

# CommInsure Car Insurance Premium, Excess and Discount Guide

**This document provides you with information to help you understand:**

- how you can pay your premium;
- how we calculate your premium;
- the type and amount of excess we may charge;
- examples of how we may settle a claim.

The information contained in this document is current as of **17/11/2018** and should be read with the CommInsure Car Insurance Product Disclosure Statement (PDS) dated **18/02/17** and your Certificate of Insurance. This guide applies to policies purchased on or after **17/11/2018** and policies renewing after **15/12/2018**.

For full details, including the terms and conditions of cover, exclusions and claim limits please refer to the Car Insurance (PDS) available on our website.

**If you have any questions, please:**

- visit [commbank.com.au/insurance](http://commbank.com.au/insurance);
- contact us on **13 24 23**; or
- visit any branch of the **Commonwealth Bank**.

**We offer the following types of cover:**

- Comprehensive;
- Third Party Property Damage, Fire and Theft; and
- Third Party Property Damage.

Your Certificate of Insurance will confirm the cover you have selected. This is issued to you after you purchase a policy, before you renew your insurance and whenever you amend your policy. The Certificate of Insurance will confirm the premium for the Period of Insurance or a change in premium due to any amendments to your policy throughout the Period of Insurance.



## Ways you can pay your premium

You can choose to pay your premium in:

- 1 annual payment; or
- 12 monthly instalments.

We do not charge any additional premium if you select to pay your total premium in 12 monthly instalments, however your financial institution may impose charges.

You can request to pay your premium in the following ways:

Method	Monthly	Annually
Direct debit from a bank account	✓	✓
Direct debit from a credit card	✓	✓
Cash or cheque at a Commonwealth Bank Branch	✗	✓
Cheque by mail	✗	✓
Bpay®	✗	✓
Telephone	✗	✓
Internet banking	✗	✓

## Your Premium

Your premium is the amount we charge you for your policy. It is made up of your **basic premium** plus any **Government and other charges**. We will explore each of these in the steps below.

### Step 1 - Your basic premium

Your **basic premium** reflects our view of the likelihood of a claim being made under your policy and potential value of that claim. We combine a number of known **significant factors** relevant to your situation and then deduct any **discounts** you may be entitled to.

#### Significant factors:

The significance of each factor we use can change and how they are combined to derive a premium may differ from one policy to another.

They include:

Factor	Comprehensive	Third Party Property Damage, Fire and Theft	Third Party Property Damage
The type of cover you choose	✓	✓	✓
The Cover Options you select	✓	✗	✗
The details of your vehicle including the year, make and model	✓	✓	✓
The sum insured for your vehicle: Agreed Value or Market Value	✓	✗	✗
The value of your vehicle	✓	✓	✗
The age and gender of the declared drivers	✓	✓	✓
Place where your vehicle is normally kept overnight	✓	✓	✓
Whether any financial arrangement affects your vehicle	✓	✓	✓
Your vehicle usage: business or private use	✓	✓	✓
Years of driving experience of the declared drivers	✗	✓	✓

The Commonwealth Bank also collects and uses information to get an integrated view of its customers. That view may change from time to time. As part of the Commonwealth Bank Group, we may use aspects of that view (for example information which relates to Commonwealth Bank Group products that you hold) to assist us in our assessment of risk. When calculating the premium for your policy we may take into account information provided to us on aspects of that view.

We will not take into account any aspects of that view for the first year of the policy if you have applied online, other than where you have applied through NetBank. Quotes initiated via Netbank will be based on the policyholder completing the quote. When purchasing the policy through Netbank you will be asked to list any additional policyholders which then enables us to obtain an integrated view of all policyholders listed on your Certificate of Insurance. If we consider that this view suggests that you have a reduced likelihood of a claim and/or the potential value of a claim might be reduced, your premium may be lower. We will only use information from this view if it leads to a lower premium for you.

We may take into account the premiums paid for prior policy renewals and overall age of the individual policy when determining your premium.

## Discounts

### No Claim Discount

The No Claim Discount (NCD) or Rating is a reward system for good driving and claims history which applies to Comprehensive Cover only. We calculate your NCD or Rating by looking at the number of years you have been driving and your claims and accident history. The level of your discount is stated on your Certificate of Insurance.

The table below shows the levels available:

NCD	Rating
0%	6
25%	5
35%	4
45%	3
55%	2
65%	1
70%	1A

Each time we invite renewal of your policy, we will review your policy's NCD or Rating, based on any claims lodged during the expiring Period of Insurance.

Your NCD or Rating will either:

- increase by one level of entitlement;
- decrease by one level of entitlement for each claim; or
- remain the same.

The table below shows how different claims can affect your NCD or Rating when you lodged a claim in the expiring Period of Insurance:

Decrease	Increase (up to our maximum NCD or Rating)	No Change
At-fault incidents involving other parties.	Not at-fault incidents where the at-fault party can be identified.	Fire (i.e. bushfire, house fire, engine fire).
At-fault incidents and no other party involved.	Any other claim type where the responsible party can be identified.	Storm (including flood) or hail damage.
Not at-fault incidents where the at-fault party cannot be identified.	If no claims are lodged during the expiring Period of Insurance.	Damage to your windscreen or window glass if the damage is accidental.
Incidents caused by road conditions.		

Damage whilst parked where the identity of the responsible person is unknown.	
Malicious damage (including malicious fire damage) where the identity of the responsible person is unknown.	
Theft of or theft from your vehicle where the identity of the responsible person is unknown.	
Theft of your keys (as per page 28 of the PDS)	

If multiple claims are lodged (including different types of claims), each claim will be assessed for its effect on your policy's NCD or Rating, based on the criteria outlined above.

Where you have selected the Cover Option of 'Protected No Claim Discount' (page 53 of the PDS), and you lodge a claim which would normally reduce your NCD or Rating on the next renewal, your NCD or Rating will not be affected by the first claim in a Period of Insurance.

### Other Discounts

You may be entitled to further discounts\* which relate to how and when you purchase your policy (e.g. when you apply online or in conjunction with other product or offers). These discounts are incorporated into the calculation of your basic premium.

We will advise you if a discount is applied to your premium.

On 17/11/2018 a change in the Commonwealth Bank Wealth Package and Mortgage Advantage Package removed insurance discount benefits for existing holders of either package.

When insurance discount eligibility ends, Commlnsure may provide existing package holders with a replacement 'Legacy Discount'. Where the Legacy Discount\* is applied to a policy, it will include a discount up to 10%. If applied to a policy, this discount will be incorporated into the calculation of your basic premium. For discounts relating to Commonwealth Bank package programs, information can be found at [commbank.com.au](http://commbank.com.au)

***The above significant factors and applicable discounts are used to calculate your basic premium.***

\* A discount cannot be used in conjunction with another discount (other than those listed in the relevant PDS) or in conjunction with any other promotional offer, unless we have advised in the promotional offer that this discount will apply. We may remove or change a discount effective from the renewal date. A discount cannot be backdated.

## Step 2 – Government and other charges

Commlnsure Car Insurance policies are subject to Government and other charges including the Emergency Services Levy (ESL), the Goods and Services Tax (GST) and Stamp Duty.

**ESL:** A levy imposed by the NSW State Government on insurers to cover the cost of emergency services in NSW. Insurers determine the ESL to be charged on each policy so that they can collect sufficient monies to fund their liability to contribute to the funding of emergency services in NSW. These services include Fire and Rescue (FRNSW), Rural Fire Services (RFS) and State Emergency Services (SES). This amount is charged on the basic premium where the insured address is within NSW. ESL applies in NSW only.

Government charges are calculated as follows:

**GST:** A Federal Government Tax. This indirect tax is levied at a rate of 10% on the basic premium amount and ESL (where applicable).

**Stamp Duty:** A State Government duty applied to insurance policies. Rates vary across Australian States and Territories. No Stamp Duty is charged to policies in the ACT. This charge (where applicable) is applied to the basic premium, ESL (in NSW only) and GST.

The above charges are listed on your Certificate of Insurance.

***Your total premium payable is determined after Government charges have been applied.***

## Excesses

An excess is an amount you must contribute when we agree to pay a claim. All excess amounts that apply to your policy are stated on your Certificate of Insurance.

### Comprehensive Cover

State	Basic Excess	Age Excess	Undeclared Young Driver Excess	Inexperienced Driver Excess
ACT	\$700	\$550	\$1,500	\$500
NSW	\$700			
VIC	\$550			
QLD	\$600			
SA	\$500			
WA	\$500			
TAS	\$350			
NT	\$450			

The following Optional additional basic excess choices are also available. You may be able to reduce your premium by selecting to pay a higher excess in the event of a claim. This excess option is paid in addition to the Basic excess.

Optional additional basic excess						
\$100	\$200	\$300	\$400	\$500	\$600	\$1,000

You may also have an Imposed excess on your policy. Please refer to your Certificate of Insurance for the type and amounts.

### Third Party Property Damage, Fire and Theft Cover & Third Party Property Damage Cover

State	Basic Excess	Age Excess	Undeclared young driver excess	Inexperienced driver excess
ACT	\$600	\$550	\$1,500	\$500
NSW	\$600			
VIC	\$550			
QLD	\$500			
SA	\$400			
WA	\$400			
TAS	\$350			
NT	\$350			

You may also have an Imposed excess on your policy. Please refer to your Certificate of Insurance for the type and amounts.

Where an excess applies we may:

- deduct the excess from any settlement amount we pay directly to you (or your credit provider); or
- deduct the excess from any invoice we receive from a repairer or supplier, which will mean that you will be responsible for paying the amount of the excess directly to them; or
- require you to pay the excess directly to us prior to the settlement of your claim.

## Examples of how we may settle a claim

The following are examples where your vehicle is stated as covered on your Certificate of Insurance and where circumstances of the claim would be accepted under the terms and conditions of this policy.

### Example 1

Comprehensive Cover where your vehicle can be repaired (not registered for GST).

Your vehicle is involved in a collision where the declared driver of your vehicle is at-fault. Your vehicle has been damaged but is still safe to drive.

A claim has been made under the Insured Event Collision or Impact Damage.

Claim Details	Details
Agreed Value (shown on your Certificate of Insurance)	\$24,000
Comprehensive Cover - monthly premiums paid to date	Yes
No Claim Discount/Rating	70% or Rating A1
No Claim Discount Protection option selected	Yes
Basic excess	\$600
Quotation from our approved repair to have your vehicle repaired	\$3,700
Replacement of personal items damaged in the collision	\$320

Settlement Calculation	Amount
Amount we pay our approved repairer (\$3,700 - \$600 excess = \$3,100)	\$3,100
Amount we pay to you for your personal items	\$320
We require you to pay the basic excess directly to our approved repairer	\$600

In this example proof of loss and ownership was provided for the personal items as per the PDS (see page 69).

The No Claim Discount/Rating on the policy is unaffected by the claim as the Cover Option 'Protected No Claim Discount' (see page 53 of the PDS) was selected.

### Example 2

Comprehensive Cover where your vehicle can be repaired (not registered for GST).

Your vehicle is involved in a collision where the driver of your vehicle is at-fault. The driver of your vehicle is 23 years of age and not listed as a declared driver on your Certificate of Insurance. Your vehicle has been damaged but is still safe to drive.

A claim has been made under the Insured Event Collision or Impact Damage.

Claim Details	Details
Sum Insured shown on your Certificate of Insurance	Market Value
Comprehensive Cover - annual premium paid in full	Yes
No Claim Discount/Rating	65% or Rating 1
No Claim Discount Protection option selected	No
Basic excess	\$500
Optional additional basic excess chosen by you	\$500
Undeclared young driver excess	\$1,500
Quotation from our approved repair to have your vehicle repaired	\$11,600

Settlement Calculation	Amount
Amount we pay our approved repairer (\$11,600 - \$2,500 excesses = \$9,100)	\$9,100
We require you to pay our approved repairer the: Basic excess + Optional additional basic excess + Undeclared young driver excess	\$2,500

In this example, the driver was under the age of 25 and not listed as a declared driver on your Certificate of Insurance, therefore the following excesses apply:

- Basic excess - \$500
- Optional additional basic excess chosen by you - \$500
- Undeclared young driver excess - \$1,500

$\$500 + \$500 + \$1,500 = \$2,500$  in total

As the Cover Option 'Protected No Claim Discount' (see page 53 of the PDS) was not selected the No Claim Discount or Rating on the policy will reduce by 1 level due to this claim.

### Example 3

Comprehensive Cover where we have advised that your vehicle is a total loss (not registered for GST).

Your vehicle is involved in a collision where the declared driver of your vehicle is not at-fault. The policy is being paid by monthly instalments and a claim has been made under the Insured Event Collision or Impact Damage.

Claim Details	Details
Sum Insured shown on your Certificate of Insurance is Market Value	\$35,400 (determined by us)
Comprehensive Cover - premium paid monthly with 4 instalments of \$50 outstanding until the end of your Period of Insurance	$\$50 \times 4 = \$200$
No Claim Discount/Rating	70% or Rating A1
No Claim Discount Protection option selected	No
Basic excess	\$600
Optional additional basic excess chosen by you	\$500
Vehicle towed from the scene	\$240
Baby capsule damaged in the accident	\$390

Settlement Calculation	Amount
The amount we pay you ( $\$35,400 + \$390 - \$200$ outstanding premium = \$35,590)	\$35,590
The amount we pay directly to the towing company	\$240
Basic excess + Optional additional basic excess	Not Applicable

The Market Value of your vehicle is determined by us at the time of the claim based on the cost to replace the vehicle taking into account the age, make, model and condition immediately prior to the damage (see page 5 of the PDS).

As the driver of your vehicle did not contribute to the accident and you were able to provide us with the below information from the other vehicle involved in the incident, no excess is payable:

- Name;
- Residential address;
- Telephone number; and
- Registration number.

Proof of loss and ownership was also provided for the baby capsule as per the PDS (see page 69).

The No Claim Discount or Rating on the policy is unaffected by the claim as the driver of your vehicle was not at-fault and they were able to provide the details of the other vehicle.

Your policy now comes to an end, effective from the date of the claim and the vehicle becomes our property (see page 73 of the PDS - What happens after a total loss).

#### Example 4

Comprehensive Cover where your vehicle has been involved in a theft and has not been recovered. Your vehicle was 13 months old and you are the first registered owner.

A claim has been made under the Insured Event Theft or attempted theft and your vehicle is replaced under the Cover Benefit Replacement of a new vehicle after a total loss.

Claim Details	Details
Agreed Value (shown on your Certificate of Insurance)	\$45,000
Comprehensive Cover - annual premiums paid to date in full	Yes
No Claim Discount/Rating	70% or Rating A1
No Claim Discount Protection option selected	Yes
Basic excess paid to us by you	\$600

#### How we settle your claim

You pay us the Basic excess amount of \$600.

We arrange for:

- your vehicle to be replaced with the same make, model and series; and
- new registration and Compulsory Third Party (CTP) insurance for that vehicle.

Your existing policy will continue to cover your new vehicle until the end of the Period of Insurance.

The No Claim Discount or Rating on the policy is unaffected by the claim as the Cover Option 'Protected No Claim Discount' (see page 53 of the PDS) was selected.

#### Example 5

Comprehensive Cover where the keys to your vehicle are stolen and you have made a report to the police.

A claim has been made under the Insured Event Theft of keys.

Claim Details	Details
Cost to replace your keys and re-code the locks	\$3,000
Comprehensive Cover - annual premiums paid to date in full	Yes
No Claim Discount/Rating	70% or Rating A1
No Claim Discount Protection option selected	Yes
Basic excess	\$600
Optional additional basic excess	\$200

Settlement Calculation	Amount
Cost to replace your keys and re-code the ignition and door locks	\$3,000
Theft of keys policy limit (see page 28 of the PDS)	\$2,000
The amount we pay ((\$2,000 limit - \$600 Basic - \$200 Optional additional basic excess = \$1,200)	\$1,200



In this example the cost to replace your keys and re-code your locks was \$3,000.

The maximum amount payable for this Insured Event is \$2,000 less your Basic excess and any Optional additional basic excess.

The No Claim Discount or Rating on the policy is unaffected by the claim as the Cover Option 'Protected No Claim Discount' (see page 53 of the PDS) was selected.

### Example 6

Third Party Property Damage, Fire and Theft Cover (Not registered for GST)

Your vehicle is involved in a fire and we have advised that your vehicle is a total loss.

The policy was paid annually and a claim has been made under the Insured Event Fire Damage.

Claim Details	Details
Sum Insured shown on your Certificate of Insurance is Market Value	\$6,500 (determined by us)
Third Party Property Damage, Fire and Theft Cover - annual premium paid in full	Yes
Basic excess	\$600

Settlement Calculation	Amount
The amount we pay you (\$6,500 - \$600 excess = \$5,900)	\$5,900

The Market Value of your vehicle is determined by us at the time of the claim based on the cost to replace the vehicle taking into account the age, make, model and condition immediately prior to the damage (see page 5 of the PDS).

As we have paid the Market Value of your vehicle, the policy will come to an end and there is no refund of any premium for the unexpired period of the policy.

### Example 7

Third Party Property Damage Cover (Not registered for GST)

Your vehicle is involved in a collision where we have decided that the declared driver of your vehicle is at fault. Your vehicle has been damaged but is still safe to drive.

A claim has been made under the Insured Event Legal Liability.

Claim Details	Details
Cost to repair damage to other persons vehicle	\$14,400
Third Party Property Damage Cover - monthly premiums paid to date	Yes
Basic excess	\$600

Settlement Calculation	Amount
The amount we pay directly to the repairer for damage to other persons vehicle	\$14,400
Basic excess paid to us by you	\$600

As this is a Third Party Property Damage policy, there is no cover for the damage to your vehicle in this example.

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