

# AAMI THIRD PARTY PROPERTY DAMAGE CAR INSURANCE PREMIUMS, EXCESSES, DISCOUNTS AND CLAIMS 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, determine excesses and discounts, and pay claims under the policy. You should read this PED Guide together with our AAMI Third Party Property Damage 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 13/03/2015.**

## 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 and services tax (**GST**), and any fire services levy (**FSL**) if applicable in your state or territory. Your certificate of insurance will show you how much you have to pay.

We use many factors about you and your car to work out your premium including the level of cover you choose.

The importance we place on the factors we use can change and how those factors combine to affect the premium will differ from person to person.

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 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 premium on renewal, we also consider how much you paid previously. As such, we may limit movements up or down.

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

Factors	Fire, Theft and Third Party Property Damage cover	Third Party Property Damage cover
Amount covered	✓	x
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	✓	✓
Licence history of the listed drivers	✓	✓

## Paying by instalments

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

## Our discounts

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

From time to time we might offer discounts or some other special offers as part of a marketing campaign. If we do this, separate terms, conditions and eligibility criteria may apply. 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 premium.

## 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, the type of cover you have chosen, and 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.

### Age excess

If a driver under 25 years of age is listed on the certificate of insurance, their age excess is \$400. If that driver is **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 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 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 of the car 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 the insured 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 insured for Fire, Theft & Third Party Property Damage cover for an amount covered of \$5,000. Your standard excess is \$600. Your car is damaged by fire and we assess the cost of repairs to your car will be \$6,000. Based on what it would cost us to repair your car, we determine it is a total loss.

How much we pay		Additional information
Fire and theft amount covered	\$5,000	When your car is damaged by fire, we decide that is a total loss when it is uneconomical, impractical or unsafe to repair.
Less excess payable	\$600	As your car has been damaged by fire 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	\$4,400	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.
<b>Total claim</b>	<b>\$4,160</b>	

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 – Partial loss

Your car is insured for Fire, Theft & Third Party Property Damage cover for an amount covered of \$5,000. Your standard excess is \$600. Your car was stolen and recovered damaged five days later. We assess that the repairs to your car will cost \$2,000 and it is estimated to take four days to repair your car.

How much we pay		Additional information
Damage to car	\$2,000	We assess your car as repairable.
Less excess payable	\$600	As your car was damaged while stolen, the standard excess applies. We usually ask you to pay us your excess when you lodge your claim, otherwise to the repairer when you pick up your car after it has been repaired.
Claim so far	\$1,400	We normally pay this directly to the repairer.
As your car was stolen and recovered five days later with damage requiring four days to repair, we have arranged for you to use a 'compact' category hire car (see 'Hire car after theft' additional feature on page 10 in the PDS for details).		
Plus hire car costs	\$450	The hire car provider has invoiced us. The cost is \$50 per day for a total of nine days, including the four days to repair your car. We will pay the hire car provider.
<b>Total claim</b>	<b>\$1,850</b>	

### Example 3 – Legal liability

Your car is insured for Third Party Property Damage cover. 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 a serious accident causing damage to another 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 \$35,000. As you have Third Party Property Damage cover, you are not insured for the damage to your own car.

How much we pay		Additional information
Damage to other car	\$35,000	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.
<b>Total claim</b>	<b>\$34,000</b>	

### Example 4 – Stolen car

Your car is insured for Fire, Theft & Third Party Property Damage cover for an amount covered of \$8,500. Your standard excess is \$600. 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
Fire and theft amount covered	\$8,500	You have an amount covered of \$8,500 and this is shown 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	\$7,900	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 10 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 for 14 days car hire calculated at \$50 per day. The hire car provider has invoiced us. We will pay them directly.
<b>Total claim</b>	<b>\$8,600</b>	

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.