

Premium, Excess and Discount Guide

Car

Introduction

This RAC Car Insurance Premium, Excess and Discount (PED) Guide provides you with information about how we calculate our premiums and the excesses and discounts which may apply to your RAC Car Insurance policy.

You should read this PED Guide with your RAC Car Insurance Combined Product Disclosure Statement and Financial Services Guide.

This PED Guide applies to new or renewed policies commenced on or after 13 July 2014.

About your premium

The premium is the amount you must pay us for your insurance cover. Your premium is shown on your schedule.

We consider a number of factors when calculating your premium including, but not limited to the following pricing factors:

Pricing factors	Comprehensive	Third Party Fire and Theft	Third Party Property Damage
Make and model of your car	✓	✓	✗
Your age and gender and that of any other persons insured under your policy	✓	✓	✓
Your driving and car insurance history and that of any other person insured under your policy over the three years preceding the commencement or renewal of your policy	✓	✓	✓
Where you live	✓	✓	✓
Your car's agreed value	✓	✓	✗
Whether you pay your premium annually or in instalments	✓	✓	✓
How you use your car	✓	✓	✓
Costs associated with operating our business	✓	✓	✓
Government charges that may apply	✓	✓	✓
Discounts that may apply to you	✓	✓	✓

We may use some or all of these factors to derive your premium.

All insurance risks are not the same and so the combination of factors used and relevance they have in the overall premium will differ for each risk.



Insurance
For the better

We determine your car's agreed value at the commencement of your cover and review it at the beginning of each subsequent period of insurance. The agreed value is shown on your schedule and while it may change at renewal, it does not change during the period of insurance.

When you renew your insurance your premium is likely to change, even if your personal circumstances have not. This is because the premium you pay is also affected by the cost of claims we have paid, or expect to pay, to other members and updated data we have available to calculate your premium.

Cancellation charge

If you cancel your policy during the period of insurance, a cancellation charge of 10% of the unused premium will be applied to your refund.

Credit card charges

We do not charge a merchant fee when you pay your premium or your excess by credit card.

GST and government charges

Your RAC Car Insurance is subject to Goods and Services Tax (GST) and government charges (insurance duty) as shown below. The amounts payable in GST and government charges for any given year are shown on your schedule.

GST and government charges	Amount
GST	10%
Insurance duty	10%

Instalment charges

If you pay your premium by instalments a 10% premium loading will apply. This amount is included in the premium shown on your schedule.

Other fees and charges

No refund or request for payment will be made if:

- » Your policy is changed or cancelled and the premium refund or premium payable is less than \$10.
- » You make an under or overpayment to us of less than \$10.

Excess

An excess is the amount you may be required to pay towards any claim.

The amount and types of excess applicable to your policy are shown on your schedule. You may have to pay more than one excess depending on the circumstances of your claim.

When an excess does not apply

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

- » You can satisfy us that the incident was solely the fault of the other person (not the person in charge of your car at the time of the incident).
- » You provide us with the 'at fault' person's name, vehicle registration number and contact details.

We will make a determination of fault after we are in possession of all the relevant facts and our determination will be final and binding upon you.

Basic excess

Your basic excess is \$500. You will be asked to pay this amount when you claim on your policy, unless you have paid an additional premium to remove it.

If you have a Comprehensive Car Insurance policy you may change your basic excess to:

- » \$0, which will increase your premium;
- » an amount between \$550 and \$2000, which will reduce your premium.

If you have a Third Party Fire and Theft or a Third Party Property Damage policy you may reduce your basic excess to \$0, which will increase your premium.

Age excess

You may be required to pay an additional excess if your car is being driven or is in the care, custody or control of a driver under 26 years of age. The amount of the age excess varies depending on the age of the driver, as shown below, and is payable in addition to any other excesses.

Driver age	Age excess
16-18 years	\$650
19-20 years	\$550
21-23 years	\$450
24-25 years	\$300

You cannot pay an additional premium to remove an age excess.

An age excess does not apply:

- » To glass claims, storm claims, fire claims, malicious damage claims, flood claims or theft claims; or
- » If the driver of your car is a learner's permit holder under 26 years of age, and accompanied by a fully licensed driver over the age of 26.

Windscreen and window glass excess

If we accept your claim to replace windscreen and window glass to your car, an excess of \$100 will apply (unless you have paid an additional premium to remove your basic excess). No excess applies if the glass is repaired (and not replaced).

No other excesses are applicable for claims solely relating to windscreen or window glass.

Inexperienced driver excess

If the driver of your car is 26 years of age or over and has less than two years driving experience after obtaining a provisional or probationary licence, an excess of \$300 will apply.

This excess is payable in addition to any other excesses.

You cannot pay an additional premium to remove an inexperienced driver excess.

An inexperienced driver excess does not apply:

- » To glass claims, storm claims, fire claims, malicious damage claims, flood claims or theft claims; or
- » To Third Party Fire and Theft or Third Party Property Damage policies.

Special excess

We may decide to apply a special excess to an individual driver or to your policy after taking into account such factors as your car, claims or traffic offence history.

A special excess is payable in addition to all other excesses.

You cannot pay an additional premium to remove a special excess.

Discounts and savings

The discounts we offer depend on the type of insurance you have chosen.

Discount	Comprehensive	Third Party Fire and Theft	Third Party Property Damage
No claim bonus	✓	✗	✗
Online discount	✓	✓	✓
RAC membership discount	✓	✗	✗
Less Emissions Mission discount	✓	✗	✗

Your premium includes the discounts you are eligible for. Discounts do not apply to policy options and may be subject to a minimum premium. We may also offer additional discounts from time to time and the relevant terms and conditions will be specified as part of the offer. For details on specific discounts, refer to the information below or contact us on **13 17 03**.

No claim bonus

Your no claim bonus is a discount that rewards your safe driving. It increases each successive year you do not make an 'at fault' claim on your policy until it reaches a set maximum, as shown below.

Number of at fault claim free years	Discount
One	20%
Two	30%
Three	40%
Four	50%
Five or more years	55%

An 'at fault' claim is a claim lodged where we are unable to recover from a third party for an incident resulting in:

- » Accidental loss or damage including malicious damage caused to your car.
- » Loss or damage to your car caused by fire, theft or attempted theft.

When you make one or more 'at fault' claims during the year, the discount decreases and your premium may also be impacted at the subsequent renewal.

For example, if you have a maximum no claim bonus of 55% and make one 'at fault' claim during the year, your no claim bonus will reduce to 40%.

If you have a maximum no claim bonus of 55% and make two 'at fault' claims during the year, your no claim bonus will reduce to 0%.

Your no claim bonus discount is not affected if your claim is for damage to your car's windscreen, sunroof or window glass only.

Protected no claim bonus

When you are on the maximum no claim bonus and you have paid the additional premium required, your no claim bonus will not be reduced in the event of one claim being lodged in each 12-month period of insurance where you, or the person driving your car, was at fault, although the additional premium for the protected bonus may increase on renewal.

If you make more than one 'at fault' claim your maximum no claim bonus protection no longer applies and your no claim bonus discount reduces. For example, if you have protected maximum no claim bonus and make two 'at fault' claims during the year, your no claim bonus will reduce to 40%.

Online discount

The discount we offer for policies taken out online at rac.com.au depends on the type of insurance you have chosen.

The online discount applies to the first year of insurance only.

Insurance type	Discount
Comprehensive	\$100
Third Party Fire and Theft	\$30
Third Party Property Damage	\$30

RAC membership discount

We offer up to a 10% discount on RAC Comprehensive Car Insurance for Roadside Assistance, Rewards and Wheels2go members.

RAC membership	Discount
Gold (25 or more years)	10%
Silver (10-24 years)	7.5%
Bronze (5-9 years)	5%
Blue (up to 4 years), red and free2go	n/a

Less Emissions Mission discount

We are committed to helping the environment and rewarding drivers of lower emission cars. You can receive a discount off your RAC Comprehensive Car Insurance if your car is recognised by the RAC as having lower emissions and your car is less than five years old based on year of manufacture. Discounts range from up to 5% to up to 25% depending on vehicle age. Visit rac.com.au/lem for more information.

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

For further information on this guide
please visit rac.com.au

