



# Motor Insurance

## Premium, Excess & Discounts Guide

Depending on the type of insurance you have chosen, this RACV Motor Insurance Premium, Excess and Discount Guide should be read with and forms part of either:

- For Comprehensive Insurance, Third Party Fire and Theft Insurance, Third Party Property Damage Insurance, the RACV Motor Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 2 August 2022.
- For Complete Care<sup>®</sup> Motor Insurance, the RACV Complete Care<sup>®</sup> Motor Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 2 August 2022.

This guide applies to policies issued in Victoria with a commencement date on or after 22 February 2023 or with a renewal effective date on or after 27 March 2023.\*

This guide also applies to New South Wales, the Australian Capital Territory or Queensland customers who are identified as being eligible in limited circumstances. Call 13 RACV (13 7228) for information about policies issued with a vehicle kept outside Victoria.

In this guide “Motor Insurance” refers to:

- Complete Care<sup>®</sup>
- Comprehensive
- Third Party Fire and Theft, and
- Third Party Property Damage.

This guide provides further information about the cost of your insurance and excess(es) you may need to pay if you make a claim.

## How we work out your premium

Your insurance premium generally reflects the likelihood of a claim being made on your policy in the future. There are a number of factors we take into account when determining your premium.

We calculate your premium by combining and considering the following:

- Pricing factors
- Choice of excess
- Policy options
- Minimum and maximum premium
- Cost of choosing to pay by the month
- Discounts, and
- Government charges.

Other commercial factors affect the premium you pay, including costs associated with operating our business. Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is calculated based on a number of factors, including our updated modelling, your circumstances and wider insurance trends.

## Minimum and Maximum Premium

Your premium, including any discounts you may be eligible for, are subject to minimum and maximum premiums. We consider the minimum and maximum amounts we are prepared to sell the policy for and may adjust your premium to ensure it does not fall outside that range. Any discounts will be applied to your policy, only to the extent any minimum premium is not reached. This means that any discount

you may be eligible for may be reduced. When we determine your premium on renewal, we may also limit any increases or decreases in your premium by considering factors such as your previous year's premium amount.

### Pricing Factors

The premium you pay for your insurance reflects the likelihood of you making a claim together with the potential value of any claim. So, if you have a lower chance of making a claim then you will generally pay a lower premium compared to someone who has a higher chance of making a claim.

Our experience shows there are a number of factors that are a good indicator of the possibility of a claim being made. We call these pricing factors.

Some pricing factors are more significant than others, and the impact may vary according to your circumstances. For Motor Insurance policies, pricing factors that may be taken into account in determining your premium include a combination of some or all of the following:

- policy type
- level of cover
- optional coverages or benefits you have chosen
- whether you have nominated Agreed Value or Market Value for your vehicle
- any excesses or special conditions that apply
- value of your vehicle including external sources for values and specifications
- age, make and model of your vehicle
- where your vehicle is kept
- what your vehicle is used for



- whether you have finance on your vehicle and the type of finance
- how you choose to pay your premium
- your previous year premium if your policy is a renewal, and
- features including age, gender, driving experience and claims history of the owners and drivers of your vehicle.

**This is not an exhaustive list of our pricing factors**

We collect information in relation to these pricing factors from you and other sources and we use our data, models, and experience to assess how important each pricing factor is for your policy. At any time we may change the relative importance of any of the pricing factors or how they combine to affect your premium, and we may add to or remove pricing factors from the calculation as we see fit. When you first take out a policy, the number and type of claims and incidents that all owners and drivers have had in the last five years is taken into consideration in determining the premium.

When you renew your policy, the claims and incidents that occurred in the prior 12 months are used to calculate the premium offered for the renewal of that policy (but not any other RACV motor policies you have). This is, in addition to any claims and incidents that were used to determine the premium for the previous renewal of that policy (or new policy if this is your first renewal).

**Discounts**

The following discounts are available depending on the type of insurance you have chosen:

- Multi-Policy Discount
- Years of Membership Benefit
- Flexi Excess Discount.

We calculate the discounts that apply to your policy before we tell you what your premium will be. Please see the 'Discounts' section of this guide on page 5 for further details.

**Policy options**

Depending on the cover you have chosen, you may add the following policy options to your policy by paying any additional premium that applies:

- Hire Car option
- Windscreen option
- Any Repairer option

Any options you choose will be shown on your current Certificate of Insurance.

Comprehensive Motor Vehicle	
Hire Car option	\$71 (excl applicable Discounts and Government charges)
Windscreen option	\$71 (excl applicable Discounts and Government charges)
Any Repairer option	An additional premium will apply for this option

If you have Complete Care<sup>®</sup> your policy automatically covers you for a hire car after an incident, windscreen damage with no excess and access to any licensed repairer of your choice at the time of a claim, including our extensive network of quality RACV partner repairers.

Comprehensive Motorcycle	
Hire Car option	\$66 (excl applicable Discounts and Government charges)
Windscreen option	\$66 (excl applicable Discounts and Government charges)

**Costs of choosing to pay by the month**

If you choose to pay your premium by monthly instalments you may pay more than if you pay annually. Any additional premium when you pay monthly is due to this being a pricing factor and an administrative cost.

Any additional premium you are required to pay will be shown on your current Certificate of Insurance.

**Government charges**

Motor Insurance policies are subject to stamp duty imposed by State and Territory Governments in addition to GST.<sup>^</sup>

Government Charges	VIC	NSW	ACT	QLD
GST	10%	10%	10%	10%
Stamp Duty	10%	5%	0%	9%

<sup>^</sup>In addition to stamp duty and GST an amount of your premium is also used by us to pay NSW Fire Services and State Emergency Services (SES) levies for any eligible policies issued in NSW.

**How we calculate your motor premium**

**Step 1**

First, we will combine the pricing factors.

**Step 2**

Then we add the cost of choosing pay by the month (except for Complete Care<sup>®</sup> Insurance).

**Step 3**

If you have chosen a higher basic excess to reduce your premium we will apply your Flexi Excess Discount to reduce or remove your basic excess we will add the additional premium.

**Step 4**

Comprehensive Insurance - We then add the cost of any options you have chosen (for example, Hire Car, Windscreen or Any Repairer).

**Step 5**

We then work out any Multi-Policy Discount that you may be eligible for and apply this to the amount from Step 4.

**Step 6**

We apply any Years of Membership Benefit you may be eligible for to the amount in Step 5.

**Step 7**

We then add applicable government charges to work out the premium you need to pay.



## Excess

An excess is the amount you contribute towards the cost of your claim.

There are three types of excess(es):

- Basic
- Age
- Special.

Your current Certificate of Insurance shows the amount and types of excesses that apply to your policy.

The type of excess you need to pay depends on what your claim relates to and who was driving your vehicle. Also, you may need to pay more than one excess.

When you make a claim, an excess may apply. If so, we will:

- deduct the excess from any claim payment, or
- request you pay the excess to us, or to the repairer or supplier.

If we request you pay the excess, we will tell you who to pay and may require payment as part of the finalisation of your claim. The circumstance(s) when an excess does not apply are set out in this Excess section.

### Basic excess

If you make a claim, a basic excess may apply.

We determine the basic excess that will apply at the time a policy is taken out based upon the type of insurance you have chosen and whether you are insuring a motor vehicle or motorcycle.

The basic excess amounts for VIC, NSW, ACT and QLD are as follows:

Insurance Type	VIC	NSW/ACT	QLD
Motor Vehicle Complete Care®	\$700	\$695	\$600
Motor Vehicle Comprehensive	\$700	\$695	\$600
Motor Vehicle Third Party Fire & Theft	\$700	\$695	\$600
Motor Vehicle Third Party Property Damage	\$700	\$695	\$600
Motorcycle Comprehensive	\$575	\$695	\$600
Motorcycle Third Party Property Damage	\$575	\$695	\$600

In some circumstances, factors such as:

- what you use your vehicle for, for example private or business use,
- the type of the vehicle you are insuring, and
- the age of the drivers of your vehicle

will result in a higher basic excess amount than shown above. In these circumstances you will not be able to choose any other basic excess amount.

What are the choices of basic excess for Complete Care® or Comprehensive Motor Vehicle Insurance?

You may choose one of the following excess amounts as your basic excess:

VIC	NSW/ACT	QLD
\$0	\$0	\$0
\$300	\$300	\$300
\$700	\$695	\$600
\$825	\$850	\$800
\$1,000	\$1000	\$1000
\$1,500	\$1500	\$1500
\$2,000	\$2000	\$2000

If you choose a higher basic excess on your policy, you can decrease your premium. You may also choose to remove your basic excess by paying an additional premium. You should make sure the basic excess you choose is appropriate for you, taking into account the limits of your cover, including any additional covers or options.

Your basic excess amount will be shown on your current Certificate of Insurance.

### Age excess

This excess is paid in addition to any basic excess and applies to:

- any driver under 25 years of age, or
- any driver 25 years of age or over with no more than 2 years driving experience after obtaining a provisional or probationary licence

but does not apply to:

- a learner driver who was accompanied by a fully licensed driver aged 25 years of age or more.

**The following three tables explain what age excess may apply at the time of a claim:**

If you have named an under 25 year old as a driver on your policy:

Disclosed Excess Amounts	Age Excess		
	VIC	NSW/ACT	QLD
Motor Vehicle Complete Care®	\$400	\$400	\$400
Motor Vehicle Comprehensive	\$400	\$400	\$400
Motor Vehicle Third Party Fire & Theft	\$400	\$400	\$400
Motor Vehicle Third Party Property Damage	\$400	\$400	\$400
Motorcycle Comprehensive	\$400	\$400	\$300
Motorcycle Third Party Property Damage	\$400	\$400	\$300



If the driver of your motor vehicle or motorcycle is under 25 years of age and you have not named an under 25 year old driver on your policy:

Insurance Type	Age Excess		
	VIC	NSW/ACT	QLD
Motor Vehicle Complete Care®	\$1,600	\$1,600	\$1,600
Motor Vehicle Comprehensive	\$1,600	\$1,600	\$1,600
Motor Vehicle Third Party Fire & Theft	\$1,600	\$1,600	\$1,600
Motor Vehicle Third Party Property Damage	\$1,200	\$1,200	\$1,600
Motorcycle Comprehensive	\$1,600	\$1,600	\$1,600
Motorcycle Third Party Property Damage	\$1,200	\$1,200	\$1,600

If the driver of your vehicle is 25 years of age or over with no more than 2 years driving experience after obtaining a provisional or probationary licence:

Insurance Type	VIC	NSW/ACT	QLD/TAS
Motor Insurance	\$400	\$400	\$300

You cannot pay an additional premium to remove an age excess.

### Special excess

We may decide to apply a special excess to an individual owner or driver, or in relation to a specific incident, taking into account such factors as the type of vehicle and owner or driver incident, claims or traffic offence history.

The amount of the special excess will be shown on your current Certificate of Insurance and generally ranges from \$200 to \$2,500.

A special excess is payable in addition to your basic or age excess where applicable.

You cannot pay an additional premium to remove a special excess.

### When an excess does not apply

There are a number of instances in which you will not be required to pay an excess when we pay your claim:

Insurance Type	If you make a claim for	Then you will NOT have to pay an
Complete Care® or Comprehensive	Theft or attempted theft	Age excess
Complete Care®	Windscreen, sunroof or window glass damage only	Basic, age or special excess
Comprehensive	Windscreen, sunroof or window glass damage only	Age or special excess
Comprehensive	Windscreen, sunroof or window glass damage only	Basic, age or special excess when you have chosen the Windscreen option
Complete Care® or Comprehensive	Storm, flood or fire damage	Age or special excess
Complete Care® or Comprehensive	Vandalism or a malicious act	Age or special excess
Complete Care® or Comprehensive	Damage to the vehicle while it is parked	Age or special excess
Complete Care® or Comprehensive	An incident that we are satisfied was not in any way the fault of you, the driver of, or a passenger in your vehicle and you can provide the name and residential address of a person(s) we are satisfied is at fault	Basic, age or special excess
Third Party Fire & Theft	Fire	Age or special excess
Third Party Fire & Theft	Theft or attempted theft	Age excess
Third Party Fire & Theft	Insured Motorist Damage	Age, basic or special excess
Third Party Fire & Theft	Uninsured Motorist Damage	Age, basic or special excess
Third Party Property Damage	Uninsured Motorist Damage	Age, basic or special excess



### Determining fault in an incident

When determining the excess that will apply to your claim, we may need to decide if you or someone else is at fault. To do this we may request reasonable additional information from you – for example witness statements or photographs – and consider any laws, bylaws or rules that apply to the claim circumstances.

If we are not satisfied or unable to determine that someone else was at fault, the excess is payable.

## Discounts

We offer the following discounts that you may be entitled to:

- Multi-Policy Discount
- Years of Membership Benefit
- Flexi Excess Discount

The way in which the discounts are applied to your premium is set out in the 'How we calculate your motor premium' section of this guide on page 2.

### Multi-Policy Discount

A Multi-Policy Discount rewards you for holding multiple RACV policies.

See if you qualify for a Multi-Policy Discount#:

How to qualify	Multi-Policy Discount
Hold two or more of the following:  Home, Landlord, Motor, Caravan & Trailer, Boat or Veteran, Vintage and Classic Vehicle Insurance.	<b>Save 10%</b>  On your Home, Landlord, Motor, Caravan & Trailer, Boat or Veteran, Vintage and Classic Vehicle Insurance.

To receive a Multi-Policy Discount, the eligible policies must be current.

If you take out a new eligible policy the Multi-Policy Discount will be applied to that policy.

For your existing eligible policies any change to your Multi-Policy Discount generally applies from the next renewal after you qualify.

If you become eligible for an updated Multi-Policy Discount around the time your existing policies are due for renewal, the updated Multi-Policy Discount may not be applied to those renewing policies (the updated discount will be applied on the subsequent renewal).

You should contact us if you believe you are eligible for a higher Multi-Policy Discount on a policy and it is not noted on your Certificate of Insurance.

The way in which your Multi-Policy Discount is applied to your premium is set out in the 'How we calculate your motor premium' section on page 2

# Excludes Travel, Business, and Farm Insurance products.

### Years of Membership Benefit

This discount applies to all types of Motor Insurance#.

We reward you with a Years of Membership discount which is linked to the colour of your RACV membership card. RACV Years of Membership Benefit increases the longer you are with us.

Membership Card Colour	Years of Membership	Annual Discount
Blue	0-4 years	0%
Bronze	5-9 years	5%
Silver	10-24 years	10%
Gold	25-50 years	15%
Gold 50	51 years or more	20%

# Excludes Travel, Business, and Farm Insurance products.

The way in which your Years of Membership Benefit is applied to your premium is set out in the 'How we calculate your motor premium' section of this guide on page 2.

### Flexi Excess Discount

If you choose a higher basic excess on your Complete Care® or Comprehensive Motor Vehicle Insurance, you can decrease your premium. This means that, although you pay less in premium, you will have to contribute more to any claim you make where an excess applies.

The following excess amounts you may choose to decrease your premium are:

Flexi Excess
\$825
\$1,000
\$1,500
\$2,000

The way in which your Flexi Excess discount is applied to your premium is set out in the 'How we calculate your motor premium' section of this guide on page 2.

If there is anything you don't understand about this RACV Motor Insurance Premium, Excess & Discounts Guide, please call us on 13 RACV (13 7228) or visit your nearest RACV Shop.