to carry.

- (n) Failure to take reasonable precautions
Your failure to take reasonable precautions to prevent loss, damage or legal liability. For example, if your Vehicle is stolen because you have left the keys in the Vehicle unattended.
- (o) Intentional loss or damage
Intentional loss or damage caused by you, or a person acting with your express or implied consent.
- (p) Motor sports or similar activities
Your Vehicle being used:
(i) in, or being tested in preparation for, a race, contest, trial, test, hill climb or any motor sport; or
(ii) on a competition racetrack, competition circuit, competition course or competition arena
unless your Vehicle:
(i) is being driven as part of a driver education course that does not involve speeds in excess of 100km/h or the timing of vehicles; or
(ii) you have told us about this use of your Vehicle and we have agreed to cover you.
- (q) Non-standard items
Any vehicle additions that are non-standard including but not limited to headlight and bonnet protectors, towbars, bumper bars, window tinting and non-standard wheels or rims.
- (r) Personal property
Any personal property including but not limited to car or mobile phones, cash and personal effects, tools, sports goods.
- (s) Radioactivity/nuclear materials
Radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste; or action of nuclear fission including detonation of any nuclear device or nuclear weapon; or any looting or rioting following these incidents.
- (t) Reckless acts
Any intentional or reckless act by you, the driver of the Vehicle or by a person acting with your express or implied consent (such as street racing, burnouts or donuts).
- (u) Revolution, war
Revolution, hostilities, war or war like activities or other acts of foreign enemy, military coup; or any looting or rioting following these incidents.
- (v) Unlawful purposes
Your Vehicle being used for unlawful purposes.

- (w) Incorrect fuel usage

Loss or damage to your Vehicle (including damage to your Vehicle's engine or fuel system) caused by the incorrect type of fuel being used.

- (x) Replacement of non-damaged parts

The replacement of non-damaged parts which includes items that are part of a whole set when the loss or damage occurred to only part of that set (such as alloy wheels).

- (y) Tyres

Damage to your Vehicle's tyres caused by braking, punctures, road cuts or bursting.

5.9 Insurance Policies

We use some of your Contributions to acquire a group personal accident and sickness policy for the drivers of the Vehicle.

5.10 Insurance policies arranged

- (a) We, or a broker we appoint or introduce to you, may arrange for you to receive a policy of insurance from an APRA-regulated insurer for own damage, third party property damage and broadform liability cover, if you choose. Whether you are offered any insurance is dependent on whether the relevant insurer accepts your application.
- (b) You will receive a separate product disclosure statement from the insurer for these insurances which you should read carefully. We are not the issuer of those products.
- (c) Under the Application Form, you appoint us as your agent to make claims under any policy of insurance you may hold in this regard, and as part of the Contributions you make, we will collect the insurance premiums that you are liable to pay to the insurer, hold those premiums on trust and pay them to the insurer on your behalf. We will also handle any claims you wish to make under these policies on your behalf.
- (d) Although you are liable to the insurer for any excess which might be payable under any policy, we may agree to pay any excess you may owe as part of your cover as a Member of the Trustee.
- (e) If we appoint or introduce you to a broker to arrange this insurance on your behalf, then that broker is likely to receive a commission which is paid to the broker by the insurer. Please refer to the broker's financial services guide for further details of the remuneration that they might receive.

6 Claim for benefits

6.1 Making a claim for benefits

All incidents **MUST** be reported to the Trustee as soon as possible after they occur and in any event within 30 days of the incident occurring. This includes any incident where the Member's Vehicle has no damage but may be held responsible for the incident.

The Trustee does not accept verbal accident reports. All Accident Claim and Report Forms should be completed in full and received at the Trustee's office within 30 days of the incident occurring.

Failures to report incidents may result in increased excesses in the event that any claim for Cover is accepted. Please refer to section 7.

6.2 What you must do

Step 1—Make sure everyone is safe. For emergencies, call 000.

Step 2—Try to prevent further loss or damage.

You must do everything you reasonably can to limit and prevent further loss or damage (e.g., move your Vehicle off the road and put on your hazard lights).

Step 3—Report the incident to the authorities.

If someone is injured or has stolen, attempted to steal or maliciously damaged your Vehicle, call the police immediately and record the time, date, report number and the name of the reporting officer.

Step 4—Do not admit liability or responsibility to anyone.

Take photos if possible and reasonable.

Step 5—Collect details of all drivers, passengers and witnesses.

You will need these when you complete your claim form. Make sure you have their full names, addresses and contact numbers. You will need the other drivers licence number and expiry. You are required to produce your licence to the other party and you need to sight their drivers licence also. If another vehicle is involved, record its registration number, the make, model, colour and year of the other vehicle. Obtain from the driver of the other vehicle their insurance cover details (insurance company and policy number, if available). Do not admit fault to anyone.

Step 6—Note all the damage caused by the incident, both to your vehicle and the other vehicle.

Take photos of the damage if possible and note any pre-existing damage to the other vehicle(s).

Step 7—If your vehicle is damaged and requires towing, call one of our preferred towing services.

Have your vehicle immediately towed to one of our Preferred Repairers.

You will be provided with a claim form, if you do not have one, at our Preferred Repairer, for the driver of the Vehicle to complete. The driver is responsible for obtaining all necessary information to complete the claim form. If the accident occurs outside of business hours, the claim form must be completed by the driver and received by our office within 7 business days of the accident, either by email, fax or in person at our office.

6.3 **If you have caused damage to other people's property**

Tell us about any incident that has caused damage to other people's property, even if there is no damage to your Vehicle, using the incident report form. You also must immediately tell us about any demands made on you to pay compensation to others, along with any court actions or offers of settlement and send these to us. If you do not tell us about these and it results in further costs, you may have to pay those costs.

6.4 **Processing claims**

To process the claim for benefits, you must provide all reasonable assistance to us to process your claim, including but not limited to doing the following:

- (a) Talk to or meet with us and any experts we choose, such as a claim for benefits assessor, investigator, repairer and/or solicitor;
- (b) Assist us in handling your claim for benefits. This can include agreeing to be interviewed and/or providing relevant documents we ask for (e.g. proof of ownership) and/or completing any forms that we or our Insurers may require;
- (c) Either drive (if it is safe to do so) or let us move your Vehicle to our Preferred Repairer, or another location nominated or agreed to by us, so we can assess the damage and progress your claim for benefits;
- (d) Allow us to recover, salvage or take possession of your Vehicle;
- (e) Give us authority to access any MT data, GPS data, police reports or police investigations;
- (f) Provide proof of your taxable income if required to substantiate an income loss of use claim;
- (g) Attend court to give evidence if we ask you to, or supply evidence or provide documents to support an ongoing court matter. This applies to both the Member and the driver of the Vehicle at the time of the accident. Members are to ensure the drivers appear before the courts when required at our request and supply a copy of the Bailment Agreement.

Note: In this section 'you' means you and, if you were not driving your Vehicle, the driver of your Vehicle.

6.5 **What you must not do**

- (a) Do not admit liability or responsibility to anyone to pay for any damage unless we agree;
- (b) Do not negotiate or promise payment;
- (c) Do not authorise any repairs;
- (d) Do not get rid of any damaged parts of your Vehicle or your property without our consent;
- (e) Do not accept payment from someone who admits fault for loss or damage to your Vehicle. Please, refer them to us.

6.6 **If you do not comply**

If you do not comply with 'What you must do' and 'What you must not do', we may do :

- (a) not consider your claim for benefits;
- (b) recover costs we have incurred in relation to your claim from you by, amongst other things, commencing proceedings against you; or
- (c) cancel your Membership.

6.7 If we decline a claim for benefits

When you contact us to make a claim for benefits, we will tell you if we can consider it. If we can't, we will tell you why. In some cases, we will allow you to lodge your claim for benefits, but we will need to further assess it before making a decision. If we then decide to decline your claim for benefits, we will give you our reasons in writing.

6.8 How to establish your loss

(a) Establish an incident took place

When making a claim for benefits you must be able to prove that an incident covered by your Membership took place. If you do not do this, we will not be able to consider your claim for benefits.

We may obtain the following from the police:

- (i) Confirmation that you reported the incident;
- (ii) Details of any investigations they undertook; and
- (iii) Any other relevant information

We may obtain the following information from the taxi booking company or ride-sharing organisation:

- (iv) GPS location of your Vehicle at the time of an accident;
- (v) Driver details of the person in charge of your Vehicle; and
- (vi) Any other relevant information

You must give us authority to access these records, if we ask.

(b) Describe your loss or damage

It is the responsibility of the Vehicle driver/owner to complete the Accident Report and Claim Form. Verbal reports are NOT acceptable.

You must also give us accurate and full details of the loss or damage and give us proof of value and ownership, if we ask.

Proof includes documents such as registration papers, sales receipts, service records, valuations, warranties or log books for your Vehicle. If you are unable to reasonably substantiate your claim for benefits, including proof of your taxable income in the event of a personal accident claim, we can reduce or refuse your claim for benefits.

6.9 How the Goods and Services Tax (GST) affects your Membership

You must tell us about the input tax credit (ITC) you are entitled to for your Contribution and your claim, each time you make a claim. If you do not give us this information or if you tell us an incorrect ITC, we will not pay any GST liability you incur.

If your car is a total loss, we will reduce any payment we make by an amount equal to your input tax credit entitlement, if any.

In all other circumstances, our liability to you will be calculated considering any ITC to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled had you made a relevant acquisition.

Any payment we make to settle your claim will be considered to be made in full even if the amount we pay has been reduced as described above.

7 Your excess

7.1 What is an excess?

An excess is the amount you must pay for each incident when you make a claim for benefits. For example, if the rear and front of your Vehicle have been damaged, then you must make two claims for benefits and pay the excesses that apply for each claim for benefits.

7.2 Amount of the excess

The total excess you are required to pay is determined by the circumstances of your claim for benefits. You might have to pay more than one type of excess when you claim for benefits.

The amount of the excess that you will be required to pay will depend upon your Cover and will be included in your Certificate of Cover.

In addition, if you fail to report an incident within 30 days of it occurring, then the basic excess will triple. If you report an incident after six months, then the basic excess will be five times the original excess amount. Any report received 12 months after the incident occurred will result in any basic excess increasing to 10 times the original excess amount, shown on your Membership documents.

7.3 How to pay your excess

We will ask you to pay us the excess, regardless of if you are at fault or not at fault in the accident.

You must pay the excess in full before we consider any claim for benefits, or provide any benefits under this Membership. We will usually ask for your excess when you first lodge your claim for benefits. If we do not accept your claim, then we will return any excess you have paid. For the sake of clarity, we will not make any payments for benefits under the claim until the excess is paid in full, including but not limited to, the cost of repairs, hire car costs, legal costs.

We may not cover any legal or other costs that arise because of any delay in paying the excess.

In the event of a not at fault claim, your excess will be refunded to you once our costs have been recovered from the at fault party, at the discretion of the Trustee.

8 How we settle your claim for benefits

The Trustee has absolute discretion as to how it decides if and when it will settle a claim and how much will be awarded. The following are guidelines used for establishing the settlement amount.

8.1 We choose how your claim for benefits is settled

If we agree to pay a claim for benefits for loss, theft or damage to your Vehicle we will decide if we will:

- (a) repair the damage; or
- (b) replace the damaged parts of your Vehicle; or
- (c) settle your claim for benefits as a Total Loss.

8.2 Claim for benefits under insurance policies

If you make a claim for benefits that is covered under your policy of insurance issued by an APRA-regulated insurer, then we can decide to defend you, settle any claim for benefits against you or represent you at an inquest, official enquiry or court proceedings.

If we decide to defend you, settle any claim for benefits against you or represent you, then you must give us all the help we need, including help after your claim for benefits is settled.

9 If your Vehicle is damaged

9.1 We will choose the repairer

We will manage the repair process through one of our preferred repairers as follows:

- (a) we will authorise repairs;
- (b) you will be kept informed of the progress of the repairs; and
- (c) you will be advised when your Vehicle is ready for collection.

9.2 If we do not authorise repairs

If we do not authorise repairs, we will pay you what it would have cost us to repair your Vehicle. The amount it would have cost us to repair is determined by a quote from a repairer we choose.

9.3 If your Vehicle is not safe to drive

You must arrange to move your Vehicle to our official repair facility, or to another location nominated by us.

9.4 If your Vehicle is safe to drive

We will arrange a time with you to bring your Vehicle into our official repair facility, or to another location nominated by us.

9.5 Contribution to repairs

You might have to contribute to the cost of repairing tyres, engines, accessories, modifications, paintwork, bodywork, radiators, batteries or interior trims affected by neglect, wear and tear, weathering, rust, mould, mildew or corrosion. We will determine how much you pay depending on how worn these items were when the damage happened.

If you do not agree to pay these amounts, we will pay you the amount determined to be the cost of repairs less any contribution charges.

9.6 If your Vehicle is a Total Loss

Your Vehicle becomes a Total Loss when we decide it is uneconomical, impractical or unsafe to repair in which case we will pay you the depreciated value less any deductions that apply.

When we pay you for a Total Loss claim for benefits, we will deduct any unpaid excess or unpaid Contribution.

When we pay for a Total Loss claim for benefits, if a credit provider has a financial interest in your Vehicle then we may pay them what they are entitled to (up to your Amount Covered) and pay you any balance.

9.7 We own the Vehicle salvage

When we pay you for the Total Loss, your Vehicle salvage becomes our property. If another party is entitled to the salvage of your Vehicle, then we will pay you or them the Amount Covered, less our estimate of the salvage value, any unpaid excess and unpaid contribution.

9.8 After we pay your claim for benefits

- (a) Does your claim for benefits affect your cover?
 - (i) If we pay you the cost of repairs, your Membership continues.

(ii) If your Vehicle is a Total Loss, then your Membership ceases. There is no refund of the unused Contribution. You may, of course, apply for Membership in respect of your replacement vehicle.

(b) Our right to recover claim for benefits we pay from those responsible

After we pay a claim for benefits under this Membership, we can decide to take legal action in your name to recover money from the person or entity who caused the loss, damage or liability. You must give us all the help we need to do this. If we recover money that belongs to you and was not part of the claim for benefits we paid, we will pay this to you at our discretion.

10 Fees and costs

10.1 Trustee fees and charges

This PDS contains the fees and other costs that you may be charged. These fees and costs may be deducted from your Contributions or from Assurance Cover Australia assets as a whole.

They include fees paid to the Trustee and expense recoveries which are recoverable expenses permitted under the Constitution of Assurance Cover Australia such as accounting and tax, legal, compliance, responsible manager fees, the cost of preparing and amending the Constitution, the cost of producing the PDS, the cost of meetings and other fund administration expenses.

10.2 Contribution fee

The Trustee is entitled to a fee of 25 percent of the Contributions paid by Members. The Contribution fee will be deducted from the assets of Assurance Cover Australia at such frequency as the Trustee determines.

Example Contribution fee:

Contribution	=	\$4,800
Contribution Fee	=	\$4,800 x 25%
	=	\$1,200

10.3 Ongoing management fee

The Trustee is entitled to an ongoing management fee of \$156,000 per annum, payable in equal monthly instalments. This fee may be reviewed annually by the Trustee and increased to allow for changes in Consumer Price Index (CPI) Australia.

10.4 Performance fee

The Trustee is entitled to an annual performance fee, payable annually in arrears. This fee will be determined after the end of each Financial Year and be based upon the Financial Accounts of Assurance Cover Australia. It will be determined as 90% of the Net Assets of Assurance Cover Australia.

Example performance fee:

If, at the 30th June, the Net Asset Value of Assurance Cover Australia (**NAV**)* is \$100,000, then the Trustee is entitled to a fee of \$100,000 x 90% being \$90,000.

*Where the NAV is calculated by taking the assets of the scheme less all liabilities (including unpaid claims).

10.5 Payments to financial advisers

No adviser will receive any commission from the Trustee relating to your Contribution. However, any insurance broker appointed by us or introduced to you by us who arranges policies of insurance on your behalf is likely to receive commissions from the insurer, details of which should be included in the broker's financial services guide.

10.6 Waiver and deferral of fees and expenses

The Trustee may accept lower fees and expenses than it is entitled to receive under this Constitution, or it may defer payment of those fees and expenses for any time.

10.7 Other fees or different fees

The Trustee may be paid such other fees as may be disclosed by it in a supplementary or replacement PDS, and the Trustee may charge fees which differ (in terms of their type, amount, method of payment or frequency of payment, or in any other manner) from the other fees provided for in this section provided they are disclosed in a supplementary or replacement PDS.

11 About the Trustee and the Constitution

11.1 The Trustee

The Trustee is solely responsible for the management and administration of Assurance Cover Australia.

The Trustee holds an Australian Financial Services Licence (AFSL no. 448 227), which authorises it to act as the trustee of Assurance Cover Australia. The powers and duties of the Trustee are set out in the Constitution, the *Corporations Act 2001* and general trust law. The Trustee has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with Assurance Cover Australia.

11.2 Retirement of the Trustee

The Trustee may retire as the Trustee and appoint a replacement the Trustee at its own discretion.

If the members want to remove the Trustee they must do so by calling a meeting of Members to enable Members to vote on a resolution to choose a company to be the new the Trustee. The Trustee may be removed from office by an extraordinary resolution (i.e. 50% of all Members entitled to vote, including members who are not present in person or by proxy) passed at a meeting of Members.

If the Trustee retires or is removed as the trustee of Assurance Cover Australia, then in consideration for work done in establishing Assurance Cover Australia and facilitating the orderly replacement of the Trustee as trustee, the Trustee is entitled to a fee equal to the greater of \$150,000 and the remaining assets of Assurance Cover Australia after all liabilities and interests of Members have been met.

The fee becomes due and payable on the day before the removal of the Trustee is to take effect.

Any trustee of Assurance Cover Australia which succeeds the Trustee, and which is not an associate of the Trustee is not entitled to this fee.

11.3 Indemnities and limitation of liability of the Trustee

In general, the Trustee may act on the opinion of, advice of and information obtained from advisers and experts. In those cases, the Trustee is not liable for anything done in good faith in reliance on that opinion, advice or information.

the Trustee is indemnified out of Assurance Cover Australia against any expenses, loss, costs, damages and liabilities that may be incurred in properly performing any of its duties or prosecuting or defending any action or suit in connection Assurance Cover Australia (other than if it arises out of the Trustee's fraud, negligence or breach of trust).

the Trustee is not liable personally to Members or other persons for failing to act except in the case of fraud, negligence or breach of trust.

11.4 Constitution

Assurance Cover Australia is a discretionary mutual fund governed by the Constitution. Under the Constitution, the Trustee has all the powers of a natural person. The Constitution sets out the rights and obligations of Members and the rights and obligations of the Trustee as trustee of Assurance Cover Australia. This PDS outlines some of the more important provisions of the Constitution.

The terms and conditions of the Constitution are binding on each Member.

A copy of any of the Constitution may be inspected by Members at the Trustee's office during business hours. the Trustee will provide investors with a copy of the required Constitution upon request.

11.5 Amendments to the Constitution

the Trustee may amend the Constitution at its absolute discretion on such terms as it sees fit.

11.6 Reimbursement of Expenses

In addition to any other right of indemnity, which the Trustee may have under the Constitution or at law, the Trustee is indemnified and entitled to be reimbursed out of, or paid from, the assets of Assurance Cover Australia for all liabilities, losses, damages, expenses or costs incurred in the course of its office or in the administration or management of Assurance Cover Australia (other than if it is incurred by the Trustee's fraud, negligence or breach of trust). Without limitation, this includes amounts payable in properly performing any of its duties or exercising any of its powers.

12 Other important information

12.1 When you need to contact us

(a) Changes in your details and Vehicle

You need to tell us immediately if:

- (i) any details are no longer accurate e.g. Vehicle plate change;
- (ii) your contact details change;
- (iii) you replace your Vehicle;
- (iv) there are any changes to the physical condition of your Vehicle;
- (v) you plan to, or have, added accessories or modifications to your Vehicle;
- (vi) the drivers of your Vehicle change;
- (vii) the way you use your Vehicle changes;
- (viii) you wish to cancel your Membership;
- (ix) driving history of drivers change;
- (x) any driver of the Vehicle has any criminal history related to fraud, theft, burglary, drugs, arson, or any criminal, malicious or wilful damage.

(b) What we will do when you contact us

When you contact us and tell us about these changes, we may decide to increase or impose an excess, charge an extra contribution or apply a special condition to your Membership. In some cases, it could mean we can no longer cover you and we will cancel your Membership.

12.2 How we will deal with a complaint

If you have a complaint about our product or services (even if through one of our service providers) or our complaints handling process, please let us know so that we can help.

You can contact us:

- | | |
|-------------|---|
| By phone: | (07) 3376 5097 |
| In writing: | Assurance Cover Australia
1 Gus Street
Yeerongpilly, QLD 4105 |
| In person: | By visiting our office at 1 Gus Street,
Yeerongpilly, QLD |
| By email: | admin@assurancecoveraustralia.com.au |

Please include the full details of your complaint and explain what you would like us to do.

When we receive your complaint, we will consider all the facts and attempt to resolve your complaint by the end of the next business day.

If we are not able to resolve the matter to your satisfaction, it will be referred to a manager, who will review your complaint and contact you within 5 business days of us receiving your complaint.

If we require additional information for our assessment or investigation of your complaint, we will agree with you a reasonable alternative timeframe to resolve your complaint.

If we are unable to resolve your complaint within 45 days, you may take your complaint to the Australian Financial Complaints Authority (AFCA), even if we are still considering it. The contact details for AFCA are set out below. AFCA generally will only consider complaints from 'retail clients'.

12.3 What if you are not satisfied with our final decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of AFCA. AFCA is an independent external dispute scheme and its service is free to you. Any decision AFCA makes is binding on us, provided you also accept the decision. You do not have to accept its decision and you have the option of seeking remedies elsewhere.

AFCA is available to customers who fall within their terms of reference. AFCA will advise if they can help you.

You can contact AFCA:

By phone: 1800 931 678

By email: info@afca.org.au

In writing: Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001

By visiting: www.afca.org.au

12.4 Meeting of Members

The Trustee may convene a meeting of Members at any time. Examples of circumstances where meetings may be called include to wind up Assurance Cover Australia. Members also have limited rights to call meetings and have the right to vote at any Member meetings.

Except where the *Corporations Act 2001* requires otherwise, a resolution of Members must be passed by Members exceeding 50% of Members. A resolution passed at a meeting of investors held in accordance with the Constitution binds all Members.

12.5 Limitation of liability of Members

The Constitution provides that the liability of each Member is limited to their Contribution and that neither the Trustee nor a creditor of the Trustee has any claim of any nature against a Member for any liabilities incurred with those parties in the management of Assurance Cover Australia. However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that members' liability will be limited in a manner discussed above.

12.6 Privacy

The Trustee takes all reasonable steps to protect your personal information. Personal information is collected for the purpose of providing investment products to Investors and the Trustee will use your personal information for:

- (a) processing your Application for Membership;
- (b) administering Assurance Cover Australia; and
- (c) any purpose related to the above purposes.

If you provide incomplete or incorrect information, we may be unable to provide you with Membership.

The Trustee may need to collect personal information about a third party from you as part of this application. If we do this, you agree you will advise that person that we have collected their information, and that in most cases they can access and seek correction of the information we hold about them.

Your personal information may be disclosed to related entities of the Trustee and any organisation (such as an accountant or auditor) involved with the administration of the Assurance Cover Australia for any of the above purposes.

The provision of the personal information requested is needed to allow your application to be processed. In most cases you can gain access to and seek correction of your personal information. Should you wish to do so, or if you have any queries about your information, please contact us on (07) 3376 5097.

You should also read our privacy policy. Our privacy policy contains information about:

- (a) how you can access and seek correction of your personal information; and
- (b) how you can complain about a breach of the privacy laws by the Trustee and how we will deal with a complaint.

Our privacy policy is available by telephoning (07) 3376 5097.

12.7 Updated Information

- (a) Where there is a change to information which is not materially adverse to investors, this updated information will be made available on our website at [www.#\[confirm\].com.au](http://www.#[confirm].com.au) (**Updated Information**). If you require a paper copy of any Updated Information please contact us on (07) 3376 5097 and it will be provided without charge on request.
- (b) While this PDS and any Updated Information are up to date at the time of preparation, changes may be made to Assurance Cover Australia from time to time. Members should ensure that they keep up to date with the latest information on Assurance Cover Australia.

12.8 Cooling off

There are no cooling off rights that apply to an application for Membership.

12.9 Automatic Exchange of Financial Account Information

Australian legislation relating to the automatic exchange of financial account information between jurisdictions gives effect to the United States of America Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**). These regimes cover the collection and reporting of information to tax authorities by financial institutions.

Assurance Cover Australia may be a reporting Australian financial institution under FATCA and the CRS. Accordingly, Assurance Cover Australia may be required to comply with the registration, due diligence and reporting requirements of FATCA and CRS.

We may request that you provide certain information in order for us to comply with our FATCA and CRS obligations. Depending on your status, for the purposes of FATCA and CRS, we may

assess any information you provide to us and if required, report information in relation to you and your Membership to the Australian Taxation Office (**ATO**). The ATO will in turn share such information with the US Internal Revenue Service or tax authorities of jurisdictions that have signed a CRS Competent Authority Agreement on an annual basis.

By applying for Membership, you:

- (a) agree to promptly provide us or our service providers with any information we may request from you from time to time;
- (b) agree to promptly notify us of any change to the information you have previously provided to us or our service providers;
- (c) consent to us disclosing any information we have in compliance with our obligations under FATCA and CRS;
- (d) consent to us disclosing any information we have if your Membership is held by or for the benefit of, or controlled indirectly by, specified US person(s) (in the context of FATCA) or foreign tax resident(s) (in the context of CRS), including disclosing information to the ATO, which may in turn report that information to the US Internal Revenue Service or other foreign tax authority; and
- (e) waive any provision of domestic or foreign law that would, absent a waiver, prevent us from complying with our obligations under FATCA and CRS.

For further information in relation to how our due diligence and reporting obligations under FATCA and CRS may affect you, please consult your tax adviser.

12.10 **Directors' authorisation**

Each of the Directors has consented to, and authorised, the issue of this PDS.

13 **Glossary**

Accident Claim and Report Form	the form you must complete to make a claim.
Amount Covered	when used in relation to your Vehicle, is the maximum amount we will pay for loss or damage to your Vehicle caused by an incident less any deductions that apply, unless we say otherwise in your Membership. The amount covered includes GST.
Annual Contribution	means the amount you pay to remain a Member referred to in section 4.2.
Application Form	means the application for Membership approved by the Trustee from time to time.
Assurance Cover Australia	means the discretionary mutual fund established pursuant to the Constitution.
Constitution	means the constitution for Assurance Cover Australia dated 17 September 2014 and any supplementary or replacement constitution.
Contributions	the Annual Contribution plus and any Monthly Contributions, as the context requires.
Cover	see section 5 'About your Cover'.
Excess	the amount payable by you outlined in section 7.
Incident or event	is a single occurrence which you did not intend or expect to happen.
Initial Contribution	means the amount you pay to remain a Member referred to in section 4.2.
Insurance Policies	the insurance policies acquired by Assurance Cover Australia referred to in section 5.9.
Limit	the most you can claim for benefits for any one incident (including GST).
Market value	the amount we calculate the market would pay for your Vehicle. It takes into account the age, make, model, kilometres travelled and condition of your Vehicle immediately before the incident. We might use recognised industry publications to calculate the amount.
Member	a person for the time being registered as a member of Assurance Cover Australia.
Membership	means membership of Assurance Cover Australia.
Membership Rules	means the rules of membership of Assurance Cover Australia as amended from time to time.
Period of Cover	means when your Membership starts to when it ends.
Permanent Total Disablement	Disablement which entirely prevents You from attending to any business or occupation of any and every kind and which lasts twelve months and at the expiry of that period is beyond hope of improvement.

Recommended Repairer	means a repairer recommended by us from time to time.
Temporary Partial Disablement	Disablement which prevents You from attending to a substantial part of Your business or occupation.
Temporary Total Disablement	Disablement which entirely prevents You from attending to Your business or occupation of any and every kind.
Total Loss	your Vehicle is a total loss if it is stolen and unrecovered after 14 days or when we decide it is uneconomical, impractical or unsafe to repair.
Trustee, we, us and our	means Assurance Cover Australia Pty Ltd ACN 165 604 731.
Updated Information	is explained in section 12.7.
Vehicle	has the meaning given in section 5.1.
Vehicle Operator	means an owner or licensee of a Vehicle.
You, your	the person or people shown as the covered by your Membership of Assurance Cover Australia.