

**Secure™ Caravan Insurance Product Disclosure Statement
PREMIUMS, EXCESSES, DISCOUNTS & CLAIMS GUIDE**



The purpose of this Guide is to provide further details about the amount you pay for this insurance, the excesses and discounts that may apply and how we may pay claims.

This Guide forms part of the Secure™ Caravan Insurance Product Disclosure Statement (PDS) with a preparation date of 21st March, 2011. Words with special defined meanings are defined in accordance with the PDS, pages 54 to 56.

Vero Insurance Limited ABN 48 005 297 807 AFSL No. 230859 ('Vero') is the insurer and issuer of the policy, the PDS and this Guide. CIL Insurance ('CIL') is a division of Vero.

This guide applies from 28th April, 2011.

PREMIUMS – The amount you pay for this insurance

The amount we charge for this insurance policy is the premium consisting of the amount we calculate to cover the risk plus GST and any relevant government charges (such as stamp duty). The total premium will be shown on your schedule.

How various factors affect your premium

We consider a number of factors in calculating your premium and the amount you pay will depend on information that you give us about you and your caravan.

We calculate your premium by taking into account the following factors:

1. Pricing Your Risk
2. Discounts
3. Scope of Cover under the Policy
4. Government Charges

1. Pricing Your Risk

The significant factors that affect your premium and what impact they have on your premium are summarised in the table below:

FACTOR	REDUCES PREMIUM	INCREASES PREMIUM
Level of cover on caravan	On-Site location	Australia-Wide
Sum insured of caravan, annexe & contents	Lower value	Higher value
State	Lower risk state	Higher risk state
Type of use	Private use	Hire use
No Claim Bonus	Higher percentage	Lower percentage
Age of the youngest driver of towing vehicle	Lower risk age group	Higher risk age group

FACTORS AT RENEWAL

Each time you renew your policy, your premium is likely to change even if your personal circumstances have not changed. This is because premiums are also affected by other factors such as:

- ▼ the cost and frequency of claims we have paid to other customers;
- ▼ the cost and frequency of claims we expect to pay in the future;
- ▼ changes in government taxes or charges; and
- ▼ our expenses of doing business.

2. Discounts

No Claim Bonus Discount (Australia wide cover only, excludes On-site Caravan)

A No Claim Bonus (NCB) discount recognises good driving and claims history records.

For all new policies a full NCB entitlement of 30% will apply when quoting for caravans (however if your caravan is a total loss and you are insuring your new caravan with us as a new policy, we would apply the NCB penalty table below).

The NCB you have will impact the premium you are required to pay at new business and on renewal.
The higher your NCB percentage, the lower your premium. With a nil or low NCB your premium will increase.

On renewal, your NCB will be reduced for each penalty claim you have made during the period of insurance.

The amount we reduce your NCB to at renewal in the event you have had one or more penalty claims in the period of insurance is set out below:

Your current NCB	Your NCB following 1 penalty claim	Your NCB following more than 1 penalty claim
30%	20%	Nil
25%	15%	Nil *
20%	Nil	Nil *
15%	Nil *	Nil *
Nil	Nil *	Nil *

* If your current NCB is Nil, or if the current NCB is less than maximum and more than 1 penalty claim occurs in one period of insurance, we will add a surcharge to the premium payable from the next renewal.

If your NCB is below 30% and you do not make a penalty claim during the previous period of insurance we will automatically move you up to the next level of NCB on renewal of your policy.

3. Scope of Cover Under Policy

If you choose Australia-Wide cover or On-Site cover, you may apply for the following policy options. If we agree to include the option it will be shown on your schedule.

Policy Option	Effect on Premium
Hire use cover	If you choose to have the hire use cover option this will increase your premium, because we will cover you for loss or damage while your caravan has been hired out for reward.
Cover for transporting your caravan & contents by road, rail or sea	If you choose to have optional cover for transporting your caravan this will increase your premium, because you are extending your Australia-Wide cover to include loss or damage whilst being transported (not towed) by road, rail or sea; or you are extending your On-Site cover if moving to a new site.

4. Government Charges

After we have calculated the amount to cover the risk, GST and any relevant government charges (such as stamp duty) will be applied to the premium. These amounts are shown on your schedule.

EXCESS – An amount you may have to pay us at claim time

The amount and types of excesses that apply to your policy and which you will be required to pay to us when you make a claim will be shown on your schedule. The total excess payable for any one claim will be determined by adding all excesses which are applicable together (unless otherwise stated below).

This policy has eight types of excesses. The following table provides a summary of the excess amounts:

Type of Excess	Amount
Basic Excess	\$200
Transportation Excess	\$100
Hire Use Excess	\$500
Age Excess 16 – 20 year olds	\$500
Age Excess 21 – 24 year olds	\$300
Inexperienced Driver Excess	\$400
Off Road Excess	\$200
Underwriting Excess	\$500 - \$2000

1. Basic excess

A basic excess is an amount that is payable by you for each claim you make under your insurance policy. Your policy schedule will show you the actual amount(s) that apply to your policy.

2. Transportation excess

If the 'transporting your caravan' option is shown in your schedule, a transportation excess will apply in the event of a claim where your caravan is being transported by road (excluding where your caravan is being towed), rail or sea.

3. Hire use excess

If your caravan is hired out for the use of another party, the basic excess will be increased and the total will be shown in the schedule. For avoidance of doubt, the hire use excess is payable instead of the basic excess where it applies.

4. Age excess (drivers of towing vehicle aged 16 – 20 years old)

We apply an age excess if the person driving the vehicle at the time of the loss or damage, is aged 16 to 20 years old.

No age excess will apply if the claim is for:

- ▼ a broken windscreen or caravan window, or
- ▼ loss or damage caused by theft, attempted theft, malicious damage, damaged whilst parked, or
- ▼ damage caused directly by hail, flood, storm, and other natural disasters.

5. Age excess (drivers of towing vehicle aged 21 – 24 years old)

We apply an age excess if the person driving the vehicle at the time of the loss or damage, is aged 21 to 24 years old.

No age excess will apply if the claim is for:

- ▼ a broken windscreen or caravan window, or
- ▼ loss or damage caused by theft, attempted theft, malicious damage, damaged whilst parked, or
- ▼ damage caused directly by hail, flood, storm, and other natural disasters.

6. Inexperienced driver excess

We apply an inexperienced driver excess if the person driving the vehicle at the time of the loss or damage, is over 25 years old and has been licensed to drive for less than 2 years.

No inexperienced driver excess will apply if the claim is for:

- ▼ a broken windscreen or caravan window, or
- ▼ loss or damage caused by theft, attempted theft, malicious damage, damaged whilst parked, or
- ▼ damage caused directly by hail, flood, storm, and other natural disasters.

7. Off road excess

An off road excess is payable under the policy if your caravan is damaged whilst being driven on any beach or any dirt or unsealed road.

8. Underwriting excess

An underwriting excess may be imposed based on a driver's history or the overall claims experience - this will be shown in the schedule and is payable in addition to all other applicable excesses and is payable for every claim.

CLAIM PAYMENT EXAMPLES – How caravan insurance claims are paid

The following claim payment examples show how we pay six of the more common types of caravan insurance claims. They are only examples to be used as a general guide; we determine real claim payments on an individual basis, after we have assessed each claim. The examples do not cover all claims scenarios or all benefits and do not form part of your policy terms and conditions.

Index of claim payment examples:

1. A claim for your caravan that is a total loss
2. A claim for partial loss or damage to your caravan that can be repaired
3. A claim for partial loss or damage to your caravan that can be repaired (On-site only)
4. A caravan electrical motor burnout claim
5. A legal liability claim
6. A contents claim

1. A claim for your caravan that is a total loss

Your caravan is insured under Australian-Wide cover for an agreed value of \$35,000. The basic excess shown on your schedule is \$200. The caravan is damaged in a fire and we assess the caravan to be a total loss. The caravan leaves debris and we assess the cost of removal of the debris to be \$2,000.

How much we pay		Further information
Agreed Value	\$35,000	We determine your caravan is a total loss if it would cost more to repair than the value of your caravan, less the salvage value of the wreck. In this example we determine the costs of repair to be over \$35,000, so we decide it is a total loss.
Less excess	-\$200	Only a basic excess applies in this example. We deduct this from the amount we pay to you.
Less outstanding premium	-\$220	If you paid your insurance by pay by the month instalments, we will deduct the remaining instalments for the period of insurance. In this example, there are four \$55 per month instalments remaining when the total loss occurs.
Removal of debris	\$2,000	We will pay the reasonable costs incurred in the removal of debris, up to \$5,000 in total for any one event. In this example, removal of debris costs \$2,000. We would normally pay this directly to the debris remover.
Total claim	\$36,580	We would normally pay \$34,580 directly to you in a total loss situation. We would pay the \$2,000 directly to the debris remover.

If instead of owning your caravan outright, your caravan was purchased under a finance lease we will pay the total finance amount that you owe on your caravan to the financier up to the agreed value, and then pay you the balance of the agreed value, less the excess, that applies.

Your caravan salvage becomes our property and we are entitled to keep the proceeds of its sale (in this example valued at \$8,000) after we have paid you for the total loss. This does not affect the calculations above.

If the caravan in example 1 was less than 2 years old at the time of the fire, instead of paying the agreed value as per the claim above we can, if you want us to, replace the caravan with a new caravan including similar fixtures and fittings, tools and spare parts plus on road costs e.g. registration, compulsory third party, pre-delivery. We will require you to pay us any excess that applies.

2. A claim for partial loss or damage to your caravan that can be repaired

Your caravan is insured under Australia-Wide cover for an agreed value of \$48,000. The basic excess shown on your schedule is \$200 and the age excess (drivers 21-24) is \$300. While travelling around Australia, the caravan is damaged in an accident, when your son, the driver of your caravan, reversed into a tree. We assess the cost of repairs to the caravan to be \$18,500.

How much we pay		Further information
Damage to caravan	\$18,500	We normally decide a caravan is repairable if the cost of repairs is significantly less than the agreed value. We normally pay this amount directly to the repairers. A lifetime guarantee will apply as we authorised the repairs.
Removal & storage costs	\$500	We pay for the reasonable costs of removal & storage of your caravan, because in this example it cannot be towed. In this example the cost of removal and storage is \$500.
Returning your caravan	\$100	After repairs we pay the reasonable cost of travel to the repairer's premises to collect your caravan as the repairer's premises was over 100 kilometres away from your home. In this example the travel cost is \$100.
Less excess	-\$500	Your son was driving at the time of the accident and he is aged 22, so the age excess (21-24) applies in addition to the basic excess (\$200 + \$300 = \$500). We normally require you to pay this amount directly to the repairer.
Total claim	\$18,600	We normally pay \$18,000 directly to the repairer. We normally pay the \$500 removal and storage costs to the towing company. We would normally reimburse you the \$100 for travel costs.

3. A claim for partial loss or damage to your caravan that can be repaired (On-site only)

Your caravan which is your usual home is insured under on-site cover for an agreed value of \$20,000. The basic excess shown on your schedule is \$200. During a large storm the caravan suffers extensive damage to the roof. We assess the cost of repairs to be \$10,000. The repairs to your caravan take 14 days to be completed and we agree that you are not able to live in the caravan because of the damage.

How much we pay		Further information
Damage to caravan	\$10,000	We normally decide a caravan is repairable if the cost of repairs is significantly less than the agreed value. We normally pay this amount directly to the repairers. A lifetime guarantee will apply as we authorised the repairs.
Temporary accommodation	\$1,400	We will pay the cost of temporary accommodation, up to \$100 per day, and a total of \$2,000 for any claim. In this example we agree to pay \$100 per day for 14 days (\$100 x 14 = \$1,400).
Less excess	-\$200	Only a basic excess applies in this example. We normally require you to pay this amount directly to the repairer.
Total claim	\$11,200	We would normally pay \$9,800 directly to the repairer and \$1,400 for the temporary accommodation directly to the accommodation provider.

4. A caravan electrical motor burnout claim

The motor has suddenly stopped working in your built in refrigerator and the repairer's report confirms that the motor has burnt out. You also have food from the refrigerator which has spoiled and can no longer be eaten.

How much we pay		Further information
Cost of repairing the motor	\$300	We normally pay the cost of repairs directly to the repairer.
Damaged food	\$200	We cover you up to \$300 for food that is damaged by the same event and cannot be eaten. We normally pay this amount directly to you.
Less excess	-\$200	Only a basic excess applies in this example. We normally deduct the excess from the amount we pay you.
Total claim	\$300	We would normally pay \$200 directly to the repairer and \$100 to you for the damaged food.

5. A legal liability claim

Your caravan is insured for Australia-wide cover for an agreed value of \$35,000, which includes legal liability cover up to \$20,000,000. The basic excess is \$200. You go on holiday to a licensed caravan park, when you arrive, you park the caravan in its allocated spot, unhook it and then you take a drive in your motor vehicle to the local shops for supplies. Whilst you are away, your caravan begins to roll from its location and hits another caravan, causing considerable damage. The owner of the other caravan claims that you are legally liable for the accident. The damage to the other caravan is assessed by a court to be \$10,000. The legal costs to defend your legal liability are \$8,000.

How much we pay		Further information
Damage to the other caravan	\$10,000	We normally pay the cost of repairs directly to the third party claimant.
Less excess	-\$200	Only a basic excess applies in this example. We normally require you to pay this amount directly to us.
Plus our legal costs	\$8,000	The legal costs we incur in defending the third party's claim are \$8,000. We normally pay the solicitor directly.
Total claim	\$17,800	

6. A contents claim

Your caravan is insured for Australia-Wide cover for an agreed value of \$40,000, with additional contents cover of \$6,000. Your personal computer and fishing equipment are stolen from in the caravan. You purchased the computer last year for \$2,500 and the fishing equipment is worth a total of \$700.

How much we pay		Further information
Replacement of personal computer	\$2,500	We obtain a quote to replace the computer with an equivalent one for \$2,500. We authorise the quote and pay the cost of replacement direct to the supplier.
Replacement of fishing equipment	\$500	We normally pay the cost of replacement direct to the supplier. However, as the fishing equipment is worth more than the \$500 policy limit, we will only pay up to this amount and we will pay it directly to you.
Less excess	-\$200	Only a basic excess applies in this example. We normally deduct this amount from the amount we pay you.
Total claim	\$2,800	We would normally pay \$2,500 to the supplier for the personal computer and \$300 directly to you for the fishing equipment.