



SHARE THE PASSION

**MOTOR INSURANCE
ADDITIONAL INFORMATION
GUIDE**

INSURANCE FOR MOTORING ENTHUSIASTS

This Additional Information Guide (AIG) is designed to provide you with additional information about excesses, how we pay claims, calculate premiums and the discounts available under the policy. You should read this AIG together with our Shannons Motor Insurance Product Disclosure Statement (PDS) dated 3/12/2020.

Shannons Pty Limited ABN 91 099 692 636 is an authorised representative AR No. 239594 of AAI Limited ABN 48 005 297 807 AFSL 230859, the product issuer.

This AIG is relevant if your policy has a commencement date or renewal date on or after 10 February 2023.

Claims examples – how Shannons Motor Insurance claims are paid

The following examples are designed to illustrate how a claim payment is calculated and to assist you in understanding some of the important benefits of the policy. 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 and based on the terms and conditions of the policy. The examples do not cover all claims scenarios or all benefits and do not form part of your policy terms and conditions. The examples assume that the policy holder is not registered for GST.

You should read the PDS and your certificate for full details of what we cover as well as what policy limits, excesses, conditions and exclusions apply.

Example 1 – Total loss

Your motor vehicle is 5 years old and is comprehensively insured for an agreed value of \$40,000. The basic excess shown on your certificate is \$650 and you have not chosen a flexible excess. The motor vehicle is damaged in an accident that is the fault of the driver of your vehicle and we assess the cost of repairs to be \$50,000. The salvage value of the motor vehicle is \$8,000. The motor vehicle is a total loss because the cost of repairs is significantly more than the agreed value.

HOW MUCH WE PAY		FURTHER INFORMATION
Agreed value	\$40,000	Your motor vehicle is a total loss if it would be unsafe or uneconomical to repair; which it is in this case.
Less excess	-\$650	Only a basic excess applies in this example. We deduct your excess from the amount we pay you.
Total Claim	\$39,350	We pay this directly to you.

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

As you do not have the Salvage rights optional cover (see PDS page 36) your motor vehicle becomes our property and we are entitled to keep the proceeds of its sale (\$8,000) after we have paid you for the total loss. This does not affect the calculations above.

If you do not have the Salvage rights optional cover, and your motor vehicle is not stolen and we settle your claim as a total loss, we give you the option to purchase your unrepaired motor vehicle. If you choose to purchase your unrepaired motor vehicle we will obtain an estimate of the salvage value of your unrepaired motor vehicle and deduct this amount from your claim payment. In this example, if you purchase your unrepaired motor vehicle for \$8,000 we would deduct this from your claim payment and pay you your claim balance of \$31,350.

If you have the Salvage rights optional cover and this is shown on your certificate, you will have the right to keep your unrepaired motor vehicle at no cost to you. In this situation, we will not deduct any salvage amount. You keep your unrepaired motor vehicle and we pay you \$39,350.

If you are paying your insurance premium by instalments, we will deduct the remaining instalments that are due for the period of insurance from the total loss settlement.

For example, if there are 4 instalments left when the total loss occurs and you were paying \$55 per month, the amount deducted from your claim settlement would be \$220.

Example 2 – New vehicle after a total loss for vehicles less than 2 years old

Your motor vehicle is comprehensively insured for an agreed value of \$29,800. Your basic excess is \$650 and you have chosen a flexible excess of \$500. Your motor vehicle is damaged by fire and your motor vehicle is a total loss. Your motor vehicle is less than 2 years old and you qualify for the 'New vehicle after a total loss for vehicles less than 2 years old' additional cover (see page 22 of the PDS for full details). The cost to replace your motor vehicle with a new one of the same make, model and series, including all on road costs, is \$31,300.

HOW MUCH WE PAY		FURTHER INFORMATION
Cost to replace your motor vehicle including on road costs	\$31,300	We pay \$31,300 because your motor vehicle is less than 2 years old and you qualify for the 'New vehicle after a total loss for vehicles less than 2 years old' additional cover (see page 22 of the PDS for full details) and you decide you would like to use this feature. We pay the car dealership directly for the new motor vehicle.
Less basic excess	-\$650	As your motor vehicle has been damaged by fire the basic excess applies. You pay your excess directly to us.
Less flexible excess	-\$500	As you have chosen a flexible excess this applies in addition to your basic excess. You pay your excess directly to us.
Less unexpired registration and compulsory third party (CTP) insurance	-\$400	You can collect a refund from your state or territory roads authority. If instead we collect the refund from the relevant authority or insurer ourselves, this amount will not be deducted from your claim.
Plus Towing costs	+\$500	We arranged for your motor vehicle to be towed to our closest preferred repairer or another facility of our choice as the motor vehicle was not able to be driven (see page 20 of the PDS for details on towing costs). The towing company has invoiced us. We will pay the towing company.
Total Claim	\$30,250	

Example 3 – Partial loss or damage

Your vehicle is comprehensively insured for an agreed value of \$50,000. Your policy has a basic excess of \$650 and a theft excess of \$500. These are shown on your certificate. You have not chosen a flexible excess. The vehicle is stolen and recovered 5 days later. It has been damaged and we assess the cost of repairs to be \$10,000 and estimate it will take 14 days to repair the vehicle.

HOW MUCH WE PAY		FURTHER INFORMATION
Damage to vehicle	\$10,000	A vehicle is normally repairable if the cost of repairs is significantly less than the agreed value. We normally pay repair costs directly to the repairer.
Towing expenses	\$150	We would tow the vehicle to the repairer of your choice (if you choose to use your own repairer) or to a place of safety. We will pay the towing company directly.
Less excesses		As your vehicle has been stolen and is damaged the basic excess and the theft excess applies. You pay your excess directly to us.
Basic excess	-\$650	
Theft excess	-\$500	
Total claim	\$9,000	

Example 4 – Partial loss or damage – Motorcycle

Your motorcycle is comprehensively insured for an agreed value of \$20,000. Your motorcycle is involved in an accident and the rider of your motorcycle is at fault. The rider of the motorcycle is 23 years old and is not listed on your certificate. The motorcycle has been damaged and we assess the cost of repairs to be \$10,000. As a result of the accident, the rider falls off the motorcycle and damages their jacket worth \$1,500 and helmet worth \$750. Your policy has a basic excess of \$650 which is shown on your certificate. A young driver excess of \$1500 also applies to this claim.

HOW MUCH WE PAY		FURTHER INFORMATION
Damage to motorcycle	\$10,000	A motorcycle is normally repairable if the cost of repairs is significantly less than the agreed value. As your vehicle has been damaged the basic excess and the young driver excess applies. You pay your excess directly to us.
Less excesses		
Basic excess	-\$650	
Young driver excess	-\$1,500	
Plus riding apparel cover	+\$1,750	This feature covers you for up to \$1,000 for any individual item up to a total limit of \$3,000 for the rider's riding apparel. The jacket is worth \$1,500 so we pay the limit of \$1,000 plus \$750 for the helmet.
Total claim	\$9,600	We would normally pay repair costs directly to the repairer and the replacement costs for the damaged apparel would be paid directly to you.

Example 5 – Damage by uninsured drivers

Your motor vehicle is insured for third party legal liability only. It is involved in an accident with another vehicle. The driver of your motor vehicle was not at fault, and you can provide the name and address of the uninsured driver and the registration details of the other vehicle at fault. The total cost to repair the damage to your motor vehicle is \$3,890. The market value of your vehicle is \$4,200.

HOW MUCH WE PAY		FURTHER INFORMATION
Damage to motor vehicle	\$3,890	The limit of cover provided by the 'Damage by uninsured drivers' cover is the reasonable cost of repairs, but no more than \$5,000.
Less excess	-\$0	Your excess is waived because you have provided the name and address of the at fault driver and the registration number of the at fault vehicle. The driver of the other vehicle was at fault.
Claim so far	\$3,890	We normally pay the repairer directly for the repairs
As you provided the name and address of the at fault driver and the registration number of the at fault vehicle involved in the incident and the other driver is at fault, you qualify for the additional feature 'Hire car after a not at fault incident' (see page 24 of the PDS).		
Plus hire car costs	+\$268	You are entitled to a hire car that meets your transport needs for the time it takes to repair your motor vehicle and return it to you (\$67/day for 4 days). This hire car provider has invoiced us. We will pay them directly.
Total Claim	\$4,158	

Example 6 – Legal liability

Your vehicle is comprehensively insured for an agreed value of \$40,000. It is involved in an accident where another vehicle is damaged. The insurer of the other vehicle sues the driver of your vehicle who is found by a court to be legally liable for the damage caused to the other vehicle. The court determines that the cost of repairs for the damage caused to the other vehicle is \$20,000. The basic excess shown on your certificate is \$650. You have not chosen a flexible excess. The legal costs to defend the third party legal liability claim are \$7,000.

HOW MUCH WE PAY		FURTHER INFORMATION
Damage to other vehicle	\$20,000	We normally pay the cost of repairs directly to the third party claimant.
Less excess	-\$650	Only a basic excess applies in this example. You pay your excess directly to us.
Plus our legal costs	+\$7,000	The legal costs we incur in defending the claim are \$7,000. We normally pay the solicitor directly for these costs.
Total claim	\$26,350	

Example 7 – Not at fault incident

Your motor vehicle is insured for the agreed value of \$25,600. Your basic excess is \$650 and you have not chosen a flexible excess. Your vehicle is hit in the rear whilst stopped at a red traffic light and you obtain the name and address of the at fault driver and the registration number of the at fault vehicle. The other driver was at fault. You are eligible for 'Hire car after a not a fault incident' additional cover (see page 24 of the PDS).

HOW MUCH WE PAY		FURTHER INFORMATION
Damage to motor vehicle	\$7,500	Your motor vehicle is repairable.
Less excess	-\$0	Your excess is waived because you have provided the name and address of the at fault driver and the registration number of the at fault vehicle. The driver of the other vehicle was at fault.
Claim so far	\$7,500	We normally pay the repairer directly for the repairs.
As you provided the name and address of the at fault driver and the registration number of the at fault vehicle involved in the incident and the other driver is at fault, you qualify for the additional feature 'Hire car after a not at fault incident' (see page 24 of the PDS).		
Plus hire car costs	+\$600	You are entitled to a hire car that meets your transport needs for the time it takes to repair your motor vehicle and return it to you (\$75/day for eight days). The hire car provider has invoiced us. We will pay them directly.
Total claim	\$8,100	

Example 8 – Windscreen and window glass cover

Your motor vehicle is insured with the additional cover 'One excess free windscreen and window glass claim'. Your windscreen has been damaged by a stone from loose gravel whilst you were driving and needs to be replaced. It will cost \$800 to replace the windscreen.

HOW MUCH WE PAY		FURTHER INFORMATION
Replacement windscreen	\$800	The windscreen company has invoiced us. We will pay the windscreen company.
Less excess	-\$0	As this claim is your first windscreen claim in the period of insurance, no excess applies.
Total claim	\$800	

Excess – an amount you may have to pay us at claim time

An excess is the amount you pay towards the cost of your claim for each incident covered under your policy. You might have to pay more than one type of excess when you claim.

The total excess you are required to pay is determined by the circumstances of your claim. The excesses that apply to your policy are stated on your certificate.

Basic excess

The basic excess is determined at the time your policy is issued and is reviewed at each renewal. When we apply a basic excess to your policy, it is calculated based on the factors shown in the below table. Your basic excess amount is shown on your certificate and applies to all claims under this policy unless we tell you otherwise.

The table below summarises the factors that may affect your basic excess.

BASIC EXCESS FACTOR
How the vehicle is used
Vehicle make and model
Modifications level
Agreed value of the vehicle
Year of manufacture
The address where the vehicle is usually kept
Your claims history

Flexible excess

If you have comprehensive cover and your frequency of vehicle use is regular use, you can choose a flexible excess from the options we offer (between \$100 and \$1,000). This excess is payable in addition to any other excess that applies. Choosing a flexible excess reduces your premium. A flexible excess is not available on motorcycle cover.

Theft excess

The theft excess will be applied to all theft and attempted theft claims. This excess is payable in addition to any other excess that applies. The amount of the theft excess is calculated based on the factors shown in the below table. The theft excess applicable to your policy will be shown on your certificate.

THEFT EXCESS FACTOR
How the vehicle is used
Vehicle make and model
Modifications level
Agreed value of the vehicle
Year of manufacture
The location where the vehicle is usually kept
Your claims history for theft or attempted theft

Young driver excess

If the driver under the age of 25 is listed, the young driver excess payable is \$400.

If the driver under the age of 25 is not listed, the young driver excess payable is \$1,500.

The young driver excess will not apply to:

- hail, flood, storm, bushfire damage or other natural disasters;
- windscreen or glass only claims;
- vehicles aged 35 years or more;
- loss or damage if your vehicle is being used by a driver in an extreme medical emergency;
- learner drivers who are accompanied by a fully licensed driver 25 years of age or older;
- claims for loss or damage caused by an employee of a hotel, restaurant, service station or licensed garage using your vehicle for the purpose of parking, upkeep or repair.

Racing excess

This excess will be applied to all claims made under the optional racing cover (where you have selected this option). The amount of the racing excess is \$500. This excess is payable in addition to any other excess that applies.

What excess will apply

WHEN YOU MAKE A CLAIM FOR:	BASIC EXCESS	OTHER EXCESSES (IF APPLICABLE)
Theft or attempted theft of your vehicle	Yes	Theft excess
Storm, hail, flood or fire damage	Yes	None
Malicious act or vandalism	Yes	None
Damage to your vehicle whilst parked caused by an unidentified person or driver	Yes	None
Collision with or by an animal	Yes	If applicable: Young driver excess
Windscreen or window glass damage only*	No*	None
An accident where the driver of your vehicle caused or contributed to the damage	Yes	If applicable: Young driver excess
An incident where the driver of your vehicle was not at fault and you can give us the name and address of the at fault driver and the registration number of the at fault vehicle	No	None
An incident where the driver of your vehicle was not at fault but you cannot give us the name and address of the at fault driver and the registration number of the at fault vehicle	Yes	If applicable: Young driver excess
Loss or damage to you motor vehicle or motorcycle whilst participating in, preparing for or practicing for a motor sport event as defined under the optional racing cover (where you have selected this option) and this is an incident where the driver of your vehicle was not at fault but you cannot give us the name and address of the at fault driver and the registration number (if applicable) of the at fault vehicle	Yes	Racing excess and if applicable: Young driver excess
Loss or damage to you motor vehicle or motorcycle whilst participating in, preparing for, practicing for a motor sport event as defined under the optional racing cover (where you have selected this option) and this is an incident where the driver of your vehicle was not at fault and you can give us the name and address of the at fault driver and the registration number of the at fault vehicle	No	Racing excess

**If only your windscreen or window glass (including a sunroof) is damaged we will cover the cost to repair or replace it without you having to pay an excess for the first claim in the period of insurance. If the claim is only for a chipped windscreen or window glass that has not cracked and can safely be repaired, you won't have to pay an excess or lose your one excess-free claim for windscreen or window glass.*

About your premium

The amount you pay for this insurance is called the premium. Your premium includes any applicable GST, stamp duty, other government charges and any levies that apply. The premium will be shown on your certificate as the 'Total Amount Payable' or, if you pay by instalments, as the 'Instalment amount'.

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 your premium is affected by other things including:

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

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

In addition to the type of cover you have chosen, significant factors affecting your premium include a combination of some or all of the following:

FACTOR	COMPREHENSIVE COVER	THIRD PARTY LEGAL LIABILITY
Agreed value of the vehicle	✓	✗
Address where vehicle is kept	✓	✓
Type of vehicle	✓	✓
Age of vehicle	✓	✓
Vehicle characteristics and modifications	✓	✓
How frequently the vehicle is used	✓	✗
Age of the listed drivers	✓	✓
Whether the vehicle is financed	✓	✗
Usage of vehicle	✓	✓
The policy options you have chosen	✓	✓
Whether you choose a flexible excess	✓	✗

Premium discounts

Discounts are also a 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, charges and levies.

Occasionally special discounts or promotions are offered in our marketing campaigns. If we do this, separate terms and conditions may apply.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted premium. The amount and type of discounts offered can change or be withdrawn.

The optional Shannons Roadside Assist portion of the premium is not discounted.

No claim discount

A No Claim Discount (NCD) is a discount that rewards you for your good claims history for comprehensively insured vehicles. A separate NCD applies to each vehicle on your comprehensive insurance policy. The discount does not apply to the optional Shannons Roadside Assist.

Your NCD for a vehicle will be shown on your certificate and will affect the premium you pay at commencement and on renewal of your comprehensive insurance policy. If you make a claim under your policy and that claim affects your NCD, only the NCD for the vehicle being claimed on will be affected.

The NCD levels start at 0% and increase to 65%. If you start on the lowest rating, you would reach the maximum NCD after four consecutive periods of insurance with no claims that impact your NCD. After you have remained on a NCD of 65% for 3 consecutive years it will become protected.

Your NCD will increase or stay on the maximum on renewal if you do not make a claim during the preceding period of insurance.

If your NCD is not protected and you make a claim, your NCD will reduce unless:

- another person was entirely at fault for the loss or damage; and
- you tell us the at fault driver's name, address and the registration number of their vehicle.

For all other claims (such as for storm damage) your level will be reduced. Your NCD will also not be affected by your first claim for windscreen or window glass only damage, in any one period of insurance.

If your NCD for a vehicle is protected, your NCD will not be reduced for any claim you have made during the period of insurance.

The following table shows different claim scenarios where your NCD will or will not be impacted by a claim, if your NCD is not protected.

WHEN YOU MAKE A CLAIM FOR	DOES THIS IMPACT A NCD THAT IS NOT PROTECTED?
Theft or attempted theft of your vehicle	Yes
Storm, hail, flood or fire damage	Yes
Malicious act or vandalism	Yes
Damage to your vehicle whilst parked caused by an unidentified person or driver	Yes
Collision with or by an animal	Yes
An incident where you or the driver of your vehicle caused or contributed to the incident.	Yes
An incident where another driver was entirely at-fault and you give us the at fault driver's name, address and vehicle registration number.	No
An incident where another driver was entirely at-fault but cannot give us the at-fault driver's name, address and vehicle registration number.	Yes

Multi vehicle discount

If you insure more than one vehicle on your policy, you might be eligible for a multi vehicle discount.

Government taxes and charges

After we have calculated the amount to cover your vehicle insurance policy any applicable stamp duty, charge and levy and GST is then added and the final amount is the premium.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

You can find more information about the FCS from APRA at www.fcs.gov.au