



COMPREHENSIVE CAR INSURANCE

Product Disclosure Statement





ABOUT US

Thank you for choosing AI Insurance Holdings Pty Limited (ABN 78 135 243 364 AFSL No. 379465) (**AI, We, Us** or **Our**) to help protect your valuable assets. We are committed to providing customised insurance products combined with good 'old-fashioned' service.

Our comprehensive car insurance policy is underwritten by The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473 AFSL No.241436) (Hollard). Hollard is a member of the international Hollard Insurance Group, which includes businesses in Australia, United States, the United Kingdom, South East Asia and throughout Africa. Hollard provides a wide range of insurance products and services to more than 7.2 million policyholders worldwide.

You can contact us:

Further information is available on our website: www.aiinsurance.com.au

By phone	1300 003 303 Monday to Friday between 9am – 5pm AEST
By email	contactus@aiinsurance.com.au
By mail	PO Box 550, Kotara NSW 2289

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IMPORTANT INFORMATION

Thank you for choosing AI Insurance Comprehensive Car Insurance to help protect your valuable assets. We are pleased to be your car insurance provider.

About this Product Disclosure Statement (PDS):

This PDS:

- tells you about AI Insurance Comprehensive Car Insurance to help you decide if the cover is right for you and whether to use the financial services provided by Hollard and AI Insurance Holdings Pty Limited; and
- contains information about the remuneration received by AI and other entities involved in the distribution of the insurance, the services AI offers and how any complaint you have is dealt with.

This document was prepared on 12th November 2013 and is authorised for issue by the insurer. Any advice provided in this document is general only, does not take into account your individual circumstances and may not be right for you.

You should carefully read this document, and any other documentation we send you to determine if this insurance is appropriate for you. Keep them in a safe place for future reference.

Once you have purchased this insurance, then:

- this document;
- the Certificate of Insurance (which sets out details special to you); and
- any document which we tell you forms part of the terms and conditions of your insurance, will form the contract between you and us (the policy).

By contracting with us for your policy you confirm and warrant that you have read and agreed (or will read before the end of the cooling-off period) the policy documents provided to you.

If any information on your Certificate of Insurance is incorrect or incomplete, please contact us immediately.

If you have any questions regarding the policy or you have not received any document that forms part of the policy, please contact us immediately (contact details are provided on the back cover).

About Hollard

This insurance is underwritten by the insurer The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473 AFSL 241436) (Hollard), PO Box 199, Chatswood 2057.

Hollard is authorised under the Insurance Act 1973 (Cth) to conduct insurance business in Australia. That Act establishes a system of financial supervision of general insurers in Australia. As an authorised insurer, Hollard is regulated by the Australian Prudential Regulation Authority.

Hollard is also regulated under the Corporations Act 2001 (Cth) and is the holder of an Australian Financial Services Licence (AFS Licence) issued pursuant to that Act. As a holder of an AFS Licence, Hollard is also regulated by the Australian Securities and Investments Commission.

Hollard is a member of the international Hollard Insurance Group, which includes businesses in Australia, United States, the United Kingdom, South East Asia and throughout Africa. Hollard provides a wide range of insurance products and services to more than 7.2 million policyholders worldwide.

About AI

AI Insurance Holdings Pty Limited (ABN 78 135 243 364 AFSL 379465) (AI) is a holder of an AFS Licence and is authorised to deal in and provide general advice on general insurance products.

AI has a binding authority from Hollard to arrange, issue, vary, cancel and administer general insurance policies and handle or settle claims on Hollard's behalf. This means AI acts as if it were Hollard provided it acts within the binder. In doing so, AI acts on behalf of Hollard and not on your behalf.

AI is not authorised to provide any personal advice to you about whether the insurance is right for your needs.

WHAT WE COVER

We will cover the following, subject to the other terms and conditions (including any exclusions and other limitations) of the policy during the period of insurance:

Insured event	How your claim is settled
<p data-bbox="124 300 352 350">Loss (of) or damage to your car:</p> <ul data-bbox="124 367 419 630" style="list-style-type: none"><li data-bbox="124 367 419 451">• when it is involved in an accident regardless of who is at fault;<li data-bbox="124 462 419 630">• as a result of:<ul data-bbox="156 496 419 630" style="list-style-type: none"><li data-bbox="156 496 419 546">- it being stolen and subsequently recovered;<li data-bbox="156 552 419 574">- it being vandalised;<li data-bbox="156 580 419 602">- hail, storm or flood; or<li data-bbox="156 608 419 630">- fire.	<p data-bbox="456 300 1094 322">Once we have decided to accept the claim we may at our discretion:</p> <ul data-bbox="456 339 1458 888" style="list-style-type: none"><li data-bbox="456 339 1458 395">• repair your car (if we choose to repair your car, we will choose and appoint the repairer and manage the repair process);<li data-bbox="456 400 1042 423">• settle your claim by paying for the reasonable cost of repairs;<li data-bbox="456 428 1074 451">• pay to you an amount equal to the reasonable cost of repairs; or<li data-bbox="456 456 1409 507">• pay to you the market value or agreed value of your car (whichever is specified as applicable on your Certificate of Insurance);<li data-bbox="456 512 1153 535">• choose to total loss the vehicle and cash settle you for the insured value;<li data-bbox="456 540 1441 680">• authorise the use of any combination of original manufacturer, used or replacement parts in the repair of your car, depending on the make, model, age and condition of your car. Where parts are not available in Australia and require importation, we will pay for the cost of surface freight only. Where parts are unavailable and the repair cannot be completed, we will pay you the listed price of the part or parts in question, as at the date of settlement;<li data-bbox="456 686 1458 798">• require you to contribute towards the cost of repairing or replacing tyres, engines, accessories, paintwork, bodywork, radiators, batteries or interior trims that have been affected by wear and tear or rust and corrosion. The amount you are required to contribute will be determined by the amount of wear and tear or rust and corrosion that is evident when the incident occurs;<li data-bbox="456 804 1425 888">• where the claim relates to your car's windscreen, sunroof or window glass, decide whether to repair or replace the windscreen, sunroof or window glass; or pay you the cost of repair or replacement of the windscreen, sunroof or window glass.

	<p>If we determine that your car is a total loss we:</p> <ul style="list-style-type: none"> • will deduct: <ul style="list-style-type: none"> – any outstanding balance of the annual premium payable in relation to the period of insurance if you had been paying your premium by periodic instalments; and – applicable registration fees; and – compulsory third party insurance from your claim settlement. • may at our option, pay from any claim settlement any sum owed to a financier or legal owner of the car.
Loss of your car due to it being stolen and not found	<p>If your car is stolen and it is not found within 21 days from the time that you reported its theft to us, and we accept your claim, then we will declare your car a total loss and settle the claim accordingly (see “Making a claim” on page 13)</p>

Additional benefits

If we accept a claim for loss (of) or damage to your car under one of the above insured events, we will also provide the following additional benefits subject to the other terms and conditions (including any exclusions and other limitations) of the policy:

Additional Benefit	How your claim is settled
Excess free windscreen replacement	<p>If we accept a claim for damage only to your windscreen, or window glass, you will not be charged an excess. There is a limit of one excess free claim per period of insurance under this additional benefit. The maximum we will pay for this additional benefit during the period of insurance is \$1000. This additional benefit does not apply to sunroof glass.</p>
Towing and storage costs	<p>If your car cannot be driven as the result of loss or damage covered under this insurance and we accept your claim, we will cover the reasonable cost of towing your car to the nearest repairer or safe place. We will also cover the reasonable cost of storing your vehicle. However you must notify us immediately if your car is being stored. We may reduce the amount we pay under this benefit if we consider that you were able to inform us that your car has been stored but you failed and/or neglected to do so.</p>

Modifications and accessories (where applicable)	We will pay the reasonable costs incurred by you to repair or replace modifications and/or accessories lost or damaged because of the insured event provided we have agreed to cover these modifications and/or accessories and they are listed on the Certificate of Insurance.
Baby capsule and child car seat	We will cover you for loss or damage of up to a maximum of \$500 (per insured event) for a baby capsule or child car seat fitted to your car at the time of an insured event.
Faultless excess	<p>You will not have to pay an excess in relation to an insured event if:</p> <ul style="list-style-type: none"> • you or the authorised driver of your car was not at fault and we agree that another party was at fault; and • you can provide the name, vehicle registration number, phone number and residential address of a person(s) we agree is at fault. <p>This additional benefit will only apply to drivers listed on your Certificate of Insurance.</p>

In addition to the above:

- you will automatically receive our maximum no claim bonus discount when you first purchase this insurance; and
- we will reward you on next renewal if you do not make a claim by reducing your basic excess (see page 16 for further details on how the applicable excess works).

What is specifically excluded from the above insured event cover and additional benefits?

We will not cover anything specified in the “What we do not cover” section on page 10 or which is otherwise excluded by the policy terms and conditions (to the extent permitted by law).

Legal liability cover

We will cover the following, subject to the other terms and conditions (including any exclusions and other limitations) of the policy during the period of insurance:

What do we cover?	How your claim is settled
<p>Your legal liability to pay compensation for loss (of) or damage to another person's property which occurred during the period of insurance as a result of an accident involving your car.</p>	<p>The most we will pay under this benefit for any one accident is the Legal Liability Limit as stated in the Certificate of Insurance.</p>
<p>The legal costs you have to pay in relation to a claim for your legal liability for which cover is provided under this benefit.</p>	<p>Provided you contact us before incurring any legal costs or seeking any legal advice in relation to a claim for your legal liability and we agree to pay such costs, we will:</p> <ul style="list-style-type: none"> • act for, or arrange representation for you or any other person covered under the policy; • attempt to resolve the claim if we consider that you or the person we cover under the policy is at fault for the loss or damage; • defend the claim in a court or tribunal if we consider that you or the person we cover under the policy is not at fault for the loss or damage. <p>We will decide whether to defend or resolve the claim and, if we resolve the claim, how much we pay to resolve the claim. We may pay to you the Legal Liability Limit as stated on the Certificate of Insurance or any lesser amount for which the claim/s can be settled and then relinquish the conduct of any defence settlement or proceedings to you. On making such payment to you we will discharge all our obligations to you in terms of the legal liability cover afforded under the policy and you will have no further claim against us in respect of the relevant claim under this section of cover.</p>

What is specifically excluded from legal liability cover?

We will not make any payment under this cover for:

- any settlement agreed to or made without our consent in writing;
- damage to property owned by or in the control of you or the driver of your car, or anyone that normally lives with you or the driver of your car;
- damage to property belonging to you, held in trust by you, or in your custody or control or being conveyed by or loaded onto or unloaded from your car;
- costs and expenses incurred after the date on which we have paid or offered to pay either the third party claim or the Legal Liability Limit; or
- anything specified in the 'What we do not cover' section (see page 10) or otherwise excluded by the policy terms and conditions (to the extent permitted by law).

WHAT WE DO NOT COVER

The following exclusions apply to all of the covers and benefits provided under the policy, to the extent permitted by law. Other exclusions may apply to the cover provided where specified in this document, your Certificate of Insurance or other documents forming the policy:

If your car is not being used legally

You will not be covered under the policy for any loss, damage or legal liability if at the time of the event giving rise to the loss, damage or legal liability the driver of your car:

- was not correctly licenced or not complying with the conditions of their licence to drive your car;
- was under the influence of any drug or alcohol;
- had a percentage of alcohol in their breath or blood in excess of the lawful blood alcohol level limit in force in the state or territory where your car was being driven;
- is under 18 years of age or over the age of 85 (or any age exclusion applies as specified on your Certificate of Insurance);
- refused to take a legal breath and/or blood test for alcohol or any drug;
- did not have your permission to drive your car, unless your car was stolen and immediately reported stolen to the police, and you provide us with a police incident number;
- was using your car to carry more people than your car is registered to hold;
- was listed on your Certificate of Insurance as being excluded from cover under the policy;
- leaves the scene of an accident without a lawful excuse or without contacting the police when required to do so in the relevant state or territory;
- was not complying with the road rules in the relevant state or territory. This only applies when the driver of the vehicle has permission to drive the car.

We may, at our discretion, pay a claim where you were not the driver of your car and you can satisfy us that you had no reason to suspect that the driver of your car was driving illegally or that one of the circumstances listed above applies. If we agree to provide cover we will pursue recovery of claim costs from the person who was driving or who was in charge of your car.

If you contributed to the loss or intended the claim to happen

You will not be covered under the policy for any loss, damage or legal liability if at the time of the event giving rise to the loss, damage or legal liability:

- you, or the person driving your car, were engaged in an intentional and dangerous act, a reckless act or intentionally engaged in an unlawful act (even where you believed there was no danger), while driving your car including, but not limited to, the illegal use of a mobile phone or any other electronic device;
- you failed to secure your car or left it in an unsafe location and/or position after it was broken into, accidentally damaged or stolen and then found;
- you did not go with your car when it was being test driven by a potential buyer;
- your car was being used to carry or store explosives, flammable or combustible substances or liquids illegally;
- your car was legally confiscated or taken to secure a debt;
- the ignition keys were left in or near your car whilst it was unattended or the keys were left unsecured;
- the driver of your car had been given medical advice (prior to the accident) that their driving ability would be impaired by a medical condition, procedure or treatment;
- your car was damaged, unsafe or unroadworthy;
- your car was converted, altered or modified from its manufacturer's specifications and we have not agreed in writing to accept the risk of your car in such modified condition.

If you have not complied with the terms and conditions of the policy

You are not covered for loss, damage or legal liability under the policy if:

- you have not used your car for the purpose which you are insured for as declared by you when applying for this insurance (see business and private use definitions);
- your car was used for hire or to earn reward;
- you have not complied with your Duty of Disclosure;
- your car was used on any sort of racetrack or racecourse for any motor sport including racing, trials, contests, rallies, pacing, speed or any other sort of test;
- your car is being used for off road driving;
- your car is being used for an illegal purpose.

For physical deterioration of your car

You are not covered under the policy for:

- any structural, mechanical, electrical or electronic failure or breakdown;
- any deterioration, wear, tear, rust, corrosion or depreciation;
- the cost of fixing faulty repairs or repairs to old damage;
- damage to tyres by application of brakes or by road punctures, cuts or bursts;
- loss or damage caused by mildew, moth, vermin, insects, domestic pets, any process of dyeing or renovating, the action of light or atmospheric conditions;
- loss or damage to your car caused by:
 - any process or system of cleaning, restoring, modifying or repairing any insured property;
 - poor or faulty design, specification, materials, repairs or workmanship;
 - the use or application of car parts or accessories which do not meet manufacturer's specifications;
 - the use, or accidental addition by any person, of incorrect lubricants, fuel, oil or other fluids, which are not recommended or specified by the manufacturer.

Other general exclusions

You are not covered for loss, damage or legal liability:

- that occurs outside Australia;
- if intentionally, deliberately or maliciously caused by you or a person acting with your express or implied consent;
- arising from the seizure, impounding, sale or destruction of your car by any law enforcement or government agency;
- in the event of the breach of a contract or an obligation under a contract;
- caused by, arising from or connected with asbestos, asbestos fibres or derivatives of asbestos in any form;
- caused by military power, rebellion, revolution, an act of terrorism, war or war-like activities or any looting or rioting following these occurrences;
- caused by any radioactivity, nuclear fuel, waste or other nuclear material, nuclear weapon, detonation or explosion or any looting or rioting following these occurrences;
- caused by any biological, bacterial, viral, germ, chemical or poisonous pollutant or contaminant or any looting or rioting following these occurrences;
- for payment of fines, or punitive, exemplary or aggravated damages awarded against you or the driver of your car;
- to sign writing, sticker, vinyl wrap or any type of advertising material on your car.

MAKING A CLAIM

What to do if you need to make a claim?

- take all reasonable precautions to prevent or reduce loss or damage to your car;
- immediately report the incident or loss to the police where the accident or loss must be reported by law or the policy;
- call our claims team on 1300 0033 03 and report the incident as soon as possible.

What not to do without our consent

- admit guilt, liability or blame;
- offer to pay for or negotiate any damages arising from the event;
- approve any repairs or arrange replacements other than emergency repairs up to \$400 which are necessary to minimise or prevent further loss and damage.

If you fail to assist us, or do not comply with any of these terms, we may reduce or refuse to pay your claim or be entitled to recover from you any monies paid by us in relation to the claim.

We may require you to

- undergo interviews and appear in court and give evidence under oath;
- arrange for any driver of your car to give us full co-operation in all respects and provide us with the same assistance that you are required to;
- help us manage the claim by answering our questions and/or providing written statements to us under oath;
- allow us to inspect your car or any damaged goods you are claiming for;
- take your car to or allow it to be towed to a place nominated by us;
- allow us to take possession of the damaged property that we have replaced. Such damaged property becomes our legal property;
- immediately send us copies of any communication, demand or claim you may receive arising out of any incident for which cover is provided under the policy;
- provide us with proof of previous motor vehicle insurance in respect of both your car or other vehicle (if applicable) and the policy holders/insured's;
- provide us with evidence of ownership and value of all property covered under the policy;
- advise us of any person that is charged by the police arising from the incident for which cover is provided under the policy;
- tell us about any other policy of insurance that may be relevant to the claim;
- assist us to negotiate, defend or settle any claim made under the policy and to exercise for our benefit your legal right of recovery against any other party.

If you fail to assist us, or do not comply with any of these terms, we may reduce or refuse to pay your claim or be entitled to recover from you any monies already paid under the claim.

Costs of dismantling, diagnosis and reassembly

If you make a claim, we may require you to authorise the dismantling of your car or to authorise us to dismantle it, so that we can assess your claim and/or decide if it is valid. We may refuse to assess or pay your claim if you do not agree to this.

If we determine that the claimed loss or damage is not covered, you will be responsible for the costs of the above dismantling as well as any costs associated with it (including but not limited to any diagnosis, reassembly, repair, and/or replacement costs).

If we determine that the claimed loss or damage is covered, we will settle your claim in accordance with the terms and conditions of the policy (including the operation of any excess).

What happens if we settle the claim for your car on a total loss basis

If we determine that your car is a total loss, we will pay the agreed value if you have insured your car on an agreed value basis or if you have insured your car on market value of your car. We will:

- deduct any excess that may be applicable;
- in paying the agreed value or market (whichever is applicable), we will deduct any unused portion of your registration fee and Compulsory Third Party insurance premium (refer to page 7) and
- retain your car (including all insured options and accessories);

Then:

- the policy comes to an end; and
- there is no refund of any portion of the premium. (refer to page 7)

Fraudulent and dishonest claims

If you or any person acting on your behalf submits to us a claim or any information or documentation relating to a claim, which is in any way fraudulent or dishonest, we may refuse to pay the entire claim and cancel the policy as permitted by law.

Prevention of loss

You are legally obliged to take reasonable steps to prevent or reduce the risk or possibility of loss. If you intentionally take any risk that results in a loss being suffered, you may forfeit the right to make a claim under the policy.

Goods and Services Tax (GST)

All insured amounts shown in the policy are in Australian Dollars and include Goods and Services Tax (GST). When you claim under the policy with us, all amounts we pay will be inclusive of GST, up to the maximum claim amount shown in the policy.

If you are registered for GST purposes, we will reduce any claimed amounts paid to you by the appropriate input tax credit percentage that you have told us you are entitled to claim from the Australian Taxation Office.

Excesses

Every time you make a claim, unless we determine that the faultless excess applies (see page 16), you must pay all the applicable excesses which are set out in your Certificate of Insurance and which specifically relate to the circumstances of your claim. If required by us, you must pay all the applicable excesses before we provide you with any policy benefits.

Types of excesses which can be applied by us

The types of excesses applicable to the policy and the amount payable are shown on your Certificate of Insurance. Depending on your circumstances of the accident/event giving rise to a claim the following excesses may apply:

Basic excess

This is the amount you are required to pay for each claim under the policy. Your chosen basic excess will be stated on your Certificate of Insurance. The basic excess may be adjustable (see adjustable basic excess on page 16).

Adjustable basic excess

The adjustable basic excess is used by us to reward you for claims free driving.

The result of this is that your basic excess may be reduced for each claim-free year that you hold this insurance with us (unless we tell you otherwise). You will start on Claims Free Year 1 when you first purchase this insurance from us.

The following table provides you with an example on how the adjustable basic excess structure works when provided on each renewal.

Claims Free year	Adjusted Basic Excess
Year 1	\$600
Year 2	\$450
Year 3	\$300
Year 4	\$150
Year 5	\$0

If you make an at fault claim, your basic excess level will revert back by 2 years. In the above example, if your basic excess in Year 1 was \$600 and in Year 3 you had your first at fault accident you will be required to pay \$300. At the start of your fourth year your new basic excess would be listed as being \$600.

Inexperienced driver excess

\$1500 for males, \$900 for females

This excess applies in addition to all other excesses. This excess will apply if at the time of the event giving rise to the claim your car was driven by a person:

- who is under the age of 30; or
- of any age who has not held an Australian driving licence for more than 2 years.

Unlisted driver excess

\$1000

This excess applies in addition to all other applicable excesses. This excess will apply if your car is driven by a driver who was not listed on the Certificate of Insurance at the time of the event giving rise to the claim. This excess will apply regardless of who was at fault.

Single car accident excess

\$300

This excess applies in addition to all other applicable excesses. This excess will apply where no other vehicles are involved in the event giving rise to the claim.

Theft/Malicious damage excess

\$1000

This excess applies in addition to all other applicable excesses. This excess will apply in relation to any claim involving attempted theft or theft of your car or malicious damage to your car.

Undisclosed parking excess

\$1000

If you declared to us when applying for this insurance that the car will be parked in a garage or other secure parking space at your home, a higher excess will be applied by us if your car was damaged, lost or stolen whilst parked on the street outside your home.

New Policy excess

\$600

This excess applies in addition to all other applicable excesses. This excess will apply in relation to the insured events that occur or legal liability that is incurred within the first six months of original policy inception (i.e. excluding renewals).

Special excess

A special excess may be applied to your cover. Any such special excess may be based on the type of car insured and the driving records and insurance history of the drivers of your car. If we apply a special excess you will be advised in writing and the excess will be shown on your Certificate of Insurance and it will apply in addition to any other excess applicable to your claim.

WHAT WE EXPECT FROM YOU

When you buy insurance from us (including on renewal), you have certain responsibilities that you must comply with. We can refuse to pay a claim, reduce the amount we pay or cancel the policy (subject to the operation of the Insurance Contracts Act 1984(Cth) and relevant law), if you, or anyone covered by the policy:

- do not comply with your Duty of Disclosure or make a misrepresentation to us, and/or
- fail to meet your responsibilities under the policy.

If fraud is involved, we can treat the policy as if it had never existed.

This policy and its terms are subject to and can be affected by the operation of the Insurance Contracts Act 1984 (Cth) (as amended) (the Act) and you need to make sure you are aware of your rights under this Act.

By way of example only (other provisions of the Act can have an impact), if the effect of the policy (e.g. a term, condition, limitation or exclusion) is to allow us to refuse a claim either in whole or part, by reason of some act of the insured or of some other person, that occurred after the commencement of the period of insurance, our rights are subject to the operation of section 54 of the Act.

By way of summary (refer to the section for full details), section 54 provides that if the above act could reasonably be regarded as capable of causing or contributing to a loss in respect of which insurance cover is provided by the policy, we may refuse to pay the claim in accordance with the policy terms UNLESS:

- you prove that:
 - no part of the loss that gave rise to the claim was caused by the act, in which case we cannot refuse to pay the claim only by reason of the act.
 - some part of the loss that gave rise to the claim was not caused by the act, in which case we cannot refuse to pay the claim , so far as it concerns that part of the loss, by reason only of the act.
- the act was necessary to protect the safety of a person or to preserve property; or it was not reasonably possible for you or the other person not to do the act, in which case, we may not refuse to pay the claim by reason only of the act.

If the act could reasonably be regarded as capable of causing or contributing to the loss that gave rise to your claim we can only reduce our liability in respect of the claim by the amount that fairly represents the extent to which our interests were prejudiced as a result of that act.

In the section an “act” includes a reference to an omission; and an act or omission that has the effect of altering the state or condition of the subject-matter of the contract or of allowing the state or condition of that subject-matter to alter.

By way of example, we exclude cover under the policy where if your car is being used for an illegal purpose. If the use of the car for an illegal purpose could reasonably be regarded as wholly causing or contributing to the claimed loss, we may refuse to pay the claim unless one of the above exceptions applies e.g. the act was necessary to protect the safety of a person.

Your duty of disclosure

We rely on the information you provide us with, to decide whether to insure you and the terms on which we will insure you.

Your duty of disclosure when you enter into the policy with us for the first time

You will be asked various questions when you first apply for the policy and when you answer you need to:

- give us honest and complete answers;
- tell us everything that you know; and
- tell us everything that a reasonable person in the circumstances could be expected to tell us.

You will need to tell us if your answers change before policy inception.

Your duty of disclosure when you renew, vary, extend, reinstate or replace the policy

When you renew, vary, extend, reinstate or replace the policy, your duty is to tell us before the renewal, variation, extension, reinstatement or replacement is made, every matter which you know, or a reasonable person in the circumstances could be expected to know, that is relevant to our decision whether to insure you and whether any special conditions need to apply to the policy.

What you do not need to tell us?

You do not need to tell us about any matter that:

- diminishes our risk;
- is of common knowledge;
- we know or should know as an insurer; or
- we tell you we do not need to know.

What happens if you do not comply with your duty of disclosure?

If you do not comply with your duty of disclosure or make a misrepresentation to us we may cancel the policy and/or reduce the amount we pay if you make a claim. If fraud is involved, we may treat the policy as if it never existed, and pay nothing.

Who do the above obligations apply to?

The obligations apply to you and everyone that is an insured under the policy. If you provide information for another insured you represent to us you have authority from them to do so and it is as if they provided it to us.

Tell us about any changes that may affect your cover or premium

You need to tell us immediately if any details on your Certificate of Insurance are incorrect or have changed, including if:

- your car has been modified or has had accessories fitted that are not included standard as part of your car. We will only provide cover for these modifications or accessories when you have told us about them, we have agreed to cover them and they have been noted on your Certificate of Insurance;
- you change your address, contact details, the place where you keep your car, the drivers of your car or the way you use your car;
- anyone who is shown on the Certificate of Insurance has, over the past 5 years, had changes to their:
 - driving record including cancellation and/or suspension of their driver's license;
 - criminal history relating to fraud, theft, burglary, arson, criminal, malicious or wilful damage.

Changes that you advise us, may affect the premium you need to pay for the remainder of the period of insurance. If a lower premium applies you will be refunded less our reasonable charge for administrative and processing costs where applicable. In situations where an additional premium applies it must be paid by you immediately.

If the change results in you no longer meeting our underwriting criteria, we may decide not to insure your car, cancel your policy or decide not to offer renewal.

Tell us about any finance on your car

If you have borrowed money using your car as security, you must inform us so that we can record the financier's interest on your Certificate of Insurance. This includes circumstances where you lease, or have a hire purchase agreement on your car. During the period of insurance your financier's interests will be covered under the policy as noted on your Certificate of Insurance, however the same policy terms and conditions will also apply to them (where relevant).

Tell us if you replace your car

If you replace your car during the period of insurance, we may continue your cover on your new car, however you must notify us before such cover will take effect. When you tell us that you have replaced your car we may charge you an additional premium, add special terms and conditions or cancel the policy. We will not cover any pre-existing damage on your new car.

The premium you pay

When you buy this insurance we will tell you the premium you must pay and note it on your Certificate of Insurance.

The premium you pay is based on a number of factors, including (but not limited to):

- the type of car insured, its age and value;
- what your car will be used for;
- the drivers, their driving and claims experience;
- where your car will be parked; and
- your payment method.

You may reduce your premium by increasing your basic excess and taking advantage of our discount structure. You will also pay less if you pay your premium in one annual lump sum amount.

Your premium will also include amounts that take into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g Stamp Duty and GST) in relation to your insurance. In cases where we are required to pay an estimated amount (e.g fire services levy) we may over or under recover in any particular year but we will not adjust your premium because of this. You can ask us for more details if you wish.

Ensure your premiums are always paid

It is your responsibility to ensure your premiums are paid in full either annually or monthly. If we do not receive payment by the due date we may cancel the policy. We will not pay any claims if your premium remains unpaid for at least 14 days or more.

You must be authorised to make payments from the bank account or credit card details you provide to us. You must also ensure that your nominated bank account or credit card has sufficient funds when we collect payments. We will attempt to collect payment on the start date of your period of insurance. If the policy remains unpaid we will attempt to collect payment at regular intervals determined by us. Any fees that your bank may charge you including dishonour fees are your responsibility. We may also charge you an administration fee to cover our costs relating to your failure to pay.

Instalment payments

You may be eligible to pay your premium in regular monthly instalments by way of direct debit from your bank or credit card account. The total premium we charge is higher when you pay in instalments than when you pay one annual lump sum amount. The nominated bank or credit card account must be able to accept direct debits and you must be an authorised signatory on that account.

You must ensure that you have sufficient funds in the account to meet the debits. All bank charges and dishonour fees are your responsibility. You must notify us immediately if your nominated account or credit card is transferred, closed, payments stopped or if you cancel your direct debit payment plan, and supply us with alternative account details, no less than 7 business days prior to the date of your next debit. If you cancel the debit completely you will need to arrange for another way to pay us your premium to ensure that you remain covered. Please note that as an alternative, payments can only be accepted via either direct debit or another credit card.

If you don't pay a premium instalment by the due date then if:

- the unpaid premium remains in arrears for more than thirty (30) days we may cancel your policy without notification; and
- at least one instalment has remained unpaid for a period of at least fourteen (14) days then we will refuse to pay your claim/s.

If we cancel your policy due to non-payment of an instalment premium you need to be aware that:

- no benefits or entitlements can be paid under your policy,
- you will not receive any written confirmation that your policy has been cancelled,
- we may refuse to provide cover to you under any policy in the future, and
- any application for general insurance products in the future may be affected because you had a policy cancelled as a result of unpaid premiums.

We will keep all information regarding your nominated bank account or credit card private and confidential at all times. Please refer to our Privacy Policy located on our website (www.aiinsurance.com.au).

Other responsibilities for those covered by the policy

You or any other person who is covered under the policy must:

- follow all the conditions set out in the policy and Certificate of Insurance;
- take all reasonable precautions to prevent loss, damage or legal liability even after an insured event;
- keep your car, its tools, parts and accessories in good condition (e.g. serviced, free of rust etc);
- keep proof of ownership and value of insured property (e.g. receipts, invoices, bank statements, contracts of sale and photographs).

OTHER THINGS YOU CAN EXPECT FROM US

How we resolve your complaints

We welcome every opportunity to resolve any concerns you may have with the products or services provided by us or AI.

In the first instance you should contact one of our customer service officers. If you are not satisfied with the response received you can request that a manager address your concern. If your concern is still not resolved to your satisfaction please write to our Internal Dispute Resolution (IDR) Committee at: AI Insurance Holdings Pty Limited, PO Box 550, Kotara, NSW 2289 or you can call the IDR Committee at (02) 4032 6900.

Your concern will be investigated by an officer with full authority to deal with the complaint and we will inform you of the outcome within 15 days of receiving your letter.

In the unlikely event that your concerns are not resolved to your satisfaction by the Internal Dispute Resolution Committee, or your complaint has not been resolved within 45 days, you may contact the Financial Ombudsman Service (FOS) subject to its terms of reference.

FOS can be contacted on:

Call: 1300 78 08 08

Post: GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

Email address: info@fos.org.au

A decision of FOS is binding on AI and us (whichever is relevant) up to specified jurisdiction limits.

A decision of FOS is not binding on you and you have the right to seek further legal assistance. The FOS service is a service provided to you free of charge.

Compensation arrangements

Hollard is an insurance company authorised to carry on general insurance business in Australia. Hollard is supervised by the Australian Prudential Regulation Authority (APRA). Hollard is subject to the prudential requirements of the Insurance Act which are designed to ensure that, under all reasonable circumstances, financial promises made by Hollard are met within a stable, efficient and competitive financial system.

Because of this Hollard is exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act. Hollard has compensation arrangements in place that are in accordance with the Insurance Act.

The protection provided under the Federal Government's Financial Claims Scheme (the Scheme) applies to the policy. In the unlikely event that Hollard is unable to meet its obligations under the policy, persons entitled to make a claim under the insurance cover under the policy may be entitled to payment under the Scheme (access to the Scheme is subject to eligibility criteria). Information about the Scheme can be obtained from the APRA website at APRA.gov.au or the APRA hotline on 1300 55 88 49.

The Corporations Act 2001 (Cth) requires licensees such as AI to have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of Chapter 7 of the Act, unless an exemption applies. AI has compensation arrangements in place that meet these requirements.

General Insurance Code of Practice

Hollard is a member of the Insurance Council of Australia and also a signatory to the General Insurance Code of Practice. The objectives of the Code are to:

- promote better, more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer services.

You can obtain a copy of the Code from the Insurance Council of Australia website at www.insurancecouncil.com.au.

OTHER IMPORTANT INFORMATION

Cooling off period

We want you to be happy with the cover you have chosen, that is why we offer you a 14 day cooling off period.

If you decide that this insurance isn't for you, we allow you to cancel your policy within 14 days of the start or renewal date of your policy and receive a full refund of any premium paid (less any taxes or duties that we cannot recover), as long as you have not made a claim or otherwise exercised a right under the policy.

You must call us during this time for this to be effective otherwise you will not be entitled to a full refund of premium.

Even after this cooling off period ends you still have the right to cancel the policy (see "Cancelling the policy").

Cancelling the policy

You can cancel your policy at any time by calling us. We will explain the cancellation process to you. If you have paid an annual premium, we will refund any premium which you have paid, less an amount that covers the period for which you were insured. There is no refund if you have been paying by monthly instalments. We may charge you a cancellation fee specified in the Certificate of Insurance which reasonably represents the administrative costs we believe will be incurred by us in processing the cancellation.

We can cancel the policy where permitted by law. For example, if you do not comply with the policy terms and conditions, fail to pay your premium, make a fraudulent claim or if you did not comply with your Duty of Disclosure or misrepresented information when you entered into the policy.

Premium refunds

We do not refund via cheque. Any refund that may be payable because of policy amendments or cancellation will be made to your nominated bank or credit card account.

Renewing the policy

We will send a renewal notice to you at least 14 days before your insurance is due to expire telling you if we will renew and if so on what terms. Where we offer renewal, we will (unless we tell you otherwise) automatically renew your cover on the terms contained in the renewal offer. If you do not wish to renew the policy, please contact us immediately.

You may have to pay an additional premium if you make a claim in the period between the time we made our renewal offer and the expiry of the policy, or if you tell us about changes to the policy details and we advise you that these changes will increase your renewal premium.

Your cooling off period continues to apply on each renewal. Each renewal is a separate contract and not an extension of the prior contract.

How we protect your privacy

For the purpose of this clause, “**we**”, “**us**” and “**our**” means **AI** and **Hollard**.

We value your privacy. Our Privacy Policy sets out how:

- we protect your personal information;
- you may access your personal information;
- you may correct the personal information held by us;
- you may complain about a breach of the Privacy Principles or registered Privacy Code and how we will deal with such a complaint.

We:

- collect, store and use your personal information to provide you with, and inform you about, insurance and insurance-related services;
- may communicate your personal information to our reinsurers and service providers, such as motor assessors and repairers that assist us in managing your cover and our relationship with you. If we do not collect this information we may not be able to provide you with and inform you about insurance and related insurance services;
- may collect a person’s personal information from another person where it is not possible or practicable to collect the personal information directly from that person. If you provide information for another insured you represent to us you have authority from them to do so and it is as if they provided it to us;
- may from time to time disclose personal information to overseas recipients and where practically possible disclose details of such recipients, at your request.

This will always be done only as permitted by the relevant privacy legislation.

If you wish to stop receiving information about new insurance products and insurance-related services you can call us or email us at **privacy@aiinsurance.com.au**. Please note that telephone conversations may be recorded for evidentiary, contractual, training and quality control purposes.

AI's Privacy Policy is available at www.aiinsurance.com.au or by calling us and Hollard's Privacy Policy is available at www.hollard.com.au.

Law and Jurisdiction

The policy is subject to the laws and jurisdiction of the State or Territory in Australia where it was issued.

Updating our 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).

Remuneration

When you obtain the Comprehensive Car Insurance product you pay the premium to Hollard for the product. This amount is agreed with you before the product is purchased.

AI receives a portion of the underwriting profit (if any) for providing financial services in relation to the Comprehensive Car Insurance. This profit share will be calculated as a percentage of the difference between the total premiums received and the costs incurred in issuing the policies.

Where an insurance broker or affiliated association has referred you to us, AI will pay them a commission calculated as a percentage of the premium. AI's employees are paid an agreed salary and may also earn performance based bonuses or receive non-monetary benefits like paid attendances at business related conferences, study trips, functions or gift vouchers.

If you would like more information about the remuneration that AI, Hollard or any other person receive, please contact us. This request should be made within a reasonable time after this document is provided to you and before the financial services are provided to you.

DEFINITIONS

Certain words used in this document have a special meaning. This Definitions section contains such terms. In some cases, certain words may be given a special meaning when used in other documents making up the policy.

Headings are provided for reference only and do not form part of the policy for interpretation purposes.

Term	Means:
accessory	An extra item added to your car either by the manufacturer or after it was sold.
accident	An unforeseen, unintended or unexpected event which happens suddenly and arises from a single event.
agreed value	The amount we agree to insure your car for during the period of insurance as listed on your Certificate of Insurance.
business use	Means the car is either registered for business use or is used for income earning purposes as part of a full time, part time or casual business and/or employment.
car	The 4 wheeled, motorised car that is described on your Certificate of Insurance and includes the manufacturers standard options and accessories fitted to it and other modifications and accessories that you have told us about, we have agreed to cover and that are specified on your Certificate of Insurance.
Certificate of Insurance	The relevant Certificate of Insurance we give you. We give you a Certificate of Insurance when you first buy the policy or whenever any part of the policy is changed or when the policy is renewed.
declarations	The written or verbal information you have provided to us on which we have based our decision to insure you.
driver	The person driving, operating (or responsible for) your car.
endorsement	A special condition that applies to your policy.
excess	The amount of money you are required to pay or bear yourself when you make a claim under the policy. All applicable excess are listed in this document and/or are also shown on your Certificate of Insurance. In the event of a claim you may be required to pay more than one excess.

flood	<p>The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:</p> <ul style="list-style-type: none"> (a) a lake (whether or not it has been altered or modified); (b) a river (whether or not it has been altered or modified); (c) a creek (whether or not it has been altered or modified); (d) another natural watercourse (whether or not it has been altered or modified); (e) a reservoir; (f) a canal; (g) a dam.
insured event or event	An event for which you can make a claim under your policy.
market value	<p>The reasonable market-related value or our assessment of what the general market would pay for your car at the date of its loss or damage. This takes into account the make, model, km's and condition of your car at that time.</p> <p>The market value may be subject to a limit, which if applicable will be shown on your Certificate of Insurance.</p>
modification (s)	All alterations made to your car from the manufacturer's standard specifications which may impact your car's appearance, safety, performance or value. These may be either a manufacturer's option or any aftermarket alteration.
period of insurance	The period of time that you are covered under the policy (which is shown on your Certificate of Insurance) unless the policy otherwise ends sooner in accordance with the policy or relevant law. If the policy is cancelled, the period of insurance terminates when the cancellation becomes effective.
policy	Your contract of insurance with us comprising of this document, the Certificate of Insurance and any other document we tell you forms part of the terms and conditions of your cover, including any endorsements issued by us.

premium	The amount of money you pay for your insurance including government taxes such as GST, and stamp duty. This will be listed on your Certificate of Insurance. (if Applicable)
private use	Means social, domestic and pleasure purposes including travelling between home and place of work. It does not include business use.
total loss	Loss where your car has been stolen and not recovered within 21 days from the time you report its theft to us or we decide that it is uneconomical, impractical or unsafe to repair.
we, us, our	The Hollard Insurance Company Pty Ltd acting through its agent AI Insurance Holdings Pty Limited.
you, your, yourself, insured	The person(s) named on the Certificate of Insurance as the insured or an authorised representative acting on their behalf. If the policy is held in more than one name, any insured can make changes or cancel a policy on behalf of other insured's.

Should you require any additional information you may contact us:

AI Insurance Holdings Pty Limited

Call: 1300 00 33 03

Post: PO Box 550, Kotara NSW 2289

Website: www.aiinsurance.com.au

Email address: contactus@aiinsurance.com.au



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