



Tyre & Rim Insurance

Policy Document
(Product Disclosure Statement)



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About this insurance

Introduction

Thank you for choosing Allianz.

This Tyre and Rim Insurance policy is designed to provide cover if your motor vehicle or motorcycle's tyres are punctured, suffer a blowout, or are damaged by various road hazards such as roadside kerbs, potholes and road debris. It also provides cover for damage to wheel rims as a result of the same hazards.

Who is the insurer?

The insurer is Allianz Australia Insurance Limited
AFS Licence No. 234708 ABN 15 000 122 850 of
2 Market Street, Sydney, NSW, 2000.

Our Product Disclosure Statement

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

Understanding your policy and its important terms and conditions

The above is a summary only, to properly understand your policy's significant benefits and features you need to carefully read:

- about the available types of cover and benefits in the relevant sections, including any endorsements (remember certain words have special meanings – see “Words with special meanings”);
- “When we will not pay your claim” section (this describes the limitations of the cover and benefits);

- “General conditions” and “Making a claim” sections (these set out certain obligations that you and we have. If you do not meet them we may be able to refuse to pay a claim); and
- “Other important information” section (this contains important information on your duty of disclosure, our privacy policy and our dispute resolution process).

You need to decide the limits and level of cover are appropriate for you. If they are not, you may be underinsured and have to bear part of the loss yourself.

When you apply for the policy by completing our application we agree with you on things such as: the period of insurance; your premium; what property you want to cover; the limits you want for certain covers (if optional); excesses that will apply to you or others and whether any standard terms need to be varied (this may be by way of an endorsement). These details are recorded in the policy schedule we issue to you.

Your premium

We advise what the premium is and the method of payment acceptable to us, either before or at the time the insurance is issued. The policy schedule contains the details of the premium.

The premium we charge you varies depending on certain factors, such as our costs, the type of vehicle, the level of cover you choose and other information you provide to us when applying for this insurance.

Factors that increase the risk to us generally increase the premium (e.g. where the highest level of cover is chosen) and those that lower the risk reduce premium payable (e.g. a lower level of cover is chosen).

The premium amount also includes amounts that take into account our obligation (actual or estimated) to pay

any relevant compulsory government charges, taxes or levies (for example, Fire Services Levy, Stamp Duty and GST where applicable) in relation to your policy. If you have any queries on this you can ask us when you apply. You must ensure your premium is paid on time. We may cancel your policy if you fail to pay your premium by the time we require.

Non-Renewable

This is non-renewable insurance, and the period of insurance will not continue beyond 3 years. Please be aware that all benefits will cease when your policy ends irrespective of the amounts already paid (see “When your policy ends” on page 17).

Cooling off period and cancellation rights

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

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

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

After the cooling off period has ended, you still have cancellation rights (refer to “Conditions of cover” “Cancellation rights under your policy” on page 16, for full details).

Updating the PDS

Information in this PDS may need to be updated from time to time. You can obtain a paper copy of any updated information without charge by contacting us using the contact details provided on the back cover of this document. If the update is to correct the PDS, we will provide you with a new PDS or a supplementary PDS.

Eligibility

Eligibility to apply for Tyre and Rim Insurance; your motor vehicle or your motorcycle must:

- have comprehensive motor vehicle or comprehensive motorcycle insurance cover; and
- have a carrying capacity of no greater than 2 tonnes.

What is Tyre and Rim Insurance?

Purpose of Tyre and Rim Insurance

This Tyre and Rim Insurance is designed to cover you if your motor vehicle or your motorcycle's tyres are punctured, suffer a blowout, or are damaged by various road hazards such as roadside kerbs, potholes and road debris. It also provides cover for damage to rims as a result of the same hazards.

This insurance pays you for the cost of repairing or replacing your motor vehicle or your motorcycle's tyres and wheel rims up to a maximum amount. There is a choice of two levels of cover for your tyres and rims on your motor vehicle and one level of cover available on your motorcycle.

An optional benefit is available which provides for emergency accommodation, up to a maximum amount, as shown in your policy schedule, should you require accommodation as a result of covered damage to your vehicle's tyres or rims and you are more than 200 km from your home.

Please refer to 'What we will pay' for further details.

What your policy consists of

Your policy consists of:

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

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

Not everything is covered

Not everything is covered by this insurance. The above is only a summary and there are limitations. It is important that you carefully read your policy documents to understand the extent of cover and its limitations.

Our agreement with you

Where we have agreed to cover you, we will insure you for the cover selected by you for the period of insurance shown in the policy schedule on the basis:

- that you have paid, or agreed to pay us the premium for the cover which the policy schedule indicates is in force;
- of the verbal and/or written information provided by you which you gave after having been advised of your Duty of Disclosure either verbally or in writing. If you failed to comply with your Duty of

Disclosure, we may be entitled to reduce our liability under the policy in respect of a claim or we may cancel your policy. If you have told us something which is fraudulent, we have the option of cancelling your policy from the effective date stated in the policy schedule.

For your assistance we have provided a full explanation of your Duty of Disclosure and the consequences of non-disclosure, under the heading “Your Duty of Disclosure”, on page 21.

Words with special meanings

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

“comprehensive motor vehicle insurance” means motor vehicle insurance commonly known as comprehensive motor vehicle insurance which provides cover for accidental loss of or damage to your vehicle (excluding insurance limited to cover for specified events only such as fire and theft) plus cover for your legal liability to third parties for damage to their property arising from the use of your vehicle.

“comprehensive motorcycle insurance” means motorcycle insurance which provides cover for accidental loss of or damage to your motorcycle (excluding insurance limited to cover for specified events only such as fire and theft) plus cover for your legal liability to third parties for damage to their property arising from the use of your motorcycle.

“period of insurance” means the period of time commencing on the effective date stated in the policy schedule and ending on the earlier of the expiry date shown on the policy schedule and the date your policy ends (see “When your policy ends” on page 17). The period of insurance will not continue beyond 3 years from the effective date.

“policy year” means the year commencing on the policy commencement date and subsequent anniversaries of this date during the period of insurance.

“replacement tyres and rims” means the tyre(s) and rim(s) that replaced the original tyre(s) and rim(s) that were fitted to your motor vehicle or your motorcycle at the time this policy was purchased and are the same configuration, make, model and rating as the original.

“retread” means a previously-worn tyre which has been subject to a remanufacturing process in order to be fitted with a new tread.

“rim” means the rim of the wheels on your motor vehicle or your motorcycle, excluding any other part of the wheel assembly, such as the wheel hub, brakes, bearings or axle.

“roadworthy” with respect to your motor vehicle or your motorcycle means fit for use on Australian public roads in compliance with standard vehicle requirements in the state or territory in which it is registered.

“run flat tyre” means a tyre that is designed to resist the effects of deflation when punctured enabling a vehicle to continue to be driven, usually at reduced speeds and for a limited distance.

“space saver wheel” means any non standard wheel that is not intended to be used as a permanent wheel and is not of the same configuration, make, model or rating as the other tyres and rims fitted to your vehicle.

“temporary tyre or rim” means any tyre or rim (including a space saver wheel) that was not a part of the set of tyres or rims that were fitted to your motor vehicle or your motorcycle at the time this policy was purchased and that are not a replacement tyre or rim.

“tyre” means any tyre that was attached to your motor vehicle (excluding a space saver tyre) or your motorcycle at the time this policy was purchased.

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

"your motor vehicle" or "your motorcycle" means the registered motor vehicle or registered motorcycle (including scooters), as detailed in your policy schedule. This includes its standard tools, modifications and accessories as supplied or fitted by the manufacturer or dealer when the motor vehicle or motorcycle was purchased.

"you", "your" or "yours" means the person(s) named in the policy schedule.

What we will pay

For your motor vehicle you have a choice of 2 levels of cover; Standard Cover or Prestige Cover for your tyre(s) and rim(s). The level of cover that you have chosen will be listed in your policy schedule.

For your motorcycle Standard cover is available. The level of cover will be listed in your policy schedule.

The maximum amounts of cover are outlined in the table below.

Tyres

If during the period of insurance any tyre on your motor vehicle or your motorcycle is accidentally punctured, damaged or suffers a blowout as a result of it being driven over potholes, nails, screws, kerbs, glass or other road debris, we will pay for the cost of the repairs or replacement of the damaged tyre up to the maximum amount as shown in your policy schedule for each policy year.

Rims

If during the period of insurance any rim on your motor vehicle or your motorcycle is accidentally physically damaged or warped as a result of a blowout or as a result of it being driven over potholes, kerbs, or other road debris, we will pay for the cost of the repairs or replacement of the damaged rim only, up to the maximum amount as shown in your policy schedule for each policy year

We will also cover replacement tyres and rims, as defined in “Words with special meanings” on page 8.

Summary of cover

Cover type	Tyres	Rims
Standard	\$375 maximum per tyre per policy year but subject to a \$750 maximum payable for all claims in any one policy year. Maximum of two replacement tyres per policy year.	\$1,100 in total for all claims in any one policy year.
Prestige	\$800 maximum per tyre (including run flats) per policy year but subject to a \$1,400 maximum payable in total for all claims in any one policy year (including run flats).	\$1,100 in total for all claims in any one policy year.

Cover is provided up to a maximum amount per policy year. If maximum amount is not claimed for in a policy year, this amount does not transfer to the following policy year.

Policy Option

Emergency accommodation

When the current policy schedule lists that the cover for emergency accommodation option applies and we accept a claim under the Tyre and/or Rim cover(s) for accidental damage, and you are over 200 km from your home, we will reimburse the cost of emergency accommodation for you, your spouse, your de facto or dependant children. The emergency accommodation cover will be up to \$150 per night to a maximum amount of \$750 for any one policy year.

When we will not pay your claim

We will not pay any claim for damage to the tyre(s) or rim(s) of your motor vehicle or your motorcycle which is caused by, arises from or is any way connected with:

1. any manufacturer's defect or recall;
2. your motor vehicle or your motorcycle being driven/ ridden on any beach, 4 wheel drive track or off-road;
3. any form of damage resulting from a collision (unless otherwise stated as specifically covered by this policy) or any accidental fire or theft damage to your motor vehicle or your motorcycle;
4. any deliberate, intentional, malicious or criminal act;
5. vandalism, misuse or abuse of your motor vehicle or your motorcycle;
6. any act of nature including but not limited to bushfire, earthquake, thunderstorm, hail or flood;
7. failing to maintain the manufacturer's recommended tyre pressure;
8. damage caused by scratching or bruising;
9. if you do not take all reasonable precautions to prevent loss or damage to your motor vehicle or your motorcycle's tyres and rims, including, but not limited to protecting and maintaining your motor vehicle or your motorcycle and its tyres and rims.

We will not provide cover for your motor vehicle or your motorcycle's tyres and rims if your motor vehicle or your motorcycle has been modified from the manufacturer's original specifications and these modifications contribute to the damage of your motor vehicle or your motorcycle's tyres or rims.

We will not provide cover on your motor vehicle or your motorcycle for:

1. damage caused whilst being used to carry passengers or goods for hire, fare or reward;
2. damage caused whilst being used for, or testing in preparation for, speed tests, racing or trials, or any form of racing or motor sports, hill climb, track day or time trial;
3. damage to tyres and rims occurring when your motor vehicle or your motorcycle is in a damaged condition;
4. non damaged rims for the purpose of matching a set of rims;
5. depreciation, wear, tear, rust or corrosion of tyres and rims;
6. damage that is the direct result of loading your motor vehicle or your motorcycle beyond the limits specified by your vehicle's manufacturer;
7. tyres and rims which are not roadworthy or have been fitted to a vehicle which is not roadworthy;
8. temporary and space saver tyres and wheels;
9. tyres that have been repaired, except for puncture repair;
10. retread tyres.

We will not pay a claim for damage that occurs while your motor vehicle or your motorcycle is driven/ridden by anyone:

1. who is not authorised to drive/ride your motor vehicle or your motorcycle; or
2. who does not hold a current drivers/riders licence; or
3. who is under the influence of alcohol or drugs; or

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4. whose blood alcohol reading at the time of the claimable incident exceeded the legal limit; or
 5. who, after the event giving rise to the claim, refuses to provide or allow the taking of a sample of breath, blood or urine for testing analysis as required by the law of any state or territory in which the accident occurred.

We will not pay a claim for damage if you do not take reasonable care to minimise the cost of any claim under this policy.

Conditions of cover

1. Changes to your policy

This policy is non transferable and non variable.

2. Geographic limits

Cover is only provided under your policy whilst your motor vehicle or your motorcycle is:

- in Australia;
- in transit by road, rail, air or sea within Australia.

3. Cancellation rights under your policy

- a. You may cancel your policy with us or any part of the policy at any time by notifying us using the contact details provided on the back cover of this document.
- b. We have the right to cancel your policy where permitted by law. For example, we can cancel your policy with us:
 - if you have failed to comply with your Duty of Disclosure, or
 - where you have made a misrepresentation to us during negotiations prior to the issue of your policy, or
 - where you have failed to comply with a provision of your policy, including the term relating to payment of premium, or
 - if you have made a fraudulent claim under your policy or under some other contract of insurance that provides cover during the same period of time as your policy.

- c. Subject to (d), if you or we cancel the policy we may deduct a proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover.
- d. In the event we accept a claim under this policy and you cancel your policy, no return of premium will be made for any unused portion of the premium.

4. When your policy ends

Your policy begins on the effective date shown on the policy schedule.

Unless we agree otherwise, your policy will cease to be in force and all future claim payments under it will stop at the earliest of;

- a. the expiry date shown on the policy schedule; or
- b. 4pm on the date that is three years from the effective date; or
- c. on cancellation of your policy; or
- d. on the date that your relevant comprehensive motor vehicle insurance or motorcycle insurance lapses or is cancelled; or
- e. from the time your ownership of your motor vehicle or your motorcycle ends.

5. Salvage

We are entitled to obtain and retain any items or materials that are salvaged or recovered after you make, and we agree to pay, a claim by replacing, or paying to replace, any items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to you, if you agree to pay the market price for the items or materials.

6. GST Notice

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

Sums insured

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

Claim settlements – Where we agree to pay

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

- Where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a damaged item insured under your policy) we will pay for the GST amount.
- We will pay the GST amount in addition to the sum insured/limit of indemnity or other limits shown in your policy.

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

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

- Where we make a payment under your policy as compensation instead of payment for a relevant acquisition, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to had the payment been applied to a relevant acquisition.

- Where your policy insures business interruption, we will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by your business that is relevant to your claim.

Disclosure input tax credit entitlement

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

Making a claim

What you must do

1. Contact us as soon as possible

Contact us as soon as possible on the number on the back cover of this document, or contact the Dealer from whom you purchased your vehicle.

2. Assist us with your claim

You must give us all the information and assistance with your claim which we may reasonably require. If we have the right to recover any amount payable under your policy from any other person, you must co-operate with us in any action we may take. We may appoint a loss adjuster to help settle your claim.

Other important information

Your Duty of Disclosure

Before you enter into an insurance contract with us, you have a duty, under the Insurance Contracts Act 1984 to provide us with the information we need to enable us to decide whether to accept your application for insurance and, if so, on what terms and to calculate how much premium is required for your insurance.

We set out this duty below.

Your Duty of Disclosure when you enter into your policy with us

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

- give us honest and complete answers;
- tell us everything that you know; and
- tell us everything that a reasonable person in the circumstances could be expected to know is relevant to our decision whether to insure you and whether any special conditions need apply to your policy.

What you don't need to tell us?

You do not need to tell us about any matter that:

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

Who must tell us?

Everyone who is insured under your policy must answer the questions in this way.

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

If you or they do not answer the questions in this way, we may cancel your policy or reduce the amount we pay if you make a claim. If fraud is involved, we may treat your policy as if it never existed and pay nothing.

Privacy Act 1988 – Information

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

We disclose information to third parties who assist us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, your agents and other persons where required by law). We also provide this information to financiers and motor vehicle manufacturers if we have a relationship or insurance scheme in place with them under which you purchased your policy. We prohibit them from using it for purposes

other than those we supplied it for. Where you provide us with information about another person for the above purposes, you must tell us if you haven't got their consent to this. If you wish to gain access to your personal information (including to correct or update it), have a complaint about a breach of your privacy or you have any query on how your personal information is collected or used, or any other query relating to Privacy, contact us on 13 2664, EST 8am – 6pm, Monday to Friday.

From time to time we may advise or offer you information on other products or services that may be relevant and of interest to you. If you do not wish to receive these offers or information please call the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate your decision in the appropriate area of the Privacy section of our website at www.allianz.com.au.

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

The General Insurance Code of Practice was developed by the Insurance Council of Australia Limited to further raise standards of practice and service across the insurance industry.

We keenly support the standards set out in the Code. You can obtain more information on the Code of Practice and how it assists you by contacting us. Contact details are provided on the back cover of this policy.

Dispute resolution process – helping you solve any problems

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

If this insurance has been issued through an insurance intermediary

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

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

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

Financial Claims Scheme

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

Phoning for assistance and confirmation of cover

If you need to confirm any policy transaction or clarify any of the information contained in this policy document or if you have any other queries, please use the contact details on the back cover.

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

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

Supplementary Product Disclosure Statement ("SPDS")

Changes to your duty of disclosure

Preparation Date: 18/10/2014

This document is an SPDS that updates and amends the Product Disclosure Statements ("PDSs") for the following products underwritten by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 of 2 Market Street Sydney NSW 2000 (Allianz):

- Motor Equity, Motorcycle Equity and Asset Equity Insurance
- Novated Lease Protection Insurance
- Purchase Price Insurance
- Tyre & Rim Insurance

This SPDS is issued by Allianz and must be read together with the relevant PDS and any other SPDS that you are given which updates or amends that PDS.

The "Duty of Disclosure" section is deleted and replaced as follows:

Your Duty of Disclosure

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

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

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

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

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

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

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

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

What you do not need to tell us

Your duty however does not require disclosure of any matter:

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

Non-disclosure

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

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

Tyre and Rim Insurance

Supplementary Product Disclosure Statement (SPDS)

Preparation Date: 01/09/2012

Important changes to your Tyre and Rim Insurance Product Disclosure Statement and Policy Document

This is an SPDS that updates and amends your current Tyre and Rim Insurance Product Disclosure Statement and Policy Document (PDS) and:

- a. only applies to persons who have agreed to be covered for a period of three years;
- b. should be read together with your PDS and any other SPDS you are given that amends or updates the PDS. You should keep these documents in a safe place; and
- c. is issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No.234708 of 2 Market Street, Sydney, NSW 2000.

The PDS is amended as follows:

'About this insurance' section changes

The following paragraphs are added to the end of the existing section '**Your premium**'.

You can pay your premium by instalments. The three year period of insurance can be paid monthly over the first 12 months of the policy period.

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

'Conditions of cover' section changes

The following replaces the existing section '**3. Cancellation rights under your policy**'.

3. Cancellation rights under your policy

- a. You may cancel your policy with us or any part of the policy at any time by notifying us using the contact details provided on the back cover of this document.
- b. We have the right to cancel your policy where permitted by law. For example, we can cancel your policy with us:
 - if you have failed to comply with your Duty of Disclosure, or
 - where you have made a misrepresentation to us during negotiations prior to the issue of your policy, or
 - where you have failed to comply with a provision of your policy, including the term relating to payment of premium, or
 - if you have made a fraudulent claim under your policy or under some other contract of insurance that provides cover during the same period of time as your policy,and we may do so by giving you three business days notice in writing of the date from which the policy will be cancelled. The notification may be delivered personally or posted to you at the address last notified to us.
- c. Subject to (d), if you or we cancel the policy, we may deduct a proportion of the premium for the time you were covered (known as 'time on risk'), reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover.
- d. In the event we accept a claim under this policy and you cancel your policy, no return of premium will be made for any unused portion of the premium.

The following is a new section '**7. Premium payment by direct debit**'.

7. Premium payment by direct debit

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