



Product Disclosure Statement - Part A

Car Insurance Policy
General Terms and Conditions

This document prepared on 23rd June 2016
Product Issuer: Auto & General Insurance Company
Limited ABN 42 111 586 353 AFS Licence No 285571
Registered Office: Level 13, 9 Sherwood Road,
Toowong, QLD 4066

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What Is A Product Disclosure Statement?

This Product Disclosure Statement will assist you to make an informed decision about our insurance product. It consists of two parts, which you should read before making a final decision to purchase:

- 1) **PART A** contains the general terms and conditions of all our policies.
- 2) **PART B** contains specific details about the product option that you selected.

If You Have Already Purchased Our Policy:

This Product Disclosure Statement becomes your **INSURANCE CONTRACT** together with the most recent:

- ▶ **INSURANCE CERTIFICATE**
- ▶ **YOUR DECLARATIONS**
- ▶ **COVER LETTER**

After reading the documents carefully, you should keep them in a safe place for future reference.

Our Agreement

In return for you meeting your obligations under this agreement, we will give you the protection described in this policy for events which occur during the period of insurance shown on your Insurance Certificate.

Definitions

The meaning of certain words in this policy

Agreed Value – the amount we agree to insure your car for, during each term of insurance. The Insurance Certificate shows the amount (if applicable) and it may change each time you renew the policy.

Car – the car specified in this policy including the manufacturer’s standard accessories forming part of the car and any other accessories or modifications that we have agreed to cover.

Demonstrator Model – the car was purchased from a licensed motor dealer who was the first registered owner and had less than 5,000 kilometres recorded at the time of purchase.

Driver – any person operating, using or in charge of the car.

Household Member – a person who normally resides with the regular driver.

Market Value – the reasonable cost to replace your car with one of the same make, model, age and condition as your car at the time of the loss or damage. It does not include any allowance for warranty, stamp duty, transfer costs or dealer profit.

Modification – any alteration to your car’s standard engine, exhaust system, body, interior, suspension, wheels or paintwork.

No Fault Accident – an accident where we decide the driver of another vehicle was entirely at fault, and you tell us their full name, residential address and vehicle registration number.

Regular Driver – the person who drives the car most frequently. The person you disclosed is shown on the Insurance Certificate.

Substitute Car – a vehicle you have hired or borrowed because the car is being repaired, serviced or has had a mechanical breakdown, and is of a similar type as the insured car.

We / us / our – the product issuer named on the front page of this document.

You / your – the person(s) named as the Policyholder in the Insurance Certificate.

Your Duty Of Disclosure

When you take out this insurance – Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984.

What you must tell us when you take out insurance for the first time – If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions. You have this duty until we agree to insure you.

When you renew, extend, vary or reinstate your insurance – If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions. Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change. You have this duty until we agree to renew the contract.

If you do not tell us – If you do not tell us anything you are required to tell us, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

When You Receive The Policy

Make sure the information is correct.

Please check the information you have given us and notify us of any changes or corrections. This is an important part of your [Duty of Disclosure](#).

Cooling-off period

If you have not made a claim, you are allowed to cancel this policy within 21 days of the purchase date and receive a full refund of what you have paid.

Permitted Use Of The Car

You will have no cover if the car is used for purposes which you have not declared to us. The permitted use, which you have selected from the following categories, is shown on your Insurance Certificate.

Private Use or Private and Commuting Use is use for social, domestic and pleasure purposes only, and also travelling between home and a regular place of work.

Private and Occasional Business Use is “Private and Commuting” use above, and also includes use for occasional business purposes by the regular driver or their spouse only. Occasional business means the car is not registered for business use and not an essential part of earning income from such business.

Private and Business Use is “Private and Commuting” use above and also includes use for your business or occupation by any driver listed on the current Insurance Certificate.

Use that is never covered:

- ▶ carrying passengers or other people’s goods for payment.
- ▶ driving tuition for payment.
- ▶ hiring the car to other people.

Use that is always covered:

- ▶ private car sharing and voluntary home or community service, provided that no profit is made from such use.
- ▶ unpaid tuition of a driver who is not otherwise excluded on the Insurance Certificate.

Types Of Cover

The Insurance Certificate shows which of these types of cover you have:

Comprehensive covers your liability for damage caused by the car to other people's property, plus cover for the car up to the value you insure it for.

Third Party Property covers only your liability for damage caused by the car to other people's property, plus a limited amount of cover for the car if damaged in a no fault accident with an uninsured vehicle.

Third Party Fire and Theft covers the same as "Third Party Property" above, plus loss or damage to the car only if it is stolen or catches fire. It does not cover damage caused by attempted theft of the car or items being stolen from the car.

Cover Part 1 – Cover For The Car

This section applies only if the type of cover shown on your Insurance Certificate is "Comprehensive".

Damage to the car – If the car is accidentally damaged, we will pay up to the maximum amount shown on the Insurance Certificate. We will also pay the reasonable cost of recovery, towing and storage of the car if it was unsafe to drive as a result of the damage. Accidental damage includes but is not limited to damage arising due to:

- ▶ Storm
- ▶ Flood
- ▶ Hail
- ▶ Collision
- ▶ Attempted theft or malicious act.

Personal Effects – In the event of a collision involving the car, we will pay up to the amount shown in Part B for damage to personal effects which were in the car at the time of the collision.

Replacement Keys – If the remote locking device or keys to the car are stolen and not recovered, we will pay up to a maximum of the amount shown in Part B to replace them and recode the locks. We will only pay if you have reported the theft to the police.

Trailer – In the event of a collision where the car is towing a trailer that belongs to you, we will pay for damage to the trailer up to a maximum of the amount shown in Part B, but we do not cover the trailer's contents.

Emergency Transport and Accommodation – If we pay a claim for damage to the car, we will also pay for the driver and occupants to be transported to the address where the car is normally kept at night or, where transport is unavailable, we will pay for the cost of their temporary accommodation. The maximum cover under this section is the amount shown in Part B.

New Car Replacement – If you purchased the car new or as a Demonstrator Model and it becomes a total loss within the period shown in Part B, we will replace it with a new one of the same make, model and specification and we will also pay the first 12 months cost of registration and compulsory third party insurance. If a new replacement car is not available in Australia, we will pay you either the market or agreed value of your car as shown on the Insurance Certificate.

This benefit does not apply if the car had any unrepaired accident or hail damage which occurred prior to you insuring the car with us.

Cover Part 2 – Damage To Other People’s Property

This section applies to all types of cover.

We will:

- ▶ cover your legal liability for accidental damage caused by use of the car, substitute car or a trailer or caravan attached to it. The maximum we will pay for the total of all liability claims against us arising from one event is \$20 million.
- ▶ extend this cover to other licensed drivers permitted by this policy and using the car with your consent; to any passenger in the car; and to your employer, principal or business partner if you are insured for business use.
- ▶ also pay for legal costs if we agree to pay your liability claim and we instruct our lawyers to act in connection with the claim.

We will not:

- ▶ pay for damage to property owned by or in the control of you or the driver, or anyone that normally lives with you or the driver.
- ▶ pay for bodily injury to you or any driver of the car, or to any person that normally lives with you or the driver, or to any person that you or the driver employ.
- ▶ pay for any loss or damage to a substitute car.
- ▶ pay any fines, punitive, exemplary or aggravated damages awarded against you or the driver.
- ▶ pay for any liability arising from a failure to notify us of any third party demand.
- ▶ pay for any liability caused by the use of a substitute car covered by another insurance policy.
- ▶ pay for any liability covered wholly or partly under a compulsory statutory scheme, or which would have been covered except for:
 - ▶ application of any excess or deductible under the scheme.
 - ▶ failure to register the car, or to apply for cover under the scheme, or to comply with conditions of the scheme.

Cover Part 3 – Fire And Theft Cover For The Car

This section applies only if the type of cover shown on your Insurance Certificate is “Comprehensive” or “Third Party Fire and Theft”.

Loss or damage to the car

If the car is stolen or catches fire, we will pay up to a maximum of the amount shown on the Insurance Certificate. We will also pay the reasonable cost of recovery, towing and storage of the car if it was unsafe to drive as a result of the damage.

Hire Car after Theft

If we pay a claim for theft of the car, we will also reimburse your reasonable cost of hiring a similar car until the car is recovered, your claim is paid, or for a maximum period of 14 days, whichever occurs first. The maximum payable under this benefit is the amount shown in Part B. We will not pay any additional costs of hiring, fuel, insurance or damage to the hire car.

Cover Part 4 – Uninsured Motorist Damage

This section applies only if the type of cover shown on your Insurance Certificate is “Third Party Property” or “Third Party Fire and Theft”.

If the car is involved in a no fault accident with an uninsured vehicle, we will cover your damage up to \$3,000 or the market value of the car, whichever is the lesser, but only if you report the accident to the police and provide evidence that the other vehicle is uninsured.

We will not provide this cover if the other vehicle is owned or registered in your name, or in the name of any relative or person who lives with you.

General Exclusions

It is important to understand that insurance policies do not cover every eventuality. You should read your policy and be aware of what is excluded from cover and the conditions to be observed. Please refer to the sections entitled “General Exclusions” and “Conditions Of Cover”.

General exclusions applying to the whole policy

This Policy does not cover any loss, damage or liability arising out of the use or operation of the car:

- ▶ by any Household Member not listed on your Insurance Certificate.
- ▶ by any other driver that you selected, or we required to be excluded, as shown on your Insurance Certificate.
- ▶ by any driver excluded by age, other than for the commercial servicing, repairing or valet parking of the car.
- ▶ by anyone without your consent, unless you take all steps required by the relevant authority to assist them in prosecuting the responsible person(s) including, but not limited to, making a formal report of the theft.
- ▶ if at the time of or immediately following an incident, the driver of the car:
 - ▶ did not hold a valid licence or permit to drive in Australia, or held such a licence but did not comply with its conditions;
 - ▶ was under the influence of alcohol or any drug;
 - ▶ was in excess of the lawful blood alcohol level limit in force where the car was being driven;
 - ▶ refused to take a legal test for alcohol or any drug;

unless:

- ▶ the driver was not named in the policy; and
- ▶ we agree that you did not know, or could not have reasonably known of the above circumstances;

then we will pay your claim, but the driver of your vehicle will not be covered for any loss or liability, and we may recover all amounts we have paid in settlement of your claim from the driver of your vehicle.

- ▶ for carrying passengers or other people’s goods for payment, for paid driving tuition, or when let on hire to others.
- ▶ for unpaid tuition of a driver who is excluded on the Insurance Certificate.
- ▶ in connection with the motor trade other than for the purpose of commercial servicing or repairing the car.
- ▶ for racing, trials, tests, contests, rallies.
- ▶ for any unlawful purpose.

- ▶ in any unsafe, unroadworthy or overloaded condition, unless this condition did not contribute to the loss or damage.
- ▶ to carry explosive, flammable, toxic, corrosive or polluting goods unlawfully or for business purposes.
- ▶ if you do not go with the car when it is shown for sale to someone and it is stolen.
- ▶ if the driver of your car did not remain at the scene of the accident when required by law to do so.

You are not covered under this policy for:

- ▶ any improvements to the car beyond its condition before the loss or damage occurred.
- ▶ any reduction in the value of the car following repair.
- ▶ tyre damage caused by punctures, cuts or bursts.
- ▶ any consequential loss of a financial or non-financial nature, such as that resulting from loss of use of the car or any personal property.
- ▶ wear and tear, abuse, corrosion, rust or depreciation.
- ▶ mechanical, structural, electrical, electronic, computer or computer program failures, malfunction or breakdowns.
- ▶ incidents occurring outside Australia.
- ▶ legal costs incurred prior to authorisation of your claim.
- ▶ loss, damage or liability:
 - ▶ deliberately caused by any insured person or any person acting on their behalf.
 - ▶ caused directly or indirectly by the use, existence or escape of any nuclear or radioactive material, or by any act of terrorism involving nuclear, biological or chemical weapons, pollution or contamination.
 - ▶ caused by the discharge or escape of any oil, coolant, pollutant or contaminant from the car other than as a result of a collision.
 - ▶ caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or seized power.
 - ▶ resulting from lawful repossession or confiscation, or by nationalisation or requisition under the order of any government or public authority.
 - ▶ caused as a result of cleaning, modifying, repairing or restoring the car.
 - ▶ arising from any agreement or contract unless that liability would have existed otherwise.
 - ▶ if the car has any modification from the manufacturer's original design without our written agreement.
 - ▶ arising out of the use of an incorrect type of fuel.

Conditions Of Cover

You must ensure that:

- ▶ you keep evidence of ownership and value of all the insured property to support any claim.
- ▶ we are supplied, at all times, with true and complete information regarding the car, the insured drivers and any incidents which may lead to claims under this policy.
- ▶ the car is locked, any required security devices are activated and all keys are removed when it is left unattended for any period.
- ▶ all reasonable steps are taken to prevent any loss or damage, including after an accident, breakdown or theft recovery.
- ▶ we are provided with all information and assistance necessary to process any claims, recover any costs or take any legal action. This may include information regarding the driving history of you, your spouse/partner or the driver of the car.
- ▶ the police are notified immediately of any theft or malicious damage.
- ▶ no costs are incurred and no admission of liability, offer or settlement is made without our agreement.
- ▶ the relevant State or Territory licensing authorities are notified of any disabilities or medical conditions that may affect your ability to drive.
- ▶ we are told immediately if you or the driver is charged with an offence or faces a civil lawsuit following an accident.
- ▶ you notify us of any other insurance you have that provides similar cover to this policy.
- ▶ you notify us immediately of any incident involving your car that may lead to a claim on your policy.

If you do not observe the conditions of cover, we may reduce or refuse to pay a claim, or cancel the contract.

We are entitled to:

- ▶ pay for your loss or damage either by payment, repair or replacement.
- ▶ pay all or a part of any settlement to the legal owner or financier of the car in the event of a loss.
- ▶ take over and conduct the defence and settlement of any claim in your name or in the name of any other person insured by this policy.
- ▶ instigate proceedings in your name or in the name of any other person insured by this policy to recover any payment that we have made.
- ▶ refuse a claim for any loss which is covered under a contract arranged by a person other than you.

Changing The Policy

Change of insurance details during a policy term

You must tell us immediately:

- ▶ if there is any change to the car, drivers, usage, ownership, or the place where the car is normally kept.
- ▶ if you become aware of any incorrect details on your policy documents.

You must tell us before making any modification to the car and obtain our written agreement.

If you do not tell us, we may reduce or refuse to pay a claim or cancel the policy.

If you replace the car with another

When you permanently replace the car with a similar one, cover for the previous car ends at the same time. Your replacement car automatically has the same cover as this policy for 14 days from the purchase date, but not exceeding the market value or the purchase price, whichever is lower.

Renewing The Policy

- ▶ To ensure continuing protection we will normally send you a renewal offer at least 14 days before the renewal date of this policy. It will show the premium and excess for the new period, and may also include notice of any changes to the terms of this Policy.
- ▶ If you wish to take up this offer you will not have to do anything and we will deduct / charge the renewal premium from your account / credit card, unless you have opted out of the automatic payment arrangement.
- ▶ If you do not wish to take up the offer you must contact us before the renewal to advise, unless you have opted out of the automatic payment arrangement.
- ▶ When you receive a renewal offer, you must tell us if the information contained in it is incorrect or incomplete. If you do not tell us, we may reduce or refuse to pay a claim. This is an important part of your Duty of Disclosure.
- ▶ If we do not offer to renew your policy, we will send you a notice of expiry.

Cancelling The Policy

By you – You may cancel the policy at any time. If you cancel this policy within 21 days of the purchase date and no claim is made (cooling-off period) you will receive a full refund of the premium you have paid.

If you cancel outside the cooling-off period and no claim is made and you have paid an annual premium, we will refund any premium you have paid for the period after the cancellation date, less the early cancellation fee (as outlined in Part B) and less any government taxes and charges. If you paid your premium by instalments, there is no refund of any part of an instalment you have paid.

By us – We can only cancel your policy when it is permitted by law e.g. if you do not perform your obligations under the agreement. In such instances, we will refund what is left of the premium you paid, and we will send you written notice of the cancellation to your address last known to us.

Joint Policyholders

If more than one insured are named as the joint policyholders, each gives authority to the other to amend or cancel this policy. We may treat any change requested by one of the joint policyholders as coming from all joint policyholders.

The Cost Of Insurance

The price we quote for insurance is at our sole and unrestricted discretion. It will be based on the profile of the risk to be covered and any other factors we may choose.

Examples of factors which may affect your risk profile include the age of the driver, the car type, where it is kept, how it is used, how secure it is, the history of previous insurance, incidents and offences and infringements for both you and other drivers.

Other factors may affect the price you pay. These may include profitability, intermediary commission and any relevant compulsory government charges, taxes or levies that relate to your policy (e.g. Stamp duty, GST and Fire Services Levy).

Any of these factors may change at any time without notice, as may our prices. If the policy renews, the price may exceed the price paid for the previous policy.

For Comprehensive policies, we may allow a No Claim Discount to reward a good driving history.

You can pay annually or by instalments. If you choose to pay by instalments the total premium may be higher, and fees will apply. We will tell you both the total annual and instalment amounts, so you will know the difference. Payment details and due dates will be advised to you. The total payable includes government charges.

If you do not pay for the policy:

- ▶ if an instalment is overdue by 14 days or more, we can refuse to pay a claim.
- ▶ if an instalment is overdue by at least one month, the policy is cancelled automatically without notice to you.

Making A Claim

Excess payable on claims

- ▶ Payment of an excess helps to reduce the number of small claims and keep down your insurance premiums.
- ▶ An excess is the first amount you must contribute towards the cost of each incident which is the subject of a claim, except as shown below.
- ▶ The total excess you may have to contribute to a claim is the sum of the Basic Excess and all of the Additional Excesses which apply and are shown in Part B and on your Insurance Certificate.

Excess waived

You do not have to pay any excess if the car is involved in a no fault accident (see definitions) with another vehicle and the amount of your claim is more than the Basic Excess.

No Claim Discount (NCD) after a claim

You will not lose any NCD with us on renewal if:

- ▶ a claim is for window glass only.
- ▶ the car is involved in a no fault accident with another vehicle.
- ▶ a claim is for damage caused directly by storm, wind or hail.

For other claims, your NCD will be reduced on renewal by 2 years for each claim and the cost of insurance may increase accordingly. Different terms apply if you have purchased NCD Protection (see Part B).

Goods and Services Tax (GST)

If you are registered for GST and therefore were entitled to claim an input tax credit (ITC) on your premium, then this ITC entitlement needs to be provided to us each time you make a claim. A full GST entitlement would be a 100% ITC entitlement. If you give us incorrect GST information, we will not be responsible for the GST liability you might incur.

A claim payment made for a total loss will be reduced by GST to the extent of your ITC entitlement, if applicable. Other claim payments may also have your ITC entitlement taken into account.

Any claim payment made where GST is deducted as described above, will be considered to be made in full.

Repairs To The Car

Choice of Repairer Policy

- ▶ For your convenience, we can appoint a repairer and manage the entire process on your behalf.
- ▶ Alternatively, you may choose to nominate your own repairer. In this case, you would need to provide us with a quotation for the repair of your car. However, if we consider a repairer's quotation is not competitive, or that the repairs would not be completed to a satisfactory standard, we may decide to:
 - ▶ have your car repaired by an alternative repairer chosen by us; or
 - ▶ pay you the reasonable cost of a satisfactory repair as determined by us.

Authorising repairs

- ▶ You, or any other person, must not carry out repairs to the car without our written authorisation, except for essential repairs of up to \$500 to allow the car to be driven immediately after an accident.
- ▶ You must allow us to inspect the car at a location nominated by us before any repairs are undertaken or the damaged car is sold.
- ▶ You must not give anyone else an interest in this policy including assigning the rights to repair your car to another party without our written agreement.

Parts used to repair the car

- ▶ When repairing your car we may use new, recycled or aftermarket parts that meet the requirements of Australian Design Rules and which are consistent with the car's age and condition, and otherwise do not affect the safety, structural integrity or utility of the car. If a part is unobtainable, we may pay you the manufacturer's last known list price instead.
- ▶ Our duty is to return the car to the condition it was in immediately before the damage happened. If we agree to additional repairs, painting or parts which improve the condition of the car, you may have to pay for the amount of the improvement.

If you do not comply with these obligations, we may reduce or refuse to pay your claim.

Repair guarantee

We will guarantee the quality of repairs authorised by us for as long as you own the car.

Total loss of the car

If the car is stolen and not recovered, or we decide that it would not be economical to repair the car, and we then replace it or pay the amount you insured it for:

- ▶ you must pay the excess and any remaining premium instalments for the full period of insurance.
- ▶ the car becomes our property and we keep the proceeds of any salvage sale and balance of registration available.
- ▶ cover under this policy ceases and no refund of premium is due.

Privacy Policy

- ▶ The privacy of your personal information is very important to us.
- ▶ We only collect information from you that is relevant to providing you with products and services. It will only be disclosed to other people involved with the provision of these products and services. These may include:
 - ▶ any insurance intermediary involved in the transaction.
 - ▶ service providers where required such as claims assessors, investigators, lawyers or police and affiliated service providers.
 - ▶ other insurers, for the purpose of seeking claims recoveries or to assist them to assess insurance risks.

We may also obtain information about you from some of the above.

- ▶ You may request access to the personal information we hold about you.
- ▶ You may request our Privacy Policy by writing to our contact address.

Updating Our Product Disclosure Statement (PDS)

The information in this PDS may change from time to time. If any new information is materially adverse, we will issue a new or supplementary PDS. If any new information is not materially adverse, you can obtain a paper copy of the PDS at no cost to you by contacting us at the address or telephone shown on your Insurance Certificate.

Our Service Commitment

We support the General Insurance Code of Practice, a copy of which is available from the Insurance Council of Australia by visiting their website or by telephone.

It is always our intention to provide you with the best possible service. However, if you have any cause for complaint, you should:

Step 1 - Contact the appropriate department manager at our agent's address or telephone number shown on your Insurance Certificate.

Step 2 - If the matter is not resolved to your satisfaction within 14 days, please contact the Dispute Resolution Manager.

Step 3 - If you are still not happy with our response, we will give you details of independent dispute resolution facilities operated by the Financial Ombudsman Service Limited, which includes an independent Review Panel.

Financial Claims Scheme

The Financial Claims Scheme (FCS) provides protection to certain claimants who make valid claims under 'protected policies' in a situation where the insurer is insolvent.

A person entitled to claim under this policy may be entitled to payment under the FCS in the unlikely event that we become insolvent. However, access to the FCS is subject to eligibility criteria.

You can obtain information about the FCS from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.

Contact Details

You may contact us by writing to:

The Manager
Auto & General Insurance Company Limited
PO Box 342, Toowong QLD 4066

