

Territory Motorcycle Insurance



Product Disclosure Statement

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Territory Motorcycle Insurance

This Product Disclosure Statement (PDS) is an important document and contains information designed to help you make an informed decision about whether to purchase this insurance.

You need to ensure you have all the protection you need, so please read through this PDS carefully, and store in a safe place for easy reference.

TIO has been a part of the Territory for over 40 years and our insurance products aim to reflect the needs and conditions of the Territory.

Now, as a division of the insurer Allianz Australia Insurance Limited, (AFS Licence No. 234708 ABN 15 000 122 850) we're able to use our years of local expertise, combined with global experience, to offer an extended range of products and services to our customers.

Table of contents

page

Introduction

About the available covers	4
Understanding your policy and its important terms and conditions	5
Cooling off period and cancellation rights	6
Updating this Product Disclosure Statement (PDS)	7
What the policy consists of	7
Our agreement with you	8
Words with special meanings	8

If you have comprehensive cover

Cover for accidental loss or damage to your motorcycle	11
Cover for damage to other people's property (legal liability)	12
Other benefits we will pay	13
Policy options	17
How you earn a no claim bonus	19

If you have third party property damage cover only

Cover for damage to other people's property (legal liability)	20
Other benefits we will pay	21

When we will not pay your claim

23

Conditions of cover

Changes to your insurance details – what you must tell us	30
If you replace your motorcycle	31
Cancellation rights under your policy	31
Keeping evidence of the value of the insured property	32

	page
Premium payment by direct debit	32
Prevention of loss or damage	33
GST notice	33
Making a claim	
What you must do	35
What happens after you make a claim	36
Other information	
Renewal procedure	43
Your Duty of Disclosure	43
Privacy notice	44
General Insurance Code of Practice	47
Complaints – Internal and external complaints	47
Financial Claims Scheme	48
Phoning for assistance	48

Introduction

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 the 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 \$20000000 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 and restricted rider.

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 to the extent we are prejudiced by your noncompliance); 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, you must ensure that they are paid on time. We will notify you if an instalment has not been paid and we will try to deduct the overdue amount along with your next regular payment. If the next attempt to deduct the outstanding amount fails, we will cancel your policy for non-payment. We will send you a notice advising you of cancellation, and cancellation will be effective 14 days from the date on the notice. Refer to the “Conditions of cover” section for important details on your and our rights and obligations.

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 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” for full details).

Updating this Product Disclosure Statement (PDS)

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by contacting Us using Our details on the back cover of this PDS).

Other documents may form part of Our PDS and the policy, for example schedules, Supplementary PDSs and/or endorsements. If they do We will tell You before You enter into this Policy and in the relevant document. We may also issue other documents forming part of Our PDS and the Policy where required or permitted by law.

What the policy consists of

Your policy consists of:

- this printed Territory 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 43.

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.

“**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 as a contribution to your claim under your policy.

“family member” means

- your spouse, your partner or your de facto who lives with you;
- your parents or parents-in-law who live with you;
- your children and children of your spouse, partner or de facto (not being your children) who live with you;
- your brothers or sisters who live with you.

“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 23 to 29.

- **“private”** which means any type of use other than business use.

“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.

“**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;
- 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 ABN 15 000 122 850 AFS Licence No. 234708 trading as Territory Insurance Office (TIO) of 24 Mitchell Street, Darwin NT 0800.

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

“**your motorcycle**” means the 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

In order to be sure that you are covered under this policy you should always contact us for approval before you incur costs you wish to claim. If you do not, we will pay for costs incurred up to the amount we would have authorised had you asked us first.

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

At our option (acting reasonably) 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.

Further we will adjust your claims payment in accordance with the GST provision shown under "Conditions of Cover", "GST notice".

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 the market value of your motorcycle. 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 \$20000000.

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.

In order to be sure that you are covered under this policy you should always contact us for approval before you incur costs you wish to claim. If you do not, we will pay for costs incurred up to the amount we would have authorised had you asked us first.

1. Substitute vehicle

We will cover you for legal liability, up to the maximum policy limit of \$20000000, 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 market value, or
- for a maximum of 21 days,

whichever happens first.

We will extend this period to the extent that we caused or contributed to the delay.

The maximum daily rental charge we will pay is \$100.

We will arrange a rental car for you. If you arrange your own rental car without our consent, we are not obliged to pay for the rental car you arranged.

We will not pay for:

- 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 \$50.

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. Please contact us to confirm approval for these costs.

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 by a policy entered into by a third party or a policy required by law.

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 \$1000 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
- the loss or damage is not insured under any other policy entered into by a third party or a policy required by law.

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

11. Removal of basic excess for headlight glass claims

If the headlight glass of your motorcycle is accidentally broken or damaged, we will not apply an excess to your claim.

This 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.

12. Helmets and protective clothing

If your helmet or any other protective clothing is damaged in an accident we have agreed to cover under this policy, or if your helmet and protective clothing has been stolen at the time your motorcycle was stolen, we will pay for the cost to replace them, up to \$500 for these items.

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.

In order to be sure that you are covered under this policy you should always contact us for approval before you incur costs you wish to claim. If you do not, we will pay for costs incurred up to the amount we would have authorised had you asked us first.

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 \$50.

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 \$100.

We will provide the rental or loan car benefit:

- for a maximum period of 21 days, or
 - until the repairs have been completed, or
 - until we settle your claim by paying you the market value,
- whichever happens first.

We will extend this period to the extent that we caused or contributed to the delay.

We will arrange a rental car for you. If you arrange your own rental car without our consent, we are not obliged to pay for the rental car you arranged.

We will not pay for:

- 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. 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 25 years of age.

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

- a. stole or was illegally using 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.

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 \$20000000.

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.

In order to be sure that you are covered under this policy you should always contact us for approval before you incur costs you wish to claim. If you do not, we will pay for costs incurred up to the amount we would have authorised had you asked us first.

1. Substitute vehicle

We will cover you for legal liability up to the maximum policy limit of \$20000000 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 \$5000 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
 - the registration number of the other vehicle(s); or
 - any other information that would reasonably allow us to identify the person so that we can exercise our rights of recovery.

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 25 years of age and you have selected the restricted rider option.

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

- a. stole or was illegally using 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 if you cannot provide us with the name, address and licence number of the prospective purchaser or any other information that would reasonably allow us to identify the person so that we can exercise our rights of recovery.

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",
- "Other benefits we will pay", "Transportation costs", or
- "Policy options", "Rental or loan car following an accident".

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 as soon as reasonably possible 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:

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

If you do not provide the information as soon as reasonably possible we may reduce or deny your claim to the extent we are prejudiced by your delay.

We may cancel your policy if there is a change and we can't reach an agreement with you on altered terms and conditions or premium; or we are no longer prepared to insure you because there has been a material change to the risk.

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”.

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, 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.

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.

We may reduce or refuse your claim to the extent that your vehicle's state of repair contributed to or caused the loss.

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 reduce or refuse to pay your claim if you do not act as follows, to the extent that we are prejudiced by your non-compliance:

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.

If you do, we may reduce or refuse your claim to the extent we are prejudiced by your admission, promise or offer.

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.

We will act reasonably having regard to your interests, and will keep you informed if you ask us to.

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 as soon as reasonably possible 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 notice as soon as reasonably possible with the full details of any accidental loss, damage or anticipated or alleged liability.

If you do not, we may reduce or deny your claim to the extent we are prejudiced by your delay.

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 under "Authorising Repairs".

Any correspondence you receive regarding the accident or event must be sent to us as soon as reasonably possible. You must advise us as soon as reasonably possible of:

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

If you do not advise us as soon as reasonably possible, we may reduce or deny your claim to the extent we are prejudiced by your delay.

What happens after you make a claim

1. Excess

An excess is the amount shown in the current schedule which you must pay as a contribution to your 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. If we settle your claim by cash settlement we will deduct the excess from the amount we pay you. In other circumstances, you may need to pay the excess as a contribution to the repair or replacement.

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 amount you must pay as a contribution to your 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:

- stole or was illegally using 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.

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
 - any other information that would reasonably allow us to identify the responsible party so that we can exercise our rights of recovery, 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;
 - any other information that would reasonably allow us to identify the responsible party so that we can exercise our rights of recovery, 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. When you are at fault

You are at fault if you:

- are responsible for the accident; or
- contributed to the cause of an accident.

4. Authorising repairs

- a. Where you have comprehensive cover you may only authorise emergency repairs as detailed under “Emergency repairs”. You cannot authorise further repairs to your motorcycle without our prior consent. Please contact us to confirm approval for these further repairs.
- 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 (acting reasonably) 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 refuse or reduce your claim to the extent we are prejudiced by your non-disclosure or failure to provide assistance.

If we have the right to recover any amount payable under this policy from any other person, you must take reasonable steps to 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. We will act reasonably having regard to your interests, and will keep you informed if you ask us to.
- b. The amount of excess you have paid will only be refunded when your claim is recoverable, 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 for your motorcycle:

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

At our discretion (and if safe to do so), you may reclaim your motorcycle if you agree to pay the salvage price.

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 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 for your motorcycle, no return of premium will be made.

11. GST

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

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 this insurance with us, you have a duty of disclosure under the Insurance Contracts Act 1984.

The Act imposes a different duty the first time you enter into a contract of insurance with us to that which applies when you vary, extend or reinstate the contract.

This duty of disclosure applies until the contract is entered into (or varied, extended or reinstated as applicable).

Your Duty of Disclosure when you enter into the contract with us for the first time

When answering our specific questions that are relevant to our decision whether to accept the risk of the insurance and, if so, on what terms, you must be honest and disclose to us anything that you know and that a reasonable person in the circumstances would include in answer to the questions.

It is important that you understand you are answering our questions in this way for yourself and anyone else that you want to be covered by the contract.

Your Duty of Disclosure when you vary, extend or reinstate the contract

When you vary, extend or reinstate the contract with us, your duty is to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

What you do not need to tell us

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by us; or
- that is of common knowledge; or
- that we know or, in the ordinary course of our business as an insurer, ought to know; or
- as to which compliance with your duty is waived by us.

Non-disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the contract in respect of a claim, cancel the contract or both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Privacy notice

At TIO, we give priority to protecting the privacy of your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

How we collect your personal information

We usually collect your personal information from you or your agents. We may also collect it from our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist us in investigating or processing claims, including third parties claiming under your policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that you are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why we collect your personal information

We collect your personal information to enable us to provide our products and services, including to process and settle claims; make offers of products and services provided by us, our related companies, brokers, intermediaries, business partners and others that we have an association with that may interest you; and conduct market or customer research to determine those products or services that may suit you. You can choose not to receive product or service offerings from us (including product or service offerings from us on behalf of our brokers, intermediaries and/or our business partners) or our related companies by calling the us on 131 846 or going to our website's Privacy section at www.tiofi.com.au.

If you do not provide your personal information we require, we may not be able to provide you with our services, including settlement of claims.

Who we disclose your personal information to

We may disclose your personal information to others with whom we have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to you. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, parties that we have an insurance scheme in place with under which you purchased your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We regularly review the security of our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to your personal information and complaints

You may ask for access to the personal information we hold about you and seek correction by calling us on 131 846. Our Privacy Policy contains details about how you may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how we deal with complaints. Our Privacy Policy is available at www.tiofi.com.au.

Telephone call recording

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where we have recorded a telephone call, we can provide you with a copy at your request, where it is reasonable to do so.

Your consent

By providing us with personal information you and any other person you provide personal information for, consent to these uses and disclosures until you tell us otherwise. If you wish to withdraw your consent, including for things such as receiving information on products and offers by us or persons we have an association with, please contact us.

General Insurance Code of Practice

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.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists you by contacting us. Contact details are provided on the back cover of this PDS.

For more information on the Code Governance Committee (CGC) go to <https://insurancecode.org.au/>

Complaints – Internal and external complaints

If you are dissatisfied with our service in any way, please contact us and we will attempt to resolve the matter in accordance with our Internal Dispute Resolution procedures. If we do not make a decision within the period that we tell you we will respond, we will tell you about your right to lodge a complaint with an external dispute resolution scheme.

If You are not satisfied with Our response, you can refer your complaint to the Australian Financial Complaints Authority (AFCA) subject to its terms of reference. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

AFCA's contact details are:

The Australian Financial Complaints Authority

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority

GPO Box 3 Melbourne VIC 3001.

For more information on how we handle complaints you can request a copy of our procedures, using our contact details on the inside cover.

Financial Claims Scheme

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under the 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. More information can be obtained from <http://www.fcs.gov.au>.

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.

For enquiries
call 131 846
visit tiofi.com.au



Supplementary Product Disclosure Statement ("SPDS")

Territory Motorcycle Insurance Policy

Preparation Date: 02/12/2021

Important changes to your Territory Motorcycle Insurance Policy Product Disclosure Statement

This document is an SPDS that updates and amends the Territory Motorcycle Insurance Policy Product Disclosure Statement ("PDS") dated 01 February 2021. It is issued by the insurer Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 Trading as Territory Insurance Office (TIO). This SPDS must be read together with the PDS and any other SPDS that you are given which updates or amends the PDS.

This SPDS amends the PDS as follows:

THE 'TABLE OF CONTENTS' SECTION IS AMENDED AS FOLLOWS:

The words "Your Duty of Disclosure" are deleted and replaced with "Your Duty to take reasonable care not to make a misrepresentation".

THE 'UNDERSTANDING YOUR POLICY AND ITS IMPORTANT TERMS AND CONDITIONS' SECTION IS DELETED AND REPLACED AS FOLLOWS:

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 to the extent we are prejudiced by your noncompliance); and
- "Other information" section (this contains important information on your Duty to take reasonable care not to make a misrepresentation, 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, you must ensure that they are paid on time. We will notify you if an instalment has not been paid and we will try to deduct the overdue amount along with your next regular payment. If the next attempt to deduct the outstanding amount fails, we will cancel your policy for non-payment. We will send you a notice advising you of cancellation, and cancellation will be effective 14 days from the date on the notice. Refer to the "Conditions of cover" section for important details on your and our rights and obligations.

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.

THE 'OUR AGREEMENT WITH YOU' SECTION IS DELETED AND REPLACED AS FOLLOWS:

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 to take reasonable care not to make a misrepresentation either verbally or in writing. If you failed to comply with your Duty to take reasonable care not to make a misrepresentation, we may be entitled to reduce our liability under the policy in respect of a claim, we may cancel your policy or both. 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 an explanation of your Duty to take reasonable care not to make a misrepresentation and the consequences of misrepresentation, under the section "Other information".

THE '1. CHANGES TO YOUR INSURANCE DETAILS – WHAT YOU MUST TELL US' SECTION IS DELETED AND REPLACED AS FOLLOWS:

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

You must tell us as soon as reasonably possible 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:

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

If you do not provide the information as soon as reasonably possible we may reduce or deny your claim to the extent we are prejudiced by your delay.

We may cancel your policy if there is a change and we can't reach an agreement with you on altered terms and conditions or premium; or we are no longer prepared to insure you because there has been a material change to the risk.

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 an explanation of your Duty to take reasonable care not to make a misrepresentation and the consequences of misrepresentation, under the section "Other information".

THE 'YOUR DUTY OF DISCLOSURE' SECTION IS DELETED AND REPLACED AS FOLLOWS:

Your Duty to take reasonable care not to make a misrepresentation

You must take reasonable care not to make a misrepresentation to us. This responsibility applies until we issue you with a policy for the first time or agree to renew, extend, vary/change, or reinstate your policy.

You must answer our questions honestly, accurately and to the best of your knowledge. A misrepresentation includes a statement that is false, partially false, or which does not fairly reflect the truth. It is not misrepresentation if you do not answer a question or if your answer is obviously incomplete or irrelevant to the question asked.

The responsibility to take reasonable care not to make a misrepresentation applies to everyone who will be insured under the policy. If you are answering questions on behalf of anyone, we will treat your answers or representations as theirs.

Whether or not you have taken reasonable care not to make a misrepresentation is to be determined having regard to all relevant circumstances, including the type of insurance, who it is intended to be sold to, whether you are represented by a broker, your particular characteristics and circumstances we are aware of.

If you do not meet the above Duty, we may reject or not fully pay your claim and/or cancel your policy. If the misrepresentation was deliberate or reckless, this is an act of fraud, and we may treat your policy as if it never existed.

If our information or questions are unclear, you can contact us via the details on the back cover or visit www.tiofi.com.au/misrepresentation

THE '3. CANCELLATION RIGHTS UNDER YOUR POLICY' SECTION IS DELETED AND REPLACED AS FOLLOWS:

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 to take reasonable care not to make a misrepresentation, 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, plus all or part of any government taxes, levies or duties.
- 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.