

# secure car

insurance product disclosure  
statement and policy



Intermediary



Insurer



\* see inside front cover

## **ABOUT IBNA LIMITED**

The IBNA Network origins go back to 1984 to give individual general brokers the opportunity to enjoy the benefits of a larger group, yet still maintain the all important feel of independence. With a total turnover of over 800 million dollars in general insurance premiums, the IBNA Network ranks within the top general insurance broking groups in Australia.

IBNA Limited ("IBNA") has entered into an arrangement with CGU Insurance Limited ABN 27 004 478 371 Australian Financial Services Licence Number 238291, the underwriter of this insurance policy, to develop financial products and services that are distributed by IBNA members. This insurance policy is available exclusively to IBNA clients through IBNA insurance brokers who are licensed members of IBNA Limited ABN 43 086 563 055. IBNA and IBNA insurance brokers do not issue, guarantee or underwrite this insurance policy.

For further information about IBNA, please visit [www.ibna.com.au](http://www.ibna.com.au)

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## About this booklet

### Preparation date: 05/05/2010

This booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about your insurance needs. The PDS contains information about costs, our dispute resolution system, your cooling-off rights and other relevant information, including other rights, terms and conditions of the policy, including the exclusions and obligations attaching to this product. Please read this booklet carefully.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any changes or corrections need to be made to the PDS a Supplementary PDS may be provided. In either case, the relevant document will be provided to you with the PDS.

You should keep your policy booklet and policy schedule together in a safe and convenient place for future reference.

### Our agreement with you

The PDS and the policy schedule form the legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the policy, during the period of insurance shown on your policy schedule or any renewal period. Please keep them in a safe place for future reference.

The policy schedule contains details of your cover that are personal to you. It may contain information that changes the terms and conditions of your policy such as, options that you have selected or special conditions that we have imposed.

The exclusions in the section(s) headed 'When you are not covered' and conditions in the section headed 'General conditions' apply to all types of cover.

The excesses set out in the section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to your policy will be shown on your policy schedule.

If you require further information about this product, please contact your appointed insurance broker.

## About CGU Insurance Limited

CGU is one of Australia's largest intermediary-based general insurers, offering a comprehensive range of commercial, rural and personal insurance products. Today, CGU is proud to be part of Australasia's leading general insurance group, Insurance Australia Group.

## Insurer

The policy is underwritten by CGU Insurance Limited. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

## How to contact us

You may contact us by any of the following ways:

- In person at any CGU Insurance office.
- By telephone on 13 15 32.
- By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- By email on our website [www.cgu.com.au](http://www.cgu.com.au).

## Covers available

When you take out your insurance, you have a choice of three types of cover:

## Comprehensive Cover

This covers your vehicle for accidental loss or damage as well as damage to property and other vehicles.

## Third Party Fire and Theft

This covers your vehicle for fire and theft as well as damage to property and other vehicles.

## Third Party Property Damage

This covers damage to property and other vehicles. Your schedule will show the cover you have selected.

## Policies available

When you take out your insurance, you have a choice of three types of policies.

- Car Insurance
- Nominated Driver Car Insurance
- Nominated Driver Low Kilometre Car Insurance

Your schedule will show the policy you have selected.

## The cost of this insurance policy

The total premium is the amount we charge you for this insurance policy. It includes the amount which we have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will be shown on your policy schedule.

When calculating your premium we take a range of rating factors into account. These factors, and the degree to which they affect your premium, will depend upon the information you provide to us.

Some factors that impact the calculation of your premium include:

where the vehicle is located, the sum insured and your previous insurance and claims history, driving history and age of driver.

## Duty of Disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. The Act requires that before a policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new policy or not.

### New business

Where you are entering into this policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated), you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions, you must be honest.

#### ● Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the policy.

#### ● If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never having worked.

### Renewals, variations, extensions and reinstatements

Once your policy is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone

else to be insured under the policy, and if so, on what terms.

- You do not have to tell us about any matter:
  - that diminishes the risk
  - that is of common knowledge
  - that we know or should know in the ordinary course of our business as an insurer, or
  - which we indicate we do not want to know.
- If you do not tell us

If you do not comply with your Duty of Disclosure, we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent, we may treat this policy as never having worked.

## How we handle your personal information

We are committed to handling your personal information in accordance with the Privacy Act.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to:

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal Information from, and disclosing it on a confidential basis to, your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

### **When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

### **Privacy of your personal information – for marketing purposes**

In order to enhance their relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\* The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

### **General Insurance Code of Practice**

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to promote better, more informed relations between insurers and their customers
- to improve consumer confidence in the general insurance industry
- to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- to commit insurers and the professionals they rely upon to higher standards of customer service.

## **Our commitment to you**

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

## **How to resolve a complaint or dispute**

### **1. Talk to us first**

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

### **2. Seek a review**

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

### **3. Seek an external review**

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if

appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

## **Financial Claims Scheme**

You may be entitled to payment under the financial claims scheme in the event that CGU Insurance Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.

## **How to make a claim**

Please contact us to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your claim. Full details of what you must do for us to consider your claim are provided at the end of this booklet.

## **Cooling-off information**

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this, you must notify us in writing within 21 days from the date the policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim.

## Intermediary remuneration

CGU Insurance Limited pays remuneration to insurance intermediaries when we issue, renew or vary a policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration we may pay your intermediary, you should ask your intermediary.

## When you are covered

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your vehicle for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- bushfire or grassfire, or
- a named cyclone.

We will provide cover however if:

- This insurance commences directly after another insurance policy covering the same vehicle expired without a break in cover.
- You have entered into a contract of sale to purchase the vehicle.
- You have entered into a contract to lease the vehicle.

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

## Words with special meanings

Some key words used in this policy have a special meaning.

Wherever the following words are used in the policy, they mean what is set out below:

**authorised driver** a person you allow to drive your vehicle.

**nominated driver** means a person (or persons) listed on your schedule as the nominated driver(s). They must be 25 years of age or older.

**period of insurance** the period shown on the policy schedule.

**policy schedule** the schedule of insurance or any endorsement schedule we give you.

**we, our, us** CGU Insurance Limited, ABN 27 004 478 371.

**you, your** the person(s), companies or firms named on the policy schedule as the 'Insured'.

**your family** any member of your family who lives permanently with you, including your partner.

**your vehicle** the vehicle described in the schedule.

## Use of the vehicle

We cover your vehicle only when you are using it for private use.

Private use means

- Your vehicle can be registered in your name or in a business name for 'private use' only and used for the following purposes:
  - Social, domestic and pleasure purposes.
  - Demonstration for sale.
  - In connection with servicing, repairing and subsequent testing.
  - For tuition, as long as it is not for payment.
  - Towing a caravan, trailer or vehicle, as long as it is not for payment.
  - Driving to or from work.
  - In connection with your occupation or business as, long as your vehicle is:
    - Driven only by you, your authorised driver or nominated driver.
    - Not used for collecting or delivering goods for reward.
    - Not used to enable you to obtain sales orders or to sell or promote products or services.
    - Not used for carrying on of a driving instructing business, and not used in connection with the motor trade.

## Types of cover for your motor vehicle

We offer the following three types of cover. The type of cover you have selected is shown on the policy schedule. The causes or events not covered are described under, 'What you are not insured against', 'We will not cover' and 'When you are not covered'.

### Comprehensive

This cover provides:

- Insurance against theft or accidental loss or damage to your vehicle.
- Additional benefits – as set out in the 'Additional benefits' section.
- Insurance against legal liability for damage caused by your vehicle to the property of other people or bodily injury – as described in Section 2.

### Third Party, Fire and Theft

This cover provides:

- Insurance only against damage to your vehicle caused by fire, explosion, theft or attempted theft.
- Additional benefits – as set out in the 'Additional benefits' section.
- Insurance against legal liability for damage caused by your vehicle to the property of other people or bodily injury – as described in Section 2.
- Insurance against damage to your vehicle but only if the damage is caused solely and directly by another vehicle as described under the uninsured motorist's benefit under 'Additional benefits'.

### Third Party Property Damage

This cover provides:

- Insurance against legal liability for damage caused by your vehicle to the property of other people or bodily injury – as described in Section 2.
- Insurance against damage to your vehicle but only if the damage is caused solely and directly by another vehicle as described under the uninsured motorist's benefit under 'Additional benefits'.

## Types of policies for your motor vehicle

We offer the following three types of policies. The type of policy you have selected is shown on the policy schedule.

- **Car Insurance Policy** – available under all levels of cover.
- **Nominated Driver Car Insurance Policy** – available under all levels of cover.

If you choose this policy, we will calculate your premium on the basis that your car will be driven by no more than two nominated drivers who are 25 years of age or over.

The drivers you nominate will be listed on your schedule.

Under this policy we will not cover any loss, damage or liability if your vehicle is driven by someone who is under 25 years of age, unless it is being:

- parked by a parking attendant
- repaired, serviced or tested, or
- used to transport a person in the event of a medical emergency.

- **Nominated Driver Low Kilometre Car Insurance Policy** – available under Comprehensive cover only.

If you choose this policy, your premium will be calculated on the basis that your car:

- will be driven by no more than two nominated drivers who are 25 years of age or over, and
- will not be driven more than 10,000 kilometres during your period of insurance.

The drivers you nominate will be listed on your schedule.

If you exceed the 10,000 kilometre limit, you may also need to pay an additional premium.

Under this policy, we will not cover any loss, damage or liability if your vehicle is driven by someone who is under 25 years of age, unless it is being:

- parked by a parking attendant
- repaired, serviced or tested, or
- used to transport a person in the event of a medical emergency.

This policy is not offered in Tasmania.

# Section 1: Cover for your vehicle

## 1.1 What you are insured against

### The cover on your vehicle

We cover you against loss or damage to your vehicle shown in the policy schedule depending on the type of cover you have selected.

### Cover on your vehicle includes

- (a) Standard equipment and standard tools for the particular make and model of your vehicle fitted by the original manufacturer.
- (b) Any additional equipment or accessories including those fitted by the manufacturer or dealer up to 5% of your vehicle's market value or \$2,000, whichever is the lesser amount, unless they are specified otherwise on your policy schedule.
- (c) Other tools and spare parts for your vehicle while in or on your vehicle up to \$250 in total.
- (d) Theft or accidental loss or damage to your vehicle, depending on the type of cover you have selected.
- (e) Any specified equipment, accessories or modifications shown on the policy schedule.

## 1.2 What you are not insured against

We do not cover your vehicle for the following:

- (a) Damage to its tyres caused by the application of brakes, road punctures, cuts or bursting, unless caused as a result of an incident covered under the type of cover you have selected or people acting maliciously.
- (b) Depreciation, wear, tear, rust or corrosion.
- (c) Failure or breakdown of a structural, electrical, mechanical or electronic nature.

- (d) Faulty design or workmanship of your vehicle parts. However, we do cover you for loss or damage to your vehicle resulting from faulty design or workmanship if such loss is otherwise covered by this policy.
- (e) Mechanical damage caused by escape of oil or coolant unless whilst your vehicle is being driven by a thief.
- (f) Repairing or replacing parts that have failed or broken down.
- (g) Damage to your vehicle that happened before this insurance started.

## 1.3 What we pay for loss or damage

At our option we treat the loss or damage as a:

- (a) partial loss, or
- (b) total loss.

These types of losses are defined below and we settle on the terms described:

### (a) Partial loss

If we decide to repair your vehicle, we will repair it to a similar condition to that which it was in before the loss or damage occurred.

If it is necessary to repair it to a better condition than it was in before the loss or damage occurred, then we may ask you to contribute the additional amount to repair it to the better condition.

If you have insured any accessories we will either repair them or pay for the cost to replace them as new, less an amount for depreciation, wear and tear.

When your vehicle is repaired, the repairer may use reusable parts or parts that are not manufactured by a supplier to the vehicle's original manufacturer which:

- are consistent with the age and condition of the vehicle

- do not affect the safety or the structural integrity of the vehicle
- comply with the vehicle manufacturer's specifications and applicable Australian Design Rules
- do not adversely affect the post repair appearance of the vehicle, and
- do not void or affect the warranty provided by the vehicle manufacturer.

In repairing your vehicle, we may arrange for a part of the repair to be carried out by a specialist service provider, for example windscreen repairs.

### **Lifetime repair guarantee**

We guarantee workmanship of the repairs authorised by us. This guarantee is for the life of the vehicle and is in addition to your statutory rights against the repairer and warranties that you have from the repairer directly. Wear and tear is not covered by this guarantee.

We will arrange for repairs authorised by us to be rectified at no cost to you if we agree that the repairs are defective. Before we can arrange for any defective repairs to be rectified, you must give us the opportunity to inspect the vehicle.

### **Choice of repairer – applies to all types of cover**

You can suggest a repairer, or we can suggest one for you. If we do not accept your choice of repairer, you must still co-operate with us to select another repairer that we both agree on. This is our policy on choice of repairer.

### **Imported vehicles**

If your vehicle has been imported and any part is not available in Australia, we will only pay for the cost of parts used in the repair of your vehicle up to the manufacturer's recommended list price in Australia.

If there is a delay in the repair process due to the importation of parts, you are not covered for any loss of use of your vehicle during that time.

### **(b) Total loss**

A vehicle will be declared a 'total loss', if:

- the cost to repair your vehicle plus the value of any salvage (if applicable) exceeds the 'agreed value' or 'market value', or
- your vehicle is stolen and not recovered within a period of 28 days or lesser time we agree.

If we declare your vehicle a total loss and pay you the market value, agreed value or replace your vehicle, then the policy will cover your replacement vehicle free of charge until the expiry of your current period of insurance.

We will settle the claim on the basis of market value or agreed value depending on the cover shown on the policy schedule.

### **Market value**

If you have insured your vehicle for market value, we will at our option:

- replace your vehicle with an equivalent vehicle or pay you its market value at the time of the total loss, plus
- replace all insured accessories or pay you the cost to replace them as new, less depreciation.

### **Market value means:**

The amount of money it would cost to replace your vehicle in your local area with an identical vehicle. We will take into account the condition of your vehicle. This amount includes any GST and stamp duty you must pay for the transfer of ownership of the replacement vehicle.

## **Agreed value**

If you have insured your vehicle for agreed value, we will at our option:

- replace your vehicle with an equivalent vehicle, or
- pay the agreed value shown on the policy schedule or the market value, whichever is the greater.

### **Agreed value means:**

The fixed amount for which your vehicle is insured for each period of insurance, regardless of any price change for your vehicle during that period.

The agreed value includes the value of insured accessories and equipment.

### **Replacement with a new vehicle**

We will replace your vehicle with a new vehicle of the same make, model or series, so long as it is available in Australia and:

- your vehicle is stolen and not recovered within 28 days, or
- the estimated damage repair costs exceed the market value or agreed value insured less salvage value of the vehicle, and
- you purchased it new (or as a demo model) from the manufacturer or their dealer, and
- where your vehicle is financed, your financier has given us written consent, and
- your vehicle is less than three (3) years old from when it was first registered and has not travelled more than 70,000 kms.

If a new replacement vehicle is not available, we will replace your vehicle with the nearest equivalent vehicle available, so long as it is available in Australia. We will decide what is reasonable.

If the excess is applicable, it is payable to us before we replace your vehicle.

We also pay the registration, stamp duty and dealer charges for the period registered but not exceeding 12 months on the new vehicle but any refund of registration fees or stamp duty applicable must be refunded to us.

This replacement cover will not apply if we have to pay any part of the agreed value or market value to a credit provider.

### **Financier**

If your vehicle is the security for any finance arrangement and the name of the financier is noted on the policy schedule, then:

- we have the right to make claim payments to the financier, and
- any payment made to the financier will satisfy our obligation to you under this policy for the amount paid.

### **Salvage**

If we replace your vehicle or pay you the market value or agreed value, your vehicle in its damaged condition becomes our property.

## Section 2: Cover for your legal liability

### 2.1 Property damage

#### Damage to property

We will pay the amount you, a nominated driver, or an authorised driver, may be held legally liable to pay for accidental damage to property belonging to other people caused by or arising out of the use of:

- Your vehicle or goods falling from your vehicle.
- Any trailer or caravan attached to your vehicle.

#### Property belonging to you or under your control

We do not cover legal liability for damage to property that belongs to, or that is in the control of:

- You, any member of your family who normally lives with you, or any other person who normally lives with you.
- A nominated driver, or any member of the nominated driver's family who normally lives with that nominated driver.
- An authorised driver, or any member of the authorised driver's family who normally lives with that authorised driver.
- Any person you, a nominated driver, or an authorised driver employ.

However, we will pay claims arising from damage to:

- A residential building that is rented and occupied by any of the above people.
- Employee's or visitor's vehicles and their contents while contained in a car park provided by you.

#### Substitute vehicle

We cover your legal liability to pay for accidental damage by a registered vehicle being used by you as a substitute vehicle while your vehicle is being serviced, repaired or is not driveable.

We give you this benefit only if:

- one substitute vehicle is being used at any one time in place of your vehicle
- the substitute vehicle is not already covered under another insurance policy, and
- the substitute vehicle is not owned by you and you have the owner's permission to drive it.

#### Your employer's or principal's liability

We will pay the amount your employer, principal, partner or passenger may be held legally liable to pay for accidental damage to property belonging to other people as a result of an incident covered by this policy while you are using your vehicle on business as long as it is not a use that is excluded by this policy as described under 'Use of the vehicle'.

#### What we pay for legal liability for damage to other people's property

We will pay up to the maximum amount shown on the policy schedule, for all claims arising out of any one incident or series of incidents arising out of the one cause or event covered under the heading 'Property damage', in this section.

### 2.2 Injury to other persons

We will pay the amount which you, a nominated driver or an authorised driver may be held legally liable to pay by way of compensation or damages for death or bodily injury to persons arising out of the use of your vehicle.

We do not cover legal liability for death or bodily injury to:

- You, any member of your family who normally lives with you, or any other person who normally lives with you.
- A nominated driver, or any member of the nominated driver's family who normally lives with that nominated driver.

- An authorised driver, or any member of the authorised driver's family who normally lives with that authorised driver.
- Any person you, a nominated driver, or an authorised driver employ.

We do not pay if:

- (a) Your vehicle is not registered.
- (b) You or any person using your vehicle:
  - is wholly or partly covered under any compulsory statutory insurance scheme or accident compensation scheme, or
  - would have been entitled to be covered under any such scheme as it existed at the commencement date of the period of insurance, even though there may have been a change in the law during that period of insurance, or
  - would have been entitled to be covered under any such scheme if it were not for the application of any excess or deductible applying under the scheme, or
  - would have been entitled to be covered under any such scheme but the amount of compensation payable is calculated as nil,
  - would have been entitled to be covered under any such scheme had cover not been refused because you did not:
    - register your vehicle,
    - apply for cover under the scheme,
    - comply with a term or condition of the scheme.

## **What we pay for legal liability for injury to other persons**

We will pay up to the maximum amount shown in the policy schedule for all claims arising out of any one incident or series of incidents arising out of the one cause or event covered under 'Injury to other persons' in this section.

However, if at the time of the incident giving rise to a claim, you or any other person entitled to indemnity under this benefit is the holder of another policy issued by us which provides a similar cover, then the maximum amount we will pay is the higher of the amounts provided by any of the policies.

## **2.3 Passengers**

We will insure under clause 2.1 and 2.2 a passenger who is lawfully travelling in or getting in or out of your vehicle or a substitute motor vehicle.

## **2.4 Legal expenses**

We will pay your reasonable legal costs and expenses in defending or settling claims if you have our agreement in writing. We pay this in addition to the amount payable under 'Damage to property' and 'Injury to other persons', in this section.

## **2.5 We will not cover**

We do not cover legal liability arising out of:

- Penalties, fines or awards of aggravated, exemplary or punitive damages made against you, a nominated driver, an authorised driver, or a passenger.
- Accidents where there is insurance required by law that provides cover for your liability, or it was available to you, and you did not take it out.
- Any disease that is transmitted by you, any member of your family who normally lives with

you, a nominated driver, an authorised driver, or any passengers.

- Any agreement or contract you, a nominated driver, or an authorised driver enter into, unless you, the nominated driver, or the authorised driver would have been liable without the agreement or contract.

## Additional benefits

We give you the following additional benefits depending on the type of cover you have selected:

### Change of vehicle – applies to all types of cover

We will cover any permanent replacement vehicle, from the time of its purchase for 21 days under the terms of this policy if you:

- have disposed of the replaced vehicle, and
- bear any additional excess applicable to the replacement vehicle in the event of a claim.

If, before you have given us full details as required above, the replacement vehicle is damaged or stolen, the maximum amount payable is the purchase price of the replacement vehicle up to:

- \$100,000 in the case of Comprehensive Cover, or
- \$10,000 in the case of Third Party Fire and Theft Cover.

If you give us details of your replacement vehicle within 21 days of its purchase, we will insure it for the remainder of the period of insurance, if it is acceptable to us and you pay us any additional premium we may require, or you may cancel the policy at your choice.

If your replaced vehicle was due to a total loss claim under this policy, this benefit does not apply.

### Car sharing agreement – applies to all types of cover

We will pay for accidental loss or damage according to the type of cover selected when your vehicle is being used in a car sharing agreement, including travelling to and from work, as long as any payment by passengers does not involve commercial use for profit.

### **Towing costs – applies to Comprehensive and Third Party Fire & Theft covers**

If your vehicle is not driveable following an accident or theft covered under the policy, we will pay for the reasonable costs of:

- towing your vehicle to the repairer nearest to where it was damaged, or
- any other place that we first approve.

### **Cleaning up after an accident – applies to Comprehensive cover only**

We cover your legal liability to pay for the cleaning up of any debris of your vehicle following an accident.

The maximum amount we will pay is \$500 for any one accident.

### **Returning your vehicle after stolen – applies to Comprehensive and Third Party Fire & Theft covers**

We will pay for the reasonable costs of returning your vehicle to the place where it is normally parked if it is found after being stolen.

Should the cost of returning the vehicle plus the necessary repairs exceed the relevant agreed value or market value at the time of the theft, we reserve the right to treat the vehicle as a total loss.

### **Hire car costs following theft**

If your vehicle is stolen, and the theft is covered under this policy, we will reimburse you for the reasonable cost of hiring a similar vehicle but:

- We do not pay for hiring charges incurred after the date your vehicle is returned to you and/or repaired.
- Cover is limited to a total period of 21 days.
- Cover stops once we pay the claim.

You will need to organise and pay for the hire car. We are not responsible for ensuring that a hire car is available. You must also give us a copy of the rental agreement and any receipts for the hire car before we will pay you.

If the cost of the hire car is more than the maximum daily rate shown below, you will have to pay the difference.

We do not pay for:

- Additional hiring costs.
- Running costs, including the costs of fuel.
- Damage to the hire car.
- Any insurance, insurance excess or other costs you may be liable for under the hire car agreement.

We must pre-approve this additional benefit.

The maximum amount we will pay is \$80 per day for any one event. If a similar hire vehicle is not available, a travel allowance of \$30 per day is claimable instead.

### **Trailer and Caravan cover – applies to Comprehensive cover only**

We will pay for theft, or accidental loss or damage to any trailer or caravan which is owned by you or for which you are responsible while it is:

- attached to your vehicle, or
- detached from your vehicle but within the domestic land boundaries of your usual home as long as it was not in a common area of home units, flats and the like.

We do not pay for any property in or on the trailer or on/in the caravan. We will not pay if the trailer or caravan is already insured under another policy.

The maximum amount we will pay is the lesser of \$1,500 or the market value of the trailer or caravan.

### **Personal property – applies to Comprehensive cover only**

We will pay for the loss of or damage to your personal effects, tools of trade, trade stock and materials in your vehicle caused by:

- violent or forcible entry, or
- an accident to your vehicle.

However, we do not cover cash or items that are covered under 'What you are insured against', or cash or items insured under another policy.

The maximum amount we will pay is \$500 for any one event.

### **Travelling and accommodation expenses – applies to Comprehensive and Third Party Fire & Theft covers**

We will pay for any reasonable additional travel or accommodation expenses resulting from a claim for accidental damage, fire or theft to your vehicle we accept under this policy, as long as at the time of accident, fire or theft your vehicle was more than 100 kilometres from the address where it is normally parked at night.

We will not pay if you had intended to pay for overnight accommodation in any event.

Travelling expenses extends to include the collecting of your vehicle following repairs.

The maximum amount we will pay for accommodation expenses is \$500 for any one event.

The maximum amount we will pay for travelling expenses is \$500 for any one event.

### **Child seat or baby capsule – applies to Comprehensive cover only**

We will pay for loss or damage to a child's seat or baby capsule that is stolen from your vehicle or damaged in an accident or fire while in your vehicle.

The maximum amount we will pay is \$500 for any one event.

### **Locks and keys – applies to Comprehensive cover only**

If your keys are lost, destroyed or damaged, or if there are reasonable grounds to believe the keys may have been illegally duplicated, we will pay the costs of replacing and recoding the locks and we will re-key and/or recode the locks. We will pay up to \$2,000 during any one period of insurance and this benefit is not subject to loss or damage to the vehicle covered under this policy. However, we will only pay if the theft of your keys has been reported to the Police.

### **Artwork and sign writing – applies to Comprehensive cover only**

We will cover you for loss or damage to artwork or sign writing or fixed advertising signs or materials forming a permanent part of your vehicle at the time of the loss or damage. We will pay up to \$1,000 during any one period of insurance.

### **Driver accident compensation benefit – applies to Comprehensive cover only**

We will pay the following scale of benefits to the driver of your vehicle who is injured as a result of an accident while driving your vehicle if:

- the driver was driving your vehicle with your consent
- the claim has been accepted under this policy, and
- the driver is not entitled to any benefits under any compulsory statutory insurance scheme or accident compensation scheme, or would have been so entitled if:
  - it were not for the application of any excess or deductible applying under the scheme, or
  - compensation under the scheme had not been refused, because you did not register your vehicle or apply for cover under the scheme.

## Table of injury and benefit

Injury	Benefit
Quadriplegia (total paralysis of both legs and both arms)	\$100,000
Paraplegia (total paralysis of both legs and a part of or the whole of the lower half of the body)	\$75,000
Permanent total disablement	\$50,000
Loss of entire sight in both eyes	\$25,000
Loss of entire sight in one eye	\$10,000
Permanent total loss of use of one limb (at or above the wrist or ankle) if the disability has continued for at least 12 months and in our opinion is beyond the reasonable possibility of improvement	\$10,000

The disability must occur within 90 days of the date of accident for any of the benefits to be given.

We will pay only one of the benefits mentioned above for any one accident.

We will not pay a claim unless the injured person undergoes any medical examinations during any period we may require in order to assess the claim. (We will arrange the examinations and pay the costs.)

### Uninsured motorist's benefit – applies only if Third Party Fire & Theft cover or Third Party Damage cover was selected

We will pay for accidental loss or damage to your vehicle if you can satisfy us that the accident which gave rise to the claim was caused solely and directly by the fault of the driver of another vehicle and:

- you tell us the registration number of the other vehicle and the name and address of the driver of the other vehicle, and

- at the time of the loss or damage the driver of the other vehicle was not insured for their third party damage liability, and
- at the time of the loss or damage the other vehicle was not owned or registered in your name or in the name of a person who is a relative of yours or any person with whom you ordinarily live.

The maximum amount we will pay under this benefit for all claims from any one accident or series of accidents arising out of the one cause or event is the lesser of \$5,000 and the market value of your vehicle at the time of the loss or damage.

If we pay you the market value of your vehicle, then your vehicle in its damaged condition will become our property.

### Finance gap cover – applies to Comprehensive cover only

Following a total loss of the vehicle, we will pay 75% of the difference between your vehicle's insured value and your finance contract residual liability should the insured value be less than the finance contract residual liability.

### Waiver of subrogation – applicable to all types of cover

We will not seek recovery between the persons, companies or firms named in the policy schedule as the insured.

### Loaned vehicle – applies to Comprehensive cover only

We will cover you for accidental loss or damage to a loan vehicle, provided to you whilst your vehicle is being serviced or repaired.

We pay up to \$2,000 for this benefit in any one period of insurance and your normal policy excess will apply to this benefit.

## **Maritime liability - applies to Comprehensive cover only**

If your vehicle is being transported by sea or river between Australian ports, we will pay your contribution for your vehicle if 'General Average' is declared.

General Average is declared when goods or cargo are thrown overboard to safeguard the vessel and the remaining property on the vessel. The expenses or salvage costs incurred by a ship owner in preserving the vessel and cargo are shared by those whose property was saved.

## **Optional benefits – applicable to Comprehensive cover only**

If you have chosen comprehensive cover, you can also choose to have cover under any or all of the following optional benefits. You must pay us any additional premium we ask for, and we will confirm your cover by showing the optional benefits you have chosen on your policy schedule.

### **Windscreen extension**

If you add this option, we will cover the costs to repair or replace the windscreen, window glass, mirror glass or sunroof glass of your vehicle when there is no other damage, without:

- affecting your No Claim Bonus, and
- you paying an excess.

We will only cover this once during your period of insurance.

### **One 'at-fault' claim protection**

If you add this option, we will protect your No Claim Bonus for one 'at-fault' claim during your period of insurance.

To be eligible, you must be on the maximum No Claim Bonus.

If you make more than one 'at-fault' claim during your period of insurance, your No Claim Bonus will be reduced at the next renewal of your policy. You may automatically qualify for Earned No Claim Bonus Protection.

### **All 'at-fault' claims protection**

If you add this option, we will protect your No Claim Bonus for all 'at-fault' claims during your period of insurance.

To be eligible, you must be on the maximum No Claim Bonus.

You may automatically qualify for Earned No Claim Bonus Protection.

However, you will still need to choose this option if you want to be protected for all 'at-fault' claims.

## **No Claim Bonus – applicable to Comprehensive cover only**

We reward good driving by giving you a discount on your premium for each year that you do not make an 'at-fault' claim while you are insured with us.

We will reduce your premium in this way until you reach the maximum No Claim Bonus. If you make an 'at-fault' claim, your No Claim Bonus will be reduced when you renew your policy.

If your vehicle is involved in an incident, we will not reduce your No Claim Bonus if:

- we decide the incident was not your fault, and you
- provide us with the name, current residential address
- and vehicle registration of the person who caused the incident, or
- your claim is for damage caused by a storm or other naturally occurring event.

If you make a claim and we decide that you are 'at-fault', your No Claim Bonus will be reduced when you renew your policy.

Earned No Claim Bonus Protection provides you with one 'at-fault' claim during your period of insurance without it affecting your No Claim Bonus.

If you make more than one 'at-fault' claim during your period of insurance, your No Claim Bonus will be reduced at the next renewal of your policy.

You will be eligible for Earned No Claim Bonus Protection if you have:

- held your driver's licence for eight (8) years or more, and not had any 'at-fault' incidents in the last two (2) years, or
- been on the maximum No Claim Bonus with us for a consecutive two-year period and not had any at-fault claims in the past two (2) years.

If you have the Earned No Claim Bonus Protection, it will be listed on your current schedule.

### Determining 'at fault'/not 'at fault'

Determining 'at fault'/not 'at fault' is based upon court judgement precedents concerning road accident liability. You will qualify as 'faultless' if you are 50% or less to blame for any accident.

## What you must pay if you make a claim – Excess

'Excess' means the first amount you must contribute to any claim you make under this policy.

Depending on the age or experience of the driver, and whether you have told us about them and we have noted them on your policy schedule, you may have to contribute more than one excess. Each excess is shown on your policy schedule and is explained below.

If we accept your claim you must pay the total amount of the applicable excesses either to us or to the repairer. We will tell you to whom they must be paid. However, if your vehicle is a total loss, we may deduct any excess that you must pay before we make any payment under a claim.

There are four types of excesses that may apply:

- basic excess – the basic excess that applies to your policy, which varies depending on the make and model of your vehicle, and the state or territory your vehicle is used.
- age excess – applies when the driver of your vehicle is less than 25 years of age.
- inexperienced driver's excess – applies when the driver of your vehicle is 25 years of age or over and has not held a driver's licence for the two consecutive years before the claim occurs.
- additional excess – applies when we have agreed to cover your vehicle, or any person authorised to drive your vehicle, under special terms.

The type of excess that applies to your policy and the amount of that excess will be listed on your schedule. You may need to pay more than one type of excess when you make a claim. You will only need to pay this amount once when you make a claim.

If you have a Nominated Driver Car Insurance Policy, or a Nominated Driver Low Kilometre Car Insurance Policy, and your vehicle is driven by someone other than a nominated driver, and that driver is 25 years of age or over, we will:

- double the basic excess, and
- double the inexperienced driver's excess (if applicable).

An excess will not apply if:

- The incident was not the fault of the driver of your vehicle, and we are provided with the contact details of the person who caused the incident, including their name, current residential address and vehicle registration, and who they are insured with.
- You have selected the Windscreen Extension Option, it is listed on your schedule, and you are only making a claim for windscreen, window glass, mirror glass or sunroof glass damage.

We give this benefit only if we are allowed legally to recover the amount of any loss including any applicable excesses from a third party.

Where the driver of the other vehicle may dispute who was 'at fault', the excess is payable but will be refunded if we are successful in establishing that the other driver was 'at fault'.

### Determining 'at fault'/ not 'at fault'

Determining 'at fault'/not 'at fault' is based upon court judgement precedents concerning road accident liability. You will qualify as 'faultless' if you are 50% or less to blame for any accident.

## When you are not covered

### General exclusions applying to this policy

The following General exclusions apply to all sections of this policy

This policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (a) war, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
- (b) any act(s) of terrorism that is directly or indirectly caused by, contributed to by, or in any way involves or is connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- involves violence against one or more persons, or
- involves damage to property, or
- endangers life other than that of the person committing the action, or

- creates a risk to health or safety of the public or a section of the public, or
  - is designed to interfere with or to disrupt an electronic system.
- (c) Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to (a), (b) or (c) above.

**Your policy does not cover you for any loss, damage or liability arising out of:**

- (a) Your failure to comply with a condition of this policy.
- (b) Your own intentional criminal or dishonest act or when the vehicle is being used for unlawful purposes.
- (c) Any intentional criminal or dishonest act by you or any person acting with your consent.
- (d) The illegal carrying of quantities of inflammable liquids, gases or explosives.
- (e) Your vehicle being driven by someone who is under 25 years of age, unless it is being:
- parked by a parking attendant
  - repaired, serviced or tested, or
  - used to transport a person in the event of a medical emergency,

if you have chosen a Nominated Driver Car Insurance Policy or a Nominated Driver Low Kilometre Car Insurance Policy.

A medical emergency is a physical condition, or illness, that places a person's life at risk.

- (f) Your vehicle or substitute vehicle not reasonably being secured against further damage or theft, following an accident.
- (g) Your vehicle being driven by anyone:
- who is not covered under the policy as stated on the policy schedule, or
  - who does not hold a legal driving licence to drive your vehicle in Australia, or
  - who is under the influence of alcohol or drugs, or
  - whose blood alcohol reading exceeds the legal limit (unless there is a law that says otherwise).
  - who following an accident, refuses to provide or allow the taking of a sample of breath, blood or urine for testing analysis as required by the law of any state or territory in which the accident occurred.

However, we do cover you if you have allowed another person to drive your vehicle but you did not know or could not be reasonably expected to know that they were not so licensed or would be under the influence of alcohol or drugs.

Where permitted by law, we reserve the right to recover the amount we pay from the driver of your vehicle at the time of the loss or damage.

- (h) Your vehicle being modified in a way that materially increases its designed top speed or performance and we were not told this and agreed to it in writing.
- (i) Your vehicle or substitute vehicle being used to carry more passengers or carrying or towing a heavier load than it was designed for, unless you can prove that this did not contribute to the loss or damage.
- (j) An attached caravan or trailer was being used when you knew or should have known it was un-roadworthy or unsafe, unless you can prove that this did not contribute to the loss or damage.

- (k) Your vehicle or substitute vehicle being used in any experiment or type of test or in preparation for or involved in racing, speed testing, reliability trial, pace making, hill climbing, trial or demonstration other the purpose of selling the vehicle or involved in a defensive driving course. This does not include a car rally organised by a social club or like organisation if on public road(s) and the participants are complying with usual road rules.
- (l) Your vehicle or substitute vehicle is let on hire or is being used by you or someone authorised by you to carry passengers for payment, other than private pooling arrangements.
- (m) Your vehicle or substitute vehicle being used for purposes other than private use.
- (n) Your vehicle or substitute vehicle not registered for use on a public road.
- (o) Your vehicle, if it runs on rails or is designed to run in water such as in a lake or sea.
- (p) Your vehicle being legally seized or repossessed.
- (q) Your vehicle being outside Australia except when being transported between places in Australia.
- (r) Your vehicle or substitute vehicle being used when it is in an unsafe condition, and you knew or should have known that it was unsafe to use.
- (s) Any event that does not occur within the period of insurance.

### **Additional exclusions applying to this policy**

Your policy does not cover you for any loss or damage occurring if your vehicle:

- (a) Is stolen and you cannot use your vehicle except as may be covered under Hire Car costs following Theft under the section headed 'Additional benefits'.
- (b) Is damaged and you cannot use your vehicle.

## **General conditions**

These general conditions apply to all sections of this policy.

### **Changing your policy**

If you want to make a change to this policy, the change becomes effective when:

- (a) we agree to it, and
- (b) we give you a new policy schedule detailing the change.

### **Other interests**

You must not transfer any interests in this policy without our written consent.

Any person whose interests you have told us about and we have noted on your policy schedule is bound by the terms of this policy.

### **Cancelling your policy**

#### **How you may cancel this policy**

- (a) You may cancel this policy at any time by telling us in writing that you want to cancel it.
- (b) Where 'you' involves more than one person, we will only cancel the policy when a written agreement to cancel the policy is received from all persons named as the insured.

#### **How we may cancel this policy**

- (a) We may cancel this policy in any of the circumstances permitted by law by informing you in writing.
- (b) We will give you this notice in person or send it to your address last known to us.

### **The premium**

We will refund to you the proportion of the premium for the remaining period of insurance.

## Notices

Any notice we give you will be in writing, and it will be effective:

- (a) if it is delivered to you personally, or
- (b) if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

## Care and maintenance

If you do not take reasonable care to:

- (a) protect and maintain the vehicle
- (b) prevent damage to others or their property
- (c) minimise the cost of any claim under this Policy, or
- (d) comply with all statutory obligations and bylaws or regulations relating to the safety of person or property,

we will not pay for loss, damage, liability or injury to which this failure to take reasonable care contributes.

## Providing proof

So that your claim can be assessed quickly you should keep the following:

- (a) receipts or other confirmation of purchase of your vehicle or any accessories, and
- (b) all service and repair records.

We may ask you for these if you make a claim. You must be able to prove to us that you have suffered a loss that is covered by this policy before we will pay you for it.

## Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if you have told us about them and we have noted them on your policy schedule.

## Changes

You must tell us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

## Salvage

We are entitled to obtain and retain any items or materials that are salvaged or recovered after you make, and we agree, to pay a claim by replacing or paying to replace any items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to you, if you agree to pay the market price for the items or materials.

## Adjustment of premium on renewal

If a claim occurs in the previous period of insurance and you do not notify us until after the premium for the current period of insurance was calculated, then you must pay any additional premium that would have been calculated had you told us about the claim on the day that the claim occurred. This condition does not affect any other rights that we have, including the rights that we have under 'Your Duty of Disclosure'.

## Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this policy, we will not cover you under this policy for that loss, damage or liability.

## Claims

### What you must do after an accident

If an incident happens which may give rise to a claim you must:

- (a) Take all reasonable steps to secure your vehicle to prevent further loss, damage or liability.
- (b) Notify the police immediately if your vehicle or any of your property is stolen or maliciously or intentionally damaged.
- (c) Tell us as soon as possible and we will provide you with a claim form and advice on what to do.
- (d) Supply us with all information we require to settle or defend the claim.
- (e) Notify us of any other insurance covering the same loss, damage or liability.
- (f) Give us all reasonable help and information that we request, which may include attending court to give evidence. You must do this even if we have paid your claim because we may try to recover our payment to you from the responsible person or we may want to defend a claim made against you.
- (g) Co-operate with us fully in any action we take if we have a right to recover any money payable under this policy from any other person.
- (h) Send to us immediately any letter or communication from other parties.
- (i) Tell us immediately of any notice of impending prosecution or details of any inquest or official inquiry.

- (j) Advise us of your correct Australian Business Number and Taxable Percentage. Any GST liability arising from your incorrect advice is payable by you. When we pay a claim, your GST status will determine the maximum amount we pay. We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

If you are making a claim for legal liability, you may make a written request to us to agree that you are covered in respect of the claim.

As part of CGU's service initiative, you can contact us on 1300 306 497 (24hrs/7 days) to lodge a claim.

If in doubt at any time, contact us or your insurance broker.

### What you must not do after an accident

In the event of an incident that may give rise to a claim, you must not:

- (a) Admit liability if an accident occurs which is likely to result in someone claiming against you.
- (b) Make an offer, settlement, promise or payment.
- (c) Incur any costs or expenses without our written consent, in respect of any right or claim which may be the subject of a claim by you against us under this policy.
- (d) Authorise repairs to your vehicle without our prior consent. However you may authorise:
  - The fitting of an identical replacement windscreen or window glass.
  - Emergency repairs up to \$500 (over and above any applicable excesses) if you are more than 200 kilometres from the normal nightly parked address and they are necessary to enable you to continue your journey.

## What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this, we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

## What can affect a claim

We will reduce the amount of a claim by the excess shown in the policy terms and conditions or on the policy schedule.

We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this policy, including any endorsements noted on or attached to the policy schedule.

We pay only once for loss or damage from the same event covered by this policy even if it is covered under more than one section of the policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- (a) it is in any way fraudulent, or
- (b) any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this policy.

## Claim payment examples

These Claim payment examples show you how a claim settlement may be calculated based on some practical scenarios. Any actual claim settlement amount will depend upon the facts of each case. For the purpose of the scenarios you are not registered for GST.

### Claim Example 1

Repairs to your insured vehicle

We decide to repair your Vehicle.

The vehicle was towed from the scene of the accident to the repairer. We authorised the tow. The towing company invoice us \$350. The cost of the repairs is \$5,000. Your excess is \$500.

How we settle your claim:

- You pay the \$500 excess to the repairer.
- We pay the repairer \$4,500 (\$5,000 less \$500 excess).
- We pay the towing company \$350.

### Claim Example 2

Total loss of vehicle – Market Value

We decide your vehicle is a total loss. The market value of the insured vehicle is \$25,000. Your Excess is \$500.

- How we settle your claim:
- We pay You \$24,500 (\$25,000 less \$500 excess).
- We retain the vehicle.

### Claim Example 3

Theft of your vehicle

Your Vehicle is stolen and recovered damaged seven days later. The damage to the vehicle is \$6,000. A vehicle was hired and paid by you for ten days at a cost of \$75 per day (total \$750). Your Excess is \$500.

How we settle your claim:

- You pay the \$500 excess to the repairer.
- We pay the repairer \$5,500 (\$6,000 less \$500 excess).
- We reimburse you \$750 for the hire car.

### Claim Example 4

Damage to property belonging to other people

We or a court decide you are legally liable to pay repair costs of \$5,000 for damage to a third party vehicle.

We have paid \$1,500 to our lawyers to defend the claim on your behalf.

Your excess is \$500.

How we settle your claim:

- We will pay the third party \$5,000.
- We will pay our lawyers \$1,500.
- You must pay us \$500 excess.

## UPDATING PRODUCT DISCLOSURE STATEMENT

Information in this PDS may need to be updated from time to time where required and permitted by law. You can obtain a paper copy of any updated information without charge by calling us on the contact details provided in this document. If the update is to correct a misleading or deceptive statement or an omission that is materially adverse from the point of view of a reasonable person deciding whether to acquire the Policy, we will provide you with a new PDS or a Supplementary PDS.

## contact details

### **Adelaide**

80 Flinders Street  
Adelaide SA 5000  
Tel (08) 8405 6300  
Fax (08) 8405 6444

### **Ballarat**

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Tel (03) 5329 4100  
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### **Brisbane**

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Fax (07) 3212 7898

### **Hobart**

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### **Melbourne**

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### **Newcastle**

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### **Perth**

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### **Sydney**

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Intermediary

\* see inside front cover



Insurer

**CGU Insurance Limited**

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