



CONSUMER TIPS

GENERAL INFORMATION
MOTOR VEHICLE INSURANCE

The material contained in this information sheet is designed to provide general information only and is not intended to provide personal or professional advice. Readers should not act on the basis of this material alone without taking appropriate professional advice relating to their particular circumstances.

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There are 4 types of general insurance that relate to owning and operating a private motor vehicle in Australia:

- 1 Compulsory Third Party Insurance
- 2 Comprehensive Insurance
- 3 Fire & Theft Only
- 4 Third Party Property Only

Compulsory Third Party

This cover protects individuals who you may injure whilst driving a vehicle. **It is mandatory and is regulated by each State and Territory.** It is unlawful to drive a vehicle that does not have this insurance. Visit your State's vehicle registration authority to learn more about how to acquire this type of cover.

Comprehensive Cover

This can cover repair or replacement of your vehicle for events including theft, collision, malicious damage and weather related damage. It can also cover repair and replacement of other vehicles that are damaged by your vehicle. Comprehensive insurance is usually chosen to cover vehicles that are in good condition. Insurers may choose to not provide cover to vehicles that are in a poor state of repair or have issues such as rust.

Fire & Theft Only

This is a limited type of cover that may repair or replace your vehicle in the case that it is stolen or damaged by fire. This type of cover will typically not assist if you are involved in an accident.

Third Party Property Only

This can provide cover for damage caused by your vehicle to other vehicles or property, but does not provide cover for your vehicle.

This type of cover is typically taken out by someone with a relatively low value vehicle, primarily to protect them from having to pay for the damage their car might do to a more valuable vehicle or other property belonging to a third party.



Other common motor vehicle terms to consider: on your policy:

Uninsured Motorist Extension (UME)

Some third party fire & theft and third party property policies offer this extension. It covers damage to your vehicle up to a set amount (typically \$3,000 to \$5,000) if your vehicle is damaged by an uninsured vehicle - as long as you are not considered to be at fault by the insurer and you can provide the uninsured drivers name and address.

The Excess Payment

This is the amount that you will be required to contribute if you make a claim. Some policies also provide for an age excess where an additional amount is contributed, depending on the age of the driver. The amount of excess you would be required to pay is listed in your insurance documents.

No Claim Bonus

If you haven't made any claims against your insurance policy, your insurance company may consider you a lower risk and may reduce your premium in recognition of this. The size of the discount, or 'no claim bonus', varies depending on the insurance company. When changing insurance companies your new insurer may ask for your claims record from the previous company to help them calculate the new premium.

Some questions to consider when buying insurance - Ask your insurer if unsure:

- Is my car insured for Market Value or for an Agreed Value?
 - Market Value is where the insurer determines the value of the vehicle, usually taking into account the condition of the vehicle at the time, its age and other factors.
 - Agreed Value is where the insurer and the owner agree on the value of the vehicle at the time of taking out the policy.
- If the accident is my fault will my no claim bonus be affected?
- Will I have to pay my excess if I can nominate the other driver responsible for the loss or damage?
- What can I do to reduce my insurance premium?
- Are you permitted select your own repairer or does the insurer determine the preferred repairer, and are repairs guaranteed? Which option suits me best?

How are insurance premiums for vehicles calculated?

Each insurance company approaches premium calculation in a unique way, giving rise to a great deal of competition.

Many factors are considered including (but not exclusively):

- The location where the car is stored overnight or during the day.
- The age of the driver (insurers have exemptions from discrimination law for some issues).
- The claims history and driving record of the driver.
- The type of vehicle being insured.
- The intended use of the vehicle - eg, Private or Commercial use.
- The value of the vehicle.

Other things you need to consider before taking out motor vehicle insurance:

- Your insurer needs to be told about modifications or accessories added to the vehicle.
- You need to disclose particulars of every matter that is relevant to the decision of the insurer to offer you cover and as may be requested by the insurer, such as past traffic offences, fines, loss of license and criminal history. The insurer has a right to know and will typically factor this in to the risk you present under an insurance policy. In the event of a claim you may not be covered if you do not disclose this information.
- You have the same duty of disclosure each time the policy is renewed. If your circumstances or the details of the vehicle have changed since the last renewal you must inform
- In some cases it will be necessary to name and provide details (age etc) for all of the drivers of the vehicle, claims may not be paid for other drivers who are unlisted.
- Don't purchase by price alone - Look for a product that is most suitable for your circumstances and needs.
- Check what you are buy - Read the Policy Document and Product Disclosure Statement carefully.

Insurance Council members who provide private motor vehicle cover

Allianz	www.allianz.com.au	13 1000
Ansvar	www.ansvar.com.au	1300 650 540
Auto & General Insurance	www.agic.com.au	07 3377 8801
Calliden Insurance	www.calliden.com.au	02 9551 1111
CommInsure	www.comminsure.com.au	13 24 23
OnePath	www.onepath.com.au	13 20 62
Insurance Australia Group - NRMA, SGIO, RACV, BUZZ, SGIC - Swann	www.iag.com.au	02 9292 9222
Lloyd's Australia	www.lloydsaustralia.com.au	02 9223 1433
Progressive Direct	www.progressivedirect.com.au	03 9881 0807
QBE Insurance	www.qbe.com.au	133 723
RAA Insurance	www.raa.net	08 8202 4600
RAC Insurance	www.rac.com.au	13 17 03
RACQ Insurance	www.racqinsurance.com.au	13 19 05
Real Insurance	www.realinsurance.com.au	13 19 48
Suncorp Metway - AAMI, APIA, GIO, Suncorp, Shannons, - Just Car, Bingle	www.suncorpmetway.com.au	131155
Territory Insurance Office	www.tiofi.com.au	1300 301 833
Wesfarmers	www.wesfarmersinsurance.com.au	02 9248 1350
Westpac	www.westpac.com.au	1800 805 458
Youi	www.youi.com.au	1300 009 684
Zurich	www.zurich.com.au	132 687