

# Premium, Excess and Discount Guide (Home and Landlords)



This guide provides information to help explain how we calculate your premium, the discounts that may apply to your policy and the type and amount of excess(es) that may apply should you need to make a claim.

The information contained in this guide is current as of 19 October 2018 and should be read with Real Insurance Home Insurance Product Disclosure Statement (PDS) dated 1 October 2015 and your Certificate of Insurance. This guide applies to Home, Contents and Landlords policies.

For more detail, including the terms and conditions of your cover and cover exclusions, refer to the PDS available on our website, or contact our call centre on **13 19 48**.

Real Insurance offers the following insurance policy options:

- **Home Insurance (Building and/or Contents Insurance)**
  - Essential cover
  - Top cover
- **Landlords Insurance (Building and/or Contents Insurance)**

Your Certificate of Insurance will confirm the policy type and the cover(s) you have selected. The Certificate of Insurance will be sent to you after you've purchased the policy, before you renew your policy and if you make changes to your policy. The Certificate of Insurance will list the premium for the period of insurance. Should you make a change to your policy during the period, a new Certificate of Insurance will be provided with the updated policy type, cover(s) and premium due.

## Understanding your premium

The premium is the amount of money you agree to pay us for your insurance policy.

Your premium comprises the base premium plus any applicable taxes, duties or government charges. Each of these items are listed separately on your Certificate of Insurance.

The premium may be paid annually or in 12 instalments spread over the annual term. If you pay the premium by monthly instalments and have a total loss claim, any outstanding monthly instalments will be deducted from your claim settlement.

## Base Premium

The base premium reflects our view of the likelihood that there will be a claim on your policy in the future, the likely cost of that claim, other factors related to our cost of doing business, any discounts that are applied and any other factors we may choose. Many factors are taken into account when determining your base premium, including but not limited to:

- your address
- the cover you choose (Essential, Top or Landlords cover)
- any optional covers you have chosen
- your claims history
- the excess you have selected
- the sum insured
- whether you pay your premium annually or in monthly instalments
- your age
- aspects of the insured dwelling, including year of construction, roof type and wall type

Our view of these factors and how they impact the likelihood and cost of any potential claim on your policy can change from year to year, leading to increases or decreases in your base premium.

## Discounts

You may be eligible for discounts, such as an online discount, that are applied when calculating your base premium. Some discounts apply only during the first year of your policy whereas other discounts may apply for the life of your policy.

If you have purchased a combined Building and Contents policy, a "Combined" discount will be applied.

We may remove or change a discount effective from the policy renewal date. Discounts cannot be backdated and the extent to which the full discount is applied may be reduced on occasion based on Hollard's business guidelines and acceptance criteria.

## Government charges/levies & duties

Real Insurance Building and Contents Insurance policies are subject to government charges including Emergency services levy (ESL), Goods and services tax (GST) and Stamp duty. These government charges are listed separately on your Certificate of Insurance.

**Emergency services levy (ESL):** A levy imposed by the NSW state government to fund emergency services in NSW. The levy is collected as part of your premium and then paid by us directly to the NSW Government Revenue Office as contribution to NSW state emergency services agencies. ESL is only applicable to policies in NSW.

**Goods and services tax (GST):** A Federal government tax applied at a rate of 10% on the base premium and ESL (where applicable).

**Stamp duty:** A state government duty applied to contracts of insurance. Rates vary across the Australian states and territories. This charge is applied to the base premium, ESL (where applicable) and GST.

## Changes in your insurance premium when you renew your insurance

Your insurance premium is likely to change each year when you renew your policy, even if your personal circumstances have not changed. This is because the premium you pay is also affected by other criteria. These include:

- any claims that are made by you or others on your policy
- the cost of claims we have paid to other customers or third parties
- our view of the total cost of claims we expect to pay in the next 12 months across all customers
- new and updated data (industry or internal) that influences our view of the likelihood and cost of any potential claim on your policy in the next 12 months
- changes in government taxes and any state or territory duties or levies
- our operational costs of doing business
- other commercial factors

When determining your renewal premium, we also consider how much you paid previously. As such we may limit premium movements up or down.

## Understanding your excess(es)

An excess is the amount(s) you contribute towards the cost of a claim. All excess amounts applicable to your cover will be shown on your Certificate of Insurance.

There are different types of excess(es), depending on what your claim relates to and the type of cover you have chosen.

**Basic excess:** You can choose a basic excess from the levels we offer. The levels we offer are between \$100 and \$1000. If you have a claim for loss or damage to both Building and Contents during the same event, you are only required to pay one basic excess.

**Earthquake and Flood excess:** If you have a claim for loss or damage from an earthquake or flood you will be subject to the higher of your selected basic excess or a fixed excess of \$500 for each event.

**Motor burnout excess:** A fixed excess of \$100 will apply if you make a claim under the optional benefit for motor burnout.

**Portable valuables excess:** A fixed excess of \$100 will apply if you make a claim under the optional benefit for portable valuables (not applicable to Landlords policies).

### Landlords claims made under:

- the Optional benefit cover for Rent default and legal expenses will be subject to a fixed excess of \$400;
- the Additional benefit cover for Malicious acts and theft by tenants will be subject to the higher of either your selected basic excess or a fixed excess of \$500 for each event.

### Important note:

If there is a discrepancy between this Premium, Excess and Discount Guide and either your PDS or Certificate of Insurance, the PDS and/or Certificate of Insurance will prevail.