

AAMI COMPREHENSIVE CAR INSURANCE

PREMIUMS, EXCESSES, DISCOUNTS AND CLAIM PAYMENTS GUIDE

Your guide to Premiums, Excesses, Discounts and Claim Payments

The Premiums, Excesses, Discounts and Claim Payments Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts, and pay claims under the policy. You should read this PED Guide together with our AAMI Comprehensive Car Insurance Product Disclosure Statement (**PDS**) dated 01/10/13.

This PED Guide is relevant to you if your policy has a commencement or renewal date on or after 01/02/2017.

About your premium

Your rated premium is the amount we calculate that reflects the likelihood of you making a claim together with other factors related to our cost of doing business.

We use many factors about you and your car to work out your rated premium. The importance we place on the factors we use can change and how those factors combine to affect the rated premium will differ from person to person. The rated premium also includes discounts that we have given you and stamp duty, goods and services tax (**GST**), other government charges and any fire services levy (**FSL**) that applies to your rated premium.

Each time you renew your insurance your rated premium is likely to change, even if your personal circumstances have not changed. This is because your rated premium is affected by other things including:

- the cost of claims we have paid to other customers and claims we expect to pay in the future;
- new and updated data we use to calculate your premium;
- changes in government taxes and any state or territory duties or levies;
- our expenses of doing business;
- other commercial factors.

When determining your rated premium on renewal, we also consider how much your rated premium was previously. As such, we may limit movements up or down.

Significant factors affecting your rated premium may include a combination of some or all of the following:

Factor
Amount covered
Address where the car is kept overnight
Car's use
Age of listed driver(s)
Gender of listed driver(s)
Whether the car is financed
Type of car
Car's age
Annual distance the car is driven
Claims that you have told us about that were made by driver(s) on other policies but not if the car shown on your certificate of insurance has an AAMI Lifetime Rating One
Claims made on the policy previously but not if the car shown on your certificate of insurance has an AAMI Lifetime Rating One
Your prior insurance history
The licence history of the listed drivers
The policy options you have chosen
Whether you have chosen an AAMI Flexi-Premiums excess
Whether you have previously paid your policy by instalments

Your rated premium will be higher if you choose to pay by instalments, rather than annually.

The amount you pay for this insurance is your premium and it includes the rated premium, less any AAMI Safe Driver Rewards® credit you are eligible for (see below for more details). Any AAMI Safe Driver Rewards credit we apply is inclusive of relevant government charges.

Our discounts

Discounts are also a factor that can affect your rated premium. Any discounts are usually calculated and applied before the application of government taxes and charges.

One of the discounts we offer eligible customers is the AAMI Skilled Driver Course discount.

AAMI Skilled Drivers Course

You will be eligible for a 10% discount on completion of the AAMI Skilled Drivers Course, if you are under 25 years of age and a listed driver on the policy. If your child or grandchild is under 25 and a listed driver on your policy, the AAMI Skilled Driver Course discount will also apply, in the same way as explained below.

If an eligible driver completes the Course during an existing period of insurance, you will receive the 10% discount on the unexpired portion of your rated premium for the remaining period of insurance. In subsequent years, your AAMI Skilled Drivers Course discount will be automatically recognised at the policy's renewal, so long as you or another eligible driver is less than 25 years of age at that time. See page 24 of the PDS for details.

The AAMI Skilled Driver Course discount does not apply to the portion of your rated premium relating to AAMI Roadside Assist, if you have purchased that option.

From time to time we might also offer discounts or some other special offers as part of a marketing campaign. If we do this, separate terms and conditions may apply and you might not be eligible for our usual discounts. The amount and type of discount offered can change or be withdrawn.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted rated premium.

AAMI Safe Driver Rewards

With AAMI Safe Driver Rewards, for each year you continuously insure your car with us under your comprehensive policy, without making a claim that impacts your Safe Driver Rewards status, we will reward you with a credit on your rated premium when you next renew your policy, up to a maximum of 15%. Please refer to pages 22 and 23 of the PDS for an explanation of the AAMI Safe Driver Rewards status structure and rewards, and to pages 33 and 34 for the claim types that impact your Safe Driver Rewards status. If you have purchased AAMI Roadside Assist, and you have reached at least Platinum status, you will be entitled to a discount off AAMI Roadside Assist, up to a maximum of 25% at Diamond status.

Safe Driver Rewards status	Consecutive years of safe driving under your AAMI policy	Safe Driver Rewards Credit	Discount off AAMI Roadside Assist	Safe Driver Rewards Protection
Gold	Year 1	0%	0%	X
Gold	Year 2	2.5%	0%	X
Platinum	Year 3	2.5%	5%	X
Platinum	Year 4	5%	5%	X
Ruby	Year 5	5%	10%	X
Ruby	Year 6	7.5%	10%	X
Sapphire	Year 7	7.5%	15%	X
Sapphire	Year 8	10%	15%	X
Diamond	Year 9	10%	25%	✓
Diamond	Year 10 +	15%	25%	✓

If we reduce any given period of insurance you hold to less than one year, you will still progress through the Safe Driver Rewards Program, as otherwise indicated above. We reserve the right to change the AAMI Safe Driver Rewards program from time to time or withdraw it.

Government taxes and charges

Car insurance policies are subject to stamp duty imposed by state and territory governments, GST and FSL if applicable.

Your excess

The different types of excesses are:

Standard excess

Your standard excess depends on the type of car you are insuring, the location where your car is kept, and on whether we have imposed an additional amount in your standard excess. We take into account a number of factors when determining whether we will include an additional amount in your standard excess, such as:

- the type or condition of your car you are insuring;
- our assessment of your (or a listed driver's) driving and/or overall claim history.

Note: A standard excess cannot be reduced. You can increase your excess level by choosing an AAMI Flexi-Premiums excess.

AAMI Flexi-Premiums

The range of AAMI Flexi-Premiums excesses we offer is between \$95 and \$1,550. Choosing a higher excess reduces your premium.

Age excess

If the driver is under 25 years of age and listed on the certificate of insurance, their age excess is \$400. If the driver is under 25 years of age and not listed on the certificate of insurance, their age excess is \$1,400. If the driver is a learner driver, the age excess that applies is as if the learner driver was listed on the certificate of insurance.

Note:

- Learner drivers are not required to be listed on the policy.
- The age excess will not apply if, at the time of the incident, the person in control of the car was being paid for a service, i.e. where the car was being serviced or test driven, or driven by a car park attendant or a valet.

Inexperienced driver excess

If the driver is 25 years of age or over and has held their driving licence for less than two years and they are listed on the certificate of insurance, their inexperienced driver excess is \$400. If the driver is 25 years of age or over and has held their driving licence for less than two years and they are not listed on the certificate of insurance, their inexperienced driver excess is \$1,400. If the driver is a learner driver, the inexperienced driver excess that applies is as if the learner driver was listed on the certificate of insurance.

Note:

- Learner drivers are not required to be listed on the policy.
- The inexperienced driver excess will not apply if, at the time of the incident, the person in control was being paid for a service, i.e. where the car is being serviced or test driven, or driven by a car park attendant or a valet.

Driver history excess

The driver history excess is \$800.

Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. AAMI always determines real claim payments on an individual basis after we have assessed each claim. You should read the PDS and your certificate of insurance for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Note about these claim payment examples:

- all amounts are shown in Australian dollars and are GST inclusive;
- all examples (including excesses) are based on you living in Queensland;
- all examples assume that you are not registered for GST and that your car is not under finance.

Example 1 – Total loss

Your car is 5 years old and insured for an amount covered of \$14,000. Your standard excess is \$600 and you have not chosen an AAMI Flexi-

Premiums excess. Your car is damaged by hail and we assess that the cost of repairs to your car will be \$14,500. Based on what it would cost us to repair your car, we determine it is a total loss. As your car is more than 2 years old the 'New car after a total loss for cars less than 2 years old' additional feature does not apply to you.

How much we pay		Additional information
Amount covered	\$14,000	When your car is damaged accidentally, we decide that it is a total loss when it is uneconomical, impractical or unsafe to repair.
Less excess payable	\$600	As your car has been damaged by hail the standard excess applies. We deduct this from the amount we pay to you unless you have already paid the excess to us for this claim.
Where applicable, less any registration and compulsory third Party (CTP) refund	\$0	This example is based on the car being registered in Queensland. For Queensland registered cars, the unused CTP or registration is not deducted from your settlement. However, if your car was registered in New South Wales, AAMI would retain the unexpired portion of your car's registration and Compulsory Third Party (CTP) insurance – and you'd be free to collect those amounts from the NSW Roads and Maritime Services (RMS) and your CTP insurer directly.
Claim so far	\$13,400	We would normally pay this directly to you. If a credit provider has a financial interest in your car then we would normally pay your credit provider what they are owed first and pay any balance to you.
If your insurance was paid through instalments of \$60 per month and there are four remaining monthly payments in the period of insurance when your car is damaged:		
Less outstanding premium	\$240	The 4 x \$60 monthly repayments become due when we decide your car is a total loss. We normally deduct this from the amount we pay to you.
Total claim	\$13,160	

Once we settle the claim, all cover on your car stops, and your policy is cancelled. The salvage becomes our property and we are entitled to keep the proceeds of its sale. This does not affect the amount we pay you.

Example 2 – New car after a total loss for cars less than 2 years old

Your car is insured for an amount covered of \$29,800. Your standard excess is \$600 and you have not chosen an AAMI Flexi-Premiums excess. Your car is damaged by fire and we determine it is a total loss. Your car is less than 2 years old and you qualify for the 'New car after a total loss for cars less than 2 years old' additional feature (see page 12 in the PDS for details). The cost to replace your car with a new one of the same make and model, including all on road costs, is \$31,300.

How much we pay		Additional information
Cost to replace your car including on road costs	\$31,300	We pay \$31,300 because your car is less than 2 years old and you qualify for the 'New car after a total loss for cars less than 2 years old' additional feature (see page 12 in the PDS for details). We pay this amount directly to the car dealership.
Less excess payable	\$600	As your car was damaged by fire the standard excess applies. You pay your excess directly to us.
Towing costs	\$300	We arranged for your car to be towed to our closest assessment centre as it was not able to be driven (see page 14 in the PDS for details on towing costs). The towing company has invoiced us. We will pay the towing company.
Total claim	\$31,000	

Your policy will continue to its expiry date if we agree to continue to insure you. The salvage becomes our property and we are entitled to keep the proceeds of its sale. This does not affect how much we pay.

Example 3 – Partial loss

Your car is insured for an amount covered of \$12,700 and you have the 'Hire car after an event for unlimited days' option (see page 20 in the PDS for details).

Your standard excess is \$600 and you have chosen a \$1,000 AAMI Flexi-Premiums excess. During a storm a tree branch has fallen and damaged your car. Your car is still safe to drive and we assess the repairs to your car will cost \$6,000 and estimate it will take nine days to repair.

How much we pay		Additional information
Damage to car	\$6,000	We decide your car is repairable.
Less total excess payable	\$1,600	Both your standard excess and your AAMI Flexi-Premiums excess apply. We usually ask you to pay us your excesses when you lodge your claim, otherwise to the repairer when you pick up your car after it has been repaired.
Claim so far	\$4,400	We normally pay this directly to the repairer.
We have arranged for you to use a hire car of a similar make and model as your car whilst yours is being repaired.		
Plus hire car costs	\$450	It has taken nine days for the car to be repaired and returned to you. The hire car provider has invoiced us. The cost is \$50 per day for nine days. We will pay the hire car provider.
Total claim	\$4,850	

Example 4 – Windscreen and window glass optional cover

Your car is insured for an amount covered of \$35,000 and you have chosen the 'Windscreen and window glass cover' option (see page 19 in the PDS for details). Your windscreen has been damaged by a stone from loose gravel whilst you were driving and needs to be replaced. It will cost \$350 to replace the windscreen.

How much we pay		Additional information
Replacement windscreen	\$350	The windscreen provider has invoiced us. We will pay them.
Less excess payable	\$0	No excess applies when you have the 'Windscreen and window glass cover' option and this is your first claim within the period of insurance.
Total claim	\$350	

Example 5 – Stolen car

Your three year old car is insured for the amount covered of \$37,500. Your standard excess is \$600 and you have not chosen an AAMI Flexi-Premiums excess. The car is stolen and you report this to the police and to us. Your car is not found within 14 days of being stolen and we are satisfied that your claim is in order. We determine it is a total loss.

How much we pay		Additional information
The amount covered on your certificate of insurance	\$37,500	We pay up to the amount covered on your certificate of insurance.
Less excess payable	\$600	As your car was stolen the standard excess applies. We deduct this from the amount we pay to you unless you have already paid the excess to us for this claim.
Where applicable, less registration and compulsory Third party (CTP) refund	\$0	This example is based on the car being registered in Queensland. For Queensland registered cars, the unused CTP or registration is not deducted from your settlement. However, if your car was registered in New South Wales, AAMI would retain the unexpired portion of your car's registration and Compulsory Third Party (CTP) insurance – and you'd be free to collect those amounts from the NSW Roads and Maritime Services (RMS) and your CTP insurer directly.
Claim so far	\$36,900	We would normally pay this directly to you. If a credit provider has a financial interest in the car then we would normally pay your credit provider what they are owed first and pay any balance to you.
As your car was stolen and not recovered within 14 days we have arranged for you to use a 'compact' category hire car (see 'Hire car after theft' additional feature on page 13 in the PDS for details).		
Plus hire car costs	\$700	We settled your claim 14 days after you told us about your car being stolen. We pay the hire car provider for 14 days car hire calculated at \$50 per day. The hire car provider has invoiced us. We will pay them directly.
Total claim	\$37,600	

Once we settle the claim, all cover for your car stops, your policy is cancelled and there is no refund of the unused premium. Your car (if it is recovered) becomes our property and we are entitled to keep the proceeds of its sale.

Example 6 – Legal liability

You are 23 years old and a listed driver on the policy. Your standard excess is \$600, your age excess as a listed driver is \$400. You are involved in an accident where the bull bar of your car has caused damage to another car, but there is no damage to your car. We determine that you are at fault and liable to pay the cost of repairs for the damage caused to the other car. The cost of repairs to the other car is \$5,000.

How much we pay		Additional information
Damage to other car	\$5,000	We normally pay the cost of repairs directly to the third party claimant or their insurer.
Less excess payable	\$1,000	As you are at fault the standard excess applies along with the age excess. You pay this amount directly to us before we pay the third party.
Total claim	\$4,000	