



MOTOR VEHICLE INSURANCE

Product Disclosure Statement



PROGRESSIVETM

Welcome

TO PROGRESSIVE

Online car insurance with
24/7 support

You manage your policy

- › Buy, make updates and even report claims, all online

We manage your claim

- › Personalised claim service
- › Free Windscreen Repair
- › Agreed Value for your vehicle
- › Progressive chooses the repairer
- › Lifetime Repair Guarantee

Saving you time and money...

Now that's Progressive!

Please review the entire Product Disclosure Statement for all the details about our Motor Insurance cover.

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1 > INTRODUCTION

This Product Disclosure Statement, or PDS, is designed to provide information about us and our **Progressive motor vehicle** insurance. This information will help **you** decide whether our motor vehicle insurance is right for you.

The covers and services described in this PDS are available to anyone who receives this PDS (electronically or otherwise) in Australia. If you decide to purchase our insurance, **your** insurance **policy** will consist of this PDS and any **supplementary PDS** we may issue, along with your current **insurance certificate**.

The information in this PDS was updated on May 1, 2011. Up-to-date insurance-related information that does not adversely affect your policy may change from time to time and may be made available to you on our website at progressiveonline.com.au.

It's important to note that our policy does not cover every person, use, event, vehicle, or situation. To find out more about what is and isn't covered by this motor vehicle insurance, please read this PDS carefully. We ask that you pay particular attention to the section titled "What we don't cover," beginning on page 9.

Terms in bold type in this PDS have specific definitions. Please refer to the "Definitions" section on page 27 of this document to find out what each defined term means.

IMPORTANT INFORMATION ABOUT US

Who we are

This product is issued by Progressive Direct Insurance Company ABN: 28 140 389 528, AFSL: 342 902; incorporated in Ohio, U.S. Members Liability Limited. Progressive, regulated by the Australian Prudential Regulatory Authority (APRA), is a wholly owned subsidiary of The Progressive Corporation.

The Progressive Group, which began insuring motor vehicles in 1937, is one of the largest motor insurance specialists in the world.

Contact

You may contact us any time on our website at progressiveonline.com.au, or by emailing us at customersupport@progressiveonline.com.au.

The financial service we provide

We are licenced as a general insurer to deal and to provide general financial product advice in relation to general insurance. Any advice that we provide is general advice only, and does not take into account your individual objectives, financial situation, or needs. You should assess whether our insurance is appropriate for you in light of these factors and consider talking to an advisor before making a decision.

Fees

We do not charge you fees for cancellations, policy adjustments, or for any other amendments you wish to make.

How we operate

We conduct our business online to keep our costs to a minimum so that we can offer you a low premium and not charge you any fees.

We rely on the Internet and our ability to communicate with you electronically so that you can buy and manage your policy through an online account with us.

Through the Internet:

- we can quote and sell our insurance;
- you can review and update your policy through your online account;
- we can send payment requests, answer questions and do most other communications via e-mail (we try our best not to use paper); and
- you can lodge a claim with us but we also have a claims service number 1300 CLAIMS (252 467) to call as an alternative.

We conduct our business online to keep our costs to a minimum so that we can offer you a low premium and not charge you any fees.

Our product is not for everyone. You need to feel comfortable making transactions online and obtaining important insurance documents from our website. You can access your policy and account information at any time on our website and download and print documents you may need (for example, a current insurance certificate).

Progressive Dispute Resolution Service

We'll try to resolve any issues you have promptly, and offer a consumer appeals service that we call the Progressive Dispute Resolution Process. We welcome any feedback you have about our products or services. Please see page 24 for more details.

2 > OUR COVER

We offer three different types of cover:

1. Comprehensive Insurance;
2. Third Party Fire & Theft Insurance; and
3. Third Party Property Damage Insurance.

You can cover up to five vehicles on one policy. If there's more than one vehicle on the policy, you can choose a different cover type for each vehicle. The insurance certificate and your online policy account will show which cover type you have purchased for each vehicle.

For more information about making a claim under any of these covers, how these claims are handled, and what amounts are paid, please see the "Making a Claim" section on page 12.

You can cover up to five vehicles on one policy. If there's more than one vehicle on the policy, you can choose a different cover type for each vehicle.

COMPREHENSIVE INSURANCE

Here's what's covered by our Comprehensive Insurance:

Loss or damage to your vehicle

We pay for accidental loss or damage to **your vehicle** up to the **agreed value**. We cover loss or damage as a result of the following incidents:

- Accident
- Fire
- Flood
- Malicious act
- Storm
- Theft or attempted theft

Property damage liability

When the use of your vehicle causes damage or loss to someone else's property, we cover your legal liability up to a maximum of \$20 million. This is the most we'll pay for all claims arising from a single accident, and includes all expenses we agree to pay toward your legal and defence costs.

We will cover:

1. you, a **covered driver**, or a passenger, with respect to an accident arising from the use of your vehicle, or a trailer or caravan attached to your vehicle;

2. any person using your vehicle with your permission, and who complies with the terms and conditions of this policy; and
3. your employer or principal if you are using your vehicle in the course of your employment or agency. See exclusions to some types of vehicle use on page 9.

If your vehicle has a trailer or caravan attached, they are considered one vehicle and our limit is not increased.

Additional benefits

You automatically receive additional cover when you purchase our Comprehensive Insurance. All limits are inclusive of Goods and Services Tax (GST). These benefits are subject to all applicable excesses.

Child safety seats

We pay the reasonable cost, up to \$500, to replace child safety seats in your vehicle with child safety seats of like kind and quality if they have been stolen or damaged by an incident that is covered by your policy.

Personal effects

We pay the reasonable cost to repair or replace personal effects that belong to you or a covered driver if they are damaged in an accident involving your vehicle. Personal effects means personal items which are designed to be worn or carried. The most we will pay for all personal effects in connection with any one accident is \$500.

Under this benefit, we will not pay for stolen personal effects, and we do not cover tools or items used in connection with a business or occupation, mobile phones or cash.

Pet injury cover

If your pet is inside your vehicle at the time of an incident that we cover, we will provide:

1. up to \$1,000 for reasonable veterinary fees incurred by you if your pet is injured as a direct result of the covered incident; or
2. a \$1,000 death benefit if your pet dies as a direct result of the covered incident, less any payment we made toward veterinary expenses for your pet.

"Your pet" means any dog or cat owned by you.

The most we will pay in any one incident is \$1,000 even if more than one cat or dog is involved.

Rental car after theft

If your vehicle is stolen and you make a claim, we will arrange, and pay the daily fees, for an economy-type rental car, up to the daily limit listed on your current insurance certificate.

These benefits stop when any one of the following conditions is met:

- The rental benefit has been provided for 14 days;
- Your vehicle has been recovered and is returned to you or its owner undamaged;

- Your vehicle has been repaired or replaced, if it is recovered damaged;
- 72 hours after we make an offer to settle the loss on a vehicle that we determine to be a write-off.

At our option, we may decide to reimburse you. When this happens, you must send us receipts of rental charges in order to receive reimbursement. The running costs and extras of the rental car are your responsibility. The rental car will be covered under the terms and conditions of your Progressive Comprehensive Insurance during the period of this benefit, and if you wish to make a claim, you must pay any excesses that apply.

Emergency repairs

We pay the reasonable cost, up to \$500, for emergency repairs that enable your vehicle to be driven home after it has suffered loss or damage in an accident or has been stolen and recovered in damaged condition.

Debris removal

We pay the reasonable cost to remove debris that falls from your vehicle as a result of suffering loss or damage in an accident.

Towing

We pay the reasonable cost of towing your vehicle to the nearest repairer or place of safety if it is damaged and cannot be safely driven.

Trailer damage

We pay the reasonable cost, up to \$500, to repair or replace a trailer that's attached to your vehicle if the trailer is damaged in an accident involving that vehicle.

Free windscreen/window glass repair

You won't have to pay any excess for damage to your vehicle's windscreen or window glass if the windscreen or window glass is repaired rather than replaced.

Optional benefits

When you purchase our Comprehensive Insurance, you may add the following options to your policy by paying an extra premium.

Rental car after incident

If your vehicle is damaged due to an incident covered under this policy (excluding theft), we will arrange, and pay the daily fees, for an economy-type rental car, up to the daily limit listed on your current insurance certificate.

These benefits begin when your vehicle cannot be driven due to the loss or damage or, if the vehicle can be driven, when it is delivered to a repair shop.

These benefits stop when any one of the following conditions is met:

- The rental benefit has been provided for 14 days;

- Your vehicle is returned to you or its owner;
- Your vehicle has been repaired or replaced;
- 72 hours after we make an offer to settle the loss on a vehicle that we determine to be a write-off.

At our option, we may decide to reimburse you. When this happens, you must send us receipts of rental charges in order to receive reimbursement. The running costs and extras of the rental car are your responsibility. The rental car will be covered under the terms and conditions of your Progressive Comprehensive Insurance during the period of this benefit, and if you wish to make a claim, you must pay any excesses that apply.

After-market accessories

You can choose to extend your policy to cover the following after-market accessories when they are permanently installed in your vehicle:

Safety/ Security	Alarm/Immobiliser, Central Locking, Plastic Covers/Shield(s), Reversing Sensors
External	Bicycle Rack, Bull Bar, Nudge Bar (Front & Rear), Roof Rack, Side Steps, Tow Bar, Alloy Wheels
Audio/ Video	CB Radio, CD Player, DVD Player, GPS or Satellite Navigation, Radio Cassette, Speakers/Subwoofer, Television
Other	Air Conditioner, Cargo Barrier, Cruise Control, LPG Conversion, Power Windows, Sunroof, Tinted Windows

You may choose how much cover you want to purchase up to a maximum of \$2,000 for all after-market accessories we cover. Each after-market accessory is covered up to its **market value**, but the most we will pay you under this cover (including GST) for any one incident, subject to all applicable excesses, is the total amount of cover for all after-market accessories that you have chosen to insure.

THIRD PARTY FIRE & THEFT INSURANCE

Vehicles less than 15 years old are not eligible for this cover.

Here's what's covered by our Third Party Fire & Theft Insurance:

Fire & theft

We pay for loss or damage to your vehicle, up to the agreed value, as a result of fire or theft.

Property damage liability

When the use of your vehicle causes damage or loss to someone else's property, we cover your legal liability up to a maximum of \$20 million. This is the most we'll pay for all claims arising from a single accident, and includes all expenses we agree to pay toward your legal and defence costs.

We will cover:

1. you, a covered driver, or a passenger, with respect to an accident arising from the use of your vehicle, or a trailer or caravan attached to your vehicle;
2. any person using your vehicle with your permission and who complies with the terms and conditions of this policy; and
3. your employer or principal if you are using your vehicle in the course of your employment or agency. See exclusions to some types of vehicle use on page 9.

If your vehicle has a trailer or caravan attached, they are considered one vehicle and our limit is not increased.

Uninsured motorist damage

We pay for loss or damage to your vehicle as a result of a collision with another vehicle where the owner or driver of that other vehicle is not insured for your damage. The maximum we will pay under this cover is \$3,000 for any one accident. This amount includes any reasonable cost of towing we may agree to pay.

We must agree that the accident was not your fault and you must provide us with the registration number of the other vehicle as well as the name and residential address of the other driver.

We will decide the amount of loss and damage that you have sustained as a result of the accident. Any judgment or settlement that is made without our written consent is not binding on us.

Additional benefits

Rental car after theft

If your vehicle is stolen and you make a claim, we will arrange, and pay the daily fees, for an economy-type rental, up to the daily limit listed on your current insurance certificate.

These benefits stop when any one of the following conditions is met:

- The rental benefit has been provided for 14 days;
- Your vehicle has been recovered and is returned to you or its owner undamaged;
- Your vehicle has been repaired or replaced, if it is recovered damaged;
- 72 hours after we make an offer to settle the loss on a vehicle that we determine to be a write-off.

At our option, we may decide to reimburse you. When this happens, you must send us receipts of rental charges in order to receive reimbursement. The running costs and extras of the rental car are your responsibility. The rental car will be covered under the terms and conditions of Progressive Comprehensive Insurance during the period of this benefit, and if you wish to make a claim, you must pay any excesses that apply.

Optional benefits

When you purchase our Third Party Fire & Theft Insurance, you may add the following option to your policy by paying an extra premium.

After-market accessories

You can choose to extend your policy to cover the following after-market accessories when they are permanently installed in your vehicle.

Safety/ Security	Alarm/Immobiliser, Central Locking, Plastic Covers/Shield(s), Reversing Sensors
External	Bicycle Rack, Bull Bar, Nudge Bar (Front & Rear), Roof Rack, Side Steps, Tow Bar, Alloy Wheels
Audio/ Video	CB Radio, CD Player, DVD Player, GPS or Satellite Navigation, Radio Cassette, Speakers/Subwoofer, Television
Other	Air Conditioner, Cargo Barrier, Cruise Control, LPG Conversion, Power Windows, Sunroof, Tinted Windows

You may choose how much cover you want to purchase up to a maximum of \$2,000 for all after-market accessories we cover. Each after-market accessory is covered up to its market value, but the most we will pay you under this cover (including GST) for any one incident, subject to all applicable excesses, is the total amount of cover for all after-market accessories that you have chosen to insure.

THIRD PARTY PROPERTY DAMAGE INSURANCE

Here's what's covered by our Third Party Property Damage Insurance:

Property damage liability

When the use of your vehicle causes damage or loss to someone else's property, we cover your legal liability up to a maximum of \$20 million. This is the most we'll pay for all claims arising from a single accident, and includes all expenses we agree to pay toward your legal and defence costs.

We will cover:

1. you, a covered driver, or a passenger, with respect to an accident arising out of the use of your vehicle, or a trailer or caravan attached to your vehicle;
2. any person using your vehicle with your permission and who complies with the terms and conditions of this policy;
3. your employer or principal if you are using your vehicle in the course of your employment or agency. See exclusions to some types of vehicle use on page 9.

If your vehicle has a trailer or caravan attached, they are considered one vehicle and our limit is not increased.

Uninsured motorist damage

We pay for loss or damage to your vehicle as a result of a collision with another vehicle where the owner or driver of that other vehicle is not insured for your damage. The maximum we will pay under this cover is \$3,000. This amount includes any reasonable cost of towing we may agree to pay.

We must agree the accident was not your fault and you must provide us with the registration number of the other vehicle as well as the name and residential address of the other driver.

We will decide the amount of loss and damage that you have sustained as a result of the accident. Any judgment or settlement that is made without our written consent is not binding on us.

WHAT WE DON'T COVER

Please be aware that your policy does not provide cover in certain situations. Please review the following exclusions carefully to gain a better understanding of the limitations of your policy and when we will not pay your claim.

Exclusions to all types of cover

The table below sets out all exclusions that apply to all Progressive's motor vehicle insurance policies.

Category	Exclusions None of the covers provided by this policy apply to, and we will not pay any claim for, loss, damage, or liability that arises or results from an accident, incident, or loss:
Vehicle use	<ul style="list-style-type: none"> ▶ that occurs while your vehicle is being used: <ul style="list-style-type: none"> – to carry persons or property, or provide driver instruction for compensation or a fee; – for retail or wholesale delivery of goods; – as a courtesy vehicle, in connection with the motor trade; – in a race, trial, test, or contest, or for unlawful purposes; – on a competition racetrack, competition circuit, competition course, or competition arena; – on consignment to, leased to, or rented to others, or given in exchange for any compensation; – in connection with emergency services; – to move substances that pollute, contaminate, or are otherwise potentially harmful, provided that we will not refuse a claim if it is proven to us that your vehicle was being lawfully used to move such substances in a legally permitted manner; – to carry more passengers than permitted by law, loaded above the legal limit, or loaded in an illegal way;
Vehicle sale	<ul style="list-style-type: none"> ▶ that occurs if you or the owner advertise your vehicle for lease or sale and do not accompany a test drive or generally do not take reasonable precautions to prevent its theft or damage; ▶ that occurs if you or the owner have given your vehicle to a person to sell it for you; ▶ that occurs while your vehicle is in the possession of a person as part of the person's stock in trade;

Category	Exclusions None of the covers provided by this policy apply to, and we will not pay any claim for, loss, damage, or liability that arises or results from an accident, incident, or loss:
Unsafe vehicles	<ul style="list-style-type: none"> ▶ that occurs if your vehicle is in an unroadworthy or unsafe condition, but not if it is proven to us that this condition did not contribute to the loss, damage, or liability or that this condition was not and could not reasonably have been known by you;
Drivers	<ul style="list-style-type: none"> ▶ that occurs while your vehicle is being driven by any person who is an excluded driver; ▶ that occurs while your vehicle is being driven by a person who is a household member or a regular and frequent driver of your vehicle if he or she is not a covered driver, as indicated on the current insurance certificate; ▶ that occurs if, at the time of the accident, incident, or loss, the driver of your vehicle: <ul style="list-style-type: none"> – is under the influence of, or had his or her judgment affected by, any alcohol, drug, or medication; – has more than the legal limit of alcohol in his or her breath or blood, as shown by analysis or test; or – refuses to submit to testing as required by law; ▶ that occurs if the driver of your vehicle is not authorised under the law in force in the state or territory to drive the motor vehicle;
Territory and policy period	<ul style="list-style-type: none"> ▶ that occurs outside Australia, except where your vehicle is in transit by sea between places within Australia; ▶ that does not occur within the policy period indicated on your current insurance certificate;
Nuclear	<ul style="list-style-type: none"> ▶ involving, or caused directly or indirectly by, the accidental or intentional use, existence, discharge, dispersal, release, or escape of any nuclear or radioactive material;
Intentional, deliberate, or malicious acts	<ul style="list-style-type: none"> ▶ involving, or arising out of, an intentional, deliberate, or malicious act by you or by a driver of your vehicle, or such an act done at the direction of you or of the driver, even if the actual injury or damage is different from what was intended or expected. This exclusion, however, does not apply to damage caused by a person who has stolen the vehicle, where the theft is otherwise covered;
War	<ul style="list-style-type: none"> ▶ involving, or arising out of, any hostilities, rebellion, riot, civil commotion, or war – whether war has been formally declared or not;
Contaminants and pollutants	<ul style="list-style-type: none"> ▶ involving, or caused directly or indirectly by, the accidental or intentional use, existence, discharge, dispersal, release, or escape of any biological, bacterial, viral, germ, chemical, or poisonous pollutant, contaminant, matter, or agent, or any looting or rioting following an occurrence involving any of these; ▶ involving, or arising out of, the discharge, dispersal, release, or escape of contaminants, pollutants, or other dangerous goods or substances from your vehicle unless they are substances that the driver is legally permitted to carry.

The table below sets out some further exclusions that apply under all types of cover, to property damage liability and loss or damage to your vehicle.

Category	Exclusions
Property damage liability cover	<p>➤ Property damage liability cover does not apply to, and we will not pay any claim under that cover for:</p> <ul style="list-style-type: none"> – any liability assumed under any contract or agreement by you, the owner of your vehicle, a covered driver, or any other person using your vehicle; – any liability for loss or damage to your vehicle, or to any property: <ul style="list-style-type: none"> - owned by, - rented to, - being transported by or used by, or - in the control or charge of you or a household member; – any penalties, fines, or any awards of punitive, exemplary, or aggravated damages made against: <ul style="list-style-type: none"> - you, - the owner or driver of your vehicle, or - any of its passengers; – any liability for bodily injury or death.
Loss or damage cover	<p>You are not covered for and we do not pay for:</p> <ul style="list-style-type: none"> – loss or damage to a substitute motor vehicle; – depreciation; – wear, tear, rust, or corrosion; – unrepaired prior loss or damage; – structural, mechanical, electrical, or electronic failure or breakdown; – damage to tyres caused by braking, punctures, cuts, or bursting; – loss of use of your vehicle or its after-market accessories; – loss or damage caused by the lawful repossession or seizure of your vehicle or its after-market accessories; – loss or damage due to failure to take all reasonable steps to secure and protect or recover your vehicle or its after-market accessories, after it has broken down, been damaged, or stolen; – repair or replacement of a whole set due to loss or damage to a part or parts of the set; – loss of value of your vehicle after it has been repaired.

3 MAKING A CLAIM

If your vehicle has been damaged, involved in an accident, and/or has caused damage to someone else's property, please contact us as soon as possible. If your vehicle has been stolen, report the theft to the police immediately, and then contact us.

To report the accident or loss to us, you can login to your Progressive online account at progressiveonline.com.au and follow the instructions for reporting a claim or you can call our claims team on 1300 CLAIMS (252 467).

CLAIM REQUIREMENTS

Anyone making a claim under this policy must satisfy a number of requirements as well as provide the information and assistance we reasonably request.

Requirements include:

- cooperating with us in any matter concerning a claim or legal proceeding;
- providing any written proof of loss we may reasonably require, including proof of ownership of your vehicle, after-market accessories, or personal effects;
- allowing us to take signed and recorded statements, including sworn statements and examinations under oath, and answering all reasonable questions we may ask, as often as we may reasonably require;
- promptly notifying us about any claim or legal proceeding;
- attending court as we require;
- allowing us to inspect your vehicle and/or after-market accessories and obtain repair quotations before their repair or disposal;
- taking your vehicle or allowing it to be towed to a place nominated by us if we request;
- authorising us to obtain records;
- promptly reporting any theft, attempted theft, or malicious act to the police.

Anyone making a claim under this policy must:

- tell us the truth and be open and honest with us in connection with the claim;
- assist us in recovering any part of a claim from the responsible party and in negotiating, defending, or settling the claim;

- ▶ promptly deliver to us any relevant letters, notices, and documents that are received;
- ▶ cooperate with us to enable us to exercise for our benefit all legal rights of recovery that anyone covered by this policy may have against any other party in the covered incident. This may include assigning rights and executing forms and documents to allow us to pursue recovery. We will initiate, fund, and control recovery actions at our discretion;
- ▶ not make any admission of liability or settle or compromise any claim made against them without our prior written consent;
- ▶ provide us with all information we require to verify your rate and pay any extra premium we ask if your information needs to be corrected and this would have resulted in a higher rate for the relevant policy period.

If any of these responsibilities are not met, we may deny or reduce our liability for a claim and/or cancel your policy.

LOSS OR DAMAGE TO YOUR VEHICLE AND AFTER-MARKET ACCESSORIES

If your vehicle is damaged or stolen and recovered with damage, and there is cover under the policy, we'll decide if it should be repaired or considered a write-off. If we decide that it should be repaired, we'll either authorise the repairs or pay for the cost of repairs, as described below.

When we authorise repairs, our obligation is to repair the vehicle, subject to the terms and conditions of the policy.

Repairing a vehicle

Progressive chooses the repairer

When we determine that the damage to your vehicle can be repaired, we will choose the repairer.

We will select one of our Progressive Preferred Repairers who will arrange a time for you to drive your vehicle to prepare a repair quote. If your vehicle cannot be driven, we'll arrange for its transportation to the repairer. We'll coordinate with you to oversee the process from beginning to end.

Our Progressive Preferred Repairers are a national network of carefully selected motor vehicle body repairers. They offer you distinct advantages:

- ▶ Our repairers are equipped with modern repair technology to ensure the safety and integrity of your vehicle.
- ▶ Because of our relationship with these repairers, you'll receive prompt service and have issues resolved quickly and fairly.

- ▶ Using a Progressive Preferred Repairer means less work for you because you won't need to get additional repair estimates or manage any part of the repair process.

When we use a Progressive Preferred Repairer, our obligation is to repair the vehicle, subject to the terms and conditions of the policy.

When we determine a Preferred Repairer is not available, we will choose the repairer in consultation with you. We may ask you to obtain quotes from more than one repairer in these circumstances.

Lifetime Repair Guarantee

If you use a repairer authorised by us for a covered repair, and the repairs completed are defective at any time during the life of the vehicle, we will arrange, at our cost, for the defective repairs to be fixed. If there is concern about the quality of repairs completed by a repairer that we authorise, please promptly contact Progressive rather than the repairer. We will organise any necessary repair corrections with the repairer. As your insurer, Progressive is your first point of contact in relation to all repairs conducted on your vehicle. Please do not undertake any additional work without our authorisation as this may mean that our guarantee is not available.

Replacement parts

If we decide that your vehicle should be repaired, we may, at our option, decide to replace the damaged parts, repair the damaged parts, or replace some parts and repair others.

When we use replacement parts and your vehicle is within its manufacturer's standard new car warranty period and less than three years old (based on the original new car purchase date), we'll authorise new, original equipment manufacturer (OEM) parts where they are reasonably available. For replacement of windscreens and window glass, we may authorise non-OEM parts that comply with Australian Design Rules.

In all other situations where we use replacement parts, we'll use new, reconditioned, or used OEM and/or non-OEM parts at our discretion, provided that the used parts are of similar kind and quality to the parts which they replace.

Important note regarding repairs

Please note that:

- ▶ we are not liable to pay for any repair amount that we have not authorised; and
- ▶ we may require you to contribute to the costs if the repair or replacement leaves your car in a better condition than before it was damaged.

Determining whether your vehicle is a write-off

Your vehicle is a write-off for the purposes of your policy if:

- ▶ we decide it is so badly damaged that it would not be safe or economical (taking into account its salvage value) to repair it; or

- ▶ it has been stolen and is not found within 14 days after the theft is reported to us (or is found within that time period, but the damage makes it a write-off under the preceding clause) and we are satisfied that your claim is in order.

New vehicle replacement or the agreed value

If your vehicle becomes a write-off because of damage or theft within the first 12 months of its original new car registration, we will, at our option, either pay the agreed value, or pay to replace the vehicle with a new vehicle and pay the on-road costs (being the dealer delivery fee and first 12 months' registration and compulsory third-party motor vehicle insurance costs).

If your vehicle is a write-off and we have decided to pay to replace the motor vehicle, the replacement vehicle will be, if reasonably available locally:

- ▶ of the same make, model, and series as the damaged or stolen vehicle; and
- ▶ fitted with the same insured modifications and standard accessories.

If your vehicle is under finance, you may have to obtain the approval of the financier before it can be replaced. In this case, you must arrange for that consent to be obtained and sent to us before the vehicle can be replaced.

In all other cases where your vehicle is a write-off, we will pay the agreed value.

When we write-off a vehicle

We are entitled to offset from our settlement the value of any unexpired registration and compulsory third-party motor vehicle insurance costs as well as any unrepaired damage to the vehicle that we have paid for under a previous claim on this policy.

We'll retain the damaged vehicle and it becomes our property.

When we pay the agreed value, we'll send your payment promptly for the amount due.

Loss or damage to after-market accessories

If you have cover for loss or damage to your vehicle's after-market accessories, we'll generally follow the same process described on pages 13-15 for loss or damage to your vehicle, subject to the following:

- ▶ If your vehicle is determined to be a write-off, we will also deem the after-market accessories to be a write-off and pay the after-market accessory limit listed on your insurance certificate. We'll retain the damaged after-market accessories.
- ▶ If your vehicle is not a write-off, but the loss or damage to the after-market accessories renders any or all of them a write-off (applying the same standard we use for your vehicle), we will, in addition to paying for the damage to your vehicle as described above, pay up to the after-market accessory limit listed on your

insurance certificate. We'll retain the damaged after-market accessories. We may require receipts and/or documentation for after-market accessories.

DAMAGE TO SOMEONE ELSE'S PROPERTY

If you damage someone else's property and there is cover for the damage under our property damage liability cover, we are entitled to take over and control the defence of any claim made by a third party against you for damage to property. We have full discretion to conduct any negotiations and proceedings, and have authority to settle the claim.

Provided that we have agreed in writing, we will pay for all legal costs and expenses in defending any court proceedings that may arise from an accident that is covered by your policy.

POLICY EXCESSES

Types of excesses

Before we will pay any amount for a claim under your policy, you are required to pay an initial amount that is applicable to the accident, incident, or loss. The amount you are required to pay is the total of the various excesses described below:

- ▶ **Standard** – This excess applies in addition to all other applicable excesses.

If you have Comprehensive Insurance cover:

There is a minimum standard excess, but you may choose to increase your standard excess to certain higher amounts. The amount you choose will affect your premium — the higher the standard excess you choose, the lower your premium will be (but the more you may have to pay toward a claim in the event of a covered incident). The minimum standard excess and the higher amounts that you may choose are listed on our website. The amount you choose will be shown on your current insurance certificate.

If you do not have Comprehensive Insurance cover:

The standard excess is listed on our website and will be shown on your current insurance certificate.

- ▶ **Age** – This excess applies in addition to all other applicable excesses if your vehicle is being used at the time of an accident, incident, or loss by a person whose age falls within one of these two ranges:

– under 21;

– 21 or over, but under 25.

Each age range has an applicable excess. You can find the amounts on our website, and they will be listed on your current insurance certificate.

➤ **Inexperienced Driver** – This excess applies in addition to all other applicable excesses if your vehicle is being used at the time of an accident, incident, or loss by a person who does not fall into the age excess category, but who held a driving license for less than two years at the time of the accident, incident, or loss.

➤ **Unlisted Driver** – This excess applies in addition to all other applicable excesses if your vehicle is being used at the time of the accident, incident, or loss by a person for whom there is cover under this policy other than you or a covered driver.

You can find the amount of this excess on our website, and it will be listed on your current insurance certificate.

You are responsible for policy excesses

If an excess is payable, you are responsible for paying the excess, even if someone else was driving your vehicle at the time of the accident. It's up to you to obtain reimbursement from that driver if you choose.

No excess payable in certain circumstances

You won't have to pay any excess if, when your vehicle is involved in an accident with another vehicle, we determine that the driver of your vehicle was not in any way at fault. You must, however, be able to give us the name and address of the person who was responsible for the damage and the registration number of his or her vehicle.

And you won't have to pay an age, inexperienced driver, or unlisted driver excess if there is a claim for damages to your vehicle and the damage:

- was caused by theft, storm, flood, fire, or vandalism;
- occurred while the vehicle was legally parked;
- was limited to the vehicle's windscreen or window glass.

How excess is paid

We determine when you should pay the excess and if you should pay the excess to us, to the vehicle repairer, or to a party who has suffered damage. We can also choose to deduct the excess from the amount we pay you, or from the amount we pay another person under your policy to compensate for loss or damage to his or her property. We may require that you pay your excess before we make any payment or provide any benefit under your policy. We will not cover any legal or other costs that may result if you don't pay or if you delay paying your excess.

GST AND YOUR CLAIM

If you are GST registered and we make a payment to you, the owner of the vehicle, or the owner of other property, the amount payable will be reduced by the amount of any Input Tax Credit that you are, or would be, entitled to claim for the repair or replacement of the insured property, or for other goods or services covered by that claim payment. This applies to any amount we pay, including where we state that an amount will include GST. We'll need to know the extent of that entitlement at or before the time a claim is made under this policy. We do not cover you for any GST liability arising from any misstatement by you in relation to your entitlement to an Input Tax Credit. Any payment we make to settle your claim will be considered to be made in full even if the amount we pay has been reduced, as described above.

4 OTHER INFORMATION ABOUT YOUR POLICY

YOU MUST GIVE US ACCURATE AND COMPLETE INFORMATION

You must be honest and give us information we need in order to decide whether to insure you, and on what terms:

- before you enter into the motor vehicle policy with us for the first time; and
- when you renew or make any change to the motor vehicle policy.

You must tell us everything you know and that a reasonable person in the circumstances would tell us in answer to the questions we ask. If you are not honest with us and do not provide us with all of the required information, we may reduce or deny any claim you make or cancel your policy in accordance with our rights under the Insurance Contracts Act of 1984 (Commonwealth).

EMAIL

Because we communicate mostly by email, you must provide us with an email address in order to obtain a Progressive policy. That way, we can be sure that you are receiving important information from us.

If your email address changes during the policy period, contact us immediately and provide us with the new address. If we don't have a valid email address for you, we may not invite you to renew your policy.

ONLINE TRANSACTIONS

We keep our premiums low by conducting business primarily online. By purchasing insurance from us, you agree:

- that information we are legally required or authorised to give you in writing may be given by way of electronic communication but only where this process is permitted by law at the time we give you the information.

- to receive from us the forms, correspondence, and documents that we choose to send over the Internet;
- to make every effort to update your policy information, confirm transactions, and report claims on our website.

HOW WE DETERMINE YOUR PREMIUM

Careful analysis of the risk associated with providing the type of cover you request is the primary way we determine the cost of your motor vehicle insurance. We consider several factors that are reliable identifiers of risk.

We calculate your premium based on the risk of providing the policy, and what policy type you have chosen.

The significant factors that we consider and which may increase or decrease the price you pay for your insurance are:

- the driving and claim history, age, gender, home owner status, and education of you and all covered drivers;
- types of cover and options;
- the address at which your vehicles are garaged or kept;
- the value, age, make, model and repair costs of your vehicles, and insured after-market accessories;
- whether you pay your premium in one up-front lump sum or instalments when offered;
- aspects of your financial record, including whether you financed your vehicle or already have motor vehicle insurance;
- the excesses you select;
- the cost of providing and administering the policy.

Other factors that are considered by us and may increase or decrease the price you pay for your policy are:

- the cost of providing legal liability cover;
- our profitability targets;
- the expenses we incur to sell policies and settle claims;
- government charges and taxes.

The premium displayed on your current insurance certificate includes any government charges, taxes, and levies, such as GST, Stamp Duty, and Fire Services Levy, that we are obliged to pay.

NOTE: Our prices may change at any time without notice.

No Claims Bonus and Ratings

A No Claims Bonus and a Rating mean the same thing. Our No Claims Bonus feature rewards you for not having made claims. With this feature, each additional consecutive year that you and the covered drivers on your policy have not had a claim helps keep your premium lower (up to a maximum no-claim benefit).

In determining your No Claims Bonus, we:

- don't count windscreen or window glass claims if the windscreen or glass is repaired instead of replaced;
- include the amount of time that you and the covered drivers all went without an insurance claim prior to the start of your Progressive Policy.

When a claim is made, the No Claims Bonus benefit may be reduced (including to nil).

PAYING FOR YOUR POLICY

You agree to pay your premium payments on or before the due date indicated on your bills. We accept payment by credit card only.

You can pay your premium in one lump sum or by monthly instalments which may be available in limited circumstances that we will determine. If you pay in one lump sum, a premium discount is available.

You must provide us with an Authorisation to Charge Credit Card Account ("Authorisation") because your premium payments for this policy and all renewals of this policy will be charged to your credit card account automatically unless, subject to the terms and conditions of the Authorisation, you contact us and advise us not to. An Authorisation is available when you apply for cover and can also be found on our website. You must keep a current and valid Authorisation in place at all times during the policy period.

You can confirm your payments to us by going to our website and logging in to your account. There, you will see your account activity, and you can print out statements and receipts.

You can make any payment with a credit card that is different from the one you have instructed us to use in the Authorisation by going to our website and logging in to your account. However, you still need to keep a current and valid Authorisation in place at all times for renewal and instalment payments.

If we attempt to charge your credit card account and payment is refused by your financial institution for any reason, you will be considered to not have paid your premium when due.

MAKING CHANGES TO YOUR POLICY

You need to let us know as soon as possible if there is any change in:

- your email address;
- your mailing address and the address at which each of your vehicles is garaged or kept;
- household members, and regular and frequent drivers of your vehicles;
- covered drivers and excluded drivers;
- the motor vehicles that you want listed on this policy (including any additional motor vehicles you acquire);
- the type of use of your vehicle, including changes from personal to **business use**, from business to personal use, and from one type of business use to another;
- the highest education level you have attained or your home ownership status;
- the after-market accessories that you want covered;
- the cover types you want;
- the standard excess you want if you have Comprehensive Insurance for one or more of your vehicles.

To make these changes, login to your account and follow the instructions for changing your cover or updating your policy information.

If you make a change to your policy, your premium may change. If it increases, you may have to make a payment as a condition of the change, and your remaining instalment payments may increase.

If you don't tell us about a change and we accept a claim, we may ask you to pay any extra premium that results from the change and covers the relevant policy period.

Replacement motor vehicle

If you permanently replace a vehicle shown on your insurance certificate, the replacement motor vehicle will have the same cover from the time of its purchase as the motor vehicle it replaces, subject to the following:

- within 14 days of its purchase you go to our website, log into your account, and list the replacement vehicle on your policy;
- the replacement vehicle is one that we would normally insure;
- you agree to pay any additional premium that may become due.

The cover ends for the replaced vehicle and begins for the replacement vehicle from the time of purchase of the replacement motor vehicle.

If you don't list the replacement motor vehicle within 14 days of its purchase, you will not have any cover relating to it until you list the replacement vehicle on your policy. Cover will apply going forward.

REVIEWING YOUR COVER

The insurance certificate will show certain information you have provided to us in your application and subsequent updates. It will also show your premium and the types of cover and options that are in effect for your policy.

When you make or report changes to your policy, you can login to your account and review and print an updated insurance certificate which will confirm your transaction with us.

Always review the insurance certificate carefully and contact us if any of the information is incorrect.

RENEWING YOUR POLICY

Before your policy expires, we'll send you a written renewal notice indicating the expiration date and time of your policy, and whether or not we invite you to renew your policy. Instead of a written notice, we may send you an electronic link by which you can access the notice, but only where this process is permitted by law.

If we invite you to renew and you wish to do so, please login to your account to update and correct any information that we use to determine your premium. You will then see the amount of premium we are charging for the entire renewal period, the minimum initial payment required for instalments, and the payment due date. Your premium may be higher or lower than it was for your previous policy.

If we invite you to renew and you choose not to, please login to your account and advise us not to renew your policy. If you don't advise us not to renew your policy, we will automatically renew your policy if your minimum required initial payment is paid by the due date.

To make payment by the due date, ensure that your Authorisation is current and valid. If for the expiring policy period you paid your premium in one lump sum, we'll collect the full amount of your renewal premium; if you paid in instalments, we'll collect the minimum required initial payment. You may also login to your account to use a different credit card.

Please know that if the minimum required initial payment is not paid before the expiration date and time, your policy expires without further notice from us.

COOLING-OFF PERIOD AND CANCELLING YOUR POLICY

Under Australian law, you can cancel this policy within 14 days from the date that the policy was sold to you.

Progressive allows you to cancel your policy at any time, and we don't charge a cancellation fee. To cancel, login to your Progressive online account on our website and follow the instructions for cancellation.

We can cancel your policy for reasons permitted by, and by giving you written notice in accordance with, the Insurance Contracts Act of 1984. Written notice will be sent to the last known address for

you appearing on your online account. Instead of a written notice, we may send you this notice electronically, but only where this process is permitted by law.

If you're paying your premium in instalments, and at least one instalment remains unpaid for at least a month, and we haven't cancelled as described in the preceding paragraph, then we may give you notice of cancellation that will be effective at the date and time specified in the notice.

In all cases of cancellation, we'll deduct from the premium you have paid to us an amount that covers the shortened period for which you have insured with us. We will then refund the balance by crediting the card account noted against your policy.

GST AND YOUR POLICY

All amounts described in this PDS include GST.

Scheduling multiple vehicles and covered drivers

- ▶ If you are not registered for GST, you should not list any covered driver who expects to be entitled to an Input Tax Credit for the premium paid in connection with this policy, as we will not treat any covered driver under this policy as having entitlement to an Input Tax Credit. Please consider buying a separate policy from us for them.
- ▶ If you are registered for the GST, you should list only motor vehicles that you, as a GST-registered entity, use for the purposes of the enterprise, and only covered drivers whose use of those vehicles you have taken into account in determining the extent of your entitlement to an Input Tax Credit. We'll treat all covered drivers and motor vehicles on this policy as relating to your enterprise. Please consider purchasing separate policies from us for any vehicles that don't relate to your enterprise.

THE PROGRESSIVE DISPUTE RESOLUTION PROCESS

If you are dissatisfied with our service, the cover provided under your policy, or the way we have treated you, we encourage you to take advantage of our dispute resolution process as described below. This process extends not only to you, but also to any party covered under your policy.

If you are not satisfied with anything about your cover or the way we have treated you, please tell us:

- ▶ Firstly, you should email your complaint to Progressive at customersupport@progressiveonline.com.au. If you've been dealing with a Progressive representative, contact that person and express your dissatisfaction. Ask them to refer the matter to their manager if they have not done so already. We'll often be able to resolve the matter to your satisfaction.

- If the matter is still not resolved to your satisfaction, you can email the Progressive Customer Ombudsman at ombudsman@progressiveonline.com.au and request that he or she review your dispute. The Ombudsman will respond to you within 15 working days of receiving your email unless more time is needed to investigate, in which case the Ombudsman will contact you to discuss the length of the investigation.
- If you disagree with the Progressive Customer Ombudsman's decision, you are entitled to appeal to the Financial Ombudsman Service (FOS) for a review of the Progressive Customer Ombudsman's decision (so long as you qualify under the FOS eligibility criteria). The FOS is an independent dispute resolution service. You can contact the service toll-free at 1300 78 08 08 or by email at info@fos.org.au. You can also visit the FOS website at www.fos.org.au. There is no charge for this service.
- You do not have to accept any decision we or the FOS make. You always have the option to seek remedies elsewhere. Any decision the Progressive Customer Ombudsman or the FOS makes is binding on us, provided you accept the decision.

THE GENERAL INSURANCE CODE OF PRACTICE

We're a member of the Insurance Council of Australia (ICA) and have adopted its *General Insurance Code of Practice*. This code provides information and education about insurance and sets forth standards of customer service and procedures to promote better relations between customers and insurers. It addresses insurance buying, claims handling, catastrophe and disaster response, education, and dispute resolution.

For more information about the Code, you can access a copy of it at www.codeofpractice.com.au.

PROTECTING YOUR PRIVACY

We respect your privacy and safeguard your information. We're committed to handling your personal information in a responsible manner in accordance with the Progressive Privacy Policy and National Privacy Principles. By purchasing this policy, you consent to the collection, use, disclosure, storage, and processing of your personal information as provided in our Privacy Policy.

In addition to you, our Privacy Policy applies to covered drivers about whom you give us personal information, other persons who have cover under this policy, and persons who claim against a driver with cover under this policy. We may collect, use, disclose, store, and process the personal information of those persons like we do your personal information. This includes transferring information to our data processing systems in the United States, which are shared with and operated by our related entities.

By providing personal information to us about covered drivers, you are representing that you are authorised by them to do so. You also represent that you have informed the covered drivers and any other person whom you authorise to use your vehicle, of the terms of our Privacy Policy and they have consented to them.

Please visit our website to learn more about our protection of your privacy.

CREDIT PROVIDERS

If a credit provider has a financial interest in your vehicle, the conditions and exclusions of this policy apply to them. We will treat any statement, act, omission, or claim by you as a statement, act, omission, or claim by the credit provider.

A credit provider with an interest in your vehicle has an interest in this policy. The credit provider can make a claim under this policy only if:

- a loss occurs that falls within the terms and conditions of this policy;
- the terms of the finance contract between you and the credit provider provide the credit provider with the right to receive the proceeds of an insurance claim in priority to you;
- the credit provider has validly exercised its proper legal rights under the finance contract; and
- all other terms and conditions of this policy have been complied with in relation to the claim.

5> DEFINITIONS

Your Progressive PDS attaches certain meanings to a number of words and phrases that are used throughout the document. We've put together these definitions to let you know what we mean by those words and phrases when used in this PDS.

after-market accessories

After-market accessories are options/items that have been permanently installed to your vehicle by someone other than the manufacturer or motor vehicle dealership as part of the original sale.

agreed value

The amount that we will pay, less any applicable excesses, if your vehicle is determined to be a write-off, and if we decide not to replace it. The agreed value is established at the beginning of each policy period for each of your vehicles. The current agreed value for each of your vehicles is shown on the current insurance certificate, and may change with each renewal. If there is cover for a replacement motor vehicle that is not shown on the insurance certificate, the agreed value for such vehicle will be the market value of the vehicle at the time of loss or damage. Agreed value includes GST, registration, Compulsory Third Party Insurance, on-road costs, warranty costs, future stamp duty, and transfer fees.

business use

Use of the motor vehicle during full-time, part-time, or casual working periods as an integral means of earning income, even if the motor vehicle is also used for social, domestic, and/or pleasure purposes. However, business use does not include use of your vehicle for commuting to or from work or for occasional job-related errands.

covered driver

Any driver who you have told us about and who we have agreed to cover. All covered drivers are shown on your current insurance certificate.

excluded driver

A household member or a regular and frequent driver of your vehicle whom you have designated to be excluded from cover under the policy. Excluded drivers are not considered in determining your premium, but there is no cover under the policy when any of them is driving your vehicle. The excluded drivers are shown on the insurance certificate.

household member

A person of legal driving age who resides in the same household as you. This includes your unmarried dependent children temporarily away from home if they intend to continue to reside in your household.

insurance certificate

The document in your policy that shows, among other things, the details of your policy, information you have given us on which we have based our decision to insure you, and certain information that we have used to determine your premium. Your current insurance certificate is the most recent certificate that we've given you or made available to you at our website, incorporating the most recent information you have provided us.

market value

The cost to replace a vehicle or after-market accessories with a vehicle or after-market accessories of the same make, model, age, and condition as the replaced vehicle or accessories immediately prior to its loss or damage, as decided by us.

modifications

An alteration to the standard body, engine, transmission, drive-train, suspension, brakes, wheels, or paintwork of your vehicle that affects its value, safety, performance, or appearance.

motor vehicle

A vehicle that is propelled by a motor and:

- is of the private passenger, pickup, or cargo van type;
- is designed for operation principally upon public roads;
- has at least four wheels;
- has a carrying capacity of 2 tonnes or less.

policy

Your insurance policy consists of this PDS, any supplementary PDS, and the current insurance certificate. All relevant terms and conditions are included in this PDS, any supplement to this PDS, and your insurance certificate. Your insurance policy is a contract between you and us.

Progressive

Progressive Direct Insurance Company ABN: 28 140 389 528, AFSL: 342 902. We may also refer to Progressive as "we," "us," or "our."

standard accessories

Standard accessories are options/items fitted to your vehicle by the manufacturer or by the motor vehicle dealership as part of the original sale.

substitute motor vehicle

A motor vehicle not owned by you or a household member that is being used as a temporary substitute for any vehicle that is described on the current insurance certificate and is out of normal use because of its breakdown, repair, servicing, loss, or destruction. A substitute motor vehicle has cover only for property damage liability. If there is other motor vehicle property damage liability insurance that applies to a substitute motor vehicle at the time of an accident, the cover provided by this policy will be excess and secondary to such other insurance. A rental car provided under this policy is not considered a substitute motor vehicle.

supplementary PDS

A separate document that updates, corrects, or supplements this PDS.

you and your

The person shown as a policyholder on the current insurance certificate.

your vehicle

Your vehicle is:

- any motor vehicle shown on the current insurance certificate, for the covers applicable to that vehicle;
- any replacement motor vehicle;
- a substitute motor vehicle for purposes only of property damage liability cover.

Your vehicle includes:

- standard accessories;
- modifications made by the manufacturer specifically for your vehicle model, or installed by the motor vehicle dealership as part of the original sale.

Your vehicle does not include after-market accessories.



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Contact us at progressiveonline.com.au or email us at customersupport@progressiveonline.com.au

PO Box 1300 Camberwell, Vic 3124