

GUARANTEED ASSET PROTECTION INSURANCE TERMS AND CONDITIONS



Purpose

The purpose of this policy is to protect you from a financial loss. In particular a shortfall between the indemnity value under your Comprehensive Motor Policy and what you owe under the Credit Contract.

It does not cover you for loss, destruction, or damage to the vehicle itself.

MARAC Definitions

Terms used in this policy and in the Policy Application shall have the following meanings:

Agreed Value means the amount in dollars that the purchaser and the Comprehensive Vehicle Insurer agreed to insure the Vehicle for.

Comprehensive Motor Insurer means the insurer under the comprehensive Motor Insurance Policy.

Comprehensive Motor Insurance Policy means the policy of insurance which provides cover for loss of or damage to the Vehicle being in force as at the date of the incident causing the loss.

Credit Contract means the credit contract entered into between the Financier and the Insured, arranged for the purchase or lease of the Vehicle, as specified on this Policy.

Financier means the party indentified as the financier in this policy.

Market Value means the current value of the Vehicle as it was immediately prior to the incident resulting in the Total Loss.

Period of Insurance means the period stated on this Policy.

Policy means this Guaranteed Asset Protection Policy including these terms and conditions.

Remaining Balance Due means the amount owing to the Financier under the Credit Contract as at the date of the incident resulting in the Total Loss.

Total Loss means a situation where the Vehicle is lost or damaged beyond economic repair during the term of the Comprehensive Motor Insurance Policy which is not caused by any of the exclusions set out below.

Total Loss Payout means a payout by the Comprehensive Motor Insurer in respect of the Total Loss of the Vehicle of the full Market Value or the full Agreed Value of the Vehicle (as the case may be depending on the terms of the Comprehensive Motor Insurance Policy).

Vehicle refers to the Vehicle described on this Policy including its standard equipment, tools and accessories (factory fitted or supplied by the Vehicle manufacturer) which were in or on the Vehicle at the time of purchase.

We, us, our, means MARAC Insurance Limited.

Your Cover for Shortfall Amount

In consideration of the Premium and subject to the terms, conditions and exceptions set out in this policy, We will indemnify the Insured against financial loss arising from the amount payable under the Total Loss Payout pursuant to the Comprehensive Motor Insurance Policy being insufficient to meet the balance due under the Credit Contract (as set out further in the What we will pay and What we will not pay clauses below). Any shortfall payable under this policy will be paid to the Financier in reduction of the Insured's obligations to the Financier.

Exclusions

We will make no payment if your Comprehensive Motor Insurer does not pay out the full Market Value or the full Agreed Value of the Vehicle to the Financier following a Total Loss for any reason whatsoever. No benefit shall be payable in respect of loss consequent upon war and related risks, earthquake, volcanism, tsunami or other seismic event. The Indemnity under this Policy does not cover loss arising where a Credit Contract has been entered into under circumstances which would have been unacceptable to us or the Financier had the true circumstances been known at the time and would have resulted in us not agreeing to enter into this Policy or the Financier not agreeing to enter into the Credit Contract on the basis and on the terms as set out in the Credit Contract, for example, overstating the value of the trade in or inflating the purchase price of the Vehicle.

What we will pay

In the event of a total loss and provided the Vehicle insurer has accepted the claim under the Comprehensive Motor Insurance Policy and paid the insurance proceeds to the financier, we will:

- pay to you \$500 or \$1,000 inc GST (depending on the cover selected on the policy schedule) for out of pocket expenses; and
- pay the financier on your behalf any shortfall amount owing to the financier up to a maximum of \$5,000 or \$10,000 inc GST (depending on the cover selected on the policy schedule).

We will only pay one claim under this policy.

What we will not pay

In calculating the shortfall amount owing to the financier the following amounts will not be included:

- Any arrears or deferred payments outstanding under the Credit Contract;
- Penalty payments for early discharge or additional interest payments under the Credit Contract;
- Any monies which are rebateable under any contract financed under the Credit Contract; and
- The amount of any increased indebtedness or liability where there has been a variation to your Credit Contract which has not been notified to us and confirmed by us as being covered by this Policy which has the effect of increasing our liability.

When we will not pay

This policy will cease to operate and no claim will be paid where the vehicle:

- is being or has been used for or tested in preparation for any form of motor sport;
- is being used for the purpose of driver instruction or tuition for reward or the conveyance of passengers for hire or reward (this includes taxi and car rental);
- is being used as a police or emergency service vehicle;
- is being used for courier purposes; or
- this policy has ended.

When this Policy ends

This Policy ends when one of the following occurs;

- This Policy is cancelled or avoided;
- The Credit Contract is repaid in full;
- The Period of Insurance expires;
- The time for repayment under the Credit Contract has passed – this applies even if the Insured still owes money;
- The Vehicle is no longer covered by a Comprehensive Motor Insurance Policy;
- Payment of a claim is made under this Policy;
- 60 months from the date the Credit Contract commenced.

Cancelling this policy

You may cancel this policy at any time by writing to us to request cancellation of your policy and the financier consents to the cancellation. We may cancel or avoid this policy where we are legally allowed to do so. In the event of cancellation we will pay the remainder of the premium to you after deducting an amount from the premium to cover the time the policy has been in force and any applicable cancellation fees.

How to Make a Claim

If you need to make a claim please call MARAC Insurance on 0800 45 10 10 as soon as possible after the event and we will send you a claim form. If any claim is fraudulent or dishonest in any respect all benefits under this Policy will be forfeited.

About protecting your privacy

This Policy collects information about you to evaluate the insurance you seek. The recipient and holder of the information is MARAC Insurance Limited, 35 Teed Street, Newmarket, Auckland. The collection of this information is required pursuant to the common law duty to disclose all material facts relevant to the insurance sought and is mandatory. The failure to provide this information may result in your Policy being declined. You have right of access to, and correction of this information subject to the provisions of the Privacy Act 1993. The Information will be held at the office of MARAC Insurance Limited, 35 Teed Street, Newmarket, Auckland. The information may be used for the purposes of marketing by MARAC.

Insurance (Prudential Supervision) Act 2010

MARAC Insurance Limited has a BB+ (Outlook Stable) insurer financial strength rating given by Standard & Poor's (Australia) Pty Ltd. A summary of the rating scale is:

AAA Extremely Strong	BBB Good	CCC Very Weak	SD or D Selective Default/ Default
AA Very Strong	BB Marginal	CC Extremely Weak	R Regulatory Supervision
A Strong	B Weak		NR Not Rated

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. The full rating scale is available from Standard and Poor's at www.standardandpoors.com

MARAC Insurance is underwritten by MARAC Insurance Limited