

# Veteran, Vintage and Classic (VVC) Vehicle Insurance Premium, Excess & Discounts Guide

This RACV VVC Vehicle Insurance Premium, Excess & Discounts Guide should be read with and forms part of the RACV VVC Vehicle Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 2 August 2022.

This guide applies to policies issued for vehicles kept in Victoria with a commencement date on or after 2 August 2023 or with a renewal effective date on or after 4 September 2023.\*

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

\* Call 1300 448 406 for information about policies issued for a vehicle kept outside Victoria.

## 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
- 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 vintage, veteran and classic vehicle Insurance policies, pricing factors that may be taken into account in determining your premium include a combination of some or all of the following:

- the sum insured you have chosen
- any excesses or special conditions that apply
- age, make and model of your vehicle
- where your vehicle is kept
- how frequently you use your vehicle
- the type of registration on your vehicle
- your previous year's premium if your policy is a renewal, and
- features including age, 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.

We also consider your previous premium and may take steps to limit the change in your premium at renewal.

### **Discounts**

Your policy may be eligible for the following discounts:

- Multi-Policy Discount
- Years of Membership Benefit.

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 3 for further details.

## 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 (including a basic excess) does not apply are set out in this Excess section.

### Basic excess

If you make a claim, a basic excess may apply. The basic excess for a VVC Vehicle Insurance policy is \$300.

#### Choice of excess

You may be able to change the basic excess on your policy. If you choose a higher basic excess, you can reduce your premium and if you choose a lower basic excess, you will pay an additional premium. You should make sure the basic excess you choose is appropriate for you, taking into account your sum insured and the limits of any other benefits.

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

Basic excess levels
\$0
\$300
\$500
\$750
\$1,000
\$1,500
\$2,000

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

### 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 is generally double your basic excess.

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.

### Age excess

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

- any driver under 25 years of age, 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 explains 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 the age excess is \$300.

If the driver of your vehicle is under 25 years of age and you have not named an under 25 year old driver on your policy the age excess will be \$1,600.

You cannot pay an additional premium to remove an age 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:

If you make a claim for	Then you will NOT have to pay an
Theft or attempted theft	Age or special excess
Windscreen, sunroof or window glass damage only	Age or special excess
Storm, flood or fire damage	Age or special excess
Vandalism or a malicious act	Age or special excess
Damage to the vehicle while it is parked	Age or special excess
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 <ul style="list-style-type: none"> <li>• you can provide the name and residential address of a person(s) we are satisfied is at fault</li> <li>• the amount of the claim is more than any basic excess</li> </ul>	Basic, age 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.

### Government charges

Insurance policies are subject to stamp duty imposed by State and Territory Governments in addition to GST.

Government Charges	VVC Vehicle Insurance
GST	10%
Stamp Duty	10%

### How we calculate your premium

#### Step 1

First, we will combine the pricing factors.

#### Step 2

If you have chosen a higher basic excess to reduce your premium this is then applied. If you have chosen to lower or remove your basic excess we will add the additional premium.

#### Step 3

We then work out any Multi-Policy Discount that you may be eligible for and apply this to the amount from Step 2.

#### Step 4

We apply any Years of Membership Benefit you may be eligible for to the amount in Step 3.

#### Step 5

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

## Discounts

You may be entitled to the discounts on this page.

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

### Multi-Policy Discount

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

See if you qualify for a Multi-Policy Discount<sup>#</sup> below:

How to qualify	Multi-Policy Discount
Hold two or more of the following: Home, Landlord, Motor, Boat, Caravan & Trailer or VVC Vehicle Insurance.	<b>Save 10%</b> On your Home, Landlord, Motor, Boat, Caravan & Trailer or VVC 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 premium' section on page 3.

<sup>#</sup> Excludes Travel, Business, and Farm Insurance products.

### Years of Membership Benefit

This discount applies to all Veteran, Vintage and Classic Vehicle Insurance<sup>#</sup>.

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%

<sup>#</sup> 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 premium' section of this guide on page 3.

**If there is anything you don't understand about this RACV VVC Vehicle Insurance Premium, Excess & Discounts Guide, please call us on 1300 448 406 or visit your nearest RACV Shop.**