

The background features a large, abstract geometric shape on the left side, composed of several overlapping triangles in shades of red and grey. The rest of the background is white.

# Secure Landlord Insurance

Product Disclosure Statement  
Premium, excesses, discounts  
and claim payments guide

# Your guide to premiums, excesses, discounts and claims payment

The Landlord Insurance Premium, Excesses, Discounts and Claim Payments Guide (Guide) is designed to provide you with additional information about excesses, how we pay claims, how we calculate premiums and discounts available under the policy. You should read this Guide together with our Secure Landlord Insurance Product Disclosure Statement with a preparation date of 03/12/2020.

**This Guide is relevant to you if your policy has a commencement or renewal date on or after 23/03/2021.**

## How we settle claims - some examples

These are examples only of how a claim payment might be calculated and are not part of your policy. You should read them only as a guide. Every claim is considered on an individual basis because every claim is different.

Please note:

- ▼ all amounts are shown in Australian dollars and are GST inclusive;
- ▼ all examples assume you are not registered for GST; and
- ▼ the excess amounts stated are examples only and may be different to your excess(es). Refer to your insurance schedule.

### Example 1: Legal Liability

You have insured your property. 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 injuries in a fall from tripping over a large crack running across the driveway of your investment property. It is determined you are liable for this amount.

A \$500 basic excess applies to your policy.

What you are claiming	How much we pay to settle your legal liability	Further information
<b>Total amount of liability</b>	\$10,000	We pay this amount to the injured party.
<b>Less excess</b>	-\$500	In this example, you choose to pay this amount directly to us.
<b>Total claim</b>	\$9,500	

## Example 2: Total loss, removal of debris, other repair/rebuilding costs, loss of rent

You have insured your property for \$350,000 (as shown on your schedule) and you have not insured the contents.

You have purchased the optional cover 'Loss of rent – insured event' for an additional premium. There is a fire at your property and your investment property is a total loss. Your property was rented to a paying tenant at the time of the fire.

In this example, a basic excess of \$750 applies to your policy. In this example a Loss of rent- Insured event excess of \$500 applies to your policy.

What you are claiming	How much we pay to reinstate your loss	Further information
<b>Building costs plus contents consisting of carpets, curtains and blinds</b>	\$345,000	A member of our supplier network assesses the property as a total loss and the assessed quote is \$340,000. You choose to accept the offer and the builder proceeds with the rebuild. You are also covered up to the limit of \$5,000 under the additional cover 'Landlord furnishings'.
<b>Removal of debris</b>	\$15,000	Before rebuilding commences a member of our supplier network quotes \$15,000 to demolish and remove the damaged structure. Under the additional cover 'Removal of debris' we will pay the builder directly.
<b>Architect's fee</b>	\$12,000	It is necessary to engage an architect to design your replacement property. We pay \$12,000 directly to the architect.
<b>Extra rebuilding costs</b>	\$20,000	Your property is located in a cyclone risk area and prior to the loss your property did not comply with the relevant building code that came into effect after your property was built. Under the 'Other repair/rebuilding costs' additional cover we pay up to 10% of the property sum insured for the extra building costs necessary to make your new property compliant with that building code. These extra rebuilding costs are \$20,000. We pay this directly to the builder.
<b>Loss of rent</b>	\$20,000	The property cannot be lived in and your tenants decide to find alternative accommodation during the time it takes to rebuild your property. Under the optional cover 'Loss of rent-Insured event' you are covered up to the weekly rental amount for the time it should take to repair or rebuild the property so it can be lived in again for up to 52 weeks lost rent.  Our builder determines that the repairs should take 40 weeks to complete (\$500 weekly rental amount).
<b>Less excess</b>	-\$750	In this example, you choose to pay this amount directly to us.
<b>Less excess</b>	-\$500	In this example, you choose to pay this amount directly to us.
<b>Total claim</b>	\$410,750	

### Example 3: Partial loss – Loss of rent – Tenant default

Your investment property has a sum insured of \$260,000. You have purchased the optional cover 'Loss of rent – Tenant default' for an additional premium. Your tenant signed a 12 month rental agreement where the weekly rent payable is \$350. Your tenant leaves the property without notice and has not paid you the last 12 weeks of rent owing on the rental agreement. It takes you 10 weeks to secure a suitable replacement tenant. The tenant has also put a hole in one of your walls. In this example, your basic excess is \$500. There is no excess for 'Loss of rent-Tenant default'.

What you are claiming	How much we pay to reinstate your loss	Further information
Loss of rent	\$2,100	Under the optional cover 'Loss of rent – Tenant default' we will pay for loss of rent if your tenant permanently leaves the property without giving you notice. The first 4 weeks of lost rent is not claimable. After the first 4 weeks we will pay loss of rent for up to a further 12 weeks or until the date of a new rental agreement (whichever happens first). As you secure a new tenant after 10 weeks we pay you for 6 weeks at \$350 per week.
Cleaning the property and removing rubbish left by tenant	\$0	This is not covered by your policy.
Less excess	\$0	No excess applies to the Loss of rent – Tenant default option (but there is a four week wait period as explained above).
Damage to wall	\$0	As both your basic excess of \$500 plus the malicious damage excess of \$500 apply to the claim for damage to the wall, you decide to not claim for the damage to the wall.
Total claim	\$2,100	

### Example 4: Partial loss, landlord furnishings

Your property has a sum insured of \$400,000. You have elected not to purchase contents cover. During a severe storm your investment property partially loses its roof and rainwater damages the carpets in the lounge room. In this example, a basic excess of \$500 applies to your policy.

What you are claiming	How much we pay to reinstate your loss	Further information
Roof repairs	\$15,000	A member of our supplier network provides an assessed quote of \$15,000 to complete the repairs. You accept this offer and we pay \$15,000 directly to the builder.
Carpet restoration	\$1,500	Under the 'Landlord furnishings' additional cover your policy extends to provide cover for up to \$5,000 for your domestic furnishings, furniture and carpets whilst in the property if loss or damage occurs due to an insured event. A member of our supplier network is able to restore the carpets. We pay the carpet cleaners for the restoration of the carpet.
Loss of rent	\$0	Your tenant needs to move out for two weeks while repairs are completed. As you did not purchase optional cover for Loss of rent – Insured event, you are not insured for any rent you lose.
Less excess	-\$500	In this example, you pay your basic excess to us before we finalise your claim.
Total claim	\$16,000	

# Excesses

## What is an excess?

An excess is the amount you must pay for each incident when you make a claim. You might have to pay more than one type of excess when you claim.

The total excess you are required to pay is determined by the circumstances of your claim. The amount and types of excesses are shown on your schedule.

The different types of excesses are:

### Basic excesses

The basic excesses that apply to your policy are determined at the time the policy is issued and can vary based on our assessment of the risk. If you apply to vary your basic excesses and we agree to the variation, your basic excesses will be the amount chosen by you from our range. The amount of the excess is shown on your schedule.

Sometimes we will impose an excess based on our assessment of the underwriting risk and this is included in the basic excess.

### Loss of rent – Insured event excess

In addition to any other excess, a loss of rent – insured event excess will apply if you have selected optional Loss of rent – Insured event cover and you make a claim. The amount of the excess is shown on your schedule.

### Malicious damage and theft excess

In addition to any other excess, a malicious damage and theft excess of \$500 will apply if you make a claim for malicious damage, theft or attempted theft caused by your tenant or by someone who is at the insured address with your consent or the consent of your tenant.

### Earthquake and tsunami excess

In addition to any other excess, an excess of \$200 will apply if you make a claim for loss or damage as a result of an earthquake or tsunami.

### 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 and contents which occurs when your property has been unoccupied for more than 60 continuous days.

## About your premium

The amount you pay for this insurance is called the premium. Your premium includes any applicable GST, stamp duty, other government charges and any levies that apply. The premium will be shown on your schedule as the total amount payable, or if you pay by monthly instalments, as your monthly insurance premiums.

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 those factors combine to affect your risk premium will differ from person to person.

The significant factors we use to calculate your premium include some or all of the following:

- ▼ The address and locality of the insured address
- ▼ Sum insured
- ▼ Any options you have chosen
- ▼ Previous insurance history
- ▼ Construction material and other characteristics of the property
- ▼ The type of property you are insuring (for example, a house or unit)
- ▼ Age of the oldest named insured
- ▼ How the property or unit is occupied
- ▼ The excess you choose
- ▼ The amount we pay to distributors

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 and 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 to avoid large changes in premiums across different periods of cover.

### Premium discounts

From time to time we may 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. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes and charges.

### Retiree discount

We might reward you with a discount if we know that one of the named insured on the policy is 55 years or older and no longer working full time.

### Government taxes and charges

After we have calculated the amount to cover your landlord insurance policy any applicable stamp duty, GST, charge and levy are then applied and the total amount is your premium.

## Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from [www.fcs.gov.au](http://www.fcs.gov.au).

