

RAC Car Insurance

Combined Product Disclosure Statement
and Financial Services Guide



Insurance
For the better

RAC Insurance Pty Limited (ABN 59 094 685 882) is an authorised general insurance company specialising in general insurance products. Our Australian Financial Services Licence number is 231222. We have sole responsibility for the content of the PDS commencing at page 5, the cover provided under the policy, policy administration and the assessment and payment of claims.

RAC Distribution Pty Ltd (ABN 71 092 581 470) is our authorised representative. Its authorised representative number is 238025. We have authorised RAC Distribution to distribute to you the FSG commencing at page 34. 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 their behalf which are binding on us just as if we had issued the policy itself. If you decide to purchase a nominated insurance policy, your contract will be with RAC Insurance Pty Limited as the insurer.

RAC Insurance Pty Limited and RAC Distribution Pty Ltd are part of the RAC Group of Companies.

This Combined PDS and FSG was prepared on 30 May 2014 and is effective from 1 July 2014.

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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 members - not just their things. So you can expect a more helpful service, from a WA claims team who live in your world.

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

What's more, you'll get high-quality cover for less than you may think. It's why one in three households choose to insure with RAC.

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

As a valued RAC member, you'll receive exclusive discounts on a huge range of retail outlets. And even on RAC products and services. We call it Member Benefits. You can find out more at **rac.com.au/memberbenefits**

Product Disclosure Statement

About this Product Disclosure Statement

This RAC Car Insurance PDS, together with:

- » the schedule we provide to you,
- » our Premium, Excess and Discount Guide (PED Guide), and
- » any Supplementary PDS we issue,

explain the cover and benefits provided by the car insurance you have chosen and the limits, conditions and exclusions that apply to it.

We strongly recommend that you read these documents carefully so you fully understand the cover we provide and the limitations that apply to it.

We also recommend that you read the 'Definitions' on page 32 so you understand the words in the PDS that have special meanings.

When we agree to insure you

Your duty of disclosure

When you take out a policy with us, we ask you questions. You must answer our questions honestly, completely and accurately. Remember that you are answering for you and anyone else who will be insured under your policy.

When you renew or change your policy, you must tell us if your previous answers (as shown in your schedule) need correcting or updating and answer any questions we may ask about your car and how it is used, you, or anyone else who will be insured under your policy. If any changes need to be made and we agree with them, we will send you an updated schedule. We will also advise if they affect your premium.

If you or someone acting for you gives us false information, we may:

- » Refuse to pay a claim.
- » Reduce the amount we pay you for your claim.
- » Cancel your policy.
- » Withdraw cover.

This duty of disclosure continues until the commencement of your policy. For anything that changes after this, please see the section below.

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 car, the purpose you use it for, and anyone who drives it as shown in your schedule. If you have modified your car 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 will 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. When more than one person is named as the policyholder in your schedule, we will treat them all as joint policyholders and:

- » A statement, act, omission or claim by any one policyholder is treated as a statement, act, omission or claim by all joint policyholders.

- » We can deal with or make payment to one joint policyholder with no need to also pay or deal with the other policyholders.
- » Each policyholder has authority to change or cancel the policy, and we do not need to contact the other policyholders.

Make a claim - quick guide

1. Call us on **13 17 03** or go online to make a claim at **rac.com.au**
2. Make sure you have all of the information that we will need to help you. We need to know:
 - » What happened.
 - » Where and when it happened.
 - » Who was involved, including their vehicle registration number and contact details.
 - » The contact details for any witnesses.
3. We will guide you through what happens next.

The cover our car insurance policies provide

This PDS explains the three levels of car insurance cover and benefits we provide:

- » RAC Comprehensive Car Insurance.
- » RAC Third Party Fire and Theft Car Insurance.
- » RAC Third Party Property Damage Insurance.

The level you have selected will be shown on your schedule.

For your convenience, the cover and benefits each level provides are summarised below. For full details of cover including exclusions, please read the pages that follow.

Summary of Cover	Comprehensive Car Insurance	Third Party Fire and Theft Car Insurance	Third Party Property Damage Insurance
Own car damage	✓ full cover	✓ fire, theft and uninsured motorist only	✓ uninsured motorist only
Open driver cover	✓	✓	✓
Lifetime guarantee on repairs	✓	✓	✓
Temporary cover for your new car	✓	✓	✓
Agreed value	✓	✓	✗
Automatic cover for accessories	✓	✓	✗
Hire car after fire, theft or attempted theft	✓	✓	✗
Travel / accommodation costs	✓	✗	✗
Lost or damaged personal belongings	✓	✗	✗
New car replacement	✓	✗	✗
Lost or stolen keys	✓	✗	✗
Accidental death benefit	✓	✗	✗
No claim bonus discount	✓	✗	✗
Windscreen and window glass	✓	✗	✗
Protected no claim bonus	optional	✗	✗
Hire car after accident	optional	✗	✗

Your RAC Comprehensive Car Insurance

If you purchase Comprehensive Car Insurance, you are covered anywhere in Australia for:

Loss or damage to your car

- » Accidental loss and damage including malicious damage caused to your car.
- » Loss or damage to your car caused by fire, theft or attempted theft.

We also cover:

- » Accidental loss or damage to your car caused when it was being driven by anyone 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 loss or damage.

Your legal liability

We will cover your liability for accidental damage caused to another person's property arising from an incident which involves your car, or a trailer or a caravan attached to it.

We also cover:

- » Anyone driving your car 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 driving a substitute car (excluding hire cars) because your car 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.

The most we will pay is \$25,000,000 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 spouse, child or other person normally living with you.
- » Damage to another person's property when your car is being transported rather than being driven, including while your car is being loaded or unloaded from the means of transport.
- » Loss or damage to any substitute car.
- » Liability when your car is being offered for sale on your behalf by another party.

Your additional benefits

We provide you with these additional benefits at no extra cost.

Your windscreen and window glass cover

When your car's windscreen, sunroof or window glass is broken in an incident, we will, at our option, either replace or repair the broken glass (including tinted glass, window seals and mouldings).

Your personal belongings cover

We will pay up to \$500 in total when your clothing or personal belongings are lost, damaged or stolen in an incident covered by your policy. 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 of your personal belongings.

We do not cover money, cheques or financial transaction cards.

Your new car replacement cover

If we declare your car a total loss and:

- » less than two years have passed since it was first registered, and

» you are the first registered owner (other than the selling dealer if your car was a new demonstration model),

we will replace it with a new car and pay the initial on road and registration costs, provided anyone who has a financial interest in your car (of which we are aware) agrees.

The new car will be of the same make and model as your car.

If the new replacement car is not available in Western Australia, or your car was not supplied as new in Australia, we may pay the agreed value of your car at the time it was first insured with us.

For additional information on how we settle total loss claims, please see page 25.

Your hire car after fire, theft or attempted theft

When your car is not available to you as a result of fire, theft or attempted theft, we will arrange for you to be provided with a hire car and we will pay the standard daily hire fee. If a hire car is not available we will pay you an equivalent cash settlement. You can also extend your cover to include a hire car after an accident (see page 14).

The hire car will be available to you from when you reported the incident to us, until either:

- » Your car is recovered or repaired and available for collection by you.
- » Your car is replaced by us.
- » Three days after payment has been issued to settle your claim.

You will be responsible for:

- » Payment of the deposit required by the hire car company.
- » Observing the hire car company's terms and conditions.

We do not cover:

- » Any hire car related costs other than the standard daily hire fee.

Essential temporary repairs for your car

When the damage is such that your car cannot be safely driven and you arrange for temporary repairs to make it safe, secure or roadworthy, we will pay for those repairs up to \$750.

Costs to complete your journey

When the loss or damage means you cannot use your car to get you and your passengers from the scene of the incident to your home, your original destination or to a safe place, we will reimburse the costs necessary to do so up to \$500.

Your emergency accommodation expenses

When the loss or damage means you cannot use your car, and you are more than 100km from your home, we will pay up to \$250 per night towards the cost of emergency accommodation for you and your passengers for up to four nights.

Towing your car

When the damage is such that you cannot use your car, we will pay for the reasonable cost of towing your car and any caravan or trailer attached to it, from the scene of the incident to the nearest approved repairer or to a safe location that we choose.

Repair or replacement of your trailer

We will pay up to \$2,000 for the repair or replacement of your box, garden or luggage trailer if it is stolen or damaged while in your possession or attached to your car.

Replacing your lost or stolen keys

We will pay up to \$2,000 to replace the keys and locks to your car when you have been permanently deprived of your keys because they have been lost or stolen.

Replacement of your child car seat

If you have a child car seat fitted to your car and your car is involved in a collision, we will cover the cost of replacing the child car seat with a new one of a similar standard, even if there is no apparent damage.

Accidental death benefit

When, within 12 months of its occurrence, an incident involving the use of your car directly results in the death of its driver, we will pay \$10,000 to the deceased's estate.

We do not cover:

- » Death as a result of suicide or attempted suicide.
- » Death if the deceased person was driving your car without your permission.

Your no claim bonus

Your no claim bonus is a discount that rewards your safe driving. It increases each year you do not make an 'at fault' claim on your policy until it reaches a set maximum.

Your no claim bonus discount is not affected if either:

- » You make a claim and we agree that you or the person driving your car were not wholly or partly responsible for the incident and you can provide us with the 'at fault' driver's name, vehicle registration number and contact details.
- » Your claim is for damage to your car's windscreen, sunroof or window glass only.

When you make an 'at fault' claim during the period of insurance, the discount decreases. If however you have a protected maximum no claim bonus, your discount remains unchanged for the first 'at fault' claim you make (see page 14).

Temporary cover for your new car

When you replace your car, we will insure your new car provided:

- » You tell us about your new car within 14 days of purchasing it.
- » It is a car we would ordinarily insure.
- » You pay us any additional premium we require.

Cover will cease for your previous car when you take delivery of your new car.

The most we will pay for loss or damage that occurs within the first 14 days following the purchase of your new car, is the purchase price of your new car less any excesses that may apply.

Your optional benefits

For an additional premium you can add any of these optional benefits to your standard Comprehensive cover. If you have added any optional benefits, they will be shown on your schedule.

Your hire car after accident

You can enjoy the convenience of having a hire car available to you while your car is being repaired or after being written off following any incident covered by your policy.

This is an extension to your hire car after fire, theft and attempted theft cover (see page 11) and is subject to the terms and conditions of that cover.

Protection for your maximum no claim bonus

When you protect your maximum no claim bonus and you make one 'at fault' claim during the period of insurance, your no claim bonus discount will not be affected.

If you make further 'at fault' claims during the period of insurance, your bonus protection no longer applies and your discount reduces according to the number of additional 'at fault' claims.

Your RAC Third Party Fire and Theft Car Insurance

If you purchase Third Party Fire and Theft Car Insurance, you are covered anywhere in Australia for:

Loss or damage to your car

- » Loss or damage to your car caused by fire, theft or attempted theft.

Your legal liability

We will cover your liability for accidental damage caused to another person's property arising from an incident which involves your car, or a trailer or a caravan attached to it.

We also cover:

- » Anyone driving your car 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 driving a substitute car (excluding hire cars) because your car 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.

The most we will pay is \$25,000,000 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 spouse, child or other person normally living with you.
- » Damage to another person's property when your car is being transported rather than being driven, including while your car is being loaded or unloaded from the means of transport.
- » Loss or damage to any substitute car.
- » Liability when your car is being offered for sale on your behalf by another party.

Damage to your car caused by an uninsured motorist

If your car is damaged as a result of a collision with another vehicle driven by an uninsured driver, we will cover damage to your car and the reasonable cost of towing your car from the scene of the collision to a safe location that we choose provided:

- » We agree that the collision was the other driver's fault.
- » The driver of the other vehicle was uninsured.
- » You can provide us with the 'at fault' driver's name, vehicle registration number and contact details.
- » The other vehicle was not owned or driven by you, your spouse or any person who ordinarily lives with you.

The most we will pay is \$5,000 or the agreed value of your car, whichever is the lesser. Our payment will be less any excesses that may apply.

Your additional benefits

We provide you with these additional benefits at no extra cost, provided the loss or damage to your car was caused by fire, theft or attempted theft.

Essential temporary repairs for your car

When the damage is such that your car cannot be safely driven and you arrange for temporary repairs to make it safe, secure or roadworthy, we will pay for those repairs up to \$750.

Towing your car

When the damage is such that you cannot use your car, we will pay for the reasonable cost of towing your car and any caravan or trailer attached to it, from the scene of the incident to the nearest approved repairer or to a safe location that we choose.

Your hire car after fire, theft or attempted theft

When your car is not available to you as a result of fire, theft or attempted theft, we will arrange for you to be provided with a hire car and we will pay the standard daily hire fee. If a hire car is not available we will pay you an equivalent cash settlement.

The hire car will be available to you from when you reported the incident to us, until either:

- » Your car is recovered or repaired and available for collection by you.
- » Three days after payment has been issued to settle your claim.

You will be responsible for:

- » Payment of the deposit required by the hire car company.
- » Observing the hire car company's terms and conditions.

We do not cover:

- » Any hire car related costs other than the standard daily hire fee.

Temporary cover for your new car

When you replace your car, we will insure your new car provided:

- » You tell us about your new car within 14 days of purchasing it.
- » It is a car we would ordinarily insure.
- » You pay us any additional premium we require.

Cover will cease for your previous car when you take delivery of your new car.

The most we will pay for loss or damage that occurs within the first 14 days following the purchase of your new car, is the purchase price of your new car less any excesses that may apply.

Your RAC Third Party Property Damage Insurance

If you purchase Third Party Property Damage Insurance, you are covered anywhere in Australia for:

Your legal liability

We will cover your liability for accidental damage caused to another person's property arising from an incident which involves your car, or a trailer or a caravan attached to it.

We also cover:

- » Anyone driving your car 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 driving a substitute car (excluding hire cars) because your car 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.

The most we will pay is \$25,000,000 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 spouse, child or other person normally living with you.
- » Damage to another person's property when your car is being transported rather than being driven, including while your car is being loaded or unloaded from the means of transport.
- » Loss or damage to any substitute car.
- » Liability when your car is being offered for sale on your behalf by another party.

Damage to your car caused by an uninsured motorist

If your car is damaged as a result of a collision with another vehicle driven by an uninsured driver, we will cover damage to your car and the reasonable cost of towing your car from the scene of the collision to a safe location that we choose provided:

- » We agree that the collision was the other driver's fault.
- » The driver of the other vehicle was uninsured.
- » You can provide us with the 'at fault' driver's name, vehicle registration number and contact details.
- » The other vehicle was not owned or driven by you, your spouse or any person who ordinarily lives with you.

The most we will pay is \$5,000 or the cost of replacing your car with another of the same make, model, age and condition as at the time of the collision, whichever is the lesser. Our payment will be less any excesses that may apply.

Your additional benefit

We also provide you with the following additional benefit at no extra cost.

Temporary cover for your new car

When you replace your car, we will insure your new car provided:

- » You tell us about your new car within 14 days of purchasing it.
- » It is a car we would ordinarily insure.
- » You pay us any additional premium we require.

Cover will cease for your previous car when you take delivery of your new car.

General exclusions

The following exclusions apply to all cover under your policy.

Who uses your car

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 car by any person who:

- » Was not authorised or licensed to drive your car, or who broke the conditions of their driver's licence or learner's permit.
- » Has had in the three years before the incident any driver's licence cancelled, suspended, disqualified or any special conditions imposed on their licence.
- » Has received medical advice that their ability to drive a car is impaired by a medical condition or treatment.
- » 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 been convicted in the three years before the incident of a criminal offence related to theft, fraud, arson, criminal damage or illicit drugs.
- » In the three years before the incident, has had car insurance declined, withdrawn, cancelled or its renewal refused.

Cause of loss, damage or liability

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

- » Failures, defects or breakdowns which are mechanical, structural, electronic or electrical or which are connected with computers or computer related technology including computer chip or control logic.
- » Sparks, ashes or carbon from your car.

- » Any person or organisation lawfully taking, keeping or destroying your car.
- » Terrorism, war (whether declared or not), invasion, rebellion, revolution or a similar event.
- » Anything nuclear or radioactive.
- » Depreciation, wear, tear, rust or corrosion.
- » Failure to take all reasonable care to protect your car, its contents and keys.
- » Your car being left unattended with the keys in or on it.

Use of your car

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

- » On a permanent or temporary racetrack, raceway, course, circuit or arena (unless you are participating in a safe driving course commercially conducted by trained instructors).
- » For racing, trials, speed or hill climbing tests, pace making, contests, rallies or for endurance or skills tests whether or not you are competing in an event.
- » In an experiment or demonstration.
- » While it is overloaded, not roadworthy, not registered or not meeting relevant government transport regulations.
- » In a manner which involves deliberate exposure to exceptional danger or any wilful or reckless act.
- » In a manner contrary to its manufacturer's recommendations.
- » For unlawful purposes.
- » For hire or reward.

Timing

We will not cover loss, damage or liability caused by flood, storm or bushfire within the first 48 hours after the commencement of your policy, or to the extent that you have increased your existing insurance cover, unless either:

- » You purchased your car on the same day your policy started.
- » Your policy commenced immediately after another policy covering the same car ended and there was no break or change in the level or type of cover.

We also do not cover

- » Loss of use, or any other financial loss arising from, or consequential to, an insured incident.
- » Deliberate damage caused directly or indirectly by anyone using your car with your permission.
- » Any diminished value of your car after it has been damaged and repaired and the repairs have been carried out correctly.
- » The cost of any air freight charges, or the fabrication of any parts or any cost for parts which exceed the manufacturer's last issued catalogue or price list.
- » Additional costs incurred through parts being unavailable, obsolete or delays in obtaining parts.
- » Any extra costs associated with paint work that does not meet the manufacturer's standard paint specification.
- » Goods, tools of trade or samples connected with your work or any other trade, or any container for these items.
- » Any loss or damage to the extent that it is covered by other insurance that is compulsory or was not purchased in your name.

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 vehicles 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.
- » Provide written statements if we require them.
- » Attend court and give evidence if we require it.
- » Make your car available to us.
- » 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, settlement or 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.

You may not have to contribute an excess towards your claim provided:

- » You can satisfy us that the incident was solely the fault of the other person (not the person in charge of your car at the time of the incident).
- » You provide us with the 'at fault' person's name, vehicle registration number and contact details.

We will make a determination of fault after we are in possession of all the relevant facts and our determination is final and binding upon you.

If you would like to know more please refer to our PED Guide.

What we do when your car has been damaged

When you claim for loss or damage to your car 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 car less any excess that may apply.

When we repair your car

If we decide to repair your car we obtain competitive quotes from our approved repairer network. You can also ask a repairer of your choice to provide a quote.

Whichever repairer we choose, we guarantee the quality of the workmanship and materials authorised by us for the life of your car, in addition to any other rights you may have. If you wish to make a claim on this guarantee, please contact us with details, including any costs you incur in making the claim.

Our goods 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 car leave it in a better condition than before the damage occurred, you will be required to pay a contribution to the repair cost.

We pay for storage

If we have decided to repair your car and we require it to be held in storage until the repair can commence, we will pay the storage cost.

The parts we use

The parts we use in the repair of your car are covered under our repair guarantee.

To restore your car to its condition immediately before the incident, we will use parts consistent with your car's age, condition and warranty period and:

- » If your car is within the manufacturer's new vehicle warranty period we will use new Original Equipment Manufacture (OEM) parts.
- » If your car is outside the new vehicle warranty period we will use new or recycled OEM parts. For some components, such as radiators and air conditioning condensers, we may also use other Australian design rule compliant parts.
- » For the replacement of windscreens, sunroofs and window glass we may also use other Australian design rule compliant parts.

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

When we declare your car a total loss

We will declare your car a total loss when either:

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

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

- » Pay you the agreed value of your car.
- » Replace your car, if you are entitled to this under our new car replacement cover (see page 10).

When we settle a total loss claim:

- » We will deduct, or you must pay us:
 - > Any excess that may apply.
 - > Any unpaid premium (including any remaining instalment payments based on the full annual premium of your policy).
 - > The value of the unused portion of your car's registration.
- » Anyone who has a financial interest in your car (of which we are aware) will be paid first and you will be paid the balance.
- » Your car becomes our property, your policy comes to an end and there is no refund of any portion of your premium.

About your car's agreed value

We determine your car's agreed value at the commencement of your cover and review it 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.

Except where a different limit is shown in your policy for the item of cover, the most we will pay is the agreed value shown in your schedule less any applicable excesses.

Some items of cover have their own limits. Where that limit is less than the agreed value, the item limit is the most that we will pay for that item.

Other important information

About your premium

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

- » The make and model of your car.
- » Who will be driving your car and their driving and insurance history.
- » Where you live.
- » Costs associated with operating our business.
- » Government charges.
- » Discounts that may apply to you.

Your premium is shown on your schedule.

If you would like to know more about how your premium is calculated please refer to our PED Guide.

Paying your premium

You can pay your premium either in one annual payment or by instalments.

When you pay in one annual payment your total premium will be less than if you pay it in instalments. The additional amount for payment by instalments contributes towards the increased cost of administering the instalment payment service.

You can pay your premium in annual payments, two six monthly payments, or 12 monthly payments, using your credit card or by direct debit through your financial institution.

When you pay by instalments you must ensure that:

- » The financial details you provide to us are correct.
- » Sufficient funds are available in your account for each instalment payment.
- » You advise us of any change to your financial details at least two business days before your next instalment payment is due.

You may contact your financial institution if you have an issue regarding your account or a direct debit.

We will provide you with at least 14 days' notice if we change any of your instalment payment arrangements.

If paying by direct debit, we may automatically renew your policy on the renewal date. If we plan to automatically renew, we will let you know we intend to do this before your cover ends and send you details of the renewal premium. If you do not want to renew your policy, you should let us know before the renewal date.

If you do not pay the full amount of your premium or any additional amount we may charge, we may reduce the period of insurance to match the amount you have paid.

Instalment payments

When you choose to pay by instalments, we will send you a notice advising of the first and future payment dates.

The first and future direct debit payments will be made on the due date unless that date is not a business day, when the payment will be made on the business day closest to the due date.

Please contact us immediately if you believe that an unscheduled payment has been made.

Where an instalment payment is overdue by:

- » More than 14 days and you make a claim on your policy, we may refuse to pay your claim.
- » More than one month, we may cancel your policy and refuse to pay your claim.

If any of your instalment payments are rejected by your financial institution due to insufficient funds in your account or errors in your financial details, any fees that result from rejections will be payable by you.

Cancellation of instalment payments

If you decide to cancel your instalment payment arrangement, you need to:

- » Give us at least two business days' notice.
- » Arrange with us to pay the remaining premium due.

If you have made a claim, or one has been made against you in the current period of insurance, then you may be required to pay any outstanding premium due on your policy.

Credit card charges

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

Goods and Service Tax (GST) and Input Tax Credit Entitlement (ITCE)

Your policy, the amounts insured and the premium that you pay are subject to GST.

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 new or renewed policy:

- » Before it starts we will return any premium paid in full.
- » Within 28 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 and we will refund your premium less:

- » Any non-refundable government charges.
- » Our administration charge.
- » Our premium for the period of insurance provided.

If you have claimed on your policy during the period of insurance, a refund of premium may not apply. A refund will not apply when we have declared your car a total loss and paid your claim.

If you would like to know more please refer to our PED Guide.

Cancellation by us

If we cancel your policy, we will advise you in writing and refund you any remaining portion of your premium less:

- » Any non-refundable government charges.
- » Our premium for the period of insurance provided.

If you have claimed on your policy during the period of insurance, a refund of premium may not apply. A refund will not apply when we have declared your car a total loss and paid your claim.

If you would like to know more please refer to our PED Guide.

Other fees and charges

If your policy is changed or cancelled and the premium refund or premium payable is less than \$10, no refund or request for payment will be made.

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: 1300 780 808

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 Pty Ltd, (together the 'RAC') collect, store and use your personal information in accordance with the Privacy Act. By taking out this policy you agree to this.

The RAC may use 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 on to RAC's assessors, investigators, repairers, suppliers, contractors, other insurance companies, insurance reference bureaus, law enforcement agencies, our related companies, legal and professional advisers, and their agents.

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 the personal information the RAC Group has about you please call **13 17 03**.

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

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

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
- » By visiting any one of our Member Service Centres
- » By writing to us at PO Box C140, Perth WA 6839

Definitions

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

agreed value - the amount we agree to insure your car for. The amount is listed on your schedule. It includes the value of GST, registration and on-road costs.

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 the one occurrence.

keys - a device designed to access or start your car including any device designed to provide access by your car to your home's private garage.

modifications - any structural or mechanical alteration made to your car's original specification which may affect its value or performance.

PED Guide - premium, excess and discount guide designed to provide you with additional information regarding discounts, excesses and calculation of premiums that apply under your policy. It is available at **rac.com.au** or by calling us at **13 17 03**.

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

policy - together this PDS, PED Guide, 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 car and the insurance cover 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.

vehicle accessories - items specifically manufactured to only be used while fitted to a car. These items are not reasonably capable of being used separate from a car.

we, us, our - RAC Insurance Pty Limited.

you, your - the person(s) or entity named as the policyholder on the schedule.

your car - the vehicle described in your schedule, including its modifications and vehicle accessories.

Financial Services Guide

About this Financial Services Guide

This Financial Services Guide (FSG) provides you with information about RAC Distribution Pty Ltd (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:

- » By calling: **13 17 03**
- » Via our website: **rac.com.au**
- » By visiting any one of our Member Service Centres
- » 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 Car 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 at page 30.

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.

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**Contact
US**

General enquiries **13 17 03**

TTY (number for the hearing impaired)
general enquiries **9301 3113**

 **facebook.com/RACWA**

 **@racwa**

 **rac.com.au**

Metropolitan Member Service Centres

- | | |
|-------------------|---|
| Carousel | Shop 1098, Westfield Carousel Shopping Centre, Albany Highway |
| Mandurah | Shop 112, Mandurah Forum Shopping Centre, Pinjarra Road |
| Morley | Shop 1, Morley Market Shopping Centre, Bishop Street |
| West Perth | 832 Wellington Street |

Regional Member Service Centres

- | | |
|-------------------|--|
| Albany | 110 Albany Highway |
| Bunbury | Shop 32, Stirling Centre
22-28 Stephen Street |
| Geraldton | Shop 29, Northgate Shopping Centre, Chapman Road |
| Kalgoorlie | 51-53 Hannan Street |

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



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