



Rotary in NSW, South
Australia, Tasmania
Approved project of Districts
9680, 9690, 9700, 9830
Participating Districts
9750, 9640, 9650,
9500, 9520

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RYDA

THE REAL COST OF WHEELS

1. Insurance

Car insurance is essential to cover risks of accident and injury while driving.

What types of car insurance should you consider?

- 1
- 2
- 3

2. Third Party Property Motor Vehicle Insurance covers: (circle correct answer)

- a) Damage caused to your car by fire and theft
- b) Damage caused to other people's property
- c) Damage caused by your car to another person's car or property
- d) Your car's damage only

3. Compulsory Insurance - Green Slip? (circle correct answer)

A "green slip" is obtained through an insurance company to:

- a) Prove you have paid your third party personal injury insurance to protect people injured by your car
- b) Provide health insurance
- c) Serve as a fine notice

4. Comprehensive Motor Vehicle Insurance is: (circle correct answer)

- a) Recommended
- b) Expensive
- c) Compulsory if buying a car on finance
- d) All of the above

5. An Excess (list three)

When you take out insurance you pay a premium. If you have an accident there is another fee you have to pay and that is called "an excess". Apart from the general excess that most drivers will have to pay, what other excesses may apply?

- 1
- 2
- 3

6. Alcohol and Driving

How much alcohol may a P Plate driver have, before an insurance company refuses to pay a claim?

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7. Insurance Refused

If one insurance company refused to cover you for your insurance – will you have difficulty getting insurance from another insurance company?

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8. Duty of Disclosure (circle correct answer(s))

1. You have a Duty of Disclosure to an insurance company when taking out insurance. Do you need to tell them about:

- a) Your driving record and fines
- b) If you have made a claim before
- c) The condition of your car
- d) Your age
- e) If you have modified your car
- f) The names of the people who will drive the vehicle
- h) If the car is damaged
- i) Everything

2. What will happen if you don't tell the company about the information in Question 5?

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9. Modifications (circle correct answer(s))

What are considered modifications that you will need to inform your insurance company about?

- a) Larger wheels, tyres and rims
- b) A more powerful engine
- c) Seat covers
- d) An improved exhaust extraction system
- e) Large dice ornaments hanging from the mirror
- f) Air conditioning
- g) Tinted Glass
- h) Better Brand stereo system

10. The Family's Insurance

Is a learner driver automatically covered under the family's insurance policy until they get their P plates?

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11. Buying a Car (list seven)

Buying a vehicle can be very expensive. List all the costs involved in owning and driving a vehicle.

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12. REVS (Register of Encumbered Vehicles)/VSR (Vehicle Securities Register)

Why would you contact REVS/VSR?

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13. Finance (circle correct answer(s))

What is the best way to finance the purchase of your vehicle?

- a) Save as much money towards the purchase as possible
- b) Rely on family to give you a loan
- c) Approach a bank or credit union
- d) Finance companies/ car dealer finance

14. Why would a car dealer offer you insurance through their insurance brokers?

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15. Comprehensive Insurance (circle correct answer)

Many young drivers obtain 3rd Party Property insurance only, because it is cheap and usually their car is not worth insuring comprehensively. However, when is comprehensive insurance compulsory?

- a) When your vehicle is worth more than \$2,500
- b) When the vehicle is security for a loan with a lending institution e.g. bank / credit union
- c) When you are a provisional driver
- d) When you are buying a car privately

16. Before you sign a contract to purchase a car, whom would you talk to? (circle correct answer(s))

- a) Family Members
- b) Friends
- c) No-one it is my decision
- d) A mechanic
- e) The Office of Fair Trading or a financial counsellor

21. If you want to complain or ask questions

Always talk to the party with whom you have the problem, if you are still unhappy you can complain to:

Lenders/Financial Services

Australian Banking & Financial Services Ombudsman
Insurance

General Insurance Inquiries & Complaints Scheme

Motor Dealers/Repairers/Fair Trading Centres

www.consumersonline.gov.au

ANSWERS

- 1) Compulsory Third Party – Green Slip (CTP); Comprehensive; Third Party Property (TPPD) (with fire and theft or with uninsured motorist extension)
- 2) C)
- 3) A)
- 4) D)
- 5) Under 25; previous driving history; modifications
- 6) Nil – Your BAC (blood alcohol concentration) cannot exceed zero. Consider also the possibility of a blood alcohol reading from consuming alcohol in the past 24 hours and the consequences of even a small reading.
- 7) Possibly – most insurance companies have the same requirements and access to a central data base of drivers' insurance details and claims history.
- 8) I) - Everything
- 9) A), B), D), G), H) (C and F are accessories – E shouldn't be there at all)
- 10) Not always – check with the insurance company – it is better to notify and be covered for all drivers. (There may also be restrictions on the licensed supervising driver)
- 11) Registration; insurance; repairs and maintenance; petrol; parking / tolls / fines; interest on loan / borrowings; miscellaneous
- 12) To ensure the person selling the vehicle is the owner of the vehicle and has the right to sell it. There may be money owed or it may be stolen.
- 13) The cheapest way is to pay for a car yourself from savings – you will not have to pay interest. However if you do need a loan – shop around for the best rate and remember you are not required to take a loan from a car dealer. Talk to your bank or credit union and shop around for finance prior to purchasing.
- 14) It is marketing a service. The car dealer gets a commission for each sale – the commission must be disclosed to you. Shop around for insurance – it is not compulsory to buy from the car dealer.
- 15) B
- 16) It is a big decision. Talk to a number of experienced people. Research well and you won't regret it your decision.