

# Investor Home & Contents Insurance

Your guide to Premiums, Excesses,  
Discounts and Claim Payments

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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 Investor Home & Contents Insurance Product Disclosure Statement (PDS) dated 25 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 13 September 2010.

## 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 a 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 and 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 own 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 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 together and what impact they will generally have on your premium:

Premium factor	Likely premium impact
Address and locality of the home and/or contents	Areas of low risk for insured events (such as storm and theft) attract lower premiums than areas of high risk for insured events.
Sum insured	Having a higher home sum insured will attract a higher premium than a lower sum insured.
Construction material of the home	Homes that have brick walls and steel roofing attract lower premiums than homes constructed of fibro asbestos walls and roofing.
Age of the home	Newer homes attract lower premiums than older homes.
Type of security	Homes with security features such as a local or monitored alarm, deadlocks on doors and keyed window locks attract a lower premium.
Optional covers	The more optional covers you choose the higher your premium will be.
Level of basic excess	If you choose a higher basic excess this will attract a lower premium.
Payment frequency	If you pay by the month your premium will be higher than if you choose to pay in one annual payment because we charge a monthly fee.

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 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

At times we may also offer premium discounts to particular customers as part of a promotion or to take account of the 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.

## 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 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 eligible insurance premiums</p>

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

# 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 excess 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 excess when you claim (see page 46 of the PDS on 'When multiple excesses apply').

### Types of excess are:

#### **Basic excess**

A basic excess applies to all home and contents claims and optional cover claims.

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 60 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.

#### **Theft by tenants excess (Insured Event 3a)**

For any claim we pay under this event, an excess of **\$500** will apply in addition to any other excess that applies.

#### **Vandalism and malicious damage by tenants (Insured Event 8a)**

For any claim we pay under this event, an excess of **\$500** will apply in addition to any other excess that applies.

#### **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.

# 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 investment 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 the home. Accordingly we apply a pro-rata adjustment to the home sum insured and if this is still not sufficient we will also apply 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. The current annual adjustment is 10%. See PDS on pages 29 and 48.
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 33.
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 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 – Default of rent under a fixed term rental agreement

Your investment home has a sum insured of \$360,000 and a contents sum insured of \$10,000. The basic excess is \$500.

Your tenant has signed a 12 month fixed term rental agreement where the weekly rent owed is \$400.

Your tenant leaves the property without notice and owes you 20 weeks of outstanding rent of \$8,000.

How much we pay		Additional Information
Total loss of rent	\$8,000	\$400 x 20 consecutive weeks.
Limit of cover	\$4,000	We pay up to 14 weeks rent or \$4,000, whichever is less, starting from the 5th consecutive week of unpaid rent. We do not pay the first 4 weeks of any unpaid rent for this additional feature.  In this situation the most you can claim under additional feature 1c. default or non-payment of rent when under a fixed rental agreement is 14 weeks rent of \$5,600 (\$400 x 14 weeks) or the limit of \$4,000. This is after we have deducted the first 4 weeks of unpaid rent of \$1,600 (\$400 x 4 weeks). So, the limit of \$4,000 applies. See PDS on page 22.
Less excess	- \$500	We deduct this from the total amount of claim.
<b>Total claim amount</b>	<b>\$3,500</b>	We pay this amount to you.

## Example 3 – Partial loss – Home claim

Your investment home has a sum insured of \$360,000. The basic excess is \$500. The weekly rent you receive is \$400.

A kitchen fire has severely damaged the kitchen and we assess the reasonable time it will take to repair the damage so the home can be lived in again is 6 weeks. Due to the extent of damage we determine that the home is not liveable the tenants will need to move out of the home while the repairs are undertaken.

The cost to repair the damaged kitchen is \$60,000.

How much we pay		Additional information
Total cost of repairs	\$60,000	We pay this amount to the repairer.
Total loss of rent	\$2,400	We pay for loss of rent caused by an insured incident for the reasonable time it takes to repair so the home can be lived in again for up to 52 weeks lost rent (\$400 x 52 = \$20,800) or 10% of the home sum insured of \$360,000 (\$360,000 x 10% = \$36,000), whichever is less. So the maximum cover under this feature is \$20,800. See PDS on page 20.  In this case we pay loss of rent of \$2,400 (\$400 x 6 weeks).  We will pay this amount directly to you.
<b>Total Amount of the Claim</b>	<b>\$62,400</b>	
Less excess	- \$500	We deduct this from the total amount of claim.
<b>Total Claim</b>	<b>\$61,900</b>	

## Example 4 – Legal Liability - Home cover

Your investment home is insured for \$450,000.

Your tenant has made a claim against you for his out of pocket expenses and loss of wages for the amount of \$10,000 when he tripped over a large crack running across the driveway of your investment home. We assess this claim and agree you are liable for this amount.

Your basic excess is \$500.

How much we pay		Additional information
Total amount of liability	\$10,000	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 payment</b>	<b>\$9,500</b>	

