



Motorcycle Insurance

Product Disclosure Statement
and Policy Document



Preparation Date: 04/10/2012.

Table of contents

	page
Our Product Disclosure Statement	
About the available covers	5
Understanding your policy and its important terms and conditions	6
Cooling off period and cancellation rights	8
Updating the PDS	8
Introduction	
What the policy consists of	9
Our agreement with you	10
Words with special meanings	10
If you have comprehensive cover	
Cover for accidental loss or damage to your motorcycle	13
Replacement of a new motorcycle after a total loss	13
Cover for damage to other people's property (legal liability)	14
Other benefits we will pay	
Substitute vehicle	16
Rental car following theft	16
Legal costs	17
Towing	17
Motorcycle being transported by ship	17
Trailer cover	17
Emergency repairs	18

	page
Transportation costs	18
Emergency accommodation costs	18
Re-keying and re-coding	19
Policy options	
Rental or loan car following an accident	19
Riding gear cover	20
Removal of basic excess for headlight glass claims	21
Named rider	21
Restricted rider	22
Protected no claim bonus	22
How you earn a no claim bonus	23
If you have third party property damage cover only	
Cover for damage to other people's property (legal liability)	24
Other benefits we will pay	25
Substitute vehicle	25
Legal costs	26
Uninsured motorists extension	26
When we will not pay your claim	27
Conditions of cover	
Changes to your insurance details – what you must tell us	34
If you replace your motorcycle	35
Cancellation rights under your policy	35

	page
Keeping evidence of the value of the insured property	36
Premium payment by direct debit	37
Prevention of loss or damage	37
GST notice	37
Making a claim	
What you must do	39
Do not admit liability	39
Prevent further damage	39
Contact the police	39
Contact us as soon as possible	40
What happens after you make a claim	40
Excess	40
No claim bonus	43
Deciding who is at fault	44
Authorising repairs	44
Spare parts, extras and accessories	44
Assist us with your claim	45
Our rights of recovery	45
Salvage of your motorcycle when it is a total loss	45
Payment of unpaid premium when your motorcycle is a total loss	45
No return of premium after a total loss	46
GST	46

	page
Other information	
Renewal procedure	47
Your Duty of Disclosure	47
Privacy Act 1988 – Information	49
General Insurance Code of Practice – providing you with even better service	50
Dispute resolution process – helping you solve any problems	50
If this insurance has been issued through an insurance intermediary	50
Financial Claims Scheme	51
Phoning for assistance	51

Our Product Disclosure Statement

This policy document is also a Product Disclosure Statement (PDS). A PDS is a document required by the Corporations Act and contains information designed to help you decide whether to buy the policy.

About the available covers

You can choose one of these two available covers:

- Comprehensive cover; and
- Third party property damage cover only.

A summary of cover is provided below (refer to policy for full terms, conditions, exclusions and limits):

Comprehensive cover – provides cover for:

- Accidental loss or damage to your motorcycle up to an agreed value (i.e. a set amount we agree with you) or market value (i.e. the cost to replace your motorcycle with a motorcycle of the same make, model, age and condition as your motorcycle immediately prior to the loss or damage).
- Your legal liability up to \$20 million for each event (including certain legal defence costs), for:
 - damage to other people's property caused by a motor cycle accident which is your fault.
- A number of other additional benefits.
- Certain optional covers (where agreed) such as rental or loan car following an accident, removal of basic excess for headlight glass claims, riding gear coverage, protected no claim bonus, restricted rider and nominated rider cover.

Note that the restricted rider option provides a discounted premium, but limits the riders who are covered under the policy.

Third party property damage cover only – provides cover for:

- Legal liability – same as for comprehensive cover, including the additional benefit of legal liability cover for loss or damage to someone else's property while using a substitute vehicle.
- Loss or damage to your motorcycle arising from an accident caused by the driver of an uninsured vehicle, up to the maximum limit specified.

Understanding your policy and its important terms and conditions

To properly understand this policy's significant features, benefits and risks you need to carefully read:

- about each of the available types of cover and benefits in the relevant sections, including any endorsements (remember certain words have special meanings – see the "Introduction" section);
- "When we will not pay your claim" section (this restricts the cover and benefits);
- "Conditions of cover" and "Making a claim" sections (these set out certain obligations that you and we have. If you do not meet them we may be able to refuse to pay a claim); and
- "Other information" section (this contains important information on your duty of disclosure, our privacy policy and our dispute resolution process).

When you apply for the policy by completing our application we agree with you on things such as: the period of insurance; your premium; what property you want to cover; the limits you want for certain covers

(if optional); excesses that will apply to you or others and whether any standard terms need to be varied (this may be by way of an endorsement). These details are recorded in the schedule we issue to you.

The base premium we charge varies according to your risk profile (e.g. where you live, the type of property being insured, amount of cover required, other persons insured and relevant claims history etc.). In some cases discounts may apply if you meet certain criteria we set. You will also have to pay any compulsory government charges (e.g. Stamp Duty and GST) and Fire Services Levy (where applicable) plus any additional charges we tell you of. We tell you the total amount payable when you apply and if you effect cover, the amounts due will be confirmed in your schedule.

If you pay your premium by instalments refer to the “Conditions of cover” section for important details on your and our rights and obligations. Note that an instalment premium outstanding for 14 days may result in our refusal to pay a claim.

This policy sets out the cover we are able to provide you with. You need to decide if the limits, type and level of cover are appropriate for you and will cover your potential loss. If they are not, you may be underinsured and have to bear part of any loss you are not covered for yourself. To avoid this, people seek to set the sum insured for the relevant property being insured at its estimated replacement value.

You should also read the GST notice to understand how GST is applied to a claim.

If you have any queries, want further information about the policy or want to confirm a transaction, please use the contact details on the back cover.

Cooling off period and cancellation rights

You have a cooling off period of fourteen (14) days from the date you purchased your policy. During this period you may cancel your policy and receive a refund of your premium unless:

- a. you have made a claim; or
- b. the period of insurance has ended.

We may deduct from your refund amount any reasonable administrative and transaction costs incurred by us that are reasonably related to you buying and cancelling your policy and any government taxes or duties we cannot recover.

After the cooling off period has ended, you still have cancellation rights (refer to “Conditions of cover” “Cancellation rights under your policy” on page 35, for full details).

Updating the PDS

Information in the PDS may need to be updated from time to time. You can obtain a paper copy of any updated information without charge by calling us on the contact details provided on the back cover of this policy document. If the update is to correct a misleading or deceptive statement or an omission, that is materially adverse from the point of view of a reasonable person deciding whether to acquire this policy, we will provide you with a new PDS or a supplementary PDS.

Introduction

Welcome and thank you for choosing Allianz, one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a range of highly featured products and services to our customers. As members of the worldwide Allianz Group, we are committed to the continuous improvement of our products and services and strive to achieve this through knowledge transfer within the Allianz Group; dedicated technical research units; sharing globally new product developments and a wide range of risk management services. We also aspire to Insurance Industry best practice procedures in all aspects of our business, so you can relax knowing the power is on your side.

What the policy consists of

Your policy consists of:

- this printed Allianz Motorcycle insurance policy document which sets out details of your cover and its limitations, and
- a schedule, approved by us, which sets out who is insured, the cover(s) selected, the period of insurance, the limits of liability, excesses and other important information. This is referred to as the current schedule in the policy document.

You should carefully read and retain your insurance policy document and current schedule. These documents should be read together as they jointly form the contract of insurance between you and us. Any new or replacement schedule we may send you, detailing changes to your insurance or the period of insurance, will become the current schedule, which you should carefully read and retain.

Our agreement with you

We will insure you for accidental loss, damage or liability which happens within Australia arising out of the events set out in your policy during the period of insurance.

This cover will be given on the basis:

- that you have paid or agreed to pay us the premium for the cover you have selected when you applied for cover and which the current schedule indicates is in force,
- of the verbal and/or written information provided by you which you gave after having been advised of your duty of disclosure either verbally or in writing. If you failed to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim or we may cancel your policy. If you have told us something which is fraudulent, we also have the option of avoiding your policy from the effective date stated in the current schedule.

For your assistance we have provided a full explanation of your duty of disclosure and the consequences of non-disclosure, under the heading “Your Duty of Disclosure”, on page 47.

Words with special meanings

Some of the words in your policy have special meanings wherever they appear. These words and their meanings are defined below.

“**accessories**” means any extra item fitted to your motorcycle that was not originally fitted to your motorcycle at the time of manufacture, whether it was done by the manufacturer or not.

“**agreed value**” means the amount which we agree to insure your motorcycle for as shown in your current schedule.

“declined rider” means a rider, noted in the current schedule as a declined rider/driver who is not insured under this policy.

“excess” means the amount shown in the current schedule which you must pay when you make a claim under your policy.

“market value” means the cost to replace your motorcycle with a motorcycle of the same make, model, age and condition as your motorcycle immediately prior to the loss or damage excluding costs and charges for motorcycle registration, compulsory third party insurance, stamp duty transfer, dealer warranty costs or transfer fees.

“modification” is an alteration to your motorcycle’s standard body and frame, engine, suspension, wheels, exhaust, transmission, instruments or paintwork which may affect its value, safety, performance or appearance.

“motorcycle usage” means the use of your motorcycle, which you have told us about. This is shown on your current schedule. Motorcycle usage may be either:

- **“business”** which means any motorcycle which:
 - is registered as a business vehicle, or
 - is used for income earning purposes.business use exclusions apply. Please see details in “When we will not pay your claim” on pages 27 to 33.
- **“private”** which means any type of use other than business use.

“nominated rider” means a rider, noted in the current schedule as a nominated rider, you have advised us will ride your motorcycle.

“period of insurance” means the period of time commencing on the effective date stated in the current schedule and ending on the expiry date stated in the current schedule.

“**riding gear**” means helmets, leathers, riding jacket, boots and gloves, designed as protective motorcycle apparel for riding your motorcycle.

“**schedule**” means the current schedule we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your policy and again when your policy is changed or renewed.

“**standard equipment**” means the equipment originally fitted to your motorcycle at the time of manufacture. It does not include any accessories or modifications.

“**substitute vehicle**” means a vehicle which has been hired or borrowed because your motorcycle is being repaired, serviced or is not able to be ridden because of a mechanical breakdown.

“**total loss**” means that we consider it is uneconomical or unsafe to repair your motorcycle having regard to its:

- market value or agreed value;
- assessed cost of repairs;
- assessed salvage; or
- your motorcycle has been stolen and not recovered.

“**trailer**” means the registered trailer constructed specifically for a motorcycle by a commercial manufacturer.

“**we**”, “**our**” or “**us**” means Allianz Australia Insurance Limited AFS Licence No. 234708 ABN 15 000 122 850 of 2 Market Street, Sydney, NSW, 2000.

“**you**” or “**your**” means the person(s) named in the current schedule as the insured.

“**your motorcycle**” means the registered motorcycle or scooter (including its standard equipment) shown on your current schedule including any accessory or modification that you have told us about, that we have agreed to cover, and which is shown on your current schedule.

If you have comprehensive cover

Cover for accidental loss or damage to your motorcycle

We will cover you for accidental loss (including theft) or damage to your motorcycle.

At our option we will:

- a) repair your motorcycle; or
- b) pay you the reasonable cost of repairing your motorcycle; or
- c) pay you the market value of your motorcycle when the current schedule shows that your motorcycle is insured for market value; or
- d) pay you the agreed value of your motorcycle when the current schedule shows that your motorcycle is insured for an agreed value.

The current schedule will show if your motorcycle is insured for market value or agreed value.

Further we will adjust your claims payment in accordance with the GST provision shown under “Conditions of Cover”, “GST notice” on page 37.

Replacement of a new motorcycle after a total loss

If your motorcycle was purchased new by you and becomes a total loss within two years of the starting date of the original registration, we will replace your motorcycle with a new motorcycle of the same make, model and series. If a replacement motorcycle is not currently available, we will pay you either the market value or agreed value of your motorcycle, whichever is shown in your current schedule. If we replace your

motorcycle, this policy will continue to cover your new replacement motorcycle until the end of the period of insurance. We will not require you to pay any additional premium for this cover.

We will also pay for the on-road costs (including 12 months registration and compulsory third party insurance) of the new motorcycle if you pay us any refund amount obtained from your registration and compulsory third party insurance.

If your motorcycle is subject to a finance agreement, we will require the financier's written consent before we can replace your motorcycle.

Cover for damage to other people's property (legal liability)

We will cover your legal liability to pay compensation for loss or damage to someone else's property caused by a motorcycle accident which is partly or fully your fault, up to the Maximum Amount Payable.

This cover will apply if your legal liability for loss or damage to someone else's property arises out of the use of:

- a. your motorcycle; and/or
- b. a motorcycle trailer towed by your motorcycle.

We will also cover the legal liability for loss or damage to someone else's property of:

- c. any person who is riding, using or in charge of your motorcycle with your permission;
- d. a passenger travelling on your motorcycle or who is getting on or off your motorcycle;
- e. your employer, principal or partner arising from your use of your motorcycle.

We will not cover legal liability:

- a. when the loss or damage occurs to your own property, your spouse's or de facto's property or to property which is in your possession, custody or control; or
- b. when the loss or damage occurs to property which belongs to or is in the possession, custody or control of:
 - someone riding, using or in charge of your motorcycle with your permission, or
 - a passenger travelling on your motorcycle or who is getting off or on your motorcycle, or
 - your employer, principal or partner; or
- c. which is insurable under any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund covering such legal liability.

No cover for legal liability after a total loss

On the date we confirm that we will pay your claim for the total loss of your motorcycle, all policy cover for that motorcycle will cease.

Maximum amount payable

The maximum amount we will pay in total for all claims under this policy for damage to other people's property arising from a single event or series of related events is \$20,000,000.

Other benefits we will pay

Unless we have stated differently under one of the additional benefits listed below, any payment we may make under this section will be paid in addition to any amount payable for the damage to your motorcycle or any amount payable under legal liability.

1. Substitute vehicle

We will cover you for legal liability, up to the maximum policy limit of \$20,000,000, for loss or damage to someone else's property while using a substitute vehicle. Only one substitute vehicle can be used at a time.

We will not cover:

- your legal liability when we have already accepted a claim for the total loss of your motorcycle, or
- your legal liability when the substitute vehicle is unregistered, or
- accidental loss or damage to the substitute vehicle.

2. Rental car following theft

If your motorcycle is stolen we will arrange for you to be provided with a rental car:

- until your motorcycle is recovered undamaged and until you have been told of its location, or
- until your motorcycle is recovered damaged and the damage is repaired, or
- until we settle your claim by paying the agreed value or market value, or
- for a maximum of 14 days,

whichever happens first.

The maximum daily rental charge we will pay is \$75.

We will not pay for:

- a rental car unless its hire has been arranged by us or approved by us;
- the cost of fuel used during the rental period;
- any insurance excess or other amount paid for any release of liability by the rental car operator in relation to your use of the vehicle; or

- any accidental loss or damage to the rental car.

If a rental or loan car is not available, we will pay you a daily travel allowance of \$30.

3. Legal costs

Provided we agree in writing, we will pay for all legal costs and expenses in defending any court proceedings which may arise from accidental loss, damage or liability covered by your policy.

We will not pay for any legal costs and expenses relating to any criminal or traffic proceedings.

4. Towing

Following an accident or theft of your motorcycle, we will pay the reasonable cost of protection, removal and towing of your motorcycle to the nearest repairer, place of safety or any other place which we agree to.

5. Motorcycle being transported by ship

If your motorcycle is being transported by ship within Australian waters, we will pay your contribution for any general average and salvage charges if such maritime conditions apply.

6. Trailer cover

Where we have accepted your claim for theft or damage to your motorcycle we will also pay for accidental loss of or damage to any motorcycle trailer which was attached to your motorcycle. The trailer must be constructed specifically for a motorcycle by a commercial manufacturer.

We will pay the lesser of \$750 or the market value of the trailer.

We will not pay for any property being carried in or on the trailer or for any trailer which is already insured.

7. Emergency repairs

We will reimburse you for the cost of emergency repairs which may be necessary to enable you to ride your motorcycle home after it is involved in an accident, suffers malicious damage, or is stolen and recovered in a damaged condition.

The maximum we will pay in respect of this benefit is \$500.

8. Transportation costs

If your motorcycle cannot be safely ridden home after being:

- a. involved in an accident; or
- b. subject to malicious damage; or
- c. stolen and recovered in a damaged condition;

we will reimburse you for the cost of:

- travel necessary to return you, your spouse, your de facto and/or dependent children to your home, and/or
- transportation to collect your motorcycle when it has been repaired.

The maximum we will pay in respect of any one accident giving rise to a claim is \$500.

9. Emergency accommodation costs

If your motorcycle cannot be safely ridden home after being:

- a. involved in an accident; or
- b. subject to malicious damage; or
- c. stolen;

and you are more than 100 kilometres from your home, we will reimburse the cost of emergency

accommodation for you, your spouse, your de facto, or dependant children.

The maximum we will pay in respect of any one accident giving rise to a claim is \$400.

10. Re-keying and re-coding

If the keys to your motorcycle are stolen we will pay for the replacement of your motorcycle's keys and the necessary re-coding of your motorcycle's locks.

The maximum amount we will pay is:

- the amount by which the cost to re-key and/or re-code your motorcycle exceeds the basic excess payable for the claim, up to a maximum amount of \$1,000 for any one claim.

This benefit will only apply if:

- the theft of your keys has been reported to the police, and
- the keys have not been stolen by a family member, invitee or person who resides with you, and
- you are not entitled to cover under any other policy.

Cover under this benefit does not entitle you to a claim for a rental vehicle or any other additional benefit.

Policy options

Your current schedule will show which, if any, of the following policy options apply. Depending on the policy options selected, your premium may have been increased or reduced.

1. Rental or loan car following an accident

When the current schedule shows that the rental or loan car following an accident option applies and we accept a claim for accidental damage, we will:

- a. provide you with a rental or loan car; or
- b. if a rental or loan car is not available, pay you a daily travel allowance of \$30.

The rental or loan car benefit will be provided from:

- the date repairs to your motorcycle are authorised, or
- the date your motorcycle is made available for repairs to be commenced,

whichever is the later.

The maximum daily rental charge we will pay is \$75.

We will provide the rental or loan car benefit:

- for a maximum period of 14 days, or
- until the repairs have been completed, or
- until we settle your claim by paying you the agreed value or market value,

whichever happens first.

We will not pay for:

- a rental car unless its hire has been arranged by us or approved by us;
- the cost of fuel used while driving the rental or loan car;
- any insurance excess or other amount paid for any release of liability by the rental car operator in relation to your use of the vehicle; or
- any accidental loss or damage to the rental or loan car.

2. Riding gear cover

When the current schedule shows that the riding gear cover option applies, we will also pay for riding gear belonging to you, your spouse, de facto, dependent children or other pillion passenger which is damaged in

an accident involving your motorcycle, and we have agreed to pay your claim.

We may choose to pay the amount of the loss or damage, or repair or replace the item of clothing. The maximum we will pay in respect of any one accident is:

- \$1,000,
- \$2,500 or
- \$5,000

whichever is shown on your current schedule.

This benefit does not apply to theft claims.

3. Removal of basic excess for headlight glass claims

When the current schedule shows that the removal of basic excess for headlight glass claims option applies, if the headlight glass of your motorcycle is accidentally broken or damaged, we will not apply an excess to your claim.

This option only applies:

- a. to one claim in any one period of insurance; and
- b. if the broken headlight glass is the only damage to your motorcycle.

Your no claim bonus entitlement is not affected if your claim is only for the cost of repairing or replacing the headlight glass on your motorcycle if it is accidentally broken or damaged.

4. Named rider

When the current schedule shows that the named rider option applies we will apply an Unnamed Rider excess, as shown on your policy schedule, if you make a claim for any incident when your motorcycle was being ridden by, or was in the charge of, any rider not listed in your current schedule as a nominated rider.

This excess, if payable, will replace any other excesses which would otherwise have been applicable.

We will not impose the unnamed rider excess if the rider of your motorcycle:

- a. was found guilty of theft or illegal use of your motorcycle;
- b. was a person paid by you to repair, service or test your motorcycle; or
- c. was an attendant at a car park.

5. Restricted rider

When the current schedule shows that the restricted rider option applies we will not cover any accidental loss, damage or liability, which results in a claim, when the rider of your motorcycle was a person under 30 years of age.

We will not refuse to pay your claim if the rider of your motorcycle:

- a. was found guilty of theft or illegal use of your vehicle;
- b. was a person paid by you to repair, service or test your vehicle; or
- c. was an attendant at a car park.

6. Protected no claim bonus

When the current schedule shows that protected no claim bonus option applies, we will not reduce your current no claim bonus entitlement for the first claim in any one period of insurance which is your fault or where the responsible party cannot be identified.

How you earn a no claim bonus

For each claim free period of insurance, you will accumulate a discount off your next motorcycle insurance premium up to a maximum amount. This maximum amount will vary according to the State or Territory in which your motorcycle is garaged/kept. Any no claim bonus entitlement you hold with another insurance company is transferable. You may be required to provide documentary evidence of your current no claim bonus entitlement.

Premiums are calculated prior to a no claim bonus discount being applied. The premium for a policy may increase if affected by a claim, regardless of whether the no claim bonus discount amount is altered.

If you have third party property damage cover only

Cover for damage to other people's property (legal liability)

We will cover your legal liability to pay compensation for loss or damage to someone else's property caused by a motor vehicle accident which is partly or fully your fault.

This cover will apply if your legal liability for loss or damage to someone else's property arises out of the use of:

- a. your motorcycle; and/or
- b. a motorcycle trailer towed by your motorcycle.

We will also cover the legal liability for loss or damage to someone else's property of:

- c. any person who is riding, using or in charge of your motorcycle with your permission;
- d. a passenger travelling on your motorcycle or who is getting on or off your motorcycle;
- e. your employer, principal or partner arising from your use of your motorcycle.

We will not cover legal liability:

- a. when the loss or damage occurs to your own property, your spouse's or de facto's property or to property which is in your possession, custody or control; or

- b. when the loss or damage occurs to property which belongs to or is in the possession, custody or control of:
 - someone riding, using or in charge of your motorcycle with your permission, or
 - a passenger travelling on your motorcycle or who is getting off or on your motorcycle, or
 - your employer, principal or partner; or
- c. which is insurable under any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund covering such legal liability.

Maximum amount payable

The maximum amount we will pay in total for all claims under this policy for damage to other people's property arising from a single event or series of related events is \$20,000,000.

Other benefits we will pay

Unless we have stated differently under one of the additional benefits listed below, any payment we may make under this section will be paid in addition to any amount payable for the damage to your motorcycle or any amount payable under legal liability.

1. Substitute vehicle

We will cover you for legal liability up to the maximum policy limit of \$20,000,000 for loss or damage to someone else's property while using a substitute vehicle. Only one substitute vehicle can be used at a time.

We will not cover:

- your legal liability when we have already accepted a claim for the total loss of your motorcycle, or

- your legal liability when the substitute vehicle is unregistered, or
- accidental loss or damage to the substitute vehicle.

2. Legal costs

Provided we agree in writing, we will pay for all legal costs and expenses in defending any court proceedings arising from liability covered by your policy. We will not pay for legal costs and expenses relating to any criminal or traffic proceedings.

3. Uninsured motorists extension

We will cover your motorcycle for loss or damage arising from an accident caused by the driver of an uninsured vehicle up to a maximum amount of \$5,000 including the cost of protection, removal and towing.

You may only claim under this extension if you:

- a. did not contribute to the cause of the accident;
- b. can provide us with the name and address of the person responsible for the accident; and
- c. can provide the registration number of the other vehicle(s).

We do not cover any pre existing damage to your motorcycle.

When we will not pay your claim

We will not pay your claim if, at the time of any accidental loss, damage or liability which results in a claim, your motorcycle, or a substitute motorcycle (or any trailer attached to the motorcycle), was:

1. Unlicensed rider

being ridden by any person, including you, who was not licensed to ride your motorcycle.

We will not refuse your claim if you can prove that you did not know the rider was unlicensed.

2. Declined rider

being ridden by a person nominated in the current schedule as a declined rider.

3. Restricted rider

being ridden by a person under 30 years of age and you have selected the restricted rider option.

We will not refuse your claim if the rider of your motorcycle:

- a. was found guilty of theft or illegal use of your motorcycle;
- b. was a person paid by you to repair, service or test your motorcycle; or
- c. was an attendant at a car park.

4. Rider under the influence

being ridden by you, or any other person:

- a. under the influence of any drug or intoxicating alcohol; or

- b. who, as a result of the accident, is convicted of driving under the influence of intoxicating liquor; or
- c. who had a percentage of alcohol in their breath or blood in excess of the percentage permitted by law in the State or Territory where the accident occurred; or
- d. who refused to submit to any test to determine the level of alcohol or drugs in the blood when reasonably requested by the police.

We will not refuse your claim if you can satisfy us you had no reason to suspect that the rider was affected by alcohol or any drug.

5. Overloaded motorcycle

being used to:

- a. carry a number of passengers; or
- b. carry or tow a load,

illegally or greater than that for which your motorcycle was constructed.

We will not refuse your claim if you can prove that the accidental loss, damage or liability was not caused or contributed to by its greater load or number of passengers.

6. Unsafe motorcycle

being used in an unsafe or unroadworthy condition.

We will not refuse your claim if you can prove that the accidental loss, damage or liability was not caused or contributed to by the unsafe or unroadworthy condition of your motorcycle.

7. Carrying passengers for hire, fare or reward

being used to carry passengers for hire, fare or reward except under a private pooling arrangement. If your

full-time employer pays you a travelling allowance, we will not consider such an allowance as hire, fare or reward.

8. Specified business usage

being used for the following occupations/businesses, or vehicle usage:

- courier or delivery (including refrigerated and fast food delivery);
- collector or deliverer of goods or articles for reward;
- driving/riding instructor;
- pest controllers, carpet cleaners, and glaziers;
- to carry commercial quantities of flammable or hazardous goods;
- being used within an airport;
- being used in connection with emergency, security or law enforcement services; and
- motorcycles used for towing for reward.

9. Motor sport

being used for any motor sport, hill climb, track day or time trial or was being tested in preparation for any motor sport or time trial, or being used on a race track, speedway track or course.

10. Race track or Racing

being used:

- a. on a race track, or
- b. for rider training or instruction on a race track unless you have advised us and we have agreed in writing to cover it, or

- c. for riding in a race or time trial, whether or not the race/trial is an official event held on an official track or an informal or illegal race/trial.

11. Motor trade

being used in connection with the motor trade for experiments, tests, trial or demonstration purposes, or being used for towing and or motorcycle haulage in connection with the motor trade or breakdown service.

We will not pay any claim for accidental loss, damage or liability arising out of:

12. Deliberate, intentional, malicious or criminal act

a deliberate, intentional, malicious or criminal act (including theft, conversion or misappropriation) caused by or involving:

- a. you, or any other person named in the current schedule; or
- b. any person who is acting with your express or implied consent.

13. War

any war, hostilities or warlike operations (whether war be declared or not), rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy or popular or military rising.

14. Nuclear

ionising radiation or contamination by radioactivity from:

- a. any nuclear fuel or from any nuclear waste;
- b. the combustion of nuclear fuel (including any self-sustained process of nuclear fission); or
- c. nuclear weapons material.

This policy does not cover loss, damage, liability, injury, illness, death or damage arising directly or indirectly out of or in any way connected with:

15. Terrorism exclusion

- a. any act of terrorism arising directly or indirectly out of or in any way connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion, or
- b. any action in controlling, preventing, suppressing, retaliating against, or responding to any act referred to in (a) above.

An act of terrorism includes, but is not limited to, any act, preparation in respect of action or threat of action, designed to:

- a. influence a government or any political division within it for any purpose, and/or
- b. influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.

16. Absolute asbestos exclusion

the existence, at any time, of asbestos.

Nor will we pay for:

17. Loss of use

any loss that occurs because you cannot use your motorcycle.

18. Depreciation

depreciation, wear and tear, rust or other forms of corrosion to your motorcycle. Nor will we repair old damage if we agree to pay a claim.

19. Breakdown

mechanical or electrical breakdowns, failures or breakages to your motorcycle.

20. Tyres

damage to the tyres caused by application of the brakes or by road punctures, cuts or bursts.

21. Lawful seizure

accidental loss or damage as a result of the lawful seizure of your motorcycle.

22. Safeguarding your motorcycle

accidental loss or damage to your motorcycle after an accident, theft or breakdown unless you have taken reasonable steps to protect or safeguard it. Your motorcycle is not covered under this policy for theft whilst being ridden by a prospective purchaser.

23. Renting a vehicle

- a. any costs associated with the loan of a vehicle; or
- b. the cost of renting a vehicle,

except for those circumstances detailed in:

- “Other benefits we will pay”, “Rental car following theft” on page 16,
- “Other benefits we will pay”, “Transportation costs” on page 18, or
- “Policy options”, “Rental or loan car following an accident” on page 19.

24. Failure of computer or similar equipment

loss or damage to any machinery, equipment, part, accessory or other property which:

- a. is a computer or which contains or comprises any computer technology (including computer chip or control logic);

- b. fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic); or
- c. arises directly or indirectly from the importation of any software virus whether the importation was malicious, negligent or accidental.

25. Loss or damage to any component, part or accessory

any loss or damage to any component, part or accessory of your motorcycle that occurs while such component, part or accessory has been removed from the motorcycle.

Conditions of cover

1. Changes to your insurance details – what you must tell us

You must tell us immediately if during the period of insurance:

- a) the riders of your motorcycle change; or
- b) the place where your motorcycle is regularly garaged/kept changes; or
- c) your motorcycle is modified in a manner that affects its value or performance in any way; or
- d) the usage of your motorcycle changes from private to business.

When we receive this information, we may:

- alter the terms and conditions of your policy, or
- charge you additional premium, or
- decide not to offer to renew your policy.

If you do not provide the information immediately we may not pay a claim under the policy.

Before we agree to renew your policy you must tell us if, during the current period of insurance, you or any person who is a rider of your motorcycle has:

- had any fines or penalties imposed for a traffic offence, other than a parking fine; or
- been convicted of any traffic offences; or
- had a rider's/driver's licence cancelled or suspended or been disqualified from holding a rider's/driver's licence for any period; or
- been responsible for causing any motor vehicle accident; or
- had any motor vehicle or motorcycle damaged or stolen.

For your assistance we have provided a full explanation of your duty of disclosure and the consequences of non-disclosure, under the heading “Your Duty of Disclosure” on page 47.

2. If you replace your motorcycle

If you permanently replace your motorcycle during the period of insurance, we will provide temporary cover for the replacement motorcycle from the date of purchase to a maximum of 14 days.

If cover is to continue on the replacement motorcycle:

- a. you must give us full details of the replacement motorcycle during the 14 day temporary cover period;
- b. you must obtain our agreement to cover your replacement motorcycle; and
- c. you must pay any extra premium we require.

Cover on the replaced motorcycle ceases from the date of purchase of the replacement motorcycle.

3. Cancellation rights under your policy

- a. You may cancel this policy at any time by telephoning us.
- b. We have the right to cancel this policy in certain circumstances.

These include:

- if you failed to comply with your duty of disclosure, or
- where you have made a misrepresentation to us during negotiations prior to the issue of this policy, or
- where you have failed to comply with a provision of your policy, including the term relating to payment of premium, or

- where you have made a fraudulent claim under your policy or under some other contract of insurance that provides cover during the same period of time that our policy covers you,

and we may do so by giving you three business days notice in writing of the date from which the policy will be cancelled. The notification may be delivered personally or posted to you at the address last notified to us.

- c. We have the right to refuse to pay a claim and treat the insurance as never having existed where you have made a fraudulent claim under your policy, and we may do so by giving you three days notice in writing. The notification may be delivered personally or posted to you at the address last notified to us.
- d. If you or we cancel the policy we may deduct a pro rata proportion of the premium for time on risk, reasonable administrative costs relating to the acquisition and termination of the policy and any government taxes or duties we cannot recover.
- e. In the event that you have made a claim under this policy and we have agreed to pay the full sum insured for your property no return of premium will be made for any unused portion of the premium.

4. Keeping evidence of the value of the insured property

You should keep evidence of the value of all property covered under your insurance policy (e.g. receipts). You should also keep evidence of the amount of any accidental loss, damage or destruction.

5. Premium payment by direct debit

You may have chosen to pay the premium for this insurance by direct debit from a financial institution holding your account or your credit card account. If you choose this option, the financial institution may dishonour the direct debit payment due to lack of funds in your account. If this occurs, we may charge you for any direct and indirect costs which we incur arising from the payment being dishonoured.

6. Prevention of loss or damage

We may not pay your claim if you do not take all reasonable precautions to prevent injury, loss or damage, including securing your motorcycle against unauthorised usage when it is unattended. This includes removing your keys and activating the steering lock and any other fitted security devices. It is a condition of this policy that your motorcycle be kept in good order and repair.

7. GST notice

This policy has a GST provision in relation to premium and our payment to you for claims. It may have an impact on how you determine the amount of insurance you need. Please read it carefully. Seek professional advice if you have any queries about GST and your insurance.

Sums insured

All monetary limits in this policy may be increased for GST in some circumstances (see below).

Claim settlements – Where we agree to pay

When we calculate the amount we will pay you, we will have regard to the items below:

- Where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a damaged item insured under the policy) we will pay for the GST amount.

We will pay the GST amount in addition to the sum insured/limit of indemnity or other limits shown in the policy or in this schedule.

If your sum insured/limit of liability is not sufficient to cover your loss, we will only pay the GST amount that relates to our settlement of your claim.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled.

- Where we make a payment under this policy as compensation instead of payment for a relevant acquisition, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to had the payment been applied to a relevant acquisition.
- Where the policy insures business interruption, we will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by your business that is relevant to your claim.

Disclosure – Input tax credit entitlement

If you register, or are registered, for GST you are required to tell us your entitlement to an input tax credit on your premium. If you fail to disclose or understate your entitlement, you may be liable for GST on a claim we may pay. This policy does not cover you for this GST liability, or for any fine, penalty or charge for which you may be liable.

Making a claim

What you must do

We may not pay your claim if you do not act as follows:

1. Do not admit liability

You must not:

- a. admit guilt or liability, or make a promise or offer of payment in connection with any claim; or
- b. offer to agree to settle any claim, without our written consent.

We are entitled to take over and conduct the defence of any claim made against you for damages by a third party. We have full discretion in conducting any negotiations, proceedings and the settlement of claims.

If the claim is for legal liability, you may make a written request to us to agree that you are covered in respect of the claim.

2. Prevent further damage

You must take all reasonable precautions to prevent any further loss, damage or liability.

3. Contact the police

Depending on the laws of the State or Territory in which the accident occurs, you must:

- a. contact the police if any person was injured as a result of the accident;
- b. request the police to attend the scene of the accident;
- c. go to the local police station to complete a 'Self Reporting Collision Form' if the police inform you that it is not necessary for them to attend the scene of the accident.

You must contact the police immediately if your motorcycle is stolen or maliciously damaged.

4. Contact us as soon as possible

If there is any accidental loss, damage or liability which is likely to result in a claim, you must give us immediate notice with the full details of any accidental loss, damage or anticipated or alleged liability.

You or your representative must give us full details in the manner we request which will be either:

- a. in writing by completing our claim form which will be supplied to you when you contact us; or
- b. verbally.

The process for authorising repairs to your vehicle is explained on page 44 under “Authorising Repairs”.

Any correspondence you receive regarding the accident or event must be sent to us immediately. You must advise us immediately of:

- a. any notice of impending prosecution;
- b. details of inquest or official enquiry.

What happens after you make a claim

1. Excess

An excess is the amount shown in the current schedule which you must pay when you make a claim under your policy unless we state an excess does not apply. The payment of an excess helps to keep the cost of your premium down by reducing the number of small claims. There are different types of excesses which may apply to you or any rider of your motorcycle at the time of the claim.

The excess types are shown on the current schedule under the heading “Excess applicable to claims”.

These are:

a. Basic excess

The basic excess is the first amount you must pay on each claim. The amount of the basic excess will be shown on the current schedule, next to the heading “Basic excess”. The “Basic excess” is comprised of the “Minimum basic excess”, the “Voluntary excess” and any policy “Imposed excess”.

- **Minimum basic excess**
The minimum excess that is due on your policy risk for each claim. The amount of the minimum basic excess will be shown on the current schedule.
- **Voluntary excess**
The voluntary excess forms part of the basic excess. Choosing a voluntary excess allows you to reduce your premium by selecting a higher basic excess. The voluntary excess you choose will be shown on the current schedule.
- **Imposed excess**
The imposed excess forms part of the basic excess. An imposed excess may be applied to a policy risk due to underwriting criteria. Any imposed risk excess amount will be shown on the current schedule.

b. Age excess

If you make a claim for an accident when your motorcycle was being ridden by or was in the charge of a rider under the age of 25 who is nominated on the policy, you must pay the age excess shown in the current schedule in addition to the basic excess.

c. Undeclared young rider excess

If you make a claim for an accident when your motorcycle was being ridden by or was in the charge of a rider under the age of 25, who was not listed in your current schedule, the undeclared young rider excess shown on the schedule must be paid in addition to the basic excess.

You will not have to pay an undeclared young rider excess if the rider:

- was found guilty of theft or illegal use of your motorcycle,
- had been paid by you to repair, service or test your motorcycle, or
- was an attendant at a car park.

d. Inexperienced rider excess

You will need to pay the inexperienced rider excess shown on your current schedule in addition to the basic excess payable if you make a claim for an accident when your motorcycle was being ridden by or was in the charge of a rider over the age of 25 who has not held an Australian licence to ride a motorcycle for more than 2 years.

e. Theft Excess

If you make a claim for loss or damage caused by or arising from theft or attempted theft of your motorcycle, you must pay the theft of motorcycle excess shown in your current schedule in addition to all other excesses shown in your current schedule.

f. Rider excess

When your current schedule shows there is a rider excess on the policy, then the rider excess will be applied to any claims which occur whilst the motorcycle is being ridden by the person listed. This excess is in addition to all other excesses applicable to your policy.

g. Unnamed rider excess

When the current schedule shows that the named rider option applies, we will apply an unnamed rider excess (as shown on the current schedule) if you make a claim when your motorcycle was being ridden by any rider that is not listed in your current schedule as a nominated rider.

This excess, if payable, will replace all other excesses which would otherwise have been applicable to the unnamed rider.

When you do not have to pay an excess

You will not have to pay any excess if:

- a. the rider of your motorcycle at the time of the accident did not contribute to the cause of the accident; or
- b. your motorcycle was damaged while parked,
and for both circumstances, you provide us with:
 - the name, address and licence number of each responsible party, and
 - the registration number of the other vehicle(s) involved in the accident; or
- c. the claimable loss is recoverable by us.

Nor will you have to pay any age (young rider), undeclared young rider, inexperienced rider or rider excess if you are claiming for any of the following:

- a. repairing or replacing a headlight glass only;
- b. theft;
- c. hail, storm or flood damage;
- d. malicious damage; or
- e. damage to your motorcycle while parked.

2. No claim bonus

Your no claim bonus entitlement will not be affected if:

- a. the rider of your motorcycle at the time of the accident did not contribute to the cause of the accident; or
- b. your motorcycle was damaged while parked,
and you supply us with:
 - the name, address and licence number of each responsible party, and

- the registration number of the other vehicle(s) involved in the accident or;
- c. your claim relates to the cost of repairing or replacing a headlight glass only on your motorcycle if it is accidentally broken.

3. Deciding who is at fault

We will be solely responsible for deciding whether you contributed to the cause of an accident.

4. Authorising repairs

- a. Where you have comprehensive cover you may only authorise emergency repairs as detailed on page 18 under “Emergency repairs”. You cannot authorise further repairs to your motorcycle without our prior consent.
- b. Before we make a decision regarding your claim and repairs to your motorcycle, we may need to inspect your motorcycle. A motorcycle assessor will be appointed by us. We or our assessor will make the necessary arrangements with you.

5. Spare parts, extras and accessories

If we are unable to repair the part we use new, recycled or reconditioned parts that meet the requirements of Australian Design Rules (ADR). If such parts are not available or appropriate, parts from alternative distribution channels may be used.

We will not pay any amount greater than the maker’s last list price in Australia (together with a reasonable charge for fitting) for the supply of any spare part, extra or accessory. In the event that any spare part, extra or accessory cannot be obtained immediately, we may choose to pay you the value of the spare part, extra or accessory (together with a reasonable charge for fitting) rather than supply the spare part, extra or accessory.

6. Assist us with your claim

You must assist us with your claim. This means give us all the information and assistance with your claim which we may reasonably require. If you do not we may not pay your claim or provide cover.

If we have the right to recover any amount payable under this policy from any other person, you must co-operate with us in any action we may take.

7. Our rights of recovery

- a. We have the right to recover from any person, in your name, the amount of any claim paid under this policy and we have full discretion in the conduct, settlement or defence of any claim in your name. If we recover more than the amount we have paid to you or on your behalf, we will pay you the balance.
- b. The amount of excess you have paid will only be refunded when we have recovered the total amount we have paid under your claim, unless we have agreed otherwise.

8. Salvage of your motorcycle when it is a total loss

If your motorcycle is a total loss and we have agreed to pay the market value or agreed value for your motorcycle:

- the wreckage of your motorcycle will become our property, and
- we will keep the proceeds of any salvage sale.

9. Payment of unpaid premium when your motorcycle is a total loss

If your motorcycle is a total loss and we have agreed to pay the market value or agreed value for your motorcycle:

- the amount of any unpaid premium for the period of insurance will be deducted from the amount payable to you, and
- if we are replacing your motorcycle, you must pay us the balance of any unpaid premium or instalments for the period of insurance.

10. No return of premium after a total loss

If your motorcycle is a total loss and we have agreed to pay the market value or agreed value for your motorcycle, no return of premium will be made for any unused portion of the premium.

11. GST

We will adjust your claims payment in accordance with the GST provision noted under “Conditions of cover”, “GST notice” on page 37.

Other information

Renewal procedure

Before this policy expires we will normally offer renewal by sending a renewal invitation advising the amount payable to renew this policy. It is important that you check the information shown before renewing each year to satisfy yourself that the details are correct.

Your Duty of Disclosure

Before you enter into an insurance contract with us, the Insurance Contracts Act 1984 requires you to provide us with the information we need to enable us to decide whether and on what terms your proposal for insurance is acceptable and to calculate how much premium is required for your insurance.

The Act imposes a different duty the first time you enter into the policy with us to that which applies when you vary, renew, extend, reinstate or replace your policy.

We set these two duties out below.

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

You will be asked various questions when you first apply for this policy. When you answer these questions, you must:

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

Your duty of disclosure when you renew, vary, extend, reinstate or replace your 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 known to you which:

- you know, or
- a reasonable person in the circumstances could be expected to know,

is relevant to our decision whether to insure you and whether any special conditions need to apply to your policy.

What you do not need to tell us for either duty

You do not need to tell us about any matter:

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

Who do the above two duties apply to?

Everyone who is insured under the policy must comply with the relevant duty.

What happens if you or they do not comply with either duty?

If you or they do not comply with the relevant duty, we may cancel the policy 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.

Privacy Act 1988 – Information

We collect your personal information directly from you where reasonably practicable or if not, from other sources. We collect it to provide our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of our related companies and alliance partners that may interest you (but you can opt out of this by calling the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate your decision in the appropriate area of the Privacy section of our website at www.allianz.com.au). If you do not provide the information we require we may not be able to provide you with this service.

We disclose information to third parties who assist us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, your agents and other persons where required by law). We prohibit them from using it for purposes other than those we supplied it for. Where you provide us with information about another person for the above purposes, you must tell us if you haven't got their consent to this. If you wish to gain access to your personal information (including to correct or update it), have a complaint about a breach of your privacy or you have any query on how your personal information is collected or used, or any other query relating to Privacy, contact us on 13 2664 EST 8am-6pm, Monday to Friday.

General Insurance Code of Practice – providing you with even better service

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry. We keenly support the standards set out in the Code. You can obtain more information on the Code of Practice and how it assists you by contacting us using the details on the back cover.

Dispute resolution process – helping you solve any problems

We have a free internal complaints resolution process that can be accessed by contacting us using the details on the back cover. If this process doesn't resolve the complaint we will give you information about how to access available external dispute resolution schemes.

If this insurance has been issued through an insurance intermediary

If your policy has been issued through our agent, a broker who is acting under a binder arrangement with us, then they are acting as our agent and not as your agent.

If your policy has been issued by a broker, other than a broker acting under a binder arrangement with us, then the broker is acting as your agent.

Where this policy has been arranged through an intermediary a commission is payable by us to them for arranging the insurance.

Financial Claims Scheme

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under this Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria and for more information see APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 55 88 49.

Phoning for assistance

If you need to clarify any of the information contained in this policy wording or you have any other queries regarding your insurance policy, please use the contact details on the back cover.

This page has been left blank intentionally.

This insurance is issued by Allianz Australia Insurance Limited, AFS Licence No. 234708 ABN 15 000 122 850 (Allianz). In arranging this insurance Alphera Financial Services, a division of BMW Australia Finance Limited ABN 78 007 101 715 and authorised dealers act as agents of Allianz and not as your agent.

If you need help, ask your Alphera Dealer,
or ring our Alphera Insurance Customer
Contact Centre on 1300 80 80 50.