

The background features a large red triangle pointing downwards from the top left, with a grey triangle pointing upwards from the bottom left, meeting at a point. The rest of the background is white.

# Secure Motor Plus Insurance

Product Disclosure Statement

Premium, excess, discounts  
and claim payment example guide

# Your guide to premiums, excesses, discounts and claims payment

The Motor Plus Insurance Premium, Excess, Discounts and Claim Payment Example Guide (Guide) is designed to provide you with additional information about excesses, how we pay claims, calculate premiums and the discounts available under the policy. You should read this Guide together with our Secure Motor Plus Insurance Product Disclosure Statement with a preparation date of 03/12/2020.

**This Guide is relevant to you if your policy has a commencement or renewal effective date on or after 23/03/2021.**

## How we settle claims – some examples

These are examples only of how a claim payment might be calculated and are not part of your policy. You should read them only as a guide. Every claim is considered on an individual basis because every claim is different.

Please note:

- ▼ all amounts are shown in Australian dollars and are GST inclusive;
- ▼ all examples assume you are not registered for GST; and
- ▼ the excess amounts stated are examples only and may be different to your excess(es). Refer to your insurance schedule.

### Example 1 – Total loss

Your car is 5 years old and is comprehensively insured for an agreed value of \$14,000. Your basic excess is \$600. Your car is damaged by hail and we assess the cost of repairs to your car will be \$11,000. The estimated salvage value of the car is \$4,200. Based on the agreed value, what it would cost to repair your car and its salvage value, it is uneconomical to repair your car and your car is a 'total loss'. As your car is more than 2 years old the 'New vehicle after a total loss for vehicles less than 2 years old' additional cover does not apply to you.

Your claim Additional information		
Agreed value	\$14,000	Your car is a total loss when it is uneconomical or unsafe to repair.
Less excess payable	-\$600	As your car has been damaged by hail the basic excess applies. We deduct this from the amount we pay to you unless you have already paid the excess to us for this claim.
Less unexpired registration and CTP/MAI insurance	-\$300	You can collect a refund from your state or territory roads authority. If instead we decide to collect the refund from the relevant authority or insurer ourselves, this amount will not be deducted from your claim.
Claim so far	\$13,100	

If your insurance was paid through monthly instalments of \$60 per month and there are four remaining payments in the period of insurance when your car is damaged:

Less outstanding premium	-\$240	The 4 x \$60 monthly repayments become due when we decide your car is a total loss. We normally deduct this from the amount we pay to you.
Total claim	\$12,860	We would normally pay this directly to you. If a credit provider has a financial interest in the car then we would normally pay your credit provider what they are owed first (up to your amount covered) and pay any balance remaining to you.

There is no refund of the premium. All cover on your car stops, and your policy comes to an end. The salvage becomes our property and we keep the proceeds. This does not affect the amount we pay you.

### Example 2 – New car after a total loss for cars less than 2 years old

Your car is comprehensively insured for an agreed value of \$29,800. Your basic excess is \$600. Your car is damaged by fire and it is a total loss. Your car is less than 2 years old and you qualify for the 'New vehicle after a total loss for vehicles less than 2 years old' additional cover (see page 37 for full details). The cost to replace your car with a new one of the same make, model and series, including all on road costs, is \$31,300.

Your claim Additional information		
Cost to replace your car including on road costs	\$31,300	We pay \$31,300 because your car is less than 2 years old and you qualify for the 'New vehicles after a total loss for vehicles less than 2 years old' additional cover (see page 37 for full details) and you decide you would like to use this cover. We pay the car dealership directly for the new car.
Less excess payable	-\$600	As your car was damaged by fire the basic excess applies. You pay your excess directly to us.
Plus towing costs	+\$500	We arranged for your car to be towed to our closest repairer or another location nominated or agreed by us as the car was not able to be driven (see page 27 for details on towing costs). The towing company has invoiced us. We will pay the towing company.
Total claim	\$31,200	

Your policy will continue to its expiry date. The salvage becomes our property and we keep the proceeds of its sale. This does not affect how much we pay. If instead you elect not to receive a new car or we cannot source or agree on the replacement car, we will pay you the agreed value on your schedule, less applicable deductions (see page 38 for details), and your policy comes to an end.

### Example 3 – Partial loss

Your car is comprehensively insured for an agreed value of \$12,700 and you have the 'Hire of a vehicle after theft' optional cover (see page 29 for full details). Your basic excess is \$600. During a storm a tree branch has fallen and damaged your car. We assess the repairs to your car will cost \$6,000 and estimate it will take 8 days to repair the car.

Your claim Additional information		
Damage to car	\$6,000	Your car is repairable.
Less excess payable	-\$600	Your basic excess applies. You pay your excess directly to us.
Claim so far	\$5,400	We normally pay the repairer directly for repairs.
We have arranged for you to use a hire car that is a similar make or model to your car whilst your car is being repaired.		
Plus hire car costs	+\$400	It has taken eight days for your car to be repaired and returned to you. The hire car provider has invoiced us. The cost is \$50 per day for eight days. We will pay the hire car provider.
Total claim	\$5,800	

#### Example 4 – Not at fault accident

Your car is insured for the agreed value of \$25,600. Your basic excess is \$600. Your car is hit in the rear whilst stopped at a red traffic light and you have provided the name and address of the at fault driver and the registration number of the at fault vehicle. It is determined that the other driver was at fault. You are eligible for the 'Hire of a vehicle after a not a fault accident' additional cover (see page 30 for full details).

Your claim Additional information		
Damage to your car	\$7,500	Your car is repairable.
Less excess payable	-\$0	Your excess is waived because you have provided the name and address of the at fault driver and the registration number of the at fault vehicle. The driver of the other vehicle was entirely at fault.
Claim so far	\$7,500	We normally pay the repairer directly for the repairs.

As you have provided the name and address of the at fault driver and the registration number of the at fault vehicle involved in the accident and the other driver is at fault, you qualify for the additional cover 'Hire of a vehicle after a not at fault accident' (see page 30 for full details).

Plus hire car costs	+\$600	You are entitled to a hire car that meets your transport needs for the time it takes to repair your car and return it to you (\$75/day for eight days). The hire car provider has invoiced us. We will pay them directly.
Total claim	\$8,100	

#### Example 5 – Windscreen excess waiver optional cover

You are insured comprehensively and have chosen the 'Windscreen excess waiver' optional cover. Your windscreen has been damaged by a stone from loose gravel whilst you were driving and needs to be replaced. This is your first 'windscreen excess waiver' claim in the current period of insurance. It will cost \$350 to replace the windscreen.

Your claim Additional information		
Replacement windscreen	\$350	The windscreen provider has invoiced us. We will pay the windscreen provider.
Less excess payable	-\$0	No excess applies when you have the 'Windscreen excess waiver cover' option and this is your first claim within the period of insurance.
Total claim	\$350	

#### Example 6 – Legal liability

Your car is insured for Third Party Property Damage cover. You are 23 years old and are a listed driver on the policy. Your basic excess is \$600 and your age excess as a listed driver is \$400. You are involved in an accident causing damage to another car. You are at fault and liable to pay the cost of repairs for the damage caused to the other car. The cost of repairs to the other car is \$35,000. As you have Third Party Property Damage cover, you are not insured for the damage to your own car.

Your claim Additional information		
Damage to the other car	\$35,000	
Plus towing and hire car	+\$3,900	The driver of the car you hit has claimed for towing of their vehicle and use of a hire car for 30 days.
Less excess payable	-\$1,000	As you are at fault the basic excess applies along with the age excess. You pay this amount directly to us.
Total claim	\$37,900	We normally pay the cost of repairs directly to their insurer.

# Excesses

## What is an excess?

An excess is the amount you must pay for each incident when you make a claim. You might have to pay more than one type of excess when you claim.

The total excess you are required to pay is determined by the circumstances of your claim. Your excesses are shown on your schedule.

The different types of excesses are:

### Basic excess

The basic excess is determined at the time the policy is issued. Your basic excess is based on the state or territory your vehicle is usually located in and the value of your vehicle. If you apply to vary your basic excess and we agree to the variation, your basic excess will be the amount chosen by you from our range.

### Inexperienced driver excess (drivers 25 years of age or over only)

The inexperienced driver excess is \$400. We apply this excess if the person driving the vehicle at the time of the loss or damage is 25 years of age or over and has been licensed to drive for less than 2 years. It also applies to learner drivers.

### Age excess (drivers under 25 years only)

An age excess will be applied in addition to the basic excess and you will be required to pay it to us, if the person driving the vehicle at the time of the loss or damage is under the age of 25 and is listed on your schedule. The age excess is between \$300 and \$700 depending on the age of the driver and the state or territory where the vehicle is parked overnight. It also applies to learner drivers.

### Undisclosed driver excess (drivers under 25 years only)

An undisclosed driver excess of \$1,500 will be applied in addition to any other excess that applies, if the person driving at the time of the incident is under the age of 25 and is not listed on your schedule. This excess does not apply to learner drivers.

### Underwriting driver excess

An additional excess may be imposed based on a driver's driving history and/or the overall claims history.

The underwriting driver excess will replace the amount of the basic excess to form your new basic excess. This excess will apply if it is listed on your schedule and is in addition to any other excess that applies.

## About your premium

The amount you pay for this insurance is called the premium. Your premium includes any applicable GST, stamp duty, other government charges and any levies that apply. The premium will be shown on your schedule as the total amount payable, or if you pay by the monthly instalments, as your monthly insurance premiums.

When we calculate your premium, there are a range of factors we take into account. The importance we place on the factors we use can change and how those factors combine to affect your risk premium will differ from person to person.

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 also affected by other things including:

- ▼ The cost of claims we have paid to other customers and claims we expect to pay in the future
- ▼ New and updated data we use to calculate your premium
- ▼ Changes in government taxes and any state or territory duties or levies
- ▼ Our expenses of doing business and other commercial factors

When determining your renewal premium, we also consider how much you paid last time. As such we may limit movement up or down to avoid large changes in premiums across different periods of cover.

The significant factors we use to calculate your premium may include some or all of the following:

Factor	Comprehensive cover	Third party property damage, fire and theft cover	Third party property damage cover
Sum insured (Market or Agreed Value)	✓	✓	✗
Address where vehicle is parked overnight	✓	✓	✓
Vehicle use	✓	✓	✓
Age of driver(s)	✓	✓	✓
Gender of driver(s)	✓	✓	✓
Number of driver(s)	✓	✗	✗
Whether the vehicle is financed	✓	✓	✓
Type of vehicle	✓	✓	✓
Vehicle age	✓	✓	✓
Annual distance the vehicle is driven	✓	✗	✗
Overnight parking type (e.g. garage, on the property)	✓	✗	✗
Specified accessories and optional extras in addition to the automatic cover limit under your policy	✓	✓	✓
Vehicle modifications	✓	✓	✓
The policy options you have chosen	✓	✗	✗
The excess you choose	✓	✗	✗
The amount of commission we pay	✓	✓	✓

Claims on your policy only affect your comprehensive premium through changes to your No Claim Bonus.

# Premium discounts

Discounts are also a significant factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually applied before the application of government taxes and charges.

The main discounts we offer on comprehensive cover are:

- ▼ No claim bonus (NCB)
- ▼ Loyalty bonus

From time to time we might also offer discounts or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions may apply and you might not be eligible for our usual discounts. These offers are usually short term in nature.

The amount and type of discounts offered can change or be withdrawn at any time before you take out this policy, or at your next renewal. If you are eligible for more than one discount, we apply any subsequent discount to the already discounted premium.

## No claims bonus (NCB)

A no claim bonus (NCB) is a discount off your comprehensive premium as a reward for your good driving and insurance history. If you have a NCB it is shown on your schedule. There are multiple NCB levels - the maximum is 65% and the lowest is 0%. If your NCB falls below 0% a surcharge, and not a discount, applies.

On each renewal, your discount will increase one level until you reach the maximum discount level, provided that you haven't made any claims that affect your NCB.

For each penalty claim you make that affects your NCB, your NCB will decrease (usually by one rating level) from the next policy period.

If your current NCB is Nil and you lodge a penalty claim, we will add a surcharge to the premium payable from the next renewal. A surcharge will also apply from the next renewal if you are on a 25% NCB and lodge two penalty claims that affect your NCB during the period of insurance.

If you are eligible for the Lifetime No Claim Bonus Protection, your NCB will not change for any claims you make.

## Protected no claim bonus benefit (Optional cover that you can pay extra for)

If you have a maximum no claim bonus of 65%, and the protected no claim bonus benefit is shown as selected on your schedule, your no claim bonus will not be affected by the first penalty claim in any period of insurance.

Your no claim bonus will be adjusted as if this protection did not apply if a penalty claim occurs and you have made a previous penalty claim for an event occurring within this period of insurance.

## Lifetime no claims bonus protection

If you are entitled to a maximum no claims bonus on your Comprehensive policy, you may be eligible for the lifetime no claim bonus protection benefit.

If you are entitled to this benefit, your maximum no claim bonus is protected for the life of this policy and any subsequent renewals (even if you are at fault in the event of an accident).

If you have lifetime no claims bonus protection you will continue to receive a 65% no claim bonus + 5% loyalty bonus on renewal. If you are eligible for more than one discount, we apply any subsequent discount to the already discounted premium.

Note - If you have selected the Protected no claim bonus benefit and are eligible for the Lifetime no claim bonus protection, the lifetime protection will automatically apply at the next renewal date of your policy. You will no longer pay extra for the optional Protected no claim bonus benefit.

## Loyalty bonus

A loyalty bonus recognises you as a valued customer. At renewal, a discount of 5% may be added to your NCB if you: have held the policy with us for a year and have held the maximum no claims bonus of 65% in the previous period of insurance and there were no penalty claims reported during the previous period of insurance.

Please note that if at any time, your no claim bonus of 65% is not protected by either the protected no claims bonus benefit or the life time no claims bonus and you do incur a penalty claim in a period of insurance your eligibility for the loyalty bonus at the next renewal will cease. You will need to meet the eligibility criteria again to get the loyalty bonus. If you continue to meet the eligibility criteria each renewal, you will continue to get the loyalty bonus.

## Government taxes and charges

After we have calculated the amount to cover your car insurance policy any applicable stamp duty, GST, charge and levy are then applied and the total amount is your premium.

## Financial claims scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles people, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

You can find more information about the FCS can be obtained from [www.fcs.gov.au](http://www.fcs.gov.au).



