

SWANN INSURANCE CLASS ACTION

FREQUENTLY ASKED QUESTION

1 Why did I receive an email / SMS about this?

If you have received the Settlement Notice for the Swann Insurance Class Action, it is because our records show that you may be a Group Member in the Swann Insurance Class Action and may be eligible to receive a payment.

2 Who are Group Members? Am I a Group Member? How can I be a Group Member if I did not know about any of this?

Group Members are people who meet certain criteria. In particular, you are likely to be a Group Member in this class action if you purchased any of the Swann “add on” insurance products in the period 1 January 2008 to 1 August 2017.

You should check your own records to see if you meet this criteria. We are unable to confirm at this stage whether you are an eligible Group Member. This is because there are a very large amount of Group Members and it would take a lot of time to provide this information to each person. The more time spent, the more costs are incurred and the less funds there are available for payment to Group Members if the settlement is approved.

To avoid unnecessary legal costs, whether you are an eligible Group Member or not will be confirmed as part of the registration process. You would have received a personalised settlement notice from the Administrators regarding the registration process on or around 15 February 2021 via email, SMS, or letter. If you have **not** received a personalised settlement notice, please visit www.swannclassaction.com.au to access the registration portal.

If you are eligible, you may still be able to register and participate in the settlement even if you do not still have your policy documents.

You can be a Group Member, whether you were aware of the class action or not. The applicant in a class action does not need to seek the consent of Group Members to commence a class action. That is how the class action system works in the Federal Court, you are deemed to be included unless you choose not to be by opting out.

You may have received an Opt Out and Common Fund Notice in around October last year. You should refer to Section C of the Opt Out and Common Fund Notice for more detail, because that sets out the criteria you need to meet to be a Group Member. A copy of the Opt Out and Common Fund Notice can be downloaded at www.swannclassaction.com.au.

If you lodged an opt out notice before 2 September 2020, you are not eligible to participate in the settlement and you may disregard the Settlement Notice that was sent to you.

If you did not lodge an opt out notice before 2 September 2020, and you meet the criteria of a Group Member, you may be eligible to receive a settlement payment.

If you have not contacted us before or if this is the first time you have heard about the class action, that does not prevent you from participating if you are eligible.

You can still be an eligible Group Member even if you have sold your vehicle that related to your Swann Add On insurance.

3 How do I register?

Registration must be done online through the registration portal that can be found in your personalised Settlement Notice or via this link: www.swannclassaction.com.au. When you visit the link, there will be detailed instructions on how you can register. The closing date for registration is 10 May 2021 after which you will no longer be able to register and participate in the settlement distribution.

The registration process will require you to add relevant information including your contact details and information about the policies. The information you enter in the registration portal will be used by the Settlement Administrators to verify your entitlement. Therefore, it is important that you enter as much information as you can accurately. It is also advisable to retrieve your policy documents if they are available as the information contained in the documents can assist with the verification process.

4 What is the Swann Insurance Class Action about?

A class action has been commenced against Swann Insurance and Insurance Australia Limited in the Federal Court of Australia. The action relates to the sale of particular “add-on” insurance products issued by Swann which were sold in motor vehicle dealerships between 1 January 2008 and 1 August 2017.

The Applicant alleges that the manner in which these “add on” insurance products were sold was unfair to customers and breached a number of laws.

5 Is this going to cost me anything?

No, there will be no out of pocket expenses for participating in the settlement.

6 Do I need to obtain my own legal advice?

You do not need to obtain legal advice in order to participate in the settlement or to object to the settlement. You may obtain legal advice if you wish, but this will be at your own expense.

7 What is a class action?

A class action, also called a representative proceeding, is a court case that is brought by a person (the applicant) on their own behalf and on behalf of other people, who are the Group Members. The court case is brought against another person or persons (the defendant). A class action can be brought when the applicant and the Group Members have similar claims against the defendants.

8 What Swann Insurance products are the relevant products?

The products are:

- Loan Protection Insurance;
- Walkaway Insurance;
- Protection Plus Insurance;
- Gapcover Insurance, which was also known as Purchase Price Protection Insurance;
- Motor Vehicle Mechanical Breakdown Insurance, also known as “WarrantyASSIST” Insurance or Motor Vehicle Extended Warranty Insurance; and
- Tyre and Rim Insurance.

Products which were issued by other insurers are **not** part of this class action.

9 I'm not sure what Swann insurance products I purchased, or if I purchased any at all? I don't recall purchasing Swann insurance products?

The Swann insurance products relevant to the class action were usually sold in car or motorcycle dealerships as part of the sales process for the sale of a car or motorcycle.

You should check any documents you have from your car/motorcycle purchase in the period 1 January 2008 to 1 August 2017 as they may refer to any of the Swann products you might have purchased. These documents might include your vehicle purchase contract, loan agreement, and/or any emails or letters received from Swann.

We cannot confirm what insurance products you purchased at this stage for the reasons explained in the answer to question 2 above.

10 What is opt-out?

Opting out means choosing not to be involved in the class action and completing the necessary paper work to do so.

Group Members were able to opt out of the Swann Insurance class action, but you must have done so before 2 September 2020. If you opted out by this time, you will not be entitled to share in the benefit of any order, judgment or settlement. Additionally, if you opted out, you may be at liberty to bring your own claim against Swann or Insurance Australia Ltd, provided you meet the relevant time limits for your claim. If you wish to bring your own claim, you should seek your own legal advice about your claim and any time limits.

11 I don't want to be a part of the class action, what do I do?

The time for opting out of the class action has already passed. Opt out notices received by the Court after 2 September 2020 will not be valid.

If you do not want to be part of the class action, you can decide not to register to participate in the settlement. However, if you do not register to participate, you will be bound by the settlement and will no longer have the right to pursue any claims against Swann and IAL of the kind made in the Swann Insurance Class Action (even if you have not registered to participate in the settlement).

12 What if I do nothing?

If you meet the Group Member criteria and you did not opt out prior to 2 September 2020, you will remain a Group Member in the class action.

However, if you fail to register to participate in the settlement when the proposed Settlement Administrators send a registration notice, you will be bound by the settlement and will no longer have the right to pursue any claims against Swann and IAL of the kind made in the Swann Insurance Class Action.

13 I received a Notice by email/SMS. How did you get my contact information?

The Settlement Notice was distributed using contact information obtained from Swann Insurance's purchaser records. This was done in order to ensure Group Members were notified about the action. The Court approved the use of the purchaser records for this purpose.

14 Am I going to receive any money? How much am I likely to get?

If you are a Group Member and you have not opted out, you may be entitled to a payment as part of the settlement.

We cannot tell you at this stage how much you may receive because the amount that you may receive depends on a number of different factors which are not yet known. These factors include the number of group members who register to participate in the settlement.

However, the Applicant's solicitors presently estimate that, if you bought add-on insurance after 9 April 2013, and if group members representing 60% of the value of claims register to receive a settlement payment, you would on average receive a settlement of about 39% of the premiums you paid (net of any refunds received or claims made) excluding GST and stamp duty. For example, if you paid \$3,000 in premiums (before GST and stamp duty), you would on average receive about \$1,165.

If fewer group members register to receive a settlement payment, the amount you would receive would be increased.

The amount you will receive will be affected significantly by the number of group members who register. In the above example, if other assumptions stay the same, but group members representing 30% of the value of claims register to receive a settlement payment, you would on average receive a settlement of about 78% of the premiums you paid (net of any refunds received or claims made) excluding GST and stamp duty. For example, if you paid \$3,000 in premiums (before GST and stamp duty), you would on average receive about \$2,330.

15 When is payment going to be made?

We cannot provide a precise payment date at this stage. It is likely that a payment would not be made until around mid-2021 at the earliest because it will take some time to complete the process for group members to register to participate in the settlement.

16 How will I receive my payment?

When the registration process commences and the Settlement Administrator has notified you that you may register, you will be asked to provide your current contact and payment details. If you are eligible for a payment, that payment will be made to you in accordance with the details you provide during the registration process.

17 What is the Settlement Distribution Scheme?

A settlement distribution scheme sets out the procedure for how the Settlement Administrator will distribute the settlement sum, as approved by the Court, to group members.

The Settlement Distribution Scheme includes details of the formula which will be used to determine how group members' entitlements will be calculated. The Scheme is published on www.swannclassaction.com.au.

18 Who is paying for this?

A litigation funder called Balance Legal Capital I UK Ltd is funding the Swann Insurance Class Action.

19 What will the funder receive for funding the proceeding?

The funder sought an order, as part of the settlement put forward by the Applicant, for payment of \$34,500,000 as compensation for its role in funding the litigation and an order for reimbursement of the costs and expenses it has incurred. At the hearing on 17 December 2020, the Court handed down the order to pay the Funder \$34,500,000 (inclusive of GST) for funding charges or commissions, \$8,678,735.16 (inclusive of GST) for reimbursement of the Applicant's Legal Costs, and \$194,953.50 (inclusive of GST) for the Funder's expenses incurred in connection with providing security for costs in the Proceedings.

20 Who are the lawyers?

The lawyers on the record for the Swann Insurance Class Action are Johnson Winter & Slattery, who are assisted by Bannister Law.

21 I don't agree with the settlement. How do I object?

The objection period closed on 7 December 2020 and you are no longer able to lodge a Notice of Objection.

22 What if I have already received some money back from Swann or received a large payout from my insurance policy?

You may have already received a refund from Swann in relation to insurance policies you held. In some cases, this will be a partial (not full) refund, which means you may still be eligible to receive a payment if the Court approves the settlement.

Once you register and losses are calculated, you will be informed whether or not you are eligible to receive a settlement payment.

Any money you have been paid or refunded in relation to your policies is presently proposed to be taken into account when calculating your loss.

23 Who are the Settlement Administrators and what are their roles?

The Court has appointed George Georges and John Lindholm of KPMG as Settlement Administrators. The main objective of their roles is to distribute the settlement in a fair and equitable manner.

24 I received an email / text / mail about this class action. What do I need to do?

If you receive the Settlement Notice by email, text or mail, you may be a Group Member and may be entitled to a settlement distribution payment.

To participate in the distribution, you must register via the registration portal **www.swannclassaction.com.au** no later than 10 May 2021.

If you do not want to participate, you do not have to do anything. However, you will be bound by the settlement and will no longer have the right to pursue any claims against Swann and IAL of the kind made in the Swann Insurance Class Action.

25 I saw the advertisement on the newspaper about this class action and I remember purchasing a policy from Swann between 2008 and 2017, am I entitled to participate in the distribution?

You are likely to be a Group Member in this class action if you purchased any of the Swann “add on” insurance products in the period 1 January 2008 to 1 August 2017. You should check your own records to see if you meet the criteria.

Additionally, you must register online via the registration portal **www.swannclassaction.com.au** and enter as much information as you can accurately. If you know your policy numbers or have access to your policy documents, we encourage you to enter this information when prompted in the portal.

26 Do I need to cancel my existing policies with Swann?

You do not need to cancel your add-on insurance policies with Swann in order to participate in the settlement.

27 I have registered but was advised that my registration is unsuccessful. I am certain that I have purchased Swann policies. What should I do?

First, it is best to check whether the information you submitted are accurate and have no typographical errors. You should also check whether the information that is asked in the registration form is your current details or your details that are relevant at the time when you purchased the policy. For instance, if the registration form asks you to enter your details as they appear on your policy document(s) and at the time you purchased the policy, please be careful when entering your details in order to match the email address recorded in the database.

Once you have checked your details, please revisit the registration portal and re-register.

If you know your policy numbers or have access to the policy documents, we would highly encourage you to enter this information as prompted in the portal. This will assist with the verification process.

If you are still unable to register, please contact us at 03 9288 6333 or swannclassaction@kpmg.com.au.

28 A family member purchased the policy and he or she is now deceased. Am I able to register on behalf of the estate and what do I need to do?

Notwithstanding the person's death, the estate is still entitled to the payment. If you have the relevant details to be able to register online via www.swannclassaction.com.au, please proceed to register on the basis that you have authority to do so on behalf of the estate.

29 I purchased the policy with my spouse and we have now separated. Am I able to register and what do I need to do?

Only the person whose name is recorded as the policy owner can register and be entitled to payment. The Settlement Administrators will only make a payment to the policy holder and any arrangement between former spouses is a matter for them to come into an agreement.

30 I do not have or cannot use a computer. Can I register by mail or by ringing the contact centre?

The only registration method available is online registration via the registration portal. We are unable to register you by mail or by ringing our contact centre to protect your privacy and information. Our contact centre is available to assist with your queries but are unable to take down your information and register you.

31 My contact and/or bank details have changed since I registered? How can I update my details?

If your current contact and bank details have changed after you have successfully been registered, please visit the registration portal: www.swannclassaction.com.au and click "Update Details".

32 I received two emails / text messages / mails for this Settlement Notice. Are they duplicates?

The Settlement Administrators were provided with Purchaser Data from the Respondents. The Purchaser Data contained information about each policy. Each Group Member may have more than one policy and where possible, the Settlement Administrators will consolidate the policies to each Group Member before issuing the Settlement Notice. However, in circumstances where the Settlement Administrators are unable to consolidate the policies, you may receive more than one emails, text messages or mails. This may mean that you have more than one policy.

For example, if you receive two Settlement Notices with different reference numbers, you have to register two times via the portal.

33 I disagree with the Loss Amount stated in the Settlement Notice. Can I dispute the Loss Amount?

The Loss Amount has been calculated based on the Purchaser Data provided by the Respondents and the Loss Assessment Formula. Both the Purchaser Data and Loss Assessment Formula have been approved by the Court.

The opportunity to object to the Loss Assessment Formula was during the objection period requiring Group Members to lodge a Notice of Objection no later than 7 December 2020. As the objection period has expired and the settlement has been approved, the Loss Amount stated in your Settlement Notice cannot be reviewed and changed.

34 Where can I read more information about the class action?

Please visit www.swannclassaction.com.au and www.comcourts.gov.au/file/Federal/P/NSD544/2019/actions for further information.

If you are unable to find the answers that you are looking for in this FAQ and in the abovementioned websites, please contact us at swannclassaction@kpmg.com.au or 03 9288 6333.

