

Secure™ Motorhome 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™ Motorhome 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 53 to 55.

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 is effective if you purchased a new policy or if you renewed your existing policy on or after 29th of August 2011. It also applies to any changes that we have agreed to make to your existing policy on or after 29th of August 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 vehicle.

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
Sum insured of vehicle & contents	Lower value	Higher value
State	Lower risk state	Higher risk state
Optional Excess	Higher excess	Lower excess
Type of use	Private use	Hire use
No Claim Bonus	Higher percentage	Lower percentage
Protected No Claim Bonus	N/A	If benefit is selected
Age of the regular driver	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

The following discounts are available:

a) No Claim Bonus Discount

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

For all new policies a full NCB entitlement of 65% will apply when quoting for vehicles.

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, unless you have the Protected No Claim Bonus benefit shown on your schedule.

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
65% Protected	65%	45%
65%	45%	Nil
55%	25%	Nil *
45%	Nil	Nil *
25%	Nil *	Nil *
Nil	Nil *	Nil *

* If the 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.

On renewal we will automatically move you up to the next level of NCB if you do not make a penalty claim during the previous period of insurance.

b) Protected No Claim Bonus

If you have a maximum NCB of 65%, and the Protected No Claim Bonus benefit is shown as selected on your schedule, your NCB will not be affected by the first penalty claim in any one period of insurance.

Your NCB will be adjusted as if this protection did not apply if a penalty claim occurs and you have made a previous penalty claim for an event occurring within the same period of insurance.

If you have been claim free on a Protected No Claim Bonus for 3 consecutive years, lifetime protection will automatically apply at the next renewal date of your policy.

c) Lifetime No Claim Bonus Protection

You may be entitled to Lifetime No Claim Bonus protection if you are 25 years of age or over, have been insured with CIL for 3 consecutive years on a maximum NCB of 65% and have not incurred any penalty claims for the previous 3 years.

A Lifetime No Claim Bonus will mean that on renewal you will continue to receive the discount on your premium which is applicable to a 65% NCB.

If you are entitled to this benefit, your maximum no claim bonus is protected for the life of your policy and any subsequent renewals (even if you are at fault in the event of an accident).

We will automatically apply this protection to your policy once you become eligible.

3. Scope of Cover Under Policy

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 vehicle has been hired out for reward.
Protected No Claim Bonus Benefit	If you are entitled to a maximum no claim bonus, you may be eligible for the protected no claim bonus benefit, this will increase your premium.

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 (except for any optional excess which replaces the basic excess amount).

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

Type of Excess	Amount
Basic Excess	\$200
Inexperienced Driver Excess	\$200
Age Excess	\$950
Underwriting Excess	\$500 - \$2000
Off Road Excess	\$200
Optional Excess	\$500, \$1000
Hire Use Excess	\$400

1. Basic excess

We apply a basic excess to every claim unless we agree you do not have to pay this excess.

2. Inexperienced Driver Excess

We apply this 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 vehicle 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.

3. Age Excess (drivers under 25 years only)

An age excess applies if the driver at the time of the event giving rise to the claim is under 25 years of age.

No age excess will apply if the claim is for:

- ▼ a broken windscreen or vehicle 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.

4. 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.

5. Off Road Excess

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

6. Optional Excess

To reduce your premium, you may choose to have a higher basic excess. If you choose one of these optional excesses, this will replace any standard excess and will be shown in your schedule.

7. Hire Use Excess

If your policy has the hire use option, 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.

CLAIM PAYMENT EXAMPLES – How comprehensive insurance claims are paid

The following claim payment examples show how we pay six of the more common types of motorhome 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 vehicle that is a total loss
2. A claim for a stolen vehicle
3. A claim for partial loss or damage to your vehicle that can be repaired
4. A windscreen claim
5. A legal liability claim
6. A contents claim

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

Your vehicle is insured for an agreed value of \$50,000. The basic excess shown on your schedule is \$200. While on holidays more than 100 kilometres from your usual home, the vehicle is damaged in a fire & we assess the vehicle to be a total loss.

How much we pay		Further information
Agreed Value	\$50,000	We determine your vehicle is a total loss if it would cost more to repair than the value of your vehicle, less the salvage value of the wreck. In this example we determine the costs of repair to be over \$50,000, 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	-\$280	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 five \$56 per month instalments remaining when the total loss occurs.
Removal of debris	\$3,000	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 \$3,000. We would normally pay this directly to the debris remover.
Getting home	\$1,000	If you are more than 100 kilometres from your usual home we will pay the costs associated with getting you and the passengers who are travelling with you, to your usual home. We will pay up to \$3,000 for this benefit. In this example it costs \$1,000 to get you and your passengers to your home. We would usually reimburse you these costs
Transporting your contents	\$500	We will pay to transport your contents to your home after a total loss if you are unable to transport them yourself and you are more than 100 kilometres from your home. In this example, we assess the costs to be \$500. We would usually reimburse you these costs
Total claim	\$54,020	We would normally pay \$51,020 directly to you in a total loss situation. We would pay the \$3,000 directly to the debris remover.

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

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

If the vehicle 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 vehicle with a new vehicle including similar accessories, 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 a stolen vehicle

Your vehicle is insured for an agreed value of \$15,000. The basic excess shown on your schedule is \$200. While you are on holiday, more than 100 kilometres from your usual home, the vehicle is stolen but recovered 2 days later with minor damage.

How much we pay		Further information
Damage to vehicle	\$2,000	We normally decide a vehicle is repairable if the cost of repairs is significantly less than the agreed value. In this example we assess the cost of repairs to be \$2,000. We normally pay this amount directly to the repairers. A lifetime guarantee will apply as we authorised the repairs.
Less excess	-\$200	Only a basic excess applies in this example. We normally require you to pay this amount directly to the repairer.
Returning your vehicle	\$500	We will pay the reasonable costs of returning your vehicle to the place it is normally parked if it is stolen and recovered. In this example the cost to return your vehicle is \$500. We would normally pay this directly to the towing company.
Hire vehicle	\$1,000	We will pay you the cost to hire a similar vehicle to your vehicle, until the repairs to your vehicle have been completed, up to a limit of \$100 per day, and \$1,500 in total. In this example we agree to pay \$100 per day for 10 days (\$100 x 10 = \$1,000).
Total claim	\$3,300	We would normally reimburse you the \$1,000 for hiring the vehicle. We would then pay the \$1,800 directly to the repairer and the \$500 to the towing company.

3. A claim for partial loss or damage to your vehicle that can be repaired

Your vehicle is insured for an agreed value of \$80,000. The optional excess shown on your schedule is \$500, you have chosen this excess to reduce the premium. While on holidays more than 100 kilometres from your usual home, your vehicle and also the trailer it is towing, is damaged in an accident, when the driver of your vehicle reversed into a tree. We assess the cost of repairs to the vehicle to be \$20,000.

How much we pay		Further information
Damage to vehicle	\$20,000	We normally decide a vehicle 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.
Damage to trailer	\$500	We will pay for loss or damage to your trailer, up to the market value of the trailer. We assess the cost of the damage to your trailer to be \$500.
Removal & storage costs	\$600	We pay for the reasonable costs of removal & storing your vehicle, because in this example it cannot be towed. In this example the cost of removal and storage is \$600.
Less excess	-\$500	You have selected an optional excess of \$500 on this policy. Therefore the excess that applies for this claim is \$500. We normally require you to pay this amount directly to the repairer.
Temporary accommodation	\$300	We will pay the cost of temporary accommodation, up to \$100 per day, and a total of \$1,000 for any claim where you vehicle is not your usual home. In this example we agree to pay \$100 per day for 3 days (\$100 x 3 = \$300).
Total claim	\$20,900	We normally pay the repair costs for the vehicle and trailer directly to the repairer. We normally pay the \$600 removal and storage costs to the towing company. We would normally reimburse you the \$300 for temporary accommodation.

4. A windscreen claim

Your vehicle is insured for an agreed value \$35,000. Your windscreen has been damaged by a branch hitting the windscreen and needs to be replaced. It will cost \$350 to replace the windscreen.

How much we pay		Further information
Replacement windscreen	\$350	We would normally pay this directly to the windscreen company.
Less excess	\$0	No excess applies for the first windscreen and window glass claim within the insurance period.
Total claim	\$350	

5. A legal liability claim

Your vehicle is insured under a comprehensive cover, which includes legal liability cover up to \$20,000,000. Your vehicle is involved in an accident causing property damage to a petrol bowser, when leaving a petrol station. There is no damage to your vehicle. The insurer of the petrol station sues the driver of your vehicle who is found to be legally liable. The cost of repairs for the damage caused to the petrol bowser is \$20,000. The basic excess shown on your schedule is \$200. The legal costs to defend the third party legal liability claim are \$10,000.

How much we pay		Further information
Damage to the petrol bowser	\$20,000	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	\$10,000	The legal costs we incur in defending the third party's claim are \$10,000. We normally pay the solicitor directly.
Total claim	\$29,800	

6. Contents

Your vehicle is insured under comprehensive 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 vehicle. 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.