

Keeping

You & Your Assets

SAFE



More than 3.5 million Australians have chosen credit unions to help them take control of their finances. The numbers just keep growing. Whether it's assistance in budgeting, protecting your assets or planning your financial future, credit unions are there to help.



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Introduction

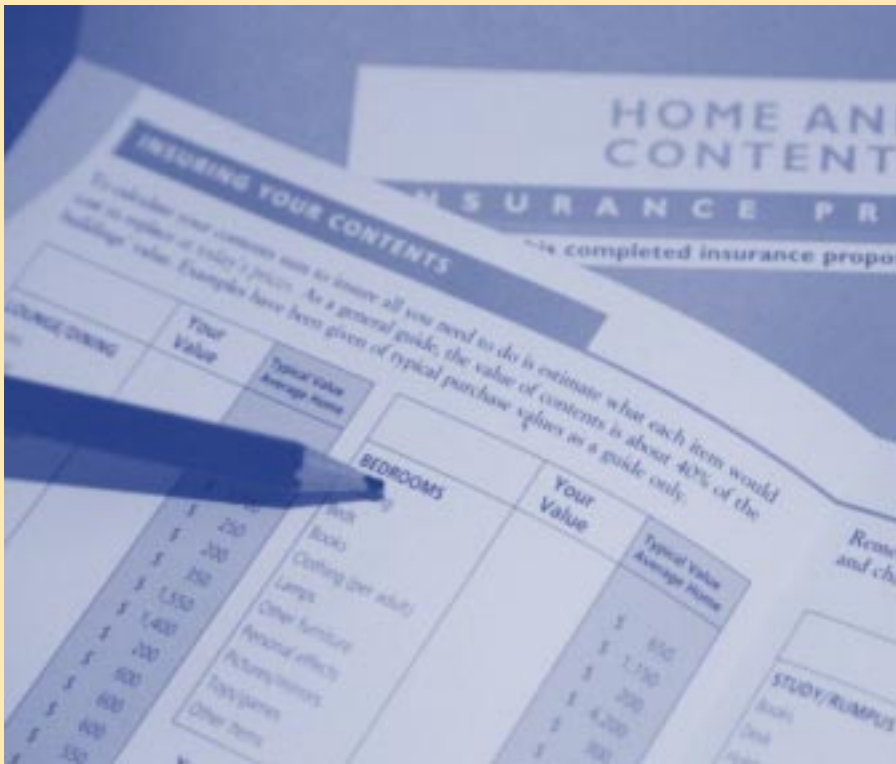
Most of us have assets of some kind that are valuable. These may include a car, home, furniture, jewellery, musical instruments, sporting equipment or boat. Some possessions have been passed down from one generation to another, while others hold enormous sentimental value.

Consequently, it's natural to want to protect our assets, but many of us don't do enough to ensure that they are.

How can we avoid loss or damage? Will insurance help? What kind of policies are available? Who can you turn to for advice?

The most important asset of all is your health and your life. Like a car or house, the better we protect ourselves through regular maintenance and risk prevention, the less the chance of something going wrong. But if the unthinkable happens and death or injury intervenes, are we sure that the people who rely on us will be looked after?

This booklet will assist in answering these questions and help you to look after what you have. It provides information so you can enjoy your lifestyle without having to worry about how you or your loved ones would cope if your assets were lost or damaged.



• • • Your assets and you

Many people are surprised to find out how much they own. The value of your assets quickly adds up. Incidental purchases, made over a long period, can add up to quite a lot. For example, just 24 CDs could cost more than \$500 to replace!

So a stock-take of your assets is the first step. Your assets include:

Physical property - including your house; unit or land; motor

vehicle; boat; furniture; tools and equipment; and other items that you own.

Investments - including savings, term deposits and managed funds in credit unions, building societies and banks; superannuation; and shares in public companies. This also includes collectibles like stamps or coins, artwork and even wine. The value of an investment should grow over time, although this isn't always the way it works out!

How to protect them

The best way to protect your assets is by taking action to decrease the risk of their loss or damage and by preserving their value through prudent care.

In the case of the family home or car, regular maintenance will maintain its value. If you're not sure what needs to be done to your home, contact a building surveyor or licensed builder.

Motor vehicle manufacturers provide instructions and information on service intervals. A well-maintained car - including the body and interior - is more likely to retain its resale value. Many new cars have long service warranties. If in doubt about the condition of your vehicle, have it checked by a motoring association or a trusted mechanic.

Most household goods come with manufacturers' warranties and instructions on care and use. It's a good idea to keep your warranties in one place and the instructions in another, so you can refer to them easily if something goes wrong.

In the case of investments, a licensed financial adviser can provide you with a report on how suitable they are for your circumstances.



Another way to protect yourself against loss or damage to assets is through insurance. But remember, insurance can't replace assets that are unique or of great sentimental value. Insurance simply pays for the replacement of lost assets.

It can also protect you from the unexpected. In the case of physical possessions, insurance will protect against loss or damage caused by accident, theft, weather or some other catastrophe. In regard to financial assets, there are steps you can take to insure your income-earning potential and your life.



• • • All about insurance

Do you understand how insurance works? Or do you find an insurance policy that seems to fit your needs, pay the annual cost and then forget about it for another year?

Insurance is about risk and how much risk you want to take. For items that are small in value, it may not be worth insuring them if they can be replaced easily and cheaply. But for

high-value items like a car or home, the replacement cost is substantial.

You can transfer most of the risk of loss or damage to an insurer by paying them a fee called an insurance premium. Insurance can also be used to cover things that may not be worth much by themselves but collectively could cost a lot of money to replace.



Key points about insurance

- ★ To be able to insure an item you must own it, or be responsible for it.**



- ★ The higher the risk of loss or damage, the higher the premium. For example, if you live in an area where there is a high incidence of theft, you are bound to be charged more for contents insurance and may be required to install additional security such as deadlocks.**



- ★ An insurance company works out how often a certain event (a bushfire, for example) is likely to occur among those who have taken out insurance against such an event. The cost is then averaged out for each client. Additional costs are the insurer's charges to cover Government stamp duty and a fire services levy (except in Queensland where funds for firefighting services are obtained through land taxes.)**



- ★ You should buy enough insurance so you can replace the asset or possession at today's value.**

Important features of insurance policies:

The Proposal

This is the document you complete when taking out insurance cover. It tells the insurer everything they need to determine what “risk” they are taking on.

Today’s proposals are in “plain english”, so they should be fairly straightforward. It is important that you read the questions carefully and answer them as fully as possible. If there is not enough room to fully answer a question, don’t take it as an indication that the insurer doesn’t want more information. Write any additional, relevant information on a sheet of paper and attach it to the proposal.

These days the proposal form is often completed over the telephone, then mailed to you for your signature. Check the form carefully before signing it to ensure that the information is accurate and complete.

Duty of disclosure

When you fill in the proposal or renew your insurance policy you have a “duty of disclosure” to give the insurance company honest answers to their questions. The insurer could refuse a claim if you don’t. If you have information that affects the risk, you must include it. Where the policy should be in more than one name, the proposal must be completed by all the people whose interests are insured.

The duty of utmost good faith

This is implied in every insurance contract and means that both the insurer and consumer have an obligation to each other to be scrupulously fair and honest. This duty overrides any other clause in the insurance policy.



The Policy Terms

Policy terms generally follow one of two formats:

- **Defined or “Listed”**

Events Policies: This is the most common type for home insurance and provides a list of specified events that you are covered against. Each event will be carefully defined to explain the events that are covered and those that aren't. For example, most policies cover damage caused by storm or rainwater build-up/overflow but not damage caused directly by flood.

- **Accidental loss or damage policies:** this is an alternative policy which provides additional cover for accidental loss or damage unless the policy specifically excludes it. While the list of exclusions is usually longer than for a defined events policy, the coverage is generally greater and usually costs more.

Types of cover

While the general form of policies is similar, coverage can vary in many ways. Greater coverage is usually reflected in a higher price - but a higher price doesn't always mean greater coverage!

The key types of insurance cover are:

- Building
- Contents
- Health insurance
- Valuables
- Domestic workers' compensation
- Motor vehicle: Third Party Fire and Theft; Comprehensive
- Travel
- Consumer Credit Insurance
- Boat
- Caravan/trailer
- Income Protection
- Life insurance: Whole of Life; Term Life; Total and Permanent Disability; Trauma



What to look for in a policy

Make sure you can answer the following questions about the policy:

- What is covered?
- What isn't covered?
- Will it replace items with new goods or just pay the depreciated value?
- Will you pay an excess on claims, and if so, how much?
- Does it have a "coinsurance" or "average" clause?
- Does the company have a good reputation?
- Does the company have a good claims payment history?

Read the contract before making any commitment. If there is anything you are uncertain about, make sure you have it clarified. Remember, your signature on the contract makes it legally binding.

Cover note

A cover note is a special short-term cover. It generally lasts for a two-week period to give you time to complete the necessary paperwork and take out the appropriate policy. Even though it can be arranged over the phone, or without completing a proposal, the cover note is still a legal contract and the same requirements to disclose all relevant information apply. If you decide not to take up a policy, the insurer may charge you for the period the cover note was in effect.

Intermediaries

Agents and brokers who sell insurance products to the public are called intermediaries. Agents are deemed by legislation to be employed by the insurance companies they represent and must disclose their interests and costs. Brokers are independent of insurance companies and must disclose to you any additional fees they make.

Agents and brokers generally receive commissions from the insurance company.

The alternative to using an intermediary is to shop around yourself for the appropriate policy and best price from all the insurance companies.



Right to refuse cover

An insurance company is within its rights to refuse to cover your assets. But the company has to tell you why and it's quite important for you to obtain their reason. It may be that the company has made a business decision to abandon the type of insurance you require, or finds the risk you want covered doesn't meet its guidelines. You must tell the insurer if you have been refused the cover you are seeking in the past.

Claims

If you have a claim - or think you have one - contact your insurance company straight away. Here is a simple checklist to help you progress your claim as efficiently as possible:

- notify police immediately of any loss
- notify your insurance company and/or broker
- take steps to prevent further damage or loss
- fill out the claim form and return it promptly
- read the policy and make sure you're covered
- write down the chain of events
- list any supporting evidence you have

Help your insurer to help you. If the claim is for a significant amount you may be visited by a loss assessor who will report on the damage and recommend either replacement goods, a cash settlement or repair work.



Fraud

Fraudulent insurance claims cost the insurance industry - and its customers - hundreds of millions of dollars each year and result in higher premiums for everyone. Insurance companies employ fraud detection experts and technology to identify fraudulent claims. The incidence of fraud is falling in line with the rising rate of successful prosecutions.

Look after your documents

In case of a crisis keep your insurance documents ready to hand. Think about storing a photocopy of your policies, valuations and inventories (plus other valuable documents) in a safe place other than your home. Then if your home is damaged by fire, you will still be able to call in the insurer without delay.

Paying by instalment

An increasing number of insurance companies offer monthly premium payments. Before you agree to this, check whether there are any additional charges or costs associated with paying by instalment. Sometimes when you take the monthly premium and multiply it by 12 you discover you are paying more than if you paid the premium in one annual instalment.


An insurance company might refuse a claim if the instalment is overdue by 14 days. You can avoid this by setting up a direct debit, where the premium is automatically paid from your credit union or bank account each month. But if your account is empty you may be charged a dishonour fee by both your insurer and your financial institution.



A cautionary note



About co-insurance clauses:



Unfortunately many Australians “underinsure” their homes. If the home is totally destroyed, the insurance pay out won’t be sufficient to build a new home of the same size and quality. If the home is only partially damaged, the insurance company may have a right to apply a co-insurance (or average) clause.

For example, say a house is valued at \$100,000 but insured for only \$75,000. When that kitchen fire causes \$10,000 damage, the assessor will check the value of the house against the sum insured. Depending on what the policy specifies, the insurer may have the right to reduce the value of the claim by the percentage the house is under-insured, in this case paying only \$7500.

Check your insurance policy to see if it contains a co-insurance or average clause.

Keeping Policies Up to Date

You should always review your insurance at each renewal.

Don’t rely on your insurer to increase the value of your property at renewal by the rise in the Consumer Price Index. Work out yourself what your assets are worth today, then tell the insurer.

Family changes, modifications to your home, new furniture, retirement or a decision to work from home are typical of the adjustments that can occur in your life and may require adjustments to your insurance policies. There is no advantage in keeping advice of such changes to yourself.

When insurers refuse to pay claims

The insurance industry pays out all but a tiny proportion of claims. In fact, only 0.029 per cent of the 2.2 million claims made in Australia during 1996-97 were disputed. So you can normally expect your insurer to honour the contract it has with you.

According to Insurance Enquiries and Complaints Ltd (IEC), the main reasons for general insurance claims refusals over that period were:

- **the existence of a condition or exclusion clause** 33%
- **fraud** 19%
- **non-disclosure** 16%
- **claim not covered by policy** 16%
- **disputed amount of compensation** 10%
- **no current policy in existence** 4%
- **failed to prove amount of loss** 2%

General or “non-life” insurance claims are subject to a code of practice to which all companies which provide non-commercial insurance must adhere. Under the code, the company must respond to your claim within 15 working days. If there are no complications, you should expect to be paid within a few weeks and in cases of personal hardship, the waiting time is usually much shorter.

Each insurance company has an internal disputes resolution system, which involves senior company personnel who review any rejected claim. The company must tell you in writing why it has rejected your claim and advise you of your options.

They must also tell you about the IEC and its services. The IEC has the power to review your claim and - if it can't negotiate a settlement - impose its own binding decision on the company. (The Life Insurance industry has a similar scheme called Life Insurances Complaints Services).

The IEC's Claims Review Panel, which decides on disputed claims, consists of an insurance expert, a consumer representative selected by the Federal Government and an independent chairperson. There is also an adjudicator to handle small and simple disputes and a referee to handle cases where fraud is alleged.

If claimants are not happy with a Claims Review Panel decision they can still take the case to court, or some other form of dispute resolution. If your claim is disputed, ask for a written record so you have a complete set of details on the claim.

STEPS TO TAKE IN PROTECTING



• • • you and your family

There is a wide range of insurance policies to protect your income, finances and health.

Health Insurance:

Your health is more important to you than any possession. Many people take out health insurance to add extra benefits to those already offered under the Federal Government’s Medicare scheme. There are numerous options available for individuals or families, including benefits for accommodation charges in private hospitals, as well as dental and optical charges.

Income protection:

Individuals should consider insuring themselves against illness or injury.

Income protection policies provide an agreed continuing income (usually up to 80 per cent of normal earnings) to cover personal needs and business commitments such as lease payments. Carefully examine the conditions under which you can make a claim before taking out this type of policy. The premiums are generally tax-deductible.



Life insurance:

Most families would face extreme financial hardship if one of the parents died or was incapacitated. Affordable protection can be obtained through a life or disability policy.

Life insurance is normally paid when the person insured dies, or when the person reaches an agreed age - say, 60 or 65. The whole of life policy pays out the insured amount plus any bonuses when the person who was insured dies. The policy can be surrendered at any time and the accrued benefits are paid to the policyholder.

Under an endowment policy, the payment is made once the person reaches an agreed age, or on their death, whichever comes first.

The cheapest form of life insurance is term insurance, which pays a benefit only if the person dies within a specified period. But term policies are increasingly offering extra benefits to policyholders. For example, some now provide up to 80 per cent of the death benefit if the person insured falls terminally ill before the age of 65 due to one of a list of specified diseases. The benefit is usually paid on the death of the person.

Trauma Cover:

Sometimes called “dread disease insurance”, this cover is usually available as part of a term policy, although it is becoming increasingly available on its own. Trauma cover recognises that some of us will suffer a life-threatening episode like a heart attack or cancer that will prevent us working for some time or even force us into early retirement - but won't kill us. Trauma insurance will pay a tax-free amount that is usually a percentage of the sum insured.

Total and Permanent Disablement:

Policyholders who become permanently disabled and are therefore no longer able to work are entitled to a lump-sum payment. This type of cover is usually available with life insurance, and is a standard feature of superannuation policies. The cause of the disablement needn't be related to an accident that causes permanent injury. The cover also allows for disabling diseases or disabilities which leave the policyholder unable to work.

The variety and capacity of these “protection” policies are continuing to grow. Speak to a financial adviser about the range of policies available. You should be able to find one that matches your needs.

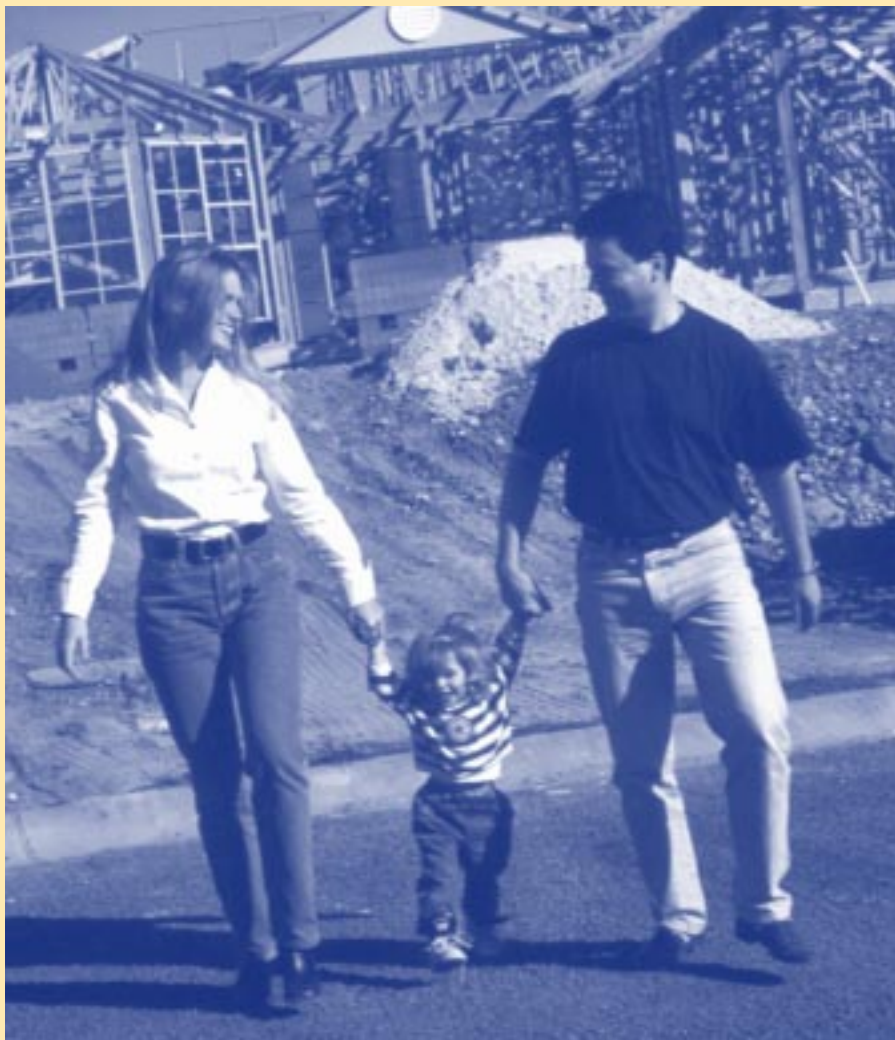
Consumer Credit Insurance:

If you take out a loan, consumer credit insurance is worth considering. It will help meet your loan repayments if you become ill and are unable to work, and can also be extended to include employment cover. Most policies include cover to repay your loan if you die.

Under the Consumer Credit Act, organisations selling Consumer Credit Insurance are required to provide information to you on what is being offered before you agree to buy. The seller must provide you with policy documentation straight away and confirm it with a post-sale letter. The law also provides a 14 day “cooling off” period to enable you to reconsider your purchase.

Check the policy limits, the conditions under which you can make a claim and the overall cost before taking out the policy.

STEPS TO TAKE IN PROTECTING



• • • **your home**

Insurance is your protection of last resort so it pays to use commonsense to protect your home. Some useful tips are:

- ★ Try to make your property more secure. Some insurers provide advice on security measures and will even organise tradespeople to install locks and alarms.
- ★ Ask your insurer what kind of security systems will earn you lower premiums.
- ★ Keep combustible materials away from the house eg. petrol cans and woodpiles.
- ★ Ensure firefighters have easy access to your property.
- ★ If you live in a bushfire-prone area, contact your local fire authority for advice on what precautions to take.
- ★ Remove potential fire hazards, particularly from around the kitchen. If you have an older home, get an electrician to check the condition of the wiring. And while you're at it, how is the wiring of your electrical appliances?
- ★ Apart from smoke detectors, have a fire extinguisher close at hand. Make sure members of your household know how to use it.



Your home (building) insurance policy should cover you for damage to the building structure itself. This could arise from a variety of unexpected disasters - including fire, earthquake, the impact of a vehicle or crashing tree, or the loss of a roof in a storm.

Apart from the bricks and mortar, your policy should cover you for such things as the replacement of windows, ceilings and floor materials. Don't forget pergolas, paving, driveways, clotheslines, in-ground swimming pools or garages.

Your policy should contain legal liability cover. This protects you against a person being injured or property damaged as a result of your negligence. Most insurers provide a minimum of \$5 million in cover. Check on the limit applicable to your policy.





The insured value is the total amount chosen by you that the insurer is liable for.

The valuation for insurance purposes is the cost to return your home to its original condition not the value of the property on the real estate market. The insured value is measured in dollars per square metre. If you are in any doubt what it is, arrange for an independent valuation and inspection.

Your policy should also include the cost of demolition, removal of debris and architect and surveyor fees.

STEPS TO TAKE IN PROTECTING



- • • **your home contents**

There are two basic ways of insuring home contents. One is to insure your household goods while they are on your property. The other is to insure personal effects when they are with you, either in the home or outside it. The valuables cover is an optional extension of your contents insurance.

Mark any personal property that a burglar would find easy to steal eg. your TV, VCR, stereo equipment. Engrave your name and address on the side. Sometimes your local Neighbourhood Watch organisation can suggest a suitable engraver, or you may be able to hire the necessary equipment.

Ensure your jewellery has been specified in the policy proposal and has been valued by a professional valuer. Take photographs or video your most treasured pieces as this will assist in replacement should you have a claim. The same goes for any other valuables, like antiques or special collections. Check your insurer about their requirements for noting individual items on the policy.




Your policy should cover against fire, smoke, lightning, earthquake, theft - with or without forcible entry, malicious acts, water escaping from any tank, accidental breakage of glass, riot or civil commotion, storm, wind and rainwater.

Your valuables insurance normally insures against accidental loss or damage. What you should check is the limit of your cover. Some companies will only insure your property while it's in Australia. If you are travelling overseas, check if you will be covered.

Look carefully at the policy to see what is defined as "building" and "contents". The distinctions are sometimes surprising. For example, while buildings are generally sold with carpets, these are insured as contents. Fixed heaters are included in building insurance.

For rental properties, both the landlord and tenant should pay particular attention to what their policies cover.

Making accurate valuations isn't easy. Go through each room of your home noting the items and then estimate how much it would cost to replace them. Be sure you include the value of your carpets and curtains. The accompanying list (on the following page) will assist you.



HOME CONTENTS INSURANCE CHECKLIST

Every room:

Curtains and blinds	\$	<input type="text"/>
Carpets	\$	<input type="text"/>
Rugs	\$	<input type="text"/>
Mobile heaters/ air conditioning units	\$	<input type="text"/>
Fans	\$	<input type="text"/>
Paintings, prints, statues, vases	\$	<input type="text"/>
Light fittings	\$	<input type="text"/>
Clocks	\$	<input type="text"/>
Pot plants	\$	<input type="text"/>

Lounge room/family room:

Lounge suite/ sofa & chairs, cushions	\$	<input type="text"/>
Coffee tables	\$	<input type="text"/>
Lamps	\$	<input type="text"/>
Stereo/hi fi equipment	\$	<input type="text"/>
Compact discs, records & tapes	\$	<input type="text"/>
Television	\$	<input type="text"/>
Video recorder	\$	<input type="text"/>
Video tapes	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Kitchen:

Refrigerator/freezer	\$	<input type="text"/>
Food processor/blender/mixer	\$	<input type="text"/>
Microwave oven	\$	<input type="text"/>
Dishwasher	\$	<input type="text"/>
Kitchen table & chairs/bar stools	\$	<input type="text"/>
Crockery	\$	<input type="text"/>
Cutlery	\$	<input type="text"/>
Saucepans and utensils	\$	<input type="text"/>

Glassware	\$	<input type="text"/>
Toaster, electric frypan, jug, etc	\$	<input type="text"/>
Food and beverages	\$	<input type="text"/>
Telephone/answering machine	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Dining room:

Dining table and chairs	\$	<input type="text"/>
Wall units/sideboard	\$	<input type="text"/>
Crockery	\$	<input type="text"/>
Glassware	\$	<input type="text"/>
Cutlery	\$	<input type="text"/>
Candlesticks	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Laundry:

Washing machine	\$	<input type="text"/>
Clothes dryer	\$	<input type="text"/>
Iron and ironing board	\$	<input type="text"/>
Vacuum cleaner	\$	<input type="text"/>
Mops, brooms, cleaning equipment	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Master bedroom:

Bed ensemble	\$	<input type="text"/>
Bed head and side tables	\$	<input type="text"/>
Lamps	\$	<input type="text"/>
Wardrobe	\$	<input type="text"/>
Dressing table	\$	<input type="text"/>
Mirrors	\$	<input type="text"/>
Cabinet/chest of drawers	\$	<input type="text"/>
Linen, blankets, quilts, pillows	\$	<input type="text"/>
Clothing and shoes	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Other bedroom(s):

Bed ensemble	\$	<input type="text"/>
Bed head and side tables	\$	<input type="text"/>
Lamps	\$	<input type="text"/>
Wardrobe	\$	<input type="text"/>
Dressing table	\$	<input type="text"/>
Mirrors	\$	<input type="text"/>
Cabinet/chest of drawers	\$	<input type="text"/>
Linen, blankets, quilts, pillows	\$	<input type="text"/>
Clothing and shoes	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Bathroom(s):

Hair dryer	\$	<input type="text"/>
Electric shavers	\$	<input type="text"/>
Towels	\$	<input type="text"/>
Cosmetics and toiletries	\$	<input type="text"/>
Perfume and aftershave	\$	<input type="text"/>
Medicine cabinet and contents	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Study/spare room:

Desk, chairs	\$	<input type="text"/>
Lamps	\$	<input type="text"/>
Bookcase	\$	<input type="text"/>
Books	\$	<input type="text"/>
Personal computer & software	\$	<input type="text"/>
Musical instruments	\$	<input type="text"/>
Toys and games	\$	<input type="text"/>
Sewing machine and cabinet	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Garage:

Lawn mower	\$	<input type="text"/>
Portable barbecue	\$	<input type="text"/>
Power and other tools	\$	<input type="text"/>
Garden tools	\$	<input type="text"/>
Wheelbarrow, ladders	\$	<input type="text"/>
Sporting equipment	\$	<input type="text"/>
Bicycles	\$	<input type="text"/>
Suitcases	\$	<input type="text"/>
Garden furniture	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Valuables:

Jewellery and watches	\$	<input type="text"/>
Furs	\$	<input type="text"/>
Photographic equipment	\$	<input type="text"/>
Works of art	\$	<input type="text"/>
Collections (stamps, coins, etc)	\$	<input type="text"/>
Sporting equipment	\$	<input type="text"/>
Miscellaneous items	\$	<input type="text"/>

Total:

Every room	\$	<input type="text"/>
Lounge/family room	\$	<input type="text"/>
Kitchen	\$	<input type="text"/>
Dining room	\$	<input type="text"/>
Laundry	\$	<input type="text"/>
Master bedroom	\$	<input type="text"/>
Other bedrooms	\$	<input type="text"/>
Bathroom	\$	<input type="text"/>
Study/spare room	\$	<input type="text"/>
Garage	\$	<input type="text"/>
Subtotal	\$	<input type="text"/>
+ Valuables	\$	<input type="text"/>
TOTAL	\$	<input type="text"/>

STEPS TO TAKE IN PROTECTING



• • • your motor vehicle

No matter how experienced you are, or unblemished your driving record, it is essential you carry the appropriate insurance for your motor vehicle.

Various factors are considered when vehicle insurance premiums

are calculated. These include your age, record of any previous claims, driving record, type and age of vehicle and vehicle modifications, where and how the vehicle will be parked and the incidence of thefts in your area.



SOME TIPS

- Check your motoring organisation for the types of cars that are stolen most, and why.
- Keep your car locked and valuables out-of-sight.
- Your insurance company will tell you if premiums are reduced for certain types of alarms, immobilisers etc.
- Even the most rudimentary security measure, like a steering wheel lock, may deter car thieves.
- Don't modify your car with performance-enhancing additions such as wider tyres and other non-factory equipment, as this may cancel your policy. There are plenty of brokers and underwriting agencies which specialise in "special" or modified vehicles.
- Sometimes you can obtain a cheaper policy by nominating who will drive the vehicle. Be careful to obey all the restrictions relating to drivers under the age of 25.
- Certain insurers have set up their own repair centres or choose the repairers you must use. Some use non-factory or second-hand parts for "cosmetic" repairs. You should decide the most important things you want from an insurer, and shop around to find one that best suits your needs.
- Check the insurer's list of restrictions and limitations and reasons why a claim will be refused. You are expected to keep the vehicle in good condition, drive safely and within the law, ensure only licensed drivers use the vehicle and use the vehicle for purposes agreed to with the insurer.
- If you have an accident, you must not admit fault, no matter how much you feel you should. The insurer usually reserves the right to deal with the issue of liability.



What types of insurance are available

Insurance for injuries

In all states except NSW, vehicle registration includes the compulsory third-party insurance cover which protects the driver of the registered vehicle against claims arising from death or injury to another person caused by the driver's negligence. In NSW, the Roads and Traffic Authority issues a "green slip" with the registration papers and drivers arrange their own CTP insurance.

Comprehensive

Comprehensive insurance gives you the greatest level of protection and is the most expensive option. In addition to the cover applicable to the third party property and fire & theft policies, it covers damage to, or loss of, your own vehicle. Common additional benefits are reimbursement of towing and legal costs after an accident and limited compensation for personal property stolen from your car. Conditions and benefits vary from insurer to insurer, so you should compare these as well as total premium costs.

Agreed value vs. market value

Some insurers offer agreed value or market value insurance policies. Under agreed value policies, you reach agreement with the insurance company on how much will be paid if the vehicle is declared a total loss. This is reviewed each year on renewal. Under a market value policy, the insurer will calculate what the vehicle would be worth on the open market, using guides compiled by specialists from the second-hand vehicle sales industry. The final amount will take into account the vehicle's condition, mileage and so on.

Third Party Fire & Theft

This policy covers loss or damage to the vehicle or property of another person. It also covers your own vehicle against loss or damage caused by fire or theft. It does not cover damage to your vehicle caused by an accident. Not all insurers offer this cover and conditions usually apply.

Third Party Property Damage

Third Party Property Damage insurance is strongly recommended as the minimum cover you should obtain. It covers claims for damage to someone else's vehicle or property and is usually taken on older vehicles. It is relatively inexpensive but does not cover any damage to your vehicle.

Uninsured Motorists' Extension

Some insurers offer their third party property damage or third party fire & theft insurance customers with an extra policy clause that allows the customer's vehicle to be repaired in the event of damage being caused by an uninsured motorist. Check with the insurer to see if this feature is offered and whether any conditions apply.

Excess

Unless the excess is removed by the payment of an additional premium, the insurer will normally expect the owner of a vehicle to pay a specified portion of any claim. A younger driver might pay the first \$750 of any claim while a more experienced driver, with a long claim-free record, might only be required to pay the first \$300.

No claims bonus

The no claims bonus is offered by most insurers to drivers who can demonstrate a claim-free record over a period of time. When a claim is made, this usually reduces or eliminates the amount of the bonus. However, these days insurers are becoming more adventurous. Some will offer retention of your no-claims bonus if the accident was not your fault and you are able to provide details of the at-fault driver.

Most motor vehicle insurance policies exclude claims for:

- depreciation
- wear and tear
- rust and corrosion
- structural or mechanical breakdown
- cars used for racing
- damage occurring when the driver was convicted of driving under the influence of alcohol or drugs
- theft when the car was not secured adequately

STEPS TO TAKE IN PROTECTING



• • • your boat

Your boat or “pleasure craft” is a big investment and its maintenance in the marine environment is important. As with a motor vehicle, your insurer will expect you to take proper care of your boat and operate it safely.



SOME TIPS



- Check that your boat is stored in a place safe from theft or damage when you're not using it - especially if you keep it on a trailer.
- If you find it difficult to remove equipment from the vessel when you're not using it, make sure the windows and hatches are strongly secured. Draw the curtains over the windows of your boat when not in use to prevent passers-by seeing in.
- Keep photographs of your boat and its equipment with your insurance policy.
- Pleasure craft are now covered under the Insurance Contracts Act which provides better consumer protection than policies written under the Marine Insurance Act 1909.

STEPS TO TAKE IN PROTECTING



• • • your holiday

Travel insurance helps to overcome the problem of being stranded far from home without money, papers or possessions. It comes into its own when you are injured or become ill on your holiday, and need urgent medical attention.





Some Tips

- 1 • Check what restrictions apply especially in relation to medical coverage. Pre-existing medical conditions are often excluded

- 2 • Illness or injury in a Third World country could require medical evacuation for you to be treated properly. Ensure your policy provides this protection.

- 3 • If you do suffer illness or an accident, inform your insurer immediately. Make sure the insurer reimburses you in \$A at the time you incurred any bills to avoid problems with fluctuating exchange rates.

- 4 • Most policies provide only limited cover for loss of expensive items like cameras and other hand-held articles. Unaccompanied baggage usually isn't covered at all.

- 5 • Expect to find “dangerous activities” such as riding around Bali on a motorcycle or hitchhiking through Afghanistan, excluded from your coverage.



- 6 • You must take “reasonable precautions” with your luggage and that doesn't mean leaving your luggage unattended or with a stranger.

- 7 • If you need to extend your travel insurance, do so before it expires. If it expires while you are outside Australia, you won't be able to extend the policy.

• • • **You are not alone**

Protecting you and your assets from injury, loss or damage should be high on all of our priority lists. Sadly many of us fall into bad habits, postponing decisions for another day or rolling over our existing insurance cover with little thought given to whether it's still appropriate to our needs.

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