

COMPREHENSIVE EQUIPMENT INSURANCE (RETAIL)

FINANCIAL SERVICES GUIDE Issued 21st Dec 2010

This Financial Services Guide (FSG) is issued by Protecsure Pty Ltd ABN 26 094 997 163, Australian Financial Services Number 238815.

PURPOSE OF FINANCIAL SERVICES GUIDE (FSG)

This FSG is designed to help *you* decide whether to use the financial services we provide and explains the products and services we can offer *you*, how we and others are remunerated for the services offered to *you*, and our complaint handling procedures.

SERVICES OFFERED

We can provide *you* with factual information and general advice about *equipment* insurance and can arrange an insurance policy that will provide cover for *your equipment*. Alternatively *you* can obtain insurance from an insurance company of *your* choice.

When providing information and general advice about *equipment* insurance, we do not take into account *your* personal circumstances, needs or objectives. *You* should consider the advice in light of *your* personal circumstances and/or seek independent professional advice from a qualified adviser.

HOW WE ARE PAID

Protecsure receives between 20-30% of the total insurance premium to cover product development, marketing materials, compliance requirements, arranging the insurance and managing claims.

IMPORTANT RELATIONSHIPS

Protecsure has a binding authority from the insurer, Chubb Insurance Company of Australia Ltd ("Chubb") to provide *equipment* insurance and manage claims. Under this authority Chubb has appointed Protecsure as its agent, on terms that an insured who deals with Protecsure in relation to this insurance will have the same legal protection as if the insured had dealt directly with Chubb. Any *equipment* insurance arranged for *you* will be provided under a policy issued by Chubb.

Protecsure Pty Ltd ABN 26 094 997 163 AFSL No 238815

Level 2, 171 Clarence Street, Sydney NSW 2000 | Ph (02) 8270 6400 | Fax (02) 9262 5004 | Email info@protecsure.com.au

Chubb Insurance Company of Australia Ltd ABN 69 003 710 647 AFSL No 239778

Level 29, 2 Park Street, Sydney NSW 2000 | Ph (02) 9273 0100 | Fax (02) 9273 0101

GENERAL INSURANCE CODE OF PRACTICE

Protecsure abides by the Insurance Council of Australia's General Insurance Code of Practice adopted by Chubb. For more information please see www.codeofpractice.com.au.

PRIVACY STATEMENT

We are committed to protecting *your* privacy. Insurance information supplied by *you* will be used only to arrange the insurance and manage claims. We only provide *your* information to the companies involved in providing the insurance or the services related to it. We do not trade, rent or sell *your* information. *You* can check the information we hold about *you* at any time. Further information on our Privacy Policy can be accessed on our website.

COMPLAINTS AND DISPUTES ABOUT OUR SERVICES

Should *you* have a complaint about any financial product or service provided under this insurance policy *you* can raise your concern with Protecsure. A complaint may be made to Protecsure by any reasonable means including by phone, email, fax, in writing or in person.

If Protecsure has not resolved *your* complaint to *your* satisfaction within 2 days Protecsure will treat *your* complaint as a dispute. That will involve, if necessary, advising Chubb and convening an Internal Dispute Resolution ("IDR") Panel. The IDR Panel will convene at any time between the second (2nd) and fortieth (40th) day after *your* complaint has been received. In any event Chubb will resolve *your* complaint or dispute within 45 days of its receipt.

If a formal request is made to convene an IDR Panel to review *your* complaint, the matter will be considered as a dispute. Protecsure or Chubb will acknowledge *your* request within 48 hours. In accordance with the General Insurance Code of Practice, Protecsure or Chubb will keep *you* informed of the review of *your* dispute every 10 days.

The IDR Panel must consider and resolve *your* dispute within 45 business days of *your* request for referral. If the IDR Panel is unable to make a decision, the reasons why it is unable to make a decision and the revised time frame will be given to *you*.

REFERRAL TO FINANCIAL OMBUDSMAN SERVICE

If *your* complaint is not satisfactorily resolved or answered within 45 days, *You* may refer the matter to the Financial Ombudsman Service ("FOS"). The FOS is an independent operator of the External Dispute Resolution scheme of which Protecsure and Chubb are members. The FOS is a free service; *you* may contact them directly at:

Email: www.fos.org.au
Address: GPO Box 3, Melbourne, VIC, 3001
Telephone: 1300 78 08 08
Email: info@fos.org.au

Protecsure Pty Ltd holds Professional Indemnity Insurance in accordance with the requirements of section 912B of the Corporations Act.

PRODUCT DISCLOSURE STATEMENT Issued 21st Dec 2010

This Product Disclosure Statement (PDS) is designed to help *you* understand what *you* need to know about the Comprehensive Insurance Policy so that *you* can make an informed choice about whether to acquire this product. Full details of the insurance cover, the exclusions from cover and the terms and conditions on which the insurance is provided are set out in the policy wording attached to and forming part of this PDS.

WHO ARRANGES AND INSURES THE POLICY?

The policy is arranged by Protecsure Pty Ltd, AFS Licence No 238815, under a binding authority from the insurer Chubb Insurance Company of Australia Ltd ("Chubb" ABN 69 003 710 647 AFSL 239778). Protecsure acts as the agent of the insurer, not as *your* agent. Please contact Protecsure if *you* have any questions about *your* policy.

WHAT THE POLICY INSURES

The policy is only for Australian residents. It insures against theft of the *equipment* following forcible and violent entry of securely locked premises or *vehicle* or *accidental damage* to the *equipment* (including standard manufacturer-installed operating systems and accessories) that occurs within Australia or its Territories, or on journeys outside that area of not more than 28 consecutive days. Please refer to the terms, conditions and exclusions of the insurance as outlined in the Policy Wording below.

EXCESS

You may be able to nominate the excess in the Application Form or the insurer will decide which excess will apply based on an assessment of the risk. Your excess will be stated on the Certificate and must be paid each time a claim is accepted and before the claim is finalised. It is payable separately on each item of *equipment* *you* claim for.

COST OF THE INSURANCE

The cost of the insurance (premium) will be shown in the Tax Invoice. It will depend on various factors including the type of *equipment*, the value of the *equipment*, the age of the *equipment*, the geographic area in which the *equipment* will be used, the amount of the excess, and the term of the insurance. The premium also includes statutory charges such as GST and stamp duty.

BENEFITS OF THE INSURANCE

Benefits of the insurance are contained within the "Insurer's Liability" and the "Insurer's Maximum Liability" sections of the Policy Wording.

COOLING OFF

You may cancel *your* insurance by contacting Protecsure within 21 days of *your* cover commencing and receive a full refund of the premium. *You* will not be eligible for a refund if a claim is paid due to an insured event arising during this cooling off period.

COMPLAINTS AND DISPUTES

Please refer to the Financial Services Guide.

DUTY OF DISCLOSURE

Before *you* enter into a general insurance contract, *you* have a duty under the Insurance Contracts Act 1984 to disclose to the insurer every matter that *you* know, or could reasonably be expected to know, is relevant to the insurer's decision whether to insure *you* and if so, upon what terms.

You have the same duty before *you* extend, vary or reinstate the insurance. This duty does not require disclosure of any matter that:

- Reduces the risk to the insurer;
- Is of common knowledge;
- The insurer knows, or in the ordinary course of its business, ought to know; or
- Where compliance with this duty is waived by the insurer.

If you fail to comply with this duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may be entitled to cancel the contract from its beginning.

FURTHER INFORMATION

If you need further information on this product please contact Protecsure.

POLICY WORDING

AGREEMENT TO INSURE

In return for payment of the premium stated in the Tax Invoice, the Insurer will cover you, if you are an Australian resident, for theft of, or *accidental damage* to the *equipment* as set out in this policy occurring during the period of insurance.

ACCIDENTAL DAMAGE

The Insurer will compensate you on the terms and conditions of this policy, for *accidental damage* to the *equipment* occurring by physical means.

THEFT

The Insurer will compensate you on the terms and conditions of this policy for theft of the *equipment* following forcible and violent entry to securely locked premises or vehicle.

INSURER'S LIABILITY

The insurer may either repair or replace damaged *equipment*. Any replacement will be with an item of similar function, type, capacity and serviceability as the insured *equipment*. The insurer will not pay more than the lower of:

- The cost of such a replacement item;
- The amount for which you have insured the *equipment* (which will be shown on your Certificate);
- The cost of repairing the damaged *equipment*. If the *equipment* is repaired, the insurer will not pay more for parts and labour than the prices which are agreed from time to time between the original *equipment* manufacturer, Protecsure, and its approved repairers.

INSURER'S MAXIMUM LIABILITY

The most the insurer is liable to pay in meeting all claims under this policy is the purchase price of the *equipment* stated on the Certificate less all excess.

PERIOD OF INSURANCE

The period of insurance is stated on the Certificate.

EXCESS

You must pay the excess stated on the Certificate each time a claim is accepted for an item. The excess applies separately to each item. The excess must be paid by you before the claim is finalised.

CANCELLATION EVENTS

The following are cancellation events:

- 4pm on the last day of the period of insurance stated in the Certificate;
- Theft of, or *accidental damage* to the *equipment* has occurred resulting in the Insurer becoming liable to pay the aggregate maximum claims payments. No refund of premium for any unexpired period of insurance is payable;
- You giving Protecsure written notice of cancellation; or
- The insurer cancels this insurance by exercising a right it may have under this policy or by law and gives at least 14 days written notice of cancellation posted to your last known address;

If you give notice of cancellation after a claim has been paid on this policy, there will be no refund of premium. If you give notice of cancellation and no claim has been paid, Protecsure may charge an administration fee.

Third party interest : If the Insurer has notice that a third party, such as a financier, has an interest in all or any item of the *equipment*, the Insurer may refuse to recognise and act on a notice of cancellation given by the insured unless the third party has consented in writing to the cancellation.

CLAIMS REQUIREMENTS

To be entitled to claim for theft of, or *accidental damage* to the *equipment*:

- **Payment of premium:** Full payment of the premium must have been received by Us.
- **Ownership:** If requested, you must provide a purchase invoice from a reputable Australian retailer demonstrating that you are the owner of the *equipment* and that the *equipment* was less than 1 month old at the time of your insurance application with Us.
- **Geographical Area:** The theft or *accidental damage* must occur either within Australia and its Territories or, for mobile *equipment* only, outside that area during a return journey of not more than 28 consecutive days. Please contact Protecsure if you wish to extend this period beyond 28 days by payment of additional premium.
- **Residency:** You must be able to prove that you are a resident of Australia.
- **Transit:** For cover during transit, other than when the *equipment* personally accompanies you, the *equipment* must be stored in an appropriate container that is designed to prevent damage to the *equipment* during transit,
- **Notification:** You must notify Protecsure within 14 days of the theft or *accidental damage* occurring. Protecsure may extend this time where it is satisfied that notice is given at the earliest possible opportunity. Theft or

malicious damage to the *equipment* must also be reported to the police within 48 hours of the incident and the report number given to Protecsure.

- **Co-operation:** You must provide Protecsure with all documents, information and assistance it requires to be able to process the claim. You must also take reasonable action to minimise the damage. Damaged *equipment* and parts must be kept and made available to Protecsure on request.
- **Effect of Cancellation notice:** A claim may not be made for theft or *accidental damage* to the *equipment* that occurs after you give notice of cancellation of this insurance.
- **Delivery to Repairer:** Damaged *equipment* must be promptly delivered to the repairer approved by Protecsure.
- **Exclusions:** An exclusion under this policy must not apply, and you must not have breached a term of this policy.
- **Use of Equipment:** The *equipment* must be used and maintained according to the manufacturer's recommendations so that any manufacturer's warranty will not be voided.
- **Web Applications:** Your application must still have been approved under Protecsure's underwriting procedures even if you have already paid the insurance premium.
- **Theft:** Protecsure has the right to require that you submit photographic or other evidence to substantiate any forcible or violent entry to premises or a vehicle.

EXCLUSIONS

Cover will not be available if the theft of, or *accidental damage* to the *equipment* occurs:

- After the period of insurance;
- Due to mysterious disappearance or shortage disclosed by taking inventory, or other unexplained disappearance;
- When the *equipment* is located in a vehicle which is not securely locked;
- When the *equipment* is being delivered to a repairer not authorised by Protecsure, or when someone is returning the *equipment* to you from a repairer not authorised by Protecsure;
- While the *equipment* is made available to a person other than the insured or a repairer authorised by Protecsure;
- On an aircraft, unless the *equipment* accompanies you as cabin baggage, except where airport authorities or an airline as a condition of travel require the *equipment* to be placed in the hold of an aircraft; and is recoverable from an airline:

Cover will not be available:

- In the case of theft, if the theft is caused by a member of your family or your employee or if you have assisted in or condoned the theft in any way;
- If the loss of the *equipment* occurs due to:
 - unattended theft without forcible and violent entry to secured premises or a locked vehicle
 - accidental loss
 - mugging
- For replacement of batteries or parts worn by use or gradual deterioration;
- For wear, tear, fading, scratching, marring, gradual deterioration or developing flaws, normal upkeep or making good;
- For theft of, or *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any act of terrorism, or from nuclear fallout, regardless of any other cause or event contributing concurrently or in any other sequence to the theft or *accidental damage*;
- For loss of data, or loss of software that is not a standard manufacturer installed operating system, or for loss of extended warranty or other optional extras not included on the Certificate;
- For theft of, or *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by war, invasion, act of foreign enemy, hostilities, (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, or requisition or destruction of, or damage to property by, or under, the order of any Government or Public or Local Authority in preventing, or attempting to prevent, any such act, or in minimising the consequences or any such act or confiscation or nationalisation;
- For damage caused by excessive exposure to sunlight, heat, corrosion, contamination, pollution, vermin, undomesticated animal, or temperature variations;
- For *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by fire. Note that fire, as a peril, is covered under a separate Master Policy;
- For *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by inappropriate storage, screen bruising by hand, servicing, breakdown, malfunction, design fault or electrical supply other than a power surge;
- For damage caused by data processing, media failure, inherent defects, natural causes such as insects, rust, environmental and climatic conditions;
- For consequential loss of any kind.

FIRE

Loss by fire is covered separately for no additional charge under a Master Policy underwritten by Chubb Insurance Company of Australia Limited and can be viewed at www.protecsurance.com.au

SETTLEMENT OF CLAIMS

The following conditions apply to settlement of a claim, or series of claims, from any one event:

Settlement for loss: The Insurer will pay for a *replacement product* by a supplier approved by Protecsure where a claim is accepted for *total loss* of the *equipment* and *you* pay the excess, unless Protecsure determines to settle the claim by a cash payment.

Settlement for damage: The Insurer will pay for repair of the *equipment* by a repairer approved by Protecsure where a claim for *accidental damage* to the *equipment* is accepted and *you* pay the excess.

Damage treated as loss: Protecsure may determine to treat damage to the *equipment* as a *total loss* in which event the Insurer will pay for a *replacement product* unless Protecsure determines to settle the claim by a cash payment.

Repairs: Repair of the *equipment* will include reasonable freight costs to and from the nominated repairer, but will not include work authorised by *you*.

Cash payments: A cash payment in settlement of a claim will only be paid where further repair or replacement of *equipment* would exceed the purchase price of the *equipment* stated on the Certificate less the excess, or if Protecsure determines to settle the claim in this way. The cash payment will be the lower of the sum insured or the cost of a *replacement product*.

Claims Contracting: In settling a claim, the Insurer, or Protecsure as its agent, will contract with the supplier for repair or replacement of the *equipment*, entitling the Insurer to the input tax credit on the supply.

GST: If *you* are registered or required to be registered for GST, a claim will be reduced by the amount of any input tax entitlement *you* would have received if *you* paid for the repair or replacement of the *equipment*.

Salvage: The Insurer has all salvage rights to replaced *equipment* or parts.

GENERAL CONDITIONS

Jurisdiction: New South Wales law governs this contract and all proceedings must be commenced in that State.

Assignment: *Your* interest in this policy cannot be assigned. The Insurer may assign its interest.

Subrogation: *You* must do all things reasonably required by the Insurer or Protecsure so that the Insurer will have the benefit of all rights of subrogation such as enforcing any right in *your* name. If the Insurer makes any recovery as a result of such action, *you* may only recover from the Insurer any amount by which the amount recovered by the Insurer exceeds the amount paid to *you* or on *your* behalf in relation to a claim.

Notices: All notices to be given to the Insurer may be given to Protecsure. Notices given by the Insurer may be given by Protecsure. *You* should promptly notify Protecsure of a change of *your* address.

Reasonable care: *You* must take reasonable care to protect the *equipment* from *accidental damage*.

Headings: Headings are not to be considered in interpretation of this contract.

DEFINITIONS

In this contract:

Accidental damage means physical damage which occurs as a result of a sudden, unforeseen and unexpected event. The event must arise from a single identifiable incident.

Equipment means the electronic *equipment* described in the Certificate providing it was less than 1 month old when *you* applied with us to insure it, or *you* obtain specific written approval from us that it may be older. Electronic *equipment* includes standard manufacturer installed operating systems, carrying cases and incidental accessories such as external disk drive, mouse and keyboard. *Equipment* does not include underwater photographic items unless *you* obtain specific written approval from Protecsure to insure these items.

GST means Goods and Services Tax imposed under A New Tax System (Goods and Services Tax) Act 1999.

Replacement product means a product, which may be a new or remanufactured item, having similar capability, functionality and appearance as the item of *equipment* being replaced prior to its damage or theft.

Terrorism has its generally accepted meaning, and includes, but is not limited to, war, hostilities, invasion, the use of force or violence on, or the threat of force or violence to, a person or group or class of persons, or to property, by one or more persons claiming to be connected with any group, organisation or government, or to be committed to a cause whether political, religious, ideological or similar purposes, including an intention to influence a government, or invoke fear.

Total Loss means the *equipment* has been damaged beyond economical repair or has been stolen following violent and forcible entry of securely locked premises or *vehicle*.

You or **your** refers to the insured named in the Certificate.

Vehicle means a motor car, van or truck duly registered in Australia for use on public roads.