

Premium, Excess and Discounts (PED) Guide

Coles Landlord Insurance

This Coles Landlord Insurance Premium, Excess and Discounts Guide should be read together with, and forms part of, the Coles Landlord Insurance Product Disclosure Statement (PDS) prepared on 1 February 2021.

It applies to all policies issued with a commencement date on or after 5 April 2021 or with a renewal effective date on or after 5 April 2021. This guide provides further information about the cost of your insurance and any excesses you may need to pay if you make a claim.

How we work out your premium

Your 'premium' is an insurance term for the cost of your insurance. We rely on you to give us complete and accurate information about you, your landlord buildings and your landlord contents, which may include fixtures and fittings, when we calculate your premium. Your insurance premium generally reflects the likelihood of a claim and the anticipated cost of a claim if there were one being made on your policy in the future.

There are several things we take into account when determining your premium. We calculate your premium by considering:

- > Pricing factors,
- > Policy Optional extras,
- > Any applicable discounts,
- > Minimum and maximum premiums,
- > Choice of excess, and
- > Government charges.

There are other commercial factors that also affect your premium, including costs associated with operating our business. Each time you renew your insurance your premium is likely to change, even if your personal circumstances haven't. This is because the premium you pay is based on a number of factors including our most recent modelling, based on your circumstances, wider insurance trends and other commercial considerations. When we determine your premium on renewal, we may also limit any increases or decreases in your premium by considering factors such as your previous year's premium amount.

Pricing factors

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

The premium you pay for your insurance reflects our view on the likelihood of you making a claim and the potential value of the claim. So, if you have a lower chance of making a claim and the claim is likely of a lower cost, you will generally pay a lower premium.

In calculating your premium, we may consider*:

- > the sum insured/s you have chosen,
- > the location of your rental property,
- > the type of building being insured,
- > the age of your rental property,
- > the construction of your rental property and/or type of contents,
- > the age of the policy holder,
- > your insurance and claims history,
- > your years of insurance,
- > your previous year's premium if your policy is at renewal,
- > if you have chosen to pay your premium by monthly instalments, and
- > any other relevant factors.

For Buildings cover we may also consider:

- > whether your rental property is multi-storey.

For Contents cover we may also consider:

- > the level of security of your rental property, and
- > the storey level of your rental property if it is in a multi-storey building.

*This is not an exhaustive list of factors.

The choices that you make in selecting your level of cover may also affect your premium. These may include:

- > the type of cover you have chosen (Buildings only, Contents only or Buildings and Contents),
- > any Optional extras that you have chosen,
- > whether you have chosen a Nominated excess,
- > whether you have chosen to pay your premium in monthly instalments.

If you choose to pay your premium by monthly instalments you may pay more than if you pay annually. Any additional premium when you pay monthly is due to this being a pricing factor and an administrative cost. Any additional premium you are required to pay will be shown on your current Certificate of Insurance.

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.

Optional extras

Depending on the type of cover you have chosen, you may add the following Optional extras to your policy by paying any additional premium that applies:

- > Motor burn out cover (also known as Fusion)
- > Damage caused by tenants
- > Tenants rent default cover
- > Loss of rent cover

Any options you choose will be detailed in the PDS and shown on your current Certificate of Insurance.

Discounts

You may be eligible for a discount on your premium if you take out your policy online. You may also be eligible for a discount if you purchase combined Building and Contents cover on the same policy. These discounts will apply to the first period of insurance of your relevant policy or cover. Occasionally, we may also offer discounts as part of a marketing campaign or other promotional arrangement. These have separate terms and conditions and may mean that you are not eligible for other discounts. The amount and type of these discounts may change or be withdrawn without further notice to you. If more than one discount applies to your policy, we will usually apply them in a predetermined order. Any discounts may be subject to rounding.

Minimum and maximum premiums

Your premium, including any discounts you may be eligible for, are subject to minimum and maximum premiums. We consider the minimum and maximum amounts we are prepared to sell the policy for and may adjust your premium to ensure it stays within this range. Any discounts will be applied to your policy, only to the extent any minimum premium is not reached. This means any discount you may be eligible for may be reduced.

Government charges

Premiums for landlord insurance policies are subject to Commonwealth and state taxes and/or charges which include stamp duty and Goods & Services Tax (GST). Any government charges that are part of your premium will be shown on your Certificate of Insurance. For NSW policies an amount of your premium is also used by us to pay NSW Fire Services and State Emergency Services (SES) levies. All the benefits listed in this policy include GST. Any claim settlements, up to the sum insured, will include GST. However, the amount we are liable to pay will be reduced by any input tax credit you are entitled to. (If you are entitled to an input tax credit, you must tell us the extent of your entitlement).

Excesses

You may need to contribute one or more excesses. An excess is the amount you pay towards the cost of a claim. The excesses that apply to your policy will be shown on your Certificate of Insurance. The excesses apply to Buildings, Contents, Buildings and Contents, Motor burn out cover, Damage caused by tenants cover, Tenants rent default cover and Loss of rent cover.

If you have Buildings and Contents cover, you may choose a Nominated excess for each of your buildings and your contents. If you need to claim for both buildings and contents for the same insured event, you do not have to pay both excesses; you will only pay the higher of the two excesses. However, if you need to also claim Loss of rent for the same insured event, there is additional Loss of rent excess payable. 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.

There are five types of excesses that may apply to your policy:

Standard excess

The Standard excess may apply when we accept a claim from you.

Excess type	Standard excess
Buildings	\$300
Contents	\$300

Tenants rent default excess

This excess applies when you have Tenants rent default cover and you make a claim under that cover. If you pay the Tenants rent default excess, you do not have to pay the Standard excess or any Nominated excess you may have chosen. If we request you pay the Tenant's rent default excess, we will tell you who to pay and may require payment as part of the finalisation of your claim.

Excess type	Tenants rent default excess
Buildings	\$300
Contents	\$300

Nominated excess

You may choose to vary your Standard excess. Your Nominated excess will be listed on your Certificate of Insurance and is inclusive of your Standard excess amount.

You may reduce your premium if you choose a higher Nominated excess. This means you may choose to pay a lesser amount for the period of insurance overall, but you may contribute a higher excess as part of the finalisation of your claim.

Or

You may increase your premium if you choose a lower Nominated excess. This means you may choose to pay a higher amount for the period of insurance overall, but you may pay a lower excess as part of the finalisation of your claim. Minimum and maximum premiums apply. The Nominated excess applies for all claims (including Motor burn out) except when a claim is made for Damage caused by tenants cover or Tenants rent default cover.

Excess type	Nominated excess ranges
Buildings	\$300 to \$3000
Contents	\$300 to \$3000

Damage caused by tenants excess

This excess applies when you have Damage caused by tenants cover and make a claim under that cover. If you pay the Damage caused by tenants excess, you do not have to pay the Standard excess or any Nominated excess you may have chosen. If we request you pay the Damage caused by Tenants excess, we will tell you who to pay and may require payment as part of the finalisation of your claim.

Excess type	Damage caused by tenants excess
Buildings	\$300
Contents	\$300

Loss of rent excess

This excess applies when you make a claim for Loss of rent. If you pay the Loss of rent excess, you may also have to pay the Standard excess or any Nominated excess you may have chosen for the insured event that has occurred. If we request you pay the Loss of rent excess, we will tell you who to pay and may require payment as part of the finalisation of your claim.

Excess type	Loss of rent
Buildings	\$300
Contents	\$300

When to pay your excess:

We may:

- > require you to pay the excess to the supplier when your property is replaced, or the repairer when your property is repaired, or
- > deduct the excess from any amount we pay to you.

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

If there is anything you don't understand about this Coles Landlord Insurance Premium, Excess and Discounts Guide, please contact Us 1300 265 374 or insurance.enquiries@coles.com.au

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