

# 55UP Home & Contents Insurance

Your guide to Premiums, Excesses, Discounts and Claim Payments

# Your guide to Premiums, Excesses, Discounts and Claim Payments

The purpose of this guide is to provide further detail about the amount you pay for this insurance and the excesses that may apply if you make a claim. It also includes information about how we calculate and pay claims under your policy. This guide is part of the Suncorp 55UP Home & Contents Insurance Product Disclosure Statement (PDS) dated 09 June 2010. This date is shown on the back cover of the PDS in the format "PDS dated". This guide is relevant to you if your policy has a commencement or renewal effective date on or after 3 February 2012.

## About your premium

The premium is the amount you pay us for your insurance. It reflects what we consider is the likelihood of you making a claim together with other factors related to our cost of doing business. You also pay stamp duty, Goods and Services Tax (GST), any additional government charges and Fire Services Levy (FSL) if applicable. These charges are applied as the final step in the premium calculation. Your certificate of insurance will show how much you have to pay.

When we calculate your premium there are a range of factors we take into account, we call these premium factors. Some of the key factors that affect your premium are the type of covers, optional covers you choose and any discounts you are eligible for, together with any government charges. For example, selecting both home and contents cover will attract a higher premium than selecting only home or contents cover.

The amount of premium that you pay will also depend on information that you give us particularly the information you give us about your home and contents and the decisions you make in relation to your policy such as your choice of basic excess.

It is very important that all the information you give us is accurate and precise. For instance, the address for your home and contents has an impact on your premium. If you live in a unit this would mean giving us the exact unit number and street number of the unit building. If you do not give us this information it could have a significant impact on your premium, so it is important that you ensure the address information you give us is accurate and precise.

Each year when we calculate your premium we may take into account some or all of the premium factors. The importance we place on the factors we use can change from year to year and how those factors combine to affect your premium will differ from person to person depending on the home or contents to be insured. The factors we use can also change depending on the type of cover you select.

The following is a guide to the most significant premium factors we use:

Premium factor
Address and locality of the home and/or contents
Sum insured
Construction material of the home
Age of the home
Type of security
How the home is occupied
Your age
Optional covers
Level of basic excess
Payment frequency

Each time you renew your insurance your premium is likely to change. In addition to any change to the premium factors we use, premiums are also affected by other things including:

- the cost of claims we have paid to other customers and claims we expect to pay in the future
- new and updated data we use to calculate your premium
- changes in our approach to calculating your premium
- automatic adjustments to the sum insured
- our expenses of doing business
- changes in government taxes and any state or territory levies and
- other commercial factors.

When determining your renewal premium, we also consider how much you paid last year. As such we may limit any movements up or down to your premium to avoid large changes in premiums year on year.

## Premium discounts

In addition to the premium factors, the discounts you qualify for are also a significant factor affecting your premium.

These are some of the key discounts we offer:

- Multi-policy discount
- Over 55 discount
- Seniors Card discount

At times we may also offer premium discounts to particular customers as part of a promotion or to take account of market conditions. The amount and type of discounts offered can change or be withdrawn at any time before you take out this policy, or at your next renewal. The premium shown on your certificate of insurance includes any discounts you qualify for and these are applied before adding government charges.

Set out below is an example of how we usually apply our discounts when you are eligible for more than one discount:

### Example

You are eligible for 2 discounts. One is a 10% discount and the other is a 5% discount. We have worked out using the premium factors that your premium before adding government charges is \$1,000. The discounts are applied to the premium in the following way.

Premium	Discount	Additional details
\$1,000	- 10%	You are entitled to a discount of 10% (\$100). Once this is applied it means a new premium of \$900.
\$900	- 5%	Your 5% discount is applied to the \$900 premium rather than to the \$1,000 base premium. This gives you a discount of \$45.
\$855	Discounted premium before government charges have been applied.	

## Multi-policy discount

A Multi-policy discount rewards you with a discount off your premium for holding multiple policies with us.

There must be a common mailing address and the person/s seeking the discount must be nominated as an insured on each eligible policy. The discount is only applied on Suncorp Personal Insurance policies. Your policy is a personal insurance policy if your policy starts with a 'P'.

If you take out a new policy which means you qualify for the multi-policy discount you get the discount on that new policy immediately and on your other existing policies the discount applies from their next renewal date provided you still qualify.

How to qualify	Discount
<p>Hold 3 or more eligible insurance policies with us from the following list:</p> <ul style="list-style-type: none"><li>– Home Insurance</li><li>– Contents Insurance</li><li>– Motor Vehicle Comprehensive</li><li>– Motor Vehicle Third Party Property Damage</li><li>– Motor Vehicle Fire, Theft &amp; Third Party Property Damage/Extra</li><li>– Boat Insurance</li><li>– QLD Compulsory Third Party (CTP)*</li></ul>	<p>15% off your eligible insurance premiums</p>

\* The QLD CTP premium cannot be discounted but it counts towards multi-policy discount eligibility.

## Over 55 discount

We reward you with a **10%** discount for being 55 or over.

## Seniors Card discount

We reward you with a **6%** discount for being a Queensland Seniors Card holder.

# Government taxes & charges

Government charges are applied as the final step in the premium calculation. Home and Contents insurance policies are subject to stamp duty imposed by state and territory governments, 10% GST and a FSL if applicable. The amount of any government charges that have been applied to your policy are shown on your certificate of insurance.

# Your excess

An excess is the amount you have to pay for each incident when you make a claim. We will deduct the excesses from the amount of cover provided by your policy. The amount and types of excess are shown on your certificate of insurance. Depending on the circumstances you might have to pay more than one type of excesses when you claim (see page 63 of the PDS on 'When multiple excesses apply').

## Types of excesses are:

### Basic excess

A basic excess applies to all home and contents claims, except claims under portable cover or some optional covers (see below).

The amount of the basic excess is \$500 (or any other amount you choose within the range we offer) plus any additional amount we impose.

The range of basic excess levels that you can choose is between \$0 and \$5,000.

We may also impose an additional amount which will form part of your basic excess. We take into account a number of factors when determining whether to include an additional amount in your basic excess, such as:

- your claims history, or
- if the home has been unoccupied for more than 90 consecutive days, or
- if the home is located offshore such as on an island off the Australian mainland.

The total amount of the basic excess will be shown on your certificate of insurance.

### Earthquake and tsunami excess

When loss or damage is caused by an earthquake or tsunami, an excess of **\$300** will apply in addition to any other excess that applies.

### Optional cover excess

A **\$100** excess applies for each claim made under the Injury to pet dogs and cats' option.

For our other optional covers the amount of the optional cover excess is the same as the basic excess.

### Portable cover excess

The excess that applies for a claim made under Portable cover depends on the state or territory in which you reside.

Amount	QLD	ACT	NSW	NT	SA	VIC	WA	TAS
\$0	X	✓	✓	X	✓	✓	✓	N/A
\$50	✓	X	X	✓	X	X	X	N/A

# Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. In each of the examples we assume that you are not registered for GST.

## Example 1 – Total loss – Home claim

Your home has a sum insured of \$380,000 and you have the safety net home protection option. Your basic excess is \$500.

Your city has been hit by a major cyclone and your home was one of many that were destroyed during the event. The scale of the event has caused an immediate surge in demand for building materials and tradespersons resulting in higher rebuilding costs.

The cost to rebuild the home now is \$440,000. To remove debris and clear the site will cost an extra \$40,000.

At the time of the loss you are 6 months into the period of insurance.

Adjustment to your home sum insured		Additional information
Home sum insured	\$380,000	Your sum insured is not enough to cover the cost to rebuild your home. Accordingly we apply a pro-rata adjustment to your home sum insured and if this is still not sufficient we will also apply the safety net home protection option.
Pro-rata adjustment	$\$380,000 \times (10\% \times 6/12)$ because you are only 6 months into your period of insurance = \$19,000	If you make a claim part way through the period of insurance we bring forward the sum insured adjustment that would have applied at your next renewal date. In this example the current annual adjustment is 10%. See PDS on page 31 and 65.
Adjusted home sum insured	\$399,000	As the adjusted home sum insured falls short of the cost to rebuild (\$440,000), safety net home protection option also applies.
Safety net home protection option	$\$399,000 \times 25\% =$ up to \$99,750	Safety net home protection option provides up to 25% extra home cover if your adjusted home sum insured falls short of rebuilding costs. See PDS on page 43.
Adjusted home sum insured + safety net home protection option	$\$399,000 + \$41,000$ <b>\$440,000</b>	This is now enough cover to rebuild your home.
How much we pay		Additional information
Cost to rebuild your home	\$440,000	We pay this amount directly to the builder.  The cost to rebuild is paid from the full amount of your adjusted home sum insured of \$399,000 plus \$41,000 provided under safety net home protection option.
Removal of debris	\$40,000	We pay this amount directly to the supplier.  Under the removal of debris additional feature we pay up to 15% of your adjusted home sum insured of \$399,000. So, the maximum cover under this feature is \$59,850.  This amount is paid in addition to the home sum insured.
<b>Total amount of the claim</b>	<b>\$480,000</b>	
Less excess	- \$500	We deduct this from the total amount of the claim.
<b>Total claim</b>	<b>\$479,500</b>	

## Example 2 – Partial loss – Listed Portable cover

You currently have a contents policy with your husband and both of you are over 55. Your property is located in QLD and you have insured your engagement ring as a listed item under Portable cover. The sum insured for your engagement ring is \$10,000. While you were swimming at your local beach your ring slipped off your finger and you are unable to find it.

Your Portable cover excess is \$50.

How much we pay		Additional information
Cost to replace your ring	\$8,000	We are able to replace your lost ring new for old within your sum insured.
Less excess	- \$50	Your Portable cover excess is \$50. You pay this amount to the jeweller when you collect your replacement ring.
<b>Total claim</b>	<b>\$7,950</b>	We pay this amount directly to the jeweller. As we have replaced your engagement ring this listed item is removed from your policy and there is no premium refunded for the unused period of insurance. If you want to cover the replacement ring then you will need to apply for new cover.

## Example 3 – Partial loss – Bundled Portable cover

You currently have a contents policy with your wife, you are over 55 however she is under 55. Your property is located in NT and your digital camera is insured under Bundled Portable cover. While bushwalking you accidentally drop the camera and it is damaged. Unfortunately the camera cannot be repaired and needs to be replaced. The cost to replace the digital camera is \$1,200.

Your Portable cover excess is \$50.

How much we pay		Additional information
Cost to replace your camera	\$1,200	The most you can claim under Bundled Portable cover for any one item is \$1,000.
Limit of cover	\$1,000	
Less excess	- \$50	Your Portable cover excess is \$50. We deduct this from the amount we pay to you.
<b>Total claim</b>	<b>\$950</b>	As the sum insured is not enough to replace the camera, we pay this amount to you.

## Example 4 – Partial loss – Motor burnout option

You have the Motor burnout option on your home cover.

Your ducted air conditioning unit motor has suddenly stopped working and the repairer's report confirms that the motor for the unit has short or open circuited. The age of the motor in the ducted air conditioning unit is 5 years old.

Your basic excess is \$500.

How much we pay		Additional information
Cost to replace the motor	\$800	Under this option we only cover the cost to either replace or repair the motor in the ducted air-conditioning unit. In this case the motor requires replacement.
Less excess	- \$500	Your basic excess is \$500. You pay this amount directly to the repairer.
<b>Total claim</b>	<b>\$300</b>	We pay this amount directly to the repairer.

## Example 5 – Partial loss – Home claim

Your home has a sum insured of \$470,000. Your basic excess is \$500. A severe storm with gusty winds results in a tree falling onto your roof and damaging it significantly.

We assess that your home is not liveable until repairs are completed and you and your family move into temporary accommodation for 4 weeks while repairs are undertaken. This accommodation costs \$2,000.

We assess the repairs to the roof will cost \$89,000.

How much we pay		Additional information
Cost to repair your home	\$89,000	We pay this amount directly to the builder.
Temporary Accommodation costs	\$2,000	We pay temporary accommodation costs up to 10% of your home sum insured of \$470,000. So, the maximum cover under this feature is \$47,000. This is paid in addition to the sum insured. We normally reimburse you for these costs.
<b>Total amount of the claim</b>	<b>\$91,000</b>	
Less excess	- \$500	We deduct this from the total amount of the claim.
<b>Total claim</b>	<b>\$90,500</b>	

## Example 6 – Legal Liability – Home cover

Your home is insured under your policy.

During a dinner party at your home one of your guests was walking down the stairs, the area was dimly lit causing your guest to slip down the stairs and injure their ankle and lower back. Your guest has made a claim for their out of pocket expenses and loss of wages for a 6 week period for the amount of \$14,800. We assess this claim and agree you are liable for these amounts.

Your basic excess is \$500.

How much we pay		Additional information
Total amount of liability	\$14,800	We assess the claim and agree you are liable. We pay this amount to the injured party.
excess	- \$500	You pay your basic excess to us before we settle the claim.
<b>Total claim</b>	<b>\$14,300</b>	

## Example 7 – Legal Liability – Contents cover

You have a contents insurance policy with us. While riding a push bike along the road, your son who lives with you accidentally rode into a parked car causing scratches to the vehicle. The cost to repair the damage to the vehicle is \$2,000.

Your basic excess is \$500.

How much we pay		Additional Information
Repair cost to the vehicle	\$2,000	This amount is paid to the owner of the damaged vehicle.
Less excess	- \$500	You pay your basic excess to us before we settle the claim.
<b>Total claim</b>	<b>\$1,500</b>	

