

# 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 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 18 December 2016
  - applies to policies issued in Victoria with a commencement date on or after 18 December 2016 or with a renewal effective date on or after 23 January 2017.\*
- ▶ For Complete Care<sup>®</sup> Motor Insurance, the RACV Complete Care<sup>®</sup> Motor Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 3 March 2017
  - applies to policies issued in Victoria with a commencement date or renewal effective date on or after 19 May 2017.\*

\* 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 excesses you may need to pay if you make a claim.

### How we work out your premium

Your insurance premium is based on 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 the:

- ▶ pricing factors
- ▶ discounts
- ▶ Rating protection
- ▶ policy options, and
- ▶ government charges.

#### 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.

For Motor Insurance policies the following table describes the pricing factors we may take into account to determine your premium.

Pricing Factors	Complete Care <sup>®</sup> & Comprehensive	Third Party Fire & Theft	Third Party Property Damage
The address where your vehicle is kept	✓	✓	✓
The age and gender of owners and drivers of your vehicle	✓	✓	✓
Your vehicle, which includes any modifications, security features and its fuel efficiency, as shown on your Certificate of Insurance	✓	✓	✓
If you have finance held against your vehicle, and the type of finance held	✓	✗	✗
The number and type of claims and incidents that all owners and drivers have had in the last five years	✓	✓	✓
The amount your vehicle is insured for as shown on your Certificate of Insurance	✓	✓	✗
If you pay your premium by monthly instalments	Comprehensive only	✓	✓
The way you use your vehicle, for example, private or business use	✓	✓	✓

## Discounts

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

- ▶ Rating
- ▶ 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 4 for further details.

## Rating protection

If you have Complete Care® or Comprehensive Insurance you may be eligible to protect your Rating by paying an additional premium. Please see the 'Discounts' section of this guide on page 4 for further details about protecting your Rating.

## Policy options

If you have Comprehensive Insurance you may add the following policy options to your Policy by paying any additional premium that applies:

- ▶ Hire car option
- ▶ Windscreen option

Comprehensive Motor Vehicle	
Hire car option	\$71 (excl applicable Discounts and Government charges)
Windscreen option	\$71 (excl applicable Discounts and Government charges)

If you have Complete Care® your policy automatically covers you for a hire car after an incident and windscreen damage with no excess.

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

## Government charges

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

Government Charges	Motor Insurance
GST	10%
Stamp Duty	10%

## 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® Insurance).

### Step 3

Once this amount is calculated we work out any Rating you may be eligible for and apply this to the amount from Step 2.

### Step 4

Then, we add the cost of any Rating Protection you have chosen.

### Step 5

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 6

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

### Step 7

We then work out any Multi-Policy Discount that you may be eligible for and apply this to the amount from Step 6.

### Step 8

We apply any Years of Membership Benefit you may be eligible for to the amount in Step 7.

### Step 9

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

## Excess

An excess is an amount you pay when you lodge a claim. The amount and types of excess payable are shown on your current Certificate of Insurance. You may have to pay more than one type of excess depending on your circumstances.

There are three types of excess

- ▶ Basic
- ▶ Age
- ▶ Special.

### Basic excess

If you make any type of claim you must pay any basic excess that applies. 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.

Insurance Type	Basic Excess
Motor Vehicle Complete Care®	\$625
Motor Vehicle Comprehensive	\$625
Motor Vehicle Third Party Fire & Theft	\$625
Motor Vehicle Third Party Property Damage	\$625
Motorcycle Comprehensive	\$575
Motorcycle Third Party Property Damage	\$575

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.

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

### 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:

Basic excess levels
\$0
\$300
\$625
\$750
\$1,000
\$1,500
\$2,000

If you choose a higher basic excess on your Policy, you can decrease your premium.

For more information on the discount available, please see the 'Discounts' section of this guide on page 4.

You may also choose to remove your basic excess by paying an additional premium.

### Age excess

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

- ▶ any driver under 25 years of age,
- ▶ 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:

Insurance Type	Age Excess
Any Motor Insurance	\$400

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
Complete Care® Comprehensive Third Party Fire & Theft	\$1,600
Third Party Property Damage	\$1,200

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	Age Excess
Any Motor Insurance	\$400

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 or special 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 agree 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 agree is at fault</li> <li>▶ the amount of the claim is more than any basic excess</li> </ul>	Basic, age or special excess
Third Party Fire & Theft	Fire	Age or special excess
Third Party Fire & Theft	Theft or attempted theft	Age or special 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

## Discounts

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

- ▶ Rating
- ▶ 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.

### Rating

This discount applies to Complete Care<sup>®</sup> and Comprehensive Motor Insurance.

We reward your good driving history with a Rating which ranges from Rating 1 to Rating 6, including RACV Premier 1, so you can save on your Complete Care<sup>®</sup> or Comprehensive Motor Insurance premium. We calculate your Policy's Rating level based on:

- ▶ number of years driving experience of you and any listed driver, and
- ▶ claims and incident experience of you and any listed driver.

The Rating levels are:
RACV Premier 1
Rating 1
Rating 2
Rating 3
Rating 4
Rating 5
Rating 6

### How Ratings work?

Each year at renewal, the policy automatically moves up to the next level of Rating if you, or any driver or passenger does not make an at-fault claim in that policy year.

If you do make a claim for an incident where you, or any driver or passenger of your vehicle, is at fault, your Policy will move down one level of Rating unless:

- ▶ you are entitled to RACV Premier 1; or
- ▶ you have chosen to protect your Rating by paying an additional premium.

If you make a claim for something that is not your fault, for example your motor vehicle or motorcycle is stolen, damaged by storm or someone scratches the paintwork, your Policy's Rating will not change. However, these claims will be taken into account as a pricing factor when calculating your premium.

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

### What is Rating protection?

You can pay an additional premium to protect your Policy's Rating if you, or any driver or passenger of your vehicle, are at fault or cannot identify the other party at fault in an incident.

If you have chosen to protect your Policy's Rating, your Rating will not be affected for any at fault claims made within a policy year. However, these incidents or claims will be taken into account as a pricing factor when calculating your premium (see the 'How we calculate your motor premium' section of this guide on page 2 for more information).

### What is RACV Premier 1?

If you hold our maximum Rating 1 for one year with us and you don't make an at fault claim, you qualify for RACV Premier 1.

You retain RACV Premier 1 for your life, even if you have multiple claims within a policy year. You may also be entitled to RACV Premier 1 on other Complete Care<sup>®</sup> or Comprehensive Motor Insurance Policies.

### However

- ▶ if you are jointly insured on a policy, all insureds must also qualify for RACV Premier 1 to receive it on that policy.
- ▶ if we cease to offer a Rating as part of our premium structure, RACV Premier 1 will also change.
- ▶ most incidents or claims will still impact the calculation of your premium and your premium could increase.

### 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>:

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 the Multi-Policy Discount, the qualifying products must:

- ▶ be current; and
- ▶ have at least one common insured named on each policy.

On existing policies the discount applies from the date of the next renewal after you qualify.

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

<sup>#</sup> 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%

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<sup>®</sup> 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
\$750
\$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.**