

COMPREHENSIVE MOTOR VEHICLE INSURANCE

Premium, Excess and Claims Guide

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INTRODUCTION

This PowerTorque Insurance Premium, Excess and Claims Guide provides further information about how we calculate the cost of your insurance, as well as the excesses and discounts that may apply to the PowerTorque Insurance Comprehensive Motor Vehicle policy.

You should read this Guide in conjunction with the PowerTorque Insurance Comprehensive Motor Vehicle Policy and Product Disclosure Statement (PDS) dated 1 January 2014 and your most recent policy schedule.

If you would like any further information, please call us on 137 800.

HOW WE CALCULATE YOUR PREMIUM

The premium is the amount you pay us to obtain Comprehensive Motor Vehicle Insurance cover and will be set out in your policy schedule.

We calculate your premium by taking into account a variety of factors, including the following:

- key premium factors for the cover selected
- any policy discounts
- payments we make to our Intermediaries
- government taxes and charges, where applicable.

Pricing factors

Your premium is based on a number of pricing factors, including the key premium factors set out in the table below. The table also shows the impact these factors may have on your premium.

Please note that the factors identified in the table are significant factors only and we may take other factors into account to provide an indication of the possibility of a claim being made and the cost of claims. The way in which different factors impact your premium may change from time to time.

Key premium factors	Premium impact
Where you live	Areas with higher rates of theft or accident may attract higher premiums.
The vehicle being insured	The premium we charge will take into consideration the characteristics of the range of different vehicles we insure. For example some vehicles attract a higher premium than others because they have a higher repair cost due to things such as vehicle model and age.
Modifications and non-standard accessories	Any modifications or accessories fitted to your vehicle that we have agreed to insure for an additional value may result in either a premium increase or discount.
The agreed value you choose for your policy	The higher the agreed value, the higher the premium.
The purpose for which the vehicle is used	If the vehicle is for business use rather than private use the premium will be higher.
Whether the vehicle was purchased under a finance arrangement	If the vehicle is financed, rather than owned outright, the premium will be higher.
The frequency premium is paid	You will pay less if you choose to pay your premium annually rather than paying by monthly instalment.
Whether you select a voluntary excess	The higher the amount of the voluntary excess you choose, the more it will reduce your premium.
The age, gender, licence, driving, insurance and criminal history of all regular drivers who use your vehicle listed on your policy schedule	These factors are all relevant to the likelihood of the claim and the risk we are accepting and will increase or reduce the cost of your insurance.
Any discounts for which you are eligible	If you are eligible for any of our discounts this will attract a lower premium. The main discounts we offer are discussed in more detail in this Guide.
The optional covers you have selected	Selecting an optional cover such as 'Excess-free glass cover' or 'Rental car following accidental damage' will attract a higher premium.

Importantly, the information you give us will determine how the risk is assessed and therefore the amount of your premium. You need to check your policy schedule to ensure all information is correct. If the information is not correct please call us immediately.

Changes in premium

Each time you renew your insurance your premium may vary, even if your personal circumstances have not changed. This is because premiums are affected by many factors including the following:

- the cost we have incurred in paying claims
- our expected cost for future claims
- changes in government taxes or charges
- the cost of administering policies and claims.

Generally, the more likely an event we cover is to occur, the higher the premium we charge to cover it. Similarly, the more the event costs or the higher our business expenses are, the higher the premium is likely to be.

Premium discounts

The premium you pay for this insurance includes any discounts for which you qualify. These discounts are applied before any policy options are added.

You may be entitled to the following discounts:

- Lifetime Rating 1
- Voluntary excess
- Payment method discount.

From time to time we may offer other Comprehensive Motor Vehicle Insurance discounts to particular customers as part of a promotion or to respond to market conditions. If we do, we will tell you when and how those discounts apply to your premium.

Any discounts that you qualify for will be included in the total premium payable by you.

Lifetime Rating 1

Once you are entitled to our maximum discount level, you will receive this discount and the corresponding savings on your motor insurance premium for the life of the policy (Lifetime Rating 1). This means that while you are comprehensively insured with us, your maximum discount level will not be reduced, regardless of how many claims you make during the period of cover. If you are eligible for our Lifetime Rating 1 it will be shown on your policy schedule.

Voluntary excess

There is a minimum basic policy excess, but you may choose a higher excess on your Comprehensive Motor Vehicle Insurance by selecting a voluntary excess. This excess is additional to other excesses.

The voluntary excess amount you choose will reduce your premium. As an excess is the first amount of a claim payable by you, the higher the excess amount you choose, the greater your contribution to a claim may be.

The amount of any voluntary excess you choose will be shown on your policy schedule. Refer to the 'Types of excess – Voluntary excess' section of this Guide to find out more about the voluntary excess.

Payment method discount

If you choose to pay an annual premium you will receive a discount on the standard premium amount. The monthly instalment amount is calculated by dividing the standard premium amount by 12.

For example: Assuming a 10% annual lump sum discount, if the standard premium amount is \$594, and you choose to pay your premium annually, the discount you will receive is \$59.40 and the annual premium we would offer would be \$534.60. The monthly instalment amount is simply calculated by dividing the standard premium of \$594 by 12, which results in a monthly instalment amount of \$49.50.

Policy options

The PowerTorque Insurance Comprehensive Motor Vehicle policy offers three policy options.

These policy options only apply if you have chosen to purchase them and will be shown on your policy schedule.

You may select the additional optional covers listed in the table below. Your total premium is based on the cost of the level of cover, and any additional options you select.

Policy options	Premium impact
Rental car following accidental damage	Extra premium applies
Excess-free glass cover	Extra premium applies
Voluntary excess	Premium reduction applies

Payments we make to our Intermediaries

We will pay commissions and fees to our Intermediaries out of your premium. These amounts will affect the amount of your premium.

Government charges

Your premium includes any compulsory government charges, taxes and levies in relation to your policy (for example stamp duty and GST) imposed by the applicable Commonwealth, state and territory governments. These amounts will be shown separately on your policy schedule as part of the total premium.



EXCESS

An excess is the first amount you may have to pay towards the cost of a claim you make on your policy.

The following six types of excesses may apply to your policy:

- Basic excess
- Voluntary excess
- Age excess
- Licence excess
- Special excess
- Undisclosed driver excess.

How is an excess applied to your claim?

When you make a claim we may require you to pay the applicable excess(es) before we agree to make any payment or provide any benefits under the policy.

If you do need to pay an excess, we will advise you whether this amount is to be:

- paid by you to the repairer or supplier when you collect your vehicle after it has been repaired;
- paid by you to us when we request it; or
- deducted from the amount we pay you.

More than one excess may apply, depending on the circumstances of the claim and whether or not you select a voluntary excess. However not all claims attract an excess. Refer to the 'Excess – When is an excess payable by you?' section of this Guide to find out more.

Types of excess

The amount you are required to pay will be the total of all the various excesses described below, where applicable.

Basic excess

The basic excess is the first amount that applies to each claim you make on your policy and varies according to the state or territory where you normally reside at the time of a claim as shown in the table below.

ACT	NSW	NT	QLD	SA	TAS	VIC	WA
\$700	\$750	\$550	\$750	\$500	\$500	\$775	\$550

For situations where you have to pay the basic excess refer to the 'Excess – When is an excess payable by you?' section of this Guide.

Voluntary excess

The voluntary excess is an optional excess you may choose to reduce the amount of your premium, and is payable in addition to all other excesses in the event of a claim. If you choose a voluntary excess, this amount will be printed on your policy schedule. You can choose from a range of voluntary excess amounts to add to your basic excess (up to a maximum voluntary excess increment of \$2,000).

For situations where you have to pay a voluntary excess refer to the 'Excess – When is an excess payable by you?' section of this Guide.

Age excess

The age excess applies to any claim where at the time of the accident the driver of your vehicle was under 25 years of age, and is payable in addition to all other excesses (except the licence excess) when we accept your claim.

The amount of the age excess is \$700 for all states and territories.

For situations where you have to pay an age excess refer to the 'Excess – When is an excess payable by you?' section of this Guide.

Licence excess

The licence excess is imposed in situations where the age excess does not apply and will be applied to any claim where at the time of the accident the driver:

- has held an Australian driver's licence for less than 2 years; or
- is the holder of an overseas, probationary or provisional licence or learner's permit.

The amount of the licence excess is \$700 for all states and territories and is payable in addition to all other excesses (except the age excess) when we accept your claim.

For situations where you have to pay a licence excess refer to the 'Excess – When is an excess payable by you?' section of this Guide.

Special excess

The special excess will apply on your policy where your particular circumstances impact the risk covered by your policy and may be imposed, for example:

- where the vehicle has been modified or has non-standard accessories; or
- because of the driving, criminal or insurance history of you or any regular driver listed on your policy schedule.

Any applicable special excess will be shown on your policy schedule and is payable in addition to all other excesses in the event of a claim.

For situations where you have to pay a special excess refer to the 'Excess – When is an excess payable by you?' section of this Guide.

Undisclosed driver excess

The undisclosed driver excess applies to any claim where at the time of an accident the driver was:

- under 25 years of age; and
- was not nominated as a driver on the most recent policy schedule or renewal notice.

The amount of the undisclosed driver excess is \$1,000 for all states and territories and is payable in addition to all other excesses when we accept your claim.

For situations where you have to pay an undisclosed driver excess refer to the 'Excess – When is an excess payable by you?' section of this Guide.

When is an excess payable by you?

The table below outlines when an excess may be deducted from your claim.

What happened?	Can you name the responsible person/s?	Will any excess apply?
An accident or event where we have determined you were responsible for the loss or damage	Yes/No	Yes – because we won't have the opportunity to recover costs in connection with the accident. Note: Basic excess will apply. Also age, licence, voluntary and undisclosed driver excesses (if applicable).
An accident or event where we have determined you were NOT responsible for the loss or damage	Yes – you can provide us with the full names, current residential addresses and phone numbers of all drivers, passengers and witnesses involved, as well as the vehicle registration and insurance details of all drivers involved. No – you cannot provide us with the full names, current residential addresses and phone numbers of all drivers, passengers and witnesses involved, as well as the vehicle registration and insurance details of all drivers involved.	No – because there is an opportunity to recover costs in connection with the accident. (Excess-free for recoverable claims). Yes – because we won't have the opportunity to recover costs in connection with the accident. Note: Basic excess will apply. Also age, licence, voluntary and undisclosed driver excesses (if applicable).
Loss or damage to your vehicle caused: - by theft or attempted theft; - by an animal or a weather event such as flood, hail or storm; - by fire; - maliciously; or - while it was parked.	Yes – you can provide us with the full names, current residential addresses and phone numbers of all drivers, passengers and witnesses involved, as well as the vehicle registration and insurance details of all drivers involved, and we have determined that you were not responsible for the loss or damage. No – you cannot provide us with the full names, current residential addresses and phone numbers of all drivers, passengers and witnesses involved, as well as the vehicle registration and insurance details of all drivers involved, and we have determined that you were responsible for the loss or damage.	No – because there is an opportunity to recover costs in connection with the accident. Note: For theft or vandalism claims, you need to give us a police report showing the name and address of the offender who has been charged or convicted. Yes – because we won't have the opportunity to recover costs in connection with the accident. Note: The basic excess will apply and the voluntary excess (if applicable). However age, licence and undisclosed driver excesses will not apply.
Glass cover claims (where glass breakage is the only damage sustained to your vehicle)	Yes/No	Yes – For glass cover only claims, unless you have selected the 'Excess-free glass cover option' you will need to pay the basic excess and any voluntary excess as we won't have the opportunity to recover costs in connection with the accident. (Refer to the section 'Optional benefits with Comprehensive cover – Excess-free glass cover option' in the Product Disclosure Statement to find out more).

FINANCIAL CLAIMS SCHEME

This policy may be a 'protected policy' for the purposes of the Federal Government's Financial Claims Scheme (FCS). The FCS is administered by the Australian Prudential Regulation Authority (APRA). We are authorised by APRA.

In the unlikely event of an insurer authorised by APRA, such as us, becoming insolvent, the Federal Treasurer may make a declaration that the FCS applies to that insurer. If the FCS applies, as a policyholder, you may be entitled to have valid claims paid under the FCS. Access to the FCS is subject to eligibility criteria.

Information about the scheme can be obtained from the FCS website at fcs.gov.au

CONTACT DETAILS

For information regarding your policy or to make a claim:

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To enquire about additional insurance needs, call us on 137 800.

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