



Assurance Cover Australia

Experts in Point to Point Cover

Product Disclosure Statement

Issuer:

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

Issued: 22 February 2022

Important information

Issuer

This is a Product Disclosure Statement (**PDS**) for Assurance Cover Australia, an unregistered managed investment scheme and discretionary mutual fund. This PDS contains the terms on which you may acquire an interest in, and become a member of, the managed investment scheme called Assurance Cover Australia and how to apply for discretionary cover.

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 number 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.

Any information or representation not contained in this PDS 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.acaustralia.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 13.5. 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.

Table of contents

1	Key information	1
2	Introduction	2
3	Your obligations	5
4	About your Contribution	7
5	About your cover	8
6	Claim for discretionary cover benefits.....	14
7	Your excess.....	18
8	How we settle your claim for discretionary cover benefits.....	19
9	If your Vehicle is damaged.....	20
10	Authorities.....	22
11	Fees and costs.....	22
12	About the Trustee and the Constitution	24
13	Other important information	26
14	Glossary	31

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 Assurance Cover Australia's Constitution and the Membership Rules that governs Assurance Cover Australia and your Membership;
- (e) Assurance Cover Australia is administered and managed 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 in 2014 to respond to the rising cost of vehicle insurance in the point-to-point (**P2P**) transport industry. Formed by P2P industry veterans, the primary purpose of Assurance Cover Australia is to strive to provide an affordable risk protection product that provides discretionary cover specifically for P2P vehicles..

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 Members' 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.

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. 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 11. 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 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.

2.5 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 the power to pay claims that are specifically excluded under the cover if it so chooses.

2.6 Significant risks

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

- (a) **No PI insurance:** Under s912B of the Corporations Act, AFS licensees must have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of their obligations in Chapter 7 of the Corporations Act. These arrangements require that licensees must obtain professional indemnity (**PI**) insurance cover that is adequate, considering the nature of the licensee's business and its potential liability for compensation claims. According to ASIC¹, PI insurance is not designed to protect consumers directly and is not a guarantee that compensation will be paid: it is designed to protect the insured (i.e., the Trustee) against the risk of financial losses arising from poor quality services (e.g., poor advice or execution of services) and other misconduct (e.g., fraud by its representatives). The Trustee does not, and has not, since 26 April 2019, held PI insurance. This means there is a risk that if the Trustee or its representatives have breached or were to breach a provision of Chapter 7 of the Corporations Act, and a retail client made a claim as a result of that breach (for example, suffered damages as a result of that breach) and was successful against the Trustee in respect of that claim, the Trustee may not have sufficient funds in Assurance Cover Australia to pay the claim and continue providing its services, or in the circumstances where the indemnity it holds from Assurance Cover Australia is not available, does not itself hold sufficient resources to pay such damages and cannot continue providing its services. The Trustee continues to seek to obtain PI insurance and has a reserve of \$2 million of its own assets to fund potential claims as an interim measure until, or if, PI becomes commercially available.
- (b) **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. In addition, if the Trustee fails to comply with its AFS Licence conditions, the Constitution or Corporations Act, then that failure may have an adverse impact on you and the ability of the Trustee to make a discretionary decision to provide cover. In particular, this may occur if ASIC takes action to:
 - (i) wind up the Fund; or
 - (ii) remove us as the trustee.
- (c) **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;

¹ ASIC Regulatory Guide 126: Compensation and insurance arrangements for AFS licensees July 2020 at paragraph 126.9

- (d) **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;
- (e) **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.

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.

- (f) **Fund operation risk:** the Trustee may fail to operate Assurance Cover Australia efficiently and effectively on behalf of Members;
- (g) **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
- (h) **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.

2.7 **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.

2.8 **Who may be a Member?**

The cover under Assurance Cover Australia has been designed for, and is only open to, those operating in the P2P Industry 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 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 discretionary cover 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 discretionary cover benefits, refuse to pay a claim for discretionary cover 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 discretionary cover 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 discretionary cover benefits; and/or

(b) cancel your Membership.

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 discretionary cover 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 11 for more information.

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.

4.2 Payment of Contributions

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 Contribution funding. Cash payments are not accepted. In addition:

- (a) you must pay the Contribution by the due date to ensure that you are covered. If it is not paid by the due date, we will treat your cover as if it never existed;
- (b) if you make changes to your Membership details, it may affect the Contribution you need to pay; and
- (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.
- (c) Refuse to pay a claim for discretionary cover benefits until the payment of the Contribution is made.

4.4 How Contributions are used

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

- (a) To pay claims for discretionary cover benefits.
- (b) To pay the costs and expenses attributable to Assurance Cover Australia which are detailed in this PDS and the Constitution.

4.5 Refunds

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 written notice to us if you wish to terminate your Membership of Assurance Cover Australia. The notice must be sent by way of email to admin@acaustralia.com.au.

5 About your cover

5.1 What we include as your Vehicle

Your Vehicle includes your motor vehicle and 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 persons involved in the P2P Industry in Australia as determined by the Trustee as being appropriate for Membership.

5.3 Available covers

Members may apply for discretionary cover which includes:

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

In addition to offering discretionary covers, we can arrange for Members to obtain personal accident and sickness insurance from an insurer. More information about the services we offer is set out in section 5.8.

5.4 Accidental loss or damage

- (a) Scope

You have the right to have your claim 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; and
- (v) collision and impact.

(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 5.7.

(d) Cover comes to an end following Total Loss

If we declare your Vehicle a Total Loss and pay you the market value (as determined by an independent assessor we choose), 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 you have cover for more than one Vehicle, then the above only applies to the particular Vehicle which has been treated as a Total Loss.

5.5 Towing and storage 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 repairer chosen by us or another location nominated by us. We will also consider covering the reasonable costs of storage.

(b) Limit

If we decide to pay a claim, the maximum we will pay for towing is \$650.00 or such other higher amount as advised from time to time. The maximum we will pay for storage is \$300.00 or such other higher amount as advised from time to time. You need to provide us with all invoices and receipts for towing and storage costs you arrange before we consider any claim for such costs.

(c) We do not cover

We will not consider claims for second tows or storage costs unauthorised by us. We will also not consider claims for towing or storage from unlicensed operators.

5.6 Other Memberships

We may from time-to-time issue different forms of Memberships. For example, we may issue Memberships which provide tailored Covers for Vehicles (e.g., Covers with higher or lower excesses) for particular Members.

5.7 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 where the driver of the Vehicle did not hold an open, full, current State or Territory driver licence AND a current Hire Drivers Licence. For the sake of clarity, a suspended licence is not current. We will also not consider claims where the driver of the Vehicle holds an international licence.

(b) Overdue Contribution

If a Contribution payment is overdue, we can refuse to consider a claim for discretionary cover benefits.

(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 other extra costs

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

- (i) loss of profits, 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) a reduction in your Vehicle's value (including its trade-in or resale value) after being repaired;
- (vii) costs, including the cost of your time, to prove your loss or to help us with your claim for discretionary cover 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 any load which is not secured according to law, over the legal limit or more than what your Vehicle was designed to carry; or
- (ii) carrying more passengers than the Vehicle was designed for, or more than the driver is permitted to carry by law.

(n) Failure to take reasonable precautions

You, or a person acting with your express or implied consent, failure to take reasonable precautions to prevent loss, damage or legal liability. For example:

- (i) If your Vehicle is stolen because you, or a person acting with your express or implied consent, have left the keys in the Vehicle unattended.

(ii) If your Vehicle is stolen because you, or a person acting with your express or implied consent, have left the keys unattended (such as in a letterbox).

(o) Theft

Theft of your Vehicle or theft of an item in, on or attached to your Vehicle by any person who has rented your Vehicle unless at the time the Vehicle was rented, you sighted and obtained copies (front and back) from the person who rented your Vehicle:

- (i) a current and valid driver licence which shows a photograph of the person who rented your Vehicle;
- (ii) additional Australian or state-issued documents to attain a total of 100 points of ID; and
- (iii) the theft has been reported to the relevant state or federal law enforcement agency (**Police**), an event number has been provided and the Police have deemed the incident to be a theft.

(p) Intentional loss or damage

Intentional loss or damage caused by you, or a person acting with your express or implied consent.

(q) 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.

(r) 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.

(s) Personal property

Any personal property including but not limited to car or mobile phones, cash and personal effects, tools, sports goods.

(t) 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.

- (u) 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).
- (v) 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.
- (w) Unlawful purposes
Your Vehicle being used for unlawful purposes.
- (x) 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.
- (y) 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).
- (z) Tyres
Damage to your Vehicle's tyres caused by braking, punctures, road cuts or bursting.
- (aa) Intentional damage
We will not consider claims relating to loss or damage which is actually or suspected to be caused intentionally, wilfully or deliberately to your Vehicle.

5.8 Personal Accident & Sickness

- (a) Assurance Cover Australia does not provide discretionary cover for personal accident and sickness. This kind of cover can provide a benefit to the driver if he or she suffers a personal accident causing death, permanent total disablement, temporary partial or total disablement or loss of limbs or eyesight sustained during working hours while driving a Vehicle.
- (b) However, we can seek to arrange for you to be provided with a quote from an insurer for this kind of cover. We are not the issuer of this product, however, we may collect insurance premiums from you and remit those premiums to the insurer pursuant to arrangements we have in place with those insurers
- (c) If you need to lodge a claim under an insurance policy you acquire with our assistance, then you will need to do so directly with the insurer. More information about the process is available in the product disclosure statement relating to that policy of insurance. We do not process claims on behalf of the insurer.
- (d) If an excess is payable under the policy, you must pay this to the insurer or it will be deducted from your claim. We do not fund the payment of any excess on your behalf.
- (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 discretionary cover benefits

6.1 Making a claim for discretionary cover benefits

All incidents MUST be reported to the Trustee, in writing, 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.

Failure to report incidents may result in increased excesses in the event that any claim for discretionary cover benefits is accepted. Please refer to section 7.

If you receive a letter of demand, or any other legal notice, within the 30-day notification period, you must inform the Trustee immediately. This must be in writing to claims@acaustralia.com.au and a copy of the letter or notice must be provided. If you fail to do so and legal proceedings are subsequently commenced, we will not be liable for the legal costs arising out of, or in connection with, those legal proceedings, even if your claim for discretionary cover benefits is accepted by us.

You must not start any legal proceedings against the person or entity who caused the loss, damage or liability without first obtaining the Trustee's written consent. We will only consider participating in such legal proceedings where you have lodged a claim for discretionary cover with us, we have agreed to pay your claim and it is in the interests of the Members of Assurance Cover Australia for us to do so.

6.2 What you must do if an incident occurs

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 driver's licence number and expiry date. You are required to produce your licence to the other party and you need to sight their driver's 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).

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 Accident Claim and 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 discretionary cover 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 an assessor, investigator, repairer and/or solicitor;
- (b) Assist us in handling your claim for discretionary cover 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 may require;
- (c) Either drive (if it is safe to do so) or let us move your Vehicle to a repairer chosen by us, or another location nominated or agreed to by us, so we can assess the damage and progress your claim for discretionary cover benefits;
- (d) Allow us to recover, salvage or take possession of your Vehicle;
- (e) If the Vehicle is subject to finance and/or is held as security by a third party financier, give us the full contact details for the financier and discharge the security over the Vehicle;
- (f) Give us authority to access any MT data, GPS data, police reports or police investigations;
- (g) Sign and/or procure the relevant driver of the Vehicle to sign any necessary instrument or document to grant us the right to take legal action in your name or in the name of the driver of the Vehicle to recover money from the person or entity who caused the loss, damage or liability;
- (h) Sign and/or procure the relevant driver of the Vehicle to sign any necessary instrument or document to grant us the right to defend any legal action against you or the driver of the Vehicle which arises as a result of the subject of the claim for discretionary cover benefits; and
- (i) 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 or Rental Agreement.

If you fail to provide us with reasonable assistance, we may:

- (a) decide not to exercise our discretion to pay your claim for discretionary cover benefits;

- (b) recover costs we have incurred in relation to your claim from you by, amongst other things, commencing proceedings against you; and/or
- (c) cancel your Membership.

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 if an incident occurs**

- (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 if an incident occurs' and 'What you must not do if an incident occurs', we may:

- (a) decide not to exercise our discretion to pay your claim for discretionary cover benefits;
- (b) recover costs we have incurred in relation to your claim from you by, amongst other things, commencing proceedings against you; and/or
- (c) cancel your Membership.

6.7 **If we decline a claim for discretionary cover benefits**

When you contact us to make a claim for discretionary cover benefits, we will tell you if we can consider it and whether we will exercise discretion to pay it. If we can't, we will tell you why. In some cases, we will allow you to lodge your claim for discretionary cover benefits, but we will need to further assess it before making a decision. If we then decide to decline your claim for discretionary cover 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 discretionary cover 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.

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 and 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 discretionary cover 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 or we make a cash settlement to you for repairs, 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 discretionary cover benefits. For example, if the rear and front of your Vehicle have been damaged, then you must make two claims for discretionary cover 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 discretionary cover 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 be included in your Certificate of Cover. If the driver of your Vehicle was under the age of 25, an additional \$1,000 excess on top of the basic excess is payable. Hail or flood claims incur an additional \$2,000 excess on top of the basic excess. Theft claims incur an additional \$5,000 excess on top of the basic excess.

In addition, if you:

- (a) fail to lodge a claim for discretionary cover benefits within 30 days of the incident date, then the excess you will have to pay is 3 times the amount of excess noted on your Certificate of Cover;
- (b) fail to lodge a claim for discretionary cover benefits 6 months to 12 months after the incident date, then the excess you will have to pay is 5 times the amount of excess noted on your Certificate of Cover; and
- (c) fail to lodge a claim for discretionary cover benefits more than 12 months after the incident date, then the excess you will have to pay is 10 times the amount of excess noted on your Certificate of Cover.

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 discretionary cover benefits, or provide any discretionary cover benefits under this Membership. We will usually ask for your excess when you first lodge your claim. 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 discretionary cover benefits under the claim until the excess is paid in full, including but not limited to, the cost of repairs, legal costs and any associated 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 may be refunded to you once all costs incurred by us have been recovered from the at fault party, at the discretion of the Trustee.

8 **How we settle your claim for discretionary cover 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 discretionary cover benefits is settled**

If we agree to pay a claim for discretionary cover 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.

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

We reserve the right to choose and change the repairer at any given time at our discretion. For the sake of clarity, if we pay the towing costs to transport your Vehicle to a repairer chosen by you then we still reserve the right to choose a different repairer. If we choose to send your Vehicle to a different repairer, we will pay for the towing costs to move your Vehicle to the other repairer.

9.2 **If we do not authorise repairs**

If we do not authorise repairs, we will pay you the amount we deem it would have cost us to repair your Vehicle. In determining this amount, we will take into consideration a quote from a repairer we choose or any such amount as determined by an assessor we choose. The amount that we will pay remains at our complete discretion, and may be the amount quoted by the repairer, the amount determined by the assessor or any other amount we consider is appropriate in the circumstances of your claim.

Any assessment report we obtain from an assessor for the purpose of determining the amount we will pay to you where we do not authorise repairs is for our internal use only, to assist with our decision-making and remains our property. We do not have to share or disclose the content of this document with you.

9.3 **If your Vehicle is not safe to drive**

You must arrange to move your Vehicle to a repairer chosen by us, or to another location nominated by us.

9.4 **If your Vehicle is safe to drive**

We will arrange a time with you to take your Vehicle to a repairer chosen by us, 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 by us 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.

If we choose to settle your claim for discretionary cover benefits as a Total Loss, we will deduct any unpaid excess or unpaid Contribution.

If we choose to settle your claim for discretionary cover benefits as a Total Loss and the Vehicle is subject to a loan and/or is held as security by a third party financier, the Trustee will either:

- (a) pay all or part of the settlement amount to the financier as is necessary for the financier to discharge its security interest over the Vehicle and allow us to receive title and possession of the Vehicle salvage. Following which, we will then pay the balance of the settlement amount (if any) to you; or
- (b) require you to discharge the security interest over the Vehicle prior to any settlement amount (if any) being paid to you.

If the settlement amount will not cover the outstanding amount owed to the financier, we will pay all of the settlement amount to the financier and you must pay the balance owing to the financier to ensure they discharge their security interest over the Vehicle so that we may receive title and possession of the Vehicle salvage. If you are unable or unwilling to pay the balance owing, we may decide to exercise our discretion not to pay you any benefits under your claim.

Furthermore, if we process, settle or pay your claim and the security over the Vehicle is not discharged, you will be required to pay us all costs that we have incurred in processing, settling or paying your claim.

Note: you will be required to execute a release prior to any settlement amount being paid to you.

9.7 **We own the Vehicle salvage**

When we pay you for the Total Loss, your Vehicle salvage becomes our property.

9.8 **After we pay your claim for discretionary cover benefits**

- (a) Does your claim for discretionary cover 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, if any.
- (b) Our right to recover discretionary cover benefits we pay from those responsible

After we pay a claim for discretionary cover benefits under this Membership, you irrevocably appoint us (and/or our nominated debt recovery agent and/or legal representative) as your agent and representative to claim and recover the money we have paid from the person or entity who caused the loss, damage or liability.

You give us absolute discretion to take whatever means necessary to claim and recover the money we have paid. This may include the commencement of legal proceedings, in the relevant court or tribunal, in your name.

You give us absolute discretion to give instructions, on your behalf, to legal representatives to carry-on and settle the legal proceedings as we deem fit.

You authorise us to receive, retain and apply all such recovered monies towards the money we have paid, and the costs incurred in recovering them. In some instances, we may recover more than the money we have paid in which case you authorise us to retain the excess monies.

You must give us all the help we need to do this, including procuring the necessary subrogation rights from other drivers of the Vehicle.

If we recover money that belongs to you and was not part of the claim for benefits we paid, we may pay this to you at our discretion.

10 Authorities

10.1 Authorities

If we accept your claim for discretionary cover benefits under this Membership, you irrevocably appoint us (and/or our nominated debt recovery agent and/or legal representative) as your agent and representative to act on your behalf with respect to the subject of the claim. For the sake of clarity, if you have lodged a claim as a result of a motor vehicle accident, and we accept your claim, then you irrevocably appoint us (and/or our nominated debt recovery agent and/or legal representative) as your agent and representative to act on your behalf with respect to the motor vehicle accident.

You give us absolute discretion to take whatever means necessary to claim and recover any money we have paid. This may include the commencement of legal proceedings, in the relevant court or tribunal, in your name.

You give us absolute discretion to act on your behalf to defend any legal proceedings.

You give us absolute discretion to give instructions, on your behalf, to legal representatives to carry-on and settle any legal proceedings as we deem fit.

You authorise us to receive, retain and apply all such recovered monies towards any money we have paid, and the costs incurred in recovering them. In some instances, we may recover more than the money we have paid in which case you authorise us to retain the excess monies.

You must give us all the help we need to act on your behalf, including procuring the necessary subrogation rights from other drivers of the Vehicle.

If we recover money that belongs to you and was not part of the claim for benefits we paid, we may pay this to you at our discretion.

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

11 Fees and costs

11.1 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.

11.2 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

11.3 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.

11.4 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).

11.5 Payments to financial advisers

Advisers may commission from the Trustee relating to your Contribution. Furthermore, 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.

11.6 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.

11.7 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.

12 **About the Trustee and the Constitution**

12.1 **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.

12.2 **Retirement of the Trustee**

The Trustee may retire as the trustee and appoint a replacement trustee of its choosing.

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 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.

12.3 **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 the assets of Assurance Cover Australia (Trust Fund) 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 with the Trust Fund (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.

12.4 **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.

12.5 Amendments to the Constitution

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

12.6 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.

13 Other important information

13.1 When you need to contact us

(a) Changes in your details and Vehicle

You need to tell us immediately in writing 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, and there will be no refund of the unused Contribution.

13.2 Complaints

We understand that sometimes you may have a complaint about our products or services, please let us know so we can help.

We take complaints seriously so we have a complaints handling process we use to try to resolve your complaint.

It is important to follow the process to resolve your complaint effectively and efficiently.

Step 1:

Let us know

The first thing to do is to let us know what your concerns are. We will acknowledge receipt of your complaint immediately within 1 business day.

You can contact us:

By phone: (07) 3376 5097

By email: admin@acaustralia.com.au

In writing: Assurance Cover Australia
17 Overend Street
East Brisbane QLD 4169

In person: Assurance Cover Australia
17 Overend Street
East Brisbane QLD 4169

The relevant department may be able to resolve your complaint. If not, they will refer you to a manager.

A response is usually provided within 10 business days.

Step 2:

Contact our internal dispute resolution team

If you are not satisfied with the outcome of the manager's review, you can ask for it to be referred to our internal dispute resolution team or you can contact them directly:

You can contact us:

By phone: (07) 3376 5097

By email: disputeresolution@acaustralia.com.au

In writing: Assurance Cover Australia
17 Overend Street
East Brisbane QLD 4169

In person: Assurance Cover Australia
17 Overend Street
East Brisbane QLD 4169

Our internal dispute resolution team will conduct an independent review and a decision is usually provided within 15 business days.

Step 3:

Seek an external review

If you are not happy with the internal dispute resolution team's decision or if we are unable to resolve your complaint within 45 days of receipt, you may take your complaint to the Australian Financial Complaints Authority (**AFCA**).

AFCA is an independent external dispute resolution scheme which is free for consumers. Determinations made by AFCA are binding upon us.

You can make a complaint to AFCA:

By phone: 1800 931 678 (free call)

By email: info@afca.org.au

By visiting their website: www.afca.org.au

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

13.3 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.

13.4 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.

13.5 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 Form 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 Form. 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.

13.6 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.acaustralia.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.

13.7 Cooling off

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

13.8 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.

13.9 **Directors' authorisation**

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

14 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 payable per Vehicle to access the discretionary cover provided by Assurance Cover Australia for a period of 12 months.
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.
Certificate of Cover	the document you receive confirming the Covers you hold.
Constitution	means the constitution that established the discretionary mutual fund initially known as QOA Taxi Cover (and currently known as Assurance Cover Australia) dated 17 September 2014 and any supplementary or replacement constitution.
Contributions	means the total amount payable for all of your Vehicles for you to access the discretionary cover provided by Assurance Cover Australia.
Cover	see section 5 'About your Cover'.
Excess	the amount payable by you outlined in section 7.
Hire Drivers Licence	means the relevant licence or permit which permits the driver of the Vehicle to drive it for rideshare, taxi and passenger transport purposes. The relevant licence or permit will vary in each State and Territory.
Incident or event	is a single occurrence which you did not intend or expect to happen.
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.

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 13.6.
Vehicle	has the meaning given in section 5.1.
You, your	the person or people shown as the covered by your Membership of Assurance Cover Australia.