

TCIS COVERNOTE

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TCIS Overview

It's TCIS newsletter time again. We have had a name change "TCIS Cover Note" just to be a bit more original. Firstly I take this opportunity to thank those clients for their favourable feedback to our first edition, I can tell you it made me feel a lot more relaxed as this is my first attempt into this genre, so once again THANK YOU.

Easter has come and gone and we are now all settled back into the footy season, hopefully your teams have started well, I'm still being optimistic with my team.

Something within the industry we are trying to be optimistic about is the predicted rise in premiums. A recent survey within the Insurance Industry has confirmed what many Australia clients have already discovered at renewal, premiums are increasing. The survey found rises happening in both personal lines (house & Car) 8% and commercial lines 4%.

A survey of 535 company executives found an average premium increase of 6.4% in 2009, above the 1-5% increase forecast in last year's survey.

The Australasian Risk Management Benchmarking Survey forecasts further increases this year.

The survey gives further credence to the claims of most insurers, who have been telling the market for some time that premium rates are increasing.

The rate rises are understandable, recent severe storms in Perth and Melbourne raising tens of thousands of claims for damage to homes, vehicles and commercial properties have added to the previous year's natural disasters of the Victorian bushfires and Queensland floods.

With insured losses set to top \$2 billion this week, a modest increase in insurance rates is an obvious outcome, however at the moment there's very healthy competition in the commercial and corporate market. Insurers are competing for new business and are keen to hold onto their existing business, so they are looking to match the market, and that should hopefully keep premium increases at modest levels.

The Editor -Sabina Renna



www.tcis.com.au

4WD PRODUCTS

- **Motor**
 - **Camping Equipment**
 - **Camper Trailer**
 - **Caravan**
-

For Further Information on our 4WD scheme please contact Lisa Brock on 1800633745



4WD Products & Services Available

Our 4WD motor insurance policy is unique.

TCIS currently use an extensive range of insurers to provide a broad range of cover with the ability to settle claims throughout the country. The policy wordings we use are specifically targeted to the needs of Four Wheel drivers. They offer cover for off road usage and have no geographic restrictions. We are continually reviewing these products to ensure they offer the most effective cover available in the market.

Benefits of our wording include:

★ **Agreed Value Wording (including all accessories)**

several companies offer a form of agreed value on the vehicle, but limit it to dealer's guides and don't include accessories. Our policy allows you to nominate the full value of your vehicle and all accessories, subject to vehicle age and condition.

★ **Cover for Additional Annexes and Contents**

We suggest contents be insured as camping equipment as the cover is broader.

★ **Modifications**

No restrictions applied to vehicle modifications providing the vehicle remains legally roadworthy.

★ **Full Recovery Costs**

★ **Full Off Road Cover**

We have no limitations of any kind in our policy. You are covered whilst on the beach, crossing a river, at Cape York or in the middle of the Simpson Desert.

★ **Emergency Repairs to \$1,000**

★ **Personal Effects of \$500**

★ **Faultless Excess Provisions**

★ **Optional Excess Free Windscreens**

★ **Optional Restricted Driver or Low Kilometer Discounts**

★ **Optional Rating One (Full No Claims Bonus) Protection**

You keep your no claim bonus even if the claim is your fault.

Prior to entering into any insurance contact please refer to the relevant Product Disclosure.

Good for a laugh:

Glad to be a Drunk

A completely inebriated man was stumbling down the street with one foot on the curb and one foot in the gutter. A cop pulled up and said, "I've got to take you in, pal. You're obviously drunk."

Our wasted friend asked, "Officer, are ya absolutely sure I'm drunk?"

"Yeah, buddy, I'm sure," said the copper. "Let's go."

Breathing a sigh of relief, the wino said, "Thank goodness, I thought I was crippled."

4WD VEHICLE INSURANCE

MARKET VALUE VS AGREED VALUE

What is the difference between market value and agreed value insurance contracts, and is it significant? A question we are asked many times.

The Majority of motor vehicle insurers issue market value policies. Where 2WD sedans etc are concerned this is usually not a problem as various 'valuation guides' are issued by several competing organisations which give insurers and their clients a basis to determine actual market value of any given vehicle is at any point in time. Generally most vehicles don't vary greatly in value across any particular model and few have significant modifications or accessories, the guides work satisfactorily.

Unfortunately this is not the case with many 4WD vehicles. The guides issued are not as comprehensive and the value of a 4WD can vary greatly for any particular model and age, based on usage and how the vehicle has been maintained. This means market value can change radically. In the event of a significant loss determining the market value for write off purposes is left to the insurance assessor who often must resort to checking second hand dealers for sale prices of similar vehicles.

Market value gives you no guarantee as to what you will be paid out in the event of a loss. The insured figure is in fact settled after the loss occurs. The market value will generally be based on an 'average' vehicle of your make and mode and will not take accessories into account.

Agreed value sets the figure an insurer will pay out at the commencement of the contract. This figure is locked in for twelve months. It should take into account all your accessories. The figure is nominated, debated and if necessary, proven by you at proposal. Once the insurer accepts this figure you know exactly what you will be paid out in the event of a loss during the year. Generally the insurers will only agree a figure they consider is based on the actual market value of the base vehicle, give or take 10%, plus accessories, but having agreed it they are locked into this figure for the full term of the insurance contract.

At renewal the insurer will advise you the value they are prepared to accept for the next period of insurance. Again, this is the chance to work with the insurer to amend your value, taking into account additional accessories etc. Far better than debating the worth of your vehicle once it has turning into a pile of ash after a fire!

Agreed value is of particular use to owners with low use, highly accessorized or modified vehicles and those in better than average condition.

Under either system you are charged a premium based on the sum insured you nominate. Agreed value pays you this figure in the event of total loss, market value may not.

Over insurance i.e. selecting an excessively high sum insured will not be accepted by agreed value insurers. Market value insurers may accept a high figure and charge a premium on the figure you nominate, but in a claim settlement you will be paid the lower market value only, i.e. you have wasted money on an inflated figure you will not receive.

Under insurance is worse. A market value policy will pay out the sum insured or the market value WHICHEVER IS THE LESSER. Agreed value will simply pay out the figure you have nominated. In either case in a total loss you will be paid the figure you nominated, this may not be a problem if you have accepted this is all you want for your vehicle. The problem occurs when you have a serious accident and the insurer considers writing off your vehicle as opposed to repairing it. If your sum insured too low they will be encouraged to pay you out the low figure and sell the salvage rather than fix the vehicle. The choice rests with the insurance company, not you.

In summary market value is satisfactory if you own a 'standard' vehicle and are happy to accept an 'average' value for your vehicle to be determined at the time of a claim. If you want to know what you pay for is exactly what you will get, you need an agreed value contract. Either way, selecting the correct contract and sum insured initially, will save you money and possible hassles down the track.

Agreed value is based on vehicles less than 10 years of manufacturing age, for vehicles over 10 years policy reverts to a market value and accessories will be based on an agreed value up to a limit of 50% of vehicle value.

Contact details

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Recognizing a Stroke: - Something we should all be able to do:

The '3' steps. STR. Read & Learn!

Sometimes symptoms of a stroke are difficult to identify. Unfortunately, the lack of awareness spell's disaster. The stroke victim may suffer severe brain damage when people nearby fail to recognize the symptoms of a stroke. Now doctors say a bystander can recognize a stroke by asking three simple questions:

S "As the individual to SMILE

T "Ask the person to TALK and SPEAK A SIMPLE SENTENCE (coherently)

R "Ask him or her to RAISE BOTH ARMS.

If he or she has trouble with any one of these tasks, call emergency number IMMEDIATELY and describe the symptoms to the dispatcher.

News Sign of a Stroke – Ask the person to Stick out his or her tongue. If the tongue is crooked, if it goes to one side or the other, that is also an indication of a stroke.

STOP PRESS –

TRAVEL INSURANCE

Existing travel policies do cover delay caused by the recent volcanic ash in Iceland but with immediate effect the majority of insurers will be removing the cover from new covers issued therefore it is imperative that you read thoroughly your policy wording/PDS or discuss the matter with your insurer, travel agent and or Broker to ensure that the cover is adequate for your needs.

TCIS NEWSLETTER SPECIAL TO ALL OUR CLIENTS 20% DISCOUNT HOME AND CONTENTS INSURANCE



Legals:

The information supplied in this newsletter is an overview of covers only. You should refer to the specific Product Disclosure Statements or policy documents prior to deciding if the products mentioned meet your needs.

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