

## Guaranteed Buyback Insurance



### What is it?

Guaranteed Buy Back Insurance (GBB) is designed to provide protection for customers whose lease goes full term (and who've travelled under 30,000kms per year). It offers cover for the difference between the market value of your car and your end of lease residual payment.

At the end of a novated lease there is a final amount you have owing to the finance company – this is called the residual payment. A popular way of covering the residual payment is to sell your leased vehicle and use these funds to make the payment.

If however, the market value of your car is less than the residual value you will be left with a gap of money owing.

With GBB, the insurer guarantees to buy the vehicle from you at the end of your lease for an agreed Guaranteed Buyback Value (GBV), which could help to cover any gap between the market value and the residual payment.

### Why it's a good idea

When you get to the end of your novated lease (provided it's reached its full term and you've travelled under 30,000kms per year), your car's value may not be enough to cover your residual payment and you'll have to make up the difference.

GBB provides protection in the event of this scenario and covers this gap for you.

### Features include

- A one-time premium with no excess.
- Cover for the difference between what you can sell your car for and your end of lease residual payment, provided your lease goes full term and you travel less than 30,000km on average per year.
- If you terminate your lease early or if you travel more than 30,000km per year, we will calculate your GBV based on ATO guidelines and adjusted for the extra distance travelled. You may still however be able to claim and contribute to the outstanding finance amount.
- The maximum amount payable during the term of the cover is \$25,000.

### What it doesn't cover

- If the market value of the vehicle is greater than the GBV.
- If the car has travelled on average more than 50,000km per year for the life of the lease.
- If the vehicle is sold to someone other than the insurer.
- Early lease termination up to two years into the lease.



### Example scenario

Michael leases a new vehicle priced at \$35,000 over a five year term. At the end of the five years he has travelled less than 30,000kms on average per year. The residual value on the lease is \$10,830 and the market value of the vehicle is \$8,200, so the difference or shortfall between the two is \$2,630.

Michael has GBB and because the lease has reached full term and he has travelled less than 30,000kms per year

on average, his Guaranteed Buyback Value (GBV) amount will be his residual value.

As a result, he can simply hand the vehicle over to the insurer, who will pay the financier the market value of \$8,200 plus the shortfall amount of \$2,630, totalling the residual payment of \$10,830.

Michael therefore has no shortfall amount to pay the financier.

Please read the **Product Disclosure Statement** for all of the product terms and conditions.

RemServ

GPO Box 424, Brisbane, Qld 4001



1300 30 39 40



[remserv.com.au/insurance/novated-lease](https://remserv.com.au/insurance/novated-lease)

**Insurance:** If you chose any of the optional novated lease insurance products, it is included in the cost of your lease. You will receive your policy document when you enter into your lease. Remuneration Services (Qld) (ABN 46 093 173 089) (RemServ) is authorised by: Allianz Australia Insurance Limited (ABN 15 000 122 850, AFSL 274708) to provide general advice on and arrange Leased Vehicle Motor Insurance issued by Allianz. Pacific International Insurance (ABN 83 169 311 193, AFSL 523921) to provide general advice on and arrange Motor Vehicle Lease Insurance Options Policy issued by Pacific International Insurance.

**Insurance Disclosures:** The Product Disclosure Statement (PDS) for each insurance product includes the full terms and conditions and the Financial Services Guide (FSG) includes information about the financial services RemServ provides. You can obtain these documents by visiting our website or contacting us at 1300 303 940 or [remserv@remserv.com.au](mailto:remserv@remserv.com.au).

**Things you need to know:** This guide does not constitute financial product advice. This general information doesn't take your personal circumstances into account. Please read the PDS and consider whether this information is right for you before making a decision and seek professional independent tax or financial advice. Conditions and fees apply, along with credit assessment criteria for lease and loan products. This availability of benefits is subject to your employer's approval. RemServ may receive commissions in connection with its services.