

Your Guide to Premium, Excess, Discounts and Claim Payments

This AAMI Comprehensive Car Insurance Premium, Excesses & Claims Guide (Guide) is designed to provide you with additional information about how we calculate premiums for, and pay claims under, the AAMI Comprehensive Car Insurance Policy (Policy).

You should read this Guide together with our Comprehensive Car Insurance Policy Product Disclosure Statements (PDS) that shows a completion date of 1 September 2011 on page 6 or your Comprehensive Car Insurance Policy Supplementary Product Disclosure Statement (SPDS) that shows a completion date of 1 September 2011, and your Policy schedule.

This Guide applies to new policies quoted for on or after 1 May 2012 for which cover commenced on or after 1 May 2012. It also applies to renewal policies with a due date on or after 1 May 2012.

About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business and any discounts we give you, stamp duty, goods & services tax (GST), any other government charges and fire services levy if applicable in your State or Territory. Your Policy schedule will show you how much you have to pay.

When we calculate your premium, there are a range of factors we take into account. We may take into account some or all of the factors and the importance we place on the factors we use can change and how those factors combine to affect your premium will differ from person to person. The factors we may use include:

- age of the drivers
- gender of the drivers
- type of car
- age of car
- non-standard accessories and modifications
- agreed value of the car
- address where the car is kept overnight
- what the car is used for
- whether the car is under finance
- your prior insurance
- licence history of the drivers
- any discounts you are eligible for
- whether you select a Flexi-Premium excess
- whether the premium is paid by monthly instalments
- the covers or extra benefits you have selected

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is also 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
- our expenses of doing business
- changes in government taxes and any state or territory duties or levies
- other commercial factors

We may also adjust the agreed value to reflect the changed value of the vehicle. When determining your renewal premium, we also consider how much you paid last year. As such we may limit movements up or down to your premium to avoid large changes in premiums across different periods of cover.

Premium Discounts

The premium you pay for this insurance includes any discounts you qualify for and these are applied to your premium before we add the options or benefits component of the premium and government charges.

The main discounts we offer include:

- Rating Discounts
- AAMI Safe Driver Rewards Discounts
- The AAMI Skilled Drivers Discount

From time to time we might also offer discounts or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions will usually apply and you might not be eligible for our usual discounts.

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

The amount and type of discounts offered can change or be withdrawn.

Rating Discounts

Ratings are a measure of your safe driving status and are used to provide you with a discount on your car insurance premium. The lower the rating, the higher the Rating discount.

On each renewal, your discount will increase 1 level provided that you haven't made any claims that adversely affect your Rating. Your discount will keep increasing until you reach Lifetime Rating One.

If you make a claim your Rating will increase, reduce or remain the same (for full details see pages 33 to 34 in the PDS).

The table below sets out the Rating levels and how the discount levels differ depending on where your car is kept overnight.

State/ Territory	Lifetime Rating One	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	Rating 6
ACT	70%	65%	62%	55%	51%	40%	0%
NSW	70%	65%	63%	57%	50%	37%	0%
NT	54%	51%	50%	39%	28%	14%	0%
QLD	60%	54%	52%	46%	41%	31%	0%
SA	56%	49%	48%	37%	27%	13%	0%
TAS	60%	54%	53%	47%	33%	20%	0%
VIC	56%	48%	43%	36%	30%	17%	0%
WA	64%	58%	49%	39%	31%	21%	0%

You may be able to obtain a better Rating in the first year of your policy, if you have a current eligible association with AAMI. For more details call us on 13 22 44.

AAMI Safe Drivers Rewards® Discounts

The AAMI Safe Driver Rewards program provides rewards and benefits to safe drivers. As you advance through the program, you will progressively earn more rewards and discounts on your Policy premium.

Earning your AAMI Safe Driver Rewards status and rewards

Status	Consecutive completed years on Rating 1	AAMI Lifetime Rating One	Safe Driver Discount	Earned Discount Hire Car Benefit	Safe Driver Status Protection
Silver	Not yet earned	✗	✗	✗	✗
Gold	Just earned	✗	✗	✗	✗
Gold	1	✓	✗	✗	✗
Platinum	2	✓	2.5%	✗	✗
Platinum	3	✓	2.5%	✗	✗
Ruby*	4	✓	5%	✗	✗
Ruby	5	✓	5%	✗	✗
Sapphire	6	✓	10%	✓	✗
Sapphire	7	✓	10%	✓	✗
Diamond	8	✓	15%	✓	✓
Diamond	9	✓	15%	✓	✓
Diamond	10+	✓	15%	✓	✓

*You will also receive a gift card the first time you reach Ruby status.

For more information about how the AAMI Safe Driver Rewards program works, see pages 40 to 41 of the PDS.

How claims affect your AAMI Safe Driver Rewards status and rewards

If you make one or more claims on your Policy that negatively affects your AAMI Safe Driver Rewards status the following table shows what will happen to your status at your next Policy renewal. The change in status can also result in a change to the relevant rewards associated with that status.

Status during the annual Policy period in which your accident/event occurs						
Claims in the Policy period	Gold without Lifetime Rating One	Gold with Lifetime Rating One	Platinum	Ruby	Sapphire	Diamond
1	Silver (Rating 2)	Remain on Gold Lifetime Rating One	Gold with Lifetime Rating One	Platinum (as if 2 consecutive years on Rating 1)	Platinum (as if 2 consecutive years on Rating 1)	Remain on Diamond
2	Silver (Rating 3)	Remain on Gold Lifetime Rating One	Gold with Lifetime Rating One	Gold with Lifetime Rating One	Gold with Lifetime Rating One	Platinum (as if 2 consecutive years on Rating 1)
3	Silver (Rating 4)	Remain on Gold Lifetime Rating One	Gold with Lifetime Rating One	Gold with Lifetime Rating One	Gold with Lifetime Rating One	Gold with Lifetime Rating One

The AAMI Skilled Drivers Discount

You will be eligible for a 10% discount on completion of the AAMI Skilled Drivers Course, if you are under 25 years of age.

If you complete the course during an existing period of cover, in order to access the 10% discount on your premium for the full period of cover, you must complete the course in the first six months of cover. Otherwise you will receive the 10% discount on the unused portion of your premium for the remaining period of cover.

In subsequent years, your AAMI Skilled Drivers Discount will be automatically recognised at your policy renewal so long as you are less than 25 years of age at that time. See pages 14 and 40 of the PDS for details.

Excesses

The amount and types of excesses are shown on your Policy schedule and are described in the PDS. The different types of excesses are:

Standard excess

This is the basic excess you must contribute towards each claim. The standard excess on your Policy depends on where your car is kept overnight.

Flexi-Premium® excess

You can choose to add a Flexi-Premium excess to your policy to reduce the premium. When you choose to apply a Flexi-Premium excess, you will need to pay this excess **in addition** to your standard excess. You can choose from a number of Flexi-Premium excess levels between \$95 and \$1,550.

Age excess

This excess may apply if the person driving your car at the time of the accident is under 24 years of age. It is additional to any other excess(es) and depends on where you live. This excess will usually be higher if the driver was not shown on your Policy schedule as a listed driver. Learner drivers do not need to be listed and will pay the applicable listed driver excess(es).

Inexperienced driver excess

This excess may apply if the person driving, using or in charge of the vehicle at the time of the incident is 24 years and over and who has held their car licence for less than two years. It is additional to any other excess(es) and will depend on where you live. It will usually be higher if the driver at the time of the incident was not shown on your insurance schedule as a listed driver. Learner drivers do not need to be listed and will pay the listed driver excess(es).

Additional excess

This excess may be imposed in special circumstances depending on the car type. It is payable in addition to any other excess(es).

Claim Payments Examples

The below examples show how AAMI pays five of the most common types of comprehensive car insurance claims. They are only examples. AAMI always determines real claim payments on an individual basis, after we have assessed each claim.

Index of claim payment examples:

1. A claim for damage to your car that can be repaired (plus a claim for emergency costs)
2. A claim where your car is a write-off
3. A claim for the theft of your car
4. A legal liability claim where someone is making a demand against you
5. A claim that affects your AAMI Safe Driver Rewards status and rewards

Notes about the claim payment examples:

- All examples (including excesses) are based on a policyholder living in New South Wales.
- All amounts are shown in Australian dollars and are GST-inclusive.
- All examples assume that the policyholder is not registered for GST.
- All examples assume your car is not under finance.

You should read the PDS and your Policy schedule for full details of what we cover as well as what Policy limits and exclusions apply.

Example 1 - A claim for damage to your car that can be repaired (plus a claim for emergency costs)

Your car is insured for an agreed value of \$10,000 and you have comprehensive cover. You have a standard excess of \$625 and no Flexi-Premium excess. While driving interstate you lose control and your car slides into a concrete barrier, damaging the front, making the car unsafe to drive any further. As you are more than 100km away from your home, we arrange for your vehicle to be towed, while you arrange for an emergency hire car to take you home as well as some emergency accommodation.

We would calculate our claim payments on the following basis:

What you are claiming	How much we pay	Further information
Reimbursement of emergency hire car costs	\$175	We pay up to \$500 of the overall cost of your emergency accommodation and travel expenses if you are more than 100km away from home. In this example these expenses are \$485 in total, so the Policy limit is not reached. You need to provide us with all invoices and receipts.
Reimbursement of emergency accommodation	\$300	
Towing your car	\$850	We pay the reasonable cost of transporting your car, if it cannot be safely driven, to a place of safety and then, if needed, to an assessment centre or repair facility.
Damage to your car	\$4,500	We cover your car for accidental damage up to the agreed value that's shown on your Policy schedule. In this example, the agreed value is \$10,000, however the assessed repair cost is only \$4,500. We pay this repair cost directly to the repairer.
Less standard excess	-\$625	You pay the excess before we settle your claim.
Total payment	\$5,200	

Example 2 – A claim where your car is a write-off

Your car is three years old and is insured for an agreed value of \$12,200 and you have comprehensive cover. You have a standard excess of \$625 and a Flexi-Premium excess of \$1,050. Your car is damaged by hail and we assess the cost of repairs to your car will be \$10,200.

We would calculate our claim payments on the following basis:

What you are claiming	How much we pay	Further information
Agreed value	\$12,200	We decide your vehicle is a write-off because it is uneconomical to repair. As your car is more than two years old and you are not entitled to a replacement car, we will pay the agreed value that is shown on your Policy schedule.
Less standard excess	-\$625	As your car has been damaged by hail the standard excess applies.
Less Flexi-Premium excess	-\$1,050	As your car has been damaged by hail the Flexi-Premium excess also applies in addition to your standard excess. You pay both excesses to us before we settle your claim.
Less registration and compulsory third party (CTP) refund	-\$150	We deduct the unused registration and CTP insurance that you are entitled to claim from the NSW Roads and Maritime Services Authority and from your CTP insurer respectively. This process applies in NSW only.
Total payment	\$10,375	

Example 3 - A claim for the theft of your car

Your brand new car is insured for an agreed value of \$35,000 and you have comprehensive cover. You have a standard excess of \$625 and a Flexi-Premium excess of \$95. When your car is only 6 months old it is stolen. You report this to the police and your car is not recovered. The cost to replace your car with a new one of the same make, model and series including all on road costs is \$38,900.

We would calculate our claim payments on the following basis:

What you are claiming	How much we pay	Further information
Cost to replace your car with a new one of similar make and model	\$38,900	We decide your car is a write-off because it was not found within 14 days of being stolen. As the car is within two years of its original registration we agree to replace it with a new car. We are able to source a new car of the same make, model and series that is locally available. We pay \$38,900 (which includes the on road costs) to the car dealership for the new car.
Hire car	\$1,155	We pay for a hire car for up to 21 days when your car is stolen. Our standard conditions for hire cars apply. See pages 15 to 17 of the PDS.
Less standard excess	-\$625	As your car has been stolen the standard excess applies.
Less Flexi-Premium excess	-\$95	The Flexi-Premium excess also applies in addition to your standard excess. You must pay both excesses to us before we settle your claim.
Total payments	\$39,335	

Example 4 - A legal liability claim where someone is making a demand against you

Your car is insured for an agreed value of \$10,000 and you have comprehensive cover. You have a standard excess of \$625 and no Flexi-Premium excess. Whilst driving your car, your 20 year old son is involved in an accident causing damage to another car. Your car is not damaged. We determine that your son was at fault and legally liable to pay the cost of repairs for the damage caused to the other car. That cost of repairs is \$8,050.

We settle the demand against you on the following basis:

What you are claiming	How much we pay	Further information
Damage to the other car	\$8,050	We receive the repair invoice from the third party and on this occasion agree it is fair and reasonable. We pay the cost of repairs either directly to the third party claimant or their insurer.
Less standard excess	-\$625	As you are at fault the standard excess applies.
Less listed age excess	-\$600	As your son is under 24 years old and is listed on your policy the listed age excess is also payable. In NSW that excess is \$600. You pay both excesses directly to us before we pay the third party.
Total claim cost to AAMI	\$6,825	

Example 5 - A claim that affects your Safe Driver Rewards status and rewards

When driving your car from your home in Sydney to your place of work you fail to stop at a give way sign and collide with another car.

This is your first claim since your Policy renewed one month prior. At that renewal, the Safe Driver Rewards status on the Policy changed from Platinum to Ruby as you had been on a Rating 1 for four consecutive years without making an at fault claim. This means you are entitled to the following Safe Driver Rewards:

- A gift card since this is the first time you've reached Ruby status.
- A 5% Safe Driver Discount on your current period of cover.
- Lifetime Rating One - AAMI Lifetime Rating One is protected for life, regardless that you were at fault in the accident.

With these Safe Driver Rewards it means that:

- Your Lifetime Rating One discount of 70% is not affected by this claim.

Changes at next renewal

You do not make any further at fault claims during the period of cover and you receive your renewal notice. However, because you made an at fault claim during the period of cover, your AAMI Safe Driver Rewards status will change at renewal from Ruby to Platinum (as if two consecutive completed years on Rating 1). Your Safe Driver Discount will also be reduced from 5% to 2.5%.

In order to regain Ruby status you will need to have two consecutive years without making an at fault claim.

Do you need to make a claim?

Hopefully, you never need to. But if you do, AAMI is here to help you, 24 hours a day, seven days a week.

Everyone's insurance claim will be different; so if you need to make a claim, contact us as soon as you can. We will ask you about what happened and explain our claims process.

Your claim will always be assessed against the policy cover you purchased, which is described in the PDS and your Policy schedule.

How to contact us

- **By phone:** Call 13 22 44. We are available 24 hours a day, 7 days a week.
- **By the internet:** aami.com.au
- **By mail:** AAMI, PO Box 14180, Melbourne City Mail Centre, Victoria, 8001.

Financial Claims Scheme

The Policy described in this Guide may be a protected Policy under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at apra.gov.au or by calling 1300 55 88 49.