



Southbury
INSURANCE



GUARANTEED ASSET PROTECTION
INSURANCE

Guaranteed Asset Protection Insurance Policy

Southbury Insurance Limited Contact Details

0508 SOUTHBURY
(0508 768 842)

Customer Services

PO Box 3939
Shortland Street
Auckland

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About Southbury Insurance Limited Guaranteed Asset Protection (GAP)

Southbury Insurance Guaranteed Asset Protection is designed to cover the shortfall between the insured value of the vehicle and the outstanding balance of the Finance Agreement in the event of an insurance "write off", provided the motor insurer has paid out under the Comprehensive Motor Vehicle Insurance policy. This product is designed to protect Your vehicle investment.

Other products

Southbury Insurance provide a range of other products designed to cover Your personal needs. These include Mechanical Breakdown Insurance and Loan Repayment Insurance.

For further information

Our knowledge, expertise and experience are always available to You, Your financier and Your motor vehicle dealer. If You need any further information about this Policy, or any other products We provide, contact Your Financier, Your motor vehicle dealer or Southbury Insurance at PO Box 3939, Shortland St, Auckland or Tel: 0508 Southbury (768 842).

Your Policy

The Guaranteed Asset Protection Insurance Policy is administered by Southbury Insurance Limited on behalf of The Company.

This Policy is between The Company (Lumley General Insurance (N.Z.) Limited) and You.

Your Policy is comprised of the Application, Schedule, the Finance Agreement and this Policy document, including any endorsements or other agreed modifications to this Policy document. It is issued on the basis of any information You gave to The Company before The Company issued this Policy to You.

Period of Insurance

The period of insurance is the Term stated in the Southbury Insurance section of the Finance Agreement. However, this Policy only comes into force on the later of:

- The Company's acceptance of Your Application; or
- the Commencement Date; or
- when the You have paid the agreed premium.

This Policy ends at the earlier of:

- the date when the insured vehicle is sold or disposed of; or
- 4.00pm at the end of the term of the Finance Agreement; or
- 4.00pm on the day that the Policy lapses for non-payment of premium; or
- 4.00pm on the day the Policy terminates following cancellation.

Insured Event

If the Car is a Total Loss and a Total Loss Payment under a Comprehensive Motor Vehicle Insurance policy has been made, The Company will pay the shortfall between the Total Loss Payment (not including any excess or additional premiums due under the Comprehensive Motor Vehicle Insurance Policy) and the Balance Outstanding at the date of the Total Loss. The maximum amount The Company will pay is \$5000.

Added Benefits

The Company will also pay up to \$2,500 towards:

- the excess paid by You under the Comprehensive Motor Vehicle Insurance.
- the delivery charges and registration costs of the replacement vehicle.
- the Comprehensive Motor Vehicle Insurance premium for the replacement vehicle.
- the cost of hiring a rental vehicle for a maximum of 5 days at up to \$100 per day.

The Company will reimburse You when appropriate tax invoices or GST receipts are submitted.

Claims

Following a Total Loss of the Car, a completed claim form with details of the Balance Outstanding due to the Financier and the Total Loss Payment must be given to Us by You as soon as possible. The Company will make payment direct to the Financier whose receipt will discharge The Company.

To make a claim, contact Southbury Insurance, PO Box 3939, Shortland Street, Auckland, Telephone 0508 Southbury (768 842) and ask for a claim form.

Why should someone consider GAP

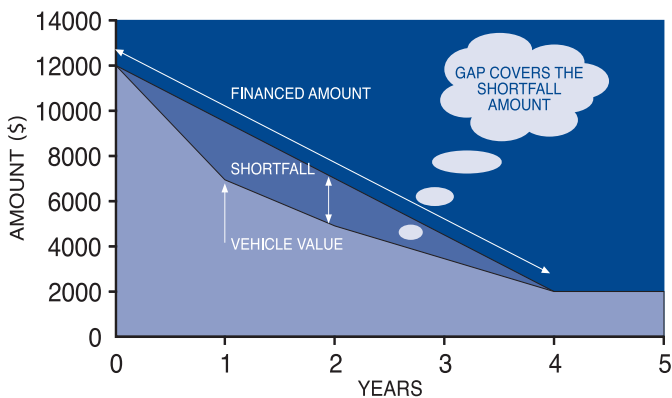
It is estimated that over 50% of vehicles purchased are financed, but despite motor vehicle improvements, the number of traffic accidents and number of vehicles stolen are increasing every year.

GAP Insurance will pay any shortfall amount of up to \$5000 (plus the additional benefits shown on page 3 of the Policy). The following diagram illustrates when and how much You could lose without GAP Insurance.

Do You want to be left paying for a vehicle You no longer own?

How does GAP Work

If You finance \$14,000 to purchase a vehicle and Your vehicle is "written off" and the insurance payout is less than the financed amount, You still owe the shortfall amount between the finance amount and the insurance payout. GAP is designed to cover the shortfall amount.



This diagram is intended for illustrative purposes only

Conditions

Governing law

This Policy is issued in New Zealand. The laws of New Zealand apply to it. Any proceedings relating to this Policy must be brought and heard in New Zealand.

Subrogation - recovering money from third parties

If The Company agrees to pay or reimburse You for anything it can require You to take action to enforce any rights You have to recover the loss or costs You have suffered. However, instead, The Company can choose to exercise its right of subrogation for the full amount of Your loss or costs and to take action in Your name. Alternatively, The Company can require You to assign Your rights to it.

- You must not do anything which could prejudice any rights You or The Company have to recover from someone else money The Company has paid You or is required to pay You.
- if The Company requires You to take recovery action, You must do everything it reasonably asks You to do. You must do so diligently. You must keep The Company informed of the action You take.
- if The Company decides to exercise its right of subrogation You must give The Company all the help it asks for. This includes the signing of documents - for example, court documents or power of attorney.

Termination

This Policy will automatically terminate if:

- the Finance Agreement expires or is repaid early.
- ownership of the Car is transferred.
- this Policy is cancelled.
- a claim is made under this Policy.

Cancellation of this Policy

• By You

You are entitled to cancel this Policy and be given a full refund of the premium paid if You contact Southbury Insurance to cancel this Policy within 20 working days of the Commencement Date. If You do so, the Policy will end at 4.00pm on the day You cancel the Policy and request a refund of premium. We call this the free look period.

If You elect to cancel the Policy within the free look period You are not entitled to make a claim under the Policy. If The Company pays a claim that occurs during the free look period then You will not be entitled to cancel the Policy and receive a refund of the premium. All refunds will be made to the Financier in the first instance.

If You cancel this Policy after this time You are not entitled to a refund of any premium.

• **By The Company**

The Company may at any time cancel this Policy by giving 14 days notice in writing to the insured. After such cancellation The Company will refund the unexpired portion of the retained premium. Any refund of premium will be made to You. If finance was obtained for the premium, the refund will be made to the Financier.

No refund will be available if a claim under this Policy is paid by The Company.

The policy ends at 4.00pm on the 7th day after the date The Company sends it's notice.

The Company's other rights

The Company is entitled to immediately, and at its sole discretion, avoid this Policy from the very start (its inception) or end this Policy immediately and decline any claim if:

- You breach the duty of utmost good faith You owe to The Company;
- You breach the duty of disclosure You owe The Company;
- before this Policy comes into force You make a material misrepresentation to The Company;
- You fail to comply with a provision of this Policy
- You make, or anyone acting on Your behalf, makes a dishonest claim under this Policy or a dishonest statement in support of a claim under this Policy.

If The Company ends this Policy in these circumstances then You are not entitled to any refund of premium.

Conditions Precedent

The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy by You in so far as they relate to anything to be done or complied with by You and the truth of statements and answers You have given to The Company in answer to any questions that We ask You or are contained in the Finance Agreement or in any claim form or in any statement in support of the claim shall be conditions precedent to the Company's liability to make payment under this Policy.

Duty of Disclosure

Before entering into this Policy, You have a duty to disclose to The Company all material facts. A material fact is one that may influence a prudent insurer in deciding whether or not to accept the Policy and, if so, on what terms and conditions including for what premium. If You fail to comply with the duty of disclosure, The Company may be entitled to avoid this Policy and reject any claim under it.

Privacy Act

Pursuant to the Privacy Act 1993 the following information is provided for Your benefit:

- The Application collects personal information about You to enable The Company to evaluate the insurance being sought;
- The intended recipient and holder of the information is Lumley General Insurance (N.Z.) Limited, PO Box 3939, Auckland;
- The information is being collected by Southbury Insurance, PO Box 3939, Auckland;
- The supply of information is voluntary;
- Failure to provide this information may result in the application for insurance being declined or the insurance being avoided;
- You have the right of access and correct this information, subject to the provisions of the Privacy Act 1993;
- You also authorise The Company to obtain relevant information from other people and to disclose relevant information to others in connection with any claim that You make.

Frequently Asked Questions

Is GAP available if I have only taken out third party insurance?

No. The cover is only available to holders of fully Comprehensive Motor Vehicle Insurance.

How long will I remain covered under the GAP insurance Policy?

The Policy remains in force for the full term of the Finance Agreement, unless it is cancelled by You or the Finance Agreement, is terminated early, or the ownership of the Car is transferred, or a claim is made under the Policy.

Is my Comprehensive Motor Vehicle Insurance excess covered under the terms of the GAP Policy?

Yes it is covered under the added benefits section of Your Policy.

In the event of a claim, to whom are the proceeds of the claim paid?

Direct to the Financier for the credit of Your account.

What associated costs are not covered by the Policy?

Outstanding arrears, rebatable items, penalty interest, late payments, penalty payments for early discharge or any additional interest payments or any amount of increased liability due to any variation to the original finance contract.

Can I cancel the Policy prior to expiry of the term of the loan?

Yes, You may cancel at any time within the 20 day free look period, provided that no claims have been lodged. After this period, You are not entitled to a refund of any premium.

How do I claim?

Telephone Southbury Insurance 0508 Southbury (768 842) and ask for a claim form.

Can I apply for GAP Insurance?

Yes! To apply for GAP Insurance Your vehicle:

- Needs to be subject to a Finance Agreement, and
- Needs to be fully insured with a comprehensive motor vehicle insurer.

When does the Policy begin?

Your Policy begins on the date stated in the Finance Agreement provided Your Application has been accepted for cover and You have paid the premium for Your cover.

Does GAP cover all vehicles?

No. GAP does not cover the following vehicles:

Vehicles used for road racing, rallying, pace making, speed testing or any other competitive event or where a vehicle is unable to obtain Comprehensive Motor Vehicle Insurance cover.

Meanings of Words

Application

Means the form completed by You to apply for Southbury Guaranteed Asset Protection Insurance.

Balance Outstanding

The lesser of:

- The market value of the Car as determined by the Financier at the commencement date; or
- The amount owing to the Financier under the Finance Agreement at the date of the Total Loss, less any arrears, rebatable items, penalty interest, late payments, penalty payments for early discharge, any additional interest payments or any increased liability due to any variation to the original finance contract.

Car

The motor vehicle identified in the Finance Agreement including its standard equipment, tools and accessories at the Policy start date.

Comprehensive Motor Vehicle Insurance

A comprehensive insurance policy insuring the motor vehicle for its full market value at the time of purchase against theft and accidental loss and damage and remaining in force at the date of the Total Loss.

Finance Agreement

Means the credit contract You entered into with the Financier described in the Schedule.

Financier

Means the finance company named in the Schedule.

Policy

Means the Southbury Guaranteed Asset Protection Policy together with the Application and Schedule for Finance and Insurance and any other documents or endorsements issued in writing to You.

Schedule

Means the Schedule issued to You with the Finance Agreement.

The Company

Lumley General Insurance (N.Z.) Limited

Total Loss

Either the Car is stolen and not recovered, or it is damaged beyond economical repair, and the Car is deemed a Total Loss under the Comprehensive Motor Vehicle Insurance policy held by You.

Total Loss Payment

Payment under the Comprehensive Motor Vehicle Insurance policy for Total Loss.

We, Us, Our

Means Southbury Insurance Limited.

You, Your

Means the natural person(s) named as "You (the Insured)" in the Finance Agreement.

About The Company – Lumley General Insurance (N.Z.) Limited

The Company is a wholly owned subsidiary of Wesfarmers Limited of Australia. Lumley offers more than a century's worth of specialist expertise and reliable standards of service and performance to its clients. As the third largest general insurance underwriter in New Zealand, The Company has built a record of stability, strength and profit, which creates an environment of dependability, security and total confidence. The focus on customers and solutions is the hallmark of the Lumley approach.

Fair insurance

As a member of the Insurance Council of New Zealand Inc. The Company is committed to:

- clearly setting out as far as possible both Your and The Company's respective legal rights and obligations
- explaining the meanings of legal and technical words
- settling valid claims fairly and promptly. If The Company declines a claim, clearly explaining why it has been declined
- making sure You know how to make a complaint
- being financially sound as measured by the Council's Solvency Test.

The Company can give You a full copy of the Fair Insurance Code on request.

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Insurer Financial Strength Rating

Lumley General Insurance (N.Z.) Limited has an **'A-' strong insurer financial strength rating** given by Standard & Poor's (Australia) Pty. Ltd. on 15 October, 2006.

The rating scale is:

AAA	Extremely Strong	AA	Very Strong	A	Strong
BBB	Good	BB	Marginal	B	Weak
CCC	Very Weak	CC	Extremely Weak	R	Regulatory Action

Plus (+) or Minus (-) signs follow ratings from 'AA' to 'CCC' show relative standing within the major rating categories.

Southbury Insurance Limited

Customer Services

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Office Hours: Monday - Friday 8am - 5pm

PO Box 3939, Shortland Street, Auckland