

Motorcycle Insurance

Your guide to Premiums, Excesses,
Discounts and Claim Payments



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The Premiums, Excesses, Discounts and Claim Payments Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts for the policy. You should read this Guide together with our GIO Motorcycle Insurance Product Disclosure Statement (PDS) dated 24 May 2013.

This guide is relevant to you if your policy has a commencement date on or after 1 July 2014 or renewal effective date on or after 28 July 2014.

About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business and any discounts we give you, stamp duty, goods and services tax (GST) and fire services levy (FSL) if applicable in your state or territory.

When we calculate your premium, there are a range of factors we take into account including the level of cover you choose. The importance we place on the factors we use can change and how those factors combine to affect your premium will differ from person to person.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is also affected by other things including:

- ▶ the cost of claims we have paid to other customers and claims we expect to pay in the future;
- ▶ new and updated data we use to calculate your premium;
- ▶ changes in government taxes and any state or territory duties or levies;
- ▶ our expenses of doing business;
- ▶ other commercial factors.

When determining your renewal premium, we also consider how much your premium was last time. As such we may limit movements up or down.

Significant factors affecting your premium include a combination of some or all of the following:

Factor	Comprehensive cover	Fire, Theft and Third Party Property Damage cover	Third Party Property Damage cover
Amount covered	✓	✓	✗
Address where motorcycle is kept	✓	✓	✓
Modifications	✓	✗	✗
Age of listed rider(s)	✓	✓	✓
Listed rider(s) years licensed	✓	✗	✗
Type of motorcycle	✓	✓	✓
Whether the motorcycle is financed	✓	✓	✓
Year of manufacture	✓	✗	✗
Whether you have chosen a voluntary excess	✓	✓	✓
Where your bike is parked overnight	✓	✗	✗

Paying by the month

Your premium will be higher if you choose to pay by the month, rather than annually.

Premium discounts

Discounts are also a significant factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes and charges.

The main discounts we offer are:

- ▶ no claim bonus;
- ▶ multi-policy discount.

From time to time we might also offer discounts or some other special offers as part of a marketing campaign. If we do this, separate terms and conditions may apply and you might not be eligible for our usual discounts. The amount and type of discount offered can change or be withdrawn.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted premium. Minimum premiums may apply and any discount we give you will not reduce a premium below the minimum premium.

No claim bonus

A no claim bonus (NCB) is a discount that rewards you for your good claims history. This discount applies only to comprehensive motorcycle insurance. If you have an NCB, it is shown on your certificate of insurance.

Your NCB will increase or stay on the maximum on renewal if you do not make a claim. Your NCB will also increase or stay on the maximum on renewal if you make a claim and:

- ▶ we agree the accident was not your fault;
- ▶ you prove that another person was completely responsible; and
- ▶ you tell us the person's name and current address OR the registration number of their vehicle.

For all other claims your NCB level will be reduced.

The NCB levels are between 0% up to a maximum of 60%.

Multi-policy discount

A multi-policy discount rewards you with a discount for holding **3** or more eligible paid personal insurance policies with us. There must be a common mailing address and the person(s) seeking the discount must be nominated as an insured with the same name on each eligible policy. If you take out a new policy which means you qualify for the multi-policy discount, you are eligible to receive the discount on that new policy immediately and on your other existing policies from their next renewal date, provided you still qualify. If you believe you are eligible for the multi-policy discount but it is not shown on your certificate of insurance, please contact us. Eligible personal insurance policies are home, contents, car, motorcycle, caravan and boat. The NSW CTP Green Slip also counts as an eligible policy but the CTP Green Slip premium cannot be discounted.

Government taxes and charges

Motorcycle insurance policies are subject to stamp duty imposed by state and territory governments, GST and FSL if applicable.

Your excess

The different types of excesses are:

Standard excess

Depending on your motorcycle type, the standard excess will be either \$400 or \$600.

Voluntary excess

The range of voluntary excess we offer for all levels of cover is between \$500 and \$1,250.

Choosing a higher excess reduces your premium. If you choose a voluntary excess this will replace the standard excess.

Age excess

If the rider **is** listed on the certificate of insurance, the age excess is \$400. If the rider is **not** listed on the certificate of insurance, the age excess is \$800.

Inexperienced rider excess

The inexperienced rider excess is \$800.

Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. GIO always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate of insurance for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Notes about the claim payment examples:

- ▶ all amounts are shown in Australia dollars and are GST inclusive;
- ▶ all examples assume that you are not registered for GST.

Example 1 – Total loss

Your motorcycle is comprehensively insured for an amount covered of \$13,000. Your standard excess is \$400. Your motorcycle is damaged by hail and we assess the cost of repairs to your motorcycle will be \$11,300. The estimated salvage value of the motorcycle is \$4,200. As the combined repair costs and the salvage values exceed the amount covered, the motorcycle is determined to be a total loss.

How much we pay		Additional information
Amount covered	\$13,000	We decide your motorcycle is a total loss when it is uneconomical, impractical or unsafe to repair. We normally decide the motorcycle is a total loss if the cost of repairs together with the estimated salvage value exceeds the amount covered for your motorcycle.
Less excess	-\$400	As your motorcycle has been damaged by hail the standard excess applies. We deduct this from the amount we pay to you unless you have already paid the excess to us for this claim.
Less registration and compulsory third party (CTP) refund	-\$150	We deduct the unused registration and CTP insurance that you are entitled to claim from the NSW RTA. This same process does not apply in other states.
If your insurance was paid through monthly instalments of \$60 per month and there are four remaining monthly payments in the period of insurance when your motorcycle is damaged:		
Less outstanding premium	-\$240	The 4 x \$60 monthly repayments become due when we decide your motorcycle is a total loss. We normally deduct this from the amount we pay to you.
Total claim	\$12,210	We would normally pay this directly to you. If a credit provider has a financial interest in the motorcycle then we would normally pay your credit provider what they are owed first (up to the amount covered) and pay any balance to you.

Once we settle the claim, all cover on the motorcycle stops, and your policy is cancelled and there is no refund of unused premium. The salvage becomes our property and we are entitled to keep the proceeds of its sale. This does not affect the amount we pay you.

Example 2 – New motorcycle after a total loss

Your motorcycle is comprehensively insured for an amount covered of \$29,800. Your standard excess is \$400. Your motorcycle is damaged by fire and we decide your motorcycle is a total loss. Your motorcycle is less than 2 years old and you qualify for the 'New motorcycle after a total loss' additional feature (see page 12 in the PDS for full details). The cost to replace your motorcycle with a new one of the same make and model, including all on road costs, is \$31,300.

How much we pay		Additional information
Cost to replace your motorcycle including on road costs	\$31,300	We pay \$31,300 because your motorcycle is less than 2 years and you qualify for the 'New motorcycle after a total loss' additional feature (see page 12 in the PDS for full details). We pay this amount directly to the motorcycle dealership.
Less excess	-\$400	As your motorcycle has been damaged by fire the standard excess applies. You pay your excess directly to us.
Towing costs	+\$500	We arranged for your motorcycle to be towed to our closest assessment centre as the motorcycle was not able to be driven (see page 16 in the PDS for details on towing costs). The towing company has invoiced us. We will pay the towing company.
Total Claim	\$31,400	

Your policy will continue to its expiry date if we agree to insure you. The salvage becomes our property and we are entitled to keep the proceeds of its sale. This does not affect how much we pay.

Example 3 – Partial damage

You have comprehensively insured your motorcycle for an amount covered of \$12,000. Your standard excess is \$400.

Your motorcycle is damaged whilst parked by an unidentified person or driver; you report this to the police. We assess the repairs to your motorcycle will cost \$1,500.

How much we pay		Additional information
Damage to motorcycle	\$1,500	We normally decide a motorcycle is repairable if the total cost of repairs together with the estimated salvage value is less than the amount covered.
Less excess	-\$400	As your claim is a result of your motorcycle being damaged whilst parked by an unidentified person or driver, the standard excess applies. You pay the excess directly to us.
Total claim	\$1,100	We normally pay this directly to the repairer.

Example 4 – Legal liability

Your motorcycle is insured for Third Party Property Damage cover. Your voluntary excess is \$500. You are involved in an accident causing damage to another motorcycle. We determine that you are at fault and liable to pay the cost of repairs for the damage caused to the other motorcycle. The cost of repairs to the other motorcycle is \$15,000. As you have third party property damage cover, you are not insured for the damage to your motorcycle.

How much we pay		Additional information
Damage to the other motorcycle	\$15,000	We normally pay the cost of repairs directly to the third party claimant or their insurer.
Less excess	-\$500	As you are at fault the voluntary excess applies. You pay this amount directly to us before we pay the third party.
Total Claim	\$14,500	

Example 5 – Stolen motorcycle

Your motorcycle is covered for Fire, Theft and Third Party Property Damage cover. It is insured for an amount covered of \$6,000. Your standard excess is \$400. The motorcycle is stolen and you report this to the police. Your motorcycle is not found within 14 days of it being stolen, and we have accepted your claim.

How much we pay		Additional information
Amount covered	\$6,000	Your motorcycle is a total loss because it is stolen and unrecovered after 14 days, and we have accepted your claim.
Less excess	-\$400	As your motorcycle was stolen the standard excess applies. We deduct this from the amount we pay to you unless you have already paid the excess to us for this claim.
Less registration and compulsory third party (CTP) refund	-\$150	We deduct the unused registration and CTP insurance that you are entitled to claim from the NSW RTA. This same process does not apply in other states.
Claim so far	\$5,450	We would normally pay this directly to you. If a credit provider has a financial interest in the motorcycle then we would normally pay your credit provider what they are owed first (up to the amount covered) and pay any balance to you.
As your motorcycle was stolen and not recovered we have arranged for you to use a 'compact' category hire motorcycle for up to 14 days (see 'Hire car after theft' additional feature on page 14 in the PDS for full details).		
Plus hire car costs	+\$700	We settled your claim 14 days after you told us about your motorcycle being stolen. We pay the hire car company for 14 days car hire calculated at \$50 per day. The hire car company has invoiced us. We will pay the hire car company.
Total claim	\$6,150	

Once we settle the claim, all cover on the motorcycle stops, your policy is cancelled and there is no refund of the unused premium. Your motorcycle (if it is recovered) becomes our property and we are entitled to keep the proceeds of its sale.

