

## Total Loss Assist Insurance



### What is it?

Total Loss Assist (TLA) provides coverage in the event that your vehicle is written off or declared a total loss by your comprehensive insurer.

While comprehensive insurance covers the total loss of the vehicle, Total Loss Assist covers the difference between the comprehensive insurance payout and either the original price you paid for the vehicle, or the amount needed to discharge the lease, whichever is the greater amount. Providing you with greater protection in the event your vehicle is written off.

### Why it's a good idea

TLA offers the added security of knowing that your coverage extends beyond the comprehensive insurance payout. It provides additional protection against financial loss and means you don't have to worry about paying out the remainder of the lease or losing money on the depreciation of your car in the event it is declared a total loss.

### What it covers

TLA offers to pay the greater of either;

- The gap between the total loss pay-out and the amount needed to payout the lease; or
- The difference between the total loss pay-out and the vehicle purchase price.

If either amount is below \$5,000, a minimum benefit amount of \$5,000 will be paid.

The maximum coverage amount is based on the purchase price of the vehicle, with benefit payments available up to \$50,000.

### What it doesn't cover

Some exclusions are:

- The comprehensive insurer must pay the total loss in full. If there has only been a partial payment from the insurer then you are excluded from making a claim.
- TLA will not pay for any arrears in the finance contract (such as penalties for late payments or negative equity).
- TLA will not payout if the vehicle is used for hire or carriage (Uber, driver instruction).



### Example scenario

After a collision three years into her lease, Diya's vehicle is written off by her comprehensive motor vehicle insurer, with her payout totalling \$19,000.

The original price of her car was \$40,000 and the finance contract payout amount is \$21,000. As the purchase price was between \$35,001 and \$50,000, Diya is insured for a maximum \$25,000. To process her claim, the insurer works out which has the greater gap or shortfall.

- Finance contract shortfall  $\$21,000 - \$19,000 = \$2,000$
- Purchase price shortfall  $\$40,000 - \$19,000 = \$21,000$

Because the gap between the comprehensive insurance payout and the original price is the greater amount, the Benefit Payable to Diya = \$21,000.

Of this amount, \$2,000 will be paid to the financier to settle the finance contract, and the remaining \$19,000 will be paid to Diya.

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

**RemServ**

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