

# RAC Bicycle Insurance

Combined Product Disclosure Statement  
and Financial Services Guide



**Insurance**  
For the better

# Welcome to RAC Insurance

We're here to do the right thing by you. That's our promise. And we've been keeping that promise for over 65 years. What do we mean when we say we do the right thing by you?

For a start, we believe in looking after our customers - not just their things. So you can expect a more helpful service, from our local claims team who live in your world.

And when we say you're covered, we mean it. This means that if the time comes and you need to claim, we'll keep our promise.

For more details about your policy, or our simple claims process, look through this Product Disclosure Statement. Alternatively, call us on **13 17 03** or go to **rac.com.au**

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**This Combined PDS and FSG is effective from 1 September 2016.**

RAC Insurance Pty Limited (ABN 59 094 685 882) (RAC Insurance) is an authorised general insurance company specialising in general insurance products. Our Australian Financial Services (AFS) Licence number is 231222. We have sole responsibility for the content of the Product Disclosure Statement (PDS) commencing at page 3, the cover provided under the policy, policy administration and the assessment and payment of claims. RAC Distribution Pty Ltd (ABN 71 092 581 470) (RAC Distribution) is our authorised representative. Its Authorised Representative number is 238025. We have authorised RAC Distribution to distribute to you the Financial Services Guide (FSG) commencing at page 8. Any financial services offered will be provided by a representative of RAC Distribution. RAC Distribution has a binding agreement with us that authorises them to arrange for the issue of general insurance contracts on our behalf which are binding on us just as if we had issued the policy ourselves. If you decide to purchase a nominated insurance policy, your contract will be with RAC Insurance as the insurer. RAC Insurance and RAC Distribution are part of the RAC Group of Companies.

## Product Disclosure Statement

### About this Product Disclosure Statement

This RAC Bicycle Insurance PDS, together with:

- > the schedule we provide to you, and
- > any document which we tell you forms part of the terms and conditions of your insurance such as a Supplementary PDS, will form the contract between you and us (the policy).

These documents explain the cover and benefits provided by the bicycle insurance you have chosen and the limits, important information and exclusions that apply to it in order to help you decide if this insurance is right for you.

You should read these documents carefully so you fully understand the cover we provide and the limits, important information and exclusions that apply to it.

Please also read the 'Definitions' on page 7 so you understand the words in this document that have special meanings.

### When we agree to insure you

#### Changes to the details you have given us

You must tell us about any changes to the information you have given us about you, your bicycle and the purpose you use it for. If you have modified your bicycle after we have insured it, you must tell us what modifications you have made.

If you do not tell us about any changes, your insurance may no longer be valid and we may refuse to pay part or all of any claim you make or require you to repay any money paid to you for your claim.

If you are not sure, but think that something might be relevant, it is better to tell us.

If any changes need to be made and we agree with them, we may send you an updated schedule. We will also advise if a different premium applies.

#### Our agreement with you

The cover your policy provides will be available to you for the period of insurance in return for your premium.

This contract is between you and us.

#### Make a claim - quick guide

1. Call us on 08 6150 6410 or visit [rac.com.au](http://rac.com.au) to lodge a claim online. You should do this as soon as possible after the damage or loss has occurred.
2. Make sure you have all of the information required to make your claim. We need to know:
  - > What happened.
  - > Where and when it happened.
  - > Who was involved, including their vehicle registration number and contact details (if applicable).
  - > The contact details for any witnesses.
3. We will guide you through what happens next.

### The cover our bicycle insurance policy provides

This PDS explains the bicycle insurance cover and benefits we provide. For your convenience, the cover and benefits provided are summarised below.

For full details of cover including limits, important information and exclusions, please read the policy.

Summary of cover	Bicycle
Own bicycle damage, theft and attempted theft	✓
Open rider cover	✓
Agreed value	✓
Cover for accessories while fitted on your bicycle	✓
Legal liability	✓

### Your RAC Bicycle Insurance

If you purchase bicycle insurance, and we agree to insure you, you are covered anywhere in Australia for:

#### Loss or damage to your bicycle and accessories

- > Accidental loss and damage including malicious damage caused to your bicycle and accessories (while fitted to your bicycle).
- > Loss or damage to your bicycle and accessories (while fitted on your bicycle) caused by:
  - Fire.
  - Theft or attempted theft from a locked building or vehicle or while securely locked to a fixed object, vehicle roof rack or fixed vehicle bicycle rack.

We will not pay for the theft of accessories unless your bicycle has also been stolen.

We will not pay more than the accessories limit for the loss or damage to your accessories.

#### Your legal liability

We will cover your legal liability arising from events that involve the use of your bicycle which occur during the period of insurance, anywhere in Australia and result in:

- > The death of or bodily injury to any person.
- > Loss or damage to someone else's property.

We will also cover:

- > Anyone riding your bicycle with your permission and who meets and complies with the terms and conditions of your policy, unless that person has other insurance covering the same liability.
- > You while riding a substitute bicycle (excluding hire bicycles) because your bicycle is being repaired, serviced or has broken down.

- > Any legal costs incurred in connection with any such alleged liability if we have given our written consent to those costs.

### Limits of cover

The most we will pay is \$1,000,000 for any incident.

We do not cover:

- > Your liability if the property damaged is your own or is in your custody or belongs to or is in the custody of your family.
- > Any liability you agree to except that would not apply if such an agreement did not exist.
- > Your liability if the property damaged belongs to or is in the custody or under control of a person using or operating your bicycle with your permission at the time of the incident.
- > Personal injury to any person that is in possession or control of or using your bicycle with your permission at the time of the incident.
- > Personal injury to you or your family.
- > Personal injury to any person in a bicycle trailer being towed by your bicycle.
- > Personal injury to or loss or damage to property that belongs to any person you employ where the incident arises from their employment with you.
- > Your liability which arises during your participation in an organised event.
- > Any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

### General exclusions

The following exclusions apply to all cover under your policy.

#### Who uses your bicycle

Unless, you can demonstrate that you did not know, and reasonably could not have known, we will not cover any loss, damage or liability caused by or arising out of the use of your bicycle by any person who:

- > Is under the influence of alcohol or drugs.
- > Has a blood alcohol content level exceeding that permitted by the laws of the relevant State or Territory.
- > Refuses or fails to submit a specimen for testing when requested by police.
- > Has made any admissions, offers of settlement or attempted to defend any claims without our written consent.
- > Fails to comply with all obligations that by law they are required to comply with following an incident that may result in a claim.
- > Is towing a trailer illegally or in unsafe conditions or in excess of the maximum weight specified by the trailer manufacturer.
- > Is using your bicycle for an illegal purpose.
- > Is a commercially sponsored rider.

#### Cause of loss, damage or liability

We will not cover any loss, damage or liability caused directly or indirectly by:

- > You being unable to use your bicycle, including the cost of hiring another bicycle.

- > Existing damage which your bicycle had prior to the incident.
- > Gradual deterioration, fading, wear and tear, depreciation, lack of upkeep or corrosion or rust.
- > Faulty workmanship or incomplete repairs previously carried out on your bicycle prior to the incident.
- > Repairs carried out to your bicycle without our permission.
- > Cleaning or any other process involving the use of chemicals other than domestic household chemicals.
- > Scratching or denting or any cosmetic damage that does not impair the function or performance of your bicycle.
- > Failures, defects or breakdowns which are mechanical, structural, electronic or electrical or which are connected with computer or computer related technology including computer chip or control logic.
- > Punctures, bursts or cuts to the tyres of your bicycle.
- > Your bicycle being in an unsafe or unroadworthy condition of which you are aware or of which a reasonable person would have been aware.
- > Failure to properly safeguard your bicycle after:
  - It was stolen and found.
  - It has broken down.
  - An incident.
- > A deliberate act by you, a person acting on your instructions or any person using your bicycle (with your permission).
- > Any person or organisation lawfully taking, keeping or destroying your bicycle.
- > Terrorism, war (whether declared or not), invasion, rebellion, revolution or a similar event.
- > Anything nuclear or radioactive.
- > Failure to take all reasonable care to protect your bicycle.
- > Your bicycle being left unattended and unlocked.
- > You, a person acting on your instructions or any person using your bicycle (with your permission) stealing, absconding or otherwise misappropriating your bicycle.
- > Misuse or abuse of your bicycle.
- > Your bicycle being in transit. This does not apply when your bicycle is inside a locked vehicle or securely attached to a vehicle and:
  - you or any person in charge of the vehicle were not at fault for the loss or damage,
  - you give us the name of the person who was responsible for the loss or damage, and
  - if another vehicle was involved, you give us the name and address of the driver of that vehicle and the registration number of that vehicle.
- > A trailer being attached to your bicycle unless the trailer is constructed specifically for a bicycle by a commercial manufacturer.

#### Use of your bicycle

We will not cover any loss, damage or liability which occurs during, or is caused by, the use of your bicycle:

- > For hire or conveyance of passengers for fare or reward.
- > For business or courier use.
- > In connection with emergency or law enforcement services.

- > On a BMX track.
- > For stunt riding.
- > To carry or tow loads higher than recommended by the manufacturer of your bicycle.
- > Outside of Australia.

### **We also do not cover**

- > Loss or damage that occurs while your bicycle is in the care, custody or control of a bicycle retailer for the purpose of sale.
- > The theft of your bicycle while being tested by a prospective purchaser.
- > Loss or damage to any component, part or accessory of your bicycle that occurs while the component, part or accessory has been removed from your bicycle.

## **Claiming on your policy**

### **You must co-operate with us**

When you claim on your policy, you must give us any information and co-operation we reasonably require in dealing with your claim.

You must promptly provide us with full details of the incident which led to your claim. The details we may require include:

- > Contact details of anyone involved, including witnesses.
- > Registration numbers of any vehicle involved.
- > Proof of ownership for any damaged or stolen property, such as receipts, owner manuals and warranties.
- > Copies of any letters, notices, court or other legal documents you receive relating to the incident or a claim.
- > Receipts for expenses you have incurred that are covered under your policy.

In addition, you must:

- > Not admit liability for, or negotiate to settle, any claim without our written permission.
- > As soon as possible, report to the police any theft, attempted theft, malicious damage or attempted malicious damage.
- > Where possible, keep and safeguard your damaged property so we can inspect them, if required.
- > Provide written statements if we require them.
- > Provide truthful and complete information to us.
- > Make your bicycle available to us.
- > Attend court and give evidence if we require it.
- > Assist us, even after we have settled your claim, in any proceedings we take to recover any money we have paid under your policy.

We are entitled to represent you or any other person covered under your policy:

- > In the negotiation, defence or settlement of any legal proceedings relating to a claim on your policy.
- > In any proceedings to recover any money we have paid under your policy.

If you do not assist us as required we may:

- > Reject your claim.

- > Pay a reduced amount for your claim.
- > Require you to repay any money paid for your claim.

### **Excesses**

When you make a claim you may be asked to pay an excess. The specific excesses that apply to your policy and amounts payable are shown on your schedule. More than one excess may apply to your claim.

### **What we do when your bicycle and/or accessories has been damaged**

When you claim for loss or damage to your bicycle and/or your accessories in an incident covered under your policy and we accept your claim, we will at our option either:

- > Repair the damage.
- > Replace what is damaged.
- > Make a payment to settle your claim, based on the cost of repair or replacement.

We will not pay more than the agreed value of your bicycle and/or the accessories limit less any excess that may apply.

### **When we repair your bicycle and/or your accessories**

If we decide to repair your bicycle and/or accessories we may obtain competitive quotes from our approved repairers. You can also ask a repairer of your choice to provide a quote.

Goods supplied in the repair or replacement of your bicycle or accessories come with guarantees that cannot be excluded under the Australian Consumer Law. You are entitled to a replacement or refund for a major failure and compensation for any other reasonably foreseeable loss or damage. You are also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure.

### **Your contribution**

If the repairs to your bicycle and/or accessories leave it in a better condition than before the damage occurred, you may be required to pay a contribution to the repair cost.

### **The parts we use**

To restore your bicycle and/or accessories to its condition immediately before the incident, we will use parts consistent with your bicycle's or your accessory's age, condition and warranty period.

If replacement parts are not available, we will pay you what it would have cost to repair your bicycle or your accessory had the parts been available.

### **When we declare your bicycle and/or your accessory a total loss**

We will declare your bicycle and/or your accessory a total loss when either:

- > We decide that the damage to your bicycle or accessory is such that it would not be safe or economical to repair.
- > It was stolen and not recovered.

If your bicycle is a total loss, we will either:

- > Pay you the agreed value for your bicycle.
- > Replace your bicycle.

If your accessory is a total loss, we will either:

- > Pay you the reasonable market value (up to the accessories limit) for the accessory.
- > Replace your accessory.

When we settle a total loss claim of your bicycle:

- > We will deduct, or you must pay us, any excess.
- > Your bicycle becomes our property.
- > Your cover for the relevant bicycle(s) comes to an end and there is no refund of your premium.
- > If you have more than one bicycle listed on your schedule the cover for the other bicycle(s) will continue.

When we settle a total loss claim of your accessory, your accessory becomes our property.

### **About your bicycle's agreed value**

You will need to specify your bicycle's agreed value at the commencement of your cover.

You need to review your agreed value at the beginning of each subsequent period of insurance or when changes occur. We may also review the agreed value at the beginning of each subsequent period of insurance.

The agreed value is shown on your schedule and while it may change at renewal, it does not change during the period of insurance.

## **Other important information**

### **About your premium**

There are a number of factors we may take into account in determining your premium including but not limited to:

- > The make and model of your bicycle.
- > Costs associated with operating our business.
- > Government charges.

Your premium is shown on your schedule.

### **Paying your premium**

You can pay your premium in one annual payment.

When you pay, you must ensure that:

- > The financial details you provide to us are correct.
- > Sufficient funds are available in your account.

You may contact your financial institution if you have an issue regarding your account.

### **Credit card charges**

We may charge a merchant fee when you pay your premium or your excess by credit card.

### **Goods and Services Tax (GST) and Input Tax Credit Entitlement (ITCE)**

Your policy, the amounts insured and the premium that you pay are subject to GST. These amounts are shown in your schedule.

You may be able to claim an ITCE for the GST that you pay on the premium for your policy. Please advise us of your ITCE when or before you make a claim on your policy. If you are eligible to claim an ITCE, we will deduct this amount from any payment we make to you.

We recommend that you seek advice from a financial advisor if you are unsure about the tax implications of your policy.

### **Cooling off period**

If you cancel your policy:

- > Before it starts we will return any premium paid in full.
- > Within 14 days of it starting, we will return any premium paid provided you do not make a claim during this time.

### **Cancellation by you at any time**

You can cancel your policy at any time. To do so, please notify us. We will not return any part of the premium unless you cancel your policy within the cooling off period and you have not made a claim during that time.

### **Cancellation by us**

If we cancel your policy, we will advise you in writing. We will not return any part of the premium unless we cancel your policy within the cooling off period and you have not made a claim during that time.

### **If you have a complaint**

Following these steps will assist you in resolving any complaint you may have:

- > Tell us about it first. If you have a complaint, please tell one of our staff about it or write to us with the details of your concerns.
- > Refer to a Team Leader. If the staff member is unable to resolve the matter for you, you can request that the matter be referred to a Team Leader who will contact you within 15 business days.
- > Seek a review. If we are still unable to resolve your complaint, you can ask for it to be referred to a Manager who will respond to you within 15 business days. This will be our final review after which, if you remain dissatisfied, you can seek an external review.
- > Seek an external review. If you decide to seek an external review, you can refer the matter to the Financial Ombudsman Service, an independent external dispute resolution scheme, at any time within two years of us informing you of the outcome of our final review of your complaint. You can contact the Financial Ombudsman Service by:
  - Telephone: 1800 367 287
  - Mail: Financial Ombudsman Service Limited, GPO Box 3, Melbourne VIC 3001
  - Email: info@fos.org.au

### **Your privacy**

We and our authorised representative, RAC Distribution, (together the 'RAC') collect, store and use your personal information in accordance with the Privacy Act and as set out below. By taking out your policy you agree to this.

The RAC use and require your personal information to consider your insurance application and any subsequent application for insurance, issue and administer your policy and investigate and assess any insurance claim. For the purposes of doing so, your personal information may be passed to, or received from, a joint policyholder, RAC's assessors, investigators, repairers, suppliers, contractors, other insurance companies, insurance reference bureaus, law enforcement agencies, our related companies, legal and professional advisers, IT providers, and their agents, some of whom may be overseas.

The RAC may also use your personal information to tell you about other RAC Group products and services. Your personal information may be passed to other entities for promotional purposes. These entities may be associated with the RAC, operate under RAC's Brand, or be agents, contractors or allied organisations. You may tell the RAC not to use your personal information for these promotional purposes at any time by contacting us on 13 17 03.

If the interest of a financier is noted on your policy, you consent to the RAC providing details of your policy and its currency to the financier.

If you would like to review or correct the personal information the RAC Group has about you, or if you wish to make a complaint, please call 13 17 03. For further information, see the RAC Group privacy policy at [rac.com.au](http://rac.com.au)

### Financial Claims Scheme

Your policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS). The purpose of the FCS is to protect certain policyholders and claimants in the event an insurer becomes insolvent. A person entitled to claim under insurance cover under a protected policy may be entitled to payment under the FCS, subject to certain eligibility criteria. Information about the FCS can be obtained from the Australian Prudential Regulation Authority (APRA) at [apra.gov.au](http://apra.gov.au) or the APRA hotline on 1300 55 88 49.

### The General Insurance Code of Practice

We support and participate in the General Insurance Code of Practice, a system aimed at providing a better understanding between policyholders and their insurance company.

The code is administered by the Financial Ombudsman Service (FOS) and you can obtain a copy of the code by visiting [codeofpractice.com.au](http://codeofpractice.com.au)

### Updating the PDS

We may need to update this PDS from time to time if certain changes occur, where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue you with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

### About us

The underwriter and the issuer of your policy is RAC Insurance Pty Limited (ABN 59 094 685 882, AFS licence number 231222), a wholly owned subsidiary of RACI Pty Ltd (ABN 40 008 671 805), part of the RAC Group of Companies.

You can contact us:

> By calling: 13 17 03

> Via our website: [rac.com.au](http://rac.com.au)

> By writing to us at PO Box C140, Perth WA 6839

### Definitions

The following words when used in this PDS have defined meanings.

**accessories** - items that are not permanently fitted to your bicycle to perform an additional function or enhance performance excluding clothing, shoes or helmets. These optional items can be removed from your bicycle without the use of any tools.

**accessories limit** - the amount we agree to insure your accessories for. This amount is listed on your schedule and includes the value of GST.

**agreed value** - the amount we agree to insure your bicycle for. The amount is listed on your schedule and it includes the value of GST.

**excess** - the amount you may be required to pay towards any claim.

**incident** - an event that was unintentional, unexpected or unforeseeable where loss or damage occurs and includes a series of events arising out of one occurrence.

**period of insurance** - the length of time your policy provides cover for as shown in your schedule.

**policy** - together this PDS, schedule and any Supplementary PDS we may issue.

**premium** - the amount you pay for your insurance. This includes GST and government charges.

**schedule** - the document we give to you that shows the particular details regarding you and your bicycle and the insurance we have agreed to provide.

**terrorism** - includes but is not limited to the use of force or violence and/or threat, by any person or group of persons done for or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**we, us, our** - RAC Insurance Pty Limited.

**you, your** - the person named as the policyholder on the schedule.

**your bicycle** - the bicycle(s) described in your schedule. Any reference in this document to your bicycle will be a reference to each of the bicycles described on your schedule.

**your family** - anyone who permanently lives with you (including your spouse, partner or de facto, parents, parents-in-law, grandparents, children, grandchildren, brothers and sisters and their respective spouse, partner, de facto or children).

## Financial Services Guide

### About this Financial Services Guide

This Financial Services Guide provides you with information about RAC Distribution Pty Ltd (in this FSG defined as RAC Distribution, we or us) to assist you in deciding whether to use the financial services we provide. This FSG outlines the type of services and products we can offer you. It also explains how we are remunerated and includes details of our complaints handling procedures and how you can access them.

Any advice about the products we give you is of a general nature. We do not take into account your needs, specific objectives or financial position.

You can contact us:

- > Via our website: [rac.com.au](http://rac.com.au)
- > By writing to us at PO Box C140, Perth WA 6839

### Our services

RAC Distribution are authorised by RAC Insurance Pty Limited (RAC Insurance) to offer you a range of financial services on RAC Bicycle Insurance including:

- > Provide general product advice (advice that has not been tailored to your personal objectives, financial situation or needs).
- > Arrange for the issue of RAC Insurance's products.
- > Issue RAC Insurance's products as its agent.
- > Agree on policy variations requested by you.

### How we are paid

RAC Distribution do not charge you a fee or commission for our services.

We operate under a fee for service arrangement based on the amount of time we spend providing sales and services on behalf of RAC Insurance. This fee is reviewed annually and is subject to change from time to time.

Employees of RAC Distribution receive a salary and operate under a performance based incentive scheme. On average, the bonus is unlikely to exceed 2% of the employees' annual salary.

You may, within a reasonable time after receiving this FSG and before any financial service is provided, request to obtain further information about the remuneration, fees and any benefit that may be paid to us for these services.

### Addressing complaints

Customer satisfaction is a priority for us. If you have a complaint about the financial services we have provided, please follow the steps for resolution of complaints set out on page 6.

### Compensation arrangements

RAC Distribution has professional indemnity insurance in compliance with the requirements of the Corporations Act 2001 and for the financial services outlined in this FSG. The professional indemnity cover extends to financial services provided by representatives who are no longer employed by us in that capacity but who provided such financial services at the time the loss, damages or breach of an obligation occurred.

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

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For further information call 13 17 03  
or visit [rac.com.au](http://rac.com.au)

