

## Car Insurance

### What is a Premium, Excess and Discount Guide?

This Premium, Excess and Discount (PED) Guide, when read together with our Product Disclosure Statements (PDS) Part A and Part B, will assist you in making an informed decision about our insurance product and its suitability for your needs. It contains additional information about:

- the cost of insurance,
- No Claim Discount (NCD),
- discounts we offer, and
- excesses that apply to your policy.

### 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.

When determining the premium you pay, we may consider:

- the type of cover you select,
- the risk factors that apply to you,
- your NCD,
- policy options you have selected,
- your excess(es),
- any discounts that apply,
- intermediary commissions, and
- government charges, taxes or levies.

### Risk factors that may affect your premium

Depending on the type of cover you select, there are a number of factors that may affect your risk profile and as a result, determine the price you pay for insurance. The weight we assign to each of these factors is based on our claims experience, other internal and external data and our assessment of the likelihood and expected cost of you making a claim in the future.

Examples of some risk factors that are combined to determine the price you pay, include:

- type and age of the car
- how much the car is insured for
- where and how the car is parked at night
- how the car is used
- how far the car is driven
- finance on the car
- age and gender
- accident and claim history
- driving experience
- driving history
- policy options you have selected
- whether you pay your premium annually or by instalments.



## Renewals

Although your risk profile, and associated factors may not change from year to year, it is likely that the price of your insurance will.

Your renewal premium is calculated taking into consideration a number of factors, including:

- changes to your personal circumstances, including any claims made,
- any adjustments to your sum insured to better reflect the underlying value of the car,
- our claims experience combined with our assessment of the likelihood and expected cost of you making a claim in the future,
- external factors such as changes to labour, parts, materials and reinsurance costs,
- the extent of any policy discounts,
- our costs of doing business,
- last year's premium amount,
- changes in applicable government charges, taxes or levies.

Your renewal premium may increase following changes to your accident and claim history even where there is no change to your NCD.

We may also limit the movement of your premium up or down.

## Minimum premiums

Minimum premiums may apply.

Where minimum premiums apply you may not receive the full range of discounts or promotions you may be eligible for. The minimum premium may also impact the discount provided by your NCD entitlement.

## No Claim Discount (NCD)

For Comprehensive policies, we may allow an NCD to reward a good claim history. If your previous insurer gave you an NCD, we may assign you one based on your insurance and accident history.

Each consecutive year of insurance, if there are no at fault claims made on your policy, your NCD will increase by one level until it reaches Rating 1 (maximum NCD). The table below shows the NCD Rating and corresponding discount. Minimum premiums may impact the discount provided by your NCD entitlement.

NCD Rating	Discount
1	15%
2	12%
3	9%
4	6%
5	3%
6 (None)	0%

## NCD after a claim

If you make one or more at fault claims, on renewal your NCD will reduce by 2 levels for each claim and the cost of your insurance will increase accordingly.

Your NCD will not reduce if you make a claim for:

- window glass only,
- an accident that is a no fault accident, or
- damage caused directly by storm, wind or hail.

Different terms apply if you have purchased the NCD Protection option or have "Rating 1 for Life" (see the following page and refer to PDS Part B).



## NCD Protection

Eligibility criteria applies to NCD Protection and is only available if you are on a Rating 1 and it is shown as included on your Insurance Certificate.

If you have purchased the NCD Protection option, and 'NCD Protection' is shown as included on your Insurance Certificate (refer to PDS Part B), you are entitled to make 1 claim, that would normally reduce your NCD, during the current period of insurance, or 2 claims in a 3-year period without affecting your NCD. For additional claims, your NCD will be reduced on renewal, as explained in 'NCD after a claim' above.

The change in NCD as a result of a claim, or claims, is not the only factor that will determine the amount you pay at renewal and this may increase even if you have NCD Protection. See to 'The Cost of Insurance' section for further details.

**IMPORTANT:** No Claim Discount Protection is not available from 28 September 2020. If 'NCD Protection' is shown as included on your Insurance Certificate after this date, it will continue to form part of your policy until it is removed.

## Rating 1 for Life

If "Rating 1 for Life" is shown on your Insurance Certificate, you will keep your maximum NCD for life, as long as you continue your policy with this NCD Protection.

If "Rating 1 for Life" is not shown on your Insurance Certificate, you will only qualify for this extra benefit after holding this policy for 2 years continuously with NCD Protection and without making any claims.

## How will your NCD change at renewal?

Below are examples of how your NCD will change on renewal depending on the type of claim made (if any). This is based on the accident and claims experience during the previous policy term.

Type and number of claim(s) in the previous policy term	Current NCD	NCD on renewal	NCD on renewal with NCD Protection
No claim	Rating 1	Rating 1	Rating 1
No claim	Rating 3	Rating 2	N/A
One at fault collision claim	Rating 1	Rating 3	Rating 1
One at fault collision claim	Rating 3	Rating 5	N/A
Two at fault collision claims	Rating 1	Rating 5	Rating 3 <sup>1</sup>
Two at fault collision claims – with "Rating 1 for Life"	Rating 1	N/A	Rating 1 <sup>2</sup>
One storm, wind or hail claim	Rating 1	Rating 1	Rating 1
One window glass claim	Rating 2	Rating 1	N/A
One no fault accident claim	Rating 1	Rating 1	Rating 1
One no fault accident claim	Rating 3	Rating 2	N/A

<sup>1</sup> NCD Protection is automatically removed

<sup>2</sup> NCD Protection is retained with "Rating 1 for Life"

Your renewal premium may increase following changes to your accident and claim history even if there is no change to your NCD.



## Paying annually or by instalment

You can pay annually or by instalments. If you pay your annual premium in one lump sum, the amount you pay will be lower than if you paid your premium over a 12 month period by instalments. Instalment policies also attract an additional processing fee.

We will tell you both the total annual and instalment amounts, so you will know the difference. We will advise you of the payment details and due dates. The total payable includes applicable government charges, taxes or levies.

The table below shows processing fees applicable to policies paid by instalments.

Monthly Instalment Processing	12 payments of 66 cents per \$100 of premium or part thereof.
Fortnightly Instalment Processing	26 payments of 31 cents per \$100 of premium or part thereof.

## Discounts

Discounts affect the amount you pay for your insurance and are applied to the premium before government charges, taxes or levies that relate to your policy. The full extent of discounts may be impacted by minimum premiums.

**Online Discount** - if you take out a new car insurance policy initiated online, you may receive an introductory discount. The applicable online discount offered is specified on our website and may change without notice.

The discount does not apply to any renewal offer of insurance. You may not be eligible for the online discount if you are an existing customer and choose to purchase a new policy for the same risk instead of renewing the expiring policy with us, whether this new policy was initiated online or not.

**Other Discounts** - other discounts and promotions may also be available to you from time to time.

**NCD** - for Comprehensive policies, we may allow an NCD to reward a good driving history (see 'No Claim Discount' section for details).

## Excesses

This is the amount shown on your Insurance Certificate that you may have to pay towards each claim.

There are two types of excesses that are combined to make up the total excess you have to contribute toward each claim. These are the Basic Excess and the Additional Excesses which may apply to the driver of the car.

We will advise you of all excess amounts when you apply for the insurance and they will be shown on your Insurance Certificate.

A **Basic Excess** applies to all claims other than those where we agree to waive the excess (see 'Excess Waived' on the following page).

Where you live and the car you insure will determine the minimum and maximum basic excesses that can apply to your policy.

The basic excess we apply during the quote process will be between the minimum and maximum basic excesses.

You may choose to increase or decrease this excess but you cannot go lower than the minimum basic excess or higher than the maximum basic excess. If you choose a higher basic excess, your premium may reduce and if you choose a lower basic excess, your premium may increase.

The minimum excess applies to window glass claims unless you have purchased the Reduced Window Glass Excess policy option, in which case the excess will be \$40.



**Additional Excesses** may apply when the driver of the vehicle at the time of loss or damage is not an excluded driver, either due to age, or being an unlisted household member, but:

- is unlisted,
- is under 25 years of age, or
- has held a full Australian licence for less than 2 years.

More than one additional excess may apply.

Other additional excesses may also apply depending on the product you have chosen.

All additional excesses that apply to your policy will be listed in PDS Part B and their amounts will be shown on your Insurance Certificate.

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.

## **Excess waived**

You do not have to pay any excess if the car is involved in a no fault accident with another vehicle.

## **Policy Options**

If you are eligible, you may be able to add the following policy options to your Comprehensive insurance policy for an additional premium:

- Accident Hire Car
- Reduced Window Glass Excess
- Choice of Repairer
- NCD Protection

Once added, policy options will remain on your policy until you remove them, or we give you notice of them being removed. This includes the automatic inclusion of options at subsequent renewals. Details of the cover provided by these policy options can be found in PDS Part B.

