

Apia Landlord Insurance

Premiums, Excesses, Discounts and
Claims Payment Guide

Rewarding experience



Your Guide to Premiums, Excesses, Discounts and Claims Payments

This Landlord Insurance Premiums, Excesses, Discounts and Claims Payment Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums for, and pay claims under, this policy.

You should read this Guide together with the Apia Landlord Insurance Product Disclosure Statement (PDS), dated 19 October 2012, your certificate, and any Supplementary PDSs we have given you. Words defined in the PDS have the same meaning in this Guide.

This guide applies to policies with a start date or renewal date on or after 1 July 2013.

About your premium

The premium is the amount you pay us for this insurance. It includes the risk premium which 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 and services tax (GST) and fire services levy if applicable.

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 premium will differ from person to person.

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

- The address of your home and/or where your contents are kept;
- The type of insurance you have chosen (home, contents or both);
- Sums insured;
- Construction material of the home or unit;
- Age of the home or unit;
- Type of security at the insured address;
- The amount of your excess;
- The dwelling type (e.g. house v unit).

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 and as such we may limit movements up or down.

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.

The main discounts we offer are:

- Combined home and contents discount – We might reward you with a discount for combining your home and its contents on the same policy with us;
- Multi-policy discount – We might reward you with a discount for having more than one policy with us. Some policies are not eligible for a discount and whether or not we give you a discount can also depend on the combination of products you hold with us. To find out more about the multi-policy discount, please phone us on **13 50 50**.

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.

If you are eligible for more than one discount we usually apply any subsequent discount to the already discounted premium.

The amount and type of discounts offered can change or be withdrawn.

Government taxes and charges

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

Excesses

The amount and types of excess that apply to your policy are shown on your certificate and are also described in the PDS. The different types of excesses are:

Home and contents excess

The home and/or contents excess that applies to your policy can vary based on our assessment of the risk. If you apply to vary your home and/or contents excess and we agree to the variation, your home and/or contents excess will be the amount chosen by you from our range.

Theft or burglary by tenants or their guests excess

Refer to the PDS for details of the theft or burglary by tenants or their guests excess.

Malicious acts and vandalism by tenants or their guests excess

Refer to the PDS for details of the malicious acts and vandalism by tenants or their guests excess.

Unoccupied excess

Refer to the PDS for details of the unoccupied excess.

Claims payment examples

The following examples are designed to illustrate how a claim payment might be typically calculated. They are a guide only. Apia always determines real claim payments on an individual basis, after we have assessed each claim.

Notes about the claims payment examples:

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

You should read the PDS and your certificate for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Example 1: Legal liability

You have insured your home. 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 property. We assess this claim and agree you are liable for this amount. A \$500 home excess applies to your policy.

What you are claiming	How much we pay to settle your claim	Further information
Total amount of liability	\$10,000	Under 'Legal liability', we cover your legal liability up to \$20 million, including all associated legal costs we have agreed to pay following your claim. We pay the person who claimed against you \$10,000.
Less excess	-\$500	You pay your excess before we settle your claim.
Total claim	\$9,500	

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

Your home has a sum insured of \$350,000. You have insured your contents consisting of carpets, curtains and blinds for \$20,000. There is a fire at your home and we determine that your home is a total loss. Your home was rented to a paying tenant at the time of the fire. A home excess of \$500 and a contents excess of \$500 applies to your policy.

What you are claiming	How much we pay	Further information
Building costs plus contents consisting of carpets, curtains and blinds	\$345,000	We decide to rebuild your home and replace your contents new for old. We pay the builder \$345,000.
Removal of debris*	\$15,000	Before rebuilding commences it costs \$15,000 to demolish and remove the damaged structure and we assess these costs to be reasonable. Under the additional feature 'Removal of debris' we will pay \$15,000 directly to the builder.
Architect's fee*	\$12,000	We decide that it is necessary to engage an architect to design your replacement home. Under the additional feature 'Other repair/rebuilding costs' we will the reasonable costs for the services of professionals such as architects (and for the Removal of debris* see above) up to 10% of the sum insured of your home. We pay \$12,000 directly to the architect.
Extra rebuilding costs*	\$20,000	As your home is located in a cyclone risk area and prior to the loss your home did not comply with the relevant building code that came into effect after your home was built, under the 'Other repair/rebuilding costs' additional feature we pay up to 10% of the home sum insured for the extra building costs necessary to make your new home compliant with that building code. These extra rebuilding costs are \$20,000. We pay this directly to the builder.
Loss of rent*	\$20,000	We agree that the home is unable to be lived in and your tenants decide to find alternative accommodation during the time it takes to rebuild your home. Under the additional feature 'Loss of rent following an insured event' you are covered up to the weekly rental amount (as defined in the PDS) for the reasonable amount of time it should take to repair or rebuild the home so it can be lived in again if we agree it cannot be lived in. We pay you for your loss of rent for the reasonable amount of time it takes to rebuild the home.
Less excess	-\$500	As you are claiming under both home and contents arising from the same incident, you pay the higher of your home and contents excesses. In this case they are the same. We deduct the applicable \$500 excess from the settlement.
Total claim	\$411,500	

*These additional benefits are paid in addition to your home sum insured.

Example 3: Partial loss – Loss of rent – tenant default

Your home has a sum insured of \$260,000. Your tenant signed a 12 month written rental agreement where the weekly rent payable is \$350. Your tenant leaves the home without notice and owes you 12 weeks of rent until the end of the rental agreement. That same tenant also deliberately put a hole in one of the walls of your home. It takes you 10 weeks to secure a suitable replacement tenant. Your home excess is \$500.

What you are claiming	How much we pay	Further information
Loss of rent	\$2,100	Under the additional cover 'Loss of rent – tenant default' we will pay for loss of rent if your tenant permanently leaves the home 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 14 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.
Less excess	\$0	No excess applies to the 'Loss of rent – tenant default' cover (but there is a four week wait period as explained above).
Damage to wall	\$0	As both your home excess of \$500 plus the malicious damage excess of \$500 apply to the claim for damage to the wall, you decide to withdraw this claim.
Total claim	\$2,100	

Example 4: Partial loss, landlord furnishings, loss of rent following an insured event

Your home has a sum insured of \$400,000. You have elected not to purchase contents cover. Your tenants weekly rent is \$450. During a severe storm your home partially loses its roof and rainwater damages the carpets in the lounge room. A home excess of \$500 applies to your policy.

What you are claiming	How much we pay	Further information
Roof repairs	\$15,000	We cover what it costs to repair the roof and arrange for a builder to carry out the repairs. We pay \$15,000 directly to the builder.
Carpet restoration	\$1,500	Under the 'Landlord furnishings' additional feature your policy extends to provide cover for up to \$5,000 for your domestic furnishings, furniture and carpets whilst in the home if loss or damage occurs due to an insured event. In this instance we pay the carpet cleaners for the restoration of the carpet.
Loss of rent*	\$900	Your tenant needs to move out for two weeks while repairs are completed. Under the additional feature 'Loss of rent following an insured event' you are covered up to the weekly rental amount (as defined in the PDS) for the reasonable amount of time it should take to repair or rebuild the home so it can be lived in again if we agree it cannot be lived in. We pay you for your loss of rent for the reasonable amount of time it takes to repair the home.
Less excess	-\$500	You pay your excess before we settle your claim.
Total claim	\$16,900	