



# Caravan & Trailer Insurance

## Premium, Excess & Discounts Guide

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

This guide applies to policies issued with a caravan or trailer kept in Victoria with a commencement date on or after 3 August 2022 or with a renewal effective date on or after 5 September 2022\*.

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 13 RACV (13 7228) for information about policies issued with a Touring Caravan, On-site Caravan or Trailer 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
- 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.

### 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 caravan and trailer 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
- optional coverages or benefits you have chosen
- the sum insured you have chosen
- any excesses or special conditions that apply
- the address of where your caravan or trailer is kept
- the flood risk of your onsite caravan
- the length of your touring caravan
- the age of your touring caravan
- how your touring caravan is parked - for example, in a garage
- how you use your trailer - for example, private or for business
- if your touring caravan is fitted with Electronic Stability Control (ESC) or a suitable security device
- how you choose to pay your premium
- your previous year's premium if your policy is a renewal, and
- features including age and claims history of the owners and drivers.

**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.

## Policy options

Optional cover you can add:

- Contents cover
- Annexe cover.

When you add an option to your policy, you need to pay an extra premium for the increased cover we give you. Any optional covers you choose to add will be shown on your current Certificate of Insurance.

### Cost 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.

## Discounts

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

- Years of Membership Benefit
- Multi-Policy Discount
- No Claim Bonus.

The way in which your discounts are applied to your premium is set out in the 'How we calculate your caravan or trailer premium' section of this guide on page 4.

### Years of Membership Benefit

This discount applies to all types of Caravan & Trailer 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 caravan or trailer premium' section of this guide on page 4.

### Multi-Policy Discount

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

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

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 caravan or trailer premium' section of this guide on page 4.

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

### No Claim Bonus

A No Claim Bonus is a reward for a good insurance record. We reward you with a reduced premium, based on the number of years of claim-free insurance.

You may be entitled to a No Claim Bonus, depending on the number and type of caravan or trailer claims you have made.

The No Claim Bonus levels are:
60%
50%
40%
30%
20%
0%

### How does No Claim Bonus work?

Each year at renewal, you automatically move up to the next level of No Claim Bonus if you do not make a claim in that policy year.

If you make a claim for something that is not your fault and you can provide the name and residential address of a person that we are satisfied is responsible, your No Claim Bonus will not be affected.

If you do make a claim in a policy year, you will move down two levels of No Claim Bonus on renewal, unless you have chosen to protect your No Claim Bonus by paying an additional premium.

The way in which your No Claim Bonus is applied to your premium is set out in the 'How we calculate your caravan or trailer premium' section of this guide on page 4.

### What is No Claim Bonus protection?

You can pay an additional premium to protect your No Claim Bonus. If you have chosen to protect your No Claim Bonus it will not be affected for any claims you make in that policy year.

## Government charges

Caravan & Trailer Insurance policies are subject to stamp duty imposed by state and territory governments in addition to GST.

Government Charges	On-site Caravan	Touring Caravan	Trailer
GST	10%	10%	10%
Stamp Duty	10%	10%	10%

## Excess

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

The types of excess(es) that may apply are:	On-site Caravan	Touring Caravan	Trailer
Basic	✓	✓	✓
Age	✗	✓	✗
Hail or cyclone	✓	✓	✓

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

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

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

- deduct the excess from any 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.

### Basic excess

If you make a claim, a basic excess may apply. The circumstance(s) when an excess (including a basic excess) does not apply are set out in this Excess section.

We determine the basic excess that will apply at the time a policy is first taken out based upon the type of policy, however you may be able to choose a higher basic excess (On-site Caravan and Touring Caravan only) - see 'Choice of excess' below.

Type of policy	Basic excess
On-site Caravan Insurance	\$200
Touring Caravan Insurance	\$200
Trailer Insurance	\$200

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

### Choice of excess

If you have On-site Caravan or Touring Caravan Insurance you can choose a higher basic excess amount to the one we determine when you first take out a policy and when you renew a policy. During your policy period, you can also choose to increase your basic excess.

If you choose a higher excess you can reduce your premium.

You can choose one of the following amounts as your basic excess: \$200, \$500 or \$1,000.

### Age excess

If you have Touring Caravan Insurance, this excess applies in addition to any other excess when the person driving the motor vehicle which is towing your caravan is under 25 years of age.

The age excess is \$300.

### Hail or cyclone excess

This excess is paid in addition to any basic excess if you make a claim for loss or damage that occurs as a result of hail or a cyclone.

Type of policy	Hail or Cyclone excess
On-site Caravan Insurance	\$200
Touring Caravan Insurance	\$200
Trailer Insurance	\$200

### When an excess does not apply

You will not have to pay an excess if:

- you make a claim for an incident that we are satisfied was not the fault of you or the person who has your permission to use your on-site caravan, touring caravan or trailer, and
  - you can provide the name and residential address of the person we are satisfied is responsible, and
  - the amount of the claim is more than the basic excess
- your touring caravan or trailer is attached to a motor vehicle you own and the motor vehicle and touring caravan or trailer suffer accidental damage in the same incident, and:



- you have lodged a claim for your touring caravan or trailer under this policy and we have agreed to pay this claim
- your motor vehicle is comprehensively insured with us
- you have lodged a claim under your Comprehensive Motor Vehicle Policy and paid any applicable excesses for this claim.

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

If we are unable to determine that someone else was responsible, the excess is payable.

## How we calculate your caravan or trailer premium

### Step 1

First, we combine the pricing factors relating to the product and the Contents or Annexe options if you have chosen them.

### Step 2

Once this amount is calculated, then we add the cost of choosing to pay by the month.

### Step 3

Once this amount is calculated we work out any No Claim Bonus you may be eligible for and apply this to the amount from Step 2.

### Step 4

Then, we add the cost of any No Claim Bonus Protection you have chosen.

### 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.

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