

# Car Insurance Premium, Excess and Discount Guide

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

This Premium, Excess and Discount (PED) Guide, when read together with our Product Disclosure Statement (PDS) - including PDS Part A, PDS Part B and any applicable Supplementary PDS, - 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 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 consider:

- the product option,
- 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,
- any fees that apply,
- intermediary commissions, and
- government charges, taxes or levies.

## Risk factors that may affect your premium

In addition to the product option and type of cover you select, there are many 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 premium 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
- driver 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.

We may change the factors we use when determining the premium you pay.

## 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 insurance and claim history. If your previous insurer did not give you an NCD, we may assign you one based on your insurance and claim history.

The table below shows the NCD Rating and the current 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%

When we are preparing the terms of your renewal, we will review any claims you have made and update your NCD. We take into consideration any claims you have made since we last calculated your renewal.

Subject to NCD being a factor considered when preparing the terms of your renewal:

- 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).
- If you have made one or more at fault claims, your NCD will reduce two levels for each claim and the cost of your insurance will increase accordingly.
- If you make a new claim or an existing claim is updated after we prepare the terms of your renewal, the impact this has on your NCD will be considered at your next renewal.
- Claims for the following will not reduce your NCD:
  - window glass only,
  - an accident that is a no fault accident, or
  - damage caused directly by storm, wind or hail.

We plan to stop using NCD in the future. When we do this, we will let you know. This means that your NCD is not guaranteed to apply to future policy renewals.

Different terms apply if 'NCD Protection' is shown as included on your Insurance Certificate (see PDS Part B).

### NCD Protection (optional)

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 in the period prior to when we last calculated your renewal, or 2 claims over 3 consecutive periods of insurance, without affecting your NCD. For additional claims, your NCD will be reduced on renewal.

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 'The cost of insurance' section for further details.

**IMPORTANT:** No Claim Discount Protection is not available from 28th 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 (Rating 1) 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 claim.

### 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 for your first term of insurance (for new policies) or in the period since we prepared the terms of your last renewal.

Type and number of claim(s)	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.
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## Discounts

Discounts affect the amount you pay for your insurance and are applied to the insurance portion of the premium before government charges, taxes, levies and fees, including instalment processing fees (as applicable), 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 or add a new car policy using our Policy Manager, 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.

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

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

## 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 and/or if specific policy conditions are not met.

We will advise you of all excess amounts when you apply for the insurance and they will also be shown in PDS Part B and stated on your Insurance Certificate.

When you make a claim, we will tell you:

- whether an excess is applicable,
- the total excess amount, and
- when and where you need to pay the excess.

Depending on the circumstances of the claim, excesses might be payable directly to us or we might deduct the excess from any amount we pay you.

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

The car you insure and the address where it is parked at night 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 Basic 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 or open Australian licence for less than 2 years.

More than one Additional Excess may apply.

Other Additional Excesses may also apply depending on the product option you have chosen. For example, if policy conditions specific to the product option chosen are not met.

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.

## 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

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.