



ROAD BIKE INSURANCE PRODUCT DISCLOSURE STATEMENT POLICY WORDING

Date: 8th June 2017

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PRODUCT DISCLOSURE STATEMENT (PDS) & POLICY WORDING

This PDS is dated 08th June 2017.

The Purpose of this PDS

This Product Disclosure Statement (PDS) contains important information as required under the Corporations Act 2001 (Cth) and has been prepared to assist You to:

- Decide whether this product will meet Your needs; and
- Compare this product with any other products You may be considering.

This PDS sets out significant benefits and risks of the policy. It is designed to help You decide if the cover is right for You. Any advice is general and does not take into account Your individual needs and circumstances. For full details of the benefits, limitations, exclusions, terms and conditions You should read the PDS, insurance Policy Wording and Policy Schedule carefully.

Important Information about this PDS and Policy Wording

This document is a PDS and is also your insurance Policy Wording.

You should read the PDS, Policy Wording and Policy Schedule of this insurance to obtain a complete description of all the benefits, terms, conditions and exclusions relating to the cover offered under this insurance. Please read these documents carefully and ensure that you keep them in a safe place for future reference

In this PDS:

- “We”, “Our” or “Us” means QBE Insurance (Australia) Limited
- “You”, “Your” means the “Insured” named in the Policy Schedule.

About QBE Australia

The insurer of this Policy is (QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545) (QBE) and is a member of the QBE Insurance Group Limited, ABN 28 008 485 014.

QBE Insurance Group is Australia’s largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers in the world.

About Jardine Lloyd Thompson Pty Limited (JLT)

Jardine Lloyd Thompson Pty Limited (JLT) is one of Australia’s largest General Insurance Brokers, a group totally committed to service and the fulfilment of client needs. The group offers a diverse range of products and services to all areas of the industry and the wider community in all parts of Australia. JLT (ABN 69 009 098 864) holds an Australian Financial Services Licence No. 226827.

If You have any questions or would like further information regarding this PDS, You can contact JLT on:

Phone 1300 117 131
Fax: (02) 8824 1690
Email: bikes@jlta.com.au
Internet: www.insurance.jlta.com.au

About KEY

Key Underwriting Pty Ltd ABN 11 146 607 838 (KEY) is an underwriting agency and acts on behalf of QBE Insurance (Australia) Limited ABN 78 003 191 035 AFS Licence No 239545. KEY is an Authorised Representative (No. 403803) of Jardine Lloyd Thompson Pty Ltd ABN 69 009 098 864 AFS Licence No. 226827 (JLT). KEY is a wholly owned subsidiary of Jardine Lloyd Thompson Australia Pty Limited ABN 24005 279 890 and a related company of JLT. KEY can be contacted at Level 37, Grosvenor Place, 225 George Street, Sydney NSW 2000.

Phone: +61 2 9290 8000.

About Echelon Australia Pty Ltd (Echelon)

Echelon is a 100% owned subsidiary of Jardine Lloyd Thompson Australia (JLT) which is a part of the Jardine Lloyd Thompson Group. Echelon is a national company with offices in all major capitals and strategic regional centres. Echelon consultants will actively support the claims process with a view to resolve outstanding claims as quickly as possible by providing direct access to relevant specialists and industry experts.

Cooling –Off Period

We will refund all premium for cover under the insurance policy if You request cancellation of the insurance policy within 30 days of its commencement. To do this You must advise Us in writing. You will not receive a refund if the policy has already expired or if You have made a claim under the insurance policy during the cooling off period.

Privacy

KEY and QBE each have a privacy policy which sets out personal information they collect and how they collect, disclosure, store and use it.

KEY

KEY is committed to the protection of Your privacy and is bound by the Australian Privacy Principles for the handling of Your information.

KEY's Privacy Policy can be examined by accessing our website (<https://www.au.jlt.com/privacy-policy>) or by obtaining a copy from the KEY Privacy Officer (Level 37, Grosvenor Place, 225 George Street, Sydney, NSW, 2000: or on telephone number (02) 9290 8000).

When You give us personal or sensitive information about other individuals, we rely on You to have made or make them aware that You will or may provide that information to us, the purposes we may use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on You to have obtained their consent on these matters. If You have not done either of these things, You must tell us before You provide the relevant information.

QBE Australia

QBE Insurance (Australia) Ltd will collect personal information when You deal with Us, Our agents, other companies in the QBE group or suppliers acting on Our behalf. We use Your personal information so that We can do business with You, which includes issuing and administering Our products and services and processing claims. Sometimes We might send Your personal information overseas. The locations We send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom We collect personal information, as well as where We store it and the full list of ways We could use it. To get a free copy of it please visit qbe.com.au/privacy or contact Our customer care unit.

It's up to You to decide whether to give Us your personal information, but without it We might not be able to do business with You, including not paying Your claim.

How to apply for this insurance

When You apply for insurance You will need to give Us information about You and Your circumstances. The information We need is contained in the online application form that You have accessed on the website at www.insurance.jlta.com.au.

If Your application is accepted and payment has been received You will be issued with a Policy Schedule confirming the cover that is in place.

Cover We can offer

When You apply for insurance, You will need to provide relevant information. We will use the information supplied by You to decide the terms of cover We will provide. We provide cover to You on the terms contained in the application, the Policy Wording and any other document, including the most recent Policy Schedule that is issued to You.

The Policy Schedule will contain important information relevant to Your insurance including the Period of Insurance, the type of cover You have selected, Your Premium, the limits that You want for particular covers, and whether any standard terms need to be varied by way of endorsement.

The Policy Wording and Policy Schedule make up Your "Policy."

The cost of this policy

Premium is what You pay Us for this Policy and it's made up of the amount we've calculated for the risk and any taxes and government charges and will be shown on the Schedule.

When calculating your premium we take a number of factors into account, including:

- the market value of your bike;
- the year, make and model of the bike being insured;
- value of all accessories on your bike;
- your residential address and the address where the bike is garaged or stored;
- the age of the main rider any other riders, as well as their and Your driving/riding, criminal and insurance history.

Goods and Services tax

If you're a business you must tell Us if you're registered, or are required to be registered, for GST. When You do this, we need You to give Us:

- Your ABN
- The percentage of any input tax credit you will claim, or will be entitled to claim on your premium.

When We pay a claim, Your GST status will determine the amount we pay You. Your claim settlement amount will be adjusted to allow for the ITC entitlement.

Unless We say otherwise, all amounts in Your Policy are inclusive of GST. There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend You seek professional advice.

How to make a claim

Please contact Echelon to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where You have advised Us beforehand and Your claim has been accepted. Full details of what You must do for Your claim to be considered are provided in the 'Claims' section of the Policy Wording.

In the event of a claim, please contact:

Echelon Claims Services
GPO Box 1693, Adelaide SA 5001
Phone: 1800 640 009
Fax: (08) 8235 6448

Excesses

An Excess is an amount You have to pay each time You make a claim and will be applied for each accident or event where a claim is made.

There is a basic Excess as well as additional age & inexperienced rider Excesses which have application in certain situations as described in Section 5 of the Policy Wording – Excess – Your Contribution Towards a Claim.

Significant Benefits and Features

Comprehensive Insurance

This Insurance is designed to cover You if Your insured Motorcycle is stolen or is Accidentally Damaged during the Period of Insurance, anywhere in Australia, up to the amount of the Market Value or other specified limit. We will at Our option:

- Pay the cost of repairs up to an amount not exceeding the Sum Insured;
- Pay the Sum Insured if Your Motorcycle is a Total Loss;
- Replace Your Motorcycle including on road costs if similar make and model is available, provided certain conditions are satisfied.

See Section 3 of the Policy Wording for full details.

Your cover includes a range of additional benefits up to the specified limits – for full details refer to Section 3.2 of the Policy Wording - Additional benefits We Will Pay For.

Legal Liability cover

We also cover You (and certain other persons We specify) for legal liability for damage to another person's property directly caused by a part of Your Motorcycle, goods falling from Your Motorcycle or the loading or unloading of Your Motorcycle. In these circumstances We will pay:

- the reasonable cost of the damage for which there is liability; or
- the amount awarded by a court in Australia, up to the Limit of Liability.

Certain other benefits are also provided under this section of the Policy. For full details see Section 4 of the Policy Wording – Legal Liability.

The event causing liability must occur during the Period of Insurance and Anywhere in Australia. For full details see Section 4 of the Policy Wording – Legal Liability.

Significant Risks/Exclusions to Consider

There are certain cases when You will not have cover under Your Policy, which means We may refuse to pay Your claim. Some examples of where We do not provide cover are:

- When Your Motorcycle is not able to be Registered.
- When Your Motorcycle is being ridden and not Registered.
- In the case of theft, where reasonable steps are not taken to Secure Your Motorcycle.
- When the rider is under the influence of Drugs or alcohol.
- When Your Motorcycle is in an unsafe, unroadworthy or illegal condition.
- When the damage is due to normal wear and tear, rust or corrosion to Your Motorcycle.
- When Your Motorcycle is being used on a race track speedway track or course, in a rally or event where the road was closed to public traffic, for rider training or rider instruction on a race track, speedway track or course (unless Your Policy is endorsed for such use) or in preparation for, or in, a race, time trial, hill climb or any other competitive motor sport or contest.
- Loss or damage to Non-Standard Accessories or Modifications not shown in Your Schedule.

A terrorism exclusion also applies to this Policy, and the detail of this exclusion is set out in Section 5 of the Policy Wording. You should also note that if We allege that because of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon You.

The full list of exclusions is set out in the Road Bike Insurance Policy Wording. Please read them to make sure the cover We provide matches Your expectations. Refer to Section 3.3 and 4.2 – What We Will Not Pay For, which apply to the Comprehensive Insurance and Legal Liability sections respectively, and Section 6 – General Exclusions which apply to the Policy.

We may also refuse to pay or reduce the amount We pay for a claim:

- If You do not comply with the conditions of the cover which are set out in the Policy Wording in this document. Please read these conditions to make sure You understand Your obligations.
- If You do not comply with Your Duty of Disclosure which is set out in this PDS, or
- If You make a fraudulent claim.

We can also cancel Your Policy in certain cases, for example if You breach Your duty of disclosure or a cover condition.

Risks of the Policy for You to Consider

You should consider the following when deciding whether to hold this Policy:

- whether the Policy provides the level of cover You need. Your level of cover may not be adequate, for example, as You are only covered for the current Market Value of Your Motorcycle;
- whether You are able to satisfy the terms and conditions of the Policy;
- in some instances there are restrictions and limits on the cover, which means that there will be either no insurance cover provided or the amount We pay may be limited. For more information, see further below and refer to the Policy Wording; and

- We may refuse to pay part or all of a claim under the Policy if You do not comply with the terms and conditions of the Policy.

Other Important Information

- You must notify Us when You change Your place of residence or if You change the regular overnight parking situation of Your Motorcycle.
- When Your Motorcycle is a Total Loss and We have paid out the Sum Insured, this insurance ceases.
- If You purchase another Motorcycle, this requires a new insurance contract commencing at the time with an applicable premium.
- If Your Motorcycle was stolen from Your garage address, We may require You to increase Your security measures before a new contract commences.
- You must pay Your premium on time otherwise Your insurance may not operate.
- When renewing Your insurance with Us, You must also advise Us of any changes to Your claims, riding/driving, insurance or criminal history.
- We will notify You in writing of any effect a change may have on Your insurance renewal.
- Your Policy will be renewed from the renewal date or the date payment is received, whichever is the later date.

Overdue Premium

You must pay Your Premium on time otherwise Your Policy may not operate.

Resolving complaints and disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything We can to safeguard Your privacy and the confidentiality of Your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about Our staff, representatives, products, services or how we've handled Your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to Us about, or if you'd like to make a complaint, speak to one of Our staff. When You make Your complaint please provide as much information as possible. They're ready to help resolve Your issue.

You can also contact Our Customer Care Unit directly to make Your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If We haven't responded to Your complaint within 15 days, or if you're not happy with how we've tried to resolve it, You can ask for Your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of Your complaint being escalated, unless they've requested and you've agreed to give Us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to You from the date You first made your complaint, You can contact the Financial Ombudsman Service Australia (FOS Australia). FOS Australia is an ASIC approved external dispute resolution body.

FOS Australia resolves insurance disputes between consumers and insurers, at no cost to You. QBE is bound by FOS Australia's decisions – but you're not. You can contact FOS Australia directly and they'll advise You if your dispute falls within their Terms of Reference.

Disputes not covered by the FOS Australia Terms of Reference

If Your dispute doesn't fall within the FOS Australia Terms of Reference, and you're not satisfied with Our decision then You may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with Our final decision and it relates to Your privacy or how we've handled Your personal information, You can contact the Office of the Australian Information Commissioner (OAIC).

HOW TO CONTACT QBE CUSTOMER CARE	
Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, PARRAMATTA NSW 2124

HOW TO CONTACT FOS AUSTRALIA	
Phone	1800 367 287 (Monday to Friday from 9am to 5pm, Melbourne time, except on public holidays)
Email	info@fos.org.au
Online	www.fos.org.au

HOW TO CONTACT THE OAIC	
Phone	1300 363 992 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Financial claims scheme

Your Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent You may be entitled to access the FCS, provided You meet the eligibility criteria.

More information may be obtained from the Australian Prudential Regulation Authority (APRA).

HOW TO CONTACT APRA	
Phone	1300 558 849 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Online	www.fcs.gov.au

Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice.

The Code aims to:

- commit us to high standards of service
- promote better, more informed relations between Us and You;
- maintain and promote trust and confidence in the general insurance industry;
- provide fair and effective mechanisms for the resolution of complaints and disputes between Us and You
- promote continuous improvement of the general insurance industry through education and training.

You can access the Code at www.codeofpractice.com.au

How to Contact KEY

If You have any questions or would like further information about this Policy or the PDS You may contact KEY at:

Level 37, Grosvenor Place
225 George Street, SYDNEY NSW 2000
Phone: (02) 9290 8000
Fax: (02) 9299 7280

Policy Schedules

Policy Schedules are a record of Your specific insurance covers. When You receive them, please check the Policy Schedules carefully and inform Us immediately if You feel anything needs to be changed. In order that You always have a complete up-to-date record of Your cover, We will send You a new set of Policy Schedules whenever Your insurance cover is renewed or changed in any way.

Policy Wordings

The Policy Wording details all the terms and conditions of cover. In certain cases, Additional Benefits, Definitions, Exclusions and Conditions have been included or varied to suit the requirements of Your

Business. In these cases Endorsements are included with the relevant Policy Wording and are shown on Your Policy Schedule.

Important

You are only covered for those sections which are shown on the Policy Schedule or in respect of which a certificate of insurance has been issued.

Updating this PDS

Information in the PDS may be updated where necessary. You will be issued a new PDS or a Supplementary PDS where the update is to rectify a misleading or deceptive statement or an omission, or to update or add to the information contained in the PDS.

SECTION 1 – IMPORTANT INFORMATION ABOUT YOUR POLICY

It is very important that You read Our Road Bike Insurance Policy thoroughly to ensure You are satisfied with this Insurance.

Your Policy is a contract between You and Us and it is made up of the Policy wording and the Policy Schedule which will show the cover You have selected. The Policy sets out what You are insured for and those circumstances where You will not be insured.

Your Policy includes Your Product Disclosure Statement and Policy Wording and the Policy Schedule and describes the insurance contract between You and Us.

In return for You paying Us the Premium, We will insure You subject to the terms, conditions and exclusions in Your Policy.

Please Read Your Policy Wording

It is important that You carefully read and understand Your Policy Wording because it describes the terms, conditions and exclusions that apply to Your insurance.

Checking Your Policy

Please check Your Policy Schedule to make sure all the information is correct. Please let Us know straight away if any changes are needed.

Keeping Your Documents Safe

You should keep Your Policy in a safe place in case You need to refer to it in the future.

Echelon may require You to provide receipts and other documentary evidence to support a claim. You should keep those documents in a safe place in case required to settle a claim.

Important Conditions

You must notify Us when You change Your place of residence or if You change the regular overnight parking location of Your Motorcycle.

When renewing Your insurance with Us You must also advise any changes to Your claims, riding/driving, insurance or criminal history.

SECTION 2 – DEFINITIONS

The following words when capitalised in Your Product Disclosure Statement or Policy have the meaning given below.

Accidental Damage: means unforeseen and unintended loss, destruction or physical damage to Your Motorcycle not caused by or related to the maintenance or repair of Your Motorcycle in circumstances excluded by this Policy. Accidental Damage includes theft.

Anywhere in Australia: means We will only insure You for an incident occurring in Australia or while Your Motorcycle is being transported within Australia.

Endorsement: means a written notice about any alteration to the insurance under this Policy.

Driving Licence: means a Motorcycle licence or permit to ride that is in force and held by You or an Insured Person at the time of the incident and is current for the class of Your Motorcycle.

Drugs: means any illegal substance or non-prescribed drug which when used impairs a person's faculties.

Excess/es: means the amount You must pay towards the cost of any claim under the Policy. The Excess is printed on the Policy Schedule.

Family: means:

- A spouse (including de facto) of an Insured Person;
- A parent, grandparent, brother, sister, child or grandchild (including in each case half, step, or adopted relationships)
 - of an Insured Person
 - of a spouse(including de facto) of an Insured Person;
- or
- a person who normally lives with an Insured Person.

Flood: means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- A lake (whether or not it has been altered or modified);
- A river (whether or not it has been altered or modified);
- A creek (whether or not it has been altered or modified);
- Another natural watercourse (whether or not it has been altered or modified);
- A reservoir;
- A canal;
- A dam.

Garage Address: means the normal place Your Motorcycle is stored.

Incident: means an event which results in a claim on this Policy.

Insured Person: means You and any other person who has Your permission to ride Your Motorcycle unless You have chosen a nominated rider Policy, in which case an Insured Person is You only. The type of cover chosen will be specified in Policy Schedule.

Limit of Liability: as shown in the Policy Schedule means the amount which We agree to insure Your legal liability for at the commencement of each Period of Insurance. The Limit of Liability excludes any GST but includes legal costs (for both Your defence and any legal costs that You are liable to pay to a third party).

Market Value: means the value of Your Motorcycle at the time of the loss taking into consideration its age and condition. To assist in determining the Market Value We may also use The Red Book price guide, Glass's Guide or other available information. Market value also includes any accessory attached to the Motorcycles which is listed on Your Policy Schedule.

Modification: means any alteration to Your Motorcycle's standard frame, engine, suspension, wheels, tyres or paintwork which could affect its value, safety, performance or appearance. There is no insurance for any modification that is not shown on Your Policy Schedule.

Motorcycle: means the Motorcycle which is able to be Registered, owned by You which is described in the Policy Schedule, including:

- Standard fitted options and accessories; plus
- Any fitted non-standard accessory or modification shown in the Policy Schedule

Motorcycle Apparel: means protective riding gear specifically worn while riding Your Motorcycle and includes Your helmet, riding jacket, gloves, riding pants and riding boots.

Non-standard accessory/ies: means any fitted items owned by You which are not a standard accessory fitted to the model of Your Motorcycle. For example:

Bash Plates, Exhaust Systems, Alarm Systems, Handlebar Accessories, Oggy Knobbs, Steering Dampers, Screens, CB radio, Global Positioning System, Seat Covers, Sissy Bars, Saddle Bags

There is no insurance for any fitted Non-standard accessory unless it is shown on Policy Schedule

Period of Insurance: means the Period of Insurance shown on Your Policy Schedule or any subsequent period for which You pay and We accept premium.

Policy: means Your Policy Wording, and Your Policy Schedule and any amendments to any of these that We notify to You in writing.

Policy Schedule: means a document that in conjunction with the Policy Wording issued by Us which forms part of Your insurance contract with Us and includes the Insured name (You), the Premium payable and the Period of Insurance. It also contains information including what cover You have chosen to take, Your Excess and special conditions that are applicable.

Policy Wording: means the Road Bike Insurance Policy Wording dated 8th June 2017.

Premium/s: means the total amount (including relevant fees, taxes, duties and Government charges) You pay for Your Policy.

Registered: means that Your Motorcycle is Registered or licensed in an Australian State or Territory for use on a public road.

Sum insured: means the Market Value of Your Motorcycle at the date of loss or damage.

Terrorism an Act of Terrorism: means an act, including but not limited to the use of force or violence and or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and or to put the public, or any section of the public, in fear.

Total loss: means when We determine that repairs to Your Motorcycle are uneconomical and includes where the repair costs and the salvage value when added together are likely to exceed the Sum Insured of Your Motorcycle.

Use: means use of Your Motorcycle for one of the following:

- Private use which means for:
 - social domestic, pleasure purposes and travel to and from work; plus
- Business use which means for:
 - the use of Your Motorcycle in connection with Your business or Your occupation.
- Weekend recreation which means for:
 - social domestic and pleasure purposes on the weekend only.

“We”, “Our” or “Us”: means QBE Insurance (Australia) Limited

“You”, “Your”: means the “Insured” named in the Policy Schedule.

SECTION 3 – THEFT OR DAMAGE TO YOUR MOTORCYCLE

3.1 What We Will Pay For

If Your Motorcycle is stolen or accidentally damaged during the Period of Insurance, We will at Our option:

- Pay the cost of repairs up to an amount not exceeding the Sum Insured;
- Pay the Sum Insured if Your Motorcycle is a Total Loss;
- Replace Your Motorcycle including on road costs if similar make and model is available, provided:
 - You are the original owner, from when the Motorcycle was new; and
 - Your Motorcycle is less than 24 months old; and
 - Your Motorcycle was insured for the purchase price, including attached accessories.

In the event that We decide that the Motorcycle is a Total Loss, the Motorcycle including any accessories fitted to the Motorcycle becomes Our property upon payment or replacement.

When Your Motorcycle is a Total Loss and We have paid out the Sum Insured, this insurance ceases.

3.1.1 Damaged Parts

We are entitled to replace damaged parts with new parts or used parts, or repair parts to a similar condition to those being replaced or repaired.

3.1.2 Contribution Towards Cost of Repairs

We are entitled to require You to contribute towards the cost of repairs where the condition or appearance of Your Motorcycle improves as a result of replacing old parts with new parts or repainting more than the damaged area.

3.1.3 Parts and Accessories

Where parts and accessories are not available locally We will only pay:

- the cost of parts and accessories of an equivalent make and model of Motorcycle listed in the latest suppliers list within the State or Territory in which repairs are being carried out;
- surface freight costs of getting parts to the repairer.

3.1.4 Goods and Services Tax (GST)

Where We pay a claim and You are liable to pay GST in respect of Your claim, We will cover You for that GST, less any Input Tax Credit You may be able to claim from Your purchase of goods and services. We will pay this amount in addition to the Sum Insured shown in the Policy Schedule. If Your Sum Insured is not sufficient to cover Your loss, or a Policy limit applies, We will only pay GST that relates to Our settlement of Your claim (less Your entitlement to any Input Tax Credit).

You must advise us of Your correct Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

GST and Input Tax Credit have the same meaning as given to those expressed in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your premium as a percentage of the Total GST on that premium.

3.2 Additional Benefits We Will Pay For

3.2.1 Towing Costs

If Your Motorcycle is damaged or recovered after theft, We will pay the reasonable cost of removal to the nearest repairer or place of safety or to another place We have authorised.

3.2.2 Repatriation Costs

If You live over 100kms from the place where We authorise Your repairs to be done, We will pay the reasonable cost of the repatriation of Your Motorcycle to Your home, up to an amount of \$500.

3.2.3 Replacement Motorcycle

If You sell or otherwise dispose of Your Motorcycle, other than when it is a Total Loss, We will insure Your replacement Motorcycle under this Policy if:

- You replace it with another similar Motorcycle within 14 days; and
- You give Us details of the replacement Motorcycle within that time; and
- We agree to insure it and You pay any extra premium We require.

3.2.4 Travelling Expenses

If Your Motorcycle cannot be ridden as a result of an incident, We will reimburse You up to \$200 for expenses incurred by You to return directly to Your home.

3.2.5 Emergency Accommodation Costs

If Your Motorcycle cannot be ridden home after an incident which caused damage to Your Motorcycle to the extent that it is not able to be ridden and has to be towed from the scene 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 this benefit is \$200.

3.2.6 Nominated Rider

If You choose this option, Your premium may be reduced. When the Policy Schedule shows that the nominated rider option applies We will not cover any accidental loss, damage or liability, which results in a claim, when the Motorcycle was being ridden or was in the control of any other person other than the nominated riders as shown in the current Policy Schedule.

We will not refuse to pay Your claim if the rider of Your Motorcycle:

- Was found guilty of theft or illegal use of Your Motorcycle; or
- Was a person paid by You to repair, service or test Your Motorcycle.

3.2.7 Motorcycle Apparel

We will cover Your Motorcycle apparel when it is accidentally damaged or stolen as a result of an incident under Section 1 – Theft or Damage to Your Motorcycle.

We will cover the main rider up to a total amount of \$2,000 and pillion rider up to a total amount of \$1,000 for any one incident.

3.2.8 Finance Payout – Total Loss

Where Your Motorcycle is subject to any financial agreement through a financial institution and suffers a Total Loss, We will cover You or the finance provider for the difference between the contract payout amount and the Market Value of Your Motorcycle to a maximum of 25% of the Market Value less any payments and interest in arrears at the time of loss, and less any discount in respect of finance charges and/or interest for the unexpired term of the financial agreement. However, We will not pay if We are not required to do so by the finance provider.

3.3 What We will Not Pay For

There is no insurance under Section 3:

3.3.1

for theft or damage when You or an Insured Person do not take reasonable precautions to Secure Your Motorcycle.

3.3.2

when the theft is by a person acting with the express or implied consent of You or an Insured Person;

3.3.3

when the theft is by a person to whom You have lent Your Motorcycle, but this will not apply if the incident is theft by deception and You have kept the Driving Licence or other form of legal identification of that person;

3.3.4

when the damage is:

- i. the result of normal wear and tear, rust or corrosion to Your Motorcycle;
- ii. structural failure, electrical or mechanical breakdown;

3.3.5

when You or an Insured Person have not taken all reasonable steps to protect Your Motorcycle from being stolen or further damaged after it has been involved in an incident and/or structural failure, electrical or mechanical breakdown;

3.3.6

when the damage is to the tyres of Your Motorcycle unless it was caused in the incident;

3.3.7

when the theft or damage is:

- i. to a non-standard accessory not shown on the Policy Schedule;
- ii. to a modification not shown on the Policy Schedule;
- iii. to personal property;

3.3.8

for financial or consequential loss.

SECTION 4 – LEGAL LIABILITY

4.1 Legal Liability for Damage to a Third Parties Property

If You become legally liable for damage to another person's property directly caused during the Period of Insurance by:

- a part of Your Motorcycle;
- goods falling from Your Motorcycle;
- the loading or unloading of Your Motorcycle.

then We will pay:

- the reasonable cost of the damage for which there is liability; or
- the amount awarded by a court in Australia, up to the Limit of Liability.

4.1.1 Riding Another Motorcycle

We will insure You under this Section when You ride a substitute Motorcycle of similar power(cc), characteristics and Market Value or less being ridden whilst Your Motorcycle is being repaired or serviced.

4.1.2 Pillion Rider

We will insure under clause 4.1, a pillion rider who is lawfully travelling on or getting on or off Your Motorcycle or a substitute Motorcycle.

4.1.3 Other People Riding Your Motorcycle

We will also insure under this Section an Insured Person riding Your Motorcycle or the rider of the substitute Motorcycle who is in charge of that Motorcycle with Your permission but only where You have not taken out a nominated rider Policy as specified on Your Policy Schedule.

4.1.4 Maritime Liability

If Your Motorcycle is being transported by sea between ports within Australian waters, We will pay Your contribution in respect of Your Motorcycle for general average and salvage charges incurred by a shipowner where necessary for the safety of the ship and cargo, provided You are liable to contribute under Maritime law, up to a Maritime Liability sublimit value of \$100,000, with a loss limited to the maximum value of the Motorcycle of \$40,000.

4.1.5 Legal Costs

Provided We agree in writing and also provided that the limit of liability is not exhausted We will pay for all legal costs and expenses in defending any court proceedings that may arise from liability covered by Your Policy. We will not pay for any legal costs and expenses relating to any criminal or traffic proceedings.

4.1.6 Limit of Liability

We will not pay more than the limit shown in the Policy Schedule for Our total liability under this Section in respect of all claims arising out of one incident or series of related incidents, including all costs, charges, expenses and legal costs. Any Excess payable by You is included in the liability limit.

4.2 What We Will Not Pay For

There is no insurance under Section 4 or Clause 3.2.6 for legal liability:

4.2.1

for bodily injury or death;

4.2.2

for fines or penalties (including any interest and costs) incurred by an Insured Person;

4.2.3

for any punitive, exemplary, aggravated or multiple damages (including any interest and costs) against an Insured Person;

4.2.4

arising out of an undertaking or guarantee given by an Insured Person without Our written authority;

4.2.5

for damage to property owned by an Insured Person or in their possession custody or control;

4.2.6

for which there is an entitlement to claim an amount or benefit under a statute or other Policy in respect of the liability.

SECTION 5 – EXCESS – YOUR CONTRIBUTION TOWARDS A CLAIM

When You make a claim You may have to contribute some money towards the cost of that claim. This is called an Excess and, if following an incident, more than one Excess applies, You have to pay the total of all the Excesses that apply to You.

There are a variety of Excesses – as follows:

- A basic Excess, which is the first amount You have to pay;

plus, You may have to pay an:

- age Excess when the rider at the time of the incident is within the age group for the specified Excess, but this Excess does not apply when the incident is a result of fire, explosion, lightning, flood, theft or where Your Motorcycle is damaged while parked.

plus, You may have to pay an

- inexperienced rider Excess which applies when the rider at the time of the incident has not held an Australian Motorcycle licence for 3 or more years, but this Excess does not apply when the incident is a result of fire, explosion, flood, theft or where Your Motorcycle is damaged while parked.

Your basic Excess along with any additional Excesses are specified in Your Policy Schedule

SECTION 6 – GENERAL EXCLUSIONS WHICH APPLY TO THE POLICY

6.1 There is no insurance under this Policy if You or an Insured Person riding Your Motorcycle:

6.1.1 at the time of the incident:

- i. was affected by alcohol or drugs to an extent that impaired the control of Your Motorcycle; or
- ii. had a blood alcohol level exceeding the statutory limit for the State or Territory in which the incident occurred; or
- iii. did not hold a current Driving Licence or had not complied with all conditions of the Driving Licence;

6.1.2

following the incident, refused to take a Police alcohol or drug test

This only applies if You knew, or should have known, that the person riding Your Motorcycle was affected by alcohol or drugs or did not have a Driving Licence.

If We do pay a claim because You Were unaware that the person riding Your Motorcycle was affected by alcohol or drugs or did not have a Driving Licence, then We reserve the right to recover from that rider.

6.2 There is no insurance under this Policy if at the time of the incident Your Motorcycle was being ridden by You or an Insured Person and was;

6.2.1

not Registered;

6.2.2

being used for an unlawful purpose;

6.2.3

being used:

- i. on a race track, speedway track or course,
- ii. for rider training or rider instruction on a race track, speedway track or course unless Your Policy is endorsed for such use,
- iii. in preparation for, or in, a race, time-trial, hill-climb or any other competitive motor sport or contest,
- iv. in a rally or event where the road was closed to public traffic

6.2.4

being used for carrying passengers for hire, fare or reward, unless Your Policy is endorsed for such use;

6.2.5

being let out on hire;

6.2.6

being used for business purposes.

6.3 There is no insurance under this Policy if at the time of the incident Your Motorcycle was:

6.3.1

in an unsafe, un-roadworthy or illegal condition(s), but this does not apply if:

- i. the condition did not contribute to the cause of the incident, or
- ii. You or an Insured Person were unaware of the defect and it was reasonable to be unaware of it.

6.3.2

overloaded, but this does not apply if the overloading did not contribute to the cause of the incident.

6.4 There is no insurance under this Policy when the incident arises out of an intentionally harmful or damaging act by:

6.4.1

You, an Insured Person or a Family member;

6.4.2

a person with the express or implied consent of You, an insured person or Family member,

6.4.3

a pillion rider on Your Motorcycle or a substitute Motorcycle.

6.5 There is no insurance under this Policy when the incident is caused by:

6.5.1

lawful seizure, repossession or other operation of law;

6.5.2

invasion, war, civil war or rebellion;

6.5.3

nuclear Weapons, nuclear fuel, waste or material

6.6 Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause

This Policy does not cover

6.6.1

loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

6.6.2

any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from;

- i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- ii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

6.7 War and Civil War Exclusion

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

6.8 Terrorism Exclusion:

6.8.1

Notwithstanding any provision to the contrary herein, this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

6.8.2

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

6.8.3

If We allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon You.

6.8.4

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

SECTION 7 – CLAIMS CONDITIONS & PROCEDURES

It is important to remember that a claim made by any one of the persons named as the Insured in Policy Schedule is a claim by all of them.

7.1 An incident occurs

As soon as You discover that an incident likely to result in a claim has occurred, You must:

- take all reasonable steps to reduce the loss or damage and to prevent further loss or damage;
- Inform the police immediately when required to do so by law or when the incident is theft or malicious damage;
- Advise us as soon as possible of the incident likely to lead to a claim under this Policy.

7.2 You Must Not

Whatever the circumstances You or an Insured Person must not:

- admit guilt or fault (except in court or to the Police);
- offer or negotiate to pay a claim;
- admit liability.

7.3 Repair Approval

You are not authorised to have Your Motorcycle repaired without Our approval.

Whilst You can choose a repairer to obtain a quotation from, We have the right to nominate another repairer or supplier to be used if We are not satisfied with the initial quotation. We recommend a repair quotation be obtained from the place of the original purchase where possible.

7.4 Assistance

Before We will pay anything under this Policy, You and any Insured Person must have complied with all the requirements of this Section and given to Us information and assistance which We have requested.

7.5 Fraud / Police

If any claim is fraudulent or false in any respect, We may deny part or all of the claim and may recover any costs. We will also report any suspected fraudulent conduct to the police for investigation.

7.6 Claims Administration / Notices

When a claim is admitted under this Policy, We have the right at Our discretion to exercise all the legal rights of an Insured Person relating to the incident and to do so in their name.

We will take full control of the administration, conduct or settlement of the claim including any recovery or defence that We may consider necessary.

You or an Insured Person must continue to give us all information and assistance reasonably required in relation to the claim or any proceedings. You must provide Us, as soon as possible, with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the incident.

7.7 Claim Form

Before We consider Your claim, You must promptly and accurately complete a claim form and deliver it to Echelon with any additional supporting documentation that may be required.

7.8 Salvage

We are entitled to any salvage value including any rebates of Government charges, registration fees and/or CTP charges, if We pay out on Your Motorcycle on a Total Loss basis or for damaged items that have been replaced.

7.9 Other Insurance

At the time of any claim You are required to give Us written notice of any other insurance covering Your Motorcycle.

SECTION 8 – OTHER CONDITIONS THAT APPLY TO YOUR POLICY

8.1 Premium & Approval of Application Form

In order for cover under Your Policy to exist, the Premium must have been received in full by Us and Your Application Form must have been received by JLT and accepted by KEY.

8.2 Changes to Your Policy

If You want to make changes to any of the information shown on Your Policy Schedule, You must notify Us. Any changes You make to Your Policy become effective when:

We agree to the changes in writing; and

You have paid any additional Premium, which We require.

8.3 Cancellation

8.3.1 Cancellation by You

You may cancel the Policy at any time by giving Us notice in writing.

8.3.2 Cancellation by us

- a) During the Period of Insurance.

We may cancel this Policy on any of the grounds set out in the Insurance Contracts Act 1984 and We will always tell You of this in writing.

- a) On expiry of this Policy

We may cancel this Policy at the end of the Period of Insurance. If this is about to happen We will tell You in writing within the terms set out in the Insurance Contracts Act 1984.

8.3.4 Premium Refund

On cancellation, a refund of the premium will be made equal to the unexpired period of this Policy less Our commissions & fees and any non-refundable Government charges.

If We have paid a Total Loss claim this Policy will cease and You will not be entitled to a refund of premium.

8.4 Notices

Any notice that We give You will be in writing. It will be effective if it is delivered to You personally or if it is delivered or posted to Your address last known to Us. If there is any change to Your address it is important for You to notify Us of the change as soon as possible.

8.5 Goods & Services Tax (GST)

If You are not a Goods and Services Tax (GST) Registered entity and You are liable to pay GST in respect to Your claim without being entitled to an input tax credit, We will pay the GST. If You are a GST Registered entity entitled to an input tax credit for Your premium and/or for things covered by Your Policy, You must disclose these entitlements to Us. Any claim payment under Your Policy will be reduced by the amount of any input tax credits to which You are, or would be, entitled.

8.6 Australian Currency

All payments by You to Us and by Us to You or someone else under Your Policy must be in Australian currency.

8.7 Governing Law

Your Policy is governed by the Laws of Australia. Any dispute or action in connection with Your Policy shall be conducted and determined in the Courts of Australia.