

# Premium, Excess and Discount Guide

## for RAC Car Insurance

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 that 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 RAC Car Insurance policies first started on or after 1st January 2026 or renewed on or after 14 January 2026.

### About your premium

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

We take into account a number of factors when working out the premium for your RAC Car Insurance policy. These factors include, but are not limited to, the factors listed in this table.

Pricing factors	Comprehensive Car Insurance	Third Party Fire and Theft Car Insurance	Third Party Property Damage Car Insurance
Make, model and year of your car	✓	✓	✗
Your age and gender and that of any other person insured under your policy	✓	✓	✓
Your driving history and that of any other person insured under your policy over the three years before the start or renewal of your policy	✓	✓	✓
Address where your car is kept	✓	✓	✓
Your car's agreed value	✓	✓	✗
Whether you pay your premium annually or in instalments	✓	✓	✓
How you use your car	✓	✓	✓
Optional benefits	✓	✗	✗
Costs associated with operating our business	✓	✓	✓
Government charges that may apply	✓	✓	✓
Discounts that may apply to you	✓	✓	✓

This is not an exhaustive list of factors we take into account. We may use some or all of these factors to determine your premium.



**For the better**

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

Premiums are calculated at a point in time, based on the information available to us at that moment. This means your premium reflects your current risk profile and other pricing factors as they existed when the calculation was made.

At the start of your cover, we may give you a range of values (using our external data provider) to help you choose your car's agreed value. We'll review your car's agreed value at the beginning of each subsequent period of insurance. The agreed value is shown on your schedule.

When you renew your insurance, your premium is likely to change, even if your personal circumstances haven't. This is because the premium you pay is also affected by factors such as:

- » The cost of claims we've paid (or expect to pay) to other members.
- » Any updated data we have available to calculate your premium.
- » Changes to our costs of doing business or to government charges.

### **GST and government charges**

Your RAC Car Insurance is subject to goods and services tax (GST) and government charges (insurance duty) as shown in this table.

<b>GST and government charges</b>	<b>Amount</b>
GST	10%
Insurance duty	10%

The amounts payable in GST and government charges for any given year are shown on your schedule.

### **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.

### **Credit card charges**

We don't charge a merchant fee when you pay your premium or your excess by credit card.

### **Cancellation charge**

If you cancel your policy during the period of insurance, no administration fee will apply.

### **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**

The excess is the amount you need to pay towards settlement of any claim. You'll be asked to pay the excess before any claim is finalised.

The amount and types of excesses that apply to your policy are shown on your schedule. An excess will apply to all sections of your policy unless stated otherwise. You may have to pay more than one excess depending on the circumstances of your claim.

## When an excess does not apply

You won't have to pay an excess towards your claim if both:

- » 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 enough information so we can identify the 'at fault' driver, including their name, vehicle registration number and contact details.

## Basic excess

Your basic excess is shown on your schedule.

If you have an RAC Comprehensive Car Insurance policy, you may:

- » Reduce the basic excess which will increase your premium.
- » Increase the basic excess which will reduce your premium (to the extent any minimum premium is not reached).

Choose a basic excess amount between \$400 and \$2000 that's appropriate for you, taking into consideration any limits of any additional or optional benefits.

## Age excess

You'll need to pay an additional excess if your car is being driven by or is in the care, custody or control of a driver under 26 years of age.

If the car is driven by a learner driver, any excesses will apply to the supervisory driver.

The amount of the age excess varies depending on the age of the driver, as shown in this table.

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

The amount is payable in addition to any other excesses.

You can't pay an additional premium to remove an age excess.

An age excess doesn't apply to claims for windscreen and glass, flood, storm, hail, lightning, fire, explosion, vandalism, malicious damage, theft or attempted theft.

## Undisclosed driver age excess

If the driver of your car is under 26 years of age at the time of the incident, and not named on your policy as a driver, an excess of \$1000 will apply.

If the car is driven by a learner driver, any excesses will apply to the supervisory driver. This amount is payable in addition to your basic excess.

If you pay an undisclosed driver excess, you won't have to pay an age excess as well.

An undisclosed driver age excess doesn't apply to claims for windscreen and glass, flood, storm, hail, lightning, fire, explosion, vandalism, malicious damage, theft or attempted theft.

## Windscreen and window glass excess

If we accept your claim to replace windscreen or window glass to your car, an excess of \$150 will apply.

No excess applies if the glass is repaired (and not replaced).

No other excesses apply to claims solely relating to windscreen or window glass.

You can't pay an additional premium to remove the windscreen and window glass excess.

## Special excess

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

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

You can't pay an additional premium to remove a special excess.

## Discounts and minimum premium

Minimum premiums apply. A minimum premium is the lowest premium that we're able to sell the policy for and we may adjust your premium to ensure it does not fall below this amount.

Your premium includes the discounts you're eligible for. Any discounts will be applied only to the extent any minimum premium is not reached. If your premium reaches the minimum premium, no further discounts will apply. Any discounts will only apply to the amount that's over the minimum premium.

Discounts are applied to the premium before GST and government charges are applied. If you're eligible for more than one discount, we apply the discounts in order, so each subsequent discount is applied to the amount that's already been discounted.

We may also offer additional discounts from time to time. The relevant terms and conditions will be specified as part of the offer. Additional discounts offered can be changed or withdrawn. For details on specific discounts, refer to the information that follows or contact us on **13 17 03**.

## RAC membership discount

We offer discounts on your RAC Comprehensive Car Insurance premium for the following types of memberships, as shown in this table.

RAC membership	Discount
Gold (25 or more years)	10%
Silver (10-24 years)	7.5%
Bronze (5-9 years)	5%

## Online discount

The discount we offer for policies taken out entirely 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
RAC Comprehensive Car Insurance	\$100

You will not be eligible for the online discount if you are an existing member and choose to purchase a new policy for the same risk instead of renewing the expiring policy with us.

## Less Emissions Mission (LEM) discount

### Discontinuation

The LEM discount does not apply to:

- » Any new RAC Comprehensive Car Insurance policies issued on or after 1 January 2026; or
- » Any renewals of RAC Comprehensive Car Insurance policies which cover a car manufactured in or after 2026.

### Existing LEM Policyholders

For RAC Comprehensive Car Insurance policies that have an active LEM discount as at 31 December 2025, a premium discount of between 5% and 25% continues to apply to those policies where we recognise the car as low-emission and is less than five years old, based on its year of manufacture, subject to the other conditions set out in this PED Guide.

Discount Schedule (based on car age at renewal):

Car age at renewal	Discount
Less than 1 year old	up to 25%
2 years old	up to 20%
3 years old	up to 15%
4 years old	up to 10%
5 years old	up to 5%
Over 5 years old	no discount

Please note the discount will come to an end when the maximum car age is reached or the policy is cancelled or not renewed, whichever comes first.

Important:

Existing policies with an active LEM discount, where the insured car is replaced with another eligible car manufactured before 2026, will continue to receive the LEM discount until either the discount expires or the policy is cancelled or not renewed, whichever comes first.

If you cancel your policy with an active LEM discount and take out a new policy on the same day for an eligible replacement car manufactured before 2026—rather than transferring the replacement car to your existing policy—we will either apply the LEM discount to the premium on your new policy or reimburse you for the amount of the discount after purchase. This LEM discount will then apply until the discount expires or the policy is cancelled or not renewed, whichever occurs first.

The LEM discount can be changed or withdrawn at any time.

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