

# Landlord Insurance

## Premium, Excess, Discounts & Benefits Guide

This RACV Landlord Insurance Premium, Excess, Discounts & Benefits Guide should be read with the RACV Landlord Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 19 May 2019.

It applies to policies issued in Victoria with a commencement date on or after 19 May 2019 or with a renewal effective date on or after 30 June 2019.\*

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 the:

- ▶ pricing factors
- ▶ discounts
- ▶ 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 on our updated modelling, based on 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.

For Landlord policies the following table describes some of the pricing factors we may take into account to determine your premium for Buildings Insurance or Contents Insurance.

Pricing Factors	Buildings	Contents
The location of your rental property	✓	✓
The amount your rental property or its contents are insured for	✓	✓
The age of the oldest insured	✓	✓
Whether your rental property is occupied	✓	✓
The construction material of your rental property and its roof	✓	✗
The year your rental property was built	✓	✗
The type of alarm fitted to your rental property	✗	✓
The basic excess amount you choose	✓	✓

## 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.

### Step 2

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

### Step 3

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 2.

### Step 4

If you have both Landlord Buildings and Contents Insurance, we add your buildings premium and contents premium together.

### 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

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

## Excess

An excess is an amount you pay when you lodge a claim. You may have to pay more than one type of excess depending on your circumstances.

There are 3 types of excess(es):

- ▶ basic
- ▶ rent default, and
- ▶ special.

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

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 for a listed event you must pay any basic excess that applies.

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 the Multi-Policy Discount, the qualifying products must:

- ▶ be current; and
- ▶ have at least one common insured named on each policy.

On existing policies the discount applies from the date of the next renewal after you qualify.

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 BEFORE using any of the services or benefits that Aussie Assist offers.

### **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).

### **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.**