

Landlord Insurance

Your guide to Premiums, Excesses,
Discounts and Claim Payments

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The Premium, Excesses, Discounts and Claims Payments (**Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts for the policy. You should read this Guide together with our Landlord Insurance Product Disclosure Statement (**PDS**) dated 19 October 2012. Words defined in the PDS have the same meaning in this Guide.

This guide applies to policies from 16 February 2016.

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, other factors related to our cost of doing business and any discounts we give you, stamp duty, goods & services tax (GST) and fire services levy (FSL) if applicable in your state or territory. Your certificate of insurance will show you how much you have to pay.

When we calculate your premium there are a range of factors we take into account. The importance we place on the factors we use can change and how these factors combine to affect your premium will differ from person to person.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is 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 government taxes and any state or territory duties or levies;
- Our expenses of doing business;
- Other commercial factors.

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

Significant factors affecting your premium include a combination of some or all of the following:

Factor
The address of the insured property
Sum insured
The type of insurance you have chosen (property, contents or both)
Any options you have chosen
Construction material and other characteristics of the property
The standard excess you choose
Risk mitigation measures (in certain locations)

Paying by the month

Your premium will be higher if you choose to pay by the month, rather than annually.

Premium discounts

Discounts are also a significant factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually applied before the application of government taxes and charges.

The main discount we offer is our Multi-policy discount.

From time to time we might also offer discounts or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions will usually apply. The amount and type of discounts that may be offered can change or be withdrawn.

Multi-policy discount

A multi-policy discount rewards you with a discount off your premium for holding three or more eligible paid personal insurance policies with us. There must be a common mailing address and the person(s) seeking the discount must be nominated as an insured with the same name on each eligible policy. If you take out a new policy which means you qualify for the multi-policy discount you are eligible to receive the discount on that new policy immediately and on your other existing policies from their next renewal date, provided you still qualify. If you believe you are eligible for the multi-policy discount but it is not shown on your certificate of insurance, please contact us. Eligible personal insurance policies are home, contents, car, motorhome, motorcycle, caravan, and boat. QLD Compulsory Third Party insurance also counts as an eligible policy but the premium cannot be discounted.

Government taxes & charges

Landlord insurance policies are subject to stamp duty, imposed by state and territory governments, GST and in some states, a fire service levy (FSL). These charges are usually applied as the final step in the premium calculation.

Your excess

An excess is the amount you have to pay for each incident when you make a claim.

The amount and types of excesses that apply to your policy 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.

The different types of excesses are:

Standard excess

You can choose a standard excess from the levels we offer. The levels we offer usually fall between \$0 and \$5,000.

Theft by tenants or their guest excess

In addition to any other excess, an excess of \$500 will apply if you make a claim for theft by tenants or their guests.

Malicious acts or vandalism by tenants or their guests excess

In addition to any other excess, an excess of \$500 will apply if you make a claim for malicious acts or vandalism by tenants or their guests.

Loss of rent – tenant default excess

In addition to any other excess, an excess of \$500 may apply if you make a claim under 'Loss of rent – tenant default'. A waiting period also applies. Your standard excess does not apply.

Earthquake and tsunami excess

In addition to any other excess, an excess of \$300 will apply if you make a claim for loss or damage as a result of an earthquake or tsunami.

Additional excess

In some circumstances, an additional excess may apply based on our assessment of the risk. This can be due to reasons such as claims history, location and building type. This excess will appear on your certificate of insurance and is applicable in addition to any other excesses unless stated otherwise in the PDS.

Unoccupied excess

In addition to any other excess, an unoccupied excess of \$1,000 will apply if you claim for loss or damage to your property or contents which occurs when your property has been unoccupied for more than 60 continuous days.

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. Suncorp Insurance always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate of insurance for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Notes about the claim payment examples:

- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the policyholder is not registered for GST.

Example 1 – Total loss – Property and contents claim

Your investment property has a sum insured of \$380,000 and you have the safety net protection option. You have a contents sum insured of \$10,000 for your carpets and curtains. Your property standard excess is \$500 and your contents standard excess is \$500.

Your city has been hit by a major cyclone and your property 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 property now is \$440,000. To remove debris and clear the site will cost an extra \$40,000. You received \$500 per week net in rent before the cyclone and it takes 42 weeks to rebuild your property.

Adjustment to your home sum insured		Additional Information
Property sum insured	\$380,000	Your sum insured is not enough to cover the cost to rebuild the property. We will apply safety net protection option.
Safety net home protection option	\$380,000 x 25% up to \$95,000	Safety net protection option provides up to 25% extra property cover if your property sum insured falls short of rebuilding costs. See page 35 of the PDS.
Property sum insured + safety net protection option	\$380,000 + \$60,000 \$440,000	This is now enough cover to rebuild your property.
How much we pay		Additional information
Cost to rebuild property	\$440,000	We pay this amount directly to the builder. The cost to rebuild is paid from the full amount of your property sum insured of \$380,000 plus \$60,000 provided under safety net protection option.
Environmental improvements	\$1,500	You want to install a rainwater tank at the property under the 'Environmental improvements' additional feature. We pay the supplier.
Cost to replace carpets and curtains	\$10,000	We pay this amount directly to the suppliers.
Loss of rent	\$21,000	We pay this amount to you.
Removal of debris	\$39,000	We pay this amount directly to the contractor. Under the removal of debris additional feature we pay up to 10% of your property and contents sums insured of \$390,000. So, the maximum cover under this feature is \$39,000. You will need to pay the balance of this cost (\$1,000) to the contractor. This amount is paid in addition to the property sum insured.
Total amount of the claim	\$511,500	
Less excess	- \$500	You pay your standard excess to us before we settle your claim.
Total claim	\$511,000	

Example 2 – Loss of rent – tenant default

Your investment property has a sum insured of \$360,000 and a contents sum insured of \$10,000. Your tenant has signed a 12 month written rental agreement where the weekly rent you received net is \$400. Your tenant leaves the property without notice and owes you 12 weeks of outstanding rent. It takes 4 weeks to find new tenants.

How much we pay		Additional Information
Total loss of rent	\$6,400	\$400 x 16 consecutive weeks.
Less first four weeks	\$1,600	We do not pay the first 4 weeks of any unpaid rent. The most we will pay under this feature is 14 weeks lost rent to a maximum of \$5,000.
Less excess (Loss of rent - tenant default excess)	- \$500	We deduct this from the total amount of claim.
Total claim	\$4,300	We pay this amount to you.

Example 3 – Partial loss – Property claim

Your investment property has a sum insured of \$360,000. The standard 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 property can be lived in again is 6 weeks. Due to the extent of damage we determine that the property is not livable and the tenants will need to move out of the property while the repairs are undertaken.

The cost to repair the damaged kitchen is \$40,000.

How much we pay		Additional Information
Total cost of repairs	\$40,000	We pay this amount to the repairer.
Total loss of rent	\$2,400	\$400 x 6 weeks. We pay for loss of rent caused by an insured incident for the reasonable time it takes to repair so the property can be lived in again for up to 52 weeks lost rent or 10% of the property sum insured of \$360,000, whichever is less. See page 25 of the PDS. We pay this amount directly to you.
Less excess	- \$500	You pay your standard excess to us before we settle your claim.
Total Claim	\$41,900	

Example 4 – Legal Liability – Property cover

Your investment property 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 arising from an injury he sustained when he tripped over a large crack running across the driveway of your investment property. We assess this claim and agree you are liable for this amount.

Your property standard 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 property standard excess to us before we settle the claim.
Total claim payment	\$9,500	

