

MOTOR INSURANCE



Happy Motoring.

Full Cover Motor Vehicle Product Disclosure
Statement and Policy Wording.



INSURANCE

RAC members are happier

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Part 1

Product Disclosure Statement

The Purpose of the PDS

This Product Disclosure Statement ("PDS") is an important legal document that provides information You need to decide whether to purchase a Full Cover Motor Vehicle policy from RAC Insurance Pty Limited ABN 59 094 685 882 ("RAC Insurance").

If You purchase a Full Cover Motor Vehicle policy, You will also receive complimentary 24-hour Emergency Assistance throughout Australia under Our RACI Aussie Assist Policy. Your Policy Schedule and Our RACI Aussie Assist brochure together form part of this PDS and Policy Wording. Together these documents form the basis for your insurance cover. Read these documents to ensure the cover suits your needs. Policy terms for Full Cover Motor Insurance are set out in full in Part 2 of this PDS and Policy Wording. Policy terms for RACI Aussie Assist are contained in Our RACI Aussie Assist brochure.

This PDS and Policy Wording is effective on and from 1 May 2011.

Who is the Insurer?

The insurer and the issuer of the Policy and this PDS is RAC Insurance Pty Limited (ABN 59 094 685 882), a wholly owned subsidiary of RACI Pty Ltd (ABN 40 008 671 805), part of the RAC Group of Companies.

How to contact Us

You may contact RAC Insurance by writing to RAC Insurance Pty Limited, PO Box C140, Perth WA 6839.

Important terms explained

When used in this PDS certain terms have a specific meaning. These are:

Accessories: Options/items fitted to your vehicle.

Accident: An event, that was unintentional, unexpected and/or unforeseeable where loss or damage occurs and includes a series of events arising out of the one event.

Agreed Value: The dollar amount stated in your Policy Schedule as the amount that We agree to pay You in the case of the vehicle being a total loss.

Excess: The amount You may have to contribute if You make a claim. There may be more than one type of excess. The amount and type of excess are shown on your Policy Wording and your Policy Schedule. You must pay the excess on each claim that You make if applicable.

Modifications: An alteration to the vehicles original specification including alterations to the body, engine, interior trim, transmission, drive train, brakes, suspension, wheels or paintwork that may affect the vehicle's value, safety, performance or appearance.

Policy Schedule: The most recent insurance schedule We have given You that shows the insurance You have selected, the agreed value for the specified vehicle, amount You are insured for and when the Policy starts and expires.

Premium: The amount You pay for your insurance. This includes GST and stamp duty.

Standard Accessories: Accessories that are fitted to the vehicle by the manufacturer.

Sum Insured: The maximum amount that We will pay as shown in the Policy Schedule.

Vehicle: A mechanically propelled vehicle (not being a motorcycle) including standard accessories and standard tools supplied by the manufacturer whilst attached to the vehicle whether registered or capable of being registered for use on the public street. It also includes any non-standard accessories or modifications You have told Us about.

Significant features and benefits

This is the PDS for Full Cover. RAC Insurance offers more than one type of motor vehicle insurance policy: full cover, third party fire and theft and third party property damage. Prior to making any decisions on which cover to choose You should obtain and read the product disclosure statements for these motor vehicle covers. The cover You choose will be shown on your Policy Schedule.

You should consider the covers available and select the one that fits your circumstances.

The summary below highlights some of the significant features and benefits of the Full Cover Motor Vehicle policy.

The Full Cover Motor Vehicle policy insures You for loss, damage or destruction of your motor vehicle as well as the legal liability that You may have for accidental damage to property caused by or connected with the use of the vehicle specified on the Policy Schedule or of a trailer or caravan attached to it.

There are limitations on pages 6 and 7 and exclusions on pages 30-34 that apply, so You should refer to these pages in the Policy Wording in Part 2 of this PDS for the full details of the insurance cover.

Full details of insurance cover provided under the complimentary RACI Aussie Assist are contained in Our RACI Aussie Assist brochure (including the policy wording).

Features and benefits You are insured for.	Full Cover Motor Vehicle policy
Agreed value of your vehicle less any applicable excess.	✓
Taxi Fare up to \$50.	✓
Essential Temporary Repairs up to \$500.	✓
Reasonable costs of Towing.	✓
If You are on a maximum no claim bonus entitlement, one windscreen or window glass replacement claim per year without the loss of no claim bonus entitlement or payment of basic excess.	✓
Loss, damage or destruction to standard and non-standard accessories up to \$750.	✓
Legal Liability for accidental damage to someone else's property resulting from the use of your motor vehicle or of a trailer or caravan attached to it, or a substitute motor vehicle up to \$25,000,000 inclusive of legal costs for any one event.	✓
Trailer Cover We will pay up to \$1,000 for the theft of or damage to your trailer whilst the trailer is in your possession or attached to the insured vehicle.	✓

Features and benefits You are insured for.	Full Cover Motor Vehicle policy
<p>Accidental Death Benefit When your vehicle is in an Accident which results in the death of the driver of the insured vehicle and subject to acceptance of a claim under this Policy We will pay \$10,000 to the deceased's Estate. Please refer to page 25 in the Policy Wording in Part 2 of this PDS for the full conditions that apply to this benefit.</p>	<p>✓</p>
<p>Complimentary emergency assistance under the RACI Aussie Assist Policy in the event of a medical emergency, medical injury, vehicle accident or vehicle theft whilst You or your family are more than 100km away from home. It does not include assistance in the event of a vehicle breakdown.</p>	<p>✓</p>
<p>Replacement Vehicle Benefit If the insured vehicle is deemed a total loss in the first 24 months of its registration, You purchased it new and were the first registered owner, We may replace the vehicle with an equivalent new vehicle.</p>	<p>✓</p>
<p>Re-keying and Re-coding Re-keying and re-coding of keys up to \$1,000 if the keys to the insured vehicle are stolen.</p>	<p>✓</p>

Features and benefits You are insured for.	Full Cover Motor Vehicle policy
Your replacement motor vehicle within 14 days of purchase up to the sum insured shown on the Policy Schedule or the purchase price, whichever is less.	✓
Hire car after theft We will arrange and pay for a 'Compact' size hire car for up to a maximum of 14 days or \$550 which ever applies first if the insured vehicle has been stolen.	✓

When benefits are available

You can claim on this Policy subject to the terms and conditions of the Policy Wording in Part 2 of this PDS:

- If your car is stolen and/or stolen and not recovered,
- As a result of destruction or damage to your motor vehicle,
- When accidental damage has occurred to property caused by or connected with the use of your motor vehicle or of a trailer or caravan attached to it.

Significant risks associated with holding this product

Some significant risks related to holding this Policy are outlined below, however for full details of all Policy benefits, conditions and exclusions please refer to Part 2 of the Policy Wording.

Limits on claims

Irrespective of the sum insured on the Policy Schedule there are limits to what We will pay for certain claims.

The following limits apply to your Full Cover Motor Vehicle policy:

- Up to \$500 for essential temporary repairs,
- The agreed value of your motor vehicle less any applicable excess in the event of a total loss,
- Up to \$50 for taxi fares from the scene of an Accident,
- Up to \$25,000,000 inclusive of legal costs for legal liability,
- Up to \$750 for non-standard accessories that are not specified on the policy,
- Up to \$1,000 for theft or damage to your trailer whilst attached to your vehicle or in your possession,
- \$10,000 Accidental Death Benefit,
- Re-keying and re-coding of keys up to \$1,000,
- Up to a maximum of \$550 or 14 days, 'whichever applies first' for hire car after theft,
- Up to a maximum of \$550 or 14 days, 'whichever applies first' for hire car after accident if this optional cover has been selected and paid for.

You may be asked to provide purchase receipts or other proof of ownership for your Vehicle, any modifications to it and for specified accessories.

Time limits

The policy requires You to immediately make a report to the police or if You suspect, or it was reasonable for You to suspect, that the insured property or something in it or attached to it has been stolen.

We will not pay for any loss, destruction or damage caused by storm, flood or fire within the first 48 hours unless You purchased your Vehicle immediately before You took out the Policy or your Policy commenced immediately after the expiry of another Policy covering the same risk.

Exclusions

Your Policy will not provide cover in some circumstances, as there are certain exclusions that apply. This means that We may refuse to pay a claim. For full details of exclusions that apply to this Policy refer to the exclusions listed on Page 30.

Excess

When You make a claim You will be asked to pay the excess. The amount and types of excess are shown on your Policy Schedule and in your Policy Wording. Depending on the circumstances You might have to pay more than one type of excess when You make a claim.

We will decide whether You will pay the excess to Us or to a third party such as a repairer.

The different types of excess

Basic Excess: You will be asked to pay the basic excess of \$450 when You make a claim, unless You have paid an additional premium to remove it.

Age Excess: In addition, You may be required to pay an additional excess if the vehicle is being driven by or is in the care, custody or control of a person under the age of 26 years. The amount of the age excess varies depending on the age of the driver. The summary table below details the age excesses.

If the driver is under 19 years of age	\$650
If the driver is under 21 but not under 19 years of age	\$550
If the driver is under 24 but not under 21 years of age	\$450
If the driver is under 26 but not under 24 years of age	\$300

Imposed Excess: In addition to the basic and age excesses, We may apply an imposed excess to your Policy. The amount of any imposed excess will be based on your individual risk details and claims experience. This amount will be applied to your Policy from inception date or from your renewal date. If there is an imposed excess the amount will be shown on the Policy Schedule.

Voluntary Excess: This is a further amount You have elected to pay for which You will receive a premium discount. The voluntary excess is payable in addition to all other applicable excesses. You can choose to have a voluntary excess between \$50 and \$1500. The amount of voluntary excess You have chosen will be shown on the Policy Schedule.

Standard Excess: In addition to all other excesses, a further \$100 excess applies if the vehicle is a goods carrying vehicle with a capacity of 5 to 10 tonnes.

Inexperience Excess: In addition to all other excesses, You must pay a further \$300 if the motor vehicle is being driven by a person 26 years of age or over who has held a motor driver's licence for less than 2 years.

Tourist Excess: In addition to all other excesses, You must pay an additional amount of \$750 which will be shown on the Policy Schedule.

Driving School Excess: In addition to all other excesses, You must pay a further amount of \$250 which will be shown on the Policy Schedule.

No Claim Bonus

Your No Claim Bonus will be calculated in accordance with the mechanisms set out in the Policy Wording in Part 2 of this PDS. You should refer to this part of the PDS for information on the:

- No Claim Bonus reduction that applies where an at fault claim is lodged during the 12-month period of insurance;
- Protected Bonus arrangements for maximum No Claim Bonus Policies; and
- Faultless No Claim Bonus arrangements.

Calculating what You pay

When calculating your premium We consider many factors including the age of the youngest regular driver, the sum insured, the vehicle type, the garaging address, whether the vehicle is financed, whether You hold an RACWA Roadside Assistance product or Affiliate membership, your No Claim Bonus entitlement, whether You select a voluntary excess, the security fitted to your vehicle, whether the vehicle will be used for private, business or commercial use, the age of the vehicle and whether You choose to pay your premium in instalments. Government charges are then added to the premium to calculate the final amount payable.

If We offer to renew your Policy, the amount of your premium will be shown on your renewal notice or Policy Schedule which You receive prior to the renewal Policy expiry date. The premium is subject to change if any of your details change and those details are relevant to Our decision of whether to insure You and, if so, on what terms.

The following table is a guide to the significant factors which We take into account in determining your premium and how these factors impact on the amount of your premium. Please note that the factors identified below are significant factors only – there may be additional factors which can also impact upon your premium which are not identified below. The way in which different factors impact your premium may change from time to time.

Rating Factor	Lower Premium	Higher Premium
The make, age and value of your motor vehicle	<ul style="list-style-type: none">• Standard make• Old motor vehicle• Low value• Lower engine capacity	<ul style="list-style-type: none">• Luxury make• New motor vehicle• High value• Higher engine capacity

Rating Factor	Lower Premium	Higher Premium
Whether You have modified the motor vehicle	No modifications	Some modifications (such as non-standard or performance enhancing changes)
The suburb You live in	Low risk suburb	High risk suburb
How the motor vehicle is used	Private purposes	Business purposes
The age, gender and experience of drivers	Experienced drivers	Young drivers, Inexperienced drivers
Your claims history	Nil claims in immediate past Policy term	Made one or more claims in immediate past Policy term
How You finance the motor vehicle	No finance	Finance
No Claim Bonus protection	No Claim Bonus protection not chosen	No Claim Bonus protection chosen
The level of excess You pay	Voluntary excess chosen	Basic excess removed
How You pay	For the whole year at once	By monthly/half yearly instalment a 10% loading will apply to the annual premium
Vehicle Security	RACI approved security fitted to vehicle	No RACI approved security fitted to the vehicle
Hire car after accident	Hire car after accident option not chosen	Hire car after accident option chosen

Other fees and charges

In addition to the premium and the excess You may have to pay other fees and charges.

If You cancel your Policy during the Policy year a cancellation fee of 10% may be applied to your refund.

If your policy is changed or cancelled and the premium refund or premium payable is less than \$10, no refund or request for payment will be made.

If You pay your premium by instalments (6 monthly or monthly), a 10% premium loading will apply. This amount is included in the premium shown on your Policy Schedule.

Where multiple instalment payments have been rejected in a Policy term, renewal may be invited with an additional 10% administration loading.

GST

This Policy is subject to GST. If You are registered for GST You may be able to claim an Input Tax Credit in respect of the GST We collect from You. Please refer to page 22 of your Policy Wording in Part 2 of this PDS for more information.

If You are unsure about the taxation implications of your Policy You should seek advice from your accountant or tax professional.

How to make a claim

In the event of loss, damage or destruction to your motor vehicle please contact RAC Insurance on 13 17 03 for assistance.

Cooling off period

If You are not completely satisfied with your Policy, You can cancel it within 28 days of the start date ("cooling off period") and receive a full premium refund providing no claims have been made.

You have the right to cancel the Policy at other times. Please see "Cancellation of this Policy" on page 37 of the Policy Wording.

Updating Our Product Disclosure Statement and Policy Wording

The information contained in this Product Disclosure Statement and Policy Wording is current at the time of preparation. There may be more up to date information available and You may obtain this by visiting Our website at rac.com.au, or calling 13 17 03. If You request a paper copy of any updates We will provide these free of charge. If it becomes necessary, We will issue a Supplementary or replacement Product Disclosure Statement.

This Product Disclosure Statement and Policy Wording is effective on and from 1 May 2011.

General Insurance Code of Practice

RAC Insurance participates in the General Insurance Code of Practice. This is a scheme to provide a better understanding between policyholders and their Insurance Company. The scheme requires Insurance Companies to have documented Internal Complaint and Dispute Resolution procedures for policyholders who feel they have been treated unfairly by their Insurance Company. The scheme is a free service provided by Insurance Companies.

Complaint & Dispute Resolution Procedure

We have an internal process to assist You if You feel You, or anyone claiming against You, feel they have been treated unfairly by Us.

You, or their complaint will be reviewed by a person who has the authority to alter a previous decision.

How to get help

Step 1. Talk to a Customer Service Consultant or, if it is in relation to a claim, the Claims Officer managing your claim. If your concerns are not resolved then the matter will be referred to a Team Leader or a Manager who will review the issue and respond to You within fifteen business days. We will agree reasonable alternative timeframes if We need to get relevant information or complete an investigation.

Step 2. If the matter is still not resolved to your satisfaction You can ask the Team Leader or a Manager to refer your dispute to Our Dispute Resolution Manager for review.

The Dispute Resolution Manager will respond to You within fifteen business days. We will agree on a reasonable alternative timeframe if We need additional time. We will keep You informed of the progress of Our review of your dispute at least every ten business days. The decision of the Dispute Resolution Manager is the final review undertaken by RAC Insurance.

If You are not satisfied You can refer the matter to The Financial Ombudsman Service, which is an independent external procedure. The Service can review most disputes and We will advise You what action You can take for matters not referable to the Service.

The Financial Ombudsman Service

The service is free to policyholders. A fee and conditions apply to third party claims.

How to use the Service

First make sure that You have given Us a reasonable chance to resolve your dispute.

If You are still not satisfied, You can lodge your dispute with the Service within 2 years of Us informing You of Our final decision.

Your dispute will be investigated by a representative of the Financial Ombudsman Service and it will inform You and Us of the decision. The decision will be binding on Us but not on You. You have 30 days to decide whether

You want to accept the determination.

If You do not accept the decision within this period then the determination will not be binding on Us.

The Financial Ombudsman Service can be contacted by:

Telephone: 1300 780 808

Mail: Financial Ombudsman Service
GPO Box 3,
Melbourne VIC 3001

Email: info@fos.org.au

Website: www.fos.org.au

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS). The purpose of the FCS is to protect certain policyholders and claimants in the event an insurer becomes insolvent. A person entitled to claim under insurance cover under a protected policy may be entitled to payment under the FCS, subject to certain eligibility criteria. Information about the FCS can be obtained from the Australian Prudential Regulation Authority (APRA) at www.apra.gov.au or by calling 1300 13 10 60.

Privacy

We collect, store and use your personal information in accordance with the Privacy Act.

We may use your personal information to update You on Our other products and services. We may pass on your personal information to other entities for promotional purposes. These entities may be associated with Us, operate under RAC's Brand, or be agents, contractors or allied organisations. You may stop your personal information from being used for this purpose at any time by contacting Us on 13 17 03.

We may also use your personal information to enable Us to consider your insurance application and any subsequent application for insurance, issue and

administer your policy and investigate and assess any insurance claim. For the purposes of doing so, We may pass on your personal information to Our assessors, investigators, repairers, suppliers, contractors, other insurance companies, insurance reference bureaus, law enforcement agencies, Our related companies, legal and professional advisers, and their agents. By taking out this Policy You agree to Us doing so.

If the interest of a financier is noted on your Policy you consent to us providing details of your Policy and its currency to the financier.

You have a right of access to your personal information. Please call 13 17 03 for further details.

Policies where premiums are paid by instalments

If You have elected to pay your Policy premium by instalments, the premium You pay will include an additional amount.

If You pay by instalments, We have the right to:

- Refuse to pay your claim if an instalment has remained unpaid for more than 14 days;
- Cancel this Policy from the date the instalment was due for payment if the instalment remains unpaid for more than 1 month.

If You pay your instalments by direct debit from your bank account and if your bank account details change, You will need to advise Us of your new bank account details not less than 2 business days before your next instalment is due. If You pay your instalments by credit card and your credit card details change, You must contact Us not less than 2 business days before your next instalment is due.

If You have elected to pay your premium by instalments and the payment dishonours due to lack of funds in your account, We may charge You for any direct or indirect costs which We incur, arising from the payment being dishonoured.

Direct Debit Service Agreement

- RAC Insurance Pty Limited, ABN 59 094 685 882 ("Debit User") will initiate direct debit payments as instructed and in accordance with this service agreement.
- Debit payments will be made on or around the date due. The Debit User will not issue individual confirmation of payments made.
- The Debit User will give the customer not less than 14 days written notice if the Debit User proposes to vary details of this arrangement, including the amount and frequency of payments.
- If the customer wishes to defer any payment (they must give at least 2 business days notice), or alter any of the details referred to in the Schedule, the customer must either telephone the Debit User on 13 17 03 or write to the Debit User at GPO Box C140, Perth WA 6839.
- Any queries concerning disputed debit payments must be directed to the Debit User in the first instance. Customers may obtain details of the claims process by contacting the Debit User on 13 17 03 or at any RAC Member Service Centre.
- Direct debiting is not available on the full range of accounts at all financial institutions. If in doubt, the customer should check with their financial institution before completing this Direct Debit Request.
- The customer should ensure that the account details given are correct by checking them against a recent statement from the financial institution at which the account is held.
- It is the customer's responsibility to have sufficient cleared funds available in the account to be debited to enable debit payments to be made.
- If a debit payment falls due on any day which is not a business day, the payment may be taken on the last business day prior to the due day or will be made on the next business day.
- If a debit payment is returned unpaid, the customer may be charged a fee for each unpaid item.

- Customers wishing to cancel this Direct Debit Request or to stop individual debit payments must give at least 7 business days notice to the Debit User.
- Except to the extent that disclosure is necessary in order to process debit payments, investigate and resolve disputed transactions or is otherwise required by law, the Debit User will keep details of the customers account and debit payments confidential.

Important information

It is important that You fully understand the cover provided by this Policy and suggest that You read the entire Policy Wording.

This Policy does not cover You for everything that can cause damage to your motor vehicle.

PLEASE READ THE POLICY CAREFULLY AND IF THERE IS SOMETHING YOU DO NOT UNDERSTAND, PLEASE CONTACT US.

You should place your PDS and Policy Wording and your current Policy Schedule in a safe place.

You should keep any evidence of value of property and proof of ownership (receipts, valuations, owner's manual etc) as We may ask You to provide them if You make a claim. If You cannot prove that You owned an item We may not pay You for it.

Part 2

Product Disclosure Statement – Policy Wording

RAC Insurance Full Cover Motor Vehicle Policy

For the premium, We will provide You with the insurance cover described in this Policy for the period shown in the current Policy Schedule.

Your “Plain English” FULL COVER MOTOR VEHICLE POLICY consists of:

- This booklet which contains Our standard motor vehicle Policy Wording, and
- The Policy Schedule issued by Us when You take out, renew, or change your insurance.

Duty of Disclosure

Before You enter into this contract of insurance with Us, You must tell Us anything that You know, or a reasonable person in the circumstances could be expected to know, which is relevant to Us in deciding whether to insure You and, if so, on what terms. You must do this each time You renew or change your Policy. IF YOU ARE UNSURE ABOUT SOMETHING THEN TELL US.

If You do not tell Us about anything that You know which is relevant We may:

- Refuse to pay a claim, or
- Reduce the amount of your claim, or
- Cancel your Policy, or
- Treat your Policy as if it never existed (if You intentionally kept information from Us).

Definitions

"Accessories"

Accessories are options/items fitted to your vehicle. Standard accessories are options/items fitted to your vehicle, by the manufacturer.

Non-standard accessories are items that have been supplied and fitted to the vehicle by someone other than the manufacturer.

"Accident"

An event that was unintentional, unexpected and/or unforeseeable where loss or damage occurs and includes a series of incidents arising out of the one event.

"Affiliate Membership"

Membership of RACWA that does not include Roadside Assistance or attach to any other RACWA product or service.

"Agreed Value"

Means the amount We agree to insure your vehicle for. The agreed value includes GST, registration, any other "on road" costs and accessories fitted to your vehicle including those which You have not disclosed to Us.

"Business Purposes"

Means a vehicle that is registered for business usage and/or is used for income earning purposes that is not a recognised trade.

"Commercial Purposes"

Means a vehicle that is registered for business usage and/or is used for income earning purposes that is in connection with a recognised trade.

"Insured Property"

Means:

- (a) The insured vehicle,
- (b) All standard accessories supplied by the manufacturer,
- (c) Any non-standard accessories or modifications You have told Us about and We have agreed to cover,
- (d) Trailers as defined on page 25 of this Policy.

“Modification”

Means an alteration made to your vehicle’s original specification, including an alteration to your vehicle’s body, engine, interior trim, transmission, drive-train, brakes, suspension, wheels or paintwork which may affect its value, safety, performance or appearance.

“Private Purposes”

Social, domestic or pleasure purposes, travel to and from work, and occasional use in connection with work.

“Substitute Vehicle”

A vehicle You have borrowed or rented (excluding hire cars arranged and paid for by RAC Insurance) because the insured vehicle is being repaired, serviced or has broken down.

“Terrorism”

Terrorism includes but is not limited to the use of force or violence and/or threat, of any person or group of persons done for or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

“Us” “We” “Our”

RAC Insurance Pty Limited.

“Vehicle”

A mechanically propelled vehicle (not being a motorcycle) including standard accessories and standard tools supplied by the manufacturer of the vehicle only whilst attached to or in the vehicle. The vehicle must be registered or capable of registration for use on a public street and also must comply with the relevant registration requirements. It also includes any non-standard accessories or modifications that You have told Us about and We have agreed to cover.

“You”

The person or persons named as the Insured in the current Policy Schedule.

Cover for your vehicle

This is an "Agreed Value" Policy and the maximum We will pay is the agreed value shown in the current Policy Schedule.

In the event of loss or damage to the vehicle described in the current Policy Schedule We will, at Our option, repair the vehicle at a repairer of Our choice or settle in cash. If We decide that the vehicle is a total loss We will pay You the agreed value specified in the current Policy Schedule and the salvage becomes Our property.

Goods and Services Tax (GST)

If We make a payment to You, the amount payable will be reduced by the amount of any Input Tax Credit ("ITC") that You are or would be entitled to claim for the repair or replacement of the insured property or other goods or services covered by that claim payment. If You are entitled to an Input Tax Credit for the premium, You must inform Us of the extent of that entitlement at or before the time You make a claim under this Policy.

We will not cover You for any GST liability arising from mis-statement by You in relation to your entitlement to an Input Tax Credit.

Replacement Vehicle Benefit

If the vehicle is a total loss within the first 24-months of registration as a new vehicle and;

- You purchased it new (rather than second hand), and
- You were the first registered owner of the vehicle from new, and
- The vehicle was registered and used for private purposes;

We will, at Our option, replace the vehicle with an equivalent new vehicle of the same make and model if one is available locally, or pay You the agreed value specified in the current Policy Schedule. If your vehicle is under finance, You will need to obtain written consent from the financier before We can replace the vehicle.

Should We pay You the agreed value or provide a replacement vehicle the salvage or the recovered vehicle becomes Our property.

Hire Car after Theft Benefit

If your vehicle has been stolen or damaged as a result of theft or attempted theft and We have agreed to pay your claim We will pay for a 'Compact' size hire car:

- For up to a maximum of 14 days or \$550, 'whichever applies first', or
- Until your vehicle is recovered and repaired, or
- Until We pay your claim if your vehicle is deemed a total loss, which ever occurs first.

We will not cover any:

- Running costs for the hire car,
- Additional hire costs for the inclusion of extras to the hire car,
- Loss or damage to the hire car,
- Liability which results from the use of the hire car,
- Insurance excess or other costs which You may be liable for under the hire car agreement.

The deposit payment to the hire car company is your responsibility.

If a hire car is not available for your usage We will make a cash settlement to You in lieu.

Accessories

Our cover includes each standard accessory only whilst in or attached to the insured vehicle.

We will also cover non-standard accessories that You have added to the vehicle if:

- You have told Us about them,
- We have agreed to cover them,
- You have paid any additional premium We ask for, and
- They are noted on your Policy Schedule.

Should loss or damage occur to a non-standard accessory that We have not been notified of or agreed to, and the total amount of the loss including the non-standard accessories is less than the agreed value, We will cover the non-standard accessory, or audio systems and sets up to a maximum of \$750. If You can not prove that You owned an item We may not pay You for it.

Windscreens

Our cover includes repair or replacement of windscreen or window glass.

If You have a maximum No Claim Bonus on your current Policy Schedule,

- You are entitled to make one claim for replacement of windscreen or window glass in each 12-month Policy Period without loss of No Claim Bonus or payment of any basic excess, and
- You are entitled to make a maximum of two claims for repair of windscreen glass without loss of No Claim Bonus or payment of any basic excess unless You have already made a claim for replacement of windscreen or window glass in the 12-month Policy Period.

This benefit is subject to the damage arising out of a single event and We may repair or replace the windscreen or window glass at Our option. Repairs or replacement must be carried out by an RAC Insurance approved windscreen repairer.

For information about RAC approved windscreen repairers call 13 17 03.

Repairs

You or the repairer must make the vehicle available for inspection and obtain Our authority to proceed with repairs before We will accept any responsibility for their cost. However, You do not need Our authority for essential temporary repairs up to a cost of \$500.

Towing

If the insured vehicle suffers damage and is required to be towed away within Australia, We will pay the reasonable cost of towing the vehicle to the nearest approved repairer or place of safe keeping.

Cover for additional items

Trailers

We will pay You up to \$1,000 for the theft of or damage to your luggage trailer, box trailer or garden trailer, when it is in your possession or attached to the vehicle described in the current Policy Schedule.

Your trailer must be used exclusively for private purposes and not used for business or commercial purposes.

Taxi Fare

Where the vehicle suffers damage and requires to be towed away, We will reimburse You on production of a receipt for the cost of the taxi fare paid by You for transport from the scene of the accident up to the amount of \$50.

Accidental Death Benefit

If your insured vehicle is involved in an accident, which results in the death of the driver of your vehicle, and a claim is accepted under this Policy, We will pay \$10,000 to the deceased's Estate.

But We will not pay:

- If the death is the result of a suicide, or
- If the death was not directly related to the accident, or
- If the death did not occur within 12 months from the date of the accident, or
- If the deceased person was driving your vehicle without your permission.

Maritime Law

If your insured vehicle is being transported by sea between places within Australia and You are liable under Maritime Law We will cover your liability for general average and salvage charges.

Re-Keying and Re-Coding

If the keys to your insured vehicle are stolen We will pay up to \$1,000 for any one claim, for the necessary replacement, re-keying or re-coding of your vehicle's locks.

This benefit will only apply if:

- The theft of your keys has been reported to the police, and
- The keys have not been stolen by a family member, or a person who resides with You,
- Your keys are not left unattended in a public place or left in an unlocked vehicle.

Cover for your new Vehicle

If You replace the insured vehicle, We will cover the replacement vehicle up to the sum insured shown in the current Policy Schedule or the purchase price whichever is the lesser, only if:

- (a) You give Us details of the replacement vehicle within 14 days of buying it, and
- (b) You pay Us any additional premium that We may request within 14 days from the date of request.

Hire car after Accident

If You have selected and paid for hire car cover after accident it will be shown on your current Policy Schedule. If We have agreed to meet your claim We will arrange and pay for a 'Compact' size hire car if your vehicle has been involved in an accident and You cannot drive the insured vehicle.

We will pay:

- For up to a maximum of 14 days or \$550, 'whichever applies first', or
- Until your vehicle is repaired, or
- Until We pay your claim if your vehicle is deemed a total loss, which ever occurs first.

We will not cover any:

- Running costs for the hire car,

- Additional hire costs for the inclusion of extras to the hire car,
- Loss or damage to the hire car,
- Liability which results from the use of the hire car,
- Insurance excess or other costs which You may be liable for under the hire car agreement.

The deposit payment to the hire car company is your responsibility.

If a hire car is not available for your usage We will make a cash settlement to You in lieu.

Liability cover

We will cover You against liability for accidental damage to property caused by or connected with the use of the insured vehicle or of a trailer or caravan attached to it. In providing this cover, We will pay up to \$25 million inclusive of legal costs in relation to any one event.

We will cover You against your liability for legal costs in connection with accidental loss of or damage to property, caused by or connected with the use of the vehicle or of a trailer or caravan attached to it, provided such costs are authorised by Us in writing.

We will not give You this cover if the property damaged is your own or in your custody or belongs to or is in the custody of your spouse, child or other person normally residing with You.

Extensions of Our liability cover

We will extend Our liability cover to:

- (a) You if the insured vehicle is undriveable and You are driving a substitute vehicle (except a hire car arranged and paid for by Us under the hire car benefit/option provided by this Policy). This extension does not provide any cover for damage to the substitute vehicle.
- (b) Your employer, partner or principal, if You (as his/ her employee, partner or agent) are using or in charge

of the insured vehicle or any substitute vehicle (except a hire car arranged and paid for by Us under the hire car benefit/option provided by this Policy). This extension does not provide any cover for damage to the substitute vehicle.

(c) Any licenced driver using or driving the insured vehicle with your permission but not if that person, in the past three years before the incident, has:

- Been declined motor vehicle insurance, had it withdrawn, cancelled or its renewal refused, or
- Had any driver's licence cancelled, suspended or special conditions imposed, or
- Been convicted of a criminal offence related to theft, fraud, arson, criminal damage or any drug related offences,

unless they have already disclosed this information and We have agreed to cover them, or if You can prove that You did not know and You could not reasonably have known this information.

Excess

An excess is an amount which You may have to contribute towards your claim. The acceptance of a claim is subject to the payment of any applicable excesses.

There are eight types of excess:

- (1) **Basic Excess** – The amount shown on the current Policy Schedule You have to contribute towards each claim, unless You have paid an additional premium to remove it.
- (2) **Age Excess** – A further amount is payable if the event giving rise to a claim happens when the vehicle was driven by or in the care, custody or control of:
 - (a) A person under 19 years of age – excess \$650,
 - (b) A person under 21 years of age but not under 19 years of age – excess \$550,

- (c) A person under 24 years of age but not under 21 years of age – excess \$450,
 - (d) A person under 26 years of age but not under 24 years of age – excess \$300.
- (3) **Imposed Excess** – A further amount that has been imposed by Us which will be shown on your current Policy Schedule.
 - (4) **Voluntary Excess** – A further amount that You have elected to pay and the amount will be shown on your current Policy Schedule.
 - (5) **Standard Excess** – A further \$100 if the vehicle is a goods carrying vehicle with a capacity of between 5 and 10 tonnes.
 - (6) **Inexperienced Driver Excess** – Where the vehicle is driven by a person 26 years of age or over with less than two years driving experience after obtaining a provisional or probationary licence – excess \$300.
 - (7) **Tourist Excess** – An additional amount of \$750, which will be shown on your current Policy Schedule.
 - (8) **Driving School Excess** – An additional amount of \$250 which will be shown on your current Policy Schedule.

Age or Inexperienced Driver Excesses do not apply:

- To windscreen/window glass claims, storm claims, malicious damage claims, flood claims or theft claims; or
- If the driver of your vehicle is a learner driver under 26 years of age, and accompanied by a fully licensed driver over the age of 26.

Faultless Excess

You may not have to contribute an excess towards your claim provided if:

- (a) You can satisfy Us that the accident/incident was solely the fault of the other person, not the person in charge of your vehicle at the time of the accident/ incident, and
- (b) You provide Us with the name/s and residential address/es of the other driver/s involved in the accident/incident as well as the registration number/s of the vehicle/s.

We will make a determination of fault after We are in possession of all the relevant facts and You agree to accept such determination as final and binding upon You.

General exclusions

This Policy does not cover:

- (a) Loss or damage caused directly or indirectly by invasion, war whether declared or not, rebellion, revolution,
- (b) Loss or damage caused by or resulting from any act of terrorism that involves any biological, chemical or nuclear pollution or contamination,
- (c) Loss or damage caused directly or indirectly by anything nuclear or radioactive,
- (d) Loss or damage caused or resulting from mechanical, structural, computer related technology including computer chip or control logic, electronic or electrical failures or breakdown,
- (e) Loss or damage when any person or organisation lawfully takes possession or control of property covered by this Policy,
- (f) Loss, damage or legal liability caused as a result of sparks, ashes or carbon from your vehicle,
- (g) Gradual deterioration, wear, tear, depreciation, rusting or other forms of corrosion, or any pre-existing damage. Where these conditions exist You may be required to contribute towards the repair or replacement of some parts,
- (h) Damage to tyres by the application of brakes or by road punctures, cuts or bursts,
- (i) The cost of any air freight charges, or the fabrication of any parts or any cost for parts which exceeds the manufacturer's last issued catalogue or price list,
- (j) Loss or damage due to failure to secure your vehicle after it has been stolen and recovered, broken down or after it has suffered damage,
- (k) Any extra costs associated with paint work that does not meet the manufacturer's standard paint specification,

- (l) Loss suffered because You cannot use the vehicle,
- (m) Diminished value of your vehicle after it has been damaged and repaired and repairs have been properly performed.

We will not cover loss, damage or legal liability where the vehicle was being used with your express or implied consent:

- (a) While your vehicle is being used in or tested in preparation for racing, pacemaking, a reliability trial or a speed or hill-climbing test,
- (b) While your vehicle is being used in an experiment, trial or demonstration or to tow any other vehicle in connection with the motor trade,
- (c) While your vehicle is being let on hire by You as lessor or used in the course of the business of carrying fare paying passengers or goods for hire or reward,
- (d) While your vehicle is on consignment,
- (e) While your vehicle is being used for an unlawful purpose,
- (f) While the driver is not authorised under all relevant laws to drive your vehicle, including laws with respect to vehicle licensing and licensing of drivers of vehicles. In the case of any other person driving or being in charge of your vehicle, your cover will not be prejudiced if You can prove that You did not know and You could not reasonably have known that the other person was not so authorised.
- (g) While You are, or any other person is, driving or in charge of your vehicle:
 - (1) under the influence of alcohol and/or drugs, or
 - (2) with a blood alcohol content exceeding that permitted by the laws of the relevant State or Territory; or
 - (3) if, subsequent to the relevant accident, there is refusal to submit to any test to determine the level of alcohol and/or drugs in the breath, blood, urine or saliva when requested by police.

Unless in the case of any other person driving or being in charge of your vehicle, You can prove that You did not know and could not reasonably have known that the other person was affected by alcohol or drugs.

- (h) Caused directly or indirectly by the unroadworthy or unsafe condition of your vehicle, being a condition that was known to You or should have been known to You at the time of incurring the loss or legal liability,
- (i) While your vehicle is loaded contrary to the law,
- (j) Occurring outside Australia except where your vehicle is in transit by sea between places within Australia,
- (k) Intentionally caused to your vehicle, by You or any persons using your vehicle with your permission,
- (l) While your vehicle was being driven in a manner which resulted in a deliberate exposure to exceptional danger, or any wilful or reckless act,
- (m) Incurred by You or any other person, where You were required by law to have a Policy of insurance in force at the time to cover that loss or liability,
- (n) For any costs or penalties imposed upon You or any persons using your vehicle under the provisions of any law,
- (o) Caused by storm, flood or bushfire within the first 48 hours after the start of the Policy, unless:
 - You purchased your vehicle immediately before You took out the Policy, or
 - Our Policy commenced immediately after another Policy covering the same risk expired, without a break in cover.
- (p) While your vehicle is being driven or used on a public street if your vehicle is not registered, whatever the cause of loss.

We may refuse a claim or cancel this Policy or do both if:

- (a) You do not advise Us if the risk changes in any way,
- (b) You do not keep the insured property in good order and repair, in accordance with the registration requirements in the relevant state, free from rust, mechanical problems which would make it unsafe, or You do not have damage repaired,
- (c) You do not immediately make a report to the police if You suspect or it was reasonable for You to suspect that the insured property or something in or attached to it has been stolen,
- (d) Your vehicle has been modified from the manufacturer's specifications, unless;
 - You have told Us about the modification, and
 - We have agreed to it, and
 - You have paid any additional premium required, unless You can prove that You did not know and You could not reasonably have known that the vehicle had been modified,
- (e) Your vehicle is being driven by a person who in the past three years has;
 - Been declined motor vehicle insurance, had it withdrawn, cancelled or renewal refused,
 - Had any driver's licence cancelled, suspended or special conditions imposed,
 - Been convicted of a criminal offence related to fraud, theft or burglary, arson, criminal or wilful damage, unless We have been notified and agreed to cover them, or if You can prove that You did not know and You could not reasonably have known that the other person had incurred any of the above conditions.
- (f) You are not truthful in any statement You make when You apply for this Policy or in connection with a claim,

- (g) You have elected to pay your Policy premium by instalments and;
- An instalment has remained unpaid for more than 14 days, in which case We may refuse to pay your claim; or
 - If an instalment remains unpaid for more than 1 month, in which case We may both refuse to pay your claim and cancel this Policy.

Where more than one person is insured

If more than one person is named as the insured in the current Policy Schedule;

- We may refuse a claim by all or any of the named insured, or
- Cancel this Policy, or
- Do both if, at the time of the incident which results in a claim, one of the named insured is driving the vehicle and any of the exclusions in this Policy apply.

General conditions

Claims

Before We will give You any of the insurance cover in this Policy, You must promptly provide full details of your claim to RAC Insurance on 13 17 03.

You must provide proof of ownership of any damaged or stolen property. Proof could include receipts, valuations, warranties or logbooks for your vehicle and its accessories.

We have the sole right to make admissions of liability, settle any claims against You and to defend You. We may refuse You protection if You make admissions of liability, settle, attempt to settle or defend any claims made against You without Our consent in writing.

We will ensure that any repair to your car does not compromise safety or quality.

You must make your car available to Us so that We can inspect the damage.

If your car can be repaired We will ordinarily obtain two independent and competitive quotes from Our approved smash repairer network.

If You have a preferred repairer You can ask them to quote.

Lifetime Repair Guarantee

The quality of the workmanship and the materials authorised by RAC Insurance in the repair of your car are guaranteed for the life of your car.

If repairs include parts being replaced We will use parts which are consistent with the age and condition of your car to ensure that your car is restored to the condition immediately before the event.

We will only use new and/or recycled OEM (original equipment manufacture) parts except for the replacement of windscreens and window glass for which Australian manufactured and Australian Design Rule compliant parts may be used.

Paying Your Excess

You must pay any applicable excess on each claim You make, or We will be unable to settle your claim.

Proof of Loss

When You make a claim under this Policy, We may ask You to provide purchase receipts or other proof of ownership for your vehicle or any modifications and accessories. If You cannot provide this proof, We may not pay You.

Co-operation

Any benefits which this Policy provides to You depends on You giving Us all the information and help that We require, including attending court to give evidence. You must assist Us even where We have paid your claim, for We may attempt to recover the amount of Our payment from the party who caused You to suffer loss or damage. We may wish to defend You if it is alleged that You caused someone else loss or damage. If You receive any letters, notices or court documents which relate to an accident which resulted or could result in a claim, You must send these papers to Us immediately.

Notices

We will give You any notice in connection with this Policy in writing. It will be effective if it is delivered:

- To You personally,
- Or posted to your address last known to Us, or
- By fax or electronically using details that You have supplied to Us where it is permitted by law.

Changes to this Policy

If You seek a change to this Policy and We agree to it, the change becomes effective from the time it is agreed by Us.

Cancellation of this Policy

By You

You may cancel this Policy by notifying Us. If You do, We will deduct from the premium You have paid to Us an amount which covers the shortened period for which You have insured with Us, Our cancellation costs and any non-refundable government charges. We will refund to You what is left of the premium.

By Us

If We cancel this Policy, We shall do so by giving You notice in writing. If We do, We will deduct from the premium You have paid to Us an amount to cover the shortened period for which You have been insured by Us, any non-refundable government charges and refund to You what is left of the premium.

Total Loss Claims

If We pay You the agreed value specified in the current Policy Schedule or provide You with a replacement vehicle the Policy terminates and no refund of premium will be given. If You are paying the premium by instalments, We will deduct from the claim settlement the balance of the premium for the period of insurance shown on the schedule or request payment from You.

Salvage

When your claim has been paid as a total loss, your motor vehicle becomes Our property.

Other fees and charges

If your policy is changed or cancelled and the premium refund or premium payable is less than \$10, no refund or request for payment will be made.

Transfers

We may refuse a claim or cancel this Policy or do both, if You transfer your interest in the vehicle insured without prior notice and acceptance by Us. This provision does not apply if your interest passes to a lessor, mortgagee or owner under a hire purchase agreement or to a legal personal representative on your death.

No Claim Bonus

No Claim Bonuses only apply if the period of insurance on the vehicle covered by this Policy is continuous and are not transferable to any other person, without Our consent. We will increase the amount of your No Claim Bonus for each year that You do not make a claim on your Policy. This amount will continue to increase until You reach the maximum amount We allow.

You will have your No Claim Bonus reduced and pay a higher premium where We decide:

- (a) The driver of your vehicle caused or contributed to the accident/incident, or
- (b) You were not responsible for the event but can not provide the name/s and residential address/es of the other driver/s involved in the accident/incident as well as the registration number/s of the vehicle/s involved.

If You have one or more at fault claim/s in the 12-month period of insurance, the No Claim Bonus entitlement will reduce and result in an increased premium.

Protected Bonus (Maximum No Claim Bonus Policies Only)

If You have paid the additional premium required, your No Claim Bonus will not be reduced in the event of one claim being lodged in each 12-month period of insurance where You, or the person driving your vehicle, was at fault. This is in addition to ONE windscreen/window glass replacement, or two windscreen repair claims.

Faultless No Claim Bonus

We will not reduce your No Claim Bonus if You make a claim arising from an accident/incident and You can:

- (a) Satisfy Us that the accident/incident was solely the fault of the other person, not the person in charge of your vehicle at the time of the accident/incident, and

(b) You provide Us with the name/s and residential address/es of the other driver/s involved in the accident/incident as well as the registration number/s of the vehicle/s.

We will make a determination of fault after We are in possession of all the relevant facts and You agree to accept such determination as final and binding upon You.

Alteration on renewal

We may, when inviting renewal, alter the terms and conditions of this Policy. This may include imposing an excess. The amount will be shown on your renewal notice.

Signed for RAC Insurance Pty Limited.



Mike McCarthy
Chief Executive Officer
RAC Insurance Pty Limited
ABN 59 094 685 882
AFS Licence Number 231222

Helpful hints

If You have been involved in a traffic accident, You should follow these important steps.

Step 1 The damage.

Take note of the damage done to any property, vehicles or injury to person/s.

Step 2 Who is at fault?

Whatever the circumstances DO NOT ADMIT LIABILITY.

Step 3 Reporting the accident.

The accident must be reported to a Police Station or Police Traffic office if:

- The total damage involved is estimated to exceed \$3,000.
- A person has been injured.

Also, in the event of an injury, contact ICWA, 221 St Georges Terrace, Perth WA 6000. Tel. 9264 3333.

Step 4 The map.

Draw a map of what actually happened (eg. the direction the vehicles involved were travelling, any obstacles, name of the streets where the accident occurred).

Step 5 Need a tow truck?

If You require tow truck assistance in the Perth metro area, phone 13 11 11 at any time of the day. If no phone is available, choose a tow truck with the RAC approved sign (using an unauthorised towing service could mean additional costs). You are the only person entitled to authorise the towing of your vehicle to the nearest RAC Approved Repairer.

Step 6

Phone RAC Insurance on 13 17 03. A claims Officer will be appointed to your claim, to assist You through the process. They will ask You a series of questions that include the following:

- (a) Date of accident
- (b) Time of accident
- (c) Location
- (d) Road conditions: dry surface or wet surface
- (e) Did the accident occur at: Traffic lights, Giveway sign, other
- (f) Other vehicle involved
 - Name of driver
 - Address
 - Phone Number
 - Make of vehicle
 - Registration No.
 - Owner of vehicle
 - Address
 - Phone Number
 - Insurance Company
- (g) Are there any witnesses involved? If so, the name, residential address and phone number.

Metropolitan Member Service Centres

- Carousel:** Shop 1098, Westfield Carousel
Shopping Centre, 1382 Albany Highway
- Mandurah:** Shop 112, Centro Mandurah
Shopping Centre, Pinjarra Road
- Morley:** Shop 1, Morley Market
Shopping Centre, Bishop Street
- West Perth:** 832 Wellington Street
(Head Office)

Regional Member Service Centres

- Albany:** 110 Albany Highway
- Bunbury:** Unit 1, 33 Carey Street
- Geraldton:** Shop 29, Centro Northgate
Shopping Centre, Chapman Road
- Kalgoorlie:** 51-53 Hannan Street

Contact Us

General Enquiries 13 17 03
Roadside Assistance 13 11 11
www.rac.com.au

TTY (numbers for the hearing impaired)

All general enquiries 9301 3113
8.00am to 8.30pm (Monday to Friday)
8.30am to 5.00pm (Saturday)

RAC Insurance Pty Ltd ABN 59 094 685 882
AFS Licence Number 231222



INSURANCE

RAC members are happier