

Insurance Add-Ons

There are many different products available in the market to help cover you for different things that may happen during the term of your Credit Contract. We've summarised a number of these common products below. These summaries do not replace the Insurance and/or Waiver Terms and Conditions. Always refer to your Insurance and/or Waiver documents in full. Not all products are available for all Credit Contracts and may not be suitable for all borrowers. The below summaries are intended as general descriptions only and not as recommendations or opinions about whether to purchase any of these products. We do not require you to purchase any of these products as part of obtaining finance from us. If you have any questions talk to your insurance and/or waiver provider.

Mechanical Breakdown Insurance

Mechanical Breakdown Insurance (MBI) can be taken out when you're buying a used vehicle. MBI is designed to protect you against the costs that come with repairing unexpected mechanical faults, subject to relevant exclusions. When your car breaks down, an appropriate MBI policy can help you get your car parts repaired or replaced so that you can get back on the road again.

Guaranteed Asset Protection

Guaranteed Asset Protection insurance (GAP) is an insurance coverage offered to cover you against losses that may occur when your vehicle is confirmed as a total loss under a Comprehensive Vehicle Insurance policy and the claim payment is less than the outstanding loan amount you owe, subject to any relevant exclusions. Where applicable, GAP insurance pays the shortfall between your total loss claim payment and the balance outstanding on the original loan contract owed to the financier.

Lifestyle Protection Insurance

Lifestyle protection insurance covers you in case you have to stop work because of illness, an accident or redundancy, subject to relevant exclusions. It is designed to help protect your lifestyle by covering your financial commitments and expenses. You choose the level of cover and you can also include family members in the policy.

Credit Contract Indemnity Insurance and Payment Protection Insurance

Credit Contract Indemnity Insurance and Payment Protection Insurance are both designed to cover your loan repayments in case you have to stop work because of illness, an accident or redundancy (subject to relevant exclusions), helping to protect your credit rating during times of unforeseen hardship.

In the case of payment protection insurance, the policy cover options are generally specific to your source of income at the time of taking out the loan. In either case the benefits are typically payable directly to the finance company.

Products provided by Auto Finance Direct

AFD offers two waiver products which we have summarised below. These summaries do not replace the Waiver Terms and Conditions. Always refer to your Waiver documents in full. Not all products are available for all Credit Contracts and may not be suitable for all borrowers. The below summaries are intended as general descriptions only and not as recommendations or opinions about whether to purchase any of these products. We do not require you to purchase any of these products as part of obtaining finance from us. If you have any questions talk to your insurance and/or waiver provider.

AFD Lifestyle Waiver

Optional cover provided by us to help if you are unable to make the repayments under the Loan due to death, terminal illness, accident or sickness, redundancy, or bankruptcy. Some of the key benefits of this policy (subject to relevant exclusions) are:

- Redundancy benefit for up to 12 months or \$10,000 maximum
- Full repayment of your loan in the event of your untimely death
- Accident & Sickness cover to a maximum of \$5,000
- Full repayment of your loan if diagnosed with a terminal illness
- Helps protect your credit rating

AFD Retail Waiver

If your vehicle is involved in an accident and written off, your insurance company will pay the value of the vehicle towards your remaining loan balance. The insurance pay-out may be lower than the balance remaining on the loan. An AFD Retail Waiver can help you get back on the road, covering the difference to allow full repayment of the loan balance so you can start fresh. The AFD Retail Waiver is a form of Guaranteed Asset Protection product – see above for further details.

Important Information

Responsible Lending Laws - You are protected by responsible lending laws. Because of these protections, the recommendations given to you about any vehicle loans (including repayment waiver policies) are not regulated financial advice. This means that duties and requirements imposed on people who give financial advice do not apply to these recommendations. This includes a duty to comply with a code of conduct and a requirement to be licensed.

Auto Finance Direct are not Financial Advisors - We are not financial advisors. If you have concerns about your finances, MoneyTalks is an independent and confidential service which is completely free. These financial mentors can help you with advice and talk you through your options for getting on top of debts and covering essentials. Visit www.moneytalks.co.nz or call 0800 345 123.