



# Landlord Insurance

## Premium, Excess, Discounts & Benefits Guide

This RACV Landlord Insurance Premium, Excess, Discounts & Benefits Guide should be read with and forms part of the RACV Landlord Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 28 February 2021.

This guide applies to policies issued in Victoria with a commencement date on or after 7 June 2021 or with a renewal effective date on or after 12 July 2021.\*

This guide provides further information about the cost of your insurance and excess(es) you may need to pay if you make a claim.

\* Call 13 RACV (13 7228) for information about policies issued when your rental property is outside Victoria.

### How we work out your premium

Your insurance premium generally reflects the likelihood of a claim being made on your policy in the future. There are a number of factors we take into account when determining your premium.

We calculate your premium by combining and considering the following:

- pricing factors, including excesses
- discounts
- minimum and maximum premium
- cost of choosing to pay by the month, and
- government charges.

Other commercial factors affect the premium you pay, including costs associated with operating our business. 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 calculated based on a number of factors, including our updated modelling, your circumstances and wider insurance trends.

### Pricing Factors

The premium you pay for your insurance reflects the likelihood of you making a claim together with the potential value of any claim. So, if you have a lower chance of making a claim then you will generally pay a lower premium compared to someone who has a higher chance of making a claim.

Our experience shows there are a number of factors that are a good indicator of the possibility of a claim being made. We call these pricing factors.

Some pricing factors are more significant than others, and the impact may vary according to your circumstances. For Landlord Insurance policies, pricing factors that may be taken into account in determining your premium include a combination of some or all of the following:

- policy type
- the sum insured you have chosen
- any excesses or special conditions that apply
- the construction materials of your rental property and when your rental property was built
- the address of your rental property
- the flood risk of your rental property
- how your rental property is occupied - for example, tenant
- the type of alarm installed
- how you choose to pay your premium
- your previous year premium if your policy is a renewal, and
- features including age and claims history of the owners.

### This is not an exhaustive list of our pricing factors

We collect information in relation to these pricing factors from you and other sources and we use our data, models, and experience to assess how important each pricing factor is for your policy. At any time we may change the relative importance of any of the pricing factors or how they combine to affect your premium, and we may add to or remove pricing factors from the calculation as we see fit.

We also consider your previous premium and may take steps to limit the change in your premium at renewal.



## Discounts

The following discounts are available depending on the type of insurance you have chosen:

- Years of Membership Benefit
- No Claim Bonus
- Multi-Policy Discount.

## Cost of choosing to pay by the month

If you choose to pay your premium by monthly instalments you pay more than if you pay annually.

The extra premium you pay will be shown on your current Certificate of Insurance.

## Government charges

Landlord Insurance policies are subject to stamp duty imposed by state governments in addition to GST.

Government Charges	Landlord Insurance
GST	10%
Stamp Duty	10%

## How we calculate your landlord premium

### Step 1

First, we will combine the pricing factors relating to the product.

### Step 2

Then we add the cost of choosing to pay by the month to the landlord premium.

### Step 3

We then add any pricing factors relating to the year your rental property was built and apply to the buildings premium from Step 1.

### Step 4

Once this amount is calculated we work out any No Claim Bonus you may be eligible for and apply this to the amount from Step 3.

### Step 5

We then work out any Multi-Policy Discount that you may be eligible for and apply this to the amount from Step 4.

### Step 6

We apply any Years of Membership Benefit you may be eligible for to the amount in Step 5.

### Step 7

If you have both Landlord Buildings and Contents Insurance under the one policy, we add your buildings premium and contents premium together as well as adding the landlord premium.

### Step 8

We then add applicable government charges to work out the premium you need to pay.

## Excess

An excess is the amount you contribute towards the cost of your claim.

There are 3 types of excess(es):

- basic
- rent default, and
- special.

The type of excess you need to pay depends on what your claim relates to. Also, you may need to pay more than one excess.

The amount and types of excess(es) payable are shown on your current Certificate of Insurance.

When you make a claim, an excess may apply. If so, we will:

- deduct the excess from any claim payment, or
- request you pay the excess to us or to the repairer or supplier.

If we request you pay the excess, we will tell you who to pay and may require payment as part of the finalisation of your claim.

You do not have to pay an excess if you make a liability claim.

In addition to the basic excess, we will also deduct four times the weekly rental amount that is listed on your rental agreement for the following events:

- Theft or attempted theft – by a tenant or their guest
- Damage by tenants.

### Basic excess

If you make a claim, a basic excess may apply. The circumstance(s) when an excess (including a basic excess) does not apply are set out in this Excess section.

You can choose one of the following amounts as your basic excess: \$100, \$200, \$300, \$500, \$750, \$1,000, \$2,000, \$3,000, \$4,000, \$5,000.

If you choose a higher basic excess on your policy, you can decrease your premium.

### Rent default excess

If you make a claim for rent default only, you must pay the \$300 rent default excess instead of the basic excess. In addition to the rent default excess, we will also deduct four times the weekly rental amount that is listed on your rental agreement.

If you make a claim for more than just rent default, you will need to pay the \$300 rent default excess in addition to any other excess that applies.

### Special excess

We may apply a special excess for one of the listed events. A special excess is payable in addition to your basic excess.

Any special excess applicable to your policy will be shown on your current Certificate of Insurance.



## Discounts

We offer the following discounts that you may be entitled to:

- Years of Membership Benefit
- No Claim Bonus
- Multi-Policy Discount.

The discounts you have will be shown on your current Certificate of Insurance.

The way in which the discounts are applied to your premium is set out under the heading 'How we calculate your landlord premium' on page 2 of this guide.

### Years of Membership Benefit

This discount applies to Landlord Insurance<sup>#</sup>.

We reward you with a Years of Membership discount which is linked to the colour of your RACV membership card. RACV Years of Membership Benefit increases the longer you are with us.

Membership Card Colour	Years of Membership	Annual Discount
Blue	0-4 years	0%
Bronze	5-9 years	5%
Silver	10-24 years	10%
Gold	25-50 years	15%
Gold 50	51 years or more	20%

# Excludes Travel, Business, Farm, Single Item and Pet Insurance products.

### No Claim Bonus

We give you a No Claim Bonus to reward you for having a good claims record. We calculate your No Claim Bonus based on your insurance and claims history.

The No Claim Bonus levels are:
25%
20%
15%
10%
5%
0%

### How does No Claim Bonus work?

Each year at renewal, your policy automatically moves up to the next level of No Claim Bonus if you do not make a claim in that period of insurance.

If you do make a claim, your policy will move down two levels of No Claim Bonus.

Liability claims do not affect your No Claim Bonus.

### Multi-Policy Discount

A Multi-Policy Discount rewards you for holding multiple RACV Insurance policies.

See if you qualify for a Multi-Policy Discount<sup>#</sup>:

How to qualify	Multi-Policy Discount
Hold two or more of the following: Home, Landlord, Motor, Caravan & Trailer, Boat or Veteran, Vintage and Classic Vehicle Insurance.	<b>Save 10%</b> On your Home, Landlord, Motor, Caravan & Trailer, Boat or Veteran, Vintage and Classic Vehicle Insurance.

To receive a Multi Policy Discount, the eligible policies must be current.

If you take out a new eligible policy the Multi Policy Discount will be applied to that policy.

For your existing eligible policies any change to your Multi Policy Discount generally applies from the next renewal after you qualify.

If you become eligible for an updated Multi Policy Discount around the time your existing policies are due for renewal, the updated Multi Policy Discount may not be applied to those renewing policies (the updated discount will be applied on the subsequent renewal).

You should contact us if you believe you are eligible for a higher Multi Policy Discount on a policy and it is not noted on your certificate of insurance.

The way in which your Multi-Policy Discount is applied to your premium is set out in the 'How we calculate your landlord premium' section of this guide on page 2.

# Excludes Travel, Business, Farm, Single Item and Pet Insurance products.



## Aussie Assist 13 19 03 – help with emergencies

### Helping you anytime, any day

Our Aussie Assist telephone service provides you with help and advice 24 hours a day, seven days a week.

You need to contact us as soon as reasonably possible if you need to use any of the services or benefits that Aussie Assist offers. If any costs and expenses are incurred without our approval and before contacting us, we will only cover any such costs or expenses for any Aussie Assist services if we would have approved them up to an amount we would have otherwise incurred had contact been made and approval provided.

### Help at your rental property

Aussie Assist is an emergency resource and information service that offers immediate assistance and help on all sort of emergencies at your rental property. Over the telephone, our qualified staff can help refer you to tradespeople, arrange repair estimates and follow up to ensure that your problem has been resolved.

### Property maintenance

Another benefit of Aussie Assist is our 24 Hour Property Maintenance Assistance Service. When you call Aussie Assist, we can refer you to qualified tradespeople such as painters, plumbers, electricians, carpenters, tilers or even gardeners to take on those routine maintenance and repair jobs at your rental property.

### Legal assistance

Aussie Assist also provides you with legal assistance, during normal business hours, for:

- tenancy/landlord issues
- buying and selling a property
- neighbours and noise
- contracts advice
- Power of Attorney
- credit and finance.

### Help with illness or injuries

If you or your family are in Australia and suffer an illness or are injured, Aussie Assist will:

- arrange and pay for trauma counselling
  - provided you have contacted Aussie Assist beforehand and we have agreed to pay. The most Aussie Assist will pay in total is \$1,000 (inclusive of gst).

'Family' is your family who normally lives with you at your home – which means your legal or de facto spouse and any member of your family or your spouse's family.

### However

We do not cover any fees, charges or costs, except for trauma counselling up to \$1,000 (inclusive of gst).

**If there is anything you don't understand about this RACV Landlord Insurance Premium, Excess, Discounts & Benefits Guide, please call us on 13 RACV (13 7228) or visit your nearest RACV Shop.**