

## Section 10: Commercial Motor

Parts 1, 2 and 3 of the Product Disclosure Statement are issued by **Australian Associated Motor Insurers Limited (AAMI) ABN 92 004 791 744, Australian Financial Services Licence No. 238173**. Your complete Product Disclosure Statement is made up of this document (known as "Part I of the Product Disclosure Statement"), your Customer Information Booklet which contains the general terms that apply to your policy (known as "Part 2 of the Product Disclosure Statement") and the individual wordings for each section of cover you have chosen (known as "Part 3 of the Product Disclosure Statement").

### About the Insurer

Australian Associated Motor Insurers Limited (AAMI)  
ABN 92 004 791 744, Australian Financial Services Licence No. 238173  
PO Box 14180, Melbourne Mail Centre, Victoria 8001 is the issuer of policies branded Business Insurance and Business@Home Insurance and the issuer of Parts 1, 2 and 3 of the Product Disclosure Statement (PDS).

### About AAMI Business Insurance and How to Contact Us

AAMI offers insurance policies branded Business Insurance and Business@Home insurance for small business, provides tailored insurance advice and loss prevention information.

You can contact AAMI by:

- Phone: 1300 304 111
- Fax: 1300 305 111
- Claims: 1300 306 111
- Email: [businessinsurance@aami.com.au](mailto:businessinsurance@aami.com.au)
- Website: [www.aami.com.au](http://www.aami.com.au)

### Benefits of your Commercial Motor Policy

The Commercial Motor policy is section 10 of the AAMI Business Insurance wording and has three types of insurance cover from which you can choose. These are:

- third party;
- third party fire and theft cover; and
- comprehensive cover.

#### Third party cover

Protects you against legal liability for the:

- loss or damage to other peoples' property caused by your insured vehicle and
- death or bodily injury to other people caused by your insured vehicle which is not covered under any statutory compulsory insurance, or motor vehicle accident scheme.

A limit of \$20 million applies to the total of all claims from the one event. Lower limits apply in certain cases.

We also pay for:

- loss or damage to your vehicle if the accident was caused by an uninsured driver of another vehicle - up to \$5,000.
- legal liability for any vehicle not owned by you and is being used or driven by you or in connection with your business.

There is no cover:

- for property owned or controlled by or death or injury to you, the person legally liable, a relative, a person living with you, your directors, officers, business partners or employees (in most cases) or anyone covered by the policy
- if the legally liable person has been refused motor insurance or had renewal refused because of driving, claims or criminal record,
- for damage caused by using the vehicle or part of it as a tool of trade,
- arising from asbestos or discharge of contaminants or pollutants,
- for loss or damage to your own vehicle or to a substitute vehicle,
- for your legal liability arising out of the carrying or towing of dangerous goods, unless you comply with any applicable law or regulation for the transportation of dangerous goods (if we agree to pay a claim, the most we will pay for all claims from one event is restricted to \$500,000).

#### Third party fire and theft cover

In addition to the benefits offered by the third party cover, your motor vehicle is protected against loss or damage from theft or attempted theft, fire, lightning and explosion for market value or \$5,000, whichever is the lesser, with some extra benefits:

- Hire of a replacement vehicle following theft up to a maximum of 14 days from the date of the theft to the date of recovery.
- Reasonable costs for towing and storing your vehicle, if the car cannot be driven following loss or damage.

#### Comprehensive cover

In addition to the benefits offered by the third party cover, comprehensive cover protects your financial investment in your motor vehicle up to market value (or agreed value if applicable) if it is destroyed or damaged due to an accident, theft or fire.

- If you sell your vehicle and buy a replacement vehicle and the purchase price is less than \$100,000, we will insure the replacement vehicle for 14 days from the day you bought the replacement vehicle.
- If the loss or damage to your vehicle is considered not to be a total loss then we may choose to:
  - Repair your vehicle, or any part of it, or
  - Replace any part of your vehicle, or
  - Pay you the cost of repairing or replacing your vehicle, or any part of it.
- Limits apply to parts not available in Australia.
- When your car is damaged, for your peace of mind, we choose the repairer and arrange the repair for you.

We ordinarily obtain two independent quotes from repairers recommended by AAMI. If you want you can choose a repairer to provide one of the quotes. Our assessor will review the quotes, including any quote from a repairer you choose. We will **choose** the repairer who has submitted the more competitive and complete quote and that will be the repairer who repairs your car.

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### *Benefits of your Commercial Motor policy cont.*

- We will replace your vehicle with a new vehicle of the same make and model including similar accessories, tools and spare parts:
  - If your vehicle is a registered sedan, station wagon, panel van or utility,
  - Has travelled less than 40,000km,
  - The total loss occurs within one year of the date your vehicle is first registered, and
  - Any finance company with an interest in your vehicle gives its consent.
- We will not pay for registration or statutory compulsory insurance.
- Non-standard modifications to your vehicle are only covered if we agree.
- We can keep any damaged or recovered stolen property.

#### We will not pay for:

- damage due to mechanical, structural, electrical or electronic failure,
- tyre damage caused by punctures, bursts, road cuts or braking,
- loss because you cannot use your vehicle,
- loss or damage to any load.

#### Additional benefits available with comprehensive cover include:

- Hire of a replacement vehicle following theft up to a maximum of 14 days from the date of the theft to the date of recovery.
- Reasonable costs for towing and storing your vehicle, if the car cannot be driven following loss or damage.
- If your vehicle is a total loss, we will pay out the remaining amount owing to the financier or leasing company. If the market value at the time of loss is insufficient to cover the pay out amount, we will pay up to 10% of the market value of the vehicle (less payments in arrears and discounts for the unexpired term).
- Up to \$1,000 for reinstatement of artwork and sign writing.
- Lifetime guarantee on repairs following a claim, while you own the vehicle for sedans, station wagons and 4 wheel drives or goods carrying vehicles with a carrying capacity less than 2 tonnes.
- Reasonable costs of clean up and removal of debris following an event involving the vehicle or goods falling from your vehicle.

#### **For all types of cover**

- Please refer to Parts 2 and 3 of the PDS for further details of the terms and conditions of the insurance cover.
- There is no cover while your vehicle is overseas, being used illegally or by someone under the influence of alcohol or any drug (unless you had no reason to suspect it), being used for a commercial purpose not agreed by us or for loss caused by the explosion of a boiler of your vehicle.
- Other exclusions apply.
- You should consider whether the policy will provide the cover you require. Cover may not be adequate because the type or amount of cover you require does not match the cover provided by the policy, for example, because you do not satisfy terms and conditions of cover or an exclusion applies.

- If you do not comply with the policy terms and conditions (for example, you must pay premiums, not admit liability, report any accident, malicious damage, theft or attempted theft to the Police and us, co-operate in defending and settling your claim and keep any damaged or recovered stolen property), we can potentially reduce or deny any claim you may make or cancel your policy.
- When we agree to insure you, to renew or vary your policy, or to pay your claim, we rely on the accuracy of the information you give us. If that information is not accurate, we can potentially reduce or deny any claim you may make or cancel your policy.

### *The amount you pay for this insurance*

The amount we charge you for this insurance policy is the total amount of the premium which we calculate to cover the risk plus GST and any relevant government charges (such as stamp duty). These amounts add up to the total amount you must pay. Your premium is shown on the policy schedule which is enclosed. If you change your policy in any way you may be required to pay an additional amount.

We consider a number of aspects in calculating your premium. These can include:

- Market value or agreed value if applicable
- Type of vehicle
- Age of drivers
- Where the vehicle is garaged
- How the vehicle is used, and
- No claim bonus

We will not refund any premium if your vehicle is a total loss. Otherwise, we will only refund the unexpired period of your cover less a cancellation fee, if you cancel at any time without making a claim.

If you are paying premiums by instalment, we can cancel this policy if you fail to make regular payments.

### *Your excess*

You will be required to pay an amount towards a claim unless we agree that you do not have to pay this amount or you are not at fault. This is called an excess and includes:

- basic excess (unless we agree you do not have to pay this excess)

We consider a number of factors in determining your basic excess. These can include:

- The agreed value of the vehicle
- Type of vehicle
- Age of driver
- Driver history, and
- Where the vehicle is garaged

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### *Your excess cont.*

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- plus an age excess  
\$500 for drivers under 21 years of age, or  
\$300 for drivers aged between 21 and 25 years of age for most claims
- plus a \$250 inexperienced driver excess (licensed to drive for less than two years)
- plus a tipping of load excess which increases the basic excess by 100% (if applicable)
- plus an earthmoving, lifting or maintenance vehicle excess which increases the basic excess by 100% (if applicable).

You can obtain information about the excesses that will apply to you by calling 1300 304 111. Once the policy is issued, your excesses are shown in the schedule.

### *Important information*

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The insurance we offer you is set out in the policy.

It is important that you:

- read all of the policy to make sure that it gives you the protection you need and meets your expectations,
- are aware of the limits on the amounts we will pay you, and
- are aware of the policy definitions.

You will find the policy definitions in the "Definitions" section of your Customer Information Booklet known as Part 2 of the PDS.

For the policy limits:

- some of these will be stated in the policy itself (these are our standard policy limits), and
- the remainder will be stated in your policy schedule.

AAMI adheres to the National Privacy Principles under the Privacy Act 1988. For further information on our privacy policies and procedures please refer to the "Privacy Statement" section of your Customer Information Booklet known as Part 2 of the PDS.

To access other information about our motor product visit the AAMI Business Insurance web page at [www.aami.com.au](http://www.aami.com.au)

### *How we resolve your complaints*

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If you think we have let you down in anyway, or our service is not what you expect, please let us know so we can help you. You can tell us about your complaint by phone or in writing. If you phone, you will be given the name of the person who will be dealing with the matter. If you write to us, your letter will be directed to the correct person.

Your complaint will be handled by the person who has the authority to deal with it and this person will consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours of receiving your complaint. If this person is not able to resolve the matter to your satisfaction, then it will be referred to the relevant AAMI Business Insurance Manager and you will be contacted usually within 5 working days.

If you are not satisfied with the relevant AAMI Business Insurance Manager's response, you can ring, write to or email the AAMI Customer Ombudsman or the Financial Ombudsman Service. The AAMI Customer Ombudsman acts with the authority of AAMI's Chief Executive Officer in dealing with disputes.

The AAMI Customer Ombudsman will respond in detail to you within five working days of receiving your letter or email.

### *How to contact the AAMI Customer Ombudsman*

Telephone: 1300 130 794 (local call costs apply)  
9am to 5pm EST Monday to Friday.

Fax: (03) 9529 1214

Write to: The AAMI customer Ombudsman,  
Australian Associated Motor Insurers Limited,  
PO Box 14180, Melbourne City Mail Centre,  
Victoria 8001

Email: [consumerappeals@aami.com.au](mailto:consumerappeals@aami.com.au)

If you disagree with the AAMI Customer Ombudsman's decision, you can choose to have the matter resolved externally, for example, through mediation, arbitration or by taking legal action.

You can also raise complaints about certain services we provide directly with the Financial Ombudsman Service. This is an independent body and its service is free to you.

You can contact the Financial Ombudsman Service on 1300 780 808 toll free or by email to [info@fos.org.au](mailto:info@fos.org.au) or write to:

GPO Box 3, Melbourne, Victoria 3001

You can visit the Financial Ombudsman Service web site at [www.fos.org.au](http://www.fos.org.au)

### *Taxation information*

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- This insurance policy is subject to GST. Please refer to the "How The Goods and Services Tax (GST) Affects This Insurance" section of your Customer Information Booklet (known as Part 2 of the PDS) for details.
- Generally, your premiums are tax deductible and claims payments are assessed as income for income tax purposes if you purchase the policy for business purposes.
- This outline of the effect of the GST on your policy is for general information only. If you are unsure about the taxation implications of your policy you should seek advice from your accountant or taxation professional.

### *Cooling Off and Cancelling This Policy*

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You may cancel your policy at any time. We will refund you the unexpired portion of the premium less any cancellation processing charge to cover the reasonable administrative and transaction costs incurred by AAMI, unless you make a claim. To cancel your policy, please call us on 1300 304 111 or write to:

AAMI Business Insurance  
GPO Box 2470, Adelaide, SA 5001.

In addition, if you vary your policy and add additional cover, you have the right to cancel that additional cover. In this instance we will refund you the amount you have paid for that additional cover less any cancellation processing charge, unless you make a claim.

We can only cancel your policy by giving you written notice in accordance with the Insurance Contracts Act 1984.