



the warranty group®

**VIRGINIA  
SURETY**  
COMPANY, INC.

# Consumer Extended Warranty Insurance

## Combined Financial Services Guide and Product Disclosure Statement

Product Disclosure Statement  
Prepared on 16 December 2016

Insurer:  
Virginia Surety Company, Inc. (ARBN 080 339 957)  
Australian Financial Services Licence number 245579

Administrator:  
The Warranty Group Australasia Pty Ltd (ABN 37 005 004 446)

This document is a combined Financial Services Guide and Product Disclosure Statement for Consumer Extended Warranty Insurance (Combined FSG and PDS)

This Combined FSG and PDS is divided into two parts:

- Part A: Financial Services Guide (FSG); and
- Part B: Product Disclosure Statement (PDS).

The Combined FSG and PDS is issued by the Virginia Surety Company, Inc. ARBN 080 339 957; AFSL No. 245579 (VSC).

## Part A

### **FINANCIAL SERVICES GUIDE (FSG): Prepared <16 December 2016 >**

We are Virginia Surety Company, Inc. ARBN 080 339 957, AFSL No. 245579 (VSC) the issuer of Consumer Extended Warranty Insurance. The Warranty Group Australasia Pty Ltd, ABN 37 005 004 446 (TWG) administers the insurance policy and claims on VSC's behalf. Grays (NSW) Pty Ltd, ABN 35 003 688 284 refers customers to VSC for Consumer Extended Warranty Insurance. References in this FSG to 'We', 'Our' or 'Us' are references to VSC.

### **Important information**

This FSG is provided to assist You in making informed decisions about the financial service We provide to You. It explains who We are, the financial service provided by Us, how We remunerate and how Your complaints are dealt with.

If You were referred to the TWG website to acquire Consumer Extended Warranty Insurance, please refer to the Product Disclosure Statement (PDS) contained in Part B of this document to ensure the cover provided suits Your individual needs. The PDS contains information about the particular cover, including any relevant risks, benefits and significant characteristics of the cover. It contains important information about the insurance that will assist You in making an informed decision. You should read the PDS carefully.

### **Authorised service**

In referring You to the TWG website to acquire Consumer Extended Warranty Insurance, Grays acts as a referring agent of VSC.

### **How is a referring agent paid?**

When Grays refer you to the TWG website and You purchase a Consumer Extended Warranty Insurance Policy, We will pay them a commission of up to thirty percent of the premium you pay. This commission is included in your premium and is not an extra charge to you.

### **How can You provide instructions?**

If You want to provide TWG with information and instructions in relation to the Consumer Extended Warranty Insurance policy, You can do so by contacting TWG via the contact details below.

### **Your Privacy**

We are bound by the Australian Privacy Act 1988. In order for VSC to issue You with a Consumer Extended Warranty Insurance policy through the TWG website, TWG needs to collect certain personal information about You. Collection of Your personal information usually occurs at the point of sale of the insurance. If You do not provide this information Your application may not be processed, and We may not be able to arrange Your insurance policy without this information. We may disclose Your personal information to Our policy and claims administrator. We may also disclose Your information to Our domestic and offshore related bodies corporate, contractors or service providers, all of which are required to keep Your information confidential. If You have any questions or queries on the above including, where Your personal information may be stored, how it may be used, would like to access the information We have about You or to make a complaint see Our privacy policy which is available on the TWG website at:

<http://graysonline.thewarrantygroup.com.au>.

### **If You have a complaint**

If You have any complaint about the product or any service related aspects of it, You may request to speak with the supervisor or manager of the area You are dealing with. If Your complaint is not resolved You can then contact Our Internal Dispute Resolution (IDR) Panel which seeks to resolve any complaints or disputes that may arise. To do so, please contact Us at the VSC contact address below or call 1300 654 611. If You are not satisfied with the response, and the matter is not related to use of Your personal information, You may take the matter up with an external dispute resolution body, the Financial Ombudsman Service ("FOS"). You can contact the FOS at:

Telephone: 1300 780 808

Website: [www.fos.org.au](http://www.fos.org.au)

Facsimile: (03) 9613 6399

Post: GPO Box 3, Melbourne, Victoria 3001

### **Contact: VSC; Licensee, TWG- Administrator**

You can contact the licensee, VSC or their policy administrator TWG by phone on 1800 505 058, by post at PO Box 246, Balwyn VIC 3103 or by email at [vscau@thewarrantygroup.com](mailto:vscau@thewarrantygroup.com).

## Part B

# SECTION 1 – PRODUCT DISCLOSURE STATEMENT (PDS)

## Important Information About This Policy

### THE PURPOSE OF THIS PRODUCT DISCLOSURE STATEMENT

The purpose of this PDS is to give You the information You require to make an informed decision about whether or not to purchase Consumer Extended Warranty Insurance. To assist You in understanding the Cover provided by the Policy, this PDS details the significant features of the Policy, including the Policy's benefits, risks and information about how the insurance premium is calculated. The information is general and does not take account of Your individual needs.

This PDS, in addition to the Policy Schedule, forms Your contract of insurance with Us. Provided You have paid the premium, We will insure You during the Period of Cover subject to the terms, conditions and exclusions set out in this PDS. Before deciding to purchase this Policy, You should read this PDS carefully to understand the extent of Cover provided by this product and its terms, conditions and exclusions.

Capitalised terms and expressions used in this PDS have the meanings given to them at the beginning of the Policy Wording in Section 2.

We suggest You store these documents in a safe place

### SUMMARY OF THE CONSUMER'S RELEVANT RIGHT AND REMEDIES UNDER THE ACL

The Australian Consumer Law ("ACL") protects consumers by automatically giving them basic, guaranteed rights for goods they purchase ("Consumer Guarantees") at no charge. For example, the ACL requires that, taking account of the nature of goods, the price, any representations made by the supplier or manufacturer and other relevant circumstances, the goods must be free of defects, do what they are meant to do, be safe, durable and acceptable in appearance and finish, be fit for any particular purpose that the consumer makes known and comply with any description given or any demonstration model used.

In the event of a breach of a Consumer Guarantee where there is a major failure of the goods, consumers are entitled to reject the goods and choose a replacement or refund and claim compensation for any reasonable foreseeable loss or damage suffered by consumers as a result of the failure. Where the failure does not amount to a major failure, consumers are entitled to have the supplier repair or replace the goods (at the supplier's choice). Whether a specific failure breaches a Consumer Guarantee and a consumer is entitled to a remedy under the ACL will depend on the circumstances.

Consumer Guarantees have no set time limit but generally last for an amount of time that is reasonable to expect in the circumstances, given factors including the cost and quality of the goods, the use made of the goods or any representation made by the supplier or manufacturer. Consumer Guarantees may continue even at the expiry of the Manufacturer's Warranty for the goods or this Extended Warranty Insurance. The exact amount of time that Consumer Guarantees last in the case of a specific purchase varies depending on the circumstances.

Consumers with a claim for breach of a Consumer Guarantee should contact the supplier of the goods at first instance. If You are unable to reach resolution with the supplier as to the remedy, You should seek independent advice and/or contact the ACCC (contact details below) or Your state/territory fair trading body.

### A COMPARISON OF THESE RIGHTS AND REMEDIES AND THE FEATURES PROVIDED BY THE CONSUMER EXTENDED WARRANTY INSURANCE

The following table is a summarised comparison of Consumer Guarantees and the protections offered by this Extended Warranty Insurance. Please note that this table is a summary only and is not a substitute for obtaining legal advice on the ACL and reading the full Terms and Conditions of the Extended Warranty Insurance contained in this document, as certain limitations and exclusions apply in certain circumstances, including an exclusion if You fail to use Your Product in accordance with the manufacturer's care instructions or if the Product is accidentally damaged. In

addition, You can visit [www.accc.gov.au](http://www.accc.gov.au) for more information on the Consumer Guarantees. Please note that, in addition to the protections below, You may have additional rights against a manufacturer under a Manufacturer's Warranty.

<b>Protection</b>	<b>ACL rights and remedies</b>	<b>Rights Under the Extended Warranty Insurance</b>
Am I protected if the Product is defective?	Protection where the Product is not of 'Acceptable Quality', 'Fit for Purpose', or does not 'match the description'. This includes protection against defects such as mechanical or electrical failure.	Protection (beyond the Manufacturer's Warranty) against mechanical or electrical failure, irrespective of whether it be due to manufacturer defect or fair wear and tear.
How long does the protection against defects last?	A reasonable period from the date of delivery until the defect becomes apparent. What is reasonable will depend on the circumstances including nature of the Product, the price, the way it is used and any statements or representations made about the Product. In certain circumstances, taking into account the factors listed above, this reasonable period may cover the period of time that protection is available under the Extended Warranty Insurance.	The number of years of protection available to You (beyond the Manufacturer's Warranty) in the Extended Warranty Insurance. This may be one, two, three or four years for the relevant Product You seek to cover.
What remedies are available if the Product is defective?	Repair, refund, replacement and/or damages for consequential loss. The exact remedy will depend on the specific circumstances.	Automatic repair, or replacement if the Product is uneconomical to repair. Automatic replacement if the Product is \$400 or less. No Lemon Guarantee - automatic replacement if Your Product requires more than 3 repairs.
Who is obliged to provide the remedy for a defective Product?	Supplier (if seeking a repair, refund or replacement, or claiming damages). Manufacturer (if claiming damages).	Greys Online via the Consumer Extended Warranty Insurance Administrator contactable on 1800 505 058.

Cost of coverage	No Cost	The cost of the Consumer Extended Warranty Insurance.
Is a Technical Assistance Helpline available to help with my product?	Not required under the ACL but some suppliers and manufacturers do provide a helpline.	Yes.
Is there a guarantee that any repair will be carried out in a reasonable time?	The Product must be repaired within a reasonable time or You are entitled to a replacement or a refund.	Your Product will be replaced if repair takes longer than 21 days.
What happens if I receive a remedy for a defective product?	Any repaired Product continues to be covered. Any replacement product will also be covered.	Any repaired Product continues to be covered. If You receive a replacement Product or a refund the Consumer Extended Warranty Insurance ends
Food Spoilage	Entitled to compensation for consequential loss caused by the defect, which may, in certain circumstances, include food spoilage.	Up to \$300 for food spoilage caused by the failure.
Laundry Costs	Entitled to compensation for consequential loss caused by the defect, which may, in certain circumstances, include laundry costs	Up to \$110 for laundry service if the appliance can't be used.

**ADDITIONAL BENEFITS UNDER THE COSUMER EXTENDED WARRANTY INSURANCE NOT AVAILABLE UNDER ACL**

We appreciate that You may want the certainty of knowing that if Products You buy are faulty they are covered for a specific time period.

When You purchase the Extended Warranty Insurance You are obtaining certainty as to the period of coverage and the remedy You will receive and the convenience of having the repair and/or replacement process managed for You under the Extended Warranty Insurance.

You will be entitled to the benefits set out below that are not available under the ACL, subject to the terms and conditions of Your Policy:

- Certainty as to the exact period of Cover You have for Your Covered Product;
- Certainty of an automatic replacement (or refund) for an approved claim where the Purchase Price of the Covered Product is under \$400 for a Breakdown of a minor nature;
- Even if the failure is minor, when the Purchase Price of Your Covered Product is more than \$400, You have certainty of an automatic replacement (or refund) should the Product have been repaired for three different minor faults and it fails again;

- Specific repair time guarantee;
- If a Covered Product in Your possession suffers a Breakdown while You are temporarily overseas, for an eligible claim We will authorise You to arrange for the Covered Product to be repaired while overseas at Our cost;
- You are covered if the Covered Product suffers a Breakdown due to a power surge;
- Should a Product be found not to be faulty You will not be charged an assessment fee; and
- Your Cover is transferrable if You sell the Covered Product.

### **The ACCC's contact details**

Australian Competition and Consumer Commission

1300 302 502

Indigenous Infoline 1300 303 143

[www.accc.gov.au](http://www.accc.gov.au)

### **WHO IS THE INSURER?**

This Insurance Policy is underwritten by Virginia Surety Company, Inc. (VSC) (ARBN 080 339 957) of Level 2, 693 Burke Road Camberwell VIC 3124 . In this PDS, the Insurer is called 'We', 'Us' or 'Our'. We hold an Australian Financial Services Licence (number 245579). You can contact Us:

- by phone on 1800 505 058
- by writing to Us at PO Box 246, Balwyn VIC 3103
- by emailing Us at [vscau@thewarrantygroup.com](mailto:vscau@thewarrantygroup.com)

The Warranty Group Australasia Pty Ltd (The Warranty Group) (ABN 37 005 004 446) administers the Policy on Our behalf.

Grays (NSW) Pty Ltd (Grays) (ABN 35 003 658 284) through email and its online websites 'GraysOnline.com' and 'GraysOutlet.com' acts as a referring agent when referring the Consumer Extended Warranty Insurance product to You.

In purchasing this insurance Policy, the referring agent (Grays) is acting as Our agent, and not as Your agent. The referring agent will receive a commission from Us, please refer to the Financial Services Guide for details.

The purchase of this Policy is optional. You are entitled to arrange this Cover through any insurer of Your choice.

### **ELIGIBILITY**

To be eligible for this Cover the Product must:

- be a new or refurbished White Goods, Computers, Home Electronics or Household Appliances;
- have been purchased on 'GraysOnline.com' or 'GraysOutlet.com' within 30 days of the Insurance Application Date;
- have either a 3,12 or 24 month Manufacturer Warranty or a Grays warranty; and
- be for Australian domestic use only.

### **Important Note:**

A separate Consumer Extended Warranty Insurance Policy must be purchased for every Product You wish to Cover.

Please ensure that You retain the Original Tax Invoice that records the Product purchased that You wish to Cover with Consumer Extended Warranty Insurance, together with this combined FSG and PDS as these will be required in the event of a claim.

The Consumer Extended Warranty Insurance Policy operates in addition to the Manufacturer or Grays warranty and any other warranty implied by law. This Consumer Extended Warranty Insurance Policy commences upon expiry of the Manufacturer or Grays warranty.

You are responsible for selecting the correct Cover for the Product You wish to protect. Claims for Invalid Covers will be denied and premium will be refunded together with the Invalid Cover being cancelled.

## **SIGNIFICANT FEATURES AND BENEFITS OF THE POLICY**

The Policy is an insurance policy with the following significant features and benefits:

The Consumer Extended Warranty Insurance Policy applies to White Goods, Computers, Home Electronics and Household Appliances purchased on 'GraysOnline.com' and 'GraysOutlet.com'.

Subject to the terms, conditions and exclusions of the Consumer Extended Warranty Insurance Policy, We agree that if during the period of Extended Warranty the Covered Product suffers an unexpected Mechanical or Electrical Breakdown, as defined in this PDS, we will at Our discretion either:

- repair the Product,
- replace the Product with an identical one or a Product with the same or higher specification but limited to the Original Purchase Price in value; or
- refund the Original Purchase Price.

In the event that the Covered Product is unable to be repaired due to non-availability of parts, We will replace the Product or refund the Original Purchase Price.

The Maximum Claim Benefit payable by Us for an Eligible Claim under the Consumer Extended Warranty Insurance Policy, will be the lesser of the Original Purchase Price or \$10,000.

In respect of certain White Goods, additional benefits are available in the event of an Eligible Claim. For further details refer to the 'Additional Benefits' section of the Policy Wording.

If You sell Your Covered Product You may transfer this Policy to the new owner. For further details refer to the "What Happens If I Sell The Covered Product?" section of the Policy Wording.

## **YOUR PEACE OF MIND**

The following features of Your Consumer Extended Warranty Insurance Policy provides You with peace of mind when You have an Eligible Claim:

- You are Covered for Mechanical or Electrical Breakdown even when it is related to normal wear and tear of the Covered Product during the Period of Cover;
- Where Your covered Product's Original Purchase Price was under \$400 and it suffers a Mechanical or Electrical Breakdown, at Our discretion we will replace it with a new Product or refund the Original Purchase Price;
- Where Your Covered Product's Original Purchase Price was \$400 or more, We provide You with a no lemon guarantee whereby if the Covered product has been repaired three times, on the fourth time We will at Our discretion replace it with a new Product or refund the Original Purchase Price;
- Should We take longer than 21 days to repair Your Covered Product, We will at Our discretion replace it with a new Product or refund the Original Purchase Price. Our 21 day guarantee commences from when the repairer has possession of Your Covered Product and ceases the earlier of:
  - The date the repairer sends to You or makes available to You Your Covered Product having completed repairs; and
  - The date that is 21 days after the repairer received possession of Your Covered Product;
- Breakdown of Your Covered Product is assessed free of charge to You, even if no fault is found with Your Covered Product provided the location of the Covered Product is less than 50 km from the nearest urban area with a population greater than 50,000 people;
- Any freight costs associated with the handling of Your Covered Product during the claims process is payable by Us;
- Portable items like Laptops, Tablets, Mobile Phones and Digital cameras that can be used whilst travelling overseas are Covered when they suffer Mechanical or Electrical Breakage whilst overseas; and

- Products other than speakers are Covered for a Mechanical or Electrical Breakdown due to a power surge if Your Home and Content Insurance policy fails to cover the breakdown.

## POLICY EXCLUSIONS

Our liability under this Policy is excluded in certain circumstances. You should refer to the 'Policy Exclusions' section in the Policy Wording section to ensure that You are aware of all exclusions that apply to the Cover provided.

## PERIOD OF COVER

Your Cover will end if certain events occur. You should refer to the circumstances in which Your Cover will end, detailed in the section 'When am I Covered?'.

### Duration of the Consumer Extended Warranty Insurance

The Consumer Extended Warranty Insurance Policy Cover commences on expiration of the Manufacturer or Grays warranty period and ceases one, two, three or four years later depending on the warranty period purchased, to a maximum of five years including the Manufacturer or Grays warranty period. Products with a 90 day Manufacturer or Grays warranty can only purchase a warranty period of one year.

The Consumer Extended Warranty Insurance Policy provides coverage only to the extent not provided by any other service plan, warranty or insurance policy that covers the Product subject to this Consumer Extended Warranty Insurance Policy. You must first exercise Your rights under any such plan, warranty or policy before making a claim under the Consumer Extended Warranty Insurance Policy.

## SIGNIFICANT RISKS

You should be aware of the following risks associated with the Policy:

**Disclosure Obligations:** Failure to comply with disclosure obligations may have consequences in relation to the Cover being provided or may affect a claim being paid. These consequences are outlined under 'Your Duty of Disclosure' in the Policy Wording.

**Policy Coverage:** Our liability under this Policy is excluded in certain circumstances and we will not be liable for any claim if the following occurs:

- Fraud;
- Non-Disclosure;
- Non payment of premium; or
- Invalid Cover being selected.

**Please Note:** The list is not intended to be all inclusive, rather an indication.

In order to understand when the Policy will provide Cover and when it will not, You should carefully read the 'Policy Exclusions' relating to the Cover.

**Variation to Your Cover:** It is important that You notify Us of any change to Your circumstances, including if You change Your address.

We reserve the right to obtain an independent assessment and valuation report in the event of any claim.

## HOW TO APPLY

Application for Consumer Extended Warranty Insurance is online at <http://graysonline.thewarrantygroup.com.au>. Upon completion of Your application and payment of premium We will email to You Your Policy Schedule together with a copy of the PDS.



## WHAT IS THE COST?

The premium payable for Your insurance Policy will be shown on Your Policy Schedule. In setting premiums, a number of factors are taken into consideration. These factors may include:

- the Period of Cover chosen;
- the Original Purchase Price of the Covered Product;
- the type and specification of the Covered Product.

The premium will vary depending on the Cover You choose. The premium amount will be calculated and provided to You at the time You apply for Cover and will be detailed in the Policy Schedule. You may also be required to pay one-off fees in the following circumstances:

- upon cancellation, a cancellation fee of \$55 will be charged; and
- upon Policy transfer, a Policy transfer fee of \$25 will be charged.

## Taxation Information

Premiums are subject to Goods and Services Tax (GST) and stamp duty imposed by Commonwealth and State Governments. GST will also affect any claim You make under the Policy. Please refer to the 'How to Make a Claim' section in the Policy Wording.

Generally, Your premium is not tax deductible and claims payments are not assessable income for income tax purposes unless You purchase a policy for business purposes. This taxation information is a general statement only. You should seek professional taxation advice for information about Your personal circumstances.

## YOUR DUTY OF DISCLOSURE

When entering into a policy of insurance, We rely on the information You provide to Us. You are required to be truthful in answering Our questions. You must tell Us anything known to You, or that should be known by You, that could affect Our decision to insure You. Please refer to the full details under 'Your Duty of Disclosure' and 'Ongoing Disclosure' in the Policy Wording.

## COOLING OFF PERIOD

You may cancel Your Policy within 14 days of receiving Your Policy Schedule.

If You wish to cancel Your Policy during this period, You must notify Us in writing:

- by mail: PO Box 246, Balwyn VIC 3103
- by email: [vscau@thewarrantygroup.com](mailto:vscau@thewarrantygroup.com)

If You do so, We will refund the premium in full. However, We will not refund the premium if You have made a claim under Your insurance Policy. To cancel Your Policy at other times, please refer to the 'How Can Your Policy Be Cancelled' section in the Policy Wording.

## DISPUTE RESOLUTION

Should You have a concern relating to any area of our business or Your Policy You may request that it be dealt with by the supervisor or manager directly responsible for that area. If Your complaint is not resolved by the supervisor or manager, Your complaint may then be referred to Our Internal Disputes Panel. You can contact Our Internal Disputes Panel:

- by emailing Us at [customerfeedback@thewarrantygroup.com](mailto:customerfeedback@thewarrantygroup.com);
- by writing to PO Box 246, Balwyn VIC 3103; or
- by phone on 1300 654 611.

We will respond to Your complaint in writing provided We have all the necessary information. If You are not satisfied with the outcome and the matter is not related to use of Your personal information, You may refer the matter to the Financial Ombudsman Service (FOS). The FOS may be contacted:

- by phone on 1300 780 808 (local call fee applies);

- by fax on (03) 9613 6399;
- by writing to GPO Box 3, Melbourne VIC 3001;
- by emailing them at [info@fos.org.au](mailto:info@fos.org.au); or
- on the web <http://www.fos.org.au>

## **MAKING A CLAIM**

You should refer to the section 'How to Make a Claim' in the Policy Wording for the information regarding making a claim under the Policy. We reserve the right to obtain an independent assessment and valuation report.

## **THE GENERAL INSURANCE CODE OF PRACTICE**

Virginia Surety Company, Inc participates fully in the General Insurance Code of Practice. The Code was developed with the objective of raising the standards of service and practices in the insurance industry to a level that seeks to achieve total customer satisfaction. The Code aims to improve the quality of policy documentation and information provided to consumers; employee and agent training; claims handling and dispute resolution. Please contact Us if You would like to obtain Our brochure on the Code.

## **YOUR PRIVACY**

Virginia Surety Company, Inc. is bound by the Australian Privacy Act 1988. In order for Us to provide You with Insurance We need to collect certain personal information about You. We collect personal information from You and Our business partners and service providers in connection with the Insurance. Collection of Your personal information from Our business partners and service providers usually occurs at the point of sale of the Insurance. If You do not provide Us with this information Your application may not be processed or, We may not be able to administer claims or handle inquiries in connection with the Insurance. The purposes for which We collect Your personal information are to provide the Insurance, handle inquiries about the Insurance, for security checks to verify Your identity, to administer claims and related, secondary or ancillary purposes. The personal information We collect may be disclosed to assessors, loss adjusters, and other service providers who perform activities in connection with the purposes for which We collect, as well as companies within The Warranty Group including Our companies in the UK, USA, China, Japan and New Zealand. In accordance with Our Privacy Policy You have rights of access to, and correction of, Your personal information upon request. You also have the right to complain about Our management of Your personal information, which is also detailed in Our Privacy Policy. If You would like a copy of Our Privacy Policy, would like access to the information We have about You or wish to make a complaint, please contact Our Privacy Officer on 1300 654 611 or visit <http://virginiasurety.com.au/privacy-policy/>. By applying for the Policy, You consent to Us managing Your personal information in accordance with Our Privacy Policy.

## **FINANCIAL CLAIMS SCHEME**

If We become insolvent, this Policy may be protected under the Federal Government's Financial Claims Scheme administered by APRA. This means that if You meet certain eligibility criteria You may receive payment under the scheme. For more information please refer to the following website: <https://www.fcs.gov.au> .

## **SUBROGATION**

When We pay a claim under the Policy, We have the right to take over and enforce any right You may have to recover the loss from another party. We may do this in Your name and You have an obligation to assist Us as required.

## **SECTION 2 - Policy Wording**

### **DEFINITIONS**

Some words have a special meaning in this Policy & Product Disclosure Statement. These words are listed below.

**APRA:** means the Australian Prudential Regulation Authority

**Claims Administrator:** means The Warranty Group.

**Computer, Home Electronics or Household Appliance:** means but not limited to -

Appliances: small kitchen appliances, audio equipment, consoles and DVD players;  
Computers: Laptops, Desktops and tablets;  
Digital Imaging: Digital cameras, Digital Camcorders;  
GPS: GPS Navigational Systems;  
LCD TV: LCD or LED Televisions;  
Mobiles: Mobile Phones; and  
Plasma TV: Plasma Televisions.

**Cover:** means the protection provided by this Policy.

**Covered Product:** means the Product for which cover was purchased as stated on Your Original Tax Invoice.

**Electrical Breakdown:** means the unexpected failure under normal domestic use of a Covered Product's electrical components and parts causing sudden stoppage of their function necessitating repair or replacement.

**Eligible Claim:** means a claim that complies with all of the terms, conditions and exclusions of this Policy.

**Extended Warranty:** means the Cover provided by this Policy.

**Invalid Cover:** means You have selected the incorrect Period of Cover, quoted the wrong Original Purchase Price of the Product or selected the wrong Product type and therefore have not paid the correct premium.

**Insurance Application Date:** the date you are applying for this insurance.

**Manufacturer's Warranty:** means the warranty coverage provided by the original equipment manufacturer from the date of purchase of the Covered Product.

**Maximum Claim Benefit:** means the maximum amount that may be paid under the Policy for an Eligible Claim being the lesser of the Original Purchase Price or \$10,000.

**Mechanical Breakdown:** means the unexpected failure under normal domestic use of a Covered Product's mechanical components and parts causing sudden stoppage of their function necessitating repair or replacement.

**Original Purchase Price:** means the cost of the Insured Product as stated on the Original Tax Invoice exclusive of Grays buyer's premium and freight charges.

**Original Tax Invoice:** means the original purchase invoice for the Product covered by the Consumer Extended Warranty Insurance policy.

**Period of Cover:** means the period of Cover as stated on the Policy Schedule.

**Policy:** means this Consumer Extended Warranty Insurance.

**Policy Schedule:** refers to the form on which You provide information about yourself and the type of Cover You have chosen and includes any written amendments We send You.

**Product:** means a new or refurbished White Goods, Computers, Home Electronics or Household Appliances purchased from 'GraysOnline.com' or 'GraysOutlet.com'.

**Total Loss:** a Covered Product will be deemed a Total Loss when we consider it uneconomical to repair the Covered Product or when the cost to repair is in excess of the Original Purchase Price.

**We, Us, Our:** means the insurer, Virginia Surety Company, Inc. (ARBN 080 339 957).

**White Goods:** means but not limited to -

Air Conditioners, Dryer, Refrigerator's, Heaters,  
Microwave Ovens, Vacuum Cleaners,  
Cooktops, Ovens, Ranges, Dishwashers or Washing Machines.

**You, Your:** means the person nominated as the purchaser on the Original Tax Invoice.

## YOUR DUTY OF DISCLOSURE

**What You must tell Us and why:** When entering into a contract of insurance with Us You must answer Our questions truthfully and You have a duty under law to tell Us anything known to You and which a reasonable person in the circumstances would include in answer to Our questions. We will use Your answers to decide whether or not to insure You and anyone else named on the Policy, and on what terms We will provide Cover.

**Who needs to tell Us:** It is important that You understand You are answering questions for yourself and those answers will affect anyone else You want to be covered by the Policy. You have the same duty to disclose this information to Us before You extend, vary or reinstate the Policy.

**If You do not tell Us:** If You do not answer Our questions in this way, We may reduce or refuse to pay a claim, or cancel the Policy. If You answer Our questions fraudulently, We may refuse to pay a claim and treat rescind the Policy.

## ONGOING DUTY OF DISCLOSURE

**Changes to Your Details or Circumstances:**

You must inform Us immediately in writing if:

- You change Your name or address.

## **POLICY COVERAGE**

During the Period of Cover and subject to the terms, conditions and exclusions of this Policy, We will repair or replace the Covered Product as necessary to correct any failure to the Covered Product, which occurs by Mechanical or Electrical Breakdown. In the event that We are unable to repair or replace the Covered Product, We will refund to You the Original Purchase Price of the Covered Product.

Important note: You are responsible for selecting the correct Cover for the Product You wish to protect. Claims for Invalid Covers will be denied and premium will be refunded together with the Invalid Cover being cancelled.

If We repair your Covered Product, You understand and agree that We may replace original parts with new or used parts from the original manufacturer, or a different one. Replacement parts will be functionally equivalent to the original parts.

At Our discretion, We may designate an affiliated company or contract with a third party to complete repairs on the Covered Product. If We decide that it is necessary to replace the Covered Product rather than repair it, You will receive a Product equivalent to or better than the Product You originally purchased.

### **Replacement Terms**

We may replace the Covered Product with an equivalent Product when it is not economical to repair or repair costs will exceed the Original Purchase Price.

Technological advances may result in a replacement Product with a lower purchase price than the original Covered Product, however, in no case shall the replacement cost exceed the Original Purchase Price You paid for the Covered Product.

Replacement of the Covered Product shall constitute fulfilment of the Extended Warranty and any remaining Period of Cover does not transfer onto the new Product. The new Product will be Covered by the Manufacturer's Warranty applicable to that Product at the time of replacement.

## **LIMIT OF LIABILITY**

The Maximum Claim Benefit payable in the event of an Eligible Claim under the Consumer Extended Warranty Insurance Policy is the lesser of the Original Purchase Price of the Covered Product or \$10,000.

We will not accept any liability to You, or any subsequent owner or other user of the Product, for any incidental or consequential damages, including, but not limited to, liability or damages for the Product not being available for use, loss or corruption of data or software, personal injury, death, other indirect loss due to Product failure, or any and all incidental, indirect, special or consequential damages arising out of or in connection with the use or performance of the Product, even if You have advised us of the possibility of such damages.

## **CONDITIONS OF THE CONSUMER EXTENDED WARRANTY INSURANCE POLICY**

The following conditions apply to the Consumer Extended Warranty Insurance policy:

- Coverage is limited to Australia, with the exception of portable Products such as Laptops, Tablets or Digital Cameras that can be used whilst travelling.
- You will be required to pay the service call out fee if the service call is a result of user fault or if the location is more than 50 kms from the nearest repairer.
- Any cost associated with repair, removal, replacement or installation of the Covered Product will not be paid unless first authorised by the Claims Administrator.
- We may cancel your Consumer Extended Warranty Insurance Policy if any false or materially incorrect information is included when You make a claim, or if any material information is withheld.
- In the event your Covered Product is declared a Total Loss and a claim is paid out, Your Consumer Extended Warranty Insurance Policy ceases immediately and no refund will be payable.

- If the Covered Product is unable to be repaired due to non-availability of parts, at Our discretion We will replace the Product or refund the Original Purchase Price and Your Policy ceases immediately and no refund of premium is payable as Your Cover has been fulfilled.

## POLICY EXCLUSIONS

The Consumer Extended Warranty Insurance Policy does not provide cover for:

- Claims on Products that are not in Australia;
- Any Product without a Manufacturer Warranty of 3,12 or 24 months or a Grays warranty at time of Product purchase;
- Product repairs that should be covered by the Manufacturer Warranty or Grays warranty or are a result of a recall or design defects, regardless of the Manufacturer's or Grays ability to pay for such repairs;
- Periodic checkups and/or preventative maintenance as directed by the manufacturer;
- Any and all pre-existing conditions that occur prior to the Insurance Application Date of this Extended Warranty;
- Any Product sold as used, damaged or "as-is" that is not covered by a Grays warranty of at least three months or a Manufacturer Warranty of 3,12 or 24 months;
- Parts or repairs required due to normal wear and tear which does not result in a Mechanical or Electrical Breakdown;
- Repair or replacement of upgraded internal components when repair or replacement is required due to incompatibility of parts or incorrect installation;
- Damage from abuse, accident, mishandling, misuse, introduction of foreign objects into the Covered Product, unauthorized modifications or alterations to a Covered Product or failure to follow the manufacturer's instructions;
- Scratches, peeling or dents;
- Parts normally designated to be replaced periodically by consumer or consumed during the life of the Product (i.e. cables, cords, cartridges, tapes, software items, batteries, fuses, bulbs, styli, ribbons, filters, toner and the like);
- Water damage if used under conditions which exceed product manufacturer's water resistance guidelines;
- Mechanical or Electrical Breakdowns due to external causes including third party actions, fire, theft, insects, animals, exposure to weather conditions, extreme temperature, windstorm, sand, dirt, hail, earthquake, flood, water, acts of god or consequential loss of any nature:
- Any Product used on a rental basis or for commercial purposes;
- Mechanical or Electrical Breakdown caused by war, invasion or act of foreign enemy, hostilities, civil war, rebellion, riot, strike, labour disturbance, lockout or civil commotion;
- Incidental, consequential or secondary damages or delay in rendering service under this Policy, or loss of use during the period that the Covered Product is at an authorised service centre;
- Non-functional or aesthetic parts including but not limited to plastic parts;
- Unauthorized repairs and/or parts;
- Accessories used in conjunction with a Covered Product;
- Any loss other than a Mechanical or Electrical Breakdown of the Covered Product;
- Improper installation of components or peripherals;
- Cost of installation, set-up, diagnostic charges, removal or reinstallation of the Covered Product;
- Failure due to incorrect electrical supply or improper use of electrical sources;
- Damage incurred during delivery, installation or while moving the Covered Product to another location;
- Any instance in which the Manufacturer Warranty on new products or Grays warranty on refurbished products is voided;
- Any cost associated with access, repair, removal replacement, installation or re-installation of the Covered Product, unless this has been approved by the Claims Administrator and where the cost is in addition to the costs of assessment and any freight costs;
- Normal maintenance costs, including costs relating to the cleaning, filters, lubrication, alignment, tuning, reprogramming or adjustment to the Covered Product;
- Mechanical or Electrical Breakdown as a result of improper or unauthorised modification or repair;
- Mechanical or Electrical Breakdown caused by a failure to follow the manufacturer's installation or operating instructions;
- Mechanical or Electrical Breakdown of any accessories not provided by the manufacturer with the Covered Product;
- Mechanical or Electrical Breakdown from external sources including but not limited to infestation, flood, fire, interference, external wiring and connections, blocked plumbing, blocked hoses or non-compatibility of accessory equipment (but excluding power surges);
- Any issues arising as a result of non-operating or cosmetic deterioration that do not affect the functionality or operation of the Covered Product;

- Mechanical or Electrical Breakdown caused by accidental or deliberate damage, neglect, abuse, wilful act, misuse, theft, sand, water or liquid damage, corrosion or battery leakage, rust, mildew and mould;
- A burned phosphor in a computer monitor due to no screen saver being used;
- Any defects listed in the Product overview on Grays website and any subsequent increase in that type of defect within the Product;
- If the Covered Product is covered by any other service plan, warranty or insurance policy, the coverage of this Policy is limited to the extent that the Covered Product is not covered by any other service plan, warranty or insurance policy;
- Mechanical or Electrical Breakdown of speakers as a result of overloading; and
- Loss of software, data, USB memory sticks as a result of viruses, malfunction or damage of an operating part.

## WHEN AM I COVERED?

The Period of Cover is the period beginning on the date Cover commences and ending on the date Cover ceases. Provided You have paid the premium, We will insure You during the Period of Cover subject to the terms, conditions and exclusions set out in the Policy and Product Disclosure Statement.

### The Start of Your Cover

Your Cover will commence when You submit Your application for Insurance and the Manufacturer Warranty or Grays warranty has expired and You pay your premium.

### The End of Your Cover

Your Cover will end when any of the following occurs:

- the Policy is cancelled (see section 'How can Your Policy be Cancelled?' in the Policy Wording);
- at 4pm on the date the Period of Cover expires;
- the Product is replaced or the Original Purchase Price is refunded as a result of a claim under this Policy;
- the Maximum Claim Benefit is paid;
- the Covered Product is repossessed; or
- if the Product is sold and no valid Transfer of Ownership Form is accepted by Us within the specified timeframe.

## HOW CAN YOUR POLICY BE CANCELLED?

**Cooling-Off Period:** You may cancel Your Policy during the cooling-off period. See section 'Cooling Off Period' for details.

### Other Cancellations:

- **Cancellation by You**

You can cancel this Policy at any time by advising Us in writing:

- by mail: PO Box 246, Balwyn VIC 3103
- by email: [vscau@thewarrantygroup.com](mailto:vscau@thewarrantygroup.com)

If the Policy is cancelled We will retain the requisite amount of premium for the time that Cover has been provided together with Our Cancellation fee of \$55 (incl. GST).

- **Cancellation by Us**

We may cancel this Policy by giving You notice in writing in accordance with the Insurance Contracts Act 1984 for reasons including:

- Invalid Cover being selected;
- non-disclosure
- failure to comply with the conditions of this Policy;
- misrepresentation; or
- non-payment of premium.

If We or You cancel Your Policy, no premium is refunded if You have already made a claim on the Policy.

If We or You cancel Your Policy We will retain a pro-rata amount of premium for the time the Cover has been provided together with Our cancellation fee of \$55.

## **HOW TO MAKE A CLAIM**

To make a claim contact the Claims Administrator on 1800 505 058 for assistance.

In the event of a claim You must notify the Claims Administrator immediately. Repairs must not commence unless authorised by the Claims Administrator.

Any Covered Products that are installed permanently (for example a house alarm) or are heavy (for example TV's larger than 60cm) will be repaired on site where possible.

### **GST on claims payments**

When We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of any payment by the amount of input tax credit (ITC) that You are entitled to, whether or not that acquisition is actually made. In the case that a compensation payment is made under this Policy in lieu of payment for the acquisition of goods, services or other supply, We will reduce the amount of that payment by the amount of ITC You would have been entitled to, had the payment been used to acquire goods, services or other supply.

### **Claim Recovery**

We reserve the right to recover costs incurred by Us where We believe the incident is the responsibility of another party. When We do this, We may take action in Your name and You will be required to cooperate with Us and provide any information We may require.

Where We have replaced the Covered Product or refunded the Original Purchase Price, We will take possession of the faulty Product and dispose of it. Any value we are able to recover from the disposed Product will be retained by Us.

## **WHAT HAPPENS IF I SELL THE COVERED PRODUCT? – TRANSFER OF OWNERSHIP**

If the Covered Product is sold, the balance of Your Consumer Extended Warranty Insurance Policy can be transferred to the new Product owner, by completing the Transfer of Ownership Form in this PDS. A Policy transfer fee of \$25 is payable and the transaction must be finalised within 7 days of the sale. The Original Tax Invoice, the Policy Schedule and the Consumer Extended Warranty Insurance PDS must also be provided to the new Product owner by the original purchaser.

## **ADDITIONAL BENEFITS**

In the event of an Eligible Claim, the following Additional Benefits are provided for the relevant Covered Product upon receiving receipts:

### **Food Spoilage**

If Your Covered Product is a refrigerator or freezer We will reimburse the cost of replacing any spoiled food, subject to an overall Policy limit of \$300 for all spoilage claims during the Period of Cover. You will be required to show evidence of food spoilage with food receipts and photos of the spoiled food in the event of a covered claim.

### **Laundry Service**

If Your Covered Product is a clothes washer or clothes dryer We will reimburse the cost of dry cleaning or laundry services, subject to an overall Policy limit of \$110 for all dry cleaning or laundry service claims during the Period of Cover. Dry cleaning/laundry receipts will be required in the event of a covered claim.

# Consumer Extended Warranty Insurance

## Transfer Of Ownership Form

Should You sell Your Covered Product privately within the Period of Cover, this cover is transferable, subject to Our approval. Service and maintenance must have been carried out in accordance with the Manufacturer's requirements. Transfer is not available unless the Covered Product is sold to an individual who will use the Covered Product for domestic purposes in Australia.

Please complete this Transfer of Ownership Form and return it within 7 days of sale with payment of the \$25 Policy transfer fee to:

**Consumer Extended Warranty Insurance**  
**The Warranty Group**  
**PO Box 246, Balwyn 3103**

I certify that I have sold my Covered Product and request that this Cover is transferred and confirm that the Original Tax Invoice, Policy Schedule and PDS have been passed to the new owner.

Policy Number:.....

### Current Owner's Details

First Name ..... Last Name .....

Address.....

City ..... State ..... Postcode .....

Phone..... Product Type .....

Manufacturer ..... Model Number .....

Signature ..... Date .....

### New Owner's Details

First Name ..... Last Name .....

Address .....

City ..... State ..... Postcode .....

Phone ..... Date of Transfer .....

I have been provided with the Original Tax Invoice, Policy Schedule and PDS and accept the terms, conditions and exclusions of the Consumer Extended Warranty Insurance Policy.

New Owner's Signature .....Date .....