

COMPREHENSIVE MOTOR VEHICLE INSURANCE

Premium, Excess, Discounts
and Claims Guide

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powertorqueinsurance.com.au



**PowerTorque
Insurance**

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INTRODUCTION

This PowerTorque Insurance Premium, Excess, Discounts and Claims Guide (Guide) provides further information about how we calculate the cost of your insurance, as well as the excesses and discounts that may apply to the PowerTorque Insurance Comprehensive Motor Vehicle policy.

You should read this Guide in conjunction with the PowerTorque Insurance Comprehensive Motor Vehicle Policy and Product Disclosure Statement (PDS) dated 1 October 2020 and your policy schedule.

If you would like any further information, please call us on 137 800.

HOW WE CALCULATE AND ADJUST YOUR PREMIUM

Premium is the amount you pay us to obtain PowerTorque Insurance Comprehensive Motor Vehicle cover. Your premium will be set out in your policy schedule.

We calculate your premium by taking into account a variety of factors, including the following:

- key pricing factors for the cover selected
- any policy discounts
- payments we make to our Intermediaries
- government taxes and charges, where applicable.

These factors are set out in further detail below under the heading '*Pricing factors*'.

Pricing factors

Your premium is based on a number of pricing factors including those set out in the following Key Pricing Factors table. The table also shows the impact these factors may have on your premium.

Generally, the higher the likelihood of a claim under your policy, the higher your premium will be. Similarly, the higher the value of your policy, or of our business expenses associated with a claim under your policy, the higher your premium is likely to be.

Please note that the factors identified in the table are significant factors only and we may take other factors into account to provide an indication of the possibility of a claim being made and the cost of claims, which may affect the cost of your premium. The way in which different factors impact your premium may change from time to time.

Key pricing factors	Premium Impact
Where you live	If you live in an area with a higher rate of theft or accidents this may increase your premium.
The vehicle being insured	The premium we charge will take into consideration the characteristics of the range of different vehicles we insure. For example, vehicles that have a higher repair cost, due to things such as vehicle model and age, may attract a higher premium.
Modifications and non-standard accessories	Any modifications or accessories fitted to your vehicle that we have agreed to insure may result in either a premium increase or discount.
The agreed value you choose for your policy	The higher the agreed value, the higher your premium.
The purpose for which your vehicle is used	If your vehicle is for business use or Rideshare use rather than private use, your premium will be higher.
Whether your vehicle was purchased under a finance arrangement	If your vehicle is financed, rather than owned outright, your premium will be higher.
The frequency your premium is paid	You will pay less if you choose to pay your premium annually rather than paying by monthly instalments.
Whether you select a voluntary excess	The higher the amount of the voluntary excess you choose, the more it will reduce your premium.
The age, gender, licence, driving, insurance and criminal history of all regular drivers who use your vehicle listed on your policy schedule	These factors are all relevant to the likelihood of a claim and the risk we are accepting and may increase or reduce the cost of your premium.
Any discounts for which you are eligible	If you are eligible for any of our discounts this will lower your premium. The main discounts we offer are discussed in more detail in this Guide.
The Optional Benefits you have selected	Selecting an Optional Benefit such as 'Excess-free glass cover' or 'Rental car following accidental damage' will increase your premium.

The information you provide is important as it will determine how the risk is assessed and therefore the amount of your premium. You need to check your policy schedule to ensure all information is correct. If the information is not correct, please call us immediately.

Changes in premium

Each time you renew your insurance your premium may vary, even if your personal circumstances have not changed. This is because premiums are affected by many factors including the following:

- the cost we have incurred paying claims
- our expected cost for future claims
- changes in government taxes or charges
- the cost of administering policies and claims
- other factors in the Key Pricing Factors table.

Please tell us if anything changes in regard to your policy details (for example, change of address or adding a new regular driver) by calling us on 1300 906 350 or emailing info@powertorque.com.au. We will update our records in response to your request. For the terms and conditions which apply when you advise us of any changes to your policy details, refer to the section 'Additional Terms and Conditions – Changes to your policy' in the PDS.

Premium discounts

The premium you pay includes any discounts for which you qualify. These discounts are applied before any policy options are added.

You may be entitled to the following discounts:

- Voluntary excess
- Payment method discount.

From time to time we may offer other Comprehensive Motor Vehicle Insurance discounts to particular customers as part of a promotion or to respond to market conditions. If we do, we will tell you when and how those discounts apply to your premium.

Any discounts that you qualify for will be included in your total premium payable by you.

Voluntary excess

There is a minimum basic policy excess, but you may choose a higher excess on your PowerTorque Insurance Comprehensive Motor Vehicle Insurance by selecting a voluntary excess. The voluntary excess is payable in addition to any other applicable excesses in the event of a claim.

The voluntary excess amount you choose will reduce your premium.

The amount of any voluntary excess you choose will be shown on your policy schedule. Refer to the section *Types of excess – Voluntary excess* of this Guide to find out more about the voluntary excess.

Payment method discount

If you choose to pay your premium annually you will receive a discount on the standard premium amount. Your monthly instalment amount is calculated by dividing the standard premium amount by 12.

For example: Assuming a 10% annual lump sum discount, if your standard premium amount is \$594, and you choose to pay your premium annually, the discount you will receive is \$59.40 and the annual premium we would offer would be \$534.60. Your monthly instalment amount is simply calculated by dividing the standard premium of \$594 by 12, which results in a monthly instalment amount of \$49.50.

Optional Benefits

The PowerTorque Insurance Comprehensive Motor Vehicle policy offers the following Optional Benefits:

- Rental car following accidental damage
- Excess-free glass cover.

If you choose to add an Optional Benefit to your policy, your premium will increase. Your total premium is based on the cost of the level of cover, and any additional benefit(s) you select.

Payments we make to our Intermediaries

We will pay commissions and fees to our Intermediaries out of your premium. These amounts will affect the amount of your premium.

Government charges

Your premium includes any compulsory government charges, taxes and levies in relation to your policy (for example, stamp duty and GST) imposed by the applicable Commonwealth, state and territory governments.

EXCESS

An excess is the first amount you may have to pay towards the cost of a claim before we provide any benefits under your policy. The amount and types of excesses applicable to your policy are shown on your policy schedule and described in the section *'What you must pay in the event of a claim – Excess'* in the PDS.

Types of excess

The following six types of excess are payable by you when they apply to your claim:

- Basic excess
- Voluntary excess
- Age excess
- Licence excess
- Special excess
- Undisclosed driver excess.

The excess payable for any claim will be the total of applicable excesses added together, depending on the circumstances of the claim. For situations where you have to pay any of the above types of excesses refer to the section *'Excess – When is an excess payable?'* of this Guide.

Basic excess

The basic excess is the first amount that applies to each claim you make on your policy and varies depending on the state or territory in which you normally reside at the time of a claim.

The basic excess will be shown on your policy schedule and is payable in addition to all other applicable excesses when we accept your claim.

ACT	NSW	NT	QLD	SA	TAS	VIC	WA
\$700	\$750	\$550	\$750	\$500	\$500	\$775	\$550

Voluntary excess

The voluntary excess is an optional excess that you may choose to reduce the amount of your premium and is payable in addition to all other excesses in the event of a claim.

You can choose from a range of voluntary excess amounts to add to your basic excess (up to a maximum voluntary excess increment of \$2,000). The higher the voluntary excess amount you choose, the greater your contribution to a claim may be.

Any applicable voluntary excess will be shown on your policy schedule and is payable in addition to all other excesses when we accept your claim.

Age excess

The age excess applies to any claim where, at the time of the accident, the driver of your vehicle is **under 25 years old**. The amount of the age excess is \$700 for all states and territories.

The age excess will be shown on your policy schedule and is payable in addition to all other excesses (except the licence excess) when we accept your claim.

Licence excess

The licence excess is imposed in situations **where the age excess does not apply** and will be applied where, at the time of the accident, the driver:

- has held an Australian driver's licence for less than 2 years; or
- is the holder of an overseas, probationary or provisional licence.

The amount of the licence excess is \$700 for all states and territories.

The licence excess will be shown on your policy schedule and is payable in addition to other excesses (except the age excess) when we accept your claim.

Special excess

The special excess applies where your particular circumstances impact the risk covered by your policy and may be imposed, for example:

- where you have modified your vehicle or added non-standard accessories to your vehicle which may increase the cost of repairs following a claim; or
- because of the driving, criminal or insurance history of you or any regular driver listed on your policy schedule.

Any applicable special excess will be shown on your policy schedule and is payable in addition to all other excesses when we accept your claim.

Undisclosed driver excess

The undisclosed driver excess applies to any claim where, at the time of an accident, the driver was:

- **under 25 years of age**; and
- **was not nominated as a driver** on the most recent policy schedule or renewal notice.

Any applicable undisclosed driver excess will be shown on your policy schedule.

The amount of the undisclosed driver excess is \$1,000 for all states and territories and is payable in addition to all other excesses (including the age excess) when we accept your claim.

When is an excess payable?

If we determine that your claim is a **recoverable claim**, you will not have to pay any excess because:

- we determined the driver of your vehicle did not contribute to the cause of the accident; and
- you can provide us with the full names, current residential addresses, phone numbers, vehicle registration numbers and insurance details of all drivers involved.

If we determine that your claim is a **non-recoverable claim**, you will have to pay an excess because:

- we determined the driver of your vehicle contributed to the cause of the accident;
- we determined the accident or loss was not caused by the driver, but the person who caused the accident is unable to be identified;
- the accident or loss was not caused by a person; or
- you cannot provide us with the full names, current residential addresses, phone numbers, vehicle registration numbers and insurance details of all drivers involved.

If we initially determined your claim to be a **non-recoverable claim** and you paid an excess and we subsequently determine your claim to be a **recoverable claim**, we will reimburse the excess you paid.

You will not have to pay any **age excess, licence and undisclosed driver excess** if you are claiming for any of the following:

- theft or attempted theft;
- loss or damage caused by an animal or a weather event such as flood, hail or storm;
- fire;
- malicious damage;
- damage to your vehicle while it was parked; or
- glass cover claims (where glass breakage is the only damage sustained to your vehicle). However where you have chosen to purchase the optional '*Excess-free glass cover*' benefit you will not be required to pay any type of excess that applies to your policy for the first glass cover claim. Refer to the section '*Optional Benefits with Comprehensive cover – Excess-free glass cover option*' in the PDS to find out more).

Furthermore, if your vehicle is being driven by or in the charge of a learner driver you will not have to pay the **undisclosed driver excess**, but any **age or licence excess** payable in the event of a claim will be that applicable to the licensed driver providing the instruction. Refer to the section '*Driving instruction cover*' in the PDS for details.

How is an excess applied to your claim?

When you make a claim, we may require you to pay the applicable excesses before we agree to make any payment or provide any benefits under the policy.

If you do need to pay an excess, we will advise you whether this amount is to be:

- paid by you to the repairer or supplier when you collect your vehicle after it has been repaired;
- paid by you to us when we request it; or
- deducted from the amount we pay you.

More than one excess may apply, depending on the circumstances of the claim and whether or not you select a voluntary excess. However, not all claims attract an excess. Refer to the section '*Excess – When is an excess payable?*' of this Guide to find out more.

What happens when the amount of your claim is less than the amount of your excess?

We will not be responsible for a claim which is less than the applicable excess. If you have chosen to lodge a claim and the amount of that claim is less than the applicable excess, you may choose to have your claim withdrawn. However, if you decide not to withdraw your claim, we may withdraw it on your behalf to ensure there is no adverse impact on your claims history.

If you have paid an excess it will be refunded and there will be no impact on your policy.

FINANCIAL CLAIMS SCHEME

This policy may be a 'protected policy' for the purposes of the Federal Government's Financial Claims Scheme (FCS). The FCS is administered by the Australian Prudential Regulation Authority (APRA). We are authorised by APRA.

In the unlikely event of an insurer authorised by APRA, such as us, becoming insolvent, the Federal Treasurer may make a declaration that the FCS applies to that insurer. If the FCS applies, as a policyholder, you may be entitled to have valid claims paid under the FCS. Access to the FCS is subject to eligibility criteria.

Information about the scheme can be obtained from the FCS website at fcs.gov.au

CONTACT DETAILS

For information regarding your policy or to make a claim:

Phone: 1300 906 350
Fax: (03) 9867 3640
Mail: PowerTorque Insurance
PO Box 7212
Melbourne VIC 3004
Email: info@powertorque.com.au
Web: powertorqueinsurance.com.au

To enquire about additional insurance needs, call us on 137 800.



PO Box 7212, Melbourne VIC 3004
Level 8, 390 St Kilda Road, Melbourne VIC 3004
info@powertorque.com.au
powertorqueinsurance.com.au