



This Product Disclosure Statement is issued by:
CUMIS Insurance Society Inc.
ABN 72 000 562 121 AFSL 245491
(Incorporated in the United States.)
The members of the Society have no liability.)
Trading as CUNA Mutual General Insurance.

Level 10, The Landmark Building
345 George Street
Sydney NSW 2000
Telephone 1800 730 121

Preparation Date: 1 December 2008

MemberCare[®] Motor Insure Policy

Product Disclosure Statement
incorporating the Policy Wording



About the CUNA Mutual Group

CUNA Mutual Group is a leading international financial services provider to community based financial institutions such as Credit Unions, Building Societies, Co-operatives, and Community Banks and their members worldwide.

Established in 1935, the CUNA Mutual Group operates in over 10 countries. Starting its Australian operation in 1969, today it provides insurance and insurance-related products to over 90% of Australia's Credit Unions.

We are committed to providing Australian community based financial institutions and their members with strong personal and financial protection through our MemberCare range of products and services as well as specialist insurance support.

About the Australian Defence Credit Union

As a holder of Australian Financial Services Licence (AFSL No. 237988), the Australian Defence Credit Union can issue, vary, renew and cancel this insurance policy under a "binder" provided by the Insurer. A "binder" is an agreement that allows the Australian Defence Credit Union, as agent of the Insurer, to enter into contracts of insurance on behalf of the Insurer. This means that the insurance policy issued to you by the Australian Defence Credit Union is binding on the Insurer just as if it had issued the policy itself.

How you can contact the Australian Defence Credit Union

For policy enquiries phone 1300 132 328 or email insurance@adcu.com.au

Product Disclosure Statement

This Product Disclosure Statement (PDS) is issued by the insurer CUMIS Insurance Society Inc. ABN 72 000 562 121 AFSL 245491 (Incorporated in the United States. The members of the Society have no liability.) trading as CUNA Mutual General Insurance.

It is designed to help you understand the policy and to decide whether to purchase this insurance product. To assist with your decision we have divided this PDS into two sections:

- The first section highlights important information about this insurance policy including its significant features and benefits, the risks and some information about how the premium is calculated.
- The second section is the policy wording and sets out the standard terms, conditions and limitations of this insurance policy.

It is up to you to choose the cover you need and ensure it is appropriate for your objectives, financial situation or needs. Because of this, it is important that you read both of these sections carefully before you apply for this insurance, to make sure you understand the insurance cover provided and the policy's limitations.

If you apply for this insurance without reading the whole of this PDS, you should ensure that you read it as soon as possible and in any case, before the cooling-off period expires.

Some words throughout this PDS have special meanings and you should refer to the section "Words that have Special Meanings" which commences on the first page of Section 2.

For future reference, you should retain this PDS in a safe place.

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Section 1

Significant Policy Information

Who is the Insurer of the Policy?

CUMIS Insurance Society Inc. ABN 72 000 562 121 AFSL No 245491 (Incorporated in the United States. The members of the Society have no liability.) trading as CUNA Mutual General Insurance is the insurer of the policy.

How You can Contact Us

You may contact us by phone or by writing to us at:

CUNA Mutual General Insurance
Level 10, 345 George Street
Sydney NSW 2000
GPO Box 1276
Sydney NSW 2001

Policy enquiries: 1800 730 121

Claims enquiries: 1300 660 727

General Insurance Code of Practice

CUNA Mutual General Insurance is committed to and supports the objectives and principles of the General Insurance Code of Practice. This Code is a self-regulatory code which was introduced to raise general insurance industry standards of practice and service in respect of policy documents, training and claims handling procedures and to promote good relations between insurance companies, their agents and customers. More information on the Code is available by contacting us.

How to Apply for this Insurance

Before you apply for this insurance it is important that you read, understand and accept your duty of disclosure and our privacy promise. You can apply for this insurance by completing our application process that is administered by the Direct Insurance Network (DIN) located at your financial institution.

If your application is accepted, you will receive a policy schedule that identifies the insured(s), the insurer, the period of insurance, the premium, the taxes and stamp duty paid in the premium, the cover(s) selected, the limits of liability, any excesses and other important information.

Your Duty of Disclosure

The Insurance Contracts Act 1984 imposes a duty of disclosure on you when you first enter into an insurance policy with us, and you renew, vary, extend, reinstate or replace your insurance policy.

1. Your Duty of Disclosure when you first enter into the policy with us.

What you must tell us

When answering our questions, you must be honest. You have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances would include in answer to the question. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else who 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 our liability under the policy in respect of a claim and/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.

2. Your Duty of Disclosure when you renew, vary, extend, reinstate or replace the policy.

Before you renew, vary, extend, reinstate or replace this insurance policy with us, you have a duty under the Insurance Contracts Act 1984, to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of business, ought to know;
- where we waive your requirement to comply with your duty.

If you do not tell us

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim or may cancel the policy. If your non-disclosure is fraudulent, we may refuse to pay a claim and treat the policy as never having worked.

Our Privacy Promise

We are committed to protecting your personal information.

What information do we collect?

The proposal for this insurance only asks you for the information that is necessary for us to assess your application for this insurance. We may also obtain personal information about you from another insurer, financial institution, an insurance reference service or as permitted or required by law.

If you don't give us the information

If you do not give us all the information requested, we may not be able to process or accept your application for insurance.

How we use the information

We use the information we collect about you to assess your application for insurance and the risk involved. If we issue you with a policy, we will also use the information to administer your policy and assess any claims. From time to time we may use your information to inform you of offers relating to other insurance products.

Disclosure to third parties

We will only disclose information about you to a third party if we need to in order to process your application, administer the policy, investigate and assess any claims or if we have appointed a third party to provide a service or otherwise act on our behalf. The parties to whom we may disclose your personal information include (but are not limited to) reinsurers, health providers, loss assessors, investigators, other outsourced service providers, legal advisors and external complaints and dispute resolution bodies.

We will also disclose information about you to a third party if required to by law.

Access to information

You are entitled to access your personal information, except in some limited circumstances outlined in the Privacy Act 1988. You can request access to your personal information by writing to us. We may charge you a fee for provision of this information.

Privacy enquiries or complaints

We have internal procedures in place to ensure that any concerns you may have relating to the privacy of your information are resolved promptly, including access to our Internal Dispute Resolution Committee.

If we are unable to resolve your privacy complaint internally, you can direct your complaint to:

The Director, Compliance
Office of the Federal Privacy Commissioner
GPO Box 5218, Sydney NSW 2001.
Tel: 1300 363 992

Please ask us if you have any queries on what personal information we collect or how it will be used. A copy of our Privacy Policy is available on request.

Significant Features and Benefits of this Insurance

Under the policy you can apply for one of the three types of cover which are summarised below. The following information lists some of the significant features and benefits available. For full details of the features and benefits of this insurance cover you need to take the time to read the policy wording.

Your Motor Insure comprehensive cover:

- Accidental loss or damage to your vehicle up to the agreed value sum insured.
- New replacement vehicle if a total loss occurs within 2 years of the original registration.
- Restricted driver option to reduce your premium.
- Cover for personal effects, emergency expenses, towing, hire car and temporary repairs.
- Protected no claim bonus.
- Cover for your legal liability arising out of the use of your vehicle for loss or damage to someone else's property, up to the value of \$20 million.
- Lifetime guarantee on repairs approved by us.

Your Motor Insure fire, theft and third party property damage cover:

- Cover for loss or damage to your vehicle if it results from fire, lightning, explosion or theft.
- Cover for hire car up to 14 days if your vehicle is stolen.
- Cover for your legal liability arising out of the use of your vehicle for loss or damage to someone else's property, up to the value of \$20 million.
- Up to \$5,000 cover for your vehicle if you are not at fault in an accident, you can supply us with the other party's details and they were not insured.
- Lifetime guarantee on repairs approved by us.

Your Motor Insure third party property damage cover:

- Cover for your legal liability arising out of the use of your vehicle for loss or damage to someone else's property, up to the value of \$20 million.
- Up to \$5,000 cover for your vehicle if you are not at fault in an accident, you can supply us with the other party's details and they were not insured.
- Lifetime guarantee on repairs approved by us.

Significant Risks of this Insurance

The following information lists some of the significant risks arising under the policy. It is important that you take the time to carefully read the policy wording in full before applying for this insurance. If you breach or do not comply with the terms of the policy, subject to the Insurance Contracts Act 1984, we may refuse to pay your claim or reduce any payment.

Automatic adjustment of agreed value

We automatically adjust your agreed value on renewal in accordance with the motor industry's estimate of the change in the current market value of your vehicle over the past 12 months.

If you do not agree with the amended agreed value advised by us you may contact us to discuss a different agreed value.

Under-insurance

It is important that the agreed value you select for your vehicle reflects its true value. If you select a figure that is too low you may not be able to replace your vehicle in the event of a total loss. If you select a figure that is too high you may be paying unnecessary additional premium.

Policy limits

Monetary or time limits apply for some items, e.g. cover for personal effects, emergency expenses and uninsured trailer are all limited to \$500. Refer to Section 2D – Additional Benefits automatically included on pages 28-31 for full details.

Excesses

An excess is the amount you have to pay or contribute in the event of a claim under the policy. You may be subject to one or more excesses under the policy. A full description of all the excesses that may apply can be found on pages 20-21 of the policy wording. The actual excess amount you have to pay is displayed on your policy schedule.

Disclosure

You have disclosure obligations under this contract of insurance, which are set out on page 7 of this PDS. Failure to comply with these obligations can have serious consequences in terms of your insurance cover or in the event of a claim being made by you.

Payments

Through your financial institution, we offer you various ways in which you can pay for your premium. If you fail to pay the premium for the policy, subject to the Insurance Contracts Act 1984 we have the right to cancel the policy. See General Conditions on page 38 for full details and consequences if you elect to pay by instalments.

Standard Cover

The terms of this insurance contract vary from standard cover prescribed under the Insurance Contracts Act 1984.

General Exclusions of this Insurance

The insurance we offer to you under the policy provides cover for certain events. There will be situations where the policy provides no cover at all. Those situations are set out in the policy wording and in some cases in your policy schedule. The following is a list of some of the general exclusions of the policy:

- any amounts in excess of the agreed value;
- any intentional acts by you or your family or with your consent;
- where the driver of your vehicle is under 25 years of age and you have selected the restricted driver option (subject to certain exceptions shown on page 23);
- if your vehicle was being used for a purpose that was not an acceptable use;
- any rust or corrosion occurring to your vehicle;
- driving under the influence of alcohol or drugs;
- if your vehicle has been modified from the original manufacturer specifications and we have not agreed in writing to cover these modifications.

Confirmation Facility

You may obtain confirmation of any policy transaction by calling 1800 730 121 or emailing insuranceservices@cunamutual.com.au

How We Price this Insurance Product

Our product pricing philosophy is based on a number of criteria. Some factors are pre set and don't vary for each insured (e.g. amounts we take into account for certain internal costs and expenses). Some information you provide about your personal risk situation relevant to the policy can affect the end price such as:

- the type of vehicle insured and any modifications made to it, accessories;
- the experience or age of the drivers;
- where the vehicle will be garaged and how it will be used.

Factors that increase the risk to us generally increase the premium (e.g. higher agreed value sum insured or a high claims experience) and those that lower the risk reduce the premium payable (e.g. lower agreed value sum insured, higher excess or your level of security). If you have any queries on this you can ask us when you apply.

Your premium also includes amounts that take into account our obligation (actual or in some cases estimated) to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST and Fire Services Levy) in relation to the policy. Where we are required to pay an estimated amount (for example for a Fire Services Levy) based on criteria set by the government, we allocate to the policy our estimate of the amount we will be required to pay. We may over or under recover in any particular year and we do not adjust your premium because of this.

The premium charged together with the actual amount of these individual taxes and/or charges will be displayed in your policy schedule.

Our Service Commitment – Dispute Procedures

CUNA Mutual General Insurance is committed to service excellence. An integral part of our service excellence is the provision of an efficient, free and fair internal dispute resolution procedure.

Should you have a complaint in connection with the policy relating to a claim, our service or that of our agents or any one else acting on our behalf, please contact us directly and we will do our utmost to resolve the problem. Our contact details are shown on page 6. If the service officer receiving the complaint cannot resolve it, it will be referred to a Manager with sufficient authority to deal with the complaint. A written response will then be issued within 15 working days.

If this is not satisfactory to you, at your request, the matter will be treated as a dispute and referred to our Internal Dispute Resolution Committee (IDR) comprising persons with the appropriate experience, knowledge and authority to deal with it. This is a free service to you. A written response will be issued within 15 working days of the dispute arising. This response will also provide details of further action that you may take if the dispute is not resolved to your satisfaction.

If the above internal process does not result in the dispute being resolved you may contact:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne VIC 3001
Telephone 1300 78 08 08 (local call fee applies)

The Financial Ombudsman Service consists of a group of specialist advisers who are independent from insurance companies and whose purpose is to assist in the resolution of such disputes and is at no cost to you.

You can obtain further information on the Financial Ombudsman Service at www.fos.org.au

Your Cooling-Off Period

If you are not completely satisfied with this insurance product, you may cancel your policy within 21 days from the date of its commencement and receive a full refund. To take advantage of this offer we must receive a request in writing from you within 21 days of the commencement date. This offer does not apply if you have made or are entitled to make a claim within this period.

We will only return government duties and charges to you if they are recoverable by us.

Even after the cooling-off period ends you still have cancellation rights (see page 38).

Making a Claim

Full details of what to do in the event of making a claim can be found on page 41 in the policy wording. Our contact details are on page 6.

It is important that you understand and follow our instructions on what to do in the event of making a claim. Failure to comply with these obligations can have serious consequences in the event of a claim being made by you, including us reducing the amount we pay you or any interested parties by an amount to take account of the prejudice we suffer by you not following our instructions.

Changes to the PDS

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.

Other documents may form part of the PDS. Any such documents will include a statement identifying them as part of this PDS.

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Section 2

The Policy Wording

Our Agreement with You

If your application is accepted, we agree to provide you with the cover as set out in your policy schedule and the policy wording (together these documents make up the insurance contract) during the period of insurance. In return you agree to pay us your premium which includes any relevant government charges.

Words that have Special Meanings

Some words throughout the policy and when used in the policy have special meanings. These words and their special meanings are set out below. You should read these meanings in detail so you understand the extent of cover provided.

Acceptable use means:

the use of your vehicle or a substitute vehicle:

1. for social, domestic and pleasure purposes;
2. in connection with travelling to and from work;
3. in connection with your occupation or business;

but does not include using your vehicle or a substitute vehicle in connection with:

1. any emergency service or law enforcement;
2. any motor sport;
3. any of the following business uses:
 - (a) consulate vehicle;
 - (b) couriers or delivery service;
 - (c) driving instructor/school;
 - (d) fast food delivery;
 - (e) delivery of flammable or dangerous goods;
 - (f) security patrol;
 - (g) taxi services;
 - (h) hearse or funeral car;
 - (i) hire vehicle;
 - (j) haulage/long distance transport including stock or station agent; or
 - (k) motor vehicle breakdown or towing service; or
4. for any purpose other than that for which it was constructed.

Accessory, accessories means an extra item fitted to your vehicle, whether or not it was fitted by the manufacturer.

Agreed value means the amount specified in your policy schedule. We automatically adjust your agreed value on renewal in accordance with the motor industry's estimate of the change in the current market value of your vehicle over the past 12 months. If you do not agree with the amended agreed value advised by us you may contact us to discuss a different agreed value.

CUNA Mutual General Insurance is a business name owned by CUMIS Insurance Society Inc.

Declared driver is a person who was nominated by you as a declared driver or declared rider when you applied for your insurance, or subsequently, and accepted by us.

Excess means the amount you must pay towards or contribute to the claim. The amount of any excess payable is shown in your policy schedule. The categories of excess that may apply are explained on pages 20-21.

Modification(s) means an alteration to your vehicle's standard wheels, suspension, body, paintwork or mechanical components, which may affect its performance, appearance, value or safety.

Period of insurance means the period stated as the period of insurance in your policy schedule.

Personal effects means items of a personal nature owned by the person insured and designed to be worn or carried but does not include:

1. cash, cheques, credit cards or negotiable instruments;
2. tools or items used in connection with a business, trade or occupation;
3. cameras or any other visual or audio recorders and their accessories;
4. mobile telephones, computers or electronic organisers;
5. firearms.

Person insured means the person or persons named in your policy schedule as the insured.

Policy means the policy wording and the policy schedule (together these documents make up the insurance contract and we refer to it as "the policy").

Policy schedule means the relevant schedule we give you which includes details that apply specifically to you. We give you your schedule when you first buy a policy from us, change any part of the policy or renew any policy with us.

Policy wording means this Section 2 of the PDS which sets out details of your cover and the circumstances under which you will not be covered.

Substitute vehicle means a registered vehicle or registered motor bike similar to your vehicle, which has been borrowed or hired because your vehicle is being repaired, serviced, or is not driveable because of a mechanical breakdown.

Words that have Special Meanings (cont.)

Total loss means your vehicle has been stolen and not recovered or is damaged to such an extent that in our opinion it cannot be economically or safely repaired.

We, our, us means the insurer CUMIS Insurance Society Inc. trading as CUNA Mutual General Insurance.

You, your, yourself means the person(s) insured named in your policy schedule.

Your vehicle means the registered motor vehicle or registered motor bike described in your policy schedule.

Explanation of Excesses

As explained in “Words that have Special Meanings” on pages 18-20, excess means the amount you must pay or contribute towards the claim. The amount of any excess payable is shown in your policy schedule.

Depending on the circumstances of your claim you may be required or directed by us to either:

1. pay the excess to a repairer before you take delivery of your vehicle;
2. have the excess deducted from any cash settlement paid by us to you;
3. pay the excess directly to us.

Which excess applies to your claim?

There are five types of excess that may apply if you make a claim. Some excesses will apply to all claims you may make. Other excesses will only apply in the event of an accident and will depend on who was driving at the time of the accident. To work out the total you will have to pay in the event of a claim, you add up all applicable excesses:

1. Standard excess – we have priced this product on the basis that a standard excess will apply. This is the minimum excess that will apply unless you have paid an additional premium to remove it from the policy, or the policy indicates otherwise.
2. Imposed excess – we may consider it necessary to impose an additional excess due to a higher degree of risk that may exist. If the imposed excess applies, the amount payable will be the total of the standard excess plus the imposed excess.

3. Age excess – this will apply where the declared driver in control of your vehicle at the time of the incident giving rise to the claim is not 25 years of age or older. If the driver in control of your vehicle at the time of the incident is not a declared driver, this excess will not apply but the undeclared driver excess may apply if they are under 25 years of age.
4. Inexperienced driver excess – this will apply where the driver in control of your vehicle at the time of the incident giving rise to the claim has not held a driving licence for at least two years immediately before the incident. If the inexperienced driver is also under 25 years of age, the age excess or the undeclared driver excess will apply in addition to this excess and any applicable standard and imposed excesses.
5. Undeclared driver excess – this will apply where the driver in control of your vehicle at the time of the incident giving rise to the claim is not a declared driver and is not 25 years of age or older.

When will you not be required to pay an excess?

If the following circumstances apply to your claim you do not need to pay the particular excess as detailed below.

1. An incident that we agree was not the fault of you or the driver and you can supply us with the name and current address and vehicle registration number, if applicable, of the person responsible for the accident.
2. One windscreen or window glass claim per period of insurance. Any subsequent claim relating to windscreen or window glass in that same period of insurance will attract any applicable excesses, other than any age, inexperienced driver or undeclared driver excesses.
3. Theft, hail, storm, flood and malicious damage claims. Where the damage is caused by one or more of these events you will not be required to pay any age, inexperienced driver or undeclared driver excesses.
4. Undeclared driver excess. You will not be required to pay the undeclared driver excess if the person driving the vehicle at the time of the accident:
 - (a) was required to drive your vehicle as a result of an emergency involving the prevention of, or remedial action following, serious bodily injury or sickness to a person; or
 - (b) is an employee of a commercial business that has custody of your vehicle with your permission to park, service or repair your vehicle.

Cover Applicable to You

There are three types of cover available in the MemberCare Motor Insure policy.

The following table indicates which sections of the policy wording apply to the three types of cover. The type(s) you have been provided with is shown in your policy schedule. You should read carefully all the sections of the policy wording and note those sections that apply.

Section of Policy	Type of Cover		
	Comprehensive	Fire, Theft and Third Party Property Damage	Third Party Property Damage
2A Restricted Driver Option	Optional	x	x
2B Hire Car after Accident Option	Optional	x	x
2C Damage to your Vehicle	✓	Yes, but only if the loss or damage is caused by fire, lightning, explosion or theft	x
2D Additional Benefits automatically included	✓	Yes, but only Additional Benefits 4, 6, 7, 9. Refer pages 28-31	x
2E Uninsured Third Party	x	✓	✓
2F Legal Liability	✓	✓	✓
2G Exclusions	✓	✓	✓
2H General Conditions	✓	✓	✓
2I What To Do in the Event of a Claim	✓	✓	✓
2J No Claim Bonus	✓	x	x

Section 2A – Restricted Driver Option

Refer to “Cover Applicable to You”, page 22, to see if this section applies.

When you complete your application, you can elect to take the restricted driver option for the type of cover you have chosen which will reduce the amount of premium you pay for this insurance.

If you have elected to take this option your policy schedule will be noted accordingly and we will not pay a claim under any section of the policy where the driver in control of your vehicle at the time of the incident giving rise to the claim is not 25 years of age or older unless the driver is:

1. charged and convicted with theft or illegal use of your vehicle;
2. required to drive your vehicle as a result of an emergency involving the prevention of, or remedial action following serious bodily injury or sickness to a person and you can supply evidence of the necessity of this use;
3. an employee of a commercial business that has custody of your vehicle with your permission to park, service or repair your vehicle.

Section 2B – Hire Car after Accident Option

Refer to “Cover Applicable to You”, page 22, to see if this section is applicable to the policy.

You can elect to take the hire car after an accident option when you complete your application or at any other time during the period of insurance. If you elect to take the hire car after an accident option during the period of insurance, cover under the option will only commence from the time your policy schedule is noted to include the option.

If you have elected to take this option your policy schedule will be noted accordingly.

What we will pay for

1. If during the period of insurance your vehicle is damaged as a result of an accident and we accept your claim, we will:
 - (a) reimburse the reasonable cost of hiring a similar vehicle up to a maximum of 15 days; or
 - (b) in the event a similar vehicle is not available for hire, reimburse your reasonable travel expenses.

What we won't pay for

We will not pay for:

1. any amount in excess of \$65 per day if a similar vehicle is available for hire;
2. any amount in excess of \$35 per day if a similar vehicle is not available for hire;
3. any costs in excess of 15 days;
4. any costs arising before:
 - (a) we have accepted your claim; and
 - (b) we have approved the repair of your vehicle; and
 - (c) you have made your vehicle available for repairs to be commenced;
5. any costs arising after your vehicle has been repaired;
6. any costs arising after we determine your vehicle is a total loss and we have paid you the agreed value of your vehicle;
7. the running costs of the hire car fuel, hire deposits, insurance premiums and excesses, maintenance and any other extras related to the hire car or hire agreement;
8. any loss or damage to a substitute vehicle;
9. events or circumstances detailed in Section 2G – Exclusions on pages 36-37.

Section 2C – Damage to Your Vehicle

Refer to “Cover Applicable to You”, page 22, to see if this section applies.

What we will pay for

If during the period of insurance your vehicle is:

1. (a) stolen, or
(b) damaged as a result of an accident or being stolen, we will pay for the loss or damage to your vehicle;
2. a total loss, we will pay the agreed value. We will provide you with documentation to allow you to recover any unexpired portion of your vehicle registration cost.

Following settlement of a claim on a total loss basis your vehicle becomes our property and we will keep the proceeds of any sale.

What we won't pay for

1. any amount in excess of the agreed value;
2. loss or damage to accessories or modifications not shown on your policy schedule;
3. reduction in the value of your vehicle due to its age or condition;
4. damage that occurred before you insured your vehicle with us;
5. loss or damage resulting from loss of use of your vehicle;
6. loss or damage from wear and tear, rust, corrosion, mechanical, electrical or electronic breakdown, failure or malfunction;
7. damage to tyres of your vehicle caused by application of brakes or by punctures, cuts or bursting;
8. loss or damage where you have not taken reasonable steps to ensure the safety of your vehicle;
9. claims where the driver of your vehicle is under 25 years of age if you have selected the restricted driver option (see page 23 for full explanation);
10. events or circumstances detailed in Section 2G – Exclusions on pages 36-37;
11. loss or damage to a substitute vehicle;
12. loss or damage if your vehicle has been modified from the original manufacturer's specifications unless we have agreed to cover you and the modifications are noted on your policy schedule.

Section 2D – Additional Benefits automatically included

Refer to “Cover Applicable to You”, page 22, to see if this section applies.

These Additional Benefits only apply if a claim is payable under Section 2C – Damage to Your Vehicle on pages 26-27.

What we will pay for

1. Total loss within 2 years of original registration

If your vehicle is declared to be a total loss within the first 2 years of its original registration, we will replace your vehicle with a new vehicle of the same make, model or series (provided one is locally available) including similar accessories, tools and spare parts. We will also pay the stamp duties and delivery charges. Additionally we will reinstate the policy for the remainder of the current period of insurance.

2. Uninsured trailer attached to your vehicle

Cover is extended to include loss or damage to an uninsured trailer or sidecar belonging to or borrowed or hired by the person insured, whilst attached to your vehicle.

3. Personal effects

We will pay for personal effects stolen from your vehicle or damaged as a result of an accident.

4. Hire car

If your vehicle is stolen we will pay the cost of hiring a similar vehicle until your vehicle is found up to a maximum of 14 days.

5. Emergency expenses

If your vehicle cannot be driven either as a result of damage to your vehicle or injury to the person insured and you are more than 100 kilometres from your home we will reimburse your reasonable travel and accommodation expenses.

6. Towing or transport costs

If your vehicle cannot be driven either as a result of damage to your vehicle or injury to the person insured as a result of an incident covered by the policy, we will pay the reasonable cost to transport your vehicle to the nearest repairer or place of safety.

What we won't pay for

2. Uninsured trailer attached to your vehicle

We will not pay for:

- (a) any amount in excess of \$500;
- (b) claims resulting from theft.

3. Personal effects

We will not pay for any amount in excess of \$500 in total.

4. Hire car

We will not pay for:

- (a) any costs in excess of 14 days;
- (b) deposits, running, insurance and maintenance costs;
- (c) any loss or damage as a result of an accident or theft;
- (d) this Additional Benefit if your vehicle is a motor bike.

5. Emergency expenses

We will not pay for any amount in excess of \$500.

Section 2D – Additional Benefits automatically included (cont.)

What we will pay for

7. Temporary emergency repairs

We will reimburse the reasonable cost of temporary repairs so you can drive your vehicle home following damage covered by the policy.

8. Baby capsule

If a baby capsule, car seat or booster seat belonging to the person insured is damaged or stolen as a result of an accident or theft covered by the policy, we will pay for the repair or replacement.

9. Lifetime guarantee of repairs

Providing the repairs are agreed by us, the workmanship and materials will be guaranteed for as long as you own your vehicle and it remains insured with us.

10. Vehicle in transit

We will pay for loss or damage to your vehicle whilst being transported by road, rail or air within Australia.

11. Replacement vehicle

If you permanently replace your vehicle, we will provide automatic cover for 14 days on the replacement vehicle. You must give us full details of the replacement vehicle during the automatic cover period.

12. Keys and locks

If the keys to your vehicle are stolen we will pay to repair, replace or re-code your vehicle keys, locks and barrels.

What we won't pay for

7. Temporary emergency repairs

We will not pay for any amount in excess of \$500.

8. Baby capsule

We will not pay for:

- (a) any amount in excess of \$500;
- (b) this Additional Benefit if your vehicle is a motor bike.

9. Lifetime guarantee of repairs

We will not pay for loss or damage as a result of wear and tear, rust, corrosion, mechanical, electrical or electronic breakdown, failure or malfunction of the part(s).

10. Vehicle in transit

We will not pay for any:

- (a) loss or damage to your vehicle whilst being transported by sea; or
- (b) amount in excess of the agreed value.

11. Replacement vehicle

We will not pay for:

- (a) any loss, damage or liability that occurs after a period of 14 days from the date that you take delivery of the replacement vehicle or trade in the original vehicle, whichever is the earlier;
- (b) any loss, damage or liability to the original vehicle from the date that you take delivery of the replacement vehicle or trade in the original vehicle, whichever is the earlier.

12. Keys and locks

We will not pay:

- (a) more than \$500 above the standard excess that applies to the policy;
- (b) if you have not reported the theft of the keys to your vehicle to the police.

Section 2E – Uninsured Third Party

Refer to “Cover Applicable to You”, page 22, to see if this section applies.

What we will pay for

1. If during the period of insurance your vehicle is damaged as a result of an accident caused by the negligence of the driver of another vehicle, subject to the requirements set out below, we will pay for the loss or damage to your vehicle, plus reasonable towing, removal and storage charges.
2. For this Section 2E – Uninsured Third Party to become effective you must provide us with:
 - (a) evidence that satisfies us that you did not contribute to the cause of the accident; and
 - (b) documentary proof that the driver or the owner of the other vehicle did not have any insurance that provided cover in relation to the damage or loss to your vehicle; and
 - (c) the name and current address of the driver and owner of the other vehicle, together with the registered number and description of the vehicle; and
 - (d) evidence that the damage to your vehicle is more than your standard excess, plus any imposed excess.

What we won't pay for

We will not pay for:

1. any amount in excess of the lesser of the agreed value plus towing charges or \$5,000;
2. loss or damage to your vehicle if any other vehicle involved in the accident was owned or driven by the person insured, their spouse (including de-facto), or any person who ordinarily lives with the person insured;
3. events or circumstances detailed in Section 2G – Exclusions on pages 36-37;
4. any excess you are obliged to pay under the terms of the policy.

Section 2F – Legal Liability

What we will pay for

1. We will indemnify you for your legal liability for damage to someone else's property directly caused by an accident during the period of insurance, involving:
 - (a) your vehicle; or
 - (b) a substitute vehicle, where any other insurance attaching to the substitute vehicle does not indemnify you for that liability; or
 - (c) a caravan or trailer towed by your vehicle or a substitute vehicle.
2. We will indemnify you for your legal liability for bodily injury or death directly caused by an accident involving your vehicle or a substitute vehicle, or a caravan or trailer being towed by your vehicle or a substitute vehicle during the period of insurance where any compulsory third party insurance required by law does not indemnify you for that liability.
3. We will pay legal fees incurred with our written consent in the defence of any legal actions brought against you in respect of which you are entitled to indemnity under the policy.
4. For this Section 2F – Legal Liability only, we will also indemnify a passenger travelling in, or getting in or out of your vehicle and your employer, principal or partner to the extent that their liability arises from your use of your vehicle.

What we won't pay for

We will not pay:

1. any amount under this and any other policy we have issued to you covering legal liability in excess of the limit specified for legal liability in your policy schedule (inclusive of legal costs and expenses) for any one occurrence arising out of one event.
2. for your legal liability arising from or in connection with:
 - (a) penalties, fines or awards of aggravated, punitive or exemplary damages;
 - (b) loss or damage to a substitute vehicle;
 - (c) the use of a substitute vehicle if you are entitled to indemnity under another contract of insurance not entered into by you;
 - (d) bodily injury or death caused to you, the person insured's spouse or de-facto or any person who ordinarily resides with the person insured;
 - (e) any amount for your liability for death or bodily injury which is covered by, or is coverable by, any statutory compulsory insurance scheme;
 - (f) claims where the driver of your vehicle is under 25 years of age if you have selected the restricted driver option (see page 23 for full explanation);
 - (g) events or circumstances detailed in Section 2G – Exclusions on pages 36-37.

Section 2G – Exclusions

These exclusions apply to all sections of the Policy.

We will not pay claims for loss, damage or liability arising from:

1. any intentional act by you, any person who normally resides with you, a declared driver or a person who is acting with your consent;
2. your vehicle being used with your knowledge either illegally or for a purpose that is not an acceptable use;
3. war, whether war be declared or not, hostilities or rebellion or war-like activities;
4. the use of nuclear weapons or material or ionising radiation from or contamination by radioactivity from any nuclear fuel or waste or from the combustion of nuclear fuel;
5. any act of terrorism which means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purpose or reasons;
6. the lawful repossession, confiscation, destruction, detention or seizure of your vehicle;
7. using your vehicle, or any substitute vehicle or a caravan or trailer being towed by your vehicle or substitute vehicle, whilst it is in an unsafe, unroadworthy or damaged condition;
8. your liability or your acceptance of liability arising out of any contract, unless liability would have attached in the absence of the contract;
9. any equipment or machinery which is a computer, containing or comprising any computer technology (including a computer chip or control logic) that fails to perform or function in the precise manner for which it was designed or for any reason arising from the performance or functionality of such computer technology.

We will not pay claims for loss, damage or liability if the following circumstances existed at the time of the incident giving rise to the claim:

1. you or anyone in control of your vehicle with your knowledge;
 - (a) were under the influence of alcohol or drugs; or
 - (b) had a blood alcohol level higher than the level allowed by the law in the place where the accident or event occurred; or
 - (c) refused a test to determine alcohol or drug levels present in the blood; or
 - (d) did not hold the appropriate licence required by law.
2. the driver of your vehicle is under 25 years of age if you have selected the restricted driver option (see page 23 for full explanation).

Section 2H – General Conditions

The following are important conditions you must comply with and apply to all sections of the policy.

1. Legal representation

We have the right at our discretion to represent or defend you or any person who may be entitled to cover under the policy, in respect of any legal liability as we see fit.

2. Taking precautions

You must take all reasonable precautions to safeguard your vehicle and personal effects from loss or damage and maintain it in good condition and avoid risk of injury arising from it.

3. Cancelling the policy

You may cancel the policy at any time by advising us in writing or by phone. We will refund you the unexpired portion of the premium less any administration cost.

We may have the right to cancel the policy if you have:

- (a) failed to comply with your duty of disclosure; or
- (b) failed to comply with a condition of the policy; or
- (c) made a fraudulent claim under this or any other policy of insurance; or
- (d) not paid the premium for the policy.

We may only cancel the policy under the provisions of the Insurance Contracts Act 1984. We will provide you with written notice of the cancellation date, and will refund to you the unexpired portion of the premium from the date of the cancellation.

If a claim is settled on a total loss basis the policy comes to an end and there is no refund of premium as the policy has been paid out in full. This does not apply if the total loss claim is settled under Additional Benefit 1 in Section 2D – Additional Benefits automatically included on page 28.

4. Paying by instalments

If you are paying your premium by instalments:

- (a) if an instalment remains unpaid for a period of one month or longer, we will cancel the policy;
- (b) if a claim is settled on a total loss basis you must pay all remaining instalments to the expiry date. We will deduct these amounts from the amount we pay.

5. Notification of change of risk

You must notify us in writing or by phone if during the period of insurance:

- (a) a modification is made to your vehicle;
- (b) the place where your vehicle is regularly garaged changes;
- (c) the purpose for which you use your vehicle changes;
- (d) the declared drivers noted on your policy schedule change.

You must notify us in writing or by phone as soon as possible but no later than at renewal if, during the period of insurance the declared drivers:

- (a) are involved in a claim on any motor vehicle insurance policy, other than the policy;
- (b) are charged with or convicted of any offence relating to the use of any motor vehicle;
- (c) have their licence cancelled, suspended or lapsed or reduced to a probationary or extraordinary licence;
- (d) are charged with or convicted of any criminal offence.

We may charge extra premium, add special conditions or cancel the policy if any of these changes occur.

6. Persons bound

Any person who may be entitled to make a claim under the policy is bound by these terms and conditions. Any statement, act, omission or claim by any of you is a statement, act, omission or claim by all of you.

We shall be entitled to raise against any of you and against any other entity entitled to make a claim under the policy any defence available against any of you.

7. Breach of policy

If you are in breach of or do not comply with the terms of the policy, subject to the Insurance Contracts Act 1984, we may refuse to pay your claim, in whole or in part.

Section 2H – General Conditions (cont.)

8. Goods and Services Tax (GST)

If you make a claim under the policy and a payment is to be made by us which results in an acquisition of goods or services or some other supply, whether or not the acquisition is made, we will reduce any payment to be made by the amount of any input tax credit to which you would or will be entitled if you were to purchase replacement goods or services.

If you make any claim under the policy, you must inform us of any entitlement you may have to claim an input tax credit for the GST amount charged on the policy, and the proportion of the GST that you can claim as an input tax credit.

If you make a claim under the policy where a payment is to be made by us and instead of making a payment for the acquisition of goods, services or other supply, we make a payment as compensation, we will reduce the amount of any payment by an amount equal to any input tax credit to which you would or will be entitled as if the payment had been made to acquire any such goods, services or other supply.

9. Right of recovery (Subrogation)

We have the right subject to the Insurance Contracts Act 1984 to instigate recovery proceedings in your name against any person who we believe is responsible for the loss or damage to your vehicle, and you must give us any information and help that we may reasonably require.

We will include any excess you have paid in this recovery action, but your excess will not be refunded to you until we have recovered the full amount of the claim plus any costs we incur in the recovery action.

Section 2I – What To Do in the Event of a Claim

The following applies to all sections of the policy.

1. Do not admit liability

Whatever the circumstances you may encounter, you or the person driving your vehicle or any person who may be entitled to make a claim under the policy, must not:

- (a) make any admissions;
- (b) offer to negotiate to settle or pay a claim; or
- (c) admit liability.

2. Prevent further damage

You must take all reasonable steps to reduce the loss or damage, and to prevent further loss or damage.

3. Authorising repairs

Other than temporary emergency repairs detailed on pages 30-31 you must not undertake or authorise repairs without our prior written consent.

4. Contact the police

You must inform the police as soon as possible following discovery of theft or malicious damage or any other crime relating to your vehicle. If you do not inform the police we may not pay your claim.

5. Notification of an incident

You must advise us as soon as possible of an incident that may give rise to a claim under the policy.

6. Co-operation and retention of evidence

You, the person driving your vehicle, or any person who may be entitled to make a claim under the policy must:

- (a) furnish us with all information and assistance we request in relation to the claim;
- (b) retain any evidence of any loss or damage including receipts and make this evidence available to our representative for inspection.

7. Quotes and inspections

You will need to obtain at least one quotation from a repairer nominated by us. We will in most instances need to inspect your vehicle before repairs can be authorised.

Section 2 – The Policy Wording

Section 2J – No Claim Bonus

Refer to “Cover Applicable to You”, page 22, to see if this section is applicable to the policy.

A no claim bonus is designed to reward those drivers with a good driving record. Your policy schedule reflects the level of no claim bonus you have achieved, and this directly affects the amount of premium that you have to pay to us. We offer a protected no claim bonus benefit which means that even if you have one or more at-fault claims during the period of insurance, your no claim bonus will not change on renewal. If you have no at-fault claims during the period of insurance, your no claim bonus will increase on renewal by one level up to a maximum of 65%.

We consider an accident not to be your fault if we agree that you did not contribute to the cause of the accident, or you can prove that another person was completely responsible and you can provide the person’s name, current address and their vehicle registration number.

The following table illustrates how our no claim bonus system works:

Current level of no claim bonus	One or more at-fault claims during the period of insurance	No at-fault claims during the period of insurance	No claim bonus on renewal
0%	Yes	–	0%
0%	–	Yes	25%
25%	Yes	–	25%
25%	–	Yes	45%
45%	Yes	–	45%
45%	–	Yes	55%
55%	Yes	–	55%
55%	–	Yes	65%
65%	Yes	–	65%
65%	–	Yes	65%

End of Policy Wording

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